

Mayor
Colten Johnson
City Council
Arlon Chamberlain
Scott Colson
Chris Heaton
Boyd Corry
Peter Banks



KANAB
—UTAH—

City Manager
Kyler Ludwig
City Attorney
Kent Burggraaf
City Recorder
Celeste Cram
City Treasurer
Danielle Ramsay

KANAB CITY COUNCIL

January 23, 2024

Council Chambers, 26 NORTH 100 EAST, KANAB, UTAH

NOTICE is hereby given that the Kanab City Council will hold a regular council meeting on the 23th day of January 2024, in the City Council chambers at the Kanab City Office, 26 N 100 E, Kanab, Utah. The Council Meeting will convene at 6:30 p.m. and the agenda will be as follows:

Work Meeting

1. Liaison Report
2. City Staff Report
 - a. Parks Department
3. Other
 - a. Presentation from Kane County Hospital and Intermountain Health (Kurt Loveless)
 - b. Presentation from HintonBurdick on the annual financial statements for the year ending on June 30, 2023. (Steven Palmer)

Business Meeting

1. Call to Order and Roll Call
2. Approval of Minutes of Previous Meeting
3. Approval of Accounts Payable Vouchers.
4. Public Comment Period: Members of the public are invited to address the Council. Participants are asked to keep their comments to 3 minutes and follow the rules of civility outlined in Kanab Ordinance 3-601.
5. Discussion and consideration of an ordinance approving a development agreement with Matthew and Vanesa Alldredge to connect a forced sewer lateral to the City's main line on 300 South (176 West 300 South - Parcel K-336-2).
6. Public Hearing, discussion, and consideration of an ordinance amending Section 8 of the Kanab General Ordinances (Municipal Property – Cemetery)
7. Discussion and consideration of an ordinance amending Chapter 4-21 of the Kanab Land Use Ordinance (Supplementary Regulations - Private Lanes)

— A Western Classic —

8. Discussion and consideration of the purchase of 20 self-contained breathing apparatus (SCBA) and 30 masks for the Fire Department (\$181,872).
9. Annual training on the Utah Open and Public Meetings Act (54-4-104).

ADDITIONAL NOTICES:

Times listed for each item on the agenda may be accelerated, as time permits, or taken out of order.

The public comment period and public hearings are intended for the public to provide input to the Council or to pose questions individuals believe the Council and City staff should consider. Public hearings are not intended for individual members of the public to engage in conversation. While questions may be posed by a member of the public, the Council and City staff will attempt to refrain from answering or engaging in conversation during the public hearing.

An item listed on the agenda may be discussed in a closed portion of the public meeting, in which the public may be excused, if it meets the criteria outlined in the Open and Public Meetings Act (see Utah Code 52-4-204 and -205).

If you are planning to attend this public meeting and due to a disability need assistance in understanding or participating in the meeting, please notify the City eight (8) or more hours in advance of the meeting, and we will try to provide whatever assistance may be required. Please contact Celeste Cram at the Kanab City offices.

— A Western Classic —

Kanab City Council Meeting
January 9th, 2024
Kanab City Council Chambers
26 North 100 East
6:30 PM

Work Meeting

1. Swearing in of newly elected officials

- a. **Boyd Corry – City Council**
- b. **Peter Banks – City Council**
- c. **Arlon Chamberlain – City Council**

2. Liaison Report

Councilmember Chamberlain – None

Councilmember Banks – None

Councilmember Corry – None

Mayor Johnson – Poles have been ordered for the lights at the baseball fields. Mayor thanked Garkane, South Central and Clark Electric for their work on the project. Girls Youth Basketball is starting. Mayor also acknowledged Law Enforcement Appreciation Day and expressed appreciation to our Police Department.

Councilmember Heaton – The Heritage Board is working on the All Women Monument. The Fire Department received some grants and they have a couple of potential firefighters in the academy. He encouraged anyone interested in becoming a firefighter to reach out to the fire Department. Everything is going well in the Police Department.

Councilmember Colson –The Public Works Department is working on Levi Stewart Memorial Park.

3. City Staff Report – Mr. Ludwig reported that the lining and tile project at the swimming pool has been scheduled and will begin in February. He recognized Cameron Westenskow in the Fire Department for becoming a paramedic.

4. Other – None.

Business Meeting

1. Call to Order and Roll Call – Mayor Johnson called the meeting to order. Councilmember Banks offered the invocation. Councilmember Corry led the pledge of allegiance.

In attendance: Mayor Johnson; Councilmember Chamberlain, Councilmember Banks, Councilmember Corry, Councilmember Heaton; City Manager Kyler Ludwig; Deputy Recorder

Danielle Ramsay; Building Inspector & Land Use Coordinator Janae Chatterley; and City Attorney Kent Burggraaf.

Not in attendance - City Recorder, Celeste Cram was excused

2. Approval of Minutes of Previous Meeting – Councilmember Colson made a motion to approve the minutes from December 12th, 2023 meeting. Councilmember Heaton seconds. Unanimous vote, motion passed.

3. Approval of Accounts Payable Vouchers - A motion was made by Councilmember Heaton and seconded by Councilmember Corry to approve the check registers for December 19th, 2023 in the amount of \$207,536.15, December 27th, 2023 in the amount of \$67,259.45, and January 9th, 2024 in the amount of \$110,565.74. Unanimous vote, motion passed.

Public Comment Period: Members of the public are invited to address the Council.

4. Participants are asked to keep their comments to 3 minutes and follow the Rules of Civility Outlined in Kanab Ordinance 3-601.

Rich Csenge – Mr. Csenge asked if Councilmembers have discussed his concern that he spoke about during public comment period at December’s City Council Meeting with City Staff. His concern is not being to work quickly enough on his building project to get an inspection every 6 months, which the City requires.

5. Election of Mayor Pro Tempore.

Mr. Ludwig explained that the Mayor Pro Tem presides at a city council meeting in the absence of the Mayor and performs the duties of the Mayor in the Mayor’s absence, disability, or refusal to act.

Councilmember Heaton made a motion to nominate Councilmember Arlon Chamberlain as Mayor Pro-Tem. Councilmember Corry seconds. unanimous vote, motion passed.

6. Discussion and Consideration of the 2024 Public Meeting Schedule.

Mr. Ludwig presented the 2024 meeting schedule to the Council. He explained that the Proposed Meeting Schedule follows the same meeting schedule used in the previous year.

The City Council meetings are anticipated to take place on the second and fourth Tuesday of the month. Exceptions are anticipated on November 26th and December 24th.

Councilmember Chamberlain made a motion to approve the 2024 anticipated regular meeting schedule as outlined in the staff report. Councilmember Heaton seconds. Unanimous vote, motion passed.

7. Discussion and Consideration of a minor subdivision on parcel K-17-2 located at 88 S 100 W (applicant Michael Stewart/ S L Legacy LC)

Ms. Chatterley explained that Red Sands Geomatics, representative of S L Legacy LC applied for a minor subdivision for parcel K-17-2. The minor subdivision proposes to split the parcel into 2 lots. The current zone is R-1-8. The proposed lots will be split into a 0.34-acre lot and a 0.61-acre lot. She further explained the Conditions of Approval:

1. Will serve letters from Garkane utility has been signed and copies given to the city.
2. Building permits may not be issued until utilities are available for connection and adequate fire protection is in place to the lot or parcel.
3. Lot Addressing has been completed, reviewed, and approved by city staff.
4. City engineers have reviewed and provided sign-off on mylar.

After reviewing the application and analyzing the proposed minor subdivision, the Planning Commission sent a positive recommendation for approval of the proposed minor subdivision to the Kanab City Council with the conditions and finding in staff report #2023052.

Councilmember Colson made a motion to approve the minor subdivision on Parcel K-17-2 located at 88 S 100 W (applicant Michael Stewart/S L Legacy, LC) Councilmember Heaton seconds.

Councilmember Colson – YES

Councilmember Heaton – YES

Councilmember Corry - YES

Councilmember Banks - YES

Councilmember Chamberlain – YES

Motion passed.

8. Discussion and Consideration of an Ordinance changing the zoning of parcels 34-Bridge, K-23-1, K-32-ANNEX, K-4-ANNEX, K-7-24-ANNEX, K-16-7A-ANNEX, K-16-8-ANNEX, K-13-KCSF-ANNEX, K-16-23-ANNEX, K-13-15-ANNEX to align the zones with the current use of the properties.

Ms. Chatterley explained the Planning Commission and City Council requested that staff identify parcels owned by political subdivisions and utility companies that are currently not zoned for the use being done on the parcel. Once identified staff would provide the proper notifications and bring them to the Planning Commission to recommend a zone change to City Council. Staff has identified ten parcels. There may be a few others that will be discussed at a future meeting.

Councilmembers and Mayor discussed in great detail the proposed zone changes.

Councilmember Corry made a motion to approve the assigned zones outlined in Exhibit A based on the finding and conditions outlined in Staff Report #2023055 and adopt Ordinance 1-1-24 O with the amendments as discussed. Councilmember Colson seconds.

Councilmember Colson –YES

Councilmember Heaton – YES

Councilmember Corry - YES

Councilmember Banks - YES

116 Councilmember Chamberlain – YES

117 Motion passed.

118

119 **9. Discussion and Consideration of an ordinance amending the Kanab Land Use Ordinance Chapter 19,**
120 **Manufactured Homes-KCR Zone and Chapter 4-26, Residential Zone Design Standards.**

121

122 Ms. Chatterley explained Staff has received a building permit for a cargo container style home. The
123 design of the home conflicts with some of the design standards outlined in Chapter 19 and Chapter 4-26
124 of the Land Use ordinances. The applicant has requested to petition an amendment to the ordinances.
125 The Planning Commission discussed the petition during the November 7, 2023 meeting and was in
126 agreement to review the ordinances and possibly amend the standards.

127 Public Hearing and discussion for the text amendment was held on January 2, 2024. Staff started with
128 the explanation of the proposed changes in Chapter 19 and explained that during the review for the text
129 amendment additional standards were found in Chapter 4-26. The planning Commission agreed to strike
130 letter H from Chapter 19. They discussed letter C in chapter 4-26. Some concerns with not requiring
131 parapets were unsightly equipment and reflective or glaring roofing material. There were not any public
132 comments during the public hearing. Planning Commission made a positive recommendation to City
133 Council for the amendments made and discussed during the meeting.

134

135 Councilmember Colson made a motion to approve the amendments to City Code identified in exhibit A
136 of the staff report #20231219 and adopt Ordinance 1-2-24 O. Councilmember Chamberlain seconds.

137 Councilmember Colson – YES

138 Councilmember Heaton – YES

139 Councilmember Corry - YES

140 Councilmember Banks - YES

141 Councilmember Chamberlain – YES

142 Motion passed.

143

144 **10. Discussion and consideration of a fuel truck purchase for the Kanab Municipal Airport.**

145

146 Mr. Ludwig explained the condition of the current fuel truck and the need for a new vehicle at the Kanab
147 City Airport. Kanab City purchased a 1983 fuel truck approximately 4 years ago for \$3,000. The truck is
148 presently undergoing repairs, but parts are difficult to obtain. The purchase of a fuel truck will be
149 necessary to continue offering Jet A fuel service.

150

151 Councilmember Colson made a motion to allow staff to purchase a Jet Fuel Truck not to exceed the
152 purchase price of \$100,000. Councilmember Heaton seconds. Unanimous vote, motion passed.

153

154 **11. Discussion and Consideration of an Easement Agreement with Garkane at the Kanab Municipal**
155 **Airport.**

156 Mr. Ludwig explained Development of electric utility connection at hangers at the Kanab

157 Municipal Airport requires an easement for Garkane to place their infrastructure. Work has

158 already taken place within this easement to allow for the hanger development to meet its deadlines.
159 The easement has been reviewed by our airport engineers and our airport manager. Staff is supportive
160 of providing the easement as it is in alignment with the airport master plan.

161
162 Councilmember Heaton made a motion to authorize Mayor to sign the Grant of Easement for the
163 Garkane Easement on the Airport Property. Councilmember Corry seconds. Motion passed.

164
165 **12. Discussion and Consideration of a resolution waiving or reducing the impact fees for the Lofts**
166 **Phase II, pursuant to Kanab City General Ordinance Section 14-716(A) and Utah Code 11-36a-403.**

167 *Councilmember Heaton recused himself from this agenda item due to his recent work on the project.*
168

169 Mr. Ludwig explained that Bill Zitting has requested the City Council review opportunities for impact fee
170 exemptions or partial exemptions on the Lofts Phase II Development. Impact Fees for apartment units
171 are assessed the same as single family homes as they have the same impact on growth within our
172 community; the need for water rights, road connectivity, and parks does not reduce as a result of
173 multi-family developments. The 60 units within Phase II were assessed impact fees to offset the demand
174 change from the growth this will bring to Kanab:

175 Water \$44,962.55

176 Wastewater \$120,243.60

177 Stormwater \$166,566.00

178 Public Safety \$74,552.40

179 Parks & Recreation \$124,887.60

180 Transportation \$256,150.80

181 The last request for an impact fee exemption took place on July 12, 2022, when a project
182 receiving federal low-income tax credits was denied their request to receive impact fee credits for
183 low-income housing.

184 This development has the opportunity to request two different exemptions; either low-income housing
185 or an exemption as a broad public purpose (if the council makes an exemption under the broad public
186 purpose an alternative source of funds will be needed to offset the exempted impact fees).

187
188 Kanab does not currently have policies giving qualifications on low-income housing. Many cities have
189 requirements that the development meet state or federal low-income standards with deed
190 restrictions. Cities often put limits on the number of low-income exemptions they will offer each
191 year and require a deed restriction on the property. The Phase I apartments are priced starting at \$1,200
192 for a single bedroom apartment, \$1,360 for a two-bedroom unit, and \$1,520 for a three-bedroom unit.
193 If an exemption is given outside the low income housing the City will need to offset the
194 exemption and pay for the impact fee exemption through other revenue sources.

195
196 Mayor expressed his concerns with waiving the impact fees and feels it would be cheating the public by
197 waiving the fees.

198
199 Councilmember Colson made a motion to deny the request from Lofts Phase II for an impact fee waiver
200 or reduction. Councilmember Chamberlain seconds.

201
202 Councilmember Colson – YES

203 Councilmember Heaton – No Vote – recused

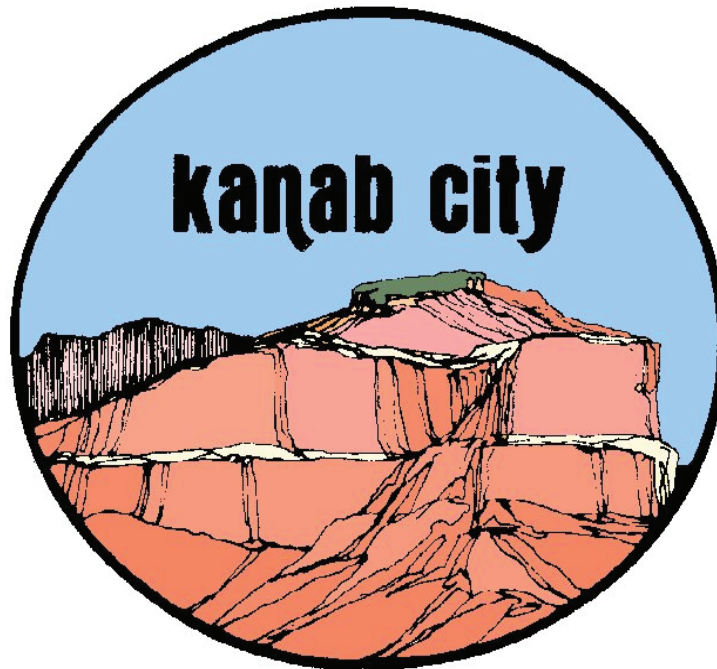
204 Councilmember Corry - YES
205 Councilmember Banks - YES
206 Councilmember Chamberlain – YES
207 Motion passed.
208
209 Councilmember Colson made a motion to enter into closed session. Councilmember Heaton seconds.
210 Unanimous vote, motion passed.
211

212 **13. Strategy Session Regarding Pending or Reasonably Imminent Litigation**

213
214 Councilmember Corry made a motion to adjourn, Councilmember Chamberlain seconds. Unanimous
215 vote, meeting adjourned.

216
217
218

219
220



FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

WITH REPORT OF

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report

The Honorable Mayor and
Members of the City Council
Kanab, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kanab City, Utah, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Kanab City, Utah's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kanab City, Utah, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Kanab City, Utah and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1 to the financial statements, in fiscal year 2023, Kanab City implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Kanab City, Utah's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Kanab City, Utah's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Kanab City, Utah's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Kanab City, Utah's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the other Required Supplementary Information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for

consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Kanab City, Utah's basic financial statements. The supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 29, 2023 on our consideration of Kanab City, Utah's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Kanab City, Utah's internal control over financial reporting and compliance.

HintonBurdick, PLLC

HintonBurdick, PLLC

St. George, UT

December 29, 2023

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KANAB CITY, UTAH

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Kanab (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. Please read it in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- Total net position increased by \$2.5 million which resulted in total assets plus deferred outflows in excess of total liabilities plus deferred inflows of resources (net position) of \$28.38 million at the close of the fiscal year.
- Total governmental revenues exceeded total governmental expenses by \$1.08 million.
- Total business-type net position increased by \$1.47 million.
- Total revenues from all sources were \$10.2 million.
- The total cost of all City programs was \$7.6 million.
- The General Fund reported an excess of revenues over expenditures of \$951,955, before transfers.
- Actual revenues received in the General Fund were more than the final budget by \$347,077 while actual expenditures were \$404,590 less than the final budget (before transfers).
- At the end of the current fiscal year, fund balance for the General Fund was \$971,459 or 17.3% of total General Fund revenues, excluding transfers.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The three components of the financial statements are: (1) Government-wide financial statements which include the Statement of Net position and the Statement of Activities. These statements provide information about the activities of the City as a whole. (2) Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. (3) Notes to the financial statements.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities (Government-wide)

A frequently asked question regarding the City's financial health is whether the year's activities contributed positively to the overall financial well-being. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. Net Position, the difference between assets and liabilities, are one way to measure the City's financial health, or financial position. Over time, increases or decreases in net position are an indicator of whether the financial health is improving or deteriorating. However, it is important to consider other non-financial factors such as changes in the City's property tax base or condition of the City's roads to accurately assess the overall health of the City.

The Statement of Net Position and the Statement of Activities, present information about the following:

- Government activities – All of the City’s basic services are considered to be governmental activities, including general government, public safety, judicial, public works (streets/storm water), culture and recreation, community support and interest on long-term debt. Property taxes, sales tax, intergovernmental revenues and charges for services finance most of these activities.
- Proprietary activities/Business type activities – The distribution of culinary water, disposal of waste water, and storm water management are considered to be proprietary activities, as the City charges a fee to customers to cover all or most of the cost of the services provided.

Reporting the City’s Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds which aid in the management of money for particular purposes or meet legal responsibilities associated with the usage of certain taxes, grants, and other money. The City’s two major kinds of funds, governmental and proprietary, use different accounting approaches as explained below.

- Governmental funds – Most of the City’s basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City’s general government operations and the basic services it provides. Government fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds in a reconciliation included with the Basic Financial Statements and in footnote 2.
- Proprietary funds – When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net position and the Statement of Activities.

Reporting the City’s Fiduciary Responsibilities

The City is the trustee, or fiduciary, for certain amounts held on behalf of developers, donations for a specific purpose and others. These fiduciary activities are reported in a separate Statement of Fiduciary Net position. The City is responsible for ensuring that the assets are used for their intended purposes. Therefore, fiduciary activities are excluded from the City’s other financial statements because the assets cannot be used to finance operations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the City's financial position. The City's combined assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$28.38 million as of June 30, 2023 as shown in the following condensed statement of net position. The City has chosen to account for its water, sewer and storm water operations in enterprise funds which are shown as Business Activities.

Kanab City Statement of Net Position

	Governmental activities		Business-type activities		Total	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Current and other assets	\$ 6,121,085	\$ 4,610,099	\$ 7,054,813	\$ 5,341,243	\$ 13,175,898	\$ 9,951,342
Capital assets	12,257,189	12,546,506	12,559,722	12,762,630	24,816,911	25,309,136
Total assets	18,378,274	17,156,605	19,614,535	18,103,873	37,992,809	35,260,478
Deferred outflows of resources	397,027	276,179	114,275	68,269	511,302	344,448
Long-term liabilities outstanding	2,513,286	2,376,095	4,973,893	4,962,410	7,487,179	7,338,505
Other liabilities	1,116,370	916,676	265,082	229,919	1,381,452	1,146,595
Total liabilities	3,629,656	3,292,771	5,238,975	5,192,329	8,868,631	8,485,100
Deferred inflows of resources	1,256,955	1,312,585	3,146	173,467	1,260,101	1,486,052
Net position:						
Invested in capital assets, net of related debt	10,174,468	10,296,547	7,715,727	7,695,325	17,890,195	17,991,872
Restricted	862,417	454,125	1,229,886	1,353,271	2,092,303	1,807,396
Unrestricted	2,851,805	2,076,756	5,541,076	3,757,750	8,392,881	5,834,506
Total net position	\$ 13,888,690	\$ 12,827,428	\$ 14,486,689	\$ 12,806,346	\$ 28,375,379	\$ 25,633,774

Governmental Activities

The cost of all governmental activities this year was \$5.7 million. As shown on the statement of Changes in Net Position on the following page, \$1.59 million of this cost was paid for by those who directly benefited from the programs through charges for services, and \$.762 million was subsidized by grants received from other governmental organizations for both capital and operating activities. General taxes and investment earnings of governmental activities totaled \$4.4 million.

Kanab City Changes in Net Position

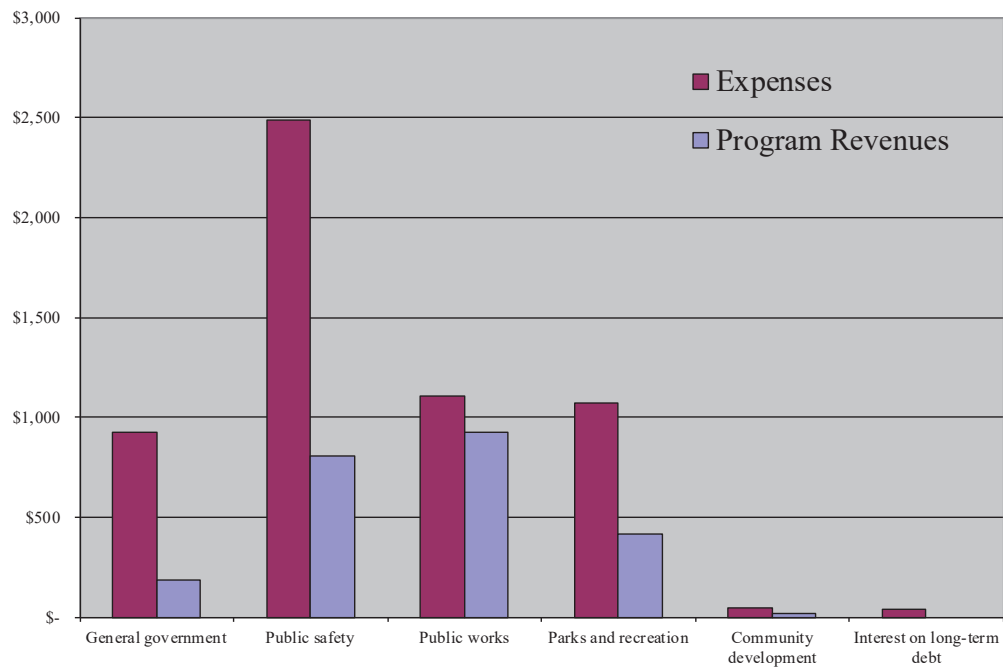
The City's programs include: General Government, Public Safety, Public Works, Parks & Recreation and Community Development. Each program's revenues and expenses are presented below.

