

APPROVED

**CACHE COUNTY
COUNCIL MINUTES
23 JANUARY 2001**

COUNTY COUNCIL MEETING
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CACHE COUNTY COUNCIL MINUTES

23 January 2001

The Cache County Council met in a regular session on 23 January 2001 in the Cache County Council Chamber at 120 North 100 West, Logan, Utah.

ATTENDANCE:

Council Chairman: Darrel L. Gibbons

Council Vice-Chairman: Layne M. Beck

Council Members: John Hansen, H. Craig Petersen, Kathy Robison, Cory Yeates.

C. Larry Anhder - Excused

(Councilman Petersen arrived 5:25 p.m.), (Councilman Yeates arrived 6:00 p.m.)

Executive: M. Lynn Lemon

County Clerk: Jill N. Zollinger

The following individuals were also in attendance: Pat Parker, Tamra Stones, Evelyn Palmer, Mayor Jack Draxler, Kelly Pitcher, Lt. Kim Cheshire, Lt. Von Williamson, Jim Smith, Russ Goodwin, Randy Larsen, Kent Mitchie, Don Linton, Sheriff Lynn Nelson, Sherry Luczater, Rick Foley, Sgt. Richard Collins, Kevin Penrose, Russ Akina, Terri Bullen, Frank Prante, Gale Leetzow, Carolyn Stimpson, Preston Ward, Leland Foster, Joe Kirby, Joe Swaine, Paul Campbell, Loy Painter, Doug Thompson, Brad Young, Gaylen Ashcroft, Brent Sandberg, Vern Bray, Italo Ulguets, Chris Feller, Farrell Edwards, Dave Miner, Dave Allen, Judy Allen, Christie Hansen, John Nichol森, Carla Axtell, Janet Borg, Paul Allen (Herald Journal), Jennie Christensen (KVNU).

CALL TO ORDER:

Chairman Gibbons called the meeting to order at 5:05 p.m..

INVOCATION:

Vice-Chairman Layne M. Beck offered the invocation.

REVIEW AND APPROVAL OF AGENDA:

Item 10-e was removed from the agenda. Vice-Chairman Beck said that it was his understanding that Councilman Yeates would request of the Chair to withdraw the resolution form if the Council would discuss item 10-f.

Vice-Chairman Beck moved that item 10-e is withdrawn assuming that the Council would discuss item 10-f. Councilman Hansen seconded the motion. Motion carried to withdraw. Petersen, Yeates & Anhder absent.

Item 10b was removed from the agenda. A hearing will be held on the 30th of January 2001 at 4:00 p.m.

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REVIEW AND APPROVAL OF MINUTES:

The minutes of 9 January 2001 were discussed, corrected and approved.

REPORT OF COUNTY EXECUTIVE:

County Executive Lemon reported on the following:

1. Appointment:

Appointment: H. Craig Petersen - Logan/Cache Airport Authority Board

Vice-Chairman Beck moved to approve the appointment. Councilman Hansen seconded the motion. It carried, unanimously. Anhder, Yeates and Petersen absent.

2. A letter of Support: Letter supporting Gale Norton as Secretary of the Interior.

Vice-Chairman Beck moved to approve the letter of support. It was seconded and carried unanimously. Anhder, Yeates and Petersen absent.

(See attachment #1)

3. Joint Workshop: A joint workshop has been scheduled for, Tuesday, January 30, 2001, at 5:00 p.m. with the Logan Municipal Council. The item for discussion on the agenda will be the Willow Park/Fairgrounds Complex Master Plan.

4. Restaurant Tax: Lemon explained that the section taking 50% of the local Restaurant Tax and sending it to the State has been removed and will not be included in Rep. Allen's legislation. There is a provision for a Tourism Tax Advisory Board. Lemon suggested using our Bridgerland Travel Region Board as an advisory board for both the Transit Room Tax and Restaurant Tax.

5. Public Safety Facilities Committee: Recommendations for the Public Safety Committee: Dan Jensen a former Police officer and Marty Jenkins with the Utah Highway Patrol were recommended to serve on the committee.

6. Warrants: The County Warrants for the period of December 6th to 18th, 2000 were presented to the County Clerk for filing.

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PRESENTATION OF P.I.L.T. CHECK: KEVIN PENROSE

Kevin Penrose presented the County with a check in the amount of \$9,114.13. This is a annual payment in-leu-of-tax amount that the State of Utah, Division of Wildlife Resources, provides to Cache County.

BUDGETARY MATTERS:

Inter-Department Budget Transfers

Cache County Sheriff, G. Lynn Nelson requested two departmental budget transfers. These budget transfers will adjust salaries of jail personnel to achieve parity with the bottom tier of the Patrol Deputies' salary range.

(See Attachments #2 & #3)

Beck moved to accept the proposed transfers. Petersen seconded the motion, and it passed 5-0. Anhder & Yeates absent.

WILLOW PARK BUDGET REQUEST CHANGES: RUSS AKINA

Russ Akina appeared before the Council requesting the transfer from the Willow Park-Fairgrounds Reserve Fund of \$4,118.00 to the Fairgrounds Operating Budget to cover a transformer upgrade expense related to the Fairgrounds electrical upgrade.

Hansen moved to accept the proposed transfer. Beck seconded the motion, and it passed 5-0. Anhder & Yeates absent.

CACHE VALLEY INITIATIVE PRESENTATION: BRENT SANDBERG

A Resolution of Support was presented to the Council by Brent Sandberg. Mr. Sandberg explained that the Cache Chamber of Commerce has begun a public/private partnership with government, business and community leaders which will address three key issues: Access Management, Telecommunications Access and Airport Enhancements.

Chairman Gibbons asked Vice-Chairman Beck to read the proposed Resolution of Support. Beck read the Resolution.

Petersen moved to waive the rules and endorse the Resolution of Support for the Cache Valley Initiative. Beck seconded and it passed unanimously. Anhder and Yeates absent.

(See Attachment #4)

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RS2477 ROAD ISSUES: PRESTON WARD

Surveyor Ward informed the Council that his office had begun work on the RS2477 road issue back in June of 2000. At that time they had gone out and identified the 20 roads and had marked them on maps. The State contacted the Surveyor and said that they needed documentation such as pictures, GIS and GPS information and also written histories. Because of weather, conditions they had not been able to get the needed information for the State. Their plan at this point in time is to rent snowmobiles and see if they can come up with some of the GPS data. Executive Lemon questioned whether or not the County would be left out of the lawsuit? Mr. Ward assured him that the County won't be left out, but that we won't have complete portfolios to give to the Attorneys. They will still have a list of our roads, but they won't have the information they need to go before the judges. They want the information by the middle of June 2001.

PUBLIC HEARING: Agricultural Protection Area - Mathews

Chairman Gibbons convened a scheduled Agricultural Protection Area Public Hearing at 6:00 p.m. Chairman Gibbons explained that the Council had received a letter from the County Agriculture Protection Area Advisory Board, indicating that their recommendation would be to proceed. Chairman Gibbons asked for comments from the audience. There were no comments made.

Yeates moved to close the Public Hearing. Hansen second and it passed unanimously. Anhder absent.

No Council action was taken at this time. Final action on the matter will take place during the next Council meeting.

FINAL PLAT APPROVAL - Riverbirch Canyon Company PUD

Gaylen Ashcroft representing Riverbirch Canyon Company appeared before the Council to answer questions concerning the PUD. The Council reviewed the plat.

Petersen moved to approve. Beck seconded. The motion passed on a vote of 5 yes 0 no. Yeates abstained.

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HYRUM CITY PRECINCT CHANGE: JILL ZOLLINGER

The Clerk explained that Hyrum City is requesting a Voting Boundary change. Hyrum City would like to divide Precinct #4 to make 2 Voting Precincts. Bringing the total number of Precincts in Hyrum to 5.

Yeates moved to approve the Precinct change. Hansen seconded the motion and it passed unanimously. Anhder absent.

(See Attachment #5)

RESOLUTION NO. 2001-03: TAX AND REVENUE ANTICIPATION NOTES

The County Auditor, Tamra Stones, reviewed the annual custom of the County selling notes to get funds for cash flow. The County uses the borrowed money during the year to keep the County operating until property taxes are collected in the fall. It is anticipated that the County will work with UAC to sell tax anticipation notes. The amount that our County is seeking is \$2,000,000.00.

