

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

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

MINUTES

November 7, 2019

Members Present

Jonathan Hardy	Chairman
Bruce Adams	Southeastern Utah Association of Local Governments
Naghi Zeenati	State Transportation Commission
Irene Hansen	Duchesne County
Gregg Galecki	State Board of Water Quality
Jack Lytle	Uintah Basin Association of Governments
Dean Baker	Uintah County
Mike Dalton	Five County Association of Governments
Kyle Stephens	State Board of Water Resources
Garth "Tooter" Ogden	Six County Association of Governments
David Damschen	State Treasurer

Staff and Visitors

Keith Heaton	Housing and Community Development
Candace Powers	Housing and Community Development
Gayle Gardner	Housing and Community Development
Brenda Brown	Housing and Community Development
Pam Sjostrom	Housing and Community Development
Paul Moberly	Housing and Community Development
Alison Garner	Attorney General's Office
Margaret Lautaimi	Department of Workforce Services
Debi Carty	Department of Workforce Services
Lisa Nelson	Division of Drinking Water
Skyler Davies	Division of Water Quality
Greg Todd	Duchesne County
Dusty McCormick	Maeser Water Improvement District
Ryan Savage	Savage Albrecht Engineering
Lou Pratt	Kane County
Lamont Smith	Kane County
Kary Monroe	Jones & DeMille Engineering
Will Wright	Uintah Basin Association of Governments
David Hatch	Ashley Valley Water & Sewer Improvement District
Keith Despain	CRS Engineers
Kendrick Thomas	Jones & DeMille Engineering
Gary Zabriskie	Five County Association of Governments
Zack Leavitt	Six County Association of Governments
Emily Niehaus	Moab City
Jerry McNeely	San Juan County
John Cazier	Diamond Valley Fire Special Service District
Brandon Bradford	Southeast Utah Health Department
Larry Jensen	Carbon County

October 3, 2019

Clayton Holt	San Juan Health Service District
Farley Crofts	San Juan Health Service District
Jimmy Johnson	San Juan Health Service District
Jed Maxwell	Salina City
Steve Simpson	San Juan Health Service District

The Permanent Community Impact Fund Board (CIB) Meeting was held on Thursday, November 7, 2019 at the Red Cliffs Lodge, Mile Post 14, Highway 128, Moab, Utah, and was called to order at 8:30 a.m.

Emily Niehaus, Mayor of Moab, welcomed the Permanent Community Impact Board to Moab.

I. ADMINISTRATIVE ITEMS [02:40]

1. Upcoming Meeting dates and Locations

December 12, 2019 – DWS Office, 1385 South State Street, Room 157, Salt Lake City

January 9, 2020 – *Tentative* - DWS Office, 1385 South State Street, Room 157, Salt Lake City

2. Financial Review

Candace Powers reviewed the status of the funds for today's meeting. There are six new projects and one supplemental request for funding consideration.

II. WELCOME AND INTRODUCTIONS [05:58]

Chairman Hardy requested that Board members and staff give introductions.

Chairman Hardy introduced and welcomed Commissioner Irene Hansen as the new Board member from Duchesne County.

III. APPROVAL OF MINUTES [09:25]

Chairman Hardy requested a motion to approve the minutes from the October 3, 2019 meeting.

Naghi Zeenati made and Jack Lytle seconded a motion to approve the minutes of the October 3, 2019 meeting as corrected. The motion carried unanimously.

IV. PRIORITY PROJECTS [10:50]

1. Ashley Valley Water and Sewer Improvement District (Uintah County) [10:50]

Ashley Valley Water and Sewer Improvement District presented a funding assistance request for a \$329,500 grant and a \$330,000 loan for 30 years at 1.5% interest (total \$659,500) for two sewer lift stations in Naples City. This project consists of the replacement of two (2) lift stations with greater capacity and solids handling capability. The 3500 South lift station project will consist of a new 500 square foot building, upsizing the force main leaving the lift station, new pumps and appurtenances, and demolition of the existing lift station. The Stubbs lift station project will consist of the construction of a new dry well vault, rehabilitation of the existing wet well, installation of two grinder pumps and appurtenances and necessary electrical and piping work. Both lift stations will require bypass pumping during construction and new sensors and controls.

