

**Pleasant Grove City
City Council Meeting Minutes
Work Session
December 11, 2018
5:00 p.m.**

Mayor: Guy L. Fugal

Council Members: Dianna Andersen
Eric Jensen
Cyd LeMone
Lynn Walker
Todd Williams

Staff Present: Scott Darrington, City Administrator
Denise Roy, Finance Director
Deon Giles, Parks and Recreation Director
Dave Thomas, Fire Chief
Mike Roberts, Police Chief
Kathy Kresser, City Recorder
Daniel Cardenas, Community Development Director
Marty Beaumont, Public Works Director
Tina Petersen, City Attorney
Sheri Britsch, Library and Arts Director
Kyler Ludwig, Assistant City Administrator

The City Council and staff met in the Library, Main Level, at 30 East Center Street.

5:00 P.M. WORK SESSION

1) Presentation on the Audit.

Finance Director, Denise Roy, introduced Aaron Hickson from Hanson Bradshaw Malmrose & Erickson, the City's accounting firm. Mr. Hickson would address a few things during the work session and the Council would formally adopt the audit during the regular session.

Mr. Hickson stated that the numbers for FY18 were relatively similar to those of the prior year, with a few exceptions. At the beginning of the report was the Comprehensive Annual Financial Report (CAFR), which contained good information for the Council regarding the City's financials. The accounting firm's opinion was on page 13 of the document and Pleasant Grove received the highest opinion they could give. He reported that there were no weaknesses found that needed to be reported. They felt that the internal control environment of Pleasant Grove was adequate and

the City responsibilities are distributed evenly among staff. With regard to the Reserve Fund, Mr. Hickson explained that the State has set a regulation allowing no more than 25%, and Pleasant Grove was currently at 24.59%. The City was in a growth period, so it was good to have that reserve as a buffer for potential cost overruns.

City Administrator, Scott Darrington, noted that \$1.4 million would be taken out of the Reserve Fund and put into the Capital Projects Fund next year. That would put the Reserve Fund at 15 to 16%.

Mr. Hickson presented the Management's Discussion and Analysis and focused on the changes from the previous year, including the long-term debt decreasing from \$65 million to \$61 million. He noted that the State restricted the amount of General Obligation Bonds that a city can have, and Pleasant Grove is well under that limitation.

The Council thanked Mr. Hickson, Director Roy, and staff for their work on the audit.

2) Presentation and Discussion on Affordable Housing.

The discussion was continued to a future meeting.

3) City Council and Staff will Review and Discuss Items on the Agenda.

Administrator Darrington reported that they had several appointments to make during the regular meeting and there were two public hearings involving the MD zone. The first proposed amendment would alter the setback requirements and the second would allow a distillery use to the MD zone. The second item was on the agenda a few weeks ago, but the Council chose to send the item back to the Planning Commission and requested that they reconsider allowing tasting rooms and clarifying the allowed retail uses. Initially, the Planning Commission recommended allowing just the manufacturing use, but the applicant would like to have a tasting room at the facility.

Director Cardenas explained that the above item was heard by the Planning Commission twice, and there seemed to be some miscommunication about the retail aspect of the use. Originally, they did not recommend the tasting room. Since the City Council sent the item back to the Planning Commission for clarification, staff had contacted the Division of Alcohol and Beverage Control (DABC) and discovered that the State manages all liquor sales in Utah. Anyone who sells alcohol is contracted with the State to do so. He clarified that staff had always been comfortable with the manufacturing part of the business, but not a retail storefront or tasting room. The DABC confirmed that the distillery could have a license for just manufacturing; however, the owner would be at the mercy of the State to sell the product. They could sell the product to other states, but 17 other states have similar alcohol regulations as Utah. The applicant was seeking a Type 5 Packaging Agency Permit, which would allow them to sell alcohol from the distillery on behalf of the State. He noted that this permit would only allowed the applicant to sell the alcohol he produced. The Type 5 license would not require them to have a storefront, but they could still sell alcohol to visitors at the distillery.

With regard to the tasting room, Director Cardenas stated that staff was not in favor of allowing it because of the other uses currently in the MD zone. State Code has set regulations that buffer distilleries from community centers and although the current uses are privately owned and do not meet the definition of “community center” staff felt that the reason for the buffers could still apply because of the types of adjacent uses. The Planning Commission took a field trip to a distillery in South Salt Lake City and were able to visit the tasting room. He noted that the State allows up to 2.5 oz. of alcohol for the “education experience” after a tour, but some distilleries self-regulate to a lower amount. The Planning Commission recommended allowing retail sales, without a storefront, and allowing a tasting room. They did not recommend any additional buffers because they felt that the State’s regulations was sufficient.

Council Member Williams asked why staff was recommending greater buffers, and Director Cardenas said it was because of the other uses in the zone.

City Attorney, Tina Petersen, clarified the difference between retail sales and a storefront.

Council Member Williams expressed concerns with putting more restrictions on a private business beyond that of a public liquor store.

4) Staff Business.

ACTION: Council Member Jensen moved to adjourn the work session at 5:47 p.m. Council Member Walker seconded the motion. The motion carried with unanimous consent of the Council.

1) ADJOURN

Council Member Walker moved to adjourn the meeting at 7:00 p.m. Council Member Jensen seconded the motion. The motion carried with unanimous consent of the Council.

The City Council Work Session Minutes of December 11, 2018 were approved by the City Council on January 8, 2019

Kathy T. Kresser, City Recorder, MMC
(Exhibits are in the City Council Minutes binders in the Recorder’s office.)