

**SANTA CLARA CITY COUNCIL WORK MEETING  
WEDNESDAY, MAY 5, 2021  
MINUTES**

THE CITY COUNCIL FOR THE CITY OF SANTA CLARA, WASHINGTON COUNTY, UTAH, met for a Work Meeting on Wednesday, May 5, 2021 at 5:00 p.m. in the City Council Chambers of the Town Hall at 2603 Santa Clara Drive, Santa Clara, Utah.

Notice of the time, place and agenda of the meeting was provided to the Spectrum and to each member of the governing body by emailing a copy of the Notice and Agenda to the Spectrum and also, along with any packet information, to the mayor and each council member, at least two days before the meeting. **The Meeting will be available to view live stream on the YouTube link: <http://www.youtube.com/channel/UCxLBLm30-XLqM1AEmhpcMA>.** Council Chambers will be available to residents, but we will have limited availability and follow Covid-19 guidelines.

**(This will be a Combined meeting with the Santa Clara Planning Commission).**

Present: Mayor Rick Rosenberg  
Council Members: Jarett Waite, Wendell Gubler, Ben Shakespeare, Denny Drake and Leina Mathis  
City Manager: Brock Jacobsen  
City Recorder: Chris Shelley

Others Present: Dustin Mouritsen, Public Works Director; Brad Hays, Parks & Trails Director; Corey Bundy, Building Official; Gary Hall, Power Director; Kristelle Hill, Admin. Assistant; Bob Nicholson, City Planner; Randy Hancey, Fire Chief; Debbie Bannon, Finance; Marv Wilson, Planning Commission; Curtis Whitehead, Planning Commission; James Call, Planning Commission; Megan Webber

1. **Call to Order:** Mayor Rosenberg called the meeting to order at 5:01 p.m. He welcomed everyone and introduced the City Council members. He stated that this is a combined meeting with the Santa Clara Planning Commission.

2. **Working Agenda:**

**A. General Business:**

1. PD Zone discussion. Presented by Brock Jacobsen, City Manager.

- Brock Jacobsen stated that we have had some projects come in recently that have gone through this zone and we want to make sure that we are on the same page. He said that some of the things coming in might not be quite up to speed on what the code says. He said the discussion is about the Code 17.68.060, "PDR PLANNED DEVELOPMENT RESIDENTIAL DISTRICT". He told the Council that he left out 17.68.100 and 17.68.105 of their packets when he scanned the documents. He said that Leina Mathis has brought to our attention some concerns within that and within some of the projects. He wanted to make sure that Planning Commission and the City

Council were on the same page on what is in the Code and what we expect and as we go through it to decide what is in there is that what we want or are there things that need to be adjusted and changed to a way that development and things that are happening here in Santa Clara over the last little while and going forward.

- Bob Nicholson, City Planner, said he thinks it is a great idea to get the Planning Commission and the Council together and talk about the codes and make sure they are current and also that we are all interpreting the Code Provisions in the same way. He said there are some concerns about the Regal Homes project that came to the Planning Commission but has not come to the Council yet and that is because the development agreement has not been approved. He said that in hindsight maybe the Planning Commission should have proceeded with it. He said they all thought it would be approved and many months have gone by and it hasn't happened. The Planning Commission made recommendations on open space transfers and density transfer that in the draft development agreement that hasn't been finalized. At the time the developer was pushing, and the City generally tries to be accommodating and so the sense from everybody was to take it to the Planning Commission and proceed with a public hearing. He said there is a provision to him to see the 200-unit rental project as an apartment project. An apartment is something different than individual detached homes. An apartment is usually a big building with multiple rental units. He said there is under the density bonus provisions a number of design criteria and the last one listed in that says, "an apartment project should not have more than 30 units" and the idea behind that was that we didn't want a really large building in Santa Clara that would be a little out of scale with the community so the 30-unit limit was a size limitation on that building rather than how many people might occupy it. He said because this is in a PDR zone the City has Matt Ence, City Attorney advise us on numerous occasions on the PDR zone because it is a Legislative act. The City has broad discretion to approve or not approve a PDR project so if the City things something is too big or too dense and can justify it then we have grounds to deny it, the zone change. He said he doesn't think we have to fall back on a particular provision if we think it is too big or too dense or whatever. One of the things the Regal Homes has pitched the City on is this is a work force housing or an attainable housing type development. This would provide housing for teachers and other community workers and that is something the City has recognized as a real issue.

- Mayor Rosenberg said that Matt Ence weighed in when Leina Mathis brought it to his attention. Matt Ence replied back that he didn't feel like the Regal Homes was necessarily in violation of the ordinance with the way the project had been designed with the single level detached living units that it didn't necessarily meet that definition similar to the reasoning that Bob Nicholson just presented. He said he wanted to address the concerns that Leina Mathis brought up after that Council meeting and get everyone's feedback on what they think. There is that provision that when it is like an apartment project to no more than 30 units. He said he agrees with Bob that that is a massing type of decision. He said that back when that limitation was put in we were hoping that those would be spread and they would be limited in a particular area so that they could be located in other areas of the City and that is why you see those small and medium density pods on the General Plan so that way they didn't necessarily impact one neighborhood too negatively over another so they were spread out and that would provide that opportunity for the work force housing or fixed income housing to still be

able to live in Santa Clara and not force them out of the community all together. They could still live here but not be concentrated in one specific place.

