

2  
3 Minutes of the meeting of the Logan Municipal Council convened in regular  
4 session on Tuesday, May 20, 2014 at 5:30 p.m. in the Logan City Municipal Council  
5 Chamber, 290 North 100 West, Logan, Utah. Chairman Karl B. Ward conducting.  
6

7 Council members present at the beginning of the meeting: Chairman Karl B.  
8 Ward, Vice-Chairman Jeannie F. Simmonds, Councilmember Holly H. Daines,  
9 Councilmember S. Eugene Needham and Councilmember Herm Olsen. Administration  
10 present: Mayor H. Craig Petersen, Finance Director Richard Anderson, Public Works  
11 Director Mark Nielsen, City Attorney Kymber Housley and City Recorder Teresa Harris.  
12

### 13 **OPENING CEREMONY.**

14  
15 Pastor Joshua Heimbeck, Holy Trinity Lutheran Church gave the opening prayer and led  
16 the audience in the pledge of allegiance.  
17

18 Chairman Ward welcomed those present. There were approximately 13 citizens in the  
19 audience at the beginning of the meeting.  
20

21 **Meeting Minutes.** Minutes of the Council meeting from May 6, 2014 were  
22 reviewed and approved with minor changes.  
23

24 **ACTION.** Motion by Councilmember Olsen seconded by Vice Chairman Simmonds to  
25 **approve the May 6, 2014 minutes as amended and approve tonight's agenda.** Motion  
26 carried unanimously.  
27

28 **Meeting Agenda.** Chairman Ward announced there will be four public hearings  
29 at tonight's Council meeting.  
30

31 **Meeting Schedule.** Chairman Ward announced that regular Council meetings  
32 would be held the first and third Tuesdays of the month at 5:30 p.m. The next regular  
33 Council meeting is Tuesday, June 3, 2014.  
34

35 Chairman Ward announced that the July 1, 2014 Council meeting has been  
36 cancelled. The Council will meet on Tuesday, July 15, 2014.  
37

### 38 **QUESTIONS AND COMMENTS FOR MAYOR AND COUNCIL.**

39  
40 There were no questions or comments for the Mayor or Council.  
41

### 42 **MAYOR/STAFF REPORTS.**

#### 43 **Updates on Projects/Issues – Mayor Craig Petersen.**

44  
45 Mayor Petersen updated the Council on the following:  
46  
47

- 48 1. Commission/Board Vacancies - Members are needed for the Economic Development  
49 Committee and the Power Advisory Board.  
50
- 51 2. Current Road Closures:  
52 • 200 East from 1000 North to 1250 North – Closed until May 23 (one week  
53 longer than earlier stated).  
54 • Canyon Road closure for trail construction—Opened May 16  
55 • 700 North 200 East closed for construction of pedestrian crossings—until  
56 early June 2014.  
57 • 200 East 500 North closed for construction of a roundabout.  
58
- 59 3. Graffiti Solutions - No trespass signs have been posted. A meeting with the Forest  
60 Service is scheduled for May 28, 2014.  
61
- 62 4. Logan will receive funding for two CCCOG road projects:  
63 • 3200 South and Highway 89/91 intersection - \$1,456,000  
64 • 1400 North 600 West intersection signal light - \$200,000  
65
- 66 4. Logan has been recommended to receive \$377,279 in RAPZ/Restaurant tax grants. A  
67 final decision by the Cache County Council will be made on May 27, 2014.  
68
- 69 5. Tour of Utah is a professional bike race similar to the Tour de France. Cache County  
70 Council approved \$25,000 in RAPZ/Restaurant and the Cache Visitor’s Center  
71 will contribute \$5,000. The decision for Logan City to host this event must be made  
72 by the end of May.  
73

74 **Board Appointment – Mayor Petersen.**

75  
76 Mayor Petersen asked the Council for ratification of Maybell Romero to serve on the  
77 Planning Commission which is a four year term.  
78

79 Councilmember Daines said the only concern she would have with the recommendation  
80 of Ms. Romero is that she has accepted a teaching appointment at BYU for the Fall  
81 semester and will she have the time to also serve on the Planning Commission.  
82