The applicant indicated that the lift stations were installed 35 years ago to accommodate a church, school and 15 homes. There are now 4 major sewer lines that feed into 3500 South lift station with an increased number of connections. In the master plan, it is anticipated to alleviate lift stations in 35 – 40 years and a treatment plant will be constructed. Right now the lift stations need to be replaced to continue serving the existing homes.

Mayor Baker disclosed that he sits on the board for the Ashley Valley Water and Sewer District.

The Board suggested that due to a low MAGI, the project could be funded as a loan at 1.5% interest over 30 years representing a rate increase of 53 cents and .94% MAGI.

The applicant indicated their board is hesitant to increase rates, as the capital improvement fund debt burden is significant. There are currently 18 water and sewer loans outstanding and the capital improvement fund accommodates those existing loan payments.

The Board asked if the applicant had contacted the Division of Water Quality as to their options for funding.

The applicant stated they had contacted Water Quality, but were informed they do not qualify for any grant funding. The applicant referred to the philosophy that CIB funds come from 'our counties' and the grants from Water Quality are designed for areas that do not have any other financing. *"We come to CIB first."*

Skyler Davies, Division of Water Quality, stated that with the calculation of affordability, the Ashley Valley Water and Sewer District would qualify for loan funding from DEQ if funding was available.

The Board acknowledged the reluctance to raise fees, but an increase would be minimal to accommodate a low interest loan.

The applicant acknowledged that rates could be increased but there are future projects being planned to manage growth of communities and align with the "master plan." The applicant acknowledged that growth of the communities will require a rate increase in the future to eliminate lift stations and construct treatment plants in order to service community growth effectively.

Gregg Galecki made and David Damschen seconded a motion to place this project on the Priority List for funding consideration at the February 6, 2020 funding meeting as a \$660,000 loan for 30 years at 1.0% interest. (Amounts amended to round funding to nearest 1000.)

Mayor Baker reiterated that he is a member of the Ashley Valley Water and Sewer District Board. They are discussing rate increases and implementing a master plan which includes the construction of a new treatment plant to eliminate pumping stations. The lift stations are failing. Ashley Valley Water and Sewer District is seeking a portion in grant funding in order to rebuild the capital improvement fund and plan for a future treatment plant to accommodate growth.

Jack Lytle made and Irene Hansen seconded a substitute motion to place this project on the Priority List for funding consideration at the February 6, 2020 funding meeting as a \$329,500 grant and a \$330,000 loan for 30 years at 2.5% interest (total \$659,500).

Commissioner Dalton stated the District could raise their rates and accumulate capital for future projects. The developer who seeks to develop an area should help pay for new infrastructure. The applicant could accommodate a loan payment.

The Chairman called the question on the substitute motion.

Jack Lytle made and Irene Hansen seconded a substitute motion to place this project on the Priority List for funding consideration at the February 6, 2020 funding meeting as a \$329,500 grant and a \$330,000 loan for 30 years at 2.5% interest (total \$659,500). The motion failed with

Jack Lytle, Irene Hansen, Dean Baker and Kyle Stephens in favor, and Gregg Galecki, Mike Dalton, Naghi Zeenati, David Damschen, Tooter Ogden and Bruce Adams opposed.

The Chairman called the question on the original motion.

Gregg Galecki made and David Damschen seconded a motion to place this project on the Priority List for funding consideration at the February 6, 2020 funding meeting as a \$660,000 loan for 30 years at 1.0% interest. The motion carried with Gregg Galecki, Mike Dalton, Naghi Zeenati, David Damschen, Bruce Adams and Tooter Ogden in favor, and Irene Hansen, Jack Lytle, Dean Baker and Kyle Stephens opposed.