	Governmental activities		Business-type activities		Total	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Revenues:						
Program revenues:						
Charges for services	\$ 1,589,400	\$ 1,409,639	\$ 2,745,274	\$ 2,128,756	\$ 4,334,674	\$ 3,538,395
Operating grants and contributions	552,354	569,895	178,631	62,497	730,985	632,392
Capital grants and contributions	209,716	28,343	426,200	2,540,567	635,916	2,568,910
General revenues:						
Taxes	4,127,555	3,905,635	-	-	4,127,555	3,905,635
Other	272,796	21,965	87,786	16,889	360,582	38,854
Total revenues	<u>6,751,821</u>	<u>5,935,477</u>	<u>3,437,891</u>	<u>4,748,709</u>	<u>10,189,712</u>	<u>10,684,186</u>
Expenses:						
General government	924,642	820,503	-	-	924,642	820,503
Public safety	2,487,426	1,585,619	-	-	2,487,426	1,585,619
Public works	1,109,072	2,447,207	-	-	1,109,072	2,447,207
Parks and recreation	1,071,736	1,263,819	-	-	1,071,736	1,263,819
Community development	46,243	51,206	-	-	46,243	51,206
Interest on long-term debt	36,819	58,446	-	-	36,819	58,446
Water and sewer	-	-	1,725,448	1,703,081	1,725,448	1,703,081
Storm Water	-	-	238,303	385,927	238,303	385,927
Total expenses	<u>5,675,938</u>	<u>6,226,800</u>	<u>1,963,751</u>	<u>2,089,008</u>	<u>7,639,689</u>	<u>8,315,808</u>
(Decrease)/Increase in net position before transfers	1,075,883	(291,383)	1,474,140	2,659,701	2,550,023	2,368,318
Transfers	-	(145,000)	-	145,000	-	-
(Decrease)/Increase in net position	1,075,883	(436,383)	1,474,140	2,804,701	2,550,023	2,368,318
Net position, beginning	12,827,428	13,263,811	12,806,346	10,001,645	25,633,774	23,265,456
Restatement Adjustment	(14,621)	-	206,203	-	191,582	-
Net position, ending	<u>\$ 13,888,690</u>	<u>\$ 12,827,428</u>	<u>\$ 14,486,689</u>	<u>\$ 12,806,346</u>	<u>\$ 28,375,379</u>	<u>\$ 25,633,774</u>

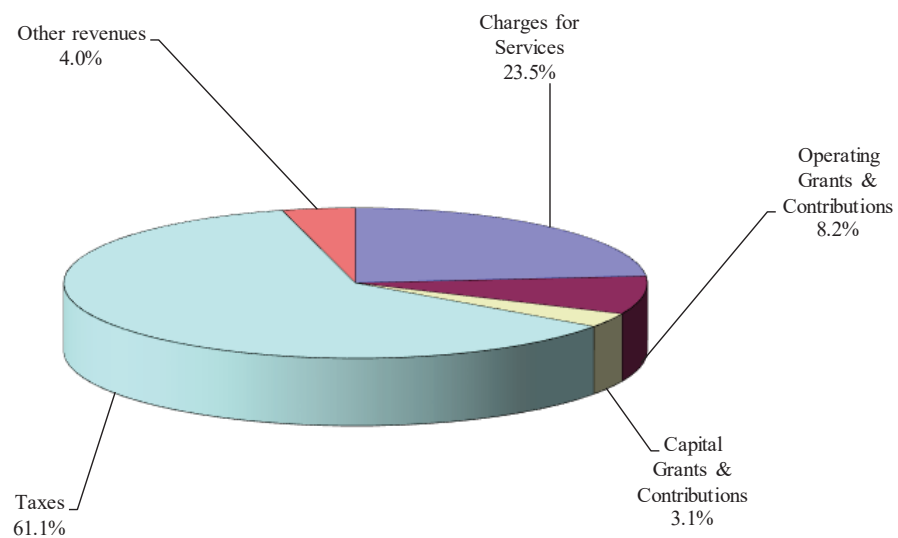
Total resources available during the year to finance governmental operations were \$19.6 million consisting of Net Position at July 1, 2022 of \$12.83 million, program revenues of \$2.35 million and General Revenues (including transfers when applicable) of \$4.4 million. Total Governmental Activities expenses during the year were \$5.7 million. Governmental Net Position increased by \$1.08 million to \$13.89 million.

The following graphs compare program expenses to program revenues and provide a breakdown of revenues by source for all governmental activities:

Expenses and Program Revenues - Governmental Activities
(in Thousands)



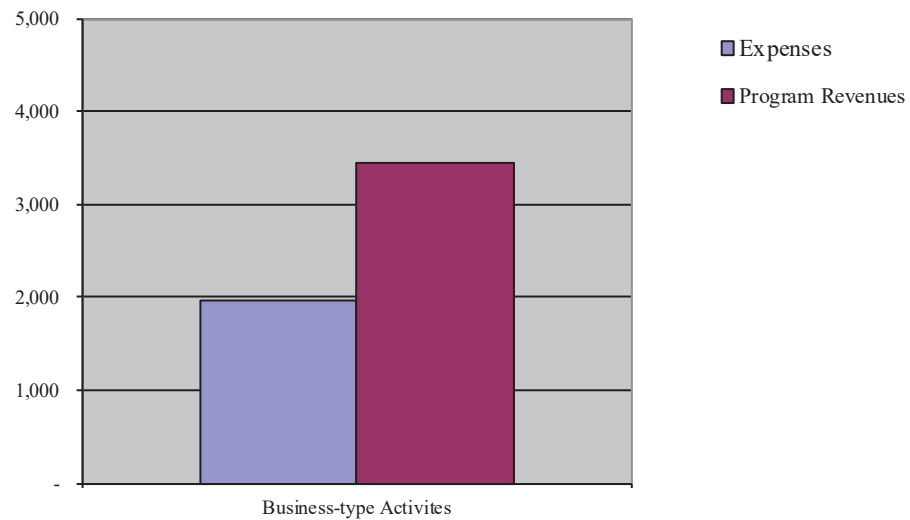
Revenue By Source - Governmental Activities



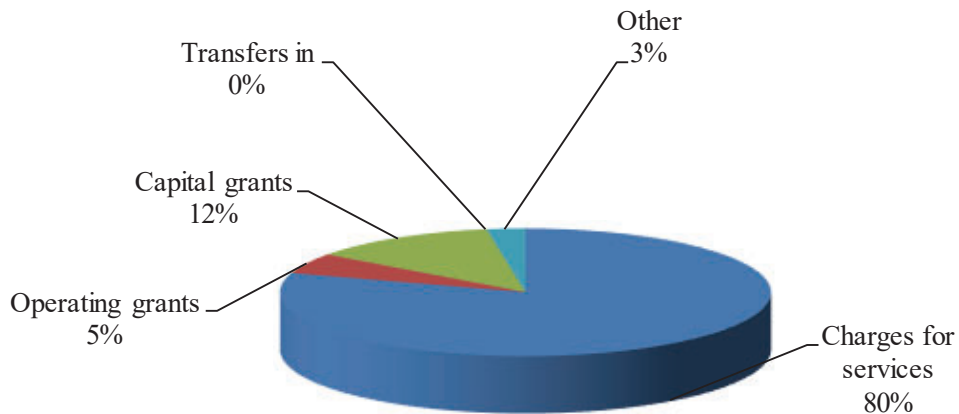
Business Type Activities

Net position of the Business Type activities at June 30, 2023, as reflected in the Statement of Net Position was \$14.5 million. The cost of providing all Proprietary (Business Type) activities this year was \$1.96 million. As shown in the statement of Changes in Net Position, the amounts paid by users of the system were \$2.75 and capital grants, contributions and other revenues were \$.60 million. Net position increased by \$1.47 million.

**Expenses and Program Revenues - Business-type Activities
(in Thousands)**



Revenue By Source - Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the fiscal year ending June 30, 2023, the City's governmental funds reported combined ending fund balances of \$3.76 million, an increase of \$1.1 million in comparison with the prior year.

The general fund is the chief operating fund of the City. As of the end of the fiscal year ending June 30, 2023, total fund balance is \$971,459. The City budgeted to reduce the general fund balance by \$145,212 during the year and the general fund balance actually increased by \$606,455. Key factors in this change are as follows:

- Actual revenues received in the general fund were \$347,077 more than what was budgeted while actual expenditures were less than budgeted by \$404,590.

Other governmental funds consist of the Capital Projects fund, Airport Capital Improvement Fund, Recreation fund, Public Safety Fitness fund, JH Park Expansion fund, Existing Capital Repairs fund, Heritage House Capital Projects fund, Wildland Fire fund, Fire Station Fund, Debt Service Fund, and the Perpetual Care fund which have a combined total fund balance of \$2.79 million.

Proprietary funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Total net position of the Water/Sewer and Storm Water funds was \$14.5 million, consisting of \$7.7 million in net investment in capital assets, \$136,770 in restricted for debt service, \$1.1 million is restricted for capital outlay, and \$5.5 million in unrestricted net position.

General Fund Budgetary Highlights

The actual expenditures for the General Fund at year-end were \$404,590 less (before transfers) than the final budget. Actual revenues were more than the final budget by \$347,077. The budget was amended during the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the City are those assets that are used in performance of City functions including infrastructure assets. Capital Assets include equipment, buildings, land, park facilities and roads. At the end of fiscal year 2023, total capital assets of the government activities totaled \$12.26 million and the total capital assets of the business-type activities totaled \$12.55 million. Depreciation on capital assets is recognized in the Government-Wide financial statements. (See note 5 to the financial statements.)

Debt

At year-end, the City had \$2.51 million in governmental type debt, and \$4.97 million in proprietary debt. During the current fiscal year, the City's total debt increased by \$148,645. (See note 6 to the financial statements for detailed descriptions.)

Subsequent Events

Subsequent to year-end, the City entered into a debt agreement to finance the construction of a new police department.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

In considering the City Budget for fiscal year 2023/2024, the City Council and management were cautious as to the growth of revenues and expenditures, with revenues projected to grow slowly.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Kanab, 26 North 100 East, 84741.

BASIC FINANCIAL STATEMENTS

KANAB CITY, UTAH
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 4,606,726	\$ 6,319,276	\$ 10,926,002
Receivables (net of allowance)	142,636	477,423	620,059
Property taxes receivable	1,246,025	-	1,246,025
Inventory	11,472	83,439	94,911
Temporarily restricted assets:			
Cash and cash equivalents	96,622	174,675	271,297
Net pension asset	17,604	5,067	22,671
Capital assets not being depreciated:			
Land	734,249	332,087	1,066,336
Construction in progress	211,796	7,072,591	7,284,387
Capital assets, net of accumulated depreciation:			
Buildings	3,096,155	366,369	3,462,524
Improvements	4,271,709	-	4,271,709
Machinery and equipment	519,756	979,058	1,498,814
Automobiles and trucks	714,359	164,042	878,401
Distribution system	-	3,640,508	3,640,508
Infrastructure	2,709,165	-	2,709,165
Total assets	<u>18,378,274</u>	<u>19,614,535</u>	<u>37,992,809</u>
Deferred Outflows of Resources			
Deferred outflows related to pensions	<u>397,027</u>	<u>114,275</u>	<u>511,302</u>
Liabilities			
Accounts payable and other current liabilities	516,216	228,683	744,899
Unearned revenue	583,587	30,581	614,168
Interest payable	16,567	5,818	22,385
Noncurrent liabilities:			
Due within one year	252,295	119,806	372,101
Due in more than one year	2,260,991	4,854,087	7,115,078
Total liabilities	<u>3,629,656</u>	<u>5,238,975</u>	<u>8,868,631</u>
Deferred Inflows of Resources			
Deferred inflows related to pensions	10,930	3,146	14,076
Unavailable revenue - property taxes	1,246,025	-	1,246,025
Total deferred inflows of resources	<u>1,256,955</u>	<u>3,146</u>	<u>1,260,101</u>
Net Position			
Net investment in capital assets	10,174,468	7,715,727	17,890,195
Restricted for:			
Debt service	96,622	136,770	233,392
Capital projects	504,708	1,093,116	1,597,824
Perpetual care - nonexpendable	261,087	-	261,087
Unrestricted	2,851,805	5,541,076	8,392,881
Total Net Position	<u>\$ 13,888,690</u>	<u>\$ 14,486,689</u>	<u>\$ 28,375,379</u>

The accompanying notes are an integral part of the financial statements.

KANAB CITY, UTAH
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities
Governmental activities:						
General government	\$ 924,642	\$ 184,308	\$ -	\$ -	\$ (740,334)	\$ (740,334)
Public safety	2,487,426	794,775	13,217	-	(1,679,434)	(1,679,434)
Public works	1,109,072	364,440	350,655	209,716	(184,261)	(184,261)
Parks and recreation	1,071,736	242,552	173,757	-	(655,427)	(655,427)
Community development	46,243	3,325	14,725	-	(28,193)	(28,193)
Interest on long-term debt	36,819	-	-	-	(36,819)	(36,819)
Total governmental activities	5,675,938	1,589,400	552,354	209,716	(3,324,468)	(3,324,468)
Business-type activities:						
Water & Sewer	1,725,448	2,187,050	-	239,289	-	700,891
Storm water	238,303	558,224	178,631	186,911	-	685,463
Total business-type activities	1,963,751	2,745,274	178,631	426,200	-	1,386,354
Total primary government	\$ 7,639,689	\$ 4,334,674	\$ 730,985	\$ 635,916	(3,324,468)	(1,938,114)
General Revenues:						
Taxes:						
Property taxes levied for general purposes					740,629	-
Sales and use taxes					3,343,271	-
Franchise taxes					43,655	-
Unrestricted investment earnings					272,796	87,786
Total general revenues and transfers					4,400,351	87,786
Change in net position					1,075,883	1,474,140
Net position - beginning					12,827,428	12,806,346
Prior period adjustment					(14,621)	206,203
Net position- ending					\$ 13,888,690	\$ 14,486,689
					\$	\$ 28,375,379

The accompanying notes are an integral part of the financial statements.

KANAB CITY, UTAH
Balance Sheet
Governmental Funds
June 30, 2023

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Impact Fees Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 1,719,424	\$ 1,678,226	\$ 266,884	\$ 942,192	\$ 4,606,726
Receivables	21,685	-	-	1,368	23,053
Property taxes receivable	1,246,025	-	-	-	1,246,025
Due from other governments	89,247	-	-	30,336	119,583
Inventory	11,472	-	-	-	11,472
Restricted cash and cash equivalents	96,622	-	-	-	96,622
Total assets	<u>\$ 3,184,475</u>	<u>\$ 1,678,226</u>	<u>\$ 266,884</u>	<u>\$ 973,896</u>	<u>\$ 6,103,481</u>
Liabilities					
Accounts payable	\$ 210,611	\$ 59,732	\$ -	\$ 48,490	\$ 318,833
Accrued liabilities	172,793	-	-	24,590	197,383
Unearned revenue	583,587	-	-	-	583,587
Total liabilities	<u>966,991</u>	<u>59,732</u>	<u>-</u>	<u>73,080</u>	<u>1,099,803</u>
Deferred Inflows of Resources					
Unavailable revenue - property taxes	1,246,025	-	-	-	1,246,025
Total deferred inflows of resources	<u>1,246,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,246,025</u>
Fund Balances					
Nonspendable for:					
Inventory	11,472	-	-	-	11,472
Perpetual care	-	-	-	261,087	261,087
Restricted for:					
Debt service	96,622	-	-	-	96,622
Capital outlay	-	-	266,884	237,824	504,708
Committed for:					
Capital outlay	-	1,618,494	-	102,075	1,720,569
Recreation	-	-	-	106,632	106,632
Assigned to:					
Debt service	-	-	-	69,790	69,790
Capital outlay	-	-	-	14,942	14,942
Fire Department	-	-	-	108,466	108,466
Equipment replacement	250,000	-	-	-	250,000
Sick leave reimbursement	216,840	-	-	-	216,840
Unassigned	396,525	-	-	-	396,525
Total fund balances	<u>971,459</u>	<u>1,618,494</u>	<u>266,884</u>	<u>900,816</u>	<u>3,757,653</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,184,475</u>	<u>\$ 1,678,226</u>	<u>\$ 266,884</u>	<u>\$ 973,896</u>	<u>\$ 6,103,481</u>

The accompanying notes are an integral part of the financial statements.

KANAB CITY, UTAH
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2023

Total fund balances - total governmental funds		\$ 3,757,653
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 30,334,377	
Accumulated depreciation	<u>(18,077,188)</u>	
		12,257,189
Net pension asset is not an available resource and, therefore, is not reported in the funds.		17,604
Some liabilities, including bonds payable and capital leases, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	(1,799,000)	
Financed purchases	(283,721)	
Compensated absences	(145,113)	
Net pension liability	(285,452)	
Accrued interest payable	<u>(16,567)</u>	
		(2,529,853)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds		
Deferred outflows	397,027	
Deferred inflows	<u>(10,930)</u>	
		<u>386,097</u>
Net position of governmental activities		<u><u>\$ 13,888,690</u></u>

The accompanying notes are an integral part of the financial statements.

KANAB CITY, UTAH
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	Capital Project	Impact Fee Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 440,222	\$ 11,500	\$ -	\$ 241,500	\$ 693,222
Fees in lieu of property taxes	47,407	-	-	-	47,407
Sales and use taxes	3,343,271	-	-	-	3,343,271
Franchise taxes	43,655	-	-	-	43,655
Licenses, permits and fees	393,451	-	-	-	393,451
Intergovernmental revenue	497,085	-	-	313,777	810,862
Sanitation service revenues	17,566	-	-	-	17,566
Charges for services	5,127	-	-	251,808	256,935
Fines and forfeitures	38,269	-	-	-	38,269
Impact fees	-	-	247,312	-	247,312
Donations and other revenues	587,075	-	-	-	587,075
Investment earnings	211,337	28,127	19,572	13,760	272,796
Total revenues	5,624,465	39,627	266,884	820,845	6,751,821
Expenditures					
Current:					
General government	684,042	-	-	-	684,042
Public safety	2,295,682	-	-	96,105	2,391,787
Public works	1,020,906	-	-	-	1,020,906
Parks and recreation	642,228	-	-	418,954	1,061,182
Community development	29,652	-	-	-	29,652
Debt service:					
Principal	-	-	-	167,238	167,238
Interest	-	-	-	42,778	42,778
Capital outlay	-	229,204	-	13,272	242,476
Total expenditures	4,672,510	229,204	-	738,347	5,640,061
Excess (deficiency) of revenues over (under) expenditures	951,955	(189,577)	266,884	82,498	1,111,760
Other Financing Sources (Uses)					
Transfers in	-	250,000	-	188,500	438,500
Transfers out	(345,500)	-	-	(93,000)	(438,500)
Total other financing sources and uses	(345,500)	250,000	-	95,500	-
Net change in fund balances	606,455	60,423	266,884	177,998	1,111,760
Fund balances, beginning of year	365,004	1,558,071	-	737,439	2,660,514
Restatement adjustment	-	-	-	(14,621)	(14,621)
Fund balances, beginning of year, as adjusted	365,004	1,558,071	-	722,818	2,645,893
Fund balances, end of year	\$ 971,459	\$ 1,618,494	\$ 266,884	\$ 900,816	\$ 3,757,653

The accompanying notes are an integral part of the financial statements.

KANAB CITY, UTAH
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		\$ 1,111,760
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation expense and capital outlay in the current period.</p>		
Capital outlay	\$ 1,303,307	
Depreciation expense	<u>(1,592,624)</u>	
		(289,317)
<p>Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
		167,238
<p>Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the net pension liability is measured six months before the City's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
Change in net pension liability	(285,452)	
Change in net pension asset	(426,991)	
Change in deferred outflows related to pensions	120,848	
Change in deferred inflows related to pensions	<u>690,815</u>	
		99,220
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds</p>		
Change in compensated absences	(18,977)	
Change in accrued interest	<u>5,959</u>	
		<u>(13,018)</u>
Change in net position of governmental activities		<u>\$ 1,075,883</u>

The accompanying notes are an integral part of the financial statements.

KANAB CITY, UTAH
Statement of Net Position
Proprietary Funds
June 30, 2023

	<u>Water & Sewer</u>	<u>Storm Water</u>	<u>Total Proprietary Funds</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 4,203,953	2,115,323	\$ 6,319,276
Receivables, net of allowance	295,041	54,415	349,456
Inventory	83,439	-	83,439
Due from other governments	-	127,967	127,967
Total current assets	<u>4,582,433</u>	<u>2,297,705</u>	<u>6,880,138</u>
Noncurrent assets:			
Restricted cash and cash equivalents	136,770	37,905	174,675
Net pension asset	5,067	-	5,067
Capital assets:			
Land	313,032	19,055	332,087
Buildings	639,096	-	639,096
Machinery and equipment	1,748,162	-	1,748,162
Automobiles and trucks	518,626	-	518,626
Distribution system	8,588,036	1,901,271	10,489,307
Construction in progress	7,072,591	-	7,072,591
Less: Accumulated depreciation	<u>(8,009,486)</u>	<u>(235,728)</u>	<u>(8,245,214)</u>
Total noncurrent assets	<u>11,011,894</u>	<u>1,722,503</u>	<u>12,734,397</u>
Total assets	<u>15,594,327</u>	<u>4,020,208</u>	<u>19,614,535</u>
Deferred Outflows of Resources			
Deferred outflows related to pensions	<u>114,275</u>	<u>-</u>	<u>114,275</u>
Liabilities			
Current liabilities:			
Accrued liabilities	182,930	7,890	190,820
Customer deposits	37,863	-	37,863
Unearned revenue	30,581	-	30,581
Interest payable	5,818	-	5,818
Current portion of noncurrent liabilities	119,806	-	119,806
Total current liabilities	<u>376,998</u>	<u>7,890</u>	<u>384,888</u>
Noncurrent liabilities:			
Compensated absences	52,812	-	52,812
Net pension liability	82,153	-	82,153
Bonds payable	4,838,928	-	4,838,928
Less current portion of noncurrent liabilities	<u>(119,806)</u>	<u>-</u>	<u>(119,806)</u>
Total noncurrent liabilities	<u>4,854,087</u>	<u>-</u>	<u>4,854,087</u>
Total liabilities	<u>5,231,085</u>	<u>7,890</u>	<u>5,238,975</u>
Deferred Inflows of Resources			
Deferred inflows related to pensions	<u>3,146</u>	<u>-</u>	<u>3,146</u>
Net Position			
Net investment in capital assets	6,031,129	1,684,598	7,715,727
Restricted for debt service	136,770	-	136,770
Restricted for capital outlay	946,351	146,765	1,093,116
Unrestricted	<u>3,360,121</u>	<u>2,180,955</u>	<u>5,541,076</u>
Total net position	<u>\$ 10,474,371</u>	<u>\$ 4,012,318</u>	<u>\$ 14,486,689</u>

The accompanying notes are an integral part of the financial statements.