Petersen moved to waive the rules and take action. Seconded by Beck. Motion carried, unanimously. Anhder absent

(See Attachment #6)

RESOLUTION NO. 2001-04: AUTHORIZING ISSUANCE & SALE OF TAX AND REVENUE ANTICIPATION NOTES

This resolution authorizes the issuance and sale of the Counties Tax and Revenue Anticipation Notes, Series 2001; awarding and confirming sale of the notes and entering into certain covenants and making certain representations in connection with approving the form of the notes and related matters.

Petersen moved to waive the rules and take action. Seconded by Hansen. Motion carried, unanimously. Anhder absent.

(See Attachment #7)

RESOLUTION NO. 2001-05: *REMOVED FROM AGENDA*

(See Attachment #8)

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RESOLUTION NO. 2001-06: AUTHORIZING & APPROVING THE EXECUTION OF AN AGREEMENT WITH THE NORTH PARK INTER-LOCAL COOPERATIVE

Dave Miner with Municipal Bond Consulting and the financial advisor to the North Park Cooperative addressed the Council. Mr. Miner presented the Council members with a handout. He then discussed the handout.

(See Attachment #9)

The bond is going to be repaid from two sources identified by the County and by the three Municipalities. Restaurant tax is one source that the County controls exclusively. With the growth of that tax the past several years, the actual County commitment is \$92,000.00 per year. The County has already committed \$93,000.00 a year to another bond issue. So, those two together are \$185,000.00 of the \$550,000.00 that was received two years ago, but it is only a small portion of the County's total Restaurant tax revenue.

NPIC and BCIA people visited with each Community in the County, and all but two made a commitment to return 1/64th of their sales tax revenues to pay for an Ice Arena. That commitment was over a ten-year period. The total of those commitments was \$139,640.00 per year. However, since that commitment, the actual revenues grew phenomenally by almost 6.9%. It is actually going to be \$148,000.00 from last year, and because this year that amount should continue to grow, there should be \$10,000.00 to \$15,000.00 in surplus funds available each year. It is contemplated that this money will be held by the County in trust to be used at the discretion of the NPIC Board to either pay off bonds early to meet emergency needs, or to hold as a reserve fund to be used at their discretion. It does give a little bit of a buffer between the amount of dollars needed to pay for commitments and bonds from revenue coming in.

The Council made a commitment of one million dollars to the Ice Arena. In 1999 the Council allocated about \$63,000.00 toward that commitment. In the last fiscal year it was \$100,000.00. \$163,000.000, of the million-dollar commitment was deducted leaving, \$837,000.00 which will need to be raised by the bond issue plus the County's proportional share of the cost of issuing those bonds. Assuming that it is paid over the 13 ½ year period at 5.05 percent, the County's annual contribution will be \$92,851.00. That is a little bit less than the \$103,000.00 a year that was committed to. That is over a 13 ½ year period.

Two areas of risk in this transaction were pointed out by Mr. Miner. The first, is whether it will get built for the amount specified. Will it get built to contract or will there be cost over runs? Will the contractor be back with a request for more money? There is a fixed cost on the maximum priced contract that will be set in place before the bonds are closed. That will take away the price of a monitor fee. If the Contractor can't complete the project for the 3.4 million dollar-contracted amount, then the surety bond would kick in and another contractor would be hired who can complete the project for the original cost. It might cause a delay of delivery, but it would not pose any additional cost on the NPIC Board, nor would it upon the County.

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Mr. Miner believes that the risk is very modest and that it is offset by the fact, that there are some surplus funds. Mr. Miner said that the other area of risk is a little bit harder to pinpoint. It depends on what the County views as operating risk. The County required that there be an Endowment funded before the Bond issue could go forward. That Endowment is an equity interest in a real estate asset. It is projected to receive \$25,000.00 to \$30,000.00 each year. The operating budget projected for this facility is about \$375,000.00 in anticipated revenue each year. It has just less than \$300,000.00 in operating expenses. Janet Borg has consulted with other ice rinks of similar size throughout the Country as well as with experts and National Organizations to come up with the operating expense budget. Mr. Miner thinks that Mrs. Borg's estimates are realistic.

Mr. Miner concluded saying, that it is a great opportunity to place a significant asset in your Community. It does have some risks. He does not think it is an enormous risk. It has been evaluated carefully. Mr. Miner asked for questions from the Council.

Council Member Robison, asked if the 3.4 million dollars included outside landscaping, parking, or outdoor lighting and utility hookups.

Contractor Rick Foley responded that money has been allocated to have minimal landscaping, utility approaches to the building and that they will have side walks and curb and gutter around the building. The parking lot will be gravel-surface with some lighting.

Council Member Beck asked about a design change that eliminated a second floor, which eliminated the need for elevators and stairways. Mr. Foley said that the change freed up some extra concrete that would have been used to build the second floor, and now it can be used on the lower floor. This change will provide a more finished building initially. Council Member Beck also asked what the seating capacity would be? Mr. Foley said that the capacity would initially be 1,000 seats with the capacity to go up to 2,000 seats.

Executive Lemon asked Don Linton from the County Attorneys office to address the Council concerning the legal prospective. Mr. Linton had written an opinion letter. The opinion letter discusses the "design-build" contract. At issue is whether the design-build plans are specific enough that construction change orders and material questions won't come forward during the project.

(See Attachment #10)

Ice arena project manager Rick Foley assured the Council that the design-build plans are favorable and allow flexibility to actually control cost.

Council member Beck asked that Janet Borg discuss the bidding procedure that NPIC went through to award the contract to Hogan. Mrs. Borg said that the bid procedure brought in six application proposals to build the project. The activated board's function committee was made

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up of North Logan and Hyde Park home owners and Ice Arena Trustees. We had a ranking system on awarding the best proposal. So the proposals came in over a matter of two weeks. They were all good proposals, but only one actually gave us what we were asking for. The proposals made it very clear to us that only one bid was able to provide the work. The Hogan proposal was the one that was capable to give us what we wanted.

The Council agreed that more knowledge of the building plan should be sought and considered before going ahead with the project.

RESOLUTION NO. 2001-07: AGREEMENT UNDER WHICH THE COUNCIL AGREES TO PAY ANY DEFICIENCY IN FUNDS REQUIRED TO COMPLETE AN ICE-SKATING ARENA

Kent Mitchie from Zions Bank addressed the Council on their moral obligation to pay the lease. Zion's Bank believes that the revenues are there. Their financial advisors have worked very carefully on this. They have worked since July to put together a program where the revenues from the sales tax and the target etc. are sufficient to retire the debt. Zions Bank is willing to take the credit risk but they are not willing to take the completion risk. Mr. Mitchie said to be very direct with you, there are a lot of moving parts in this transaction that have been very well addressed here tonight, and I believe very well in the past by your financial advisor and others. Those risks are now well known to you. Zions Bank is willing to make this loan to you.

Randy Larsen, Bond Counsel for NPIC, whose job it is to assure the legality of the bonds, is here to explain the financing plan and to help render an opinion. Mr. Larsen stated that this is a unique project where you have multiple entities with a moral obligation. This Council among others, have been very responsible in asking the right questions in assessing the risks. Mr. Larsen believes the financial planning has been presented to you fairly. Council Member Beck asked Mr. Larsen if the issuance of the bond on the part of the NPIC in any way hampers Cache County in extending the anticipation of building a future Jail or a future Administrative facility? Mr. Larsen said that he wouldn't want to use the term hampering. It would be calculating, and it would show up on your financial statement as an appropriation lease. Kent Mitchie said that your credit is something that you always should look at. He does not think that the County would be hampered either legally or otherwise, but he does think that it would be part of the picture that the rating agencies will look at.

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COMMENTS FROM THE AUDIENCE:

Gale Leetzow expressed concern about the budget. He thinks that the budget needs to be looked at closely before the County makes a commitment.

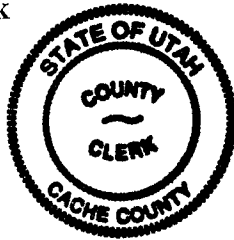
Frank Prante gives his support for the Ice Arena project. He feels it has been a conservative effort and has been very fairly directed.