It was questioned whether Dean Baker, as a member of the AVW&SD Board should vote and the chairman stated he is allowed to vote. The Board requested a synopsis of Ashley Valley's future projects for the February 6, 2020 Funding Meeting.

2. Maeser Water Improvement District (Uintah County) [40:28]

The Maeser Water Improvement District presented a funding assistance request for a \$250,000 grant and a \$250,000 loan for 20 years at 0% interest (total \$500,000) for the construction of a metal shop building. This project will consist of building a 4,800 SF (60' x 80') metal building with a restroom, mezzanine and 5 overhead doors to store District equipment. (The sewer truck has water storage so indoor storage is necessary to prevent freezing). There will also be a 24" x 24" x 36" catch basin, a 4" PVC SCR-35 sewer pipe and 2 new sanitary sewer cleanouts to be installed on site by Maeser Water.

The applicant stated the current shop operates both water and sewer components where they work on sewer lift pumps then rebuild a fire hydrant and though efforts are made to prohibit contamination, it is not best practice. Current equipment just fits into the small shop. Equipment must be kept indoors through the winter. The economy of the Basin fluctuates. When the economy is good, rates are raised; when the economy is down, money is saved. Debt is relative to what can be paid back with a minimum monthly user fee. The economy has been recessed for approximately 5 years. It is a struggle with lost businesses. They are trying not to take on more debt.

The Board asked the applicant how many residential water connections they have and of those, how many are not able to pay.

The applicant indicated in a good economy, there are around 1,490 connections with 1,300 active connections. There is diminished water use for watering to save money which diminishes the District income.

The Board asked if the bank pays the fees inherent to foreclosures, or does the District charge those late fees to the new owners, and is the District a taxing entity.

The applicant indicated that the new owner cannot be charged for any arrears of the water or sewer bill. The Water District may place a lien on the home and attempt to collect at closing. This does not always work in the case of foreclosure. The applicant is a taxing entity via property tax but the auditor's office does not want to pursue attaching late charges. The current building is approximately 24 years old. In 2004 the District grew from 750 connections to 1,400. The District has saved money, but not specifically for a new building.

The Board referred to the financial statements indicating the District financial health is good and could accommodate more loan. The Board acknowledged the District's purchase of land for this project as their contribution.

The applicant indicated they have a savings to weather periods of recession and they seek to live within their means. Taking on additional debt is not wise. They did acquire an additional acre to do this project next to their existing building to build this building.

The Board noted their fiscal responsibility, but indicated that the CIB must also make statutory fiscal decisions.

Naghi Zeenati made and Mike Dalton seconded a motion to place this project on the Priority List for funding consideration at the February 6, 2020 funding meeting as a \$375,000 loan for 30 years at 0% interest and a \$125,000 grant (total \$500,000). The motion carried unanimously.

The applicant asked if the District could revisit the funding scenario at the funding meeting for more grant if possible.

Chairman Hardy stated that the applicant could discuss options prior to final funding, noting the Board must consider all future projects and funding requests.

The Board noted that the revised offer of funding is for the same annual debt payment.

3. Salina City (Sevier County) [01:03:21]

Salina City presented a funding assistance request for a \$2,400,000 grant and a \$1,000,000 loan for 20 years at 1% interest (total \$3,400,000) for a new city hall building. This project will consist of building a 14,137 square foot building (7,234 SF main floor, 6,903 SF basement) to house the city council/court room, council/judge's chambers, 5 offices, break room, storage room, 2 reception rooms, 2 waiting rooms, a library, men's and women's restroom, patrol area, interview room, and a sally port with 2 garage doors on the main floor and a conference/ training room, storage room, mechanical room and an evidence storage room in the basement, a new parking lot and other site development.