KANAB CITY, UTAH
Statement of Revenues, Expenses, and Changes In Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	<u>Water & Sewer</u>	<u>Storm Water</u>	<u>Total Proprietary Funds</u>
Operating revenues:			
Charges for services	\$ 2,042,615	\$ 558,224	\$ 2,600,839
Connection fees	84,380	-	84,380
Other revenues	60,055	-	60,055
Total operating revenues	<u>2,187,050</u>	<u>558,224</u>	<u>2,745,274</u>
Operating expenses:			
Rent	1,298	-	1,298
Salaries and wages	570,938	-	570,938
Employee benefits	311,837	-	311,837
Distribution system repairs and maintenance	203,177	-	203,177
Office expense	65,386	-	65,386
Supplies	782	9,499	10,281
Insurance	16,578	-	16,578
Depreciation	268,406	91,835	360,241
Utilities	81,945	-	81,945
Professional services	53,897	136,969	190,866
Travel and training	1,242	-	1,242
Miscellaneous	14,437	-	14,437
Total operating expenses	<u>1,589,923</u>	<u>238,303</u>	<u>1,828,226</u>
Operating income	<u>597,127</u>	<u>319,921</u>	<u>917,048</u>
Nonoperating revenues (expenses):			
Impact fees	239,289	186,911	426,200
Intergovernmental revenue	-	178,631	178,631
Interest income	81,058	6,728	87,786
Interest expense and fiscal charges	(85,525)	-	(85,525)
Payment to Kane County Water Conservancy Dist.	(50,000)	-	(50,000)
Total nonoperating revenues (expenses)	<u>184,822</u>	<u>372,270</u>	<u>557,092</u>
Income before contributions and transfers	<u>781,949</u>	<u>692,191</u>	<u>1,474,140</u>
Change in net position	781,949	692,191	1,474,140
Total net position, beginning of year	9,692,422	3,113,924	12,806,346
Prior period adjustment	-	206,203	206,203
Total net position, end of year	<u><u>\$ 10,474,371</u></u>	<u><u>\$ 4,012,318</u></u>	<u><u>\$ 14,486,689</u></u>

The accompanying notes are an integral part of the financial statements.

KANAB CITY, UTAH
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Water & Sewer	Storm Water	Total Proprietary Funds
Cash flows from operating activities:			
Cash received from customers, service fees	\$ 1,950,632	\$ 546,447	\$ 2,497,079
Cash received from customers, other	144,435	-	144,435
Cash paid to suppliers	(438,742)	(146,468)	(585,210)
Cash paid to employees	(801,096)	39,798	(761,298)
Cash flows from operating activities	<u>855,229</u>	<u>439,777</u>	<u>1,295,006</u>
Cash flows from noncapital financing activities:			
Cash flows from noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Principal payments on long-term debt	(88,475)	-	(88,475)
Interest paid	(85,613)	-	(85,613)
Purchase of capital assets	(193,795)	(68,372)	(262,167)
Payment to Kane County Water Conservancy Dist.	(50,000)	-	(50,000)
Impact fees	239,289	186,911	426,200
Grant revenue	<u>-</u>	<u>177,271</u>	<u>177,271</u>
Cash flows from capital and related financing activities:	<u>(178,594)</u>	<u>295,810</u>	<u>117,216</u>
Cash flows from investing activities:			
Interest on investments	<u>81,058</u>	<u>6,728</u>	<u>87,786</u>
Net change in cash and cash equivalents	<u>757,693</u>	<u>742,315</u>	<u>1,500,008</u>
Cash and cash equivalents, including restricted cash, beginning of year	<u>3,583,030</u>	<u>1,410,913</u>	<u>4,993,943</u>
Cash and cash equivalents, including restricted cash, end of year	<u><u>\$ 4,340,723</u></u>	<u><u>\$ 2,153,228</u></u>	<u><u>\$ 6,493,951</u></u>
Reconciliation of operating income to net cash flows from operating activities:			
Net operating income	\$ 597,127	\$ 319,921	\$ 917,048
Adjustments to reconcile net income to net cash flows from operating activities			
Depreciation/amortization	268,406	91,835	360,241
Pension expense	(1,911)	-	(1,911)
Employer pension contributions	(27,429)	-	(27,429)
Changes in operating assets and liabilities:			
(Increase) Decrease in receivables	(73,211)	(11,777)	(84,988)
(Increase) Decrease in pension related items	(30,001)	-	(30,001)
Increase (Decrease) in deferred revenue	(18,772)	-	(18,772)
Increase (Decrease) in accounts payable	-	-	-
Increase (Decrease) in accrued liabilities	<u>141,020</u>	<u>39,798</u>	<u>180,818</u>
Cash flows from operating activities	<u><u>\$ 855,229</u></u>	<u><u>\$ 439,777</u></u>	<u><u>\$ 1,295,006</u></u>

The accompanying notes are an integral part of the financial statements.

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 1. Summary of Significant Accounting Policies

Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Reporting Entity

Kanab City, Utah (government) is governed by an elected mayor and governing council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Blended component unit. The Municipal Building Authority of the City of Kanab (the Authority) was formally recognized by the State of Utah as an incorporated entity in 1986. The Authority was formed for the purpose of accomplishing the public purposes for which the City of Kanab exists by acquiring, improving, or extending one or more projects and financing the cost of such projects on behalf of the City of Kanab. The Authority is governed by the board of trustees comprised of the elected officials of the City of Kanab.

Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 1. Summary of Significant Accounting Policies, Continued

are aggregated and reported as non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The **Capital Project Fund** is used to account for the financial resources used to acquire and/or construct major capital assets.

The **Impact Fee Capital Project** is used to account for the collection of impact fees and the expenditure of these fees on public facilities and infrastructure.

The City reports the following major proprietary funds:

The **Water & Sewer Fund** is used to account for the provision of water & sewer services to the residents of the City.

The **Storm Water Fund** is used to account for the revenue from the Storm water utility fee that is used to fund the operations, maintenance and capital improvements of the City's storm water collection system.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 1. Summary of Significant Accounting Policies, Continued

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, room taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 1. Summary of Significant Accounting Policies, Continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Deposits and Investments

Cash includes cash on hand, demand deposits with banks and other financial institutions, deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts and short-term investments with original maturities of three months or less from the date of acquisition. The City's policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the state treasurer's pool, and other investments as allowed by the State of Utah's Money Management Act. All investments are carried at fair value with unrealized gains and losses recorded as adjustments to interest earnings. Fair market values are based on quoted market prices.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to" or "due from other funds." All trade accounts receivable in the enterprise funds are shown net of an allowance for uncollectable amounts. Due to the nature of the accounts receivable in governmental type activities, management does not consider an allowance for uncollectible accounts receivable necessary or material. Therefore, no allowance for uncollectible accounts receivable is presented.

Inventories and Prepaid Items

The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. Inventories of the business type activities are valued at the lower of cost or market. Market is considered as replacement cost.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 1. Summary of Significant Accounting Policies, Continued

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Improvements	20-40 years
Automobiles and trucks	5-7 years
Machinery and equipment	7 years
Infrastructure	20 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has one type of item that qualifies for reporting in this category. It is pension related items reported on the government-wide financial statements. See footnote 8 for more information.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. Pension related items reported on the government-wide and proprietary fund financial statements. See footnote 8 for more information. Another item, *unavailable revenue*, is reported in the governmental funds balance sheet and governmental activities statement of net position. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as in inflow of resources in the period that the amounts become available.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 1. Summary of Significant Accounting Policies, Continued

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Manager is authorized to assign amounts to a specific purpose in accordance with the City’s budget policy. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 1. Summary of Significant Accounting Policies, Continued

Leases and Subscription-Based Information Technology Arrangements

Kanab City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-based information technology arrangements: Kanab City recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. Kanab City recognizes subscription liabilities with an initial, individual value of \$5,000 or more. Kanab City uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement.

No Lease and Subscription-Based Information Technology Arrangements noted for the year ended June 30, 2023.

Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

Property taxes are collected by the Kane County Treasurer and remitted to the City in three installments: July, December, and March. Taxes are levied and are due and payable on November 1 and delinquent after November 30 of each year at which time they become liens if not paid. An accrual of uncollected current and prior year's property taxes has not been made, as the amounts are not material in relationship to the financial statements taken as a whole.

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 1. Summary of Significant Accounting Policies, Continued

Compensated Absences

For governmental funds, amounts of vested or accumulated vacation and comp time that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated vacation and comp time in the proprietary funds are recorded as an expense and a liability of that fund as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements.

Accumulated unpaid vacation pay and comp time are accrued based upon the City's expected legal obligation as of the statement date. No provision is made for accumulated sick leave because the City is not obligated to pay accumulated sick leave upon termination or retirement.

Proprietary Fund Operating and Non-operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Utah Minimum Fund Balance

Utah code 10-6-116(4) indicates that only the "fund balance in excess of 5% of total revenue of the general fund may be utilized for budget purposes". The remaining 5% must be maintained as a minimum fund balance. The City does not currently have any other fund balance stabilization arrangements.

Use of Estimates

Generally accepted accounting principles require management to make estimates and assumptions that affect assets and liabilities, contingent assets and liabilities, and revenues and expenditures. Actual results could differ from those estimates.

New Pronouncements

For the year ended June 30, 2023, the City implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 2. Reconciliation of Government-Wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation on page 17.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 19.

NOTE 3. Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

The City Council observes the following procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to the first meeting in May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Budgets are required for the General Fund, Debt Service Fund, Special Revenue Fund, Capital Projects Funds, Permanent Funds and the Enterprise Funds.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to June 22, the budget is legally enacted through passage of an ordinance.
- (4) The City Manager is authorized to transfer budgeted amounts within departments; however, to transfer budgeted amounts between departments requires City Council approval. Any revisions that alter the total expenditures of any fund must be approved through public hearing by the City Council and can be made at any time during the fiscal year.

Budgets for the General Fund, Debt Service Fund, Special Revenue Fund, Capital Projects Funds and Permanent Funds are prepared on the modified accrual method of accounting. Budgets for the Enterprise Funds are prepared on the accrual basis of accounting. Control is maintained at the function level. (i.e. Public Safety, Highways, etc.) All appropriations lapse at year-end. Utah State law requires budgets to be prepared and reported on for the General Fund, Debt Service Fund, Special Revenue Fund, Capital Projects Funds and Permanent Funds. The budget was amended during the current fiscal year.

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 4. Deposits and Investments

Deposits and investments of the City at June 30, 2023 consist of the following:

Deposits	
Cash on hand	\$ 100
Cash in bank	139,855
Investments	
State treasurer's investment pool	<u>11,057,344</u>
Total deposits and investment	<u><u>\$ 11,197,299</u></u>

A reconciliation of cash and investments as shown of the Statement of Net Position follows:

Cash and cash equivalents	\$ 10,926,002
Restricted cash and cash equivalents	<u>271,297</u>
Total cash and cash equivalents	<u><u>\$ 11,197,299</u></u>

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The City follows the requirements of the Utah Money Management Act (Utah code, Section 51, chapter 7) in handling its depository and investment transactions. The Act requires the depositing of City funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 4. Deposits and Investments, Continued

Deposits

Custodial Credit Risk

For deposits this is the risk that in the event of a bank failure, the government's deposit may not be returned to it. The City does not have a formal policy for custodial credit risk. As of June 30, 2023, \$153,284 of the City's deposits were in excess of FDIC insurance.

Investments

The Money Management Act defines the types of securities authorized as appropriate investment for the City and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

The Act authorizes investments in negotiable or nonnegotiable deposits of qualified depositories and permitted depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; the Utah Public Treasurer's Investment Fund; and reciprocal deposits subject to rules of the State Money Management Council.

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, *Utah Code Annotated, 1953*, as amended. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gain or losses on investments. Financial statements for the PTIF funds can be obtained by contacting the Utah State Treasurer's Office.

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 4. Deposits and Investments, Continued

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses – net of administration fees, of the PTIF are allocated based upon the participant’s average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

As of June 30, 2023 the government had the following investments, ratings, and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Quality Rating (1)</u>	<u>Weighted Average Maturity (2)</u>
State of Utah Public Treasurer's Investment Fund	\$ 11,057,344	N/A	64.20
Total Fair Value	<u>\$ 11,057,344</u>		

(1) Ratings are provided where applicable to indicate associated Credit Risk. N/A indicates not applicable.

(2) Interest Rate Risk is estimated using the weighted average days to maturity.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City’s policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State’s Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City’s policy for reducing exposure to credit risk is to comply with the State of Utah’s Money Management Act.

Fair value measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2023:

- PTIF are valued using amortized cost (Level 2 inputs).

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 5. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

Governmental Activities:	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023
Capital assets, not being depreciated:				
Land	\$ 734,249	\$ -	\$ -	\$ 734,249
Construction in Progress	328,516	1,163,196	1,279,916	211,796
Total capital assets, not being depreciated	<u>1,062,765</u>	<u>1,163,196</u>	<u>1,279,916</u>	<u>946,045</u>
Capital assets, being depreciated:				
Buildings	6,048,182	-	-	6,048,182
Improvements	10,259,664	1,420,027	-	11,679,691
Machinery & equipment	2,058,462	-	-	2,058,462
Library books	164,677	-	-	164,677
Automobiles and trucks	1,064,867	-	-	1,064,867
Infrastructure	8,372,453	-	-	8,372,453
Total capital assets, being depreciated	<u>27,968,305</u>	<u>1,420,027</u>	<u>-</u>	<u>29,388,332</u>
Less accumulated depreciation for:				
Buildings	(2,709,463)	(242,564)	-	(2,952,027)
Improvements	(6,485,400)	(922,582)	-	(7,407,982)
Machinery & equipment	(1,449,870)	(88,836)	-	(1,538,706)
Library books	(164,677)	-	-	(164,677)
Automobiles and trucks	(276,666)	(73,842)	-	(350,508)
Infrastructure	(5,398,488)	(264,800)	-	(5,663,288)
Total accumulated depreciation	<u>(16,484,564)</u>	<u>(1,592,624)</u>	<u>-</u>	<u>(18,077,188)</u>
Total capital assets, being depreciated, net	<u>11,483,741</u>	<u>(172,597)</u>	<u>-</u>	<u>11,311,144</u>
Governmental activities capital assets, net	<u>\$ 12,546,506</u>	<u>\$ 990,599</u>	<u>\$ 1,279,916</u>	<u>\$ 12,257,189</u>

Depreciation expense was charged to the functions/programs of the City as follows:

Governmental Activities:	
General government	\$ 149,227
Public safety	145,309
Public works	1,043,258
Parks and recreation	238,239
Community development	16,591
Total depreciation expense - governmental activities	<u>\$ 1,592,624</u>

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 5. Capital Assets, Continued

Business Type Activities:	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023
Capital assets not being depreciated:				
Land	\$ 332,087	\$ -	\$ -	\$ 332,087
Construction in Progress	7,038,664	33,927	-	7,072,591
Total capital assets, not being depreciated	7,370,751	33,927	-	7,404,678
Capital assets being depreciated:				
Buildings	639,096	-	-	639,096
Machinery & equipment	1,654,195	93,967	-	1,748,162
Automobiles and trucks	518,626	-	-	518,626
Distribution system	10,355,034	134,274	-	10,489,308
Total capital assets, being depreciated	13,166,951	228,241	-	13,395,192
Less accumulated depreciation for:				
Buildings	(256,554)	(16,174)	-	(272,728)
Machinery & equipment	(703,023)	(66,082)	-	(769,105)
Automobiles and trucks	(344,700)	(9,884)	-	(354,584)
Distribution system	(6,580,697)	(268,101)	-	(6,848,798)
Total accumulated depreciation	(7,884,974)	(360,241)	-	(8,245,215)
Total capital assets, being depreciated, net	5,281,977	(132,000)	-	5,149,977
Business-type activities capital assets, net	\$ 12,652,728	\$ (98,073)	\$ -	\$ 12,554,655

Depreciation expense was charged to the functions/programs of the City as follows:

Business Type Activities:	
Water and Sewer Fund	\$ 268,406
Storm Water Fund	91,835
Total depreciation expense - business type activities	<u>\$ 360,241</u>

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 6. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023.

	Balance 6/30/2022	Additions	Retirements	Balance 6/30/2023	Current Portion
Governmental Activities:					
Bonds from direct placements:					
Revenue bonds	\$ 1,930,000	\$ -	\$ (131,000)	\$ 1,799,000	\$ 114,000
Financed purchases	319,959	-	(36,238)	283,721	38,295
Net pension liability	-	285,452	-	285,452	-
Accrued compensated absences	126,136	120,444	(101,467)	145,113	100,000
Governmental activity					
Long-term liabilities	2,376,095	405,896	(268,705)	2,513,286	252,295
Business-type activities:					
Bonds from direct placements:					
USDA - Water and Sewer Revenue Bonds	4,927,404	-	(88,475)	4,838,928	89,806
Accrued Compensated Absences	35,006	43,834	(26,028)	52,812	30,000
Net pension liability	-	82,153	-	82,153	-
Business-type activity					
Long-term liabilities	4,962,410	125,987	(114,503)	4,973,893	119,806
Total long-term liabilities	\$ 7,338,505	\$ 531,883	\$ (383,208)	\$ 7,487,179	\$ 372,101

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 6. Long-Term Liabilities, Continued

Bonds Payable at June 30, 2023 are comprised of the following issues:

Revenue Bonds:

Bonds from Direct Placements:

Governmental Activities:

Sales Tax Revenue Bonds, Series 2015, due in annual principal and interest installments ranging from \$27,825 to \$28,805, bearing interest at 1.50%, maturing October 1, 2045. \$ 547,000

Sales Tax Revenue Refunding Bonds, Series 2020, due in annual principal payments ranging from \$91,000 to \$116,000 together with any accrued interest. Interest accrues at the rate of 1.85%, maturing in 2035. 1,252,000

Water and Sewer Fund:

USDA Water and Sewer Revenue Bonds, Series 2021, due in monthly installments of \$14,500 bearing interest at 1.75%, maturing in 2061. 4,838,928

Total Bonds Payable from Direct Placements \$ 6,637,928

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 6. Long-Term Liabilities, Continued

Other long-term liabilities at June 30, 2023 are comprised of the following:

Financed Purchases Payable:

Governmental Activities:

Fire Truck lease payable in annual installments of \$45,196 through February 2030, at interest of 2.80%.	283,721
Total Financed Purchases Payable	283,721
Accrued Vacation and Comp Time Payable:	197,925
Net Pension Liability	367,605
Total Long-Term Liabilities	7,487,179
Less Current Portion:	
Governmental-type Activities	(252,295)
Business-type Activities	(119,806)
Net Long-Term Liabilities	\$ 7,115,078

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

Subscription-based information technology arrangements (SBITAs)

Kanab City implemented GASB 96 for the year ended June 30, 2023. At June 30, 2023, the City had no contracts that met the requirements to be reported as Subscription-based Technology Arrangements.

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 6. Long-Term Liabilities, Continued

The annual requirements to amortize bonds payable from direct placements at June 30, 2023 are as follows:

Fiscal Year Ended June 30	Bonds Payable from Direct Placements			
	Revenue Bonds		Water and Sewer Revenue Bonds	
	Principal	Interest	Principal	Interest
2024	114,000	30,554	89,806	84,194
2025	116,000	28,433	91,621	82,379
2026	119,000	26,338	93,237	80,763
2027	121,000	24,191	94,882	79,118
2028-2032	635,000	87,671	499,693	370,307
2033-2037	457,000	32,585	545,597	324,403
2038-2042	128,000	13,980	595,469	274,531
2043-2047	109,000	3,810	649,901	220,099
2048-2052	-	-	709,236	160,764
2053-2057	-	-	774,178	95,822
2058-2062	-	-	695,308	26,059
Total	<u>\$ 1,799,000</u>	<u>\$ 247,562</u>	<u>\$ 4,838,928</u>	<u>\$ 1,798,439</u>

The city has entered issued several bonds payable under direct placements. Each of these bonds was placed with the State of Utah Community Impact Board (CIB). In the event the city should not make the payments as scheduled in the debt agreements, interest shall begin to accrue at the rate of 18% until the default is cured. In addition, revenues of the city secure each of the bonds. The pledged revenues include B&C road funds and sales tax revenues. The Series 2007 Municipal Building Authority Lease Revenue Bond is also secured by the city owned swimming pool.

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 6. Long-Term Liabilities, Continued

The city has entered into finance purchase lease agreements. The following is an annual schedule of future minimum lease payments with interest rates of 2.75% together with the present value of the net minimum payments:

Year Ending June 30	Governmental Activities
2024	45,196
2025	45,196
2026	45,196
2027	45,196
2028	45,196
2029	45,196
2030	45,196
Total remaining minimum payments	316,372
Less amount representing interest	(32,650)
Present value of net remaining minimum payments	<u>\$ 283,722</u>

NOTE 7. Interfund Transactions and Balances

Interfund transfers for the fiscal year ended June 30, 2023 are as follows:

	Transfers From:		
Transfers To:	General	Nonmajor Govt. Funds	Total
Capital Projects	\$ 250,000	\$ -	\$ 250,000
Debt Service Fund	75,500	93,000	168,500
Nonmajor Govt. Funds	20,000	-	20,000
Total transfers	<u>\$ 345,500</u>	<u>\$ 93,000</u>	<u>\$ 438,500</u>

Transfers are used to (1) move revenues from the fund that statute or budget requirements to collect them to the fund that statute or budget requires to expand them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 8. Pension Plans

General Information about the Pension Plan

Plan description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System);
- Firefighters Retirement System (Firefighters System);
- are multiple employer, cost-sharing retirement systems.
- Public Safety Retirement System (Public Safety System) is a cost-sharing, multiple-employer public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); is a multiple employer cost-sharing public employee retirement system;
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees, beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S., Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 8. Pension Plans, Continued

Benefits provided: URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System

System	Final average salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending on the employer
Firefighters System	Highest 3 years	20 years, any age 10 years, age 60 4 years, age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year to June 30, 2020 2.00% per year July 1, 2020 to Present	Up to 2.5%

* Actuarial reductions are applied.

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 8. Pension Plans, Continued

Contributions: As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2023 are as follows:

Utah Retirement Systems

	Employee	Employer	Employer 401(k)
Contributory System			
111 – Local Governmental Division Tier 2	N/A	16.01	0.18
Noncontributory System			
15 – Local Governmental Division Tier 1	N/A	17.97	N/A
Public Safety System Contributory			
122 – Tier 2 DB Hybrid Public Safety	2.59	25.83	N/A
Public Safety System Noncontributory			
43 – Other Div A with 2.5% COLA	N/A	34.04	N/A
Firefighters System			
31 – Other Division A	15.05	3.61	N/A
132 – Tier 2 DB Hybrid Firefighters	2.59	14.08	N/A
Tier 2 DC Only			
211 – Local Government	N/A	6.19	10.00
222 – Public Safety	N/A	11.83	14.00
232 – Firefighters	N/A	0.08	14.00

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2023, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 58,808	N/A
Public Safety System	88,731	-
Firefighters System	132,790	-
Tier 2 Public Employees System	104,819	-
Tier 2 Public Safety and Firefighter System	1,427	16,443
Total Contributions	\$ 385,865	\$ 16,443

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 8. Pension Plans, Continued

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, we reported a net pension asset of \$22,671 and a net pension liability of \$367,575.

