

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

Department of Workforce Services
Housing and Community Development Division
Salt Lake City, Utah

MINUTES

Thursday, May 2, 2019

Members Present

Jonathan Hardy
David Damschen
Garth "Tooter" Ogden
Ron Winterton
Bruce Adams
Gregg Galecki
Kyle Stephens
Michael Dalton
Dean Baker
Naghi Zeenati

Chairman
State Treasurer
Six County Association of Governments
Duchesne County
Southeastern Utah Association of Local Governments
State Board of Water Quality
State Board of Water Resources
Five County Association of Governments
Uintah County
State Transportation Commission

Excused

Jack Lytle

Uintah Basin Association of Governments

Staff and Visitors

Keith Heaton
Candace Powers
Gayle Gardner
Brenda Brown
Cristine Rhead
Kayl Smith
Matthew Parker
Alison Garner
Debi Carty
Margaret Lautaimi
Christina Davis
Gary Zabriskie
Travis Kyhl
Brenda Kozlowski
Wes Johnson
Michael Smith
Darrell Nish
Cade Hunter
Greg Todd
Marc Edminster
Stoney Jensen
James Winn

Housing and Community Development
Attorney General's Office
Department of Workforce Services
Department of Workforce Services
Department of Workforce Services
Five County Association of Governments
Six County Association of Governments
Charleston Town
Charleston Town
Charleston Town
Charleston Town
Salina City
Duchesne County
Lewis Young Robertson Burningham, Inc.
Elmo Town
Elmo Town

Jed Maxwell	Salina City
Jon Maxwell	Salina City
Justin Atkinson	Sunrise Engineering
Cassie Chynoweth	Tropic Town
WaLon Brinkerhoff	Tropic Town
Dennis Pollock	Tropic Town
Will Wright	Uintah Basin Association of Governments
Travis Kyhl	Six County Association of Governments
Carson DeMille	Jones & DeMille Engineering
Jeanette Johnson	Blaisdell, Church & Johnson
Bryan Thiriot	Five County Association of Governments
Connie Fails	Beaver City
Alison Webb	Beaver City
Jason Brown	Beaver City
Matt Robinson	Beaver City
Alan Roberts	CRSA Architecture
Skyler Davies	Division of Water Quality
Wayne Peterson	Town of Leeds
Mike Hansen	Rural Community Consultants
Brady Shakespeare	Jones & DeMille Engineering
Ryan Beam	Center for Biological Diversity
Aaron Wade	Gilmore Bell
Neal Smith	Southwest Behavioral Health Center
Marcus Keller	Zions Bank
Jordan Katcher	Community Development Office

WELCOME

The Permanent Community Impact Board (CIB) Meeting was held on Thursday, May 2, 2019 at the DWS Admin South Building, 1385 South State Street, Room 157, Salt Lake City, Utah. The meeting was called to order at 8:30 a.m. by Chairman Jonathan Hardy.

I. ADMINISTRATIVE ITEMS

Briefing

1. Up-coming Meeting Dates and Locations

June 13 -14, 2019 – CIB Policy Retreat in Vernal, Utah

July 11, 2019 – DWS Office, 1385 South State Street, Salt Lake City, Utah

2. Financial Review

Candace Powers reviewed the status of the funds for today's meeting.

3. Review of Agenda items

Today there are seven new projects for discussion, one Special Consideration project and two items for Board Member Discussion and /or Action.

II. WELCOME AND INTRODUCTIONS

Chairman Hardy welcomed everyone and asked Board members and staff to give introductions.

III. APPROVAL OF MINUTES

Chairman Hardy requested a motion for the approval of the minutes from the April 4, 2019 meeting.

Naghi Zeenati made and Dean Baker seconded a motion to approve the minutes from the April 4, 2019 meeting. The motion carried unanimously.

IV. PRIORITY PROJECTS

1. Salina City (Sevier County)

Salina City presented a funding assistance request for a \$1,000,000 loan for 20 years at 0.0% interest for the renovation of the Salina swimming pool. The project will consist of remodeling the pool building with an upgrade to ADA standards as well as updating the plumbing, electrical, roofing and the mechanical room control systems. The pool and pool area will also be updated and resurfaced, a new fence will be installed and a new water slide will be installed.

The applicant referred to the request for a 0% interest rate indicating the residents would be repaying this loan through taxes. In a 2017 application to CIB for the pool renovations, the request was for a \$650,000 loan for 30 years at 2.5% interest. It was later declined because the two bids received were \$820,000 and over \$900,000. The pool requires a complete rebuild. The City had recently increased taxes for a large water project. Salina City has engaged in fund raising efforts, received donations from businesses and individuals and has saved approximately \$300,000 for maintenance of the project and has initiated a 3% energy tax.