The applicant stated that the current building is 84 years old. It was renovated 25 years ago but the renovation is starting to detach caused by the vibration of passing semi-trucks. They have a mold problem and files are now stored in a shipping container. The building is not conducive to repair. The site has been acquired for the new facility which will house the police station, city hall and library in one location. Salina City acquired \$1,000,000 in loan funding for the swimming pool. This project request is for another \$1,000,000 loan. The applicant noted that Salina has recently raised property tax 55% to accommodate their improvements.

The Board noted Salina City accepted 100% loan for their swimming pool. Tooter Ogden indicated having visited the existing city hall and considering the condition of the building, this is a necessary project. They have raised their property taxes. The Board suggested a 50/50 loan/grant split over 30 years at a 0% interest rate.

The applicant stated they would prefer their requested funding package. There are other projects anticipated for Salina City which are to be accommodated without seeking CIB funds. Salina City has experienced 40 years of neglect because no one wants to raise taxes or water rates. Those rates have recently been raised to do the necessary infrastructure updates. The applicant is working to put funding aside for necessary renovations to move forward. This project funding request does include a 1% interest rate.

The Board expressed concern that using the loan of \$1,000 000 for the pool as a mitigating factor to justify this project request. The financial burdens are acknowledged as is the condition of the current

building and health concerns. A 50/50 loan/grant mix for the City Hall/Library and Police Station should be considered.

Bruce Adams made and Mike Dalton seconded a motion to place this project on the Priority List for funding consideration at the February 6, 2020 funding meeting as a \$1,700,000 grant and a \$1,700,000 loan for 30 years at 0% interest (total \$3,400,000).

The Board noted that a 0% interest loan comes from the mineral lease account which currently bears a negative balance.

Dean Baker made and Gregg Galecki seconded a substitute motion to place this project on the Priority List for funding consideration at the February 6, 2020 funding meeting as a \$1,700,000 grant and a \$1,700,000 loan for 30 years at 1% interest (total \$3,400,000).

The Board referred to SHPO requirements and asked for clarification as to what the plan was for the building on the suggested building site.

The applicant stated that the building has been demolished and the property is ready for construction.

Chairman called the question on the substitute motion.

Dean Baker made and Gregg Galecki seconded a substitute motion to place this project on the Priority List for funding consideration at the February 6, 2020 funding meeting as a \$1,700,000 grant and a \$1,700,000 loan for 30 years at 1% interest rate (total \$3,400,000). The motion carried with Gregg Galecki, Dean Baker, Kyle Stephens, David Damschen, Jack Lytle and Irene Hansen in favor, and Mike Dalton, Naghi Zeenati, Tooter Ogden and Bruce Adams opposed.

4. Carbon County Municipal Building Authority / Southeast Utah Health Department (Carbon County) [01:20:34]

Carbon County Municipal Building Authority presented a funding assistance request of a \$1,434,000 grant and \$1,434,000 loan for 30 years and 2.5% interest (total \$2,868,000) to renovate two (2) Southeast Health buildings owned by Carbon County. This project will consist of remodeling an existing 3,500 SF building to include a preparedness office and storage room, conference room, vestibule, restrooms, 3 environmental offices and a health lab and also remodeling an existing 17,550 SF building to include 8 WIC offices, 2 storage areas, a lab, cancer screening lab, immunization lab, audiology lab, weigh/measure lab, 4 district offices, 6 health education rooms, a play area, WIC and medical reception area, 3 accounting offices, computer room, 4 storage rooms, restrooms, 6 offices, conference room and exercise room.

The applicant stated that their current building has access issues and parking is difficult. The number of services offered has increased with additional employees. There are issues with ADA compliance and HIPPA. Carbon County Municipal Building Authority requires a smaller facility. Through an inter-local agreement, Southeast Health Department will repay the loan as a lease payment and then it is anticipated that ownership would be transferred when debt is paid. Southeast Utah Health Department has applied for and received CIB funds before. The Health Department is an Inter-local agency with no taxing authority. They depend on Carbon, Emery and Grand Counties. In 1990 they acquired funds through the Municipal Building Authority of Carbon County to repair the roof. The Health Department used Grand County Building Authority to purchase the new building in Moab. The applicant expressed the understanding that CIB cannot fund an interlocal agency.