- Leina Mathis said she had a couple of residents contact her recently. She said she wants to try and stay away from talking about particular projects and just talk about residents and what they want. These residents contacted her specifically because of a project in town and they thought the use that we had approved was one way and now it is being used very differently then what they had anticipated, and their comments were asking how the City is approving something like this, approving projects where they aren't meeting the limitations and why are we allowing such large projects that are just rental based and they thought residents didn't want large rental projects within the City. She said she thinks maybe some of this is just semantics with the word apartment verses large areas of mass that are just rental projects per se. She said to some degree she agrees with that knowing that the residents don't want large rental projects. They are okay with rentals and they are okay with being dispersed in their place and for affordable housing reasons we need to have them, we need all those different types of housings, but she agrees with them a little bit that we don't necessarily want huge projects that are just rental projects. She said she doesn't know if the structure itself makes a difference. She said for her the physical structure of what it looks like doesn't dictate to her that it's an apartment or not an apartment. For her generally it is if it is being rented or not rented.

- Ben Shakespeare asked if the projects that have the nightly rental overlay that have individual ownership are they considered different from this discussion.

- Mayor Rosenberg said yes, the short-term rental with the overlay on the short-term rental sets a different use because that is a short-term rental and is obviously going to have a turnover. That is probably a different impact on a neighborhood than a long-term rental.

- Ben Shakespeare said he would interpret the limitation of 30 as discussion of buildings. He could see not wanting something too large. Would we need to look at nightly rental projects even though they are individually owned? They are different because they have amenities, but he said he would imagine that a rental project, similar to what we have looked at, would have amenities. If we look at it specific to one does the other come into effect as well, size of them and everything else.

- Mayor Rosenberg said those are individually platted for sale, they can be owner occupied or they can be rented, and we don't have any limitation on renting an owned unit. There is no ordinance or limitation in the City that limits anybody who owns a unit from renting it.

- Denny Drake said he doesn't quite understand the 30-unit limitation. He asked that in density do we have a zone that allows 30 units per acre. He said he has never seen a building of 30 units that doesn't fit on an acre. Isn't our density already in place so that can't happen or are we just talking about a project of 30 units? We are talking about a building rather than a density.

- Mayor Rosenberg said the text that is on the last page, the last paragraph of that text says to have an apartment project to be smaller in size and dispersed rather than larger projects or apartment projects concentrated in close proximity to other apartment projects. So that is trying to limit the apartment building numbers in any one particular spot so that they can be dispersed. If there is a big enough piece in the PD zone the 30 units isn't a density issue.

- Denny Drake clarified that we are talking about a building that has more than 30 units.
- Leina Mathis said she looked in our ordinance to see if we have defined what an apartment was, and we don't define it.
- Curtis Whitehead, Planning Commission, said he thinks this comes down to a couple of key issues. One of them is as we make land use decisions sometimes our judgment is confused because we already have a house here. We already live here. Our constituents sometimes have trouble with that issue also. He said everyone he knows rented. Everyone he knows was a renter. He said the population of Utah is expected to double by 2050. He said he thinks that we have to decide as a City about what we want to do. Do we want to just have single-family homes on ¼ acre lots for the next 30 or 50 years and when Utah grows that growth will just have to be in Milford or somewhere else or are we going to embrace that and decide we can deal with a little density and there will be rentals and apartment complexes and there will be some 3-story townhouses and we are all okay with that or just say we just want everyone to live in a house like us. The issue is how do we feel about rentals in our community. The way it is right now is you can't even buy a home in Santa Clara for \$400,000. Who can afford a home for \$400,000? Nobody is going to be able to live here.
- Ben Shakespeare said the reality is the demographics are changing. There is a lot of people who are content renting, or who don't want to take care of a yard so there is a need for apartments or rentals, so we have to look at this and ask what the answer is.
- Denny Drake asked if the issue is rentals or affordable housing. He said it would be nice if we could enlist the Federal Government in this process and instead of looking for an RP&P get ground from them that we can own by the City and make available to a developer at zero cost. Then you have affordable housing. We are not going to control the market by densities. He said the new apartments are charging \$1,400 a unit and most people can't afford an apartment for that price any more than they could afford that much for a home so affordable housing is costs and what can we do to help the costs.
- Marv Wilson, Planning Commission, said his opinion has evolved over the years. Things are going up like crazy and he thinks it is almost inevitable if we are not going to just die on the vine, we are going to have to do something to adapt. He said he understands the attitude of not wanting "those people" (a term a caller that called him used) here. He said he has a hard time with that. He said we have all been "those people" and we have all rented and he said he has a hard time closing the door on a good affordable rental because of that.
- Ben Shakespeare said that bottom line is if we don't take the lead, the Federal Government will and that's going to come out with a handcuff on exactly what we can and can't do. The point is we can say we want R-1-10 all the way through this but the reality of this is simply not going to happen because you watch all the legislation that has been heading and you can follow it and it is only a matter of time if we don't do it, we will be mandated to do it so we are going to have to find ways to do it. Our accessory dwellings (ADU's) are really the best because they are owner occupied. Specific to this we are going to have rentals. There are going to be people against it.
- Denny Drake said it isn't just rentals it is affordable rentals. He said he thinks we have made adjustments and we are getting there. He said he doesn't know how you bring the cost of land down.