ADJOURNMENT

Chairman Gibbons adjourned the meeting at 7:55 p.m.

Jill N. Zollinger
ATTEST: Jill N. Zollinger
Cache County Clerk

Darrel L. Gibbons
APPROVAL: Darrel L. Gibbons
Council Chairman



CACHE COUNTY
CORPORATION

M. LYNN LEMON

COUNTY EXECUTIVE/SURVEYOR

120 NORTH 100 WEST
LOGAN, UTAH 84321
Tel 435-752-5935
Fax 435-787-9386

COUNTY COUNCIL

DARREL L. GIBBONS
CHAIRMAN
H. CRAIG PETERSEN
V. CHAIRMAN
Kathy Robison
C. LARRY ANHDER
John A. Hansen
CORY YEATES
LAYNE M. BECK
Jill N. Zollinger
CLERK

January 23, 2001

United States Senate
Washington, D.C. 20510

Attention: Members of the Energy and Natural Resource Committee

Reference: Letter of Support/Recommendation for Interior Secretary Nominee Gale Norton

Dear Members of the Energy and Natural Resource Committee,

As the Legislative Body and Chief Executive Officer of Cache County and on behalf of the Citizens of our County we submit this Letter of Support and Recommendation on behalf of Gale Norton as the Nominee for the Secretary of Interior.

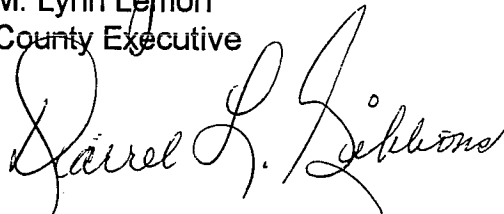
Gale has worked for more than twenty years on environmental and federal land issues and has demonstrated her commitment to a safe and clean environment. She is a consensus builder and is committed to enforcing the law. Gale believes that environmental protection is enhanced when businesses, States, Local Governments and the public work together. She has a proven track record of protecting the environment. Gale Norton supports the preservation of wilderness areas and helped break decade-long stalemates to allow wilderness protection to proceed. She is a tough negotiator on complex issues and will bring people with differing views together to solve problems.

Thank you for your support of Gale Norton. We look forward to working with her to resolve the issues that we face in Utah on the above issues.

Sincerely,



M. Lynn Lemon
County Executive



Darrel L. Gibbons
Chair, County Council

REQUEST FOR INTER-DEPARTMENTAL BUDGET TRANSFER

DEPARTMENT: Jail
 DATE: 10-Jan-01

Amount to be transferred -- (rounded to the nearest dollar) \$30,000.00

Transfer From ---
 Line Item No. : 104230255
 Fund Designation: Prisoners supplies -Work Release

Original Budget:	<u>\$72,400.00</u>
Current Budget:	<u>\$72,400.00</u>
Expenditures to date:	<u>\$0.00</u>
Balance before transfer:	<u>\$72,400.00</u>
Balance after Transfer:	<u>\$42,400.00</u>

Transfer To ---
 Line Item No. : 104230110
 Fund Designation: Salaries

Original Budget:	<u>\$1,076,209.00</u>
Current Budget:	<u>\$1,076,209.00</u>
Expenditures to date:	<u>\$0.00</u>
Balance before transfer:	<u>\$1,076,209.00</u>
Balance after Transfer:	<u>\$1,106,209.00</u>

Description of needs and purpose of transfer ---
To adjust salaries of jail personnel to achieve parity with the bottom tier of the patrol deputies salary range.

[Signature]
 Department Head

Recommendation: Approval [] Disapproval
 Comments:

Date: 01/10/2001

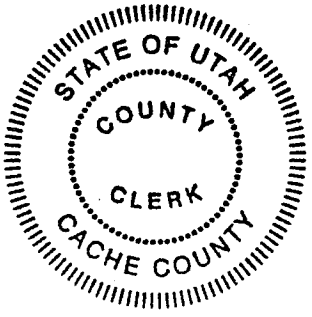
James Stones
 Cache County Auditor

Recommendation: Approval [] Disapproval
 Comments:

Date: 1/16/2001

M. Lynn Lemon
 Cache County Executive

Consented by the Cache County Council meeting in regular session on the 23rd day of January, 2001.



Steve Zollinger
 Cache County Clerk

REQUEST FOR INTER-DEPARTMENTAL BUDGET TRANSFER

DEPARTMENT: Jail
 DATE: 10-Jan-01

Amount to be transferred -- (rounded to the nearest dollar) \$8,500.00

Transfer From ---
 Line Item No. : 104230255
 Fund Designation: Prisoners supplies -Work Release

Original Budget:	<u>\$72,400.00</u>
Current Budget:	<u>\$42,400.00</u>
Expenditures to date:	<u>\$0.00</u>
Balance before transfer:	<u>\$42,400.00</u>
Balance after Transfer:	<u>\$33,900.00</u>

Transfer To ---
 Line Item No. : 104230130
 Fund Designation: Fringe Benefits

Original Budget:	<u>\$455,187.00</u>
Current Budget:	<u>\$455,187.00</u>
Expenditures to date:	<u>\$0.00</u>
Balance before transfer:	<u>\$455,187.00</u>
Balance after Transfer:	<u>\$463,687.00</u>

Description of needs and purpose of transfer ---

To adjust benefits for adjusted salaries of jail personnel to achieve parity with the bottom tier of the patrol deputies salary range.

[Signature]
 Department Head

Recommendation: [] Approval [] Disapproval
 Comments:

Date: 01/10/2001

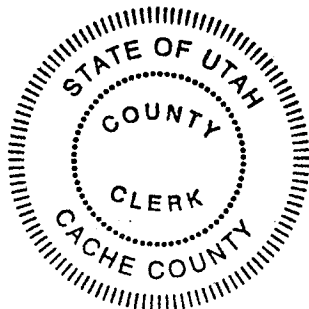
[Signature]
 Cache County Auditor

Recommendation: [] Approval [] Disapproval
 Comments:

Date: 1/16/2001

[Signature]
 Cache County Executive

Consented by the Cache County Council meeting in regular session on the 23rd day of January, 2001.



[Signature]
 Cache County Clerk

Resolution of Support

The Cache Valley Initiative Goal:

Whereas: Cache Valley needs to protect the beauty and character of this great community and this planning effort will help in that effort.

Whereas: Cache Valley needs to energize and create a cooperative community which can coordinate and facilitate the development of an infrastructure where existing businesses and potential start-ups can grow and prosper, while preserving the Valley character.

Whereas: This infrastructure management effort will enhance the ability of existing companies to attract highly skilled professionals providing for well-paid career opportunities.

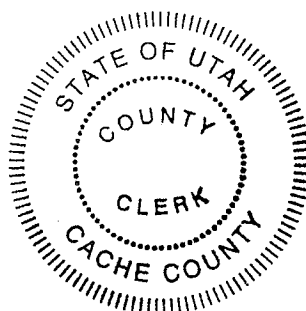
Whereas: The challenge is to create economic vitality while retaining a strong community and a healthy and beautiful environment.

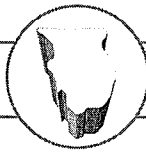
Whereas: The Cache Chamber of Commerce has begun a public/private partnership with government, business and community leaders which will address three key issues: 1. Access Management. 2. Telecommunications Access and 3. Airport Enhancements

Therefore Be It Resolved That: The Cache County Council endorses the Cache Initiative of the Cache Chamber of Commerce.

Jill N. Zollinger
Attest: Jill N. Zollinger
Cache County Clerk

Darrel L. Gibbons
Approval: Darrel L. Gibbons
Council Chairman





JILL N. ZOLLINGER
CACHE COUNTY CLERK

170 NORTH MAIN • LOGAN, UTAH 84321 • 435-716-7150

KIM T. GARDNER
DEPUTY CLERK

MEMORANDUM

TO: Cache County Council & County Executive

FROM: Jill N. Zollinger, County Clerk

DATE: January 12, 2001

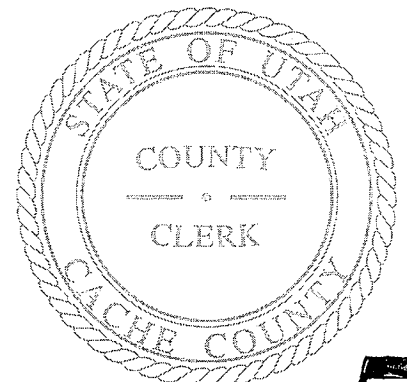
SUBJECT: Voting Precinct Boundary Changes - Approval

The County Clerk's Office, with consultation from Hyrum City are proposing the following Voting Precinct boundary change.