	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2021	Change (Decrease)
Noncontributory System	\$ -	\$ 97,347	0.0568369%	0.0468219%	0.0100150%
Public Safety System	-	214,451	0.1658458%	0.1582140%	0.0076318%
Firefighters System	22,671	-	0.0872966%	0.2330819%	-0.1457853%
Tier 2 Public Employees System	-	40,310	0.0370194%	0.0377022%	-0.0006828%
Tier 2 Public Safety and Firefighter	-	15,467	0.1854007%	0.1178347%	0.0675660%
	<u>\$ 22,671</u>	<u>\$ 367,575</u>			

The net pension asset and liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the System during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2023, the City recognized pension expense of \$265,487.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 59,044	\$ 6,844
Changes in assumptions	47,393	2,041
Net difference between projected and actual earnings on pension plan investments	152,283	-
Changes in proportion and differences between contributions and proportional share of contributions	69,784	5,191
Contributions subsequent to the measurement date	182,797	-
	<u>\$ 511,302</u>	<u>\$ 14,076</u>

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 8. Pension Plans, Continued

\$182,797 reported as deferred outflows of resources related to pension results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2023	\$ (24,418)
2024	\$ 16,518
2025	\$ 72,928
2026	\$ 220,680
2027	\$ 4,855
Thereafter	\$ 23,865

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the City recognized pension expense of \$47,377.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,019	\$ -
Changes in assumptions	15,954	389
Net difference between projected and actual earnings on pension plan investments	64,211	-
Changes in proportion and differences between contributions and proportional share of contributions	8,659	531
Contributions subsequent to the measurement date	28,010	-
	<u>\$ 149,853</u>	<u>\$ 920</u>

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 8. Pension Plans, Continued

\$28,010 reported as deferred outflows of resources related to pensions resulting from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

These contributions will be recognized as a reduction to the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2023	\$ (9,321)
2024	\$ 5,844
2025	\$ 25,791
2026	\$ 98,609
2027	\$ -
Thereafter	\$ -

Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the City recognized pension expense of \$70,425.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 949	\$ -
Changes in assumptions	5,752	-
Net difference between projected and actual earnings on pension plan investments	49,706	-
Changes in proportion and differences between contributions and proportional share of contributions	8,742	-
Contributions subsequent to the measurement date	41,111	-
	<u>\$ 106,261</u>	<u>\$ -</u>

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 8. Pension Plans, Continued

\$41,111 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2023	\$ (28,033)
2024	\$ (8,619)
2025	\$ 20,721
2026	\$ 81,079
2027	\$ -
Thereafter	\$ -

Firefighters System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the City recognized pension expense of \$2,872.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,000	\$ 116
Changes in assumptions	2,818	-
Net difference between projected and actual earnings on pension plan investments	6,066	-
Changes in proportion and differences between contributions and proportional share of contributions	37,757	1,786
Contributions subsequent to the measurement date	-	-
	<u>\$ 50,640</u>	<u>\$ 1,902</u>

\$0 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 8. Pension Plans, Continued

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2023	\$ 8,812
2023	\$ 10,922
2024	\$ 13,306
2025	\$ 15,700
2026	\$ -
Thereafter	\$ -

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the City recognized pension expense of \$77,406.

At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,615	\$ 1,599
Changes in assumptions	13,057	103
Net difference between projected and actual earnings on pension plan investments	16,252	-
Changes in proportion and differences between contributions and proportional share of contributions	8,704	2,001
Contributions subsequent to the measurement date	61,814	-
	<u>\$ 113,442</u>	<u>\$ 3,703</u>

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 8. Pension Plans, Continued

\$61,814 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2023	\$ 2,441
2024	\$ 5,001
2025	\$ 7,871
2026	\$ 14,817
2027	\$ 3,674
Thereafter	\$ 14,151

Tier 2 Public Safety and Firefighter Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the City recognized pension expense of \$67,356.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,461	\$ 5,129
Changes in assumptions	9,782	1,549
Net difference between projected and actual earnings on pension plan investments	16,048	-
Changes in proportion and differences between contributions and proportional share of contributions	5,922	874
Contributions subsequent to the measurement date	51,861	-
	<u>\$ 91,074</u>	<u>\$ 7,552</u>

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 8. Pension Plans, Continued

\$51,861 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2023	\$ 1,682
2024	\$ 3,370
2025	\$ 5,239
2026	\$ 10,475
2027	\$ 1,180
Thereafter	\$ 9,714

Actuarial assumptions: The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases	3.25- 9.25 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2022, valuation were based on an experience study of demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 8. Pension Plans, Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Expected Return Arithmetic Basis	
		Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	35%	6.58%	2.30%
Debt securities	20%	1.08%	0.22%
Real assets	18%	5.72%	1.03%
Private equity	12%	9.80%	1.18%
Absolute return	15%	2.91%	0.44%
Cash and cash equivalents	0%	(0.11)%	0.00%
Totals	100%		5.17%
		Inflation	2.50%
		Expected arithmetic nominal return	7.67%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current, active, and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments, to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 8. Pension Plans, Continued

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.85 percent) or 1 percentage point higher (7.85 percent) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 613,516	\$ 97,347	\$ (333,938)
Public Safety System	690,641	214,451	(172,803)
Firefighters System	18,069	(22,671)	(55,734)
Tier 2 Public Employees System	176,133	40,310	(64,324)
Tier 2 Public Safety and Firefighter	123,808	15,467	(70,639)
Total	\$ 1,622,167	\$ 344,904	\$ (697,438)

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

City of Kanab participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

401(k) Plan, 457(b) Plan, and Roth IRS Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30th were as follows:

401(k) Plan	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Employer Contributions	\$ 18,091	\$ 20,447	\$ 21,762	\$ 21,386	\$ 17,951
Employee Contributions	\$ 33,755	\$ 19,429	\$ 23,660	\$ 18,645	\$ 13,030
457 Plan					
Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Contributions	\$ 4,440	\$ 700	\$ -	\$ -	\$ -
Roth IRA Plan					
Employer Contributions	N/A	N/A	N/A	N/A	N/A
Employee Contributions	\$ 4,830	\$ 720	\$ -	\$ -	\$ -

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 9. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Risk financing activities are accounted for in various operating funds, with unallocated or City-wide activities being accounted for in the general fund.

The City maintains insurance for general liability, auto liability, and employee dishonesty through Utah Local Government's Insurance Trust and Fred A. Moreton and Company. Worker's compensation coverage is carried through the State Worker's Compensation Fund.

NOTE 10. Solid Waste and Disposal Contract

The City has a solid waste collection and disposal contract with Kane County Special Service District (the District). The contract provides for the collection and disposal of residential and commercial solid waste within the City. In connection with the agreement, the City is responsible for the monthly billing, collection, and payment of residential collections to the District. The fees are accounted for in the General Fund; however, only the City's portion of the net fees are reported in the financial statement.

NOTE 11. Contract with Kane County Water Conservancy District

The City has entered into a contract with the Kane County Water Conservancy District related to the construction of a waterline. Beginning in fiscal year 2012, the City has agreed to pay the Conservancy District \$50,000 per year for 30 years. At the end of the thirty year term title to the waterline will be conveyed to the City. Until the City has made the final payment title to the waterline will remain with the Conservancy District. All debt associated with the construction of the waterline was issued by the Conservancy District. Since the City has not issued any debt related to this project and they do not yet have title to the asset, the City has not recorded a capital asset or any debt related to this project. The City is responsible for maintaining and repairing the waterline. Any subsequent improvements made will be owned by the City.

KANAB CITY, UTAH
Notes to the Financial Statements
June 30, 2023

NOTE 12. Contingencies and Commitments

The City is involved with various matters of litigation from year to year. It is the opinion of City officials that these cases will either be handled by the City's insurance coverage or that they will not have a material effect on the City's financial condition.

In fiscal year 2017 the City entered into an agreement with the Kane County School District (District) for the acquisition of a building owned by the District. As part of this agreement, the City has agreed to waive impact fees and certain inspection fees that may be charged to the District for future District building projects for a period of twenty years. In addition, The City has agreed to provide for a period of ten years, without charge to the District, sixteen million gallons of water per calendar year. Any amount used in excess of sixteen million gallons will be also be used to reduce the amount owed to the District as calculated by the City's standard rates. If the District uses less than sixteen million gallons in a calendar year, the unused balance shall be carried over and may be used in a subsequent year over and above the sixteen million gallon annual allowance without charge. The City calculated the value of the water expected to be provided under this agreement at \$177,920. The city capitalized this amount as the value of the building. Likewise, the City recorded unearned revenue in the same amount. During fiscal year 2023 the District used water valued at \$30,581. The City recognized revenue in this amount and decreased the balance in the unearned revenue account by the same amount.

NOTE 13. Restatement to Storm Water Fund and Capital Project Fund Equity

There are two restatements of Equity for the year ended June 30, 2023.

The Fire Department Capital Projects Fund had an ending fund balance of \$14,621 as of June 30, 2022. Revenues from this fund were received in prior years from the Utah Community Impact Board (CIB). The projects related to this funding were completed and the remaining funds were transferred back to the CIB. Fund balance was adjusted in this account to close out equity.

The Storm Water Fund incurred expenditures related to a USDA Grant in the year ended June 30, 2022. These expenditures were to be reimbursed by the USDA grant, however a receivable and the related revenue was not recognized in fiscal year 2022. An adjustment of \$206,203 was made to beginning net position to account for these funds.

NOTE 14. Subsequent Events

In July 2023, Kanab City entered into an agreement with Zions Bancorporation, N.A. for the acquisition of a new Police Station in the amount of \$722,595 with the last payment scheduled to be made July of 2033.

REQUIRED SUPPLEMENTARY INFORMATION

KANAB CITY, UTAH
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes	\$ 365,000	\$ 414,000	\$ 440,222	\$ 26,222
Fees in lieu of property taxes	35,000	40,000	47,407	7,407
Sales and use taxes	3,076,500	3,225,350	3,343,271	117,921
Franchise taxes	47,000	60,000	43,655	(16,345)
Licenses, permits and fees	246,300	348,800	393,451	44,651
Intergovernmental revenue	300,000	433,213	497,085	63,872
Sanitation service revenue	17,300	17,300	17,566	266
Fines and forfeitures	16,000	32,000	38,269	6,269
Donations and other revenues	491,000	607,525	587,075	(20,450)
Charges for services	4,200	4,200	5,127	927
Investment earnings	4,000	95,000	211,337	116,337
Total revenues	4,602,300	5,277,388	5,624,465	347,077
Expenditures				
Current:				
General government	607,128	733,350	684,042	49,308
Public safety	2,192,895	2,411,000	2,295,682	115,318
Public works	802,843	1,165,000	1,020,906	144,094
Parks and recreation	755,631	723,750	642,228	81,522
Community development	68,000	44,000	29,652	14,348
Total expenditures	4,426,497	5,077,100	4,672,510	404,590
Excess (deficiency) of revenues over (under) expenditures	175,804	200,288	951,955	751,667
Other Financing Sources (Uses)				
Transfers out	(130,000)	(345,500)	(345,500)	-
Total other financing sources and uses	(130,000)	(345,500)	(345,500)	-
Net change in fund balances	45,804	(145,212)	606,455	751,667
Fund balance, beginning of year, as restated	365,004	365,004	365,004	-
Fund balance, end of year	\$ 410,808	\$ 219,792	\$ 971,459	\$ 751,667

KANAB CITY, UTAH
Schedule of the Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years

	As of fiscal year ended June 30,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
Noncontributory System	2015	0.0545545%	\$ 236,888	\$ 466,902	50.74%	90.20%
	2016	0.0549982%	311,207	466,032	66.78%	87.80%
	2017	0.0506736%	325,387	404,685	80.41%	87.30%
	2018	0.0505070%	221,286	375,749	58.89%	91.90%
	2019	0.0488839%	359,634	343,361	104.74%	87.00%
	2020	0.0462366%	174,260	268,114	64.99%	93.70%
	2021	0.0448562%	23,009	235,769	9.76%	99.20%
	2022	0.0468219%	(268,154)	226,560	-118.36%	108.70%
	2023	0.0568369%	97,347	327,641	29.71%	97.50%
Public Safety System	2015	0.1501533%	\$ 188,830	\$ 223,255	84.58%	90.50%
	2016	0.1567939%	280,857	237,023	118.49%	87.10%
	2017	0.1601547%	324,998	245,615	132.32%	86.50%
	2018	0.1619829%	254,096	295,653	85.94%	90.20%
	2019	0.1564540%	402,491	321,192	125.31%	84.70%
	2020	0.1634505%	262,439	340,856	76.99%	90.90%
	2021	0.1433854%	119,044	303,395	39.24%	95.50%
	2022	0.1582140%	(128,492)	326,354	-39.37%	104.20%
	2023	0.1658458%	214,451	368,939	58.13%	93.60%
Firefighters System	2015	0.2393637%	\$ (13,569)	\$ 62,609	-21.67%	103.50%
	2016	0.2128539%	(3,855)	57,276	-6.73%	101.00%
	2017	0.2034758%	(1,604)	57,157	-2.81%	100.40%
	2018	0.2015288%	(12,587)	58,959	-21.35%	103.00%
	2019	0.2022597%	26,263	62,565	41.98%	94.30%
	2020	0.2035297%	(25,242)	65,166	-38.73%	105.00%
	2021	0.2442196%	(68,289)	79,675	-85.71%	110.50%
	2022	0.2330819%	(135,937)	77,708	-174.93%	120.10%
	2023	0.0872966%	(22,671)	27,824	-81.48%	108.40%
Tier 2 Public Employees System	2015	0.0078555%	\$ (238)	\$ 38,617	-0.62%	103.50%
	2016	0.0124891%	(27)	80,712	-0.03%	100.20%
	2017	0.0238077%	2,656	195,237	1.36%	95.10%
	2018	0.0296455%	2,614	289,915	0.90%	97.40%
	2019	0.0308330%	13,205	360,034	3.67%	90.80%
	2020	0.0378240%	8,507	525,613	1.62%	96.50%
	2021	0.0361210%	5,195	577,371	0.90%	98.30%
	2022	0.0377022%	(15,957)	699,694	-2.28%	103.80%
	2023	0.0370194%	40,310	806,774	5.00%	92.30%
Tier 2 Public Safety and Firefighters Retirement System	2015	0.0000000%	\$ -	\$ -	0.00%	0.00%
	2016	0.0000000%	-	-	0.00%	0.00%
	2017	0.0000000%	-	-	0.00%	0.00%
	2018	0.0000000%	-	-	0.00%	0.00%
	2019	0.0257228%	645	34,358	1.88%	95.60%
	2020	0.0395648%	3,722	65,179	5.71%	89.60%
	2021	0.0708230%	6,352	139,328	4.56%	93.10%
	2022	0.1178347%	(5,956)	281,787	-2.11%	102.80%
	2023	0.1854007%	15,467	570,437	2.71%	96.40%

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the net pension liability (asset) in their RSI. This schedule will need to be built prospectively.

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

KANAB CITY, UTAH
Schedule of Contributions
Last 10 Fiscal Years

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll **
Noncontributory System	2014	\$ 87,610	\$ 87,610	\$ -	\$ 580,627	15.09%
	2015	84,092	84,092	-	466,337	18.03%
	2016	83,450	83,450	-	471,291	17.71%
	2017	66,762	66,762	-	368,127	18.14%
	2018	69,736	69,736	-	396,388	17.59%
	2019	52,137	52,137	-	292,111	17.85%
	2020	42,899	42,899	-	245,569	17.47%
	2021	45,289	45,289	-	245,203	18.47%
	2022	44,785	44,785	-	242,473	18.47%
	2023	58,098	58,098	-	322,593	18.01%
Public Safety System	2014	\$ 72,808	\$ 72,808	\$ -	\$ 231,541	31.44%
	2015	78,994	78,994	-	232,061	34.04%
	2016	82,372	82,372	-	241,986	34.04%
	2017	84,843	84,843	-	249,245	34.04%
	2018	79,179	79,179	-	319,570	24.78%
	2019	85,218	85,218	-	346,790	24.57%
	2020	76,071	76,071	-	333,137	22.83%
	2021	74,734	74,734	-	317,326	23.55%
	2022	78,991	78,991	-	335,194	23.57%
	2023	88,731	88,731	-	374,984	23.66%
Firefighters System	2014	\$ 1,682	\$ 1,682	\$ -	\$ 57,047	2.95%
	2015	3,045	3,045	-	61,760	4.93%
	2016	2,191	2,191	-	56,312	3.89%
	2017	2,314	2,314	-	58,002	3.99%
	2018	2,355	2,355	-	59,916	3.93%
	2019	2,898	2,898	-	64,083	4.52%
	2020	3,129	3,129	-	67,872	4.61%
	2021	4,012	4,012	-	87,030	4.61%
	2022	2,950	2,950	-	63,994	4.61%
	2023	-	-	-	-	0.00%
Tier 2 Public Employees System*	2014	\$ 3,835	\$ 3,835	\$ -	\$ 27,866	13.76%
	2015	8,267	8,267	-	55,415	14.92%
	2016	18,250	18,250	-	122,401	14.91%
	2017	37,137	37,137	-	249,072	14.91%
	2018	50,685	50,685	-	335,950	15.09%
	2019	67,938	67,938	-	436,289	15.57%
	2020	90,375	90,375	-	599,116	15.08%
	2021	98,778	98,778	-	625,972	15.78%
	2022	114,151	114,151	-	710,336	16.07%
	2023	132,790	132,790	-	829,171	16.01%
Tier 2 Public Safety and Firefighter System*	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	-	-	-	-	0.00%
	2016	-	-	-	-	0.00%
	2017	-	-	-	-	0.00%
	2018	3,042	3,042	-	13,478	22.57%
	2019	9,740	9,740	-	42,133	23.12%
	2020	18,658	18,658	-	67,807	27.52%
	2021	36,916	36,916	-	179,002	20.62%
	2022	75,115	75,115	-	420,475	17.86%
	2023	104,819	104,819	-	643,458	16.29%
Tier 2 DC Public Employees System*	2022	\$ -	\$ -	\$ -	\$ -	0.00%
	2023	1,427	1,427	-	19,209	7.43%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative practices.

KANAB CITY, UTAH
Notes to Required Supplementary Information
For the Year Ended June 30, 2023

Changes in Assumptions:

No changes were made in the actuarial assumptions from the prior year's valuation.

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**KANAB CITY, UTAH
SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULES
FOR THE FOLLOWING MAJOR GOVERNMENTAL FUNDS:**

The **Capital Project Fund** is used to account for the financial resources used to acquire and/or construct major capital assets.

The **Impact Fee Capital Project** is used to account for the collection of impact fees and the expenditure of these fees on public facilities and infrastructure.

KANAB CITY, UTAH
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 11,500	\$ 11,500	\$ 11,500	\$ -
Investment earnings	-	20,000	28,127	8,127
Total revenues	11,500	31,500	39,627	8,127
Expenditures				
Capital outlay	365,000	400,000	229,204	170,796
Total expenditures	365,000	400,000	229,204	170,796
Excess (deficiency) of revenues over (under) expenditures	(353,500)	(368,500)	(189,577)	178,923
Other Financing Sources (Uses)				
Transfers in	50,000	250,000	250,000	-
Total other financing sources and uses	50,000	250,000	250,000	-
Net change in fund balances	(303,500)	(118,500)	60,423	178,923
Fund balance, beginning of year	1,558,071	1,558,071	1,558,071	-
Fund balance, end of year	\$ 1,254,571	\$ 1,439,571	\$ 1,618,494	\$ 178,923

KANAB CITY, UTAH
Impact Fees - Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Impact fees	\$ -	\$ 661,000	\$ 247,312	\$ (413,688)
Investment earnings	-	15,000	19,572	4,572
Total revenues	-	676,000	266,884	(409,116)
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	676,000	266,884	(409,116)
Other Financing Sources (Uses)				
Transfers out	-	(800,000)	-	800,000
Total other financing sources and uses	-	(800,000)	-	800,000
Net change in fund balances	-	(124,000)	266,884	390,884
Fund balance, beginning of year	-	-	-	-
Fund balance (deficit), end of year	\$ -	\$ (124,000)	\$ 266,884	\$ 390,884

KANAB CITY, UTAH
Supplementary Information
Nonmajor Governmental Funds
Combining Statements and Budgetary Comparison Schedules

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities and equipment other than those financed by proprietary funds and trust funds.

Public Safety Fitness Fund – This fund is used to account for the construction of a Public Safety Fitness Skills Facility.

Jacob Hamblin Park Expansion Fund – This fund was established to account for the Jacob Hamblin park improvement project.

Fire Station Fund – Fund is used to account for the financial resources used to complete the construction and renovation of a City owned Fire Station.

Airport Capital Project Fund – This fund is used to account for the financial resources used to improve and renovate the City owned airport.

Existing Capital Repairs Fund – This fund is used to account for repairs of existing capital facilities.

Heritage House Fund – This fund is used to account for the construction of bathrooms at the heritage house.

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes.

Recreation Fund – is used to account for the receipt and use of Recreation Tax revenues.

Wildland Fire Fund – This fund is used to account for the receipt and use of revenues received from Wildland Fire activities.

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for the purposes that support the reporting government's programs.

Perpetual Care Permanent Fund – This fund is used to account for the principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the community cemetery.