Chairman Hardy indicated that interlocal agencies are eligible to apply for CIB funding.

The applicant indicated it is the desire to renovate the old District Court Building to accommodate the expanded health department through a trade of two buildings for the building they are occupying.

The Board raised concern about the lease payment used as loan payment with transfer of ownership. It was explained to the applicant by staff that ownership of the building remains with Carbon County MBA as the receiver of CIB funds and the deed cannot transfer to the health department without receiving fair market value. The Board suggested consideration be given as to who the applicant is.

Staff recommended that prior to the funding meeting, the applicant be established.

Bruce Adams made and Tooter Ogden seconded a motion to place this project on the Priority List for funding consideration at the February 6, 2020 funding meeting as a \$1,434,000 grant and a \$1,434,000 loan for 30 years at 2.5% interest (total \$2,868,000).

The Board asked if the exchange of buildings was an even value exchange and the status of the WIC grant.

The applicant indicated that the value of the two buildings is double the value of their existing building. The WIC grant to provide a safer, more amenable facility is approved and must be utilized before September 2021. Prior to the funding meeting, the applicant will be determined.

Chairman Hardy stated that the Administrative Rules in the CIB Code's burden of compliance falls to the Board so prior to dispersing funds, the Board must certify compliance. Applicants should understand that property transfer is not legal without receiving fair market value.

Chairman called the question.

Bruce Adams made and Tooter Ogden seconded a motion to place this project on the Priority List for funding consideration at the February 6, 2020 funding meeting as a \$1,434,000 grant and a \$1,434,000 loan for 30 years at 2.5% interest (total \$2,868,000) to Carbon County Municipal Building Authority. The motion carried unanimously.

Break

5. Local Building Authority of San Juan County Health Service District (San Juan County) [01:44:48]
The Local Building Authority of San Juan County Health Service District presented a funding assistance request for a \$2,500,228 grant and \$2,930,000 loan for 30 years at 1% interest (total \$5,430,228) for the Spanish Valley Rural Health Clinic. This project will consist of building an ADA compliant 12,000 sq. ft. building with 12 exam rooms, 4 procedure rooms, an x-ray room, CT room, ultrasound room, a pharmacy, laboratory, reception and registration area, training room, nursing station, restrooms, staffing break area, secure storage, physician and administrative offices.

The applicant stated that the original Spanish Valley Rural Health Clinic was based out of an industrial facility and the location was not easily located. Under previous management, the financial situation was not in the best of shape. The District is now thriving with the guidance of Clayton Holt and through several years of effort, and they are prepared to move forward. They have acquired 5 acres of property in Spanish Valley through an agreement with SITLA which requires the provision of medical and emergency services. There is a capital plan in place for all of their operations.

The Board asked for clarification regarding the construction start date of 2021.

The applicant stated if the project is funded in February 2020, the design and engineering will take approximately 6 months, the bidding will take 6 months and construction could then begin in the spring of 2021 which would take close to 16 months to complete with an anticipated opening in the spring of 2022.

The Board asked about the relationship with SITLA and this project.

The applicant stated that the parcel of land was purchased from SITLA in an intersection of a planned community on SITLA land. There is a requirement to coordinate the architectural aesthetics of the clinic and the community design plan.

Chairman Hardy asked if a market feasibility analysis has been done given the closure of the previous clinic in 2010.

The applicant indicated that clinics in Monticello and Blanding are similar to what is being proposed. They have analyzed the operational scope and cost of each clinic with the intent of building based upon experience and clientele for the facility being presented. A zip code study was completed to determine where patients were coming from for health care services and ascertain demand for a clinic in this area.

The Board asked about the nearly \$1,000,000 in contingency costs included in the estimate.