- Mayor Rosenberg said 50% of the houses adjacent to his are rentals and in those rentals, there are multiple families in those rentals so does he live in an apartment complex. Are they having negative impacts on the neighborhood? Some don't care of the yard the way they should. Some of the neighborhoods have 70-80% rentals. The apartments are out there and depending on a person's perspective they are good or bad, but the style of the housing doesn't have an impact on whether it is a rental. He said a lot of planners have talked to them said the quality of the design is more important than the density. You could have density if the quality of the design that went into the project was there. If the building exteriors and the quality of the materials and the open space for recreation and amenities inside the project and the parking and the way they dealt with solid waste and all of that if you can control that the density was less of an impact if all those issues were checked. He said he kind of believes that way and that is why we don't really see a lot of issues in some of our short-term rental projects. With short-term rentals to get that conditional use permit the quality of the design is elevated. He said he hasn't heard a negative impact from one of those projects on the community itself. The key to it is they are contained; they are all the same and the quality of the design that went into the project is elevated and maybe that is what we need to be looking at. Not so much is it a for rent project or a townhome but is the quality there so that when it is built and is the management there that it can be maintained properly. Is the HOA strong enough and those types of things to maintain that quality and minimize the impact to the adjacent area? The trick is having that in the ordinance now or do we need to tweak the ordinance to add some more requirements in there. Where do we go? We haven't got a problem area yet. We have densities approaching 12. It can't go more than 12. To do an apartment building they would have to have the open space to offset it or the low-density component within the project to offset it.

- Ben Shakespeare said there is a gigantic need for this, so it comes down to the balance of taking all the developable ground and there is going to be a huge push for more townhomes and more density and then drawing the line and how do we develop and still get residential communities and still have some density. Land is too expensive.

- Mayor Rosenberg said the rental market is super strong. He talked about the HAC meeting he went to. He sent the link to the Council. He said they went through the housing types. He said that architects are working on plans to try and make things more attainable, and they had all the different product types. They all looked pretty good. The committee was really pushing trying to find housing to meet the needs of the community. They were excited to see some Santa Clara representation in that meeting.

- Leina Mathis said she thinks the City's short-term rental ordinance is wonderful. She said her thought is if we have some projects come in that are strictly large rental communities particularly because we have two presently maybe we ought to look at writing some provisions similar to our short-term rental ordinance that is specific to projects that are strictly large long term rental projects so that if we have a project come in that we have some requirements in place that we can make sure that we address some of the issues and the concerns that the residents obviously have.

- Curtis Whitehead said that when they show up here and we don't like their project such as a mobile home park and if they want approval of something and we already

have it in place they have to play by those rules.

- Jarett Waite said that what Leina is saying is what we are hearing from residents and they ask about certain projects going in and they ask if they are going to be rentals. We have townhomes in our community that have turned into rentals over time and the residents are complaining about those, so it is more of an education thing for our community. He said he gets a lot of concern about big buildings in our neighborhoods, and he thinks that is where he wants this to go in terms of massing and size of buildings. He likes the idea of beefing up our ordinances to give some guidance to developers when they come so they would know what the City wants.

- Mayor Rosenberg said most of the developers, if they go for the 12 units, whether it is short-term rental or not a lot of the requirements come in. He asked how much amenity we would require. It has to be measurable. What constitutes an amenity? He said we asked Planning Commission a while back to define amenities.

- Bob Nicholson said in the short-term rentals regardless of densities it says that amenities shall be provided commensurate with the size of the project.

- Mayor Rosenberg said we can do better than that. We can define. He said he likes the idea of raising the bar. We can beef up the open space and amenity definition, so they know to get to these levels then maybe we create that same impact in all the projects that we currently see in the short-term rentals.

- Wendell Gubler talked about the problems with trailer parks. He said quality is the key to this whole thing. We need to make sure we quality buildings when they come in and we define amenities as part of it.

- Mayor Rosenberg said we don't allow mobile homes, but we can't regulate modular homes. He agrees that quality is important.

- Denny Drake said not to send a negative on the quality because we do want the quality but every time you add an amenity you are also adding a cost. The more we add the amenities the higher the cost is going to be so the affordable housing we are trying to reach isn't going to happen. We are in a catch 22. Are we talking affordable housing or are we talking high density?