Debt Service Fund

The **Debt Service Fund** is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

KANAB CITY, UTAH
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Capital Projects			
	Public Safety Fitness	JH Park Expansion	Fire Station	Airport Capital Improvement
Assets				
Cash and cash equivalents	\$ 11,607	\$ 14,486	\$ -	\$ 230,707
Receivables	-	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 11,607</u>	<u>\$ 14,486</u>	<u>\$ -</u>	<u>\$ 230,707</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 4,490
Accrued liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,490</u>
Fund Balances				
Nonspendable for:				
Perpetual care	-	-	-	-
Restricted for:				
Capital outlay	11,607	-	-	226,217
Committed for:				
Capital outlay	-	-	-	-
Recreation	-	-	-	-
Assigned for:				
Capital outlay	-	14,486	-	-
Fire Department	-	-	-	-
Total fund balances	<u>11,607</u>	<u>14,486</u>	<u>-</u>	<u>226,217</u>
Total liabilities and fund balances	<u>\$ 11,607</u>	<u>\$ 14,486</u>	<u>\$ -</u>	<u>\$ 230,707</u>

KANAB CITY, UTAH
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

Capital Projects		Special Revenue		Debt Service	Permanent Fund	Total Nonmajor Governmental Funds
Existing Capital Repairs	Heritage House	Recreation Fund	Wildland Fire	Debt Service Fund	Perpetual Care	
\$ 102,075	\$ 456	\$ 132,515	\$ 115,419	\$ 69,790	\$ 265,137	\$ 942,192
-	-	-	1,368	-	-	1,368
-	-	30,336	-	-	-	30,336
<u>\$ 102,075</u>	<u>\$ 456</u>	<u>\$ 162,851</u>	<u>\$ 116,787</u>	<u>\$ 69,790</u>	<u>\$ 265,137</u>	<u>\$ 973,896</u>
\$ -	\$ -	\$ 38,832	\$ 1,118	\$ -	\$ 4,050	\$ 48,490
-	-	17,387	7,203	-	-	24,590
<u>-</u>	<u>-</u>	<u>56,219</u>	<u>8,321</u>	<u>-</u>	<u>4,050</u>	<u>73,080</u>
-	-	-	-	-	261,087	261,087
-	-	-	-	-	-	237,824
102,075	-	-	-	-	-	102,075
-	-	106,632	-	-	-	106,632
-	456	-	-	-	-	14,942
<u>-</u>	<u>-</u>	<u>-</u>	<u>108,466</u>	<u>-</u>	<u>-</u>	<u>108,466</u>
<u>102,075</u>	<u>456</u>	<u>106,632</u>	<u>108,466</u>	<u>69,790</u>	<u>261,087</u>	<u>900,816</u>
<u>\$ 102,075</u>	<u>\$ 456</u>	<u>\$ 162,851</u>	<u>\$ 116,787</u>	<u>\$ 69,790</u>	<u>\$ 265,137</u>	<u>\$ 973,896</u>

KANAB CITY, UTAH
Combining Statement of Revenues, Expenses, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Capital Projects			
	Public Safety Fitness	JH Park Expansion	Fire Station Fund	Airport Capital Improvement
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	-	127,230
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Total revenues	-	-	-	127,230
Expenditures				
Current:				
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	13,272
Total expenditures	-	-	-	13,272
Excess (deficiency) of revenues over (under) expenditures	-	-	-	113,958
Other Financing Sources (Uses)				
Transfers in	-	-	-	20,000
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	20,000
Net change in fund balances	-	-	-	133,958
Fund balances, beginning of year	11,607	14,486	14,621	92,259
Prior period adjustment	-	-	(14,621)	-
Fund balances, end of year	\$ 11,607	\$ 14,486	\$ -	\$ 226,217

KANAB CITY, UTAH
Combining Statement of Revenues, Expenses, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

Capital Projects		Special Revenue		Debt Service	Permanent Fund	Total Nonmajor Governmental Funds
Existing Capital Repairs	Heritage House	Recreation Fund	Wildland Fire	Debt Service Fund	Perpetual Care	
\$ 11,500	\$ -	\$ 230,000	\$ -	\$ -	\$ -	\$ 241,500
-	-	186,547	-	-	-	313,777
-	-	133,923	107,335	-	10,550	251,808
-	-	700	5,112	-	7,948	13,760
11,500	-	551,170	112,447	-	18,498	820,845
-	-	-	96,105	-	-	96,105
-	-	418,954	-	-	-	418,954
-	-	-	36,238	131,000	-	167,238
-	-	-	8,959	33,819	-	42,778
-	-	-	-	-	-	13,272
-	-	418,954	141,302	164,819	-	738,347
11,500	-	132,216	(28,855)	(164,819)	18,498	82,498
-	-	-	-	168,500	-	188,500
-	-	(93,000)	-	-	-	(93,000)
-	-	(93,000)	-	168,500	-	95,500
11,500	-	39,216	(28,855)	3,681	18,498	177,998
90,575	456	67,416	137,321	66,109	242,589	737,439
-	-	-	-	-	-	(14,621)
<u>\$ 102,075</u>	<u>\$ 456</u>	<u>\$ 106,632</u>	<u>\$ 108,466</u>	<u>\$ 69,790</u>	<u>\$ 261,087</u>	<u>\$ 900,816</u>

KANAB CITY, UTAH
Public Safety Fitness Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance, beginning of year	11,607	11,607	11,607	-
Fund balance, end of year	\$ 11,607	\$ 11,607	\$ 11,607	\$ -

KANAB CITY, UTAH
Jacob Hamblin Park Expansion Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance, beginning of year	14,486	14,486	14,486	-
Fund balance, end of year	\$ 14,486	\$ 14,486	\$ 14,486	\$ -

KANAB CITY, UTAH
Fire Station Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance, beginning of year	14,621	14,621	14,621	-
Prior period adjustment	-	-	(14,621)	-
Fund balance, end of year	\$ 14,621	\$ 14,621	\$ -	\$ -

KANAB CITY, UTAH
Airport - Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ -	\$ 127,300	\$ 127,230	\$ (70)
Total revenues	-	127,300	127,230	(70)
Expenditures				
Capital outlay	-	200,000	13,272	186,728
Total expenditures	-	200,000	13,272	186,728
Excess (deficiency) of revenues over (under) expenditures	-	(72,700)	113,958	186,658
Other Financing Sources (Uses)				
Transfers in	20,000	20,000	20,000	-
Total other financing sources and uses	20,000	20,000	20,000	-
Net change in fund balances	20,000	(52,700)	133,958	186,658
Fund balance, beginning of year	92,259	92,259	92,259	-
Fund balance (deficit), end of year	\$ 112,259	\$ 39,559	\$ 226,217	\$ 186,658

KANAB CITY, UTAH
Existing Capital Repairs
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 11,500	\$ 11,500	\$ 11,500	\$ -
Total revenues	11,500	11,500	11,500	-
Expenditures				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	11,500	11,500	11,500	-
Fund balance, beginning of year	90,575	90,575	90,575	-
Fund balance, end of year	\$ 102,075	\$ 102,075	\$ 102,075	\$ -

KANAB CITY, UTAH
Heritage House Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance, beginning of year	456	456	456	-
Fund balance, end of year	\$ 456	\$ 456	\$ 456	\$ -

KANAB CITY, UTAH
Recreation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 230,000	\$ 230,000	\$ 230,000	\$ -
Intergovernmental revenue	100,000	110,000	186,547	76,547
Charges for services	119,800	148,600	133,923	(14,677)
Investment earnings	-	500	700	200
Total revenues	449,800	489,100	551,170	62,070
Expenditures				
Current:				
Parks and recreation	740,020	441,400	418,954	22,446
Total expenditures	740,020	441,400	418,954	22,446
Excess (deficiency) of revenues over (under) expenditures	(290,220)	47,700	132,216	84,516
Other Financing Sources (Uses)				
Transfers out	(80,000)	(93,000)	(93,000)	-
Total other financing sources and uses	(80,000)	(93,000)	(93,000)	-
Net change in fund balances	(370,220)	(45,300)	39,216	84,516
Fund balance, beginning of year	67,416	67,416	67,416	-
Fund balance, end of year	\$ (302,804)	\$ 22,116	\$ 106,632	\$ 84,516

KANAB CITY, UTAH
Wildland Fire Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 150,000	\$ 120,000	\$ 107,335	\$ (12,665)
Investment earnings	250	3,500	5,112	1,612
Total revenues	150,250	123,500	112,447	(11,053)
Expenditures				
Current:				
Public safety	120,500	140,196	96,105	44,091
Debt service:				
Principal	-	-	36,238	(36,238)
Interest	-	-	8,959	(8,959)
Total expenditures	120,500	140,196	141,302	(1,106)
Excess (deficiency) of revenues over (under) expenditures	29,750	(16,696)	(28,855)	(12,159)
Fund balance, beginning of year	137,321	137,321	137,321	-
Fund balance, end of year	\$ 167,071	\$ 120,625	\$ 108,466	\$ (12,159)

KANAB CITY, UTAH
Debt Service Fund
Schedule of Revenues, Expenses, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Debt service:				
Principal	109,000	131,000	131,000	-
Interest	27,450	37,450	33,819	3,631
Total expenditures	136,450	168,450	164,819	3,631
Excess (deficiency) of revenues over (under) expenditures	(136,450)	(168,450)	(164,819)	3,631
Other Financing Sources (Uses)				
Transfers in	140,000	168,500	168,500	-
Total other financing sources and uses	140,000	168,500	168,500	-
Net change in fund balances	3,550	50	3,681	3,631
Fund balance, beginning of year	66,109	66,109	66,109	-
Fund balance, end of year	\$ 69,659	\$ 66,159	\$ 69,790	\$ 3,631

KANAB CITY, UTAH
Perpetual Care Permanent Fund
Schedule of Revenues, Expenses, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 8,000	\$ 8,000	\$ 10,550	\$ 2,550
Investment earnings	-	5,500	7,948	2,448
Total revenues	8,000	13,500	18,498	4,998
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	8,000	13,500	18,498	4,998
Fund balance, beginning of year	242,589	242,589	242,589	-
Fund balance, end of year	\$ 250,589	\$ 256,089	\$ 261,087	\$ 4,998

SUPPLEMENTARY INFORMATION

BOND DISCLOSURES

KANAB CITY, UTAH
Bond Disclosures
June 30, 2023

The Water and Sewer System Revenue Bond Resolutions set forth certain covenants and restrictions. The City of Kanab is in compliance with all covenants and restrictions for the Water and Sewer Bonds.

Additional disclosures required by the Resolutions are:

		<u>Water</u>	<u>Sewer</u>
a.	Number of water and sewer connections within the boundaries of the City at June 30, 2023	2,537	1,473
b.	Total water and sewer billings for fiscal year ended June 30, 2023	\$ 1,541,401	\$ 482,442
c.	Average monthly billing per customer	\$ 51.61	\$ 28.03
d.	Net water and sewer revenues were 4.14 times the aggregate water and sewer fund debt service for fiscal year ended June 30, 2023.		
e.	Water rates for fiscal year ended June 30, 2023 are as follows:		
	Monthly base rate for 0 to 7,000 gallons	\$ 40.00	
	Per 1,000 gallons over 7,000 per month		
	7,001 - 10,000	\$ 1.20	
	10,001 - 15,000	\$ 1.30	
	15,001 - 20,000	\$ 1.55	
	20,001 - 25,000	\$ 1.60	
	25,001 - 30,000	\$ 1.65	
	30,001 - 35,000	\$ 1.70	
	35,001 - 40,000	\$ 1.75	
	40,001 - 45,000	\$ 1.80	
	45,001 - 50,000	\$ 1.85	
	50,001 - 55,000	\$ 2.00	
	55,001 - 60,000	\$ 2.05	
	60,001 +	\$ 2.25	
f.	Reserve funds - see financial statements page 16 and 20.		

KANAB CITY, UTAH
Bond Disclosures
June 30, 2023

g. Insurance coverage in effect at June 30, 2023:

<u>Type</u>	<u>Policy Number</u>	<u>Expires</u>	<u>Limits</u>
Coverage with Affiliated Ins. through Fred A. Moreton & Company:			
Blanket Property	1104124	7/1/2023	\$ 13,976,300
Coverage with WCF National Insurance through Fred A. Moreton & Company:			
Off-Duty Vehicle	3600001	7/1/2023	\$ 1,000,000
	3600001	7/1/2023	\$ 2,230,000
	3600002	7/1/2023	\$ 2,700,000
Coverage with Commerce and Industry through Fred A. Moreton & Company:			
Airport Liability	PR00277802	12/9/2023	\$ 10,000,000
Coverage with Cincinnati Insurance through Fred A. Moreton & Company:			
Treasurer's Bond	0335683	12/9/2023	\$ 315,000
Treasurer's Bond	CBE1025897	2/1/2024	\$ 500,000
Coverage with Travelers Insurance through Fred A. Moreton & Company:			
Mayor and Treasurer's Bond	105574596	3/1/2026	\$ 630,000
Employee Dishonesty	106831583	12/9/2023	\$ 100,000
Pres. and Sec. Bond (Kanab Municipal Building Authority)	105609824	04/26/23	\$ 330,000
Coverage with WCF through Fred A. Moreton & Company:			
Workers Comp & Employee Liability	1638158	12/1/2023	\$ 1,000,000

OTHER COMMUNICATIONS FROM INDEPENDENT AUDITORS

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**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

The Honorable Mayor and
Members of the City Council
Kanab, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kanab City, Utah, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Kanab City, Utah's basic financial statements and have issued our report thereon dated December 29, 2023

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Kanab City's internal control over financial reporting (internal control) to determine the audit that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kanab City's internal control. Accordingly, we do not express an opinion on the effectiveness of Kanab City's internal control.

A *deficiency in internal control* exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, as described in the accompanying letter of findings and recommendations that we consider to be significant deficiencies.

2007-001. Controls Over Accounting and Reconciliations

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kanab City, Utah's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard* and which are described in the accompanying letter of finding and recommendations as items 2022-00 and 2023-001.

Kanab City, Utah's Responses to Findings

Kanab City's responses to the findings identified in our audit are described in the Management's Response to the Findings as listed in the table of contents. Kanab City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HintonBurdick, PLLC

HintonBurdick, PLLC

St. George, UT

December 29, 2023



**Independent Auditor's Report on Compliance and
Report on Internal Control Over Compliance
As Required by the *State Compliance Audit Guide***

The Honorable Mayor and
Members of the City Council
City of Kanab, Utah

Report On Compliance with General State Compliance Requirements

We have audited Kanab City, Utah's compliance with the applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2023.

General state compliance requirements were tested for the year ended June 30, 2023 in the following areas:

- Budgetary Compliance
- Fund Balance
- Restricted Taxes and Other Related Restricted Revenue
- Fraud Risk Assessment
- Governmental Fees
- Cash Management
- Enterprise Fund Transfers, Reimbursements, Loans, and Services
- Impact Fees
- Utah Retirement Systems
- Public Treasurer's Bond

Management's Responsibility

Management is responsible for compliance with general state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the City or its major state programs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion for each state compliance requirement referred to above. However, our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion on General State Compliance Requirements

In our opinion, Kanab City, Utah, complied, in all material respects, with the compliance requirements referred to above for the year ended June 30, 2023.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in the accompanying findings and recommendations letter dated December 29, 2023, as items 2022-004 and 2023-001. Our opinion on compliance is not modified with respect to these matters.

Kanab City's responses to the noncompliance findings identified in our audit are described in the accompanying Management's Response to the Findings as listed in the table of contents. Kanab City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of Kanab City is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with the state compliance requirements referred to above to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with these state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

HintonBurdick, PLLC

HintonBurdick, PLLC

St. George, UT

December 29, 2023

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Findings and Recommendations For the Year Ended June 30, 2023

The Honorable Mayor and
City Council
Kanab, Utah

Ladies & Gentlemen:

Professional standards require that we communicate, in writing, deficiencies in internal control over financial reporting that are considered significant deficiencies or material weaknesses that are identified during the audit of the financial statements. During our audit of the funds of Kanab City for the fiscal year ended June 30, 2023, we noted a few areas needing corrective action in order for the City to be in compliance with laws and regulations, and we found a few circumstances that, if improved, would strengthen the City's accounting system, control over its assets, and compliance with state law. These items are discussed below for your consideration.

INTERNAL CONTROL OVER FINANCIAL REPORTING:

Material Weaknesses:

None noted

Significant Deficiencies:

2007-001. Controls over Accounting and Reconciliations

Criteria: Auditing standards indicate that the identification by the auditor of misstatements in the financial statements may be a deficiency in the City's internal controls.

Condition: Audit procedures identified various journal entries that were necessary to make accruals and other miscellaneous adjustments that were not initially identified by the City's internal controls. Furthermore, we noted reconciliations for some general ledger accounts are not being performed which is contributing to the misstatements.

Cause: Procedures for year-end adjustments and periodic account reconciliations may need to be revised or improved in order to properly identify certain adjustments.

Effect: The City's financial statements would not have been fairly stated in all material respects without the adjustments.

Recommendation: We recommend that management review and understand the adjustments proposed by the auditor and develop a plan to ensure that all significant adjustments are posted to the general ledger before the annual audit takes place. We recommend that the City continue its efforts to perform monthly reconciliations of subsidiary ledgers to the general ledger and that differences be investigated and adjusted. The City should continue to improve its internal controls to a level where they will at least identify material misstatements.

COMPLIANCE AND OTHER MATTERS:

2022-004 Impact Fee Schedule

Criteria: UCA 11-36a-601 requires that the City and remit to the State Auditor an annual report which shows:

- a) The source and amount of all impact fees collected during the fiscal year
- b) Each expenditure from impact fee funds during the fiscal year
- c) An accounting of impact fees on hand at the end of the fiscal year including:
 - a. The year in which the impact fee funds were received
 - b. The project from which the impact fees were collected
 - c. The project for which the impact fee funds are budgeted
 - d. The projected schedule for expenditure.

Condition: The City did prepare and remit the impact fee report to the State Auditor. However, the report did not include all of the required elements.

Cause: The City was not aware of all required elements of the impact fee report.

Effect: The City is not in complete compliance with UCA 11-36a-601.

2023-001 Financial Reports for Council Review

Criteria: UCA 10-6-117&148 requires appropriate financial reports are prepared monthly and reviewed by the governing body.

Condition: The reports are being prepared and presented on a quarterly instead on monthly basis.

Cause: The City was not aware the reports needed to be presented monthly.

Effect: The City is not in compliance with UCA 10-6-117&148.

Recommendation: We recommend the reports be prepared and presented on a monthly basis.

The City of Kanab, Utah's written responses to the findings identified in our audit has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This letter is intended solely for the use of the Mayor, City Council and management and is not intended to be used and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

It has been a pleasure to be of service to the City this past year. We would like to express special thanks to all those who assisted us so efficiently in this year's audit. We invite you to ask questions of us throughout the year as you feel necessary. We look forward to a continued professional relationship.

Sincerely,

HintonBurdick, PLLC

HintonBurdick, PLLC

December 29, 2023

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Mayor
Colten Johnson
City Council
Arlon Chamberlain
Scott Colson
Chris Heaton
Kerry Glover
J.D. Wright



KANAB
—UTAH—

City Manager
Kyler Ludwig
City Attorney
Kent Burggraaf
City Recorder
Celeste Cram
City Treasurer
Danielle Ramsay

Management's Responses to the Auditor's Findings For the Fiscal Year Ended June 30, 2023

Office of the Utah State Auditor
P.O. Box 142310
Salt Lake City, UT 84114

To Whom It May Concern:

This letter is in response to the findings and recommendations made by our independent auditor, HintonBurdick CPAs & Advisors, for the audit of Kanab City, UT for the year ended June 30, 2023.

Internal Control Over Financial Reporting:

2007-001 – Controls over Accounting and Reconciliations

Management Response: Management concurs with the auditor's findings. The City will monitor and create standard operating procedures to help staff understand the needed end-of-year adjustments needed prior to the audit. It is management's policy that reconciliations take place on a monthly basis

Compliance and Other Matters:

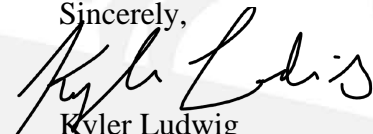
2022-004 – Impact Fee Schedule

Management Response: Management concurs with the auditor's findings. Management will update the Impact Fee Schedule to include documentation on projected expenditures already provided to the public through the Impact Fees Capital Facilities Plans.

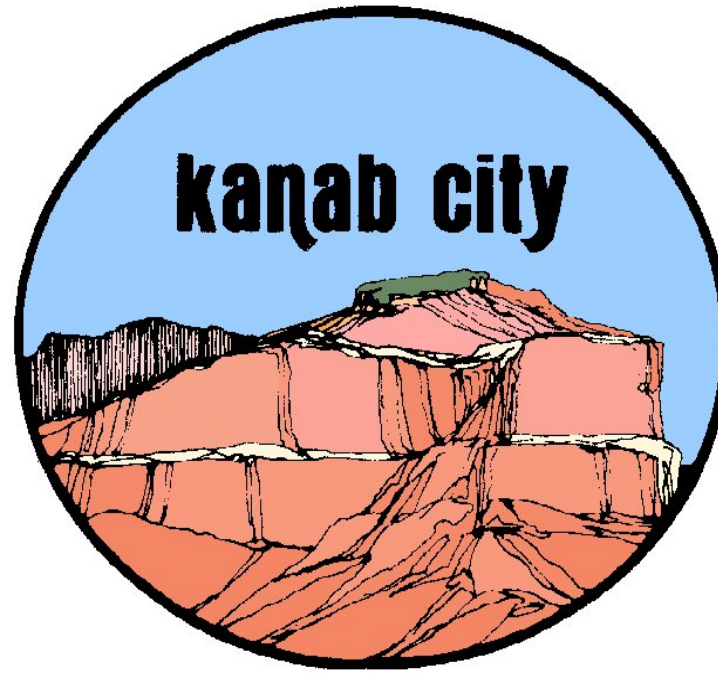
2023-001 – Financial Reports for Council Review

Management Response: Management concurs with the auditor's findings. Management will add a monthly financial summary report to the governing body in addition to the detailed quarterly report already being provided.

Sincerely,


Kyler Ludwig
City Manager

— A Western Classic —



Fiscal Year 2023 Audit Presentation

Audit Reports

- **Independent Auditors Report**
 - Unmodified or “clean opinion”.
- **Report on Compliance and on Internal Control over Financial Reporting**
 - No material weaknesses noted.
 - One significant deficiency noted – Proposed audit adjustments.

Audit Reports

- **State Compliance Report**
 - Impact Fee Schedule
 - Needs to be updated to contain more information.
- Financial Reports for Council Review
 - Reports should be presented monthly instead of quarterly.

Government-Wide Financial Highlights

- Total net position (equity) was \$28,375,379.
- Over time, increases or decreases in net position are indicators of whether the financial health of the City is improving or deteriorating.
- The City's net position increased by \$2,550,023 for the year ending June 30, 2023.

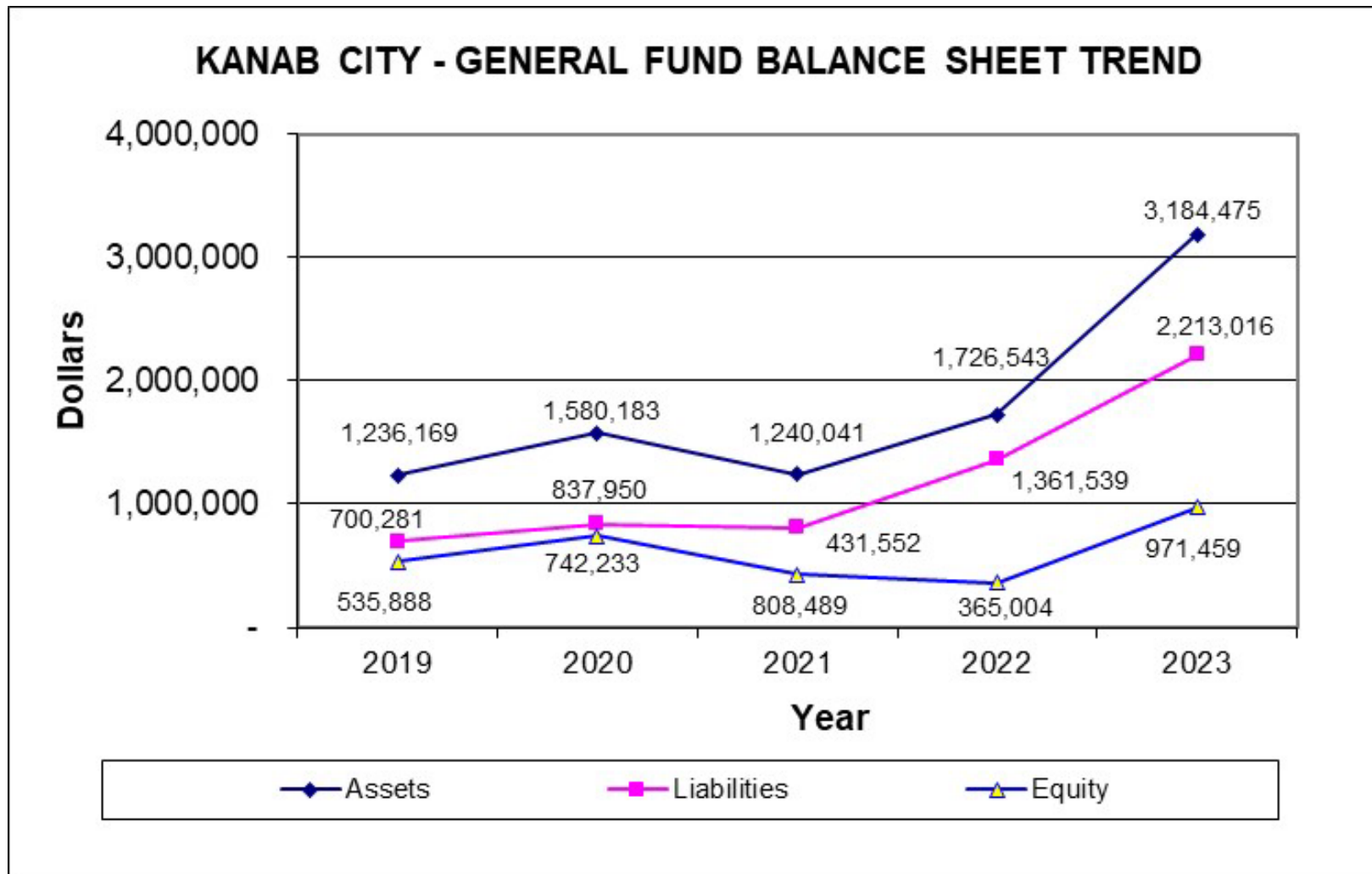
Long-Term Debt Highlights

- Governmental long-term debt had a net increase of \$137,000.
 - \$167,000 in principal payments were made on existing debt.
 - The net pension liability increased by \$285,000.
 - Compensated absences increased by \$19,000.
- Utility Fund long-term debt had a net increase of \$11,000.
 - \$88,000 in principal payments were made on existing debt.
 - The net pension liability increased by \$82,000.
 - Compensated absences increased by \$18,000.