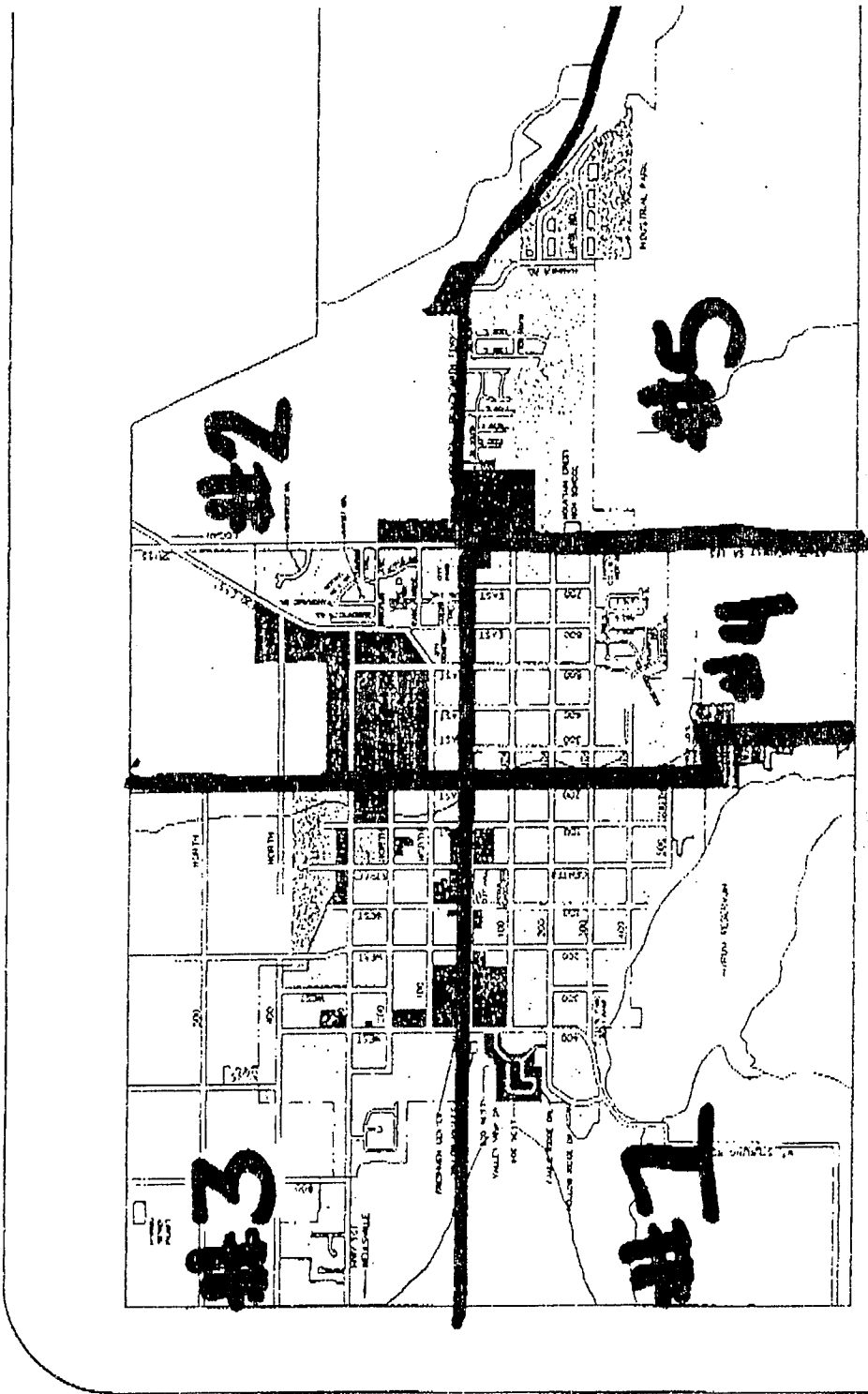
1. Hyrum City: Dividing Precinct #4 to make 2 Voting Precincts. Bringing the total number of Precincts in Hyrum to 5.

(See an attached map for detailed boundary changes.)

The precinct division will add 1 more voting precinct in the County making a total of 64. Affected registered voters will be notified of the changes by mail before the next election.



HYRUM, UTAH ZONING MAP



RESOLUTION NO. 01-03

A RESOLUTION DECLARING THE INTENT OF CACHE COUNTY (THE "COUNTY") TO ARRANGE FOR SHORT-TERM FINANCING TO ACCOMMODATE THE ANTICIPATED OPERATING CAPITAL DEFICITS BY THE ISSUANCE OF TAX AND REVENUE ANTICIPATION NOTES ("TRANS") AS A PARTICIPANT IN THE UTAH ASSOCIATION OF COUNTIES ("UAC") COMBINED CASH FLOW BORROWING PROGRAM (THE "UAC PROGRAM"), AND RELATED MATTERS.

WHEREAS, it appears that property tax and other revenues will not be received in the next budget year until after significant operating expenses have been incurred, thereby causing operating capital deficits; and

WHEREAS, it will be in the best interest of the County to issue TRANS to provide temporary cash flow capacity to meet operating demands prior to receipts of revenues in adequate amounts; and,

WHEREAS, UAC has invited the County to participate in the UAC Program to facilitate the issuance and sale by the County of its TRANS; and

WHEREAS, UAC has established a Program Implementation Board to solicit and evaluate competitive bids and to select the best bid for the TRANS of participating Counties; and

WHEREAS, it is timely to seek advice from a professional financial consultant concerning the amount and timing of such cash flow borrowing; and

WHEREAS, the UAC Program appears to be the best source of TRANS financing available to the County; and

WHEREAS, it is timely to make a commitment concerning TRANS financing by the County so as to allow UAC and its underwriter, Zions Bank Public Finance (the "Underwriter"), to determine whether there is sufficient interest to create an adequately sized combined offering of TRANS;

NOW, THEREFORE, be it resolved by the County Council of CACHE County as follows:

Section 1. It is found and declared to be in the best interest of the County to anticipate cash flow deficiencies and provide operating capital by the issuance of TRANS.

Section 2. The County declares its intentions to issue TRANs for the partial financing of operating during periods when cash flow deficiencies would otherwise occur during the next succeeding year.

Section 3. It is determined that the UAC Program is the best alternative for the County to use in connection with the issuance of its TRANs.

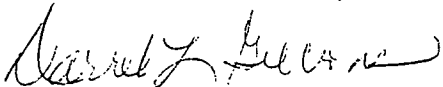
Section 4. If the County determines that it will not need to issue TRANs, then this Resolution shall be of no effect for the next succeeding budget year. If, as it now appears likely, the County determines that it is necessary or prudent to issue TRANs to cover projected cash flow deficiencies, it will utilize the UAC Program for the issuance of such TRANs, providing the UAC Program is then available.

Section 5. One of the purposes of this Resolution is to provide a commitment upon which UAC may rely as it determines the size and feasibility of a combined County TRANs offering. If it is determined that there is insufficient county participation to constitute a feasible offering of TRANs, then it is understood that the Underwriter will not proceed with the pooling and offering of combined cash flow notes.

Section 6. Authorization is granted for County officials to consult with the Underwriter concerning the appropriate size and timing of an issuance of TRANs by the County through the program sponsored by UAC. The Program Implementation Board is authorized to work with the Underwriter to solicit, receive and evaluate bids for the TRANs and the investment of proceeds of the TRANs. Subject to final approval of the County, the Program Implementation Board is also authorized to select the best bid or bids for the sale of the TRANs and the investment of the proceeds thereof.