83 Councilmember Daines recommended that ratification of Maybell Romero be postponed  
84 until the May 27, 2014 Council Budget Workshop meeting. The Council all agreed to  
85 postpone ratification.  
86

87 **COUNCIL BUSINESS.**

88  
89 **Council Budget Workshop Schedule – Tuesday, May 27, 2014 beginning at 5:30**  
90 **p.m. in the Logan Municipal Council Chambers.**

91  
92 Chairman Ward announced that a Budget Workshop will be held on Tuesday, May 27,  
93 2014 beginning at 5:30 p.m.

94 **CULTURAL ARTS GRANT QUALIFICATIONS – Councilmember Holly Daines**

95  
96 Councilmember Holly Daines addressed the issue of the qualifications of the current  
97 Cultural Arts Grant. A group from USU’s English Department applied for City funding in  
98 the Fall of 2013 to start a Poet Laureate Program in Logan. It was decided the best source  
99 to look to would be the Logan Cultural Arts Grant, but because the group was part of the  
100 University, they could not receive funding. Currently, only 501c3 organizations can apply  
101 for funds. While 501c3 is a common nonprofit Internal Revenue Service designation, not  
102 everyone falls under that category. Councilmember Daines would like to expand the  
103 funding to a few more worthy organizations. She would like to change the language on  
104 the application to state that all nonprofit organizations that are arts related can apply.  
105

106 City Attorney Kymber Housley stated the Council can make the decision to make  
107 changes to the Cultural Arts Grant qualifications. The change does not require a public  
108 hearing.  
109

110 Councilmember Daines said those applying should be a registered, non-profit group and  
111 related to an arts organization.  
112

113 The Council all agreed on the proposed change. The Cultural Arts Grant applications will  
114 go out July 2014.  
115

116 **ACTION ITEMS.**

117  
118 **PUBLIC HEARING – Logan City Budget Transfers Fiscal Year 2015**

119  
120 Finance Director Richard Anderson addressed the Council regarding the Logan City  
121 Budget Transfers for Fiscal Year 2015.  
122

123 In accordance with Utah State law and Logan City budgeting practices, Logan City will  
124 hold a public hearing on May 20, 2014 at 5:30 pm in the Logan City Council Chambers  
125 located at 290 North 100 West, Logan Utah, to discuss transfers from enterprise funds to  
126 the Logan City General Fund. Anyone desiring to address the Logan Municipal Council  
127 on this issue is invited to this public hearing.  
128

129 The following Fiscal Year 2015 proposed transfers will be discussed:  
130

From Water & Sewer Fund to General Fund	\$ 691,840
From Sewer Treatment Fund to General Fund	314,161
From Electric Fund to General Fund	2,896,012
From Environmental Health Fund to General Fund	886,499

131  
132  
133 Logan City has also enacted 911 fees that are assessed on all utility customers for the  
134 County-Wide 911 system, radio communications, and related functions. These fees are  
135 technically transferred from the Environmental Health Fund to the Communication

136 Center Fund (911 Fund). It is estimated that during Fiscal Year 2015 the City will  
137 transfer \$1,410,000 for this purpose.

138

139 The Utah State Auditor has determined that waived enterprise fund fees are a de facto  
140 transfer. Logan City has not charged the full cost of refuse collection services to the City  
141 of Logan and other governmental agencies. A public hearing will be held for both the  
142 fiscal year 2014 and 2015 waived refuse collection fees at the above mentioned meeting  
143 time. The following estimated annual waived fees will be discussed:

144

Amalga	\$ 80	Newton	\$ 440	Trenton	\$ 721
Clarkston	159	Nibley	1,515	Wellsville	880
Cornish	964	North Logan	8,490	Cache County	27,878
Hyde Park	2,600	Paradise	2,345	Logan City General Fund	30,554
Hyrum	8,096	Providence	3,321	Logan City Electric Fund	2,338
Lewiston	3,518	Richmond	2,157	Logan City Golf Course	3,370
Mendon	3,415	River Heights	1,441	Logan City Library	3,946
Millville	477	Smithfield	5,316	Logan City Rec Ctr Maintenance	1,275

145

146 Mr. Anderson said the purpose of transfers is the movement of cash or other resources  
147 from one fund to another without consideration of repayment, provide return on  
148 investment to Logan City taxpayers, and keep property taxes low by broadening the tax  
149 base. This process is effective as long as rates are competitive.