Overall, the City's net long-term debt increased by \$149,000.

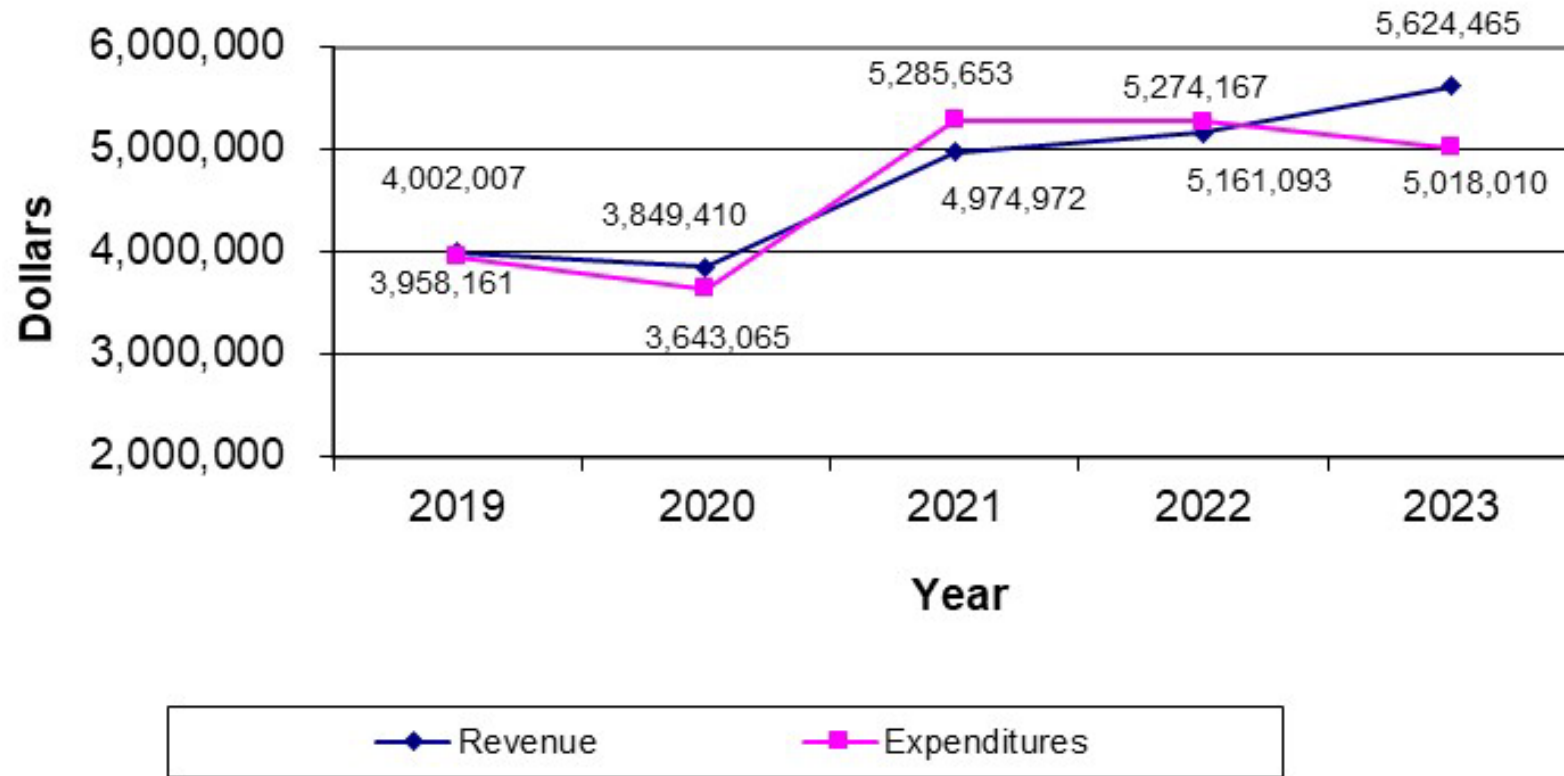
Fund Financial Highlights

- The General Fund reported excess revenues over expenditures (before transfers) of \$952,000.
- The General Fund transferred \$345,500 to other Funds. These transfers were mainly for capital projects and debt service.
- Following transfers, the Fund reported a net increase to Fund Balance of \$606,000.

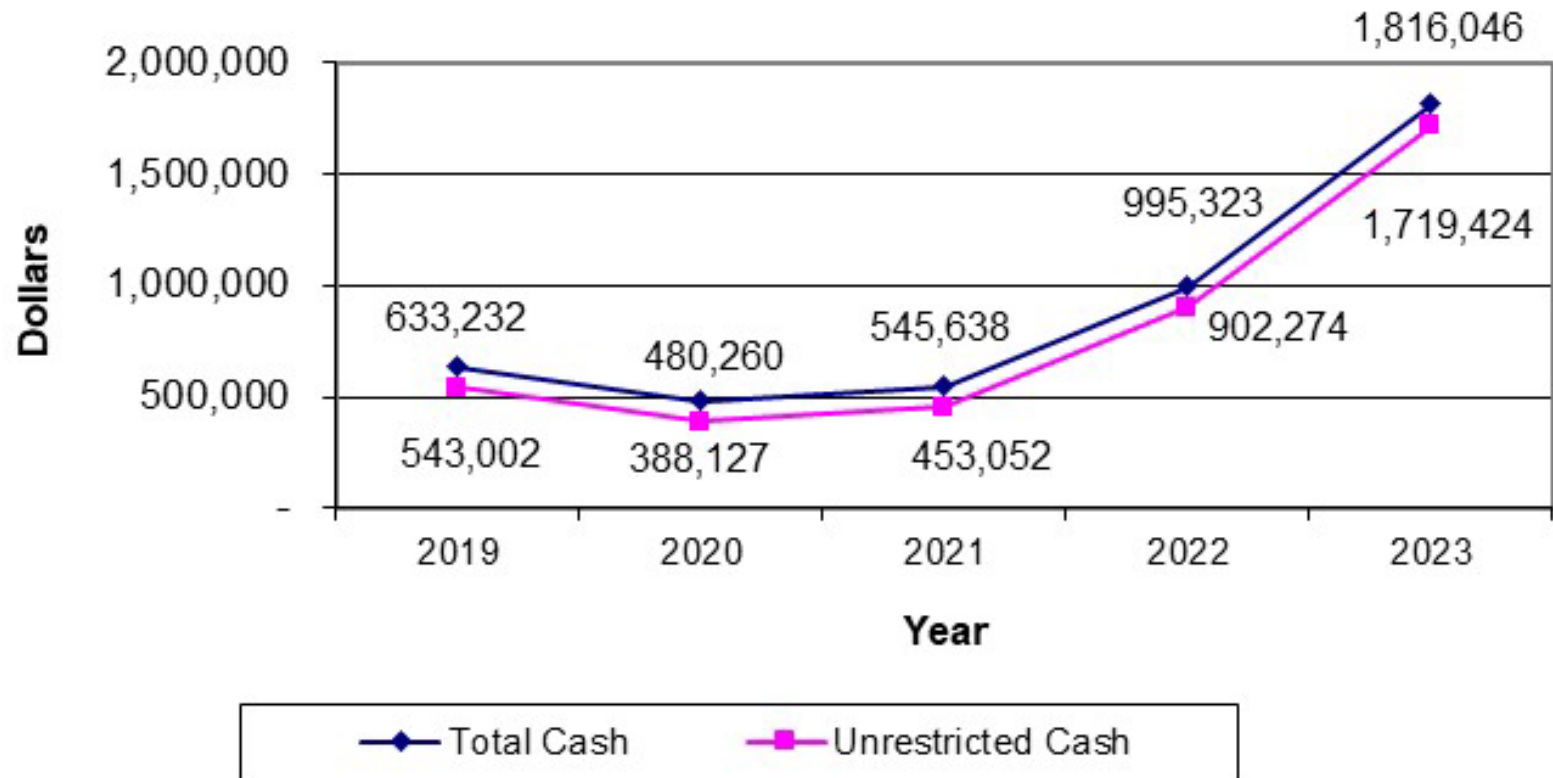


Keep in mind that fund balance represents equity based on a current measurement focus, i.e., capital assets and long-term debt are not considered.

KANAB CITY - GENERAL FUND **Revenues and Expenditures - Including Transfers**



KANAB CITY - GENERAL FUND CASH TREND



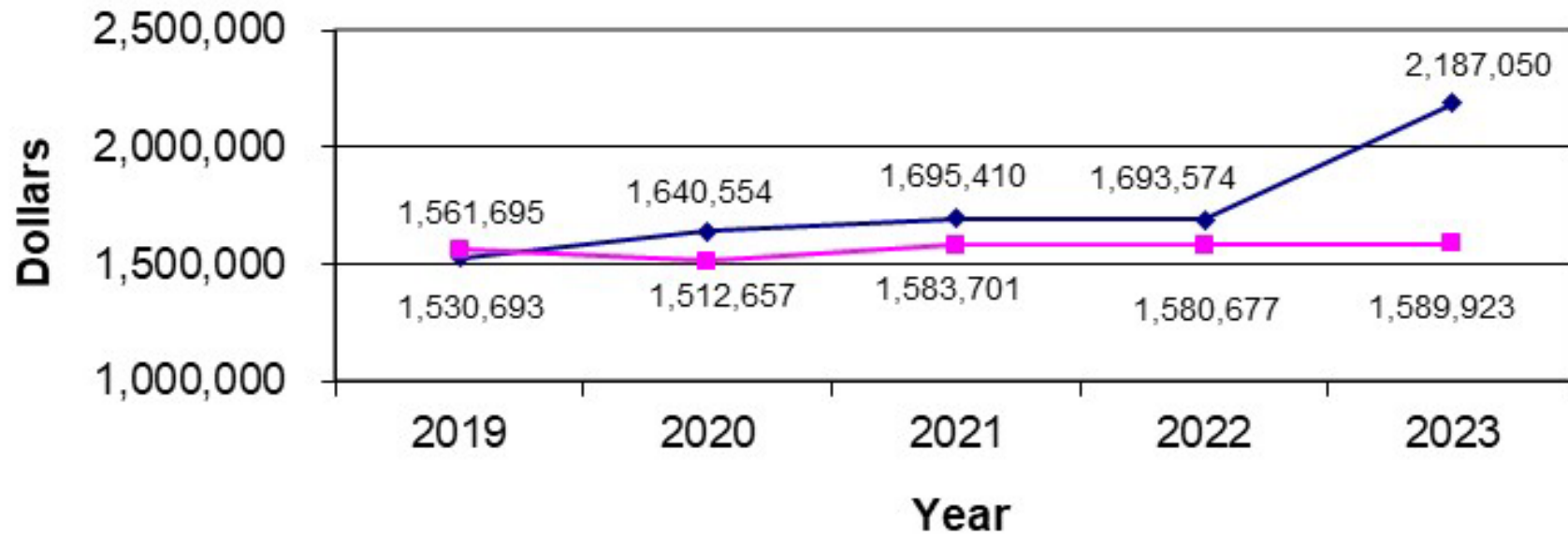
Enterprise Funds

- Enterprise Funds are reported on the full accrual basis of accounting.
 - This is to provide for depreciation and future capital requirements.
 - Enterprise Funds should report revenues in excess of expenditures.

Fund Financial Highlights

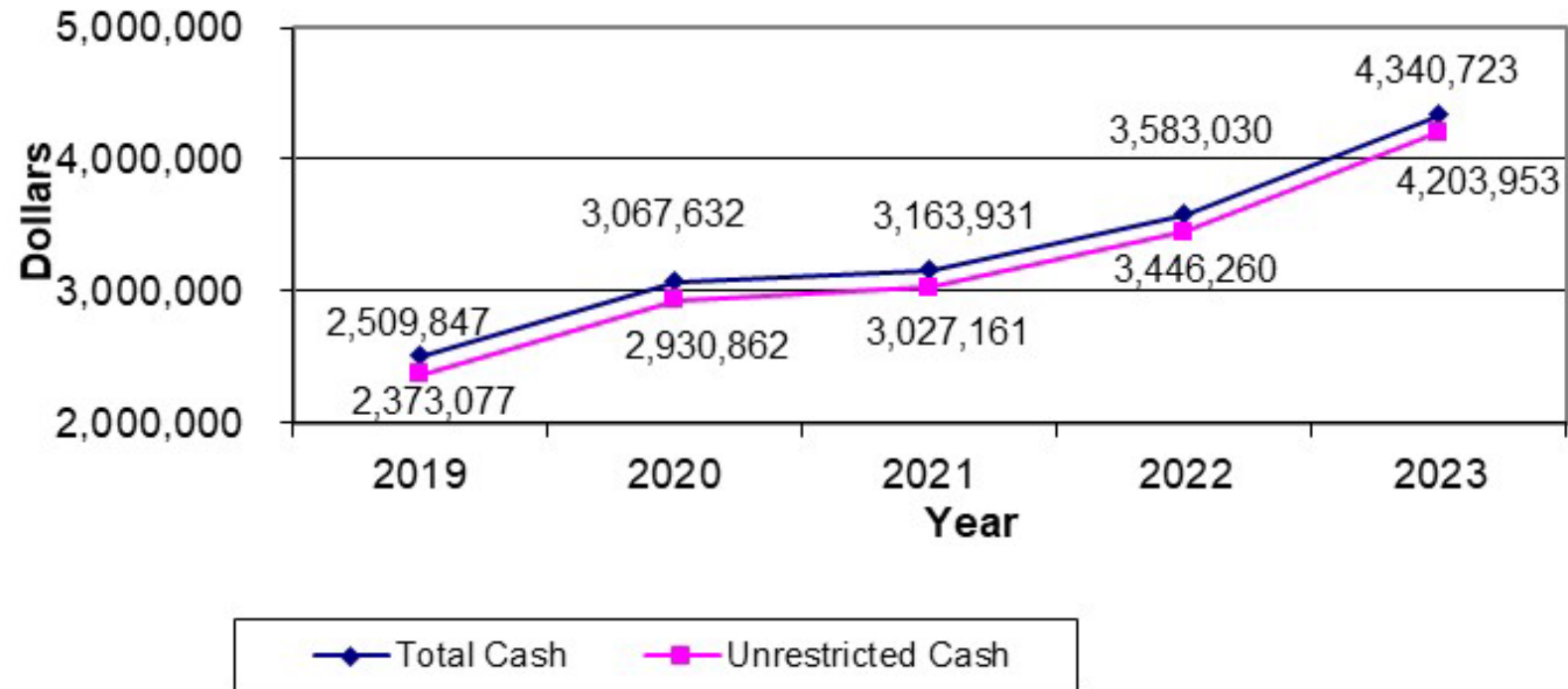
- The Water & Sewer Fund reported revenues in excess of expenses \$782,000.
- The Fund reported \$268,000 in depreciation expense.

KANAB CITY - WATER & SEWER FUND Operating Revenues and Operating Expenses



—◆— Operating Revenues —■— Operating Expenses

KANAB CITY - WATER & SEWER FUND Cash Trend

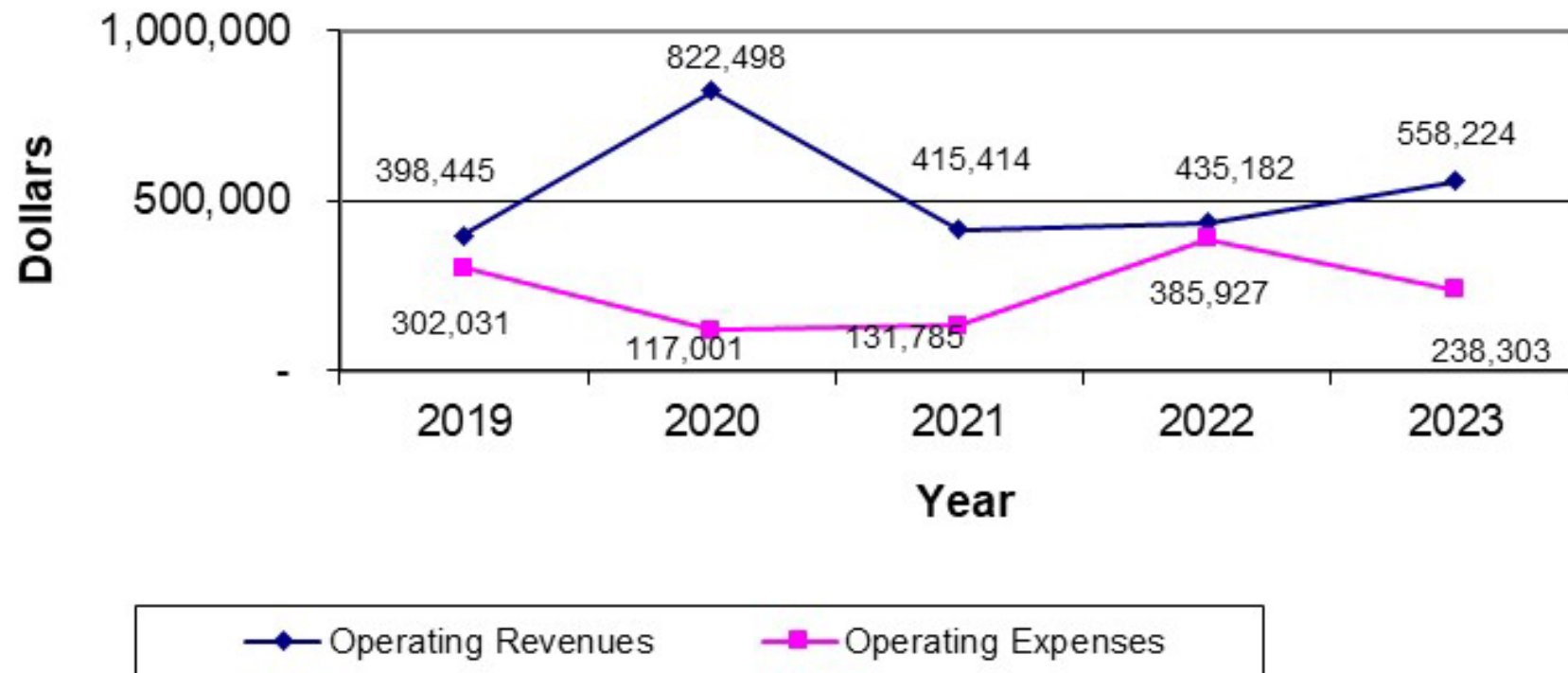


Fund Financial Highlights

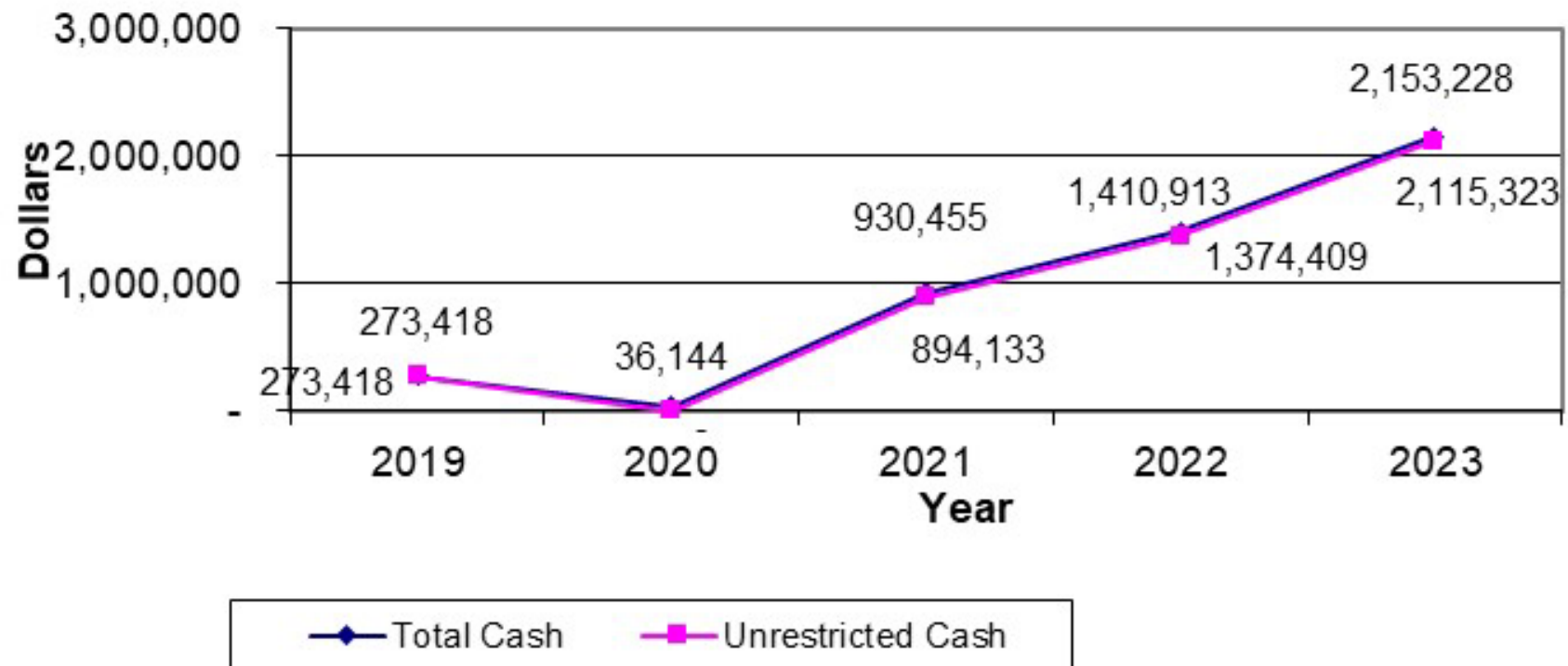
- The Storm Water Fund reported revenues in excess of expenses of \$692,000.
- The ending cash balance in the fund was \$2,153,000.