The Board suggested that the amount saved for maintenance is less than what will be needed.

The applicant indicated once the pool is renovated, they would only have to re-plaster every 15 years at an approximate cost of \$100,000 so their maintenance fund would accommodate that.

The Board noted that a 20 year \$1,000,000 loan at 1% would be a loan payment of \$54,000 a year.

The applicant stated they would be able to handle that payment.

Ron Winterton made and David Damschen seconded a motion placing this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$1,000, 000 loan for 20 years at 1.0% interest.

The Board referred to the construction cost sheet which indicates that the construction would cost \$750,000 and questioned the \$250,000 contingency.

The applicant indicated the contingency is to accommodate unknown expenses such as possible deterioration of underground pipes.

The Chairman called the question.

Ron Winterton made and David Damschen seconded a motion placing this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$1,000, 000 loan for 20 years at 1.0% interest. The motion carried unanimously.

2. Town of Elmo (Emery County)

The Town of Elmo presented a funding assistance request for a \$147,000 loan for 20 years at 0.0% interest and a \$250,000 grant (total \$397,000) for Town Hall/Fire Station modifications. The project consists of increasing the size of the fire station by 1,800 square feet to accommodate a fire engine, ambulance, firefighter laundry facilities, office space and equipment storage. The modifications to the town hall will repurpose a restroom into a kitchen and an office and storage area will be repurposed into a restroom.

The applicant stated the town hall was completed in 2007 and was intended to be larger but the bids were higher than expected. The building is used for many community events including weddings, family gatherings, and funerals and town meetings but there isn't a kitchen, preparation area or serving area available for these events. The fire station will also be retrofitted to accommodate a larger fire engine and the county may then place an ambulance with the Town of Elmo.

The Board complimented the Mayor for listening to the citizens in the design and use. The Board suggested the fire district should assist with the expense of the changes to the fire station.

The applicant stated that the fire district assists with buying fire trucks and training, and the Town purchases the equipment.

The Board noted similar project funding and suggested a 50% loan and 50% grant.

The applicant stated that a 50/50 loan grant would be possible.

Gregg Galecki made and David Damschen seconded a motion placing this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$199,000 loan for 30 years at 1.5% interest and a \$198,000 grant (\$397,000).

After further Board discussion concerning affordability the interest rate was modified.

Gregg Galecki made and David Damschen seconded a motion placing this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$199,000 loan for 30 years at 1.0% interest and a \$198,000 grant (\$397,000). The motion carried unanimously.

3. Town of Tropic (Garfield County)

The Town of Tropic presented a funding assistance request for a \$1,160,000 loan for 30 years at 2.5% interest and a \$1,740,000 grant (total \$2,900,000) for new sewer lagoons. This project will consist of deepening, relining and repairing existing lagoon cells, replacing existing inlet, transfer and conveyance structures and the addition of a new containment lagoon including property purchase and repair or replacement of broken or damaged manholes and collection lines throughout the existing sewer collection system. The applicant is contributing \$100,000 cash.

The applicant stated that a recent study of the lagoons indicated they are over capacity and out of compliance with the State of Utah. Several broken and settled pipes were found as well as buried or damaged manholes. The sewer rates recently incurred a 37 to 50% increase. There is currently a moratorium on the sewer system disallowing new connections which makes it difficult to develop new housing.

The Board suggested 50/50 grant loan mix on the funding package with a lower interest rate for an affordable annual payment.

The applicant indicated they could accommodate those terms.

Naghi Zeenati made and Michael Dalton seconded a motion placing this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$1,450,000 loan for 30 years at 1.0% interest and a \$1,450,000 grant (total \$2,900,000).

The Board noted similar project funding at 2.5% interest and the lower MAGI and amended the interest rate. An impact fee was suggested to assist with the project and funding.

Naghi Zeenati made and Michael Dalton seconded a motion placing the project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$1,450,000 loan for 30 years at 2.5% interest and a \$1,450,000 grant (total \$2,900,000). The motion carried unanimously.

4. Beaver City Municipal Building Authority (Beaver County)

Beaver City MBA presented a funding assistance request for a \$100,000 loan for 20 years at 2.5% interest and a \$300,000 grant (total \$400,000) for the Beaver Opera House renovation. The project will consist of seismic upgrades to the roof and walls, electrical renovations, kitchen upgrades, and a new sound system, lighting, seating and space for productions in the theater area. A planned Senior Center will be a CDBG project which is another phase of the project. The applicant is contributing \$30,000 cash. Beaver County is contributing \$66,200.