150

151 There are three categories of Transfers:

152

1. Operating Transfers to General Fund from the Enterprise Fund - \$4,788,512

153

2. 911 Fund - \$1,410,000

154

3. Waived garbage fees to Logan City and other governmental entities - \$108,311

155

4. Billing for the new fees will start July 2015

156

157 The Operating Transfers to the General Fund are the following:

158

Water Fund \$691,840

159

Sewer Fund \$314,161

160

Electric \$2,896,012

161

Environmental \$886,499

162

**Total \$4,788,512**

163

164 Property Tax or Transfers

165

Fiscal Year 2014 General Fund Property Tax \$2,018,758

166

Fiscal Year 2014 Transfers \$4,721,657

167

Property tax increase if NO Transfers

168

169 Mr. Anderson said for the budget to be revenue neutral each \$1.00 decrease in transfers  
170 requires a \$2.38 increase in property tax.

171

172 Enterprise Fund Transfers

173

• Manage Transfers in relation to other General Fund revenues.

174

• Strong policy direction:

175

○ The lesser of 8% of operating revenue or 10% of operating expenses.

176

• Maintain transfers to keep Property Taxes low.

177 Mr. Anderson stated that transfers over the last 10 years have increased at rate of .034%  
178 and that is including the proposed 2015 transfers which, is very low.

179  
180 Chairman Ward opened the meeting to a public hearing.

181  
182 Jim Brackner resident of River Heights addressed the Council. He said River Heights  
183 doesn't have any way to be competitive in regards to sewer treatment and garbage  
184 pickup. He asked what is the nature of the enterprise fund fee that has been waived, is  
185 this something the cities have agreed to and what is the source.

186  
187 Mr. Anderson responded the waived garbage can fee is a fee that Logan City has not  
188 charged to various cities. As an example, this would be a four yard container located at  
189 River Heights City Hall that Logan City is not charging to empty.

190  
191 Mr. Brackner asked what funds are not being collected.

192  
193 Mr. Anderson used the example that he previously stated which would be the four yard  
194 container that Logan City is not charging for and is located in River Heights. This is  
195 something that the State Auditor requires.

196  
197 Mr. Brackner feels that River Heights is being charged more than it should and he feels  
198 they are being taxed without representation.

199  
200 Vice Chairman Simmonds asked Mr. Brackner if he knows how much River Heights  
201 remits to Logan City for garbage collection.

202  
203 Mr. Brackner responded this past month the amount was \$11,135 from River Heights  
204 City.

205  
206 Mr. Anderson clarified that the amount of \$1,441 listed on the Notice of Estimated  
207 Annual Waived Fees is just for River Heights City itself, the government entity only.

208  
209 Cheryl King resident of Providence City addressed the Council. She said the presentation  
210 tonight convinced her that part of the \$360 that comes from her budget to pay for sewer  
211 each year, is paying property taxes for Logan shareholders/tax payers and she asked if  
212 that is correct?

213  
214 Councilmember Holly Daines responded that is correct and is the way Logan City has  
215 chosen to structure their rates. Logan City takes the risk of building a new water  
216 treatment facility and takes all of the costs of providing those services. Any of the other  
217 cities are welcome to find another provider or build their own treatment facility if that is  
218 what their elected officials choose to do.

219  
220 Mayor Petersen said that Mr. Anderson stated the amount of the transfer fee has been  
221 constant for the last 10 years and even though we have a maximum rate we can transfer,  
222 the actual transfer is 5% and is substantially less than what our policy dictates.