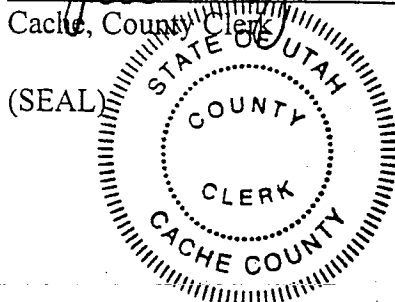
ADOPTED AND APPROVED this 23rd day of January, 2001.

CACHE COUNTY, UTAH


BY: Darrell L. Gibbons
Cache County, Chair

ATTEST:


Cache, County Clerk



RESOLUTION NO. 2001-04

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF CACHE COUNTY, UTAH TAX AND REVENUE ANTICIPATION NOTES, SERIES 2001A IN THE AGGREGATE PRINCIPAL AMOUNT OF \$2,000,000; AWARDING AND CONFIRMING SALE OF THE NOTES ENTERING INTO CERTAIN COVENANTS AND MAKING CERTAIN REPRESENTATIONS IN CONNECTION THEREWITH; APPROVING THE FORM OF THE NOTES; AND RELATED MATTERS.

WHEREAS, the County Council (the "Council") of Cache County, Utah (the "County"), has determined to sell its \$2,000,000 Tax and Revenue Anticipation Notes, Series 2001A (the "Notes") for the purpose of meeting the current expenses of the County for the fiscal year ending December 31, 2001, until the payment of taxes and receipt of other revenues for said fiscal year, and that such sum can be raised without incurring any indebtedness or liability in excess of the taxes or other revenues for the current fiscal year or exceeding any limit of debt imposed by the Constitution and statutes of the State of Utah; and

WHEREAS, the Program Implementation Board of the Utah Association of Counties ("UAC") on January 8, 2001 accepted, subject to approval of participating counties, the bid of Key Bank National Association (the "Purchaser") as the best bid for the Notes; and

WHEREAS, the Board has determined that the January 23, 2001 sale of the Notes through UAC to the Purchaser is economically beneficial and acceptable to the County, which offer proposes to purchase the Notes at the price of 100% of the principal amount thereof plus accrued interest, if any, to the date of delivery, the Notes to bear interest as hereinafter set forth; and

WHEREAS, in the opinion of the Board it is in the best interests of the County that the sale of the Notes to the Purchaser be authorized and confirmed; and

WHEREAS, there is an immediate and pressing need for raising funds in the amount of \$2,000,000 for the fiscal year commencing January 1, 2001 until the payment of taxes and receipt of other revenues for said fiscal year.

NOW, THEREFORE, BE IT RESOLVED by the County Council of Cache County, Utah, as follows:

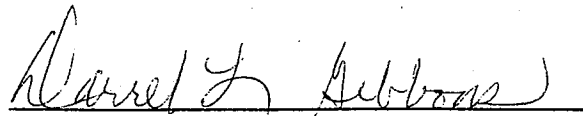
Section 1. The sale to the Purchaser of the \$2,000,000 Cache County, Utah Tax and Revenue Anticipation Notes, Series 2001A (the "Notes") described herein is hereby approved and confirmed.

Section 2. The Notes shall be delivered to the Purchaser thereof after the adoption of this Resolution pursuant to due payment therefor in accordance with the terms of the sale.

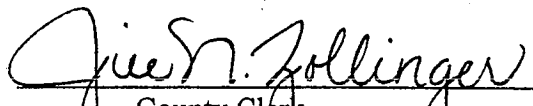
Section 3. For the purpose of meeting the current expenses of the County for the fiscal year beginning January 1, 2001, until the payment of taxes and receipt of other revenues of said fiscal year, the County shall borrow the sum of Two Million Dollars (\$2,000,000), and for that purpose as evidence of such indebtedness, shall issue and deliver the Notes to the Purchaser, the Notes bearing interest at the rate of 4.14% per annum from the dated date until paid. The Notes shall be dated as of the date of delivery, shall be known as "Cache County, Utah Tax and Revenue Anticipation Notes, Series 2001A," and shall be due and payable on December 31, 2001, in lawful money of the United States of America at U.S. Bank National Association, Salt Lake City, Utah as paying agent. The Notes are not subject to redemption prior to maturity. The Notes shall be represented by registered notes in denominations of not less than \$100,000 each (or the total principal amount of such Note if such total amount is less than \$100,000), and shall be in substantially the following form:

Passed and approved this 23rd day of January, 2001 by the County Council of Cache County, Utah.

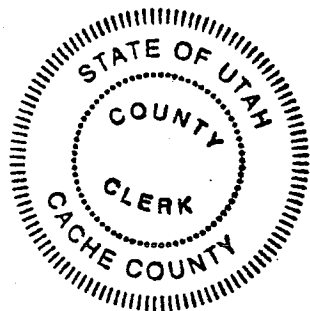
CACHE COUNTY, UTAH


Chair

ATTEST:


County Clerk

(SEAL)



A RESOLUTION APPROVING AND AUTHORIZING THE WITHDRAWAL OF CACHE COUNTY'S PARTICIPATION AS A MEMBER OF THE NORTH PARK INTERLOCAL COOPERATIVE ("NPIC") BUT CONTINUING THE FINANCIAL SUPPORT AS APPROVED BY THE CACHE COUNTY COUNCIL FROM AN ALLOCATION OF RESTAURANT TAX FUNDS AND 1/64 PERCENT SALES TAX.

The Cache County Council of Cache County, Utah in a regular meeting, lawful notice of which has been given, finds that it is appropriate, reasonable and in the best interest of the County to withdraw membership from the North Park Interlocal Cooperative ("NPIC") and to continue the financial support as approved by the Cache County Council from an allocation of Restaurant Tax Funds and 1/64 percent Sales Tax.

Now therefore, the Cache County Council resolves that:

WHEREAS, Cache County Government does not wish to become involved in recreational facilities or activities.

WHEREAS, the Bridgerland Ice Arena originally presented to the Cache County Council has been continually reduced in size.

WHEREAS, private funding for the Bridgerland Ice Arena has not come forward and indicates lack of public support for said arena and the Cache County Council voted unanimously not to proceed with construction until all funding was in place.

WHEREAS, the Cache County Council voted strong opposition to and voiced that no additional funding for the construction or operations of the Bridgerland Ice Arena be allocated.

WHEREAS, Cache County Government will honor its obligation for allocation of Restaurant Tax Funds, will receive the payment from the State of Utah of 1/64 percent of sales tax for payment of the bond and keep their commitment to allow usage of the land for the Bridgerland Ice Arena to be built upon.

NOW, THEREFORE BE IT RESOLVED that the Cache County Council finds it is in the best interest of the citizens of Cache County to withdraw its participation in the North Park Interlocal Cooperative ("NPIC") but continue its commitment to the allocation of Restaurant Tax Funds and 1/64 percent of sales tax for payment of the bond. This Resolution 01-03 will become effective on signing.

This Resolution No. 01-03 was adopted on the _____ Day of _____, 2001

Cache County Council

By: _____
Darrel L. Gibbons, Chairman

Attest: _____
Jill N. Zollinger, County Clerk

Restaurant Tax Distributions

(Utah Code 59-12-601)

Amount committed to bond repayment: \$93,035.
 % of 98-99 receipts: 16.70%

	<u>1996-1997</u>	<u>1997-1998</u>	<u>1998-1999</u>
Cache County	\$455,399	\$464,436	\$557,259
% change		1.98%	19.99%
All counties	\$16,591,163	\$17,533,521	\$18,941,707
% change		5.68%	8.03%

RE: County Restaurant Tax

Utah counties may impose a sales tax of up to 1.0% on the sale of all prepared food and beverages sold by restaurants for immediate consumption. This tax is in addition to the statewide 4.0% sales tax, the 1.0% local option sales tax and, where applicable, the 0.25% transit tax and 0.10% Zoo tax.

RE: Local Option Sales Tax

Utah cities and counties may impose a sales tax of up to 1.0% on the sale of all items subject to the state sales & use tax. This is collected by the retailer and remitted to the State Tax Commission which distributes the revenue back to cities, towns and counties according to the following formula: 50% of the revenue is distributed based on population and 50% is distributed based on point of sale with a minimum total of no less than 75% of the sales tax revenue generated in that community.