- Mayor Rosenberg said we could design a project that could reach the market and get that 40% of AMI qualified to buy it but when they left that could not take advantage of the increase in value that had happened while they were in that home. There was a deed restriction that basically said when you leave some of that gain goes back into the pool for the next one.

- Denny Drake said what we have to do is decide affordable housing or is what we are doing now going to meet that affordable housing or is there something else we need to create. You can go higher density, and it reduces your land costs but if you throw in the amenity costs it forces those things up.

- Mayor Rosenberg said he thinks the two critical things are the maintenance and the management. If they can keep that building or complex well managed and well maintained though the effort, they go to on the initial side is preserved through there and they are managing their tenants they probably won't have near the impacts on the community.

- Denny Drake asked how we can police the CC&R's.

- Mayor Rosenberg said that may be something we have legal look at. There could be a rental ordinance where they are registered, and we could beef that side of it up. The landlords would be registered and if they are licensed, they would have to make

commitments and it would be enforced and make that license something they value. He thinks any new project we could put a standard on and if they don't follow them the code enforcement could be put on them and the City could put a lien on the property. The agreement they would sign would have all the requirements in it.

- Leina Mathis said we are really talking about the large massing of a project because that is where the concern is.

- Jarett Waite asked if we could make development agreements be required for those sorts of projects.

- Mayor Rosenberg said we could make a development agreement on any planned development.

- Ben Shakespeare said we could clearly spell it out. There is not going to be an end of it. There is going to be pressure to do this, and it is not going to stop if we say we are not open to this. Things are moving that way, so we need to get out in front of it.

- Mayor Rosenberg said to start there with the short-term rental agreement and trim back the amenities.

- Curtis Whitehead said for us to think that no one is going to come in and want a rental community is very naïve of us and very short sighted because it is going to happen.

- Mayor Rosenberg said this has been a really good discussion and Planning Commission will probably get charged to bring it up at some of their future meetings.

2. Water Conservation discussion. Presented by Dustin Mouritsen, Public Works Director.

- Dustin Mouritsen said that Brad Hays, Parks & Trails Director, has asked him and Kristelle Hill to do a presentation about water usage and conservation. Santa Clara is growing at a good rate. It grew 8% and our water supply is being stretched to the limit. The Washington County Water Conservancy District (WCWCD) has projected that Southern Utah has about 10 years of water left. Over the past 5 years, Santa Clara residents have consumed about 572 gallons of water per household per day. Santa Clara is working to do our part in reducing water consumption. He said that Santa Clara owns 100% of Wells #6 & #7. He said that #7 is a seasonal well and we run it during the summer. If we don't need all the water we produce from our wells, we sell the excess water to the WCWCD. This water goes to Ivins, and whatever Ivins doesn't use goes to St. George. When we don't have enough water during the summer months, we have the option of purchasing water from the WCWCD through the Regional Pipeline. We typically need to purchase Water from the Regional Pipeline in the warmer months between April – September. During the winter months we pump enough from our own wells to cover our usage. Our goal is to reduce water purchased from the Regional Pipeline as much as we can. Santa Clara is part of the Snow Canyon Compact Well System with St. George City. The Snow Canyon Wells include Well #6 and Well #7, owned exclusively by Santa Clara City, and five wells, known as the Snow Canyon Compact, which are shared by the Cities of Santa Clara, St. George, and Ivins. Santa Clara owns 24.1 % of the five other wells. The City also has the option of purchasing water from the Washington County Water Conservancy District (WCWCD) through the Regional Pipeline. He stated that Santa Clara has 23.25 shares through Santa Clara Canal Company and 23.25 shares through St. George Canal

Company, which we can run through Santa Clara. We are allotted a total of 60,282 gal. of water. If we go over our allotted use, we pay a rate of \$1.00 per 1,000 gallons of excess use. He said our 5-year average of Secondary Water use is 33,338 gal. We are allotted 60,282 gal. We have an additional 26,944 gal of Secondary Water that we are not using. Right now, we have four facilities that are running on secondary water: Lava Ridge Intermediate School, Canyon View Park and Little League Park, Gubler Park and Swiss Memorial Park. Our most current year of 2020 we used 33 gal of secondary water. We have three facilities right now that we are working on hooking up to secondary water that are right now using culinary water. One is Black Rock Park and the other is the Streetscape and the cemetery. The cemetery actually has all the plumbing done. The filtering system needs to be cleaned and have some maintenance done on it. Once we switch those facilities over it is another 11 gal of culinary water saving, we could have using the secondary water. With the excess water that we have in secondary there is a lot left there that we need to look at any other facilities that we could hook up to secondary water and save our culinary water and ultimately that will reduce the regional water that we have to purchase during the summer. He talked about our conservation goals. They are: 1. Reduce the City's water use rate by 7% within 5 years. A 7% reduction in consumption of culinary water per connection would yield an average usage of 532 gpd per residential unit or 167 gallons per day per capita. As a matter of comparison, the 5-year average of the City's water rate use dropped a total of 10.2% over the previous 5 years. 2. Maintain a quality water distribution system with up-to-date technologies, operation, and maintenance practices. 3. Educate the public about the importance of water conservation practices. 4. Continue converting schools and parks from culinary water to secondary water where feasible. 5. Reduce purchase amount from Regional Pipeline.