223

224 Smithfield City Manager Jim Gass addressed the Council. He clarified that as it stands  
225 now with the sewer lagoons, they are currently owned by Logan City and they are  
226 entitled to a return on investment because they own, maintain and operate the lagoons. In  
227 regards to a new facility, the other cities don't have a lot of options and other cities have  
228 also been saving for a new facility and feel it is just as much theirs as it is Logan's and  
229 we need to keep this in mind. This is an investment that all cities are making, not just  
230 Logan City.

231

232 Councilmember Daines stated that Hyrum and Richmond have their own mechanical  
233 treatment facility.

234

235 Mr. Gass responded yes, that is true and it was explained by the State that the other cities  
236 will have a very difficult time getting another approved point of discharge if another  
237 facility were built and that is controlled by the Federal Government. The other issue is  
238 financing to build a facility which is a challenge for the other cities.

239

240 Chairman Ward said that is the same situation with any good or service we purchase  
241 whether it's through a government agency or through a private business.

242

243 There were no further public comments and Chairman Ward closed the public hearing.

244

245 **PUBLIC HEARING - Budget Adjustment FY 2013-2014 appropriating: \$3,971**  
246 **donated funds received for the Annual Logan City Police Banquet – Resolution 14-**  
247 **31**

248

249 Logan City Finance Director Richard Anderson addressed the Council and explained the  
250 proposed budget adjustment.

251

252 Chairman Ward opened the meeting to a public hearing.

253

254 There were no public comments and Chairman Ward closed the public hearing.

255

256 **ACTION.** Motion by Vice Chairman Simmonds seconded by Councilmember Daines to  
257 **approve Res 14-31** as presented. Motion carried unanimously.

258

259 **PUBLIC HEARING - Consideration of a proposed amendment to the Logan**  
260 **Municipal Code Sections 2.48 (Surplus Property) and 3.04 (Purchasing) –**  
261 **Ordinance 14-28**

262

263 At the May 6, 2014 Council meeting, Finance Director Richard Anderson addressed the  
264 Council regarding the proposed two (2) Code amendments.

265

266 **2.48 Surplus Property** – Proposed new language to the Surplus Property Code are as  
267 follows: *Surplus personal property may be sold to another governmental or not-for-profit*  
268 *agency directly (without public auction) with the approval of the Mayor and purchasing*  
269 *agent for estimated fair market value. Estimated fair market value will be determined by*

270 a commercially accepted method. Surplus personal property may be donated to any party  
271 after following the applicable Utah State codes.

272

273 **3.04 Purchasing** – Proposed changes to the Purchasing Code are as follows:

274

275 • Remove the Local Business Consideration from the Code with the proposed  
276 following language in applicable evaluation criteria of Requests for Bids and  
277 Requests for Proposals.

278 *“Special consideration may be given to bids and proposals documenting the  
279 contribution of the proposal to the local economy included but not limited to  
280 labor, subcontractors, use of local goods, supplies, or resources. The local  
281 economy is defined primarily as the boundary of Logan City and secondarily as  
282 the geographic area of Cache County.”*

283

284 • Purchase Orders: All services, contracts, supplies, materials, and equipment of a  
285 value of more than ~~\$3,000~~ **\$5,000** shall be purchased with the authority of a  
286 written purchase order.

287

288 • Formal Competitive Bidding: If the purchase exceeds ~~\$15,000~~ **\$50,000**, formal  
289 competitive bidding procedures shall be used unless such purchases are made for  
290 an inventory warehouse. The purchasing agent shall call for competitive bids by  
291 giving reasonable notice of the City’s intent to receive sealed bids, describing  
292 therein the requested property or services needed, and the place where bid blanks  
293 and specifications may be obtained as well as the place, date and time when bids  
294 will be received and/or opened.

295

296 Chairman Ward opened the meeting to a public hearing.

297

298 There were no public comments and Chairman Ward closed the public hearing.

299

300 **ACTION.** Motion by Vice Chairman Simmonds seconded by Councilmember Olsen to  
301 **adopt Ord.14-28** as presented. Motion carried unanimously.