Since 1/1/90, communities have been able to impose a tax of up to 1.0%. However, until June 30, 1999 1/64th of that amount was diverted to a special state fund for the construction of Winter Olympics venues. Beginning July 1, 1999 communities will be retaining the full 1.0% sales tax. 2000 Utah Senate Bill 34 allows communities to pledge this 1/64th of 1.0% sales tax for community recreation facilities. SB 34 has been signed into law.

Local Option Sales Tax Distributions
(Utah Code 59-12-201)

Contributors	1996-1997	1997-1998	1998-1999	1999-2000	Total	% of Total Commitment	Funding
Cache County	\$228,108	\$345,815	\$463,906	\$456,050	\$1,693,919	5.3%	\$7,239
Anatoga	\$38,702	\$33,727	\$36,846	\$37,107	\$146,382	0.4%	\$589
Clarkston	\$40,217	\$42,484	\$43,671	\$44,873	\$171,245	0.5%	\$712
Cornish	\$17,713	\$16,173	\$16,115	\$15,887	\$65,888	0.2%	\$252
Hyde Park	\$210,127	\$205,057	\$221,967	\$269,976	\$917,127	2.5%	\$4,285
Hyrum	\$407,033	\$409,434	\$444,823	\$468,996	\$1,730,286	5.1%	\$7,444
Logan	\$4,789,777	\$5,018,785	\$5,356,013	\$5,732,256	\$20,896,831	60.9%	\$90,988
Mendon	\$52,401	\$52,863	\$53,719	\$57,965	\$216,948	0.6%	\$920
Milville	\$88,635	\$89,834	\$98,272	\$97,903	\$374,644	1.1%	\$1,554
Newton	\$41,571	\$42,549	\$47,253	\$48,864	\$180,237	0.5%	\$776
Nibley	\$106,510	\$98,628	\$104,760	\$117,790	\$427,688	1.2%	\$1,870
North Logan	\$834,413	\$1,100,287	\$1,083,486	\$1,147,445	\$4,165,631	12.3%	\$18,213
Paradise	\$38,692	\$46,796	\$51,639	\$52,023	\$188,550	0.6%	\$826
Providence	\$250,699	\$270,108	\$293,471	\$315,236	\$1,139,514	3.3%	\$5,004
Richmond	\$143,149	\$143,213	\$147,689	\$151,642	\$585,693	1.7%	\$2,407
River heights	\$80,975	\$82,709	\$86,597	\$90,708	\$340,999	1.0%	\$1,440
Trenton	\$34,540	\$32,358	\$32,776	\$224,665	\$374,339	0.4%	\$3,566
Wellsville	\$161,254	\$181,423	\$214,345	\$33,295	\$590,317	2.4%	\$528
Total	\$7,544,516	\$8,212,243	\$8,797,349	\$9,362,691	\$33,916,809	100.0%	\$148,614
Percent change		8.85%	7.12%	6.43%			
Original commitment:			\$139,640	= 1/63 of FY99 Receipts.			
*Not Contributing:	\$123,312	\$118,698	\$124,726	\$127,237	\$493,973		\$1,980
Lewiston	\$624,662	\$623,915	\$653,291	\$699,204	\$2,601,072		\$10,370
Smithfield						8.84%	\$12,349
			\$9,575,366				

Revenue Earned Statewide			
FY Ending June 30:	Gross Revenue	% Change from prior year	
2000	\$296,715,663	6.1%	
1999	\$279,729,778	6.2%	
1998	\$263,362,405	2.0%	
1997	\$258,148,104	14.4%	
1996	\$225,576,867	6.1%	
1995	\$212,640,426	12.8%	
1994	\$188,542,186	8.9%	
1993	\$173,142,246	9.6%	
1992	\$157,949,323	7.3%	
1991	\$147,184,955	15.5%	
1990	\$127,393,793		

**North Park Interlocal Cooperative
Bridgerland Ice Arena Financing**

	Date	County		Total Revenue
		Local Sales Tax Revenue	Restaurant Tax	
1	12/15/2001	\$139,460	\$92,853	\$232,313
2	12/15/2002	\$139,460	\$92,853	\$232,313
3	12/15/2003	\$139,460	\$92,853	\$232,313
4	12/15/2004	\$139,460	\$92,853	\$232,313
5	12/15/2005	\$139,460	\$92,853	\$232,313
6	12/15/2006	\$139,460	\$92,853	\$232,313
7	12/15/2007	\$139,460	\$92,853	\$232,313
8	12/15/2008	\$139,460	\$92,853	\$232,313
9	12/15/2009	\$139,460	\$92,853	\$232,313
10	12/15/2010	\$139,460	\$92,853	\$232,313
11	12/15/2011		\$92,853	\$92,853
12	12/15/2012		\$92,853	\$92,853
13	12/15/2013		\$92,853	\$92,853
14	12/15/2014		\$46,427	\$46,427
15				
		<u>\$1,394,600</u>	<u>\$1,253,516</u>	<u>\$2,648,116</u>

County Contribution

County commitment:	\$1,000,000
Less Upfront payment:	(\$163,000)
Contribution balance:	\$837,000
Plus costs of issuance:	\$56,158
Total bond amount:	\$893,158
Interest rate:	5.05%
Contribution term:	13.50
Annual contribution:	\$92,851

**North Park Interlocal Cooperative
Bridgerland Ice Arena Financing**

Date	Revenue Available	Principal	Rate	Interest	Trustee Fee	Debt Service Reserve Earnings @ 5.05%	Less Capitalized Interest	Annual Lease Payment	Remaining Cash
02/13/2001									
12/15/2001	\$232,313			\$85,030	\$1,350	(\$8,545)	(\$77,835)	\$0	\$232,313
12/15/2002	\$232,313	\$139,000	4.75%	\$101,361	\$1,350	(\$10,186)		\$231,525	\$788
12/15/2003	\$232,313	\$146,000	4.85%	\$94,758	\$1,350	(\$10,186)		\$231,922	\$391
12/15/2004	\$232,313	\$153,000	4.95%	\$87,677	\$1,350	(\$10,186)		\$231,841	\$472
12/15/2005	\$232,313	\$160,000	5.00%	\$80,104	\$1,350	(\$10,186)		\$231,268	\$1,045
12/15/2006	\$232,313	\$169,000	5.05%	\$72,104	\$1,350	(\$10,186)		\$232,268	\$45
12/15/2007	\$232,313	\$177,000	5.10%	\$63,569	\$1,350	(\$10,186)		\$231,733	\$580
12/15/2008	\$232,313	\$186,000	5.10%	\$54,542	\$1,350	(\$10,186)		\$231,706	\$607
12/15/2009	\$232,313	\$196,000	5.15%	\$45,056	\$1,350	(\$10,186)		\$232,220	\$93
12/15/2010	\$232,313	\$206,000	5.20%	\$34,962	\$1,350	(\$10,186)		\$232,126	\$187
12/15/2011	\$92,853	\$77,000	5.00%	\$24,250	\$1,350	(\$10,186)		\$92,414	\$439
12/15/2012	\$92,853	\$81,000	5.00%	\$20,400	\$1,350	(\$10,186)		\$92,564	\$289
12/15/2013	\$92,853	\$85,000	5.00%	\$16,350	\$1,350	(\$10,186)		\$92,514	\$339
12/15/2014	\$46,427	\$242,000	5.00%	\$12,100	\$1,350	(\$211,886)		\$43,564	\$2,862
	\$2,648,116	\$2,017,000	5.053% 7.774	\$792,262	\$18,900	(\$342,661)	(\$77,835)	\$2,407,665	\$240,450

* Note: the rate on these bonds is reset every 5 years, i.e., in 2005 and 2010.