He stated that these are some of the things we have looked at with community outreach: WCWCD Free Water Checks, Incentives (cash back to homeowners for removing sod), Promote Watering Hours Ordinance, Implement Landscape Ordinance such as a restriction of only a percentage of grass front or back, and Newsletter/Social Media. He said that Kristelle went with him to the WCWCD meeting the other day and got several ideas that we can put online educating people on how and when to water their lawns. He said ultimately, we would like to get each homeowner to save 40 gallons of water per day.

- Ben Shakespeare said we shut down Well #7. Is there a way to store during low peak season? We have a reuse reservoir coming in by us. Is there a way to tap the water year-round? Could we store the water in the reuse and be used for irrigation?

- Leina Mathis asked about when we sell water to the WCWCD and then we purchase it back is the cost the same.

- Brock Jacobsen said there is an agreement that we can only sell it at roughly what our cost is. It is about \$0.40 per thousand gallons and we are buying it back at \$1.24.

- Ben Shakespeare said the biggest part of our water use is irrigation.

- Jarett Waite said the issue is maintenance. We can't run the well that long because of the sand.

- Dustin Mouritsen said that is part of the reason we choose to shut that well down. It has been really temperamental.

- Mayor Rosenberg said that reservoir that Ben is talking about is not a WCWCD reservoir. It is a City of St. George reservoir. They will own every drop of water in it.

They will take treated water and drop in there. They can route water all the way from Gunlock to Warner Valley.

- Denny Drake said that when we joined into the regional sewer line we were to get back the water that we put in. That was to be ours. We helped pay for the facility and with that agreement we were to get back the water we put in. We may have to pay the pumping costs but the water itself, whatever we sent into the sewer line; we were to get back out. Storage is also a key with tanks. We weren't having to buy water from the WCD until we needed it because there is a State regulation that it can't sit in a line for more than 7 days or you have to put in another treatment plant. He said that was told to us after the fact, after we paid for the water line being built over here. So, we ended up having to take water when we didn't need it and pay the district for it. He said he likes the idea of the conservation. That is huge and we have to educate people to do that. In the past we tried to do it with dollars and cents. We had to raise the rate and then people got assessed according to usage and if they went over a certain amount it is a significant assessment.

- Mayor Rosenberg said it is still that way. If you use more water, you pay a higher rate. That may have to be increased again.

- Curtis Whitehead said maybe we can change the way we can approve new construction with the landscape ordinance.

- Mayor Rosenberg suggested incentivizing existing homes to convert to that standard.

- Brock Jacobsen said the Landscape Ordinance is being looked at by the Water District. We could see what the Water District comes up with or we can do one of our own.

- Leina Mathis said people are still going to want some greenery. That is just natural. Maybe we could incentivize homes with rebates or cash back or something like that.

- Mayor Rosenberg said we will probably see all the communities facing this same problem. We will probably be working with them on a solution.

- Brad Hays said one thing he would caution in the downtown area if people started pulling up sod we could lose all the mature trees. Over the period of 5-10 years, we could lose a majority of the trees.

- Mayor Rosenberg said he thinks the downtown is set up for secondary conversion.

- Ben Shakespeare asked how we could multiply water and stretch it and store it and what is the most cost-effective way to do it. The irrigation is the key.

- Mayor Rosenberg said we need to make some headway with the irrigation company.

- Ben Shakespeare asked Dustin if we are picking up these shares (in the irrigation company). He said that is something we need to have stay in Santa Clara.

- Mayor Rosenberg said we could put an ordinance in place that says that every new development puts in secondary systems. There is some willingness on behalf of the irrigation company to work with the City to where they convert those unneeded shares, and they get compensated and then it comes into City ownership and then we can bank them for future use.

- Denny Drake said they are right now re-adjudicating all the irrigation companies.

- Mayor Rosenberg said the process that we put in place for the Rhone Subdivision is a good model. It saved the homeowner significant money.

- Wendell Gubler asked about leasing water from the water company. Is that a possibility? He said some of the old-timers are not going to sell the water because water is important, but they might want to lease it rather than lose it.