The applicant indicated they looked at recently constructed health clinics of similar size and evaluated those projects with their architect. There is a 10% backer applied which is standard in construction contingency analysis. It is also a remote location and construction is more expensive. This project is similar in price per square foot to the emergency services building in Grand County which was recently funded by the CIB.

The Board asked for an overview of the services this clinic would offer in patient care, specifically to Navajo clientele.

The applicant stated 100% support of all clientele. Healthcare gets somewhat complicated for the Navajo tribe. They have options and depending on where they go, things change a bit but coming to San Juan Health or the Navajo Health Clinic is the same. The applicant also explained a good working relationship with Blue Mountain Hospital in Blanding through cost sharing equipment and personnel.

The Board referred to the proximity of other health clinic options.

The applicant stated that rural health care is a monumental challenge. They have developed a health care system that has improved rural health care dramatically and there is and will be collaboration with other health clinics. It is in the best interest of the patient and a requirement of rural health clinics to provide primary care, radiology and pharmacy.

The Board referred to a strong financial outlook and suggested changing the funding request to a 75% loan and 25% grant over 30 years at 1% interest rate.

The applicant requested a 2 year deferment.

Gregg Galecki made and Naghi Zeenati seconded a motion to place this project on the Priority List for funding consideration at the February 6, 2020 funding meeting as a \$1,357,228 grant and \$4,073,000 loan for 30 years at 1% (total \$5,430,228) and a 2 year principal payment deferral.

The Board discussed the deferral option; deferral starts once the bond is issued at loan closing. Payments may begin once the building is occupied. Interest payments are not deferred.

The Chairman called the question.

Gregg Galecki made and Naghi Zeenati seconded a motion to place this project on the Priority List for funding consideration at the February 6, 2020 funding meeting as a \$1,357,228 grant and \$4,073,000 loan for 30 years at 1% (total \$5,430,228) with a 2 year principal payment deferral. The motion carried unanimously.

The Board commended the applicant for their comprehensive discussion at the public hearing.

6. Kane County Recreation & Transportation Special Service District (Kane County) [02:19:18]

The Kane County Recreation & Transportation Special Service District presented a funding assistance request for a \$1,500,000 grant for the Alton Road reconstruction. This project will consist of removing the existing 1.4 miles and reconstructing Alton Road to include 5,069 CY of excavation and 9,444 SY pavement pulverization of the existing road, 33,222 SY Geogrid TX5, 1,950 CY granular borrow, 4,387 CY untreated base course, 6,750 tons ½" HMA, 11,250 SY 6" Rotomill, 18 driveway access, remove and replace 18" and 24" culverts, signs and pavement painting.

The applicant indicated the original plan was to have Alton Road be a bypass road as the Town of Alton did not want trucks driving through the town but there would still be noise so the Town conceded to allowing the main roadway for truck travel. The roadway requires a more substantial construction. Though the previous construction met all the required specifications, water has leached into the roadway and caused the roadway to fail. Alton Road is the sole road through the Town to the coal mine and like other counties; Kane County has limited road maintenance funds. Alton Coal has indicated there will be 20 years of mining and they currently have 5 years of contracts with IPP. The potential is mining 2 million tons and utilizing this road for transport.

The Board referred to the ¾ inch base in the prior construction versus ½ inch in the proposed construction noting with new technology, roads are stronger with a thinner road base. The Board asked why Alton Coal is not contributing to the road restoration as they did in the previous construction.

The applicant stated that Alton Coal has been struggling to stay in business and will not be able to help at this time with the road funding. Alton Coal still owes money from the last road reconstruction but Kane County has not pursued payment due to the Alton Coal financial situation. The County will monitor this road and assist with B & C road funds. There is still 4 miles of gravel road to get to the mine. An air quality study was just completed and the plan is to start mining the new area on federal land in December 2019.

Chairman Hardy asked for more specifics on the road failure.