The applicant stated studies in 2010 and 2017 indicated a need for seismic upgrades. They created a fund raising board and an initial plan was developed. The project has been scaled back in the theater portion of the project to make it more affordable. The building was built in 1907 and is listed on the National Register of Historic Places and is one of the core buildings in the Beaver Historic District. It is the best remaining opera house from the early 20th century period. It has been in continuous use serving as a fire station, sewing factory, and military armory and now serves as the center for the Senior Citizens program and Meals on

Wheels. Renovating the existing building is less expensive than destroying it and constructing a new building at approximately \$67 dollars a square foot. They have received \$300,000 through a legislative appropriation from Heritage Arts.

The Board asked if all the money is secured.

The applicant indicated all the funding is in place with a \$100,000 contingency. The seismic upgrades are the priority and the design of the building is compliant according to Standards for Rehabilitating Historic Structures.

The Board suggested a 50/50 loan grant funding package and asked if the use as a senior center would continue.

The applicant indicated the building will be renovated in phases. The senior center funding comes from a different source. \$179,000 of the \$300,000 legislative appropriation will be applied to this phase of the project. A 50/50 loan grant funding package would be considered. SHPO has reviewed the work and has signed off on the project. The CLG stands for Certified Local Government which can apply for funding from the State Historical Society for planning or brick and mortar state historical projects. Beaver CLG received that funding from the State.

Michael Dalton made and Tooter Ogden seconded a motion placing this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$200,000 loan for 20 years at 1.0% interest and a \$200,000 grant (total \$400,000). The motion carried unanimously.

5. Five County Association of Governments (Beaver, Iron, Washington, Kane, Garfield)

Five County AOG presented a funding assistance request for a \$14,000 grant for the replacement of 131 2'x4' fluorescent tube-type light fixtures with 131 LED drop-in flat panel 4000k light fixtures with 3-conductor fixture whips and 2 LED 150w parking lot pole heads. The applicant is contributing \$1,795 cash.

The applicant stated that replacing the type of lighting would be an investment and an energy savings. They currently have saved approximately \$10,000 and could use that to retrofit the lighting but then would not be able to replace the carpet which is overdue. This will improve the lighting quality in the building.

A Board member expressed concern with this request as a maintenance issue. In other AOG's, the programs contribute with rent for the space they occupy in the AOG building which accommodates these types of expenses.

Another Board member alternately felt this was a capital improvement and a valid request.

And another Board member strongly opposed giving a grant for this project indicating the AOG should be able to afford this project and not have to ask for a grant from CIB.

One Board member who sits on Five County AOG said that any money the AOG would need to spend on replacing the lighting would mean they would be taking money away from their constituents.

Michael Dalton made and Naghi Zeenati seconded a motion placing this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$14,000 grant.

Chairman Hardy stated his support for AOGs and the work they do, appreciating their desire to have a good work environment, but expressed concern that this action would set a precedent for all the other AOGs and their capital improvement projects and capital improvement needs. There could be a different structure through cost allocation plans across programs and this is not in line with what the CIB normally funds.

The applicant indicated that each program in their building is charged rent which goes into a building maintenance fund which is used for cleaning, paint touch up, landscaping, roof repairs, etc. The money saved by replacing the lighting would allow the maintenance fund to increase.

Chairman Hardy called the question.

Michael Dalton made and Naghi Zeenati seconded a motion placing this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$14,000 grant. The motion failed with Kyle Stephens, Michael Dalton, Bruce Adams, Naghi Zeenati in favor and Gregg Galecki, Ron Winterton, Dean Baker, David Damschen, Tooter Ogden opposed.

The Chairman called for a substitute motion.

Ron Winterton made and Tooter Ogden seconded a motion to deny this application. The motion passed with Gregg Galecki, Ron Winterton, Dean Baker, David Damschen, Tooter Ogden, Kyle Stephens in favor and Michael Dalton, Bruce Adams, Naghi Zeenati opposed.

The Chairman stated there may be possible assistance through the various programs.

The applicant indicated they will seek participation from other sources involved with the AOG acknowledging the difficulty the Board would have funding this project.

6. Town of Leeds (Washington County)

The Town of Leeds presented a funding assistance request for a \$35,000 grant for a General and Transportation Master Plan. The project will consist of a general plan to anticipate future land use development, management, tourism demands and future growth. This will also include a transportation master plan that will analyze impacts due to tourism, residential and commercial growth, determine local roads data in conjunction with UDOT roads and create a GIS map. The applicant is contributing \$1,000 cash. Dixie MPO will be the matching contributor with \$35,000.