- Mayor Rosenberg said that leasing it would probably provide water for the system, but it would need to be a perpetual lease, which there would be no advantage for the shareholder.
- Wendell Gubler said some people might want to lease it rather than sell it. They might lose it if they don't do something with it.
- Mayor Rosenberg said we could lease water to apply to a project and it builds into our cost, but you wouldn't get that impact fee advantage because it is not permanent. The Water District will only give the impact fee credit to a municipality. They won't give it to a private water company.
- Denny Drake said he believes that in 2005 the City of St. George bought all the Santa Clara Canal Company water on a 50-year lease and that they will be taking it over at the end of 50 years and whatever water that comes back to Santa Clara will only be given on the reuse line. There will be no irrigation shares.
- Dustin Mouritsen said he is not familiar with that. He said he has read just about every agreement we have.
- Denny Drake said it is not an agreement with us. It is an agreement with St. George City and the Santa Clara Canal Company.
- Mayor Rosenberg said he is trying to get Dustin voted in as a Board member. He doesn't know if we will be successful.
- Brock Jacobsen said we have 23.25 shares. We are one of the larger shareholders.
- Denny Drake said we have 23.25 shares and 23 shares from St. George.
- Mayor Rosenberg said there is work to be done. There is work happening and more work to be done.
- Marv Wilson said we have made a good water reduction in 25 years. He said, everything we can save and reuse helps us.

3. Public Transit discussion. Presented by Brock Jacobsen, City Manager.

- Brock Jacobsen said that Matt Ence sent this letter that he received from the County on Public Transit, which is an agreement from the State. How the tax is divided up is 40% would go to the municipality where the tax was collected, 40% would go to transit if they have it in the municipality, and the remaining 20% would go to the County. If you don't have public transit within your community then it would go to the County for public transportation. Because we don't have public transportation here in Santa Clara, we don't participate in Sun Tran, currently our 40% for public transportation is going to the County. He said that our current local option sales tax is about \$125,000 so that is what the County would be collecting of our portion. The County has sent over this agreement that has to do with the new Sun Tran line from St. George to Zion National Park. They are asking Santa Clara City to agree that for the period of 10 years that we will not implement public transit within Santa Clara so they can have those funds to help fund the line from St. George to Zion National Park.
- Ben Shakespeare said he has a counteroffer. Let's get something back from the County on our shooting range.
- Denny Drake said as we have been talking about affordable housing and everything else, we are going to be doing public transportation a lot sooner than 10 years.
- Mayor Rosenberg said we could say no. We can pass an ordinance and tell them that we are basically in the process of creating our own so stay away from our money. We

can't get that money until we have that in place. We would have to figure out a mechanism to get it in place.

- Denny Drake said the mechanism is there is we want to add on to Sun Tran.

- Mayor Rosenberg said that is if St. George would want to add it on. They are the ones who want the money because they are providing the service for the County to Zion.

- Brock Jacobsen said the money is coming from the County to St. George to provide the money for the operation.

- Mayor Rosenberg said he doesn't want this on any agenda because he doesn't think we are ready to approve this. We need to talk about what we need to do for public transit. There may be some things that we can do separate from Sun Tran and meet the definition of public transit, like a City owned bus that does service for handicapped or the elderly within the community. He wants to brainstorm this before we bring it to an agenda. He said he doesn't like them asking us to commit to 10 years without them asking us.

- Denny Drake said as we study the issue we say maybe 2 years. It will take us awhile to figure it out and we could maybe give it up for 2 years but not 10 years.

- Mayor Rosenberg said he agrees with that.

- Jarett Waite asked how loosely we can define public transit. Could we subsidize a scooter program or e-bikes?

- Mayor Rosenberg said we would have to go back to the legislation and research the legislation that set it up and see what qualifies. Let's have Staff do some research and have our legal team look at the legislation.

- Ben Shakespeare said he thinks we could provide some service to those who need it on a specific thing and look at other areas to improve.

- Mayor Rosenberg said we will talk about this in some Work Meeting discussions.

#### 4. Review Quarterly Financials. Presented by Brock Jacobsen, City Manager.

- Debbie Bannon, Finance Department, said the first page is the 3<sup>rd</sup> Quarter comparison from this year to last year and compared to 3 months worth of budget. We are 3% above where we want to be or where we have budget. She said that is great. Last year's miscellaneous was quite a bit larger because of the AP Wireless cell tower proceeds that we received. Current year it is really low because we had to re-class the fire. We had a fire donation. Some company donated money to the Fire Department. On the expenditures we are 43% under budget, which is great. On the quarterly comparison we are \$400,000 higher. We have \$1.6 million in revenue and \$1.2 million in expenses. She said the year to date to March comparison is next which is a 9 months comparison verses budget. License and permits were up quite a bit. Last year's miscellaneous was us quite a bit because of the Chapel Street corridor and Arrowhead Trail. The miscellaneous number in the 2021 YTD is quite a bit high because when we converted our accounting system from Caselle to Pelorus we had to balance our checking account so we go an extra \$80,000. We are 23% above where we were expecting to be for the 9 months and we are 2% under on the expenditures. We are doing pretty good this year because of the drastic budget cuts because of COVID. That will definitely dwindle. She showed budget numbers to the Council. (See attached.)