302

303 **PUBLIC HEARING - Consideration of a proposed resolution approving the City of**  
304 **Logan Light & Power Department Rate Schedule #6 General Service-Distribution**  
305 **Voltage – Resolution 14-30**

306

307 At the May 6, 2014 Council meeting, Light & Power Director Mark Montgomery  
308 addressed the Council regarding the proposed resolution. This schedule is for alternating  
309 current, single, or three-phase electric service supplied at the City’s available voltage  
310 through one kilowatt-hour meter at a single point of delivery for all service required on  
311 the premises, except by written permission of the Director of the Light & Power  
312 Department, or his assigned representative. All meters will be of the Demand Register  
313 type unless determined by City Electric Meter Department to be otherwise.

314

315 Proposed changes to the Power Factor adjustment applies only to customers with three  
316 phase service and **loads that exceed 200 kW for three (3) consecutive months.** This

317 rate **adjustment** will be based on the Customer maintaining at all times a power factor  
318 between 95% lagging and 95% leading, or higher, as determined by measurement. If the  
319 Power Factor at the time of the monthly peak demand is found to be less than 95%  
320 lagging or leading, the monthly kilowatt demand, as recorded by the City's meter, will be  
321 increased by ¾ of 1% for every 1% that the Power Factor is less than 95%. **These**  
322 **criteria will be reviewed annually or when requested by the customer.**

323  
324 Chairman Ward opened the meeting to a public hearing.

325  
326 There were no public comments and Chairman Ward closed the public hearing.

327  
328 **ACTION.** Motion by Councilmember Daines seconded by Vice Chairman Simmonds to  
329 **approve Res.14-30** as presented. Motion carried unanimously.

330  
331 **WORKSHOP ITEMS:**

332  
333 **Budget Adjustment FY 2013-2014 appropriating: \$383 for the Drug Task Force**  
334 **reserves; \$1,560 for Drug Task Force forfeitures; \$27,669 and \$384,988 for**  
335 **administrative fees charged to the Logan River Golf Course and Storm Water funds**  
336 **not previously charged; \$19,072 for the reimbursement of Street Department snow**  
337 **plowing costs at the Logan-Cache Airport – Resolution 14-34 – Richard Anderson,**  
338 **Finance Director**

339  
340 Logan City Finance Director Richard Anderson addressed the Council regarding the  
341 proposed budget adjustments.

342  
343 The proposed resolution will be an action item and public hearing at the June 3, 2014  
344 Council Meeting.

345  
346 **Consideration of a proposed resolution for the Logan River Golf Course to enter**  
347 **into a 48-month lease to replace existing golf carts beginning June 4, 2014 –**  
348 **Resolution 14-35 – Russ Akina, Parks & Recreation Director**

349  
350 Parks & Recreation Director Russ Akina addressed the Council regarding the proposed  
351 resolution. He stated that the Logan River Golf Course offers electric golf carts to patrons  
352 as a revenue service of the golf course. Sixty (60) carts of the existing fleet must be  
353 replaced to meet customer expectations and to sustain the Golf Course's revenue service.  
354 The leasing of new golf carts over a 48-month period at a rate of \$3,084 per month  
355 replaces an aging fleet, reduces operating cost and down time for repairs, parts, and labor.  
356 Funds have been appropriated in the current fiscal year to initiate the lease in the month  
357 of June and the budget is currently proposed in the 2015 fiscal year. The Parks and  
358 Recreation Department is requesting approval of the Council to enter into a 48-month  
359 lease for sixty (60) golf carts with said lease commencing June 2014. The cost of a new  
360 cart is \$3,300.