\$1,532,000 Fixed rate term bonds due 2002-2010.
 \$485,000 Adjustable rate term bonds due 2011-2015.
 \$2,017,000

**North Park Interlocal Cooperative
Bridgerland Ice Arena Financing
Bond Sources & Uses**

Sources	
Bond principal	\$2,017,000
Cash for COI > 2%	<u>\$73,520</u>
Total sources	\$2,090,520
Uses	
Construction fund	\$1,697,000
Debt service reserve	\$201,700
Capitalized interest	\$77,835
Bond counsel	\$45,000
Financial advisor	\$40,340
Purchaser's fee	\$20,170
Trustee setup & 1st yr.	\$2,350
Title insurance (est'd.)	\$6,000
Misc. & rounding	<u>\$125</u>
Total uses	\$2,090,520

Total costs of issuance	\$113,860	5.6%
Less 2% maximum	<u>(\$40,340)</u>	
Other cash needed	\$73,520	
Costs of issuance as a % of Const. fund:		6.71%

**North Park Interlocal Cooperative
Bridgerland Ice Arena Financing
Sources & Uses of Funds**

Sources of Funds	
BCIA unrestricted cash on hand - Note 1	\$425,131
BCIA cash on hand restricted for equipment	\$10,800
Municipal contributions during construction - Note 2	\$232,313
County contribution (cash at closing) - Note 3	\$163,000
Interest earnings on bond funds - Note 4	\$59,245
Bond: Construction fund - Note 5	\$1,697,000
State grant - received and spent on construction - Note 6	\$207,000
George S. Eccles grant - last dollars - Note 7	\$250,000
County land contribution, North Logan City road construction	NA
Logan City - available at close	\$50,000
Utah Sports Authority/SLOC - second to last \$	\$100,000
Cache Valley Electric gift	\$200,000
Value in kind - Note 8	\$200,000
Endowment earnings during construction period	\$25,000
Individual contributions (2000-2001) - Note 9	\$60,406
	<u>\$3,679,895</u>
Uses of Funds	
Construction contract (design/build, turn-key)	\$3,400,000
Costs of issuance in excess of 2%	\$73,520
BCIA restricted cash endowment (Merrill Lynch)	\$10,563
BCIA Endowment cash balance at end of construction	\$25,000
Start-up capital and overhead, reserve	<u>\$170,812</u>
	<u>\$3,679,895</u>

- Note 1 General fund raising, grants, including \$250,000 from the Eccles Foundation (50% of commitment)
- Note 2 See "Total Revenue" for the period ending 12/15/00 on page 1.
- Note 3 County contribution from previously budgeted restaurant tax revenues in FY 99 and FY 2000. This upfront amount reduces the County's annual contribution. See "County Contribution" on page 1.
- Note 4 Estimated interest earnings on bond proceeds invested during construction. Includes Construction Fund and Debt Service Reserve Fund invested for an average life of 6 months.
- Note 5 See page 3, Bond Sources & Uses.
- Note 6 Total grant was \$250,000; \$43,000 was spent on pre-construction expenses.
- Note 7 Total grant amount is \$500,000; half has been delivered to BCIA (cf. Note 1).
- Note 8 This represents commitments from vendors, materials suppliers and sub-contractors to donate all or part of their services. Commitments for these amounts have been received.
- Note 9 This is the total of various commitments for contributions that are due within the next 12 months. There are commitments for additional contributions beyond the next 12 months that total about \$60,000

CACHE COUNTY ATTORNEY



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Deputy County Attorneys

REBEKAH F. ALPISA
TERRYL L. WARNER
MYRA L. BOGEDAHL
Victim Advocates

January 22, 2001

OPINION LETTER RE: BRIDGERLAND COMMUNITY ICE ARENA

This opinion addresses a number of issues regarding the planned Bridgerland Community Ice Area, (BCIA). The decision to construct the arena has already been made; that decision is not properly before the Cache County Attorney's Office. This opinion is made to assist in the development of the arena and to address potential problems that may arise from the various contracts and agreements executed, or to be executed, for the construction of BCIA.

DELIVERY METHOD AND DESIGN-BUILD AGREEMENT

Certainly, building projects present diverse needs and issues: to accommodate these different needs, a number of building, or "project delivery methods" have evolved, and range from the basic "design-award-build" method of construction to more complex "fast-track and turnkey construction" approaches. Generally, the most common method of construction has been the design-award-build (DAB) method. Here, the owner selects an architect or other design professional, and together, the owner and architect develop and work through various design stages until the final design is completed. In such cases, the architect works for the owner as his agent and representative. After the completion of the design, bids are requested from contractors. These contractors base their bids upon specific design plans created by the architect, including, floor plans, elevations, section drawings, structural, mechanical, and electrical engineering plans and specifications. Generally, contractors also need site plans, roof plans, finish schedules, door schedules, interior elevations, and window schedules, so that they can create a bid that encompasses all costs of the construction project.

The project delivery method for the BCIA is different from the more traditional DAB approach described above. The construction agreement proposed in the present case contemplates a "design-build" method of construction: The owner of the project, North Park Interlocal Cooperative (NPIC, or "Owner") will contract with a single entity – Hogan & Associates Construction, Inc. (Design-Builder), for both the design and the construction of the building. An architect will be involved in the project; however, he will not be the Owner's agent. The design of the BCIA will be provided by the Design-Builder, Hogan, rather than an Owner's architect.

The most salient aspect of the design-build construction process is the contractual reallocation of risk. The Owner expects more than professional design and workmanlike construction; the Design-Builder promises to deliver a finished project which meets the owner's stated performance expectations. The Owner relinquishes much of the design discretion usually afforded the owner when an architect is hired by the Owner. In the present case, this relationship is described as a "team relationship" between the Owner and the Builder in the General provisions of the Standard Design-Build Agreement (Construction Agreement). In relevant part Article 2.1 of the Construction Agreement states as follows:

2.1 TEAM RELATIONSHIP The Owner and the Design-Builder agree to proceed with the Project on the basis of trust, good faith and fair dealing and shall take all actions reasonably necessary to perform this Agreement in an economical and timely manner, including consideration of design modifications and alternative materials or equipment that will permit the Work to be constructed within the Guaranteed Maximum Price . . . and by the Dates of Substantial Completion and Final Completion

There are some advantages to the Design-Build concept: It can foster teamwork between the designer and contractor early in the project and can facilitate early budgeting, programming, and financing. Nonetheless, I suggest there are three primary disadvantages to this "team approach." First, the Owner does not receive the protection of the system of checks and balances inherent in a DAB relationship where the owner contracts separately with an architect and a contractor. Second, the Owner does not receive the cost-savings that often result from the bidding process. Third, and most importantly, the contract relationship can become ambiguous because of the "team effort" particularly with respect to the design of the project. I suggest that ambiguity has become the central problem facing the construction of the BCIA.

With respect to the construction of the BCIA, many governmental groups and private entities have contributed, or will contribute, funds and services. Design of the building has evolved over time in light of budget constraints and the goals contemplated by the project. This is fine; however; at the present time, it is difficult to assess the viability of the project from a legal standpoint, because simply put, the plans, goals, and needs of BCIA are not apparent. At the present time, I could not find a *specific* set of architectural drawings that include floor plans, elevations, sections, structural, mechanical or electrical engineering plans, or specifications. General schematic drawings have been provided, but detail is lacking, and it is impossible to know what the contributors to the BCIA are purchasing. The architect hired by the Design-Builder has been asked to make a number of design changes to the building, and his inability to provide specific architectural plans and working drawings may be understandable in light of these circumstances; nonetheless, I suggest this does not obviate the problem that, at present, no one can articulate with any degree of reasonable specificity what the Owner will be purchasing for the proposed BCIA construction cost of 3.4 million dollars. Until a more complete set of plans are provided by the Design-Builder and their architect, any contract provisions and/or project concerns regarding change orders, insurance, bonding, timely construction deadlines, etc., cannot be addressed. I suggest the specters of cost overruns, delays, and construction complications cannot be dispelled until these planning issues are resolved.

PROJECT QUALITY

It is possible to mitigate the potential for cost overruns by reducing the quality, size, and amenities of the BCIA. The Owners should understand that cost overruns may require a reduction in the quality and standards contemplated for the project. At the present time, the Design-Builder has guaranteed that he will not initiate change orders. However, as previously outlined, there are no specific architectural designs or specifications to change. A promise not to change the existing plans has no meaning to me.