- Brock Jacobsen talked about the impact fees and that in Streets there is a bond payment on the Chapel Street Bridge. We had one interest payment. He said that Public Safety is working on the remodel on the Rachel Drive Station and then on Parks there was the Swiss Memorial and the Lava Flow Trail, which were the main parts of those expenses.
- Debbie Bannon talked about the Water Fund. The revenue is a little under what we budgeted. Expenditures were under by 34%. We have more revenue than we have expenditures.
- Brock Jacobsen said that on these Enterprise Funds we need that excess, that income. That is what we are putting away each year for our renewal and replacement to help replace our infrastructure as it ages. The Enterprise Funds are supposed to run more like a business type but we are not trying to store large amounts of money but we have to have quite a bit if we have to replace water lines or sewer lines or power. It is a significant cost if we have to go through and start replacing those things. We need to have money set aside. Our growth not too long from now is going to end and we are not going to have those impact fees and we are not going to be building new. It is going to be all about maintenance and replacing infrastructure.
- Mayor Rosenberg asked what non-operating revenue is.
- Brock Jacobsen said the non-operating revenue in the Water Fund would be interest on impact fees and miscellaneous revenue. It would take in gain and loss, miscellaneous, secondary water, and the regional water surcharge and maybe hydrant meter use.
- Debbie Bannon said in the Sewer Fund we are 9.3% above budget and we are still 3.5% under what we have budgeted so we are up \$74,000 in that fund. In the Electric Fund we are 26% over as far as what we were anticipating in revenue and we are over a little bit of what we have budgeted.
- Brock Jacobsen said when we budget on projects with the Power Fund we install and the developer pays us for the power to install it. We don't always know what that number is going to be. There is revenue in there that we didn't budget for. We usually budget zero.
- Debbie Bannon talked about the Storm Water Fund. We are doing good across all enterprise funds. She talked about the Enterprise revenue and expenditures. The revenue is calculated by percent. So overall is 13% higher than budget. Expenditures were 8% under. We have \$1.5 million higher in revenue than expenses across all Enterprise funds. She talked about Sales Tax Revenue. We are 21% higher than we were last year estimated to be. We are 34% higher than last year on Highway Tax.
- Brock Jacobsen talked about the Sales Tax. We have been over the \$100,000 mark and it is only getting better as we see the other commercial coming on around Harmon's. He also talked about the local option tax that was talked about in the previous discussion. We are projecting that to be about \$125,000.
- Debbie Bannon talked about the Room Tax. That has jumped quite a bit.
- Leina Mathis asked Brock if he was checking on the transient room tax to make sure people were filing here and not somewhere else.
- Brock Jacobsen said we try. He said we checked a few months ago and there was a lot of people showing their accounts closed so we are not sure what exactly what is happening. He doesn't know if they are all getting under one management. The amounts are still increasing but we can't get a lot of information because they won't

share the information on what is happening.

- Jarett Waite said that is why he suggested that our new Economic Development/Planner person could work on that and some how formalize a way to track it.
- Mayor Rosenberg said if we put that landlord ordinance in place they would qualify for that too and we would be able to tell who would be paying that tax.
- Debbie Bannon talked about the Rap Tax. It is doing quite well. It will be about 37% higher than last year.
- Denny Drake said speaking of Rap Tax are we getting any closer to doing the parking lots.
- Brad Hays said he got the cost estimates today so we are moving forward with that. We will be bringing it to Council after he reviews it with Brock and our finance person.
- Debbie Bannon showed the Council the financials. (See attached.) Financially we are doing okay this year.
- Brock Jacobsen told the Council that a lot of the new equipment has been ordered and it is just a matter of supply. Some of this may forward into next year's budget. The tentative budget is more than we have this year. It is getting back to things that needed to be cut then. We are sitting at \$1.1 million revenue over expenditures. Staff has done an amazing job of keeping their expenditures down. This has given us an opportunity to create that capital projects fund and put money away in the fund balance for when we need it in the future. We still have funds coming potentially from the American Response Plan. Our projection is close to \$1 million that will be coming in that to use on infrastructure. We have some big projects that could potentially come depending on growth and also some other areas. It will be good to put some money away.
- Jarett Waite asked about the tracking of the CARES Act revenue. He said it looks like we haven't spent \$187,000 of it yet. Do we have to spend that by a certain date?
- Brock Jacobsen said it is spent. We have infrastructure still coming with cameras and infrastructure that hasn't been built yet and what is remaining will go into wages for public safety which would be about \$50,000.

### **3. Staff Reports:**

#### Dustin Mouritsen

- The Public Works crew completed the detention basin off of Circle Drive. They did a nice job. It is contractor quality.
- Slurry seal is in full swing. It is supposed to be completed next Monday. They have been doing an awesome job.
- We are looking at adding an extra lane on Pioneer Parkway at the Red Mountain intersection so that will give us a left turn lane on Pioneer going west on to Red Mountain. We are going to put another lane of asphalt there all the way up to where the curb and gutter ends at Harmon's.
- The Public Works Department is relocating an irrigation line over in Girl's Pond Circle and that should be wrapped up early next week.
- Ben Shakespeare thanked Dustin for putting the signs up at the end of Bonelli Drive.
- Brock Jacobsen said that the new employee, Justin Bush, is starting in the Public Works

Department.