The applicant stated that at the initial roadway construction, ¾ inch asphalt was deemed to provide more strength, but the product was more porous with less oil content and bigger rock. This allowed water to leech thru and softened the grade and the asphalt came apart on the surface. Funds were expended to place an overlay as a temporary fix and the rest of the roadway was not finished.

The Board asked if the roadway is city or county road, if there is any tax revenue from Alton to financially participate in the road reconstruction and is the Kane County Recreation & Transportation SSD a taxing entity and suggesting the possibility of a loan.

The applicant stated that the roadway is a county road and applicant is not aware of any available funds from the Town of Alton. UDOT non-urban fund is booked out over 5 years and they are not taking applications at this time. The SSD receives funding through mineral lease revenue but would not be able to commit to a loan.

The Board asked about current truck traffic and anticipated traffic.

The applicant stated there are 50 trucks/day round trip and they are anticipating 150 round trips.

The Board referred to the current budget of \$200,000 listed on their financial statement and asked how that is generated.

The applicant indicated the \$200,000 comes from the Recreation & Transportation SSD budget to supplement the annual \$1.2 million in B&C road funds which are exceeded every year by approximately \$500,000.

Mike Dalton made and Naghi Zeenati seconded a motion to place this project on the Priority List for funding consideration at the February 6, 2020 funding meeting as a \$1,500,000 grant.

The Board asked if there is an option to go back to Alton Coal, as the heavy user of this roadway and request assistance with maintaining the road.

The applicant indicated that as Alton Coal proceeds with their increased production, they can discuss the mine's financial participation. Alton Coal replaced a bridge and their watering trucks manage the dirt road.

The Board suggested that prior to the February funding meeting, the applicant have a discussion with Alton Coal concerning financial participation.

The Chairman called the question.

Mike Dalton made and Naghi Zeenati seconded a motion to approve and move this project to the Priority List for funding consideration at the February 6, 2020 funding meeting as a \$1,500,000 grant. The motion carried unanimously.

VII. SUPPLEMENTAL REQUEST

7.1. Diamond Valley Fire Special Service District (Washington County) [02:50:47]

On June 13, 2019 the Diamond Valley Fire Special Service District was awarded \$274,500 (\$138,000 loan for 15 years at 2.5% interest and \$136,500 grant) to fund an International 4x4 Cummins diesel Model 14 Type III Wildland 6-man crew cab fire truck with Darley Auxiliary water pump.

The applicant is requesting supplemental funding as an \$18,000 grant and a \$16,000 loan for 15 years at 2.5% (total of \$34,000) to accommodate the additional costs associated with this purchase.

The Board suggested a 50/50 loan/grant mix for the supplemental funding.

Naghi Zeenati made and Jack Lytle seconded a motion to fund the supplemental request for this project as a \$17,000 grant and \$17,000 loan for 15 years at 2.5% (total \$34,000). The motion carried unanimously.

IX. BOARD MEMBER DISCUSSION and/or ACTION ITEMS

9.1. CIB Board Funding Criteria [02:53:29]

It has been recommended that staff be able to calculate funding packet criteria based upon applicant and project to create a more consistent application and recommendation for Board consideration.

Paul Moberly led a discussion to further clarify the funding survey provided previously with staff suggestions to expand on the desire for more consistency, acknowledging the need for flexibility. Through a financial tool, the staff may establish a funding package. The applicant will provide their total request to CIB as well as the maximum debt service they can accommodate.

Commissioner Lytle indicated his preference to allow the applicant to indicate a funding package and then justify their request.

Chairman Hardy noted that the point is to mitigate the current process where applicants tell the Board what they *want* by way of clarifying what can truly be accommodated. This will provide more consistency in how applications flow and are reviewed by the Board.

It was noted there will be exemptions and flexibility.

Commissioner Dalton suggested a discussion with the applicant prior to a public hearing so the funding scenario determined by the staff can be presented for feedback. The Board would still have the final say.

Chairman Hardy left the meeting and Keith Heaton assumed the Chair.