361  
362

363 Councilmember Needham said the cost is less to lease the carts and asked how the  
364 company makes money with a lease rather than purchasing the carts.  
365  
366 Mr. Akina responded a lease is only for a certain amount of time and he is looking at long  
367 term and would like to stagger the replacement of the carts so it's not all at once.  
368  
369 Councilmember Daines said when the new clubhouse was built she was told that if we  
370 invest in a new clubhouse there would be more tournaments and people would rent out  
371 the clubhouse, she has not seen this materialize. She feels we are already losing money  
372 on the golf course and the golf carts are another large expense. She would like to see  
373 updated information on the revenue of the golf course.  
374  
375 Mr. Akina said he will provide this information and it will take time for things to  
376 improve. Between 2012/2013 and now, the clubhouse has seen an increase in revenue but  
377 he would like to see this improve even more and he has confidence this will happen.  
378  
379 Mayor Petersen said the clubhouse was remodeled to enhance for extra services and the  
380 golf carts are to maintain status quo. The question is how is the best way financially to do  
381 this and have carts that are reliable.  
382  
383 Councilmember Daines feels we still could have run the golf course without a new  
384 building.  
385  
386 Mayor Petersen agreed.  
387  
388 Mr. Akina reported the golf course is doing well at this time. The course is impacted by  
389 seasonal conditions and fortunately this year the conditions have been favorable.  
390  
391 Councilmember Olsen said he recently talked with the golf course pro and he stated we  
392 are having a record March and April.  
393  
394 Councilmember Daines said she would be interested to know how the tournaments have  
395 increased and how the rental of the facility has increased since the new clubhouse was  
396 built.  
397  
398 Mr. Anderson said the golf course looks at the season (February-October/November). As  
399 a City we look at the course on a fiscal year basis and the course is still struggling but is  
400 improving. He feels at some point the course will cover its costs but there are still  
401 concerns. The carts are an additional concern but the carts are also a very important  
402 revenue source and we need to be protective of cart rental.  
403  
404 Chairman Ward indicated that our golf course is not the only one that is struggling and  
405 courses overall have a hard time covering their costs.  
406  
407 The proposed resolution will be an action item and public hearing at the June 3, 2014  
408 Council Meeting.  
409

410 **Cache Valley Transit District (CVTD) Funding – Todd Beutler, CVTD Director**

411

412 CVTD Board Member Doug Thompson addressed the Council regarding a ballot  
413 measure for the election in the Fall of 2014. He said the vast majority of people in Cache  
414 Valley have a positive notion of the CVTD and the services it offers. Ridership is  
415 increasing steadily and the sales tax is not keeping up with the demand for services. The  
416 CVTD has been able to get funding from the federal government but they have also been  
417 told they should not depend on that funding in the future. The CVTD is at a trend that if  
418 things continue as they are there could be a deficit and they don't want to curtail their  
419 services. He asked the Council if they would consider putting a measure on the Fall  
420 election ballot and ask voters for a sales tax increase of a quarter of one percent to  
421 continue funding CVTD operations.

422

423 Vice Chairman Simmonds asked Mr. Thompson to explain why the quarter percent is  
424 needed.

425

426 Mr. Thompson responded the CVTD already received a quarter of a percent of sales tax  
427 from the various cities, which provides the majority of the district's funding. However,  
428 CVTD also relies heavily on federal funds to support itself and they are seeing a  
429 significant shrinkage in those federal funds. The CVTD wants to look forward and be  
430 prepared for the future. The CVTD will also meet with other cities and make this same  
431 request. They would like to expand routes and would also like to implement an  
432 automated vehicle location system using a smart phone to see when the bus will be  
433 arriving at a certain stop. The increase will be applied only to the cities that pass a  
434 resolution for approval. This is a tax increase and will need to go to the voters. There has  
435 been consideration to implement a paid ridership. The problem with that is the breakeven  
436 point, if a fare is charged it will defeat the purpose of the bus system because they will  
437 not be able to service the groups that ride the bus. The CVTD feels it's important to keep  
438 the bus service fare free.

439

440 Councilmember Daines said sales tax will be a variable number and sales tax on food is  
441 not tax exempt. Her concern is the increase of the school bond, property taxes, the water  
442 treatment facility and others that will hit people hard financially and that is her concern.

443

444 Mr. Thompson said taxes are a concern for all of us but when is there going to be a good  
445 time for a tax increase. This has been examined for over two years and the CVTD feels  
446 now is the time to request this increase. Market research has been done in the community  
447 and the response has been favorable.

448

449 **OTHER CONSIDERATIONS.**

450

451 There were no further considerations from the Mayor or Council.

452

453 **ADJOURN**

454

455 There being no further business to come before the Council, the meeting adjourned at  
456 7:00 p.m. Teresa Harris, City Recorder