### Gary Hall

- On April 13-15, our crew went to the Veyo Power Plant and completed the Spring maintenance items.
- The Lava Flow job the crews are working on is pretty much complete except for one section of a pipe that STS is going to do for TDS. We were able to get our power line down but there was one section of pipe we were going to put in for a back heat, so it was looped. We were going to put that off until we had time to do it but TDS wants to get that cable in, so they hired STS to trench that and they are going to put our power conduit in while they are there. He is not sure what our bill will be for that. The estimate is around \$1,500, which is fairly cheap for trenching that much in lava rock. They should be finishing that up by next week.
- The garage door has shown up for the Chapel Street Orchard building. We have a crewmember that used to be a framer and he will get that door put in.
- Today Eric completed the fiber map on the GIS, so he got all the conduit for the fiber that we know that we have and it is on the GIS. There is not a lot. We are not for sure some of it is ours or not, but we can probably use it if it is empty.
- Brock Jacobsen it could have been Interlink's conduit at the time but Interlink has been purchased by TDS.
- Gary Hall said we will try to find out who owns that conduit.
- Mayor Rosenberg said to talk to Matt Ence. He complimented Gary and his crew.
- Leina Mathis asked when the road/waterline at South Hills is supposed to open back up.
- Gary Hall said he is not sure.
- Dustin Mouritsen said they are doing the tie in at the bottom hill into the existing asphalt in the existing waterline next week. We are hoping after that we can open it up to Stucki Springs, which would open it back up to the bike trail so maybe a week after that. After that they will go from Stucki Springs up over the hill.
- Brock Jacobsen said that the Power Department also has a new employee.
- Gary Hall said his name is Brock Hutchings and we hired him from Payson City. He is a third-year step apprentice and he will be taking his test in September so he can become a fourth year apprentice. He will then have one more year after that. He is working out great. He is a great employee. He is fitting in with the crew and is a hard worker.

### Brad Hays

- Infowest completed the install of Wi-Fi in all the parks. All the parks now have Wi-Fi except the cemetery and Heritage Square. The cameras have started being installed starting yesterday. We are waiting for some parts to come in and have ran into a few glitches but there are a couple of the cameras in the parks up and running.
- As part of the slurry seal the crews have included some of the trails and the cemetery parking areas. That will be done the week starting May 11.
- Holbrook is coming in on May 14-15 to redo the Gubler Park parking lot to restripe it.
- Little League is wrapping up. The next tournament is Memorial Day weekend.
- Leina Mathis asked when we expect the tablespots to go in at Gubler Park parking lot.
- Brad Hays said we have been discussing that and we are getting some cost estimates. Dustin has given the numbers that he needs as far as concrete. We could schedule it anytime based on workload. We were also discussing adding a couple of speed bumps in

there. Dustin said he could do a speed bump for about \$200 in materials.

Corey Bundy

- New home permits issue for 2021 is 107. We have 9 in Plan Review. There are 8 various and other permits. There are 5 various permits in Plan Review. We have 1 solar permit. Currently there are 360 active building permits. Between April 1-30 we have conducted 224 building and storm water inspections.
- The Planning and Zoning Commission is having two public hearings. One hearing is for the Hills @ Santa Clara. They are amending a plat to combine two lots into one lot for three separate areas. The other is for a project up on Pioneer Parkway called The Point at Entrada, a senior living community on 23.6 acres generally located on Pioneer. It is presently zoned Planned Development Residential, and the project plan consists of the property site plan and building design drawings for the building locations within the property area.
- Scott Bannon has been busy doing the code enforcement. 18 work orders and entries have been done this month, a court case on nuisance, two dam inspections, four City facility inspections, eighteen storm water division inspections, one newsletter article written, Division of Water Quality inspection and ground water inspection on hillsides.
- He said for the building maintenance we are getting ready to seal the parking lots. They will be seal coated and restriped.
- Mayor Rosenberg said to make sure the new detention basins get on the list for periodic inspection. It also needs to get on the insurance for facility.

Brock Jacobsen

- He received a card from the Southern Utah Dogs. They have had some runoff from the rain so the gravel has deteriorated so they have asked if we can put some more gravel in there. We did that and they sent a nice card thanking the crew for taking care of that in a quick manner.
- The Trust invited us to be part of a pilot program in training. There are two large training companies that are providing training free of charge. The Trust is taking care of that and they have invited us to be a part of that. Chris is getting all of that set up through the Trust.
- We are getting ready for the budget freeze. We will let the Department Heads know they can't spend any more so we can be ready for the audit.

**4. Adjournment:**

Meeting Adjourned at 7:16 p.m.

\_\_\_\_\_  
Chris Shelley – City Recorder

Date Approved: \_\_\_\_\_