The applicant indicated that the Town is in need of an updated general plan. The Town has an obligation to protect and promote the history of the community. Dixie MPO is the regional transportation planning organization and Leeds is the last community in the cycle to accommodate a transportation plan update. When the grant was awarded, it was understood that the general plan needed to be updated and part of that would be the transportation plan. The Dixie MPO supports the overall plan of \$71,000.

The Chairman asked if the \$35,000 was for the transportation plan or for both purposes.

The applicant indicated that Dixie MPO is willing for it to go toward both purposes realizing that without a general plan first, the idea of a transportation plan would be very difficult to achieve. The Dixie MPO funding is in place.

Naghi Zeenati made and Michael Dalton seconded a motion placing this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$35,000 grant. The motion carried unanimously.

Break to 10 a.m.

7. Town of Charleston (Wasatch County)

The Town of Charleston presented a funding assistance request for an \$874,000 loan for 15 years at 2.5% interest and a \$291,000 grant (total \$1,165,000) for the Winterton Road Project. This project will consist of removal of current asphalt, road base and any road preparations to a depth of 18", then the addition of clay free road base with 2' shoulders and 3' asphalt to meet engineering specifications on .75 miles of Winterton Road and Winterton Circle.

The applicant indicated this is a public road and was engineered in 2001 incorrectly. There was a geotechnical study analyzing and recommending a roadway cross section of 3" of asphalt and 6" of road base. There is between 12" – 18" of clay material beneath the roadway. The gravel barrow collects rainwater then the water gets under the clay and cannot support the traffic so the road has failed. The road budget is \$50,000.

The Board acknowledged the need for small communities to maintain their infrastructure and suggested funding this project with 100% loan and asked if they had established a special improvement district to accommodate this project for the few that benefit from this roadway.

The applicant indicated a special assessment district is being studied and the HMO has verbally agreed to participate in the cost of the repairs which would support a loan payment.

Gregg Galecki made and Dean Baker seconded a motion placing this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$1,165,000 loan for 15 years at 2.5% interest. The motion carried unanimously.

V. SPECIAL CONSIDERATION

Chairman Hardy called for a motion to hear one project for Special Consideration.

Tooter Ogden made and Naghi Zeenati seconded a motion for the Board to hear the Request for Special Consideration. The motion carried unanimously.

1. Southwest Behavioral Health Center (Washington County)

The Southwest Behavioral Health Center presented a funding assistance request for a \$50,000 grant for a new roof membrane. The project consists of removing the existing roof membrane, adding a 36 mil mechanically fastened “FiberTite” roof system and installing a new drip edge. There would be a dedicated mat installed on the membrane to allow a walkway to the rooftop HVAC units. The applicant is contributing \$10,000 cash.

The applicant indicated the Center covers a five county area with 17 facilities serving the Medicaid population for substance abuse and mental health needs. The maintenance budget for the facilities has been exhausted for this year and the recent heavy rains have exposed roof issues including leaks in this building. They have discussed bank financing which proved to be a long term process and the need was urgent. Tarps have been placed to protect communication closets and over computer systems on desks in the center.

The Board expressed concern about the incomplete application including the lack of a public hearing.

Ron Winterton made and Gregg Galecki seconded a motion to put this project on the Pending List.

The Chairman noted that in the case of a Request for Special Consideration, it is not uncommon for some components of a normal application to be missing.

Commissioner Dalton stated that he is on the Southwest Behavioral Health Board which had not been informed of this issue and was not discussed in the Southwest Behavioral Health Board meeting. He noted that the pictures do look like it could be an emergency.

The applicant indicated they do have a bid for the project.

The Board noted there have been torrential rains in St. George this season. A substitute motion was made.

Naghi Zeenati made and Michael Dalton seconded a substitute motion to suspend the rules and fund this project as a \$50,000 grant. The motion carried with Dean Baker opposed.

VI. BOARD MEMBER DISCUSSION and/or ACTION ITEMS

1. Policy Board Retreat Information – Vernal, Utah - June 12-14, 2019

A flyer will be sent to the Board members with more details about the activities planned for the retreat which will be held June 12-14, 2019.

2. Board Packet Tool Discussion – Peak Agenda / iLegislate demonstration

The Board viewed a short video on iLegislate and may see both BoardDocs and iLegislate at the June 13, 2019 Meeting. In July, the Board will utilize iLegislate. The Board will be notified regarding the registration and password for iLegislate.

ADJOURNMENT

The next meeting of the Permanent Community Impact Board will be June 13, 2019 at the Uintah Conference Center, 313 E. 200 South, Vernal, Utah in the Paradise Room at 8:30 a.m.

This meeting adjourned at 10:35 a.m.

Submitted by:
Cristine Rhead
Candace Powers