PROJECT FINANCING

The risks and liabilities associated with the BCIA project are multiplied by project financing and donations to the project. The project is being financed through both public and private donations. The private donors are an essential part of the project, but quality control, budgeting, and scheduling issues arise when various entities are contributing work and supplies to a project. This again, creates an informal "trust" relationship with some of the parties that can be problematic. I suggest the hallmark of good contracts is specificity and predictability. Funding approaches to the BCIA project cannot guarantee this desired specificity and predictability. Inherent in the funding approach taken in this project is the possibility that if donors default, the public entities involved may have to contribute more than initially contemplated. Currently, there is a resolution before the Cache County Council that anticipates this problem. This resolution states in relevant part as follows:

[T]hat the Cache County Council finds it is in the best interest of the citizens of Cache County to withdraw its participation in the North Park Interlocal Cooperative ("NPIC") but continue its commitment to the allocation of Restaurant Tax funds and 1/64 percent of sales tax for payment of the bond.

Whether Cache County, or any other political entity currently involved in the project, is willing to accept the aforementioned risks associated with the financing of the BCIA is a political rather than a legal question. I can only say in this opinion, that there is no contractual or legal guarantees, given the nature of the project and the way it is funded, that will prevent cost overruns in the event some of the private entities that contemplate contributions to the project, eventually default, or prospective contributors cannot be found.

A corollary issue is Cache County's ability to bond this project and others. The County has the ability to borrow as much money as a bank will lend. However, there are regulations that cap the County's ability to borrow money at the best rates once the County has borrowed more than \$10,000,000.00 within a fiscal year. If there are cost overruns, it is important for the County to consider where the money will come from for these costs. Again, these are political considerations, but I suggest they should be made before the fact, not after. The bonding entity, Zion's Bank, cannot require under existing laws, that the County pay for cost overruns in the BCIA project; however, if the project is not completed because of funding deficiencies, the public, the private donors and the bank will be expecting solutions from the County Council. The only solutions will be to find more money, or leave the project uncompleted.

BULLET SUMMARY OF POTENTIAL PROBLEMS.

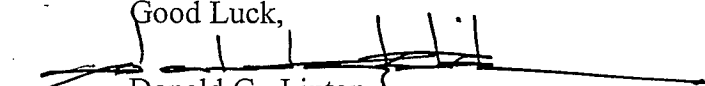
1. The project is poorly defined at the present time; architectural and design plans are not specific enough to inform the Owner what they will be purchasing with their 3.4 million dollar investment.
2. Cost overruns are a real possibility with this project given the way the project is being financed. The Owner should contemplate, before the fact, how they will pay for any potential cost overruns.
3. With respect to Cache County, there are limitations to the amount of money the County can borrow. I suggest this is an important consideration in light of the preceding issues already addressed.
4. The standard bid process usually required and contemplated for public projects was not followed in this case, apparently because of the design-build delivery system chosen for the project. This could create cost and liability issues for the county.

BULLET SUMMARY OF POTENTIAL SOLUTIONS

1. I suggest the Design-Builder be required to provide more specific plans for the BCIA project. It is my opinion that a more specific plan for the project will help waylay Owner concerns about costs and project completion. I further suggest that this may help the Owner find additional private funds for the BCIA project.
2. The Design-Builder has suggested that they be allowed to bond the project in increments. I suggest this not be an option to protect as much as possible the Owners' interests.
3. The Owners should be prepared to accept an ice area that is, according to project standards and quality, something less than anticipated in order to address potential cost overruns, or in the alternative, consider the possibility of finding additional funds to pay for the project in the event it is not built within budget.
4. The Owners may consider the option of hiring a project manager who can operate as the Owners' agent on the project, to oversee planning, budgeting, and other concerns that are certain to arise with a project of this size. This individual will have to have special training in construction and financing.
5. Revisit the possibility of proceeding with the project under the more traditional design-award-build method.

I appreciate the opportunity to provide my opinions in this letter. Certainly, I hope these opinions or any others that I can share are helpful. To that end, I would be happy to make myself available for further comment or discussion if necessary.

Good Luck,


Donald G. Linton
Deputy Cache County Attorney

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CORPORATION

M. LYNN LEMON
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COUNTY COUNCIL

DARREL L. GIBBONS
CHAIRMAN
H. CRAIG PETERSEN
V. CHAIRMAN
Kathy Robison
C. LARRY ANHDER
John A. Hansen
CORY YEATES
LAYNE M. BECK
Jill N. Zollinger
CLERK

January 18, 2001

Public Notice is hereby given that the Cache County Council of Cache County, Utah will hold a Regular Meeting in the Cache County Council Chamber, 120 North 100 West, Logan, Utah 84321 at 5:00 p.m. on TUESDAY, January 23, 2001.

3:00 Presentation - State of Utah School & Institutional Trust Lands Administration

4:00 Fire Board Meeting

- 5:00
1. Call to Order
 2. Invocation
 3. Review and approval of agenda
 4. Review and approval of minutes
 5. Report of County Executive

- a. Appointments
- b. Board Vacancies

1. Reorganization of Cache County Municipal Building Authority

- c. Warrants
- d. Other Items

6. Items of Special Interest

- *5:20 a. Presentation of PILT Check - Robert Hafenyager
- *5:30 b. Willow Park Budget Request Changes - Russ Akina
- *5:40 c. Cache Valley Initiative Presentation -
- *5:50 d. RS2477 Road Issues - Preston Ward

7. Budgetary Matters

- a. Transfers - Intra Department
- b. Transfers - Inter Department

8. Public hearings, appeals and Board of Equalization matters
- **6:00
- a. Public Hearing - Agricultural Protection Area - Mathews
 - b. Board of Equalization
 - 1. Board of Equalization Hearing Matter - Jaques
9. Pending Action
10. Initial proposal for consideration of action
- a. Final Plat Approval - Riverbirch Canyon Company PUD
 - b. Discussion - Hyrum City Precinct Changes
 - c. Resolution No. 2001-03 - A Resolution declaring the intent of Cache County ("THE COUNTY") to arrange for short-term financing to accommodate the anticipated operating capital deficits by the issuance of tax and revenue anticipation notes ("TRANS") as a participant in the Utah Association of Counties ("UAC") combined cash flow borrowing program (THE "UAC PROGRAM"), and related matters.
 - d. Resolution No. 2001-04 - Consideration for adoption of a Resolution authorizing the issuance and sale of Cache County, Utah Tax and Revenue Anticipation Notes, Series 2001; awarding and confirming sale of the notes entering into certain covenants and making certain representations in connection therewith; approving the form of the notes; and related matters.
 - e. Resolution No. 2001-05 - A Resolution proposing Cache County withdraw from the North Park Interlocal Cooperative leaving the funding in place.
 - f. Resolution No. 2001-06 - Consideration for adoption of a Resolution of the County Council, of Cache County, Utah ("THE COUNTY") authorizing and approving the execution by the County of an annually renewable master lease agreement by and between the North Park Interlocal Cooperative, Cache County, Utah ("NPIC") as Lessor and the County, Hyde Park City, Utah, City of Logan, Utah and North Logan City, Utah, as Lessees ("THE LESSEES"); approving the issuance and sale by NPIC of its lease revenue bonds, Series 2001A, ("THE BONDS"), to finance a portion of the costs of acquisition, construction and equipping of an ice arena and related improvements thereto; authorizing the execution by the County of a sublease, a ground lease and other documents required in connection therewith; approving the form of a bond

purchase contract; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by the bonds and this resolution; and related matters.

g. Resolution No. 2001-07 - Consideration for adoption of a Resolution of the County Council, ("THE COUNCIL"), of Cache County, Utah ("THE COUNTY") under which the Council agrees that it will consider making an appropriation to pay any deficiency in funds required to complete an ice skating arena to be constructed in Cache County ("THE PROJECT") or in lease payments under a lease between the North Park Interlocal Cooperative and the County among others, pertaining to the project; and related matters.

h. Discussion - County Jail

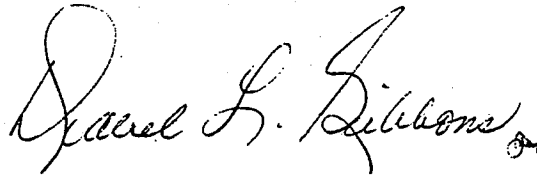
i. Discussion - County Administration Building

j. Discussion - State Courts Building

11. Other Business

12. Council Member Reports

13. Adjourn



* Designated time for Special Interest Items

**Citizens desiring to be heard are encouraged to submit their messages in writing during or prior to the hearing.

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Pat Parker, Cache County Council, at 716-7171 at least three working days prior to the meeting.