

MINUTES
ENOCH CITY COUNCIL
July 2, 2014 at 6:00pm
City Council Chambers
City Offices, 900 E. Midvalley Road

Members present:

Mayor Robert Rasmussen
Council Member Destry Griffiths
Council Member Steve Johnson
Council Member Kirk Lovell
Council Member Mike Olenlager
Council Member Gary Wilcken

Staff present:

Julie Watson, Recorder
Dan Jessen, Treasurer
Nick Turner, City Atty.-absent
Robert Dotson, City Mgr-absent
Earl Gibson, Dir. Public Works
Jackson Ames, Police Chief

Public present: Doug Jones, Donna & Michelle Pritchard, Carolyn Olenlager, Ken Bauer, Dilworth Armstrong, Jay Callaway, Shawn Higgins, Jake Hardman, Jolene Lee and Tim Watson

1. CALL TO ORDER OF REGULAR COUNCIL MEETING-By Mayor Rasmussen at 6:00pm. He welcomed the audience saying this will be a short meeting.

- a. **Pledge of Allegiance-**Council Member Wilcken gave a reading regarding love of country and led the pledge afterwards.
- b. **Invocation-**Audience invited to participate-Given by Jolene Lee
- c. **Approval of Agenda for July 2, 2014-Motion to approve by Council Member Olenlager. Motion seconded by Council Member Wilcken and all voted in favor.**
- d. **Approval of Minutes for June 18, 2014-Motion to approve by Council Member Johnson. Motion seconded by Council Member Lovell and all voted in favor.**
- e. **Conflict of Interest Declaration for this agenda-**none stated

2. DISCUSS CREATION OF A RECYCLING MARKET DEVELOPMENT ZONE IN EXISTING COMMERCIAL ZONES

Mayor Rasmussen asked Jake Hardman of the Governor's Office of Economic Development to explain this to the Council. He said their office oversees this program which offers tax incentives to businesses in rural areas. If they purchase equipment to handle recycled materials that would normally go to the dump, take them out of the waste stream and re-use the materials they are eligible for a 5% non-refundable tax credit. This helps businesses in rural areas create jobs. He gave more details of the criteria and the actual application Enoch City will submit in conjunction with Cedar City. He added this does not in any way change any current zoning. It just allows for businesses in those designated zoning areas to receive these tax credits. The benefits to the city include increased hiring and growth of businesses which adds to our tax base.

He explained the application requires a local contribution. An example of that could be to simplify procedures for licensing or waive some fees. When the application is turned into his office and approved then the tax credit is available for the entire year retroactively. This program is renewable every five years. Council Member Johnson confirmed that this is a State program and there are no Federal funds involved. Jake confirmed that was correct. He elaborated more on their procedures and that the tax credit is granted "post-performance". They do go check on the actual equipment to verify compliance.

Council Member Wilcken asked a few more questions adding he has concerns that we are taking money from everyone and giving it back to a few and that is hard for him to swallow. This is another government program to give incentives to do certain things and that goes against the grain for him. Jake said the companies pay taxes to the State and we give back 5% of that money as an incentive to do more to build the business locally with that money. It can increase hiring and wages spent in the community.

The Enterprise Zone is another program the Governor's Office of Economic Development has for rural communities. Mayor Rasmussen asked Jake to explain that while he is here although it is not listed on the agenda. The "Enterprise Zone" is similar in that the city decides where the zones go. It can be commercial only or extend to home businesses. They have a few tax credits; job creation for every full time position, paying wages that are 125% of the county average wage and for remodeling older buildings to rejuvenate the community. He passed out a handout with more details and explained the program. The hope is businesses use the tax credits to spur investment in their communities and create jobs. This is also an incentive for businesses to come into rural areas. He explained tax credits available for 501(c)3 non-profits who are involved in community and economic development. Any business or individual who donates can get a 50% tax credit and the 501(c)3 Board can use money how they like. He gave the example of Washington City using that type of donations to build their recreation complex. Dan asked about our 501(c)3 for the Rec Complex and how they could qualify. Jake said it has to say in the bylaws that their efforts are for economic development and existing bylaws can be amended to comply. This helps cities raise funds for projects and is to spur development in rural communities.

Jake said he would give more information to City Manager Dotson for this zone. Council Member Wilcken said he is still concerned and wants more time to think about this. Mayor Rasmussen added he would like to see the agreement and if we are going in with Cedar City we will have more questions. Council Member Olenslager recapped to say the hope of this program is that tax credits received will give more back to the community in general with benefits outweighing costs. Mayor Rasmussen thanked Jake for the information.

3. RESOLUTION NO. 2014-07-02 A RESOLUTION AUTHORIZING APPLICATION TO THE GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT FOR CREATION OF A RECYCLING MARKET DEVELOPMENT ZONE IN ENOCH CITY

Council Member Wilcken made a motion to table Resolution No. 2014-07-02 until the next meeting on July 16, 2014 for more discussion and information gathering. Motion was seconded by Council Member Johnson and all voted in favor.

4. PUBLIC COMMENTS-none

5. CORRESPONDENCE-none

6. COUNCIL/STAFF REPORTS

Mayor Rasmussen said Parowan passed a resolution regarding constitutional jurisdiction and he would like to bring that onto our next agenda to consider.

Council Member Wilcken asked Council Member Lovell about job assignments for the July 4th race and he said he would call them with the information.

Council Member Lovell thanked staff for all the 4th preparations as he has been gone and apologized that all of the work fell to staff.

Council Member Johnson said he noticed several pot holes filled and thanked the crew.

Chief Ames reminded the Council that he had a personnel matter to discuss in executive session.

Dan Jessen said “happy new fiscal year”. He has had correspondence with the auditors and that will be starting soon.

Council Member Wilcken said we had talked about having the Fire Chief on the agenda to discuss open burn issues. He wanted to remind staff to coordinate with him on that.

Julie Watson reported on the next agenda.

There were no other comments or reports.

7. CLOSED EXECUTIVE SESSION REQUESTED-

Mayor Rasmussen asked for a motion to enter into an executive session to discuss a personnel matter. **Council Member Lovell made a motion to close the regular meeting and go into an executive session. Motion was seconded by Council Member Olenslager and a roll call vote was held as follows:**

**Council Member Griffiths-yes
Council Member Johnson-yes
Council Member Lovell-yes**

**Council Member Olenslager-yes
Council Member Wilcken-yes
Motion passed unanimously**

8. ACTION FROM EXECUTIVE SESSION-none

9. ADJOURN-The regular meeting ended at 6:35pm.

Julie Watson, Recorder

Date