Mr. Heaton stated the intent is to focus on the applicant and the project. Those two things determine what funding box is appropriate. The applicants would know that in advance. It would be discussed in the annual tutorial so the applicant knows which box would fit their project. It can be negotiated at the review meeting. Exemptions and hardships would be acknowledged.

The maximum debt service should be discussed at the public hearing to clarify affordability.

Commissioner Dalton expressed concern that funding discretion is removed from the Board.

Mr. Heaton clarified the intent is that the applicant knows which box they are starting in. The staff works with the applicant to determine why it might be different. The Board ultimately

makes those funding decisions. The goal is to maximize objectivity and lessen subjectivity to strike the right balance.

Mayor Baker asked if there is to be criteria to determine whether the applicant qualifies for bonus funding (loan only) or mineral lease funding (grant/loan). A scenario for how they qualify for grant and loan would be helpful.

Ms. Powers stated there is a criterion in guidelines that a non- impacted county would receive 100% loan and maximum term for 20 years. It is only a guideline, not rule or statute.

Having funding parameters will allow the staff to monitor applications and use fact-based criteria to better outline and prepare the Board for reviewing applications and approving a funding package.

Commissioner Lytle noted that what comes to the Board would be by recommendation, and then if the Board deviates from the recommended funding, the Board could but would need to justify their decision.

Ms. Powers stated that the Board has the knowledge of their areas and the staff would only provide the facts. The Board will receive further information and clarification going forward.

Mr. Galecki stated this helps the applicant and the Board.

Mr. Damschen stated this framework is helpful without taking away the discrimination of the Board. It maximizes objectivity leaving room for subjectivity. This Board meets once a month and has an incredible amount of information to consider. This curates some of the excess of information supporting consistency which benefits the Board and applicant.

Commissioner Lytle encourages more information, and suggested this not reduce the information the Board receives.

Mr. Zeenati suggested a verbiage change; the applicant “may accept or request....”

Mr. Moberly stated there will be provisions for exemptions and Board discretion.

Mr. Heaton stated this will change the application if this criteria is accepted.

Dean Baker made and David Damschen seconded a motion to accept the initial framework and move forward with updates at the December 12, 2019 Board Meeting.

Commissioner Dalton clarified that changes won't be final until FY2021. This motion is to proceed with the concept.

Commissioner Lytle prefers to have more time to understand the concept, criteria and applicability.

Mr. Heaton indicated this is only conceptual.

Mr. Moberly noted there will be more clarity before moving forward.

Dean Baker made and David Damschen seconded a motion to accept the initial framework and move forward with updates at the December 12, 2019 Board Meeting. The motion carried unanimously.

9.2 CIB Policy Retreat Location Options – June 11 – 12, 2020 [03:31:40]

It was determined that the retreat should be in the Five County area. Mike Dalton would like time to discuss possibilities and will return with an answer. It may be deferred to Kane County if the location he is considering is not feasible.

Mr. Zeenati suggested holding meetings in additional locations throughout the State at times other than policy meetings and November in Moab.

9.3. Closed Session [03:35:18]

The Board may consider a motion to enter closed session pursuant to Utah Code Ann. § 52-4-205(1)(c).

Chairman Heaton called for a motion to go into a closed session.

Naghi Zeenati made and Kyle Stephens seconded a motion to go into a closed session. A roll call vote was taken: Gregg Galecki aye, Dean Baker aye, Kyle Stephens aye, Mike Dalton aye, Naghi Zeenati aye, David Damschen aye, Bruce Adams aye, Tooter Ogden aye, Jack Lytle aye, Irene Hansen aye. The motion carried unanimously.

The time was 12:27 p.m.

ADJOURNMENT

The next meeting of the Permanent Community Impact Board will be December 12, 2019 at DWS Admin South Building, 1385 South State Street, Salt Lake City, Utah at 8:30 a.m.

The meeting adjourned at 12:32 p.m.

Submitted by:
Pamela Sjostrom
Candace Powers