

CITY COUNCIL WORK SESSION
Tuesday, February 17, 2015 6:00 p.m.
Community Recreation Center
10640 N Clubhouse Drive, Cedar Hills, Utah

Present: Mayor Gary Gygi, Presiding
Council Member: Trent Augustus, Jenney Rees, Daniel Zappala, Mike Geddes
(6:10 p.m.), Rob Crawley (6:25 p.m.)
David Bunker, City Manager
Charl Louw, Finance Director
Greg Gordon, Recreation Director
Courtney Hammond, Transcriptionist
Others: Lt. Sam Liddiard, Donald Steele

This work session of the City Council of the City of Cedar Hills, Utah, having been properly noticed, was called to order at 6:04 p.m. by Mayor Gygi.

FY 2015-2016 Capital Projects Fund and Motor Pool

Charl Louw reviewed the currently funded capital projects for 2015-16, which includes: Bayhill Park at \$235,000 (through a mixture of unrestricted fund, CARE, park development), the golf maintenance shed (\$200,000), Harvey Boulevard traffic mitigation (\$50,000) and the Canyon Road sidewalk project (\$15,000). Bayhill Park is planned for construction in summer 2015. Part of the funding is through a Utah County grant in spring 2016. The golf maintenance shed will provide a safer, more functional facility. The original bids came in at \$165,000 to \$200,000, but did not include a storage facility. With a new location, the plan is to have a small footprint with a basement. The basement would include storage. The original plans were for metal siding. Upgrading to stucco will increase exterior costs by about 10%. The cost listed for the Harvey Boulevard traffic mitigation is a placeholder. The type of mitigation has not yet been decided. The Canyon Road sidewalk project is estimated to be 300 feet of sidewalk in front of the city office building.

Charl Louw reviewed the motor pool fund. Golf is now incorporating golf maintenance equipment, which is a \$13,000 increase for golf course transfer. There are three vehicles planned for replacement: two trucks and one passenger vehicle.

Concessions Contract

C. Zappala stated that he was glad that language was added to the contract to cover the city's costs. He is still unclear about whether the city's strategy is to make a profit, or to just cover the cost and allow the business owner to make a greater profit. He is worried that the percentage is based on gross sales, rather than profit. He would prefer to set a flat rental fee.

Mayor Gygi stated that when the city was operating the grill, the city was losing about \$30,000 a year. Using a food vendor changed that to a profit of around \$15,000. He prefers the low rent, higher percentage because he doesn't want to find another food vendor. The city owns the

equipment which will eventually need to be replaced. For those reasons, the percentage is a good idea.

C. Geddes stated that the city is not out to make a huge profit, but to provide a good service to the community at a reasonable price. With the city taking a percentage of the profit, it incentivizes the food vendor to do a good job. He would be willing to take the percentage off of grill sales, but leave the percentage for catering.

C. Augustus stated that he was on the committee that interviewed potential vendors. The committee did not have a goal to make money for the city, but rather to provide the benefit for the residents. The rent plus percentage ensures that the city covers its costs, including equipment replacements.

C. Rees stated that she thought the monthly rent included accrual for maintenance and replacement of equipment. Her preference is to ensure that the rent covers the city's costs and not take a percentage, because the city doesn't charge a percentage to any other vendors. The revised contract included business hours, but the subsequent contract did not have them listed.

Charl Louw stated that when a business does well, maintenance goes up. For that reason, a percentage helps cover extreme growth. The rent covers maintenance costs of regular business. It does not cover costs if business picks up significantly.

Greg Gordon stated that the catering vendors don't use the grill equipment, but they give the city 10%.

David Bunker stated that he talked to Vista Pointe about this. They don't mind a floor of about \$15,360/year, but feel that if that is the case, there should be a ceiling of \$16,800. Their other concerns include: (1) they would like at least a three-year lease with two 3-year renewals (2) they would like the ability to look at different alarm systems, with access granted to the city. The city would have to give access to the Vista Pointe as well so that the bathrooms and hallways can be used. They also wanted to add a sentence that states that the city will not unnecessarily hold up the issuance of permits. Under the section on termination for cause, they want to strike employees, because they would want to handle that internally. With the past vendor, it was difficult to go into the books to determine sales. The flat rate makes it easier. Vista Pointe requested they be recognized as and receive the benefits of a \$1,500 or mid-range Family Festival sponsor. Keith Irwin had requested that the Family Festival benefits be more specific as those for a \$500 sponsor.

This meeting was adjourned at 6:55 p.m. by Mayor Gygi.

/s/ Colleen A. Mulvey, MMC
City Recorder