KANAB CITY - STORM WATER FUND

Operating Revenues and Operating Expenses



KANAB CITY - STORM WATER FUND Cash Trend



Thank You!

- Thank you for the opportunity to work with the City.
- Thanks to all City employees that assisted with the audit.

Questions?



HINTON BURDICK
CPAs & ADVISORS

Steven Palmer
888-566-1277
spalmer@hintonburdick.com

Mayor
Colten Johnson
City Council
Arlon Chamberlain
Scott Colson
Chris Heaton
Boyd Corry
Peter Banks



KANAB
—UTAH—

City Manager
Kyler Ludwig
City Attorney
Kent Burggraaf
City Recorder
Celeste Cram
City Treasurer
Danielle Ramsay

DATE: January 24, 2024
TO: Mayor and City Council
SUBJECT: Development Agreement 400 W 200 N
PREPARED BY: City Manager, Kyler Ludwig

Background:

The property owners of parcel K-336-2 is seeking to build a home connected to the City's sewer line. The elevation of the property requires the development to use a forced sewer lateral. The City has used development agreements previously to clarify the responsibilities and ownership of the infrastructure of these types of developments in the past.

Analysis:

The City has entered into similar development agreements with property owners requiring forced sewer laterals. This development agreement requires the developers to take on all the costs, liabilities, and responsibilities for the sewer until it reaches the City line.

Legal:

This development agreement has been approved as to form.

Financial:

The financial responsibilities through this development agreement fall upon the developer.

Recommendations/Actions: It is recommended the City Council:

Motion to approve Resolution _____ R, A Resolution Approving the Development Agreement with Matthew and Vanesa Alldredge.

Attachments:

Resolution
Development Agreement

— A Western Classic —

RESOLUTION NO. _____ O

**AN ORDINANCE APPROVING A DEVELOPMENT AGREEMENT
WITH MATTHEW AND VANESA ALLDREDGE**

WHEREAS, the Kanab City Council (the “Council”) met in regular session on January 23, 2024, to discuss, among other things, approving a development agreement between Kanab City (“City”) and Matthew and Vanesa Alldredge (“Alldredge’s”) (collectively the “Parties”);

WHEREAS, the Alldredge’s are building a home on the property known as K-336-2, also known as 176 West 300 South, Kanab, Utah (the “Property”), and desires to utilize the City’s sewer system by hooking into the sewer main on 300 South, Kanab, Utah;

WHEREAS, due to the elevation the Alldredge’s property and proposed home, the flow of the sewer line from Alldredge’s home will not flow to the City’s sewer main by gravity;

WHEREAS, the Parties have agreed that a sewer pump (or “pump grinder”) is necessary with a 1 ¼” forced sewer lateral from the pump to the main sewer line;

WHEREAS, the City is willing to install the 1 ¼” sewer line, upon arrangement with the Public Works Director, subject to the City’s fee schedule;

WHEREAS, the Alldredge’s will be responsible to purchase and install the sewer pump necessary;

WHEREAS, the installation of the sewer pump will be subject to the inspection and approval of the City’s Public Works Director.

WHEREAS, the Alldredge’s and any successive owners of the subject parcel will be responsible for the maintenance, upkeep, repair, and replacement of the sewer pump and the 1 ¼” forced sewer lateral line from the point at which it connects to the City’s sewer main line; and

WHEREAS, the attached development agreement outlines the City’s and the Alldredge’s understanding, intent, and terms agreeable to the Parties.

NOW, THEREFORE, BE IT ORDAINED BY THE KANAB CITY COUNCIL

1. The attached Development Agreement with Matthew and Vanesa Alldredge is adopted and approved, and thereby authorizing the signing and recordation of the same.
2. The Mayor and City staff are authorized to take all steps necessary to effectuate this resolution.
3. A fully executed copy of the Development Agreement shall be provided to Matthew and Vanesa Alldredge for their consideration and execution.

The provisions of this Ordinance shall be severable, and, if any provision thereof or any application of such provision is held invalid, it shall not affect any other provisions of this Ordinance or the application in a different circumstance.

This Ordinance shall be effective upon the required posting.

PASSED AND RESOLVED this ____ day of _____, 2024.

KANAB CITY

ATTEST:

MAYOR

RECORDER

VOTING:

Boyd Corry	Yea ____	Nay ____
Peter Banks	Yea ____	Nay ____
Arlon Chamberlain	Yea ____	Nay ____
Scott Colson	Yea ____	Nay ____
Chris Heaton	Yea ____	Nay ____

WHEN RECORDED, RETURN TO:

KANAB CITY
26 N. 100 E.
Kanab, Utah 84741

Tax ID # K-336-2

DEVELOPMENT AGREEMENT AND GRANT OF EASEMENT

THIS DEVELOPMENT AGREEMENT AND GRANT OF EASEMENT (the "Agreement") is executed and entered into by Matthew A. Alldredge and Vanesa I. Alldredge, joint tenants (collectively the "Grantor" or "Owners") and Kanab City, a municipal corporation and political subdivision of the State of Utah (the "City" or "Grantee"). (Each individually a "Party" and collectively the "Parties").

RECITALS

A. The Grantor is building a home on the property known as K-336-2, also known as 176 West 300 South, Kanab, Utah (the "Property"), and desires to utilize the Grantee's sewer system by hooking into the sewer main on 300 South, Kanab, Utah.

B. Due to the elevation of the Grantor's property and proposed home, the flow of the sewer line from the Grantor's home will not flow to the Grantee's sewer main by gravity. The Parties have agreed that a sewer pump (or "pump grinder") is necessary with a 1 1/4" forced sewer lateral from the pump to the main sewer line.

C. Grantee is willing to install the 1 1/4" sewer line, upon arrangement with the Public Works Director, subject to the Grantee's fee schedule. The Grantor will be responsible to purchase and install the sewer pump necessary. Installation of the sewer pump is subject to the inspection and approval of the Grantee's Public Works Director.

D. Grantor and any successive owners of the subject parcel will be responsible for the maintenance, upkeep, repair, and replacement of the sewer pump and the 1 1/4" forced sewer lateral line from the point at which it connects to the Grantee's sewer main line.

AGREEMENT

1. The Property to Be Bound. Grantor's agreement to pay for certain expenses, and maintain, repair, and replace certain infrastructure, as set forth in Section 2, which shall be binding upon and run with the following described tract of land in Kane County, State of UTAH ("Property"):

ALL OF LOT TWO (2), FOX SUBDIVISION PARCEL K-5-3, according to the Official Plat thereof, on file in the Office of the Recorder of Kane County, State of Utah.

[The Property commonly identified as parcel/tax I.D. K-336-2 in the records of the Kane County Recorder, and also known as 176 West 300 South, Kanab, Utah.]

2. Duty to Pay Development Expenses, Maintenance, Replacement. Upon the conditions outlined below, the Grantor shall be responsible for paying the cost of connecting to the Grantee's sewer system, including, but not limited to the cost of parts, supplies, and labor to install a 1 ¼" forced sewer lateral line from Grantee's main line to a sewer pump (or "pump grinder"), subject to the Grantee's adopted fee schedule. The Grantor shall be responsible for purchasing and installing a sewer pump, subject to the inspection and approval of the Grantee's Public Works Director. Thereafter, the Grantor shall bear the expense and responsibility to maintain, repair, and replace, if or when necessary, the sewer pump and the sewer lateral line from the sewer main line out. Upon installation, inspection, and acceptance, the installed sewer apparatus shall become the property of the Grantee; however, the transfer of ownership shall not relieve the Grantee of the duty to maintain and replace all or portions of the sewer apparatus, or paying the costs for the same.

3. Grant of Easement. Grantor does hereby grant and convey to Grantee, and Grantee's employees, contractors, subcontractors, their agents and representatives, and their successors and assigns, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, a permanent public utility easement ("Easement"), for the purpose described herein, over the Property, as described herein. The Easement shall include (collectively the "Easement Property"):

- (1) the full width and length of the "staff" portion of the Property, the Property being a flag lot under the Kanab City ordinances; and
- (2) a fifteen-foot (15') wide public utility easement following the path of any public infrastructure installed or anticipated to be installed, as contemplated by this Agreement.
 - a. The fifteen-foot (15') public utility easement shall be seven and one-half feet (7 ½') on each side of the centerline of the public infrastructure installed/anticipated to be installed.
 - b. The Easement Property shall include the right, privilege, and easement to enter in upon Grantor's Property to place, construct, install, operate, repair, maintain, upgrade, relocate, inspect, monitor and replace thereon and under the surface thereof and in or upon all driveways, paths, and landscaped/un-landscaped areas abutting the Easement Property, necessary public infrastructure, as may now or hereafter be necessary or convenient for the operation of any public utility system, in accordance with federal, state, and local law (collectively, the "Facilities").
 - c. The Facilities erected within the Easement Property, including but not limited to the sewer apparatus, shall remain the personal property of the

Grantee. Grantee shall have the right to inspect, maintain, rebuild, remove, repair, improve, and make changes, alterations, substitutions, and additions in and to the Facilities as it may from time to time deem advisable, including the right to increase or decrease the number and size of the installed Public Infrastructure.

- d. The Grantee shall at all times have the right to keep the Easement Property clear of buildings, structures, or other obstructions, trees, shrubbery, undergrowth, and roots. The Grantor expressly authorizes the Grantee to clear the Easement Property to the minimum extent necessary to inspect, maintain, repair, or replace any Public Infrastructure within the Easement Property.
- e. The Grantor may use the Easement Property for any purpose not inconsistent with the rights hereby granted, provided such use does not interfere with or endanger the construction, operation, and maintenance of the Facilities.
- f. The Grantor shall indemnify and hold harmless the Grantee from intentional damage to the grade of the soil, which may result from the construction, operation, and maintenance of the Facilities on Grantor's Property, except damage caused by the negligence of Grantee. Any damage to structures, plantings, or landscaping during the construction, operation, and maintenance of the Facilities shall be the responsibility of the Grantor, if the damaged structure or plantings are within the Easement Property. The Grantor shall be responsible for maintenance of the Easement Property, including mowing, maintaining the level of grade of the ground and any repairs necessary due to nature.
- g. Grantor covenants that it is the owner of the property herein identified as Grantor's Property and without a lien or lender for which written consent would be required.
- h. The Easement, rights and interest granted herein shall constitute covenants running with the land, and shall burden Grantor's Property as the servient estate, and shall be binding upon Grantor, its successors, assigns, and any person acquiring, leasing or otherwise owning an interest in the Easement Property.

4. Default. Failure by a Party to perform any of the Party's obligations under this Agreement within a thirty (30) day period (the "Cure Period"), after written notice thereof from the other Party has been provided, shall constitute a default ("Default") by such failing Party under this Agreement; provided, however, that if the failure cannot reasonably be cured within thirty (30) days, the Cure Period shall be extended for the time period reasonably required to cure such failure so long as the failing Party commences its

efforts to cure within the initial thirty (30) day period and thereafter diligently proceeds to complete the cure. Said written notice of default shall specify the nature of the alleged Default and the manner in which said Default may be satisfactorily cured, if possible.

5. Remedies. If the Default is cured, then no Default shall exist and the noticing Party shall take no further action. Upon the occurrence of an uncured Default under this Agreement, the non-defaulting Party may exercise the following rights:

- a. The City: (i) may withhold approval of any or all building permit(s) or certificate(s) of occupancy applied for by Owners, but not yet issued; and (ii) shall be under no obligation to approve or to issue any additional building permit(s) or certificate(s) of occupancy for any building until the breach has been corrected by the Owner.
- b. The Parties to this Agreement recognize that the City has the right to enforce its ordinances and the terms of this Agreement, and any amendment thereto, by seeking an injunction to compel compliance. In the event the Owners violate the ordinances of the City or violate the terms of this Agreement, or any amendment thereto, the City may, without declaring a Default hereunder or electing to seek an injunction, and after thirty (30) days written notice to correct the violation (or such longer period as may be established in the discretion of the City or a court of competent jurisdiction if the Owners has used its reasonable best efforts to cure such violation within such thirty (30) days and is continuing to use its reasonable best efforts to cure such violation), take such actions as shall be deemed appropriate under law until such conditions have been rectified by the Owners.
- c. Any assertions of breach or default asserted by the Owners against City shall first be handled as a Land Use Appeal and addressed in accordance with the administrative appeal process outlined in Utah Code, Title 10, Part 7, and the Kanab City Land Use Ordinance, Chapter 3, and other applicable provisions of the Kanab City ordinances. All administrative processes and remedies must be exhausted prior to seeking judicial review of an appeal authority's final decision, but which final decision is thereafter subject to review by a court of competent jurisdiction.

6. Grantee's Additional Remedies. When the Grantee asserts that the Grantor is in default, and the default remains after the Cure Period, the Grantee shall have the additional following remedies:

- a. *Enforcement of Security.* The Grantee shall have the right to draw on any security posted or provided in connection with the improvements to the Property, relating to remedying the particular default, consistent with the Grantor's warranty under Kanab City ordinances or any public improvement agreement regarding such improvements.

- b. *Claim Reimbursement – Public Infrastructure.* The Grantee shall have the right to demand repair or replacement of failed Public Infrastructure/System Improvements or for reimbursement from the Grantor for costs of remedying a particular failure or default relating to the Public Infrastructure/System Improvements, in excess of any security posted or provided, if any.
- c. *Withholding Further Development Approvals.* The Grantee shall have the right to withhold all further reviews, approvals, licenses, building permits, certificates of occupancy, and/or other permits for the development of the Property.

7. No Monetary Damages. The Parties acknowledge that City would not have entered into this Agreement, nor any amendment thereto, had it been exposed to monetary damage claims from the Owners, or their successors, or assigns, for any breach thereof except as set forth herein. As such, the Parties agree that specific performance, as may be determined through the Kanab City land use administrative appeals process (the final decision of which is subject to review by a court of competent jurisdiction) is the only intended remedy for any breach of this Agreement. Accordingly, the Parties waive all other remedies in law or equity, including monetary damages (e.g., actual, future, and speculative damages, including economic, special, punitive, or other monetary damages).

- a. In the event of a dispute over or relating to the terms of this Agreement, or any amendment thereto, or any Party's performance under the same, the Parties in any action or proceeding brought in connection with such dispute or the enforcement of this Agreement and any amendment thereto shall cover their or its own costs, including reasonable attorney fees, whether incurred in litigation or otherwise.
- b. In the event that a dispute over or relating to the terms of this Agreement or any amendment thereto are resolved short of a final contested decision by a court of competent jurisdiction, the Parties shall cover their or its own costs, including reasonable attorney fees, whether incurred in litigation or otherwise. The Parties agree that an advisory opinion rendered by a representative of the Utah Property Rights Ombudsman, while potentially helpful in reaching a resolution to a dispute between the Parties, shall not be considered grounds for awarding attorney fees.

8. Governmental Immunity. The City is a governmental entity under the Governmental Immunity Act of Utah, Utah Code §§ 63G-7-101 et seq. (the "Immunity Act"). The City does not waive any defenses or limits of liability available under the Immunity Act and other applicable law. The City maintains all privileges, immunities, and other rights granted by the Immunity Act and all other applicable laws. Nothing in the Development Agreement or any amendment thereto should be interpreted as a waiver of the City's privileges, immunities, and other rights granted by the Immunity Act and all other applicable laws.

9. The Owners shall provide improvement completion assurances and improvement warranties for public infrastructure improvements authorized in Utah Code, Title 10, Chapter 9a, and as outlined and required in Kanab City ordinances.

10. Binding on the Property. This Agreement shall be recorded against the Grantor's property thereby putting future prospective purchasers on notice as to the terms and provisions contained herein. The obligations contained within this Agreement shall run with the Property, binding all successors, heirs, and assigns of the Property.

11. No Third-Party Beneficiary. This Agreement is made for the sole protection and benefit of the Grantor and the Grantee and their assigns. No other person shall have any right of action based upon any provision of this Agreement whether as third-party beneficiary or otherwise. It is specifically understood by the Parties that: (i) all rights of action and enforcement of the terms and conditions of the Development Agreement shall be reserved to the Owners and the City, and their assigns; (ii) the development of the Property is a private development; (iii) the City has no interest in or responsibilities for or duty to third parties concerning any improvements to the Property; and (iv) the Owners shall have the full power and exclusive control of the Property, subject to the obligations of the Owner as set forth in this Agreement.

12. Notices. All notices and communications required by or pertaining to the Development Agreement shall be sent to the Parties at the following addresses:

Kanab City
Attn: City Manager
26 North 100 East
Kanab, Utah 84741

Matthew A. Alldredge
Vanesa I. Alldredge
176 West 300 South
Kanab, Utah 84741

13. Counterparts. This Agreement may be executed in any number of duplicate originals or counterparts, each of which when so executed shall constitute in the aggregate but one and the same document.

14. Waiver. No waiver of any of the provisions of this Agreement shall operate as a waiver of any other provision regardless of any similarity that may exist between such provisions nor shall a waiver in one instance operate as a waiver in any future event. No waiver shall be binding on Grantee or the Grantor, unless executed in writing by the waiving party.

15. Reasonableness. Except as otherwise stated to the contrary in this Agreement, when the consent, approval, or agreement of Grantor and/or the Grantee is

required or contemplated under this Agreement, such consent, approval, or agreement shall not be unreasonably withheld, conditioned, or delayed; provided, this provision shall not bind the Grantee with respect to its legislative actions.

16. Time of the Essence. Time shall be of the essence with respect to the duties imposed on the parties under the Development Agreement, and any amendment thereto. Unless a time limit is specified for the performance of such duties each party shall commence and perform its duties in a diligent manner in order to complete the same as soon as reasonably practicable.

17. Hold Harmless. The Owners and the City agree to and shall hold City, its officers, agents, employees, consultants, special counsel, and representatives harmless from liability for damages, just compensation, restitution, or judicial or equitable relief that may arise from or are related to any activity connected with the development of the Property, including approval of the development activity, this Agreement, and any amendment thereto; the direct or indirect operations of the Owners or their contractors, subcontractors, agents, employees or other persons acting on its behalf which relates to the development of the Property; or which arises out of claims for personal injury, including health, and claims for property damage.

- a. The hold harmless agreement of Owners, their successors, heirs, and assigns, shall not be applicable to any claim arising by reason of the willful acts or intentional tort actions of the City or relative to any directly related breach by the City of its obligations under this Agreement.
- b. City shall give written notice of any claim, demand, action, or proceeding which is the subject of the Owners' hold harmless agreement as soon as practicable but not later than thirty (30) days after the assertion or commencement of the claim, demand, action, or proceeding. If any such notice is given, the Owners shall be entitled to participate in the defense of such claim. Each party agrees to cooperate with the other in the defense of any claim and to minimize duplicative costs and expenses.

18. Applicability of State Law and Kanab City Ordinances.

- a. This Agreement and any amendment thereto shall be governed by the laws in the State of Utah.
- b. All provisions of State Law and the City ordinances shall be applicable to the development of the Property, except to the extent this Agreement or any amendment thereto is more restrictive than State Law or modifies provisions of City ordinances.
- c. This Agreement and any amendment thereto does not exempt nor override any procedure, process, necessary approvals, design standards, provision of applicable State law, building code, fire code, or Kanab City ordinance (e.g.,

General, Land Use, and Subdivision) except where specifically outlined, and as permitted by law.

- d. The Owners shall be entitled to application of the relevant local ordinances, laws, and fees in effect at the time a complete application is submitted, except as outlined or restricted herein.
- e. The Owners shall submit the necessary application(s) with requisite supporting documentation and plans, preliminary and final if required, for administrative consideration and approval. For administrative applications, the City shall approve such application(s), site plan(s), plat(s), etc., if such items meet the standards and requirements outlined in applicable State Law and local ordinances, or as provided in this Agreement.
- f. The Parties agree, intend, and understand that the obligations imposed by this Agreement and any amendments thereto are only such as are consistent with state and federal law. The Parties further agree that if any provision of the Development Agreement, or any amendments thereto, becomes, in its performance, inconsistent with state or federal law or is declared invalid, the Development Agreement and any amendment thereto shall be deemed amended to the extent necessary to make it consistent with state or federal law, as the case may be, and the balance of this Agreement shall remain in full force and effect. If the City's approval of the development of the Property is held entirely invalid by a court of competent jurisdiction, this Agreement shall be null and void.

19. Reserved Legislative Powers. Nothing in this Agreement or any amendment thereto shall limit the future exercise of the police powers of the City in enacting zoning, subdivision, development, growth management, platting, environmental, open space, transportation, and other land use plans, policies, ordinances, and regulations after the date of this Agreement. This Agreement and any amendment thereto are not intended to bind a future governing body of the City to a specific legislative decision. Notwithstanding the retained power of the City to enact such legislation under its police power, such legislation shall not modify the Owners' rights as set forth within this Agreement or any amendment thereto, unless facts and circumstances are present that meet the compelling, countervailing public interest exception to the vested rights doctrine as set forth in *Western Land Equities, Inc., v. City of Logan*, 617 P.2d 388 (Utah, 1988), or successor case law or statute. Any such proposed change affecting the Owners' rights shall be of general application to all development activity in the City. Unless the City declares an emergency, the Owners shall be entitled to prior written notice and an opportunity to be heard with respect to the proposed change and its applicability to the Property.

20. Incorporation of Recitals. The foregoing recitals are true and correct and hereby incorporated by reference as part of this Agreement.

21. The Parties each warrant and acknowledge that (i) they have read and understood the terms of this Agreement; (ii) they have had the opportunity to retain legal counsel of their choice throughout the negotiations that preceded the signing of this Agreement; and (iii) they have entered into this Agreement for reasons of their own and not based upon representations of any other party hereto.

22. The Owners' Acknowledgment.

- a. The Owners acknowledge that they have been sufficiently advised orally and in writing by the City (including by way of this Agreement) of any and all rights "under clearly established state law" to which the Owners are entitled but conceding and giving up by way of entering into the Development Agreement, and will therefore be estopped from a future related claim, including claims brought under Utah Code § 10-9a-532(2)(c) (i.e., claim of undisclosed or unknown right forfeited through this Agreement). [If a term of this Agreement could be interpreted or constructed to abridge the rights of the Owners or seen in a light less favorable to the Owners, it should be considered as notice of a possible if not an outright concession or abridgment of the Owners' "clearly established" statutory right(s).]
- b. Owners further acknowledge that this Agreement is not a condition for the development of the Property but has been requested by the Owners for the purpose of acquiring sewer services to the Property, this Agreement being a requirement due to the unique circumstances of the Property. Owners acknowledge there are other avenues for developing the Property without entering into this Agreement.

23. Entire Agreement. This Agreement represents the entire agreement of the Parties. All other agreements regarding the subject matter addressed herein are merged into this Agreement, which cannot be modified except by written consent of all Parties.

[Signatures on the following pages.]

IN WITNESS WHEREOF, this Agreement has been executed by the Grantor and by Kanab City, acting by and through its City Council by duly authorized persons as of the ____ day of _____, 2024.

GRANTOR:

Matthew A. Alldredge

Vanesa I. Alldredge

STATE OF UTAH)
 ss.
COUNTY OF KANE)

On the ____ day of _____ 2024, personally appeared before me Matthew A. Alldredge and Vanesa I. Alldredge, whose identity is personally known to or proved to me based on satisfactory evidence, and who, being by me duly sworn (or affirmed), did say and each duly acknowledged to me that they executed the foregoing document.

Notary Public

GRANTEE:

By: _____
Colten Johnson, Mayor
KANAB CITY

STATE OF UTAH)
 ss.
COUNTY OF KANE)

On the ____ day of _____ 2024, personally appeared before me Colten Johnson, Kanab City Mayor, whose identity is personally known to or proved to me based on satisfactory evidence, and who, being by me duly sworn (or affirmed), did say that she did duly acknowledge to me that she executed the foregoing document.

Notary Public

Mayor
Colten Johnson
City Council
Arlon Chamberlain
Scott Colson
Chris Heaton
Boyd Corry
Peter Banks



City Manager
Kyler Ludwig
City Attorney
Kent Burggraaf
City Recorder
Celeste Cram
City Treasurer
Danielle Ramsay

DATE: January 23, 2024
TO: Mayor and City Council
SUBJECT: Cemetery Policies
PREPARED BY: City Manager, Kyler Ludwig

Background:

In FY2022 the Kanab Cemetery adjusted boundaries and had a plan for expansion engineered. The Plan includes over 1,000 new cemetery plots on the west side of the Kanab Cemetery. The cost estimated for this project is approximately \$900,000 (fence, grading/excavation, irrigation, and new road).

On August 18, 2023 the Council discussed options to extend the life of our current cemetery by creating policies on double-deep burials and the number of cremains allowed within a plot. The consensus of the council was for staff to bring back a draft policy

	Right to Burial Sold	Burials
2023	33	56
2022	37	42
2021	52	44
2020	29	42
2019	16	49

Analysis:

Double Deep Burials – Allow residents to buy one plot that could be used for two individuals. The first casket is buried 7-8 feet with the second set above the first. The current policies limit one individual per plot.

Cremation– Cremation is building in popularity, and updating the City’s policies currently only allow one creation per grave. The proposed ordinance would allow multiple cremains on each plot (up to 4 per grave).

Grave Markers- The policies currently don’t allow footstones in the cemetery. The staff proposed policy would allow for flat foot markers on graves.

– A Western Classic –

The proposed policy also addresses the transfer of graves following an individual's death.

Legal:

Pending Legal Review

Financial:

An adjustment to the Fee Schedule is anticipated at the next City Council Meeting.

Recommendations/Actions: It is recommended the City Council:

Motion to approve Ordinance _____ an ordinance updating Section 8, Municipal Property of the Kanab General Ordinances.



ORDINANCE NO. _____ O
AN ORDINANCE AMENDING KANAB CITY GENERAL ORDINANCE
SECTION 8, MUNICIPAL PROPERTY

WHEREAS, the City Council has found a need for clarification, modification, and certain additions to Section 8, Municipal Property;

WHEREAS, the Kanab City Council met during its regularly scheduled meeting on January 23, 2024, to consider, among other things, amending the Kanab City General Ordinances, Section 8, Municipal Property.

NOW, THEREFORE, BE IT ORDAINED by the Kanab City Council that the Kanab General Ordinance is hereby amended as reflected in the ____page(s) attached hereto.

Authorizing staff to make additional grammatical, formatting, and other non-substantive corrections.

All former ordinances or parts thereof conflicting or inconsistent with the provisions of this Ordinance or of the Code hereby adopted are hereby repealed. The provisions of this Ordinance shall be severable, and, if any provision thereof or any application of such provision is held invalid, it shall not affect any other provisions of this code or the application in a different circumstance.

This ordinance shall be effective upon the required posting.

PASSED AND ORDERED POSTED this 23rd day of January, 2024.

KANAB CITY

ATTEST:

MAYOR

RECORDER

VOTING:

Boyd Corry	Yea__Nay__
Peter Banks	Yea__Nay__
Arlon Chamberlain	Yea__Nay__
Scott Colson	Yea__Nay__
Chris Heaton	Yea__Nay__

POSTED the ____ day of _____, 2024, as certified by the Recorder: _____.
RECORDER

KANAB

General Ordinances

Section 8: MUNICIPAL PROPERTY

Section 8-102	Disposal of a Significant Parcel of Real Property
Section 8-110	Control of Municipal Property
Section 8-111	Unlawful use
Section 8-113	Franchise
Section 8-114	Acts Exempted
Section 8-115	City Parks
Section 8-116	City Park Reservation
Section 8-200	Cemeteries
Section 8-201	Definitions
Section 8-202	The Name
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Section 8-220	Regulations of Cemetery and Burials
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Section 8-227	Sale Subject to Rules
Section 8-228	Care Reserved
Section 8-229	Orders and Responsibilities For Errors
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Section 8-231	Children
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Section 8-233	Decorum
Section 8-234	Injury to Cemetery Property Prohibited
Section 8-235	Landscaping By Private Persons
Section 8-236	Placement of Markers
Section 8-237	Additional Rules and Regulations
Section 8-240	Fees and Charges
Section 8-241	Collection of Fees
Section 8-242	Fee to be Paid For Opening Grave

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General Ordinances

Section 8: MUNICIPAL PROPERTY

Section 8-243	Purchase Price and Fees
Section 8-250	Sale of Lots
Section 8-251	Sale
Section 8-252	Restrictions of Resale
Section 8-260	Perpetual Care
Section 8-261	Contracting For Perpetual Care
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Section 8-500	Airports
Section 8-501	Creation and Establishment of an airport Advisory Board
Section 8-502	Term of Office
Section 8-503	Vacancies and Removals For Cause
Section 8-504	Compensation
Section 8-505	Officers
Section 8-506	Quorum and Vote
Section 8-507	Employees: Expenditures
Section 8-508	Duties and Responsibilities
Section 8-509	Review by City Council

Section 8-102 Disposal of a Significant Parcel of Real Property

Commented [JS1]: This is dictated by state code 10-8-2

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Section 8: MUNICIPAL PROPERTY

- (a) Before the City may dispose of a significant parcel of real property, the City shall:
 - i) provide reasonable notice of the proposed disposition at least 14 days before the opportunity for public comment; and
 - ii) allow an opportunity for public comment on the proposed disposition.
- (b) "Significant parcel of real property" means any land and anything growing on, attached to, or erected on it, excluding anything that may be severed without injury to the land, owned by the City.
- (c) "Reasonable notice" means publishing notice of a public hearing, along with a general description of the significant parcel of real property being disposed of, in a newspaper of local circulation fourteen (14) days prior to the public hearing concerning the disposition.
- (d) The City Council shall take whatever steps are necessary to ensure, to the best of its ability, that the City obtains fair market value for any significant parcel of real property disposed of by the City.

Section 8-110 Control of Municipal Property

Section 8-111 Unlawful use

Unless authorized by permit or other written authorization issued by the municipality or unless authority is granted by provisions of this code or other ordinance of the municipality now or hereafter enacted, it shall be a class B misdemeanor for any person to:

A. Construct, lay, excavate, erect, operate or maintain over, under, across, in or through any property owned or controlled by this municipality any utility, canal, ditch, construction or building.

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B. Enter upon any property of this municipality contrary to posting or marking restricting or prohibiting use of the area.

C. Intentionally use of perform acts upon property of the municipality which materially impairs, alters, or damages the property.

Commented [JS2]: Too vague.

Section 8-113 Franchise

A. The governing body may grant to any person a franchise or easement on such terms and conditions as it deems reasonable, for the purpose of entering upon, constructing, building, operating and maintaining any business or for other use of the property of this municipality, and the provisions of sections 8-111 shall not apply to the extent such provisions are waived, qualified or made inapplicable to the rights or privileges granted in the franchise ordinance or easement.

B. Any franchise or easement granted by this municipality shall be in writing and any franchise or easement not in writing shall be void.

Section 8-114 Acts Exempted

It shall not be a violation of this part where any person uses the public property of this municipality in the manner or for the purpose or purposes for which such property has been made available for public use.

Section 8-115 City Parks

A. The Kanab City Park shall be closed to the public at 11:00 p.m. daily. The City Park will be open to the public at 6:00 a.m. each day of the week.

B. It shall be unlawful for any person to be in the City Park or any vehicle to be parked in the City Park or on the street adjacent to the City Park, between the hours of 11:00 p.m. and 6:00 a.m. daily, except as provided in this ordinance.

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C. The chief of police may issue permits allowing individuals to remain in the City Park past the 11:00 p.m. closing hour. Such permit shall also allow such individuals to park their vehicles in the City Park or on adjacent streets. This procedure is given to allow the law enforcement officials adequate notice to provide their services to patrons using the City Park during the late night hours.

D. The City Park shall be considered as that portion of the City of Kanab lying within the following described boundaries: from the corner of Main Street and 405 North, east to 100 East, then north to the Squaw Trail Street and then south to the point of beginning.

E. Any violation of this section shall be punished as an infraction.

Section 8-116 City Park Reservation

A. Any individual, group, or other organization may reserve the resources of the City Park for the use and enjoyment of their group or organization, for a period of time not exceeding 5 hours.

B. Any adult representative of the group or other organization desiring to reserve the City Park may do so by filling out a reservation application as provided by the City Office, and by paying any fee as indicated in the City's adopted fee schedule.

C. The City Clerk shall maintain a reservation calendar for the City Park and will approve such reservations as are not in conflict with other City Park reservations on a first come basis, and upon the submission of the signed reservation application and fees.

E. The Chief of Police shall have authority to cancel any reservation if he finds the individual or group is in violation of any of the City Ordinances or

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park restrictions or are otherwise becoming disorderly. The Chief of Police, upon such determination, shall thereby ask the individual or group to remove themselves from the City Park.

Section 8-200 Cemeteries

Section 8-201 Definitions

The following words or phrases shall have the following meanings unless the context otherwise clearly requires:

- A. The terms "lot owner" or "purchaser" and "grave owner or purchaser" shall mean the owner or purchaser of burial privileges or the collateral right of use of any burial lot evidenced by a deed or burial right for a described lot or by proved and recognized descent or devise from the original owner.
- B. The term "lot" shall include the partial lots or single graves in the municipal cemetery.

Section 8-202 The Name

The burial ground of this municipality, shall be known and designated by the name of Kanab City Cemetery.

Section 8-203 Cemeteries Covered

All cemeteries owned and/or maintained by the municipality or which may hereafter be acquired by the municipality wherever situated are hereby declared subject to the provisions of this chapter.

Section 8-210 Cemetery Sexton

Section 8-211 Office of Cemetery Sexton

There is hereby created the position of cemetery sexton.

Section 8: MUNICIPAL PROPERTY

Section 8-212 Duties of Cemetery Sexton

A. The cemetery sexton shall have the general supervision and administration of the municipal cemetery including but not limited to:

1. Recommending to the governing body such additional rules and regulations as may be necessary for the operation, maintenance, use and protection of the cemetery.
2. Subdividing the cemetery into lots and grave sites.
3. Maintaining a record of the location of the graves and preventing any lot from being used beyond its capacity.
4. Keeping in proper repair the enclosure around the cemetery and preventing its being entered by animals and, so far as practical, preventing the destruction or defacing of any tablet or marker placed or erected therein.
5. Keeping a duplicate plat of the cemetery and, at the request of any person wishing to purchase any of the lots or parts of lots, pointing out any of the lots or parts of lots for sale; and upon disposal of any lots or part thereof, notifying the recorder/clerk of such fact. The recorder/clerk shall, after payment of the lot price has been received in the treasury, issue a certificate of burial rights which shall describe the lot or grave to which the right to burial is granted. The certificate shall be signed by the mayor and the recorder/clerk.
6. Opening any graves in the cemetery upon application to him being made by the recorder/clerk or by any person having the right to make such application and being responsible for closing all graves.
7. Removing floral pieces or displays left on any grave as deemed necessary to the appearance of the cemetery, but such floral pieces or displays shall not be removed sooner than 3 days after original placement except in emergency.
8. Keeping the streets, alleys, walks and avenues in the cemetery in good order and unobstructed.

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9. Erecting a suitable marker firmly set upon the northwest corner of each lot with the number of the lot inscribed thereon and which location shall be shown on the cemetery records.

Section 8-220 Regulations of Cemetery and Burials

Section 8-221 Burials

Before any deceased person is buried in the municipal cemetery, a permit properly issued by the registrar of the registration district in which the death occurred or, in the absence of the register, a permit duly issued by the state division of health or other authorized person shall be required by the cemetery sexton. After burial, the cemetery sexton shall endorse upon the permit a description of the location where the deceased is buried and shall enter all of the information contained in the permit in the cemetery records.

Section 8-222 Burial Permit

It shall be unlawful for any person to bury the body of a deceased person in the municipal cemetery without first obtaining a certificate of burial right for the lot used or producing satisfactory evidence of a right to burial based on a properly acquired certificate of burial right.

Section 8-223 Registration of Burials

Before any deceased person may be buried in the municipal cemetery, the relatives or person having charge of the deceased shall provide the recorder/clerk with a written statement which shall be filed by the recorder/clerk, which statement shall contain, if known, information about the deceased regarding his or her name, when and where born, the date and cause of death, the name of the birth parents, date of burial, name of cemetery and the description of the location of the grave.

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Section 8-224 Burials and Disinterment

A. It is an infraction for any person to:

1. Disinter any body buried in any cemetery, except under the direction of the cemetery sexton who shall, before disinterment, require a written permission from both the municipal health officer and the owner of the lot or his or her heirs, which written authorization shall be filed and preserved in a record kept for such purposes.

2. Disinter or remove the body of a person who has died from a contagious disease within two years after the date of burial, unless the body was buried in a hermetically sealed casket or vault and is found to be so incased at the time of disinterment.

B. It is an infraction to inter anything other than the remains of the human bodies in cemeteries.

C. It is an infraction to bury the body of any person within this municipality except in the municipal cemetery or a private cemetery, unless by special permission of the governing body under such rules and regulations that it may prescribe.

Section 8-225 Vaults Required

A. Unless in writing waived by the cemetery sexton, it shall be unlawful for any person to be buried in the cemetery unless the casket shall be placed in a vault made of concrete, fiberglass, steel, or brick-lined or of such other material approved by the governing body, substantially constructed and covered with a similar durable material with the exception of cremation burials. Cremation burials must be in a solid container, such as plastic or wood, but concrete is not required.

B. No wood shall be used as a permanent part of the construction of any part of the vault.

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Section 8-226 Religious and Fraternal Organizations

The municipality may contract with religious and fraternal organizations to designate a reasonable portion of the cemetery in which burials may be restricted to members of such religious and fraternal organizations and their families.

Section 8-227 Sale Subject to Rules

Every lot or single grave sold is subject to rules and regulations that have been or may be adopted. The rules and regulations shall be subject to such changes as are found necessary for the protection of lot owners, the remains of the dead and the preservation of the cemetery.

Section 8-228 Care Reserved

The municipality reserves the right to enter upon any grave and to perform all work necessary for the care and upkeep of all lots and graves in its cemeteries.

Section 8-229 Orders and Responsibilities For Errors

Under no circumstances will the municipality assume responsibilities for errors in opening graves when orders are given by telephone.

Section 8-230 Traffic Rules

A. The provisions of the municipal traffic ordinances relative to the operation of vehicles and conduct of pedestrians shall be in effect in the cemetery except as herein otherwise modified by this ordinance.

B. It shall be unlawful for any person to ride or drive within the municipal cemetery at a speed greater than ten miles per hour.

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Section 8-231 Children

Children under the age of 12 years shall not be allowed in cemeteries unless accompanied by their parents or other adults, except for the purposes of attending authorized funerals or, in the company of adults, placing flowers on the grave of a deceased relative or friend, or performing any other customary evidence of respect in accordance with their religious principles.

Section 8-232 Animals Prohibited

No animals shall be allowed in any cemetery except in the confines of a vehicle and must be at all times retained within the confines of said vehicle while the vehicle remains in the cemetery.

Section 8-233 Decorum

Cemetery grounds are sacredly devoted to the interment and repose of the dead. Strict observance of decorum due such a place shall be required of all persons.

Section 8-234 Injury to Cemetery Property Prohibited

A. It is a class B misdemeanor for any person to tie or attempt to tie any horse, animal, or motor vehicle to any monument, gravestone, tablet, marker, tree, shrub, fence, or enclosure on the premises of the cemetery for the purpose of injuring, defacing, or attempting the removal of same.

B. It shall be a class B misdemeanor for any person to injure, deface, break, destroy or remove any headstone, tombstone, monument, tree, shrub or any other property in the cemetery.

Section 8-235 Landscaping By Private Persons

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Except as provided by the rules and regulations of the governing body, it shall be unlawful for any person to erect or maintain any fence, corner post, coping or boundary of any kind, to plant any vegetation upon any lot or lots, street, alley, or walk in the cemetery or to grade the ground or land thereof. The cemetery sexton shall, whenever required, furnish the true lines of any lots according to official survey, shall prevent and prohibit any markings of the same except by official landmarks, and shall prevent and prohibit any grading thereof that might destroy or interfere with the general slope of the land.

Section 8-236 Markers and Monuments

- A. Grave Markers shall either be flush with the ground or at least twelve inches in height or higher, but not to exceed four and a half feet (54 inches) total height, except on Graves 5,6,7,8 of a plot they shall be flush with the ground. ,
- B. Grave Markers shall have a finished grass-level stone or cement base (mow strip) extending outward from the outer perimeters of the stone or metal marker for at least four inches. ,
- C. The combined length of the mow strip and grave marker shall not exceed 40 inches for a single headstone, eighty inches for a double headstone. ,
- D. The inscription with the names of the deceased on all grave markers or monuments shall be positioned on the stone or metal so that a person may be able to read it when facing east. ,
- E. The installation of all grave markers or monuments shall be under the supervision of the Cemetery Sexton. ,
- F. A notice to Kanab City by the Monument Company or responsible party shall be given 24 hours prior to the installation. ,
- G. It shall be unlawful for any person to erect, place, or cause to be placed any marker or monument on any lot in cemetery in violation of the rules and regulations promulgated by the governing body regarding the placement, construction and design of all such markers.

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Section 8: MUNICIPAL PROPERTY

Section 8-237 Additional Rules and Regulations

- A.** The governing body may promulgate by resolution such additional rules and regulations concerning the care, use, operation, and maintenance of the cemetery as it shall deem necessary.
- B.** The mayor may from time to time as the governing body deems necessary direct and publish a booklet of rules and regulations for the convenience of the purchasers of lots in the municipal cemetery. Such rules and regulations shall constitute a part of the terms and conditions under which owners and users may utilize the cemetery and shall form a supplement to this ordinance after they have been adopted as official by resolution of the governing body.
- C.** Any changes in the rules and regulations shall be adopted by the governing body before such changes shall be official.

Section 8-240 Fees and Charges

Section 8-241 Collection of Fees

The recorder/clerk, and such other persons as the governing body may designate, are hereby authorized and required to collect in advance prices and fees for the opening and closing of graves or other services which shall include but not be limited to properly disinterring bodies and properly restoring the earth and grounds, recording each burial, disinterment or removal, and raised monument privileges. The fees shall be such amount as are determined by the governing body from time to time by resolution.

Section 8-242 Fee to be Paid For Opening Grave

- A.** No grave shall be opened in the municipal cemetery until payment of a fee for the labor and expense in so opening the grave shall be paid.

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B. The presentation of a receipt from the recorder/clerk or person designated by the governing body when presented to the cemetery sexton, shall be authority to open grave for the burial of a deceased person. However, upon a contract being entered into between any mortician and the municipality wherein the mortician agrees to be responsible and liable for fees for the opening of a grave, and wherein that mortician will be personally liable for such fees and for perpetual care payments, the recorder/clerk or authorized person may give the cemetery sexton authority to open graves without the presentation of a receipt from the recorder/clerk or authorized person.

Section 8-243 Purchase Price and Fees

The governing body shall from time to time by resolution fix the size of lots, the price at which burial rights shall be sold and the fees which shall be charged for the various cemetery services to be provided.

Section 8-250 Sale of Lots

- A. Standard Single lots are available for purchase. A lot is 4 feet, 1 ½ inches wide and 8 feet, 3 inches in length.
- B. Double deep lots are available for purchase. This position is the same as a Standard Single Lot position. The vault of the first deceased is placed below the vault of the last deceased. Once interred, the first burial is not to be disinterred to change the position of the vaults.
- C. Cremation lots are available for purchase. Cremation lots are 2 feet wide and 3 feet in length.
- D. Up to four cremations may be placed in one Standard Single lot, with the applicable burial fee charged for each fee. However, only one headstone or marker per grave is allowed. When a cremation is placed on top of an existing burial, an additional flat monument marker may be placed on the lot to mark the location of the cremated remains.
- E. One casket buried at normal depth, with up to two containers of cremated remains buried above the casket – one buried under the

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headstone for the casket and one buried with a separate headstone halfway between the headstone for the casket and the end of the casket.

Section 8-251 Sale

A. The recorder/clerk, and such other person as the governing body may designate, are hereby authorized to sell the use of lots in the municipal cemetery for burial purposes only and to collect all sums arising from the sale. The recorder/clerk or designated person shall deliver to each purchaser a certificate of burial rights for each lot purchased, which certificate shall, among other things, describe the location of the lot, the purchase price, and the type of maintenance services which are to be provided, e.g., perpetual care, prepaid continued maintenance, or currently paid services.

B. A certificate and rights to burial shall be exempt from execution, taxation or assessment for care and maintenance from and after full payment for cemetery services other than perpetual care or prepaid maintenance.

C. Perpetual care or prepaid continued maintenance shall be deemed to include the filling of the grave, the placing of top soil upon the grave, seeding the grave with grass, and watering and cutting the grass. No other services are included.

D. No other improvements, changes, or service, except perpetual care or prepaid continued maintenance shall be made on any lot without the certificate holder or his heirs first submitting to and receiving from the cemetery sexton, written approval for such improvements, changes or services, which improvements, changes or services shall be subject to the rules and regulations promulgated by the governing body.

Section 8-252 Restrictions of Resale

A. From and after November 1 1978, the lots sold by this municipality shall not be further sold, transferred, conveyed or assigned to any person except the municipality. The municipality hereby agrees to buy back any municipal

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cemetery grave lot which it may hereafter sell. The purchase of such lots shall be for the original price paid by the purchaser, or the current selling price of the lot, whichever is less.

B. Whenever a certificate to burial rights or lots reverts to the municipality, as provided for in this part, or becomes vested in the municipality for any reason, before new certificates are issued, the original certificate shall be canceled or an assignment given, and the record shall be so changed.

C. The certificates shall be issued and signed by the mayor and shall be attested by the recorder/clerk. All lots or parts of lots, as provided in this section, together with all improvements, shall be exempt from execution and from taxation and assessment for care and maintenance charges from and after said payment.

D. While alive, the individual named in the certificate of burial right must consent in writing to the burial of any other remains in the burial lot identified therein. Once the individual named in the certificate of burial right has passed away, the burial of any other remains in the burial lot identified therein may be allowed by (1) the surviving spouse of the individual named in the certificate of burial right or (2) if no spouse survives, a designee listed in the Certificate of Burial or Executor of the Estate.....

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Section 8-260 Perpetual Care

A. No grave shall be hereafter opened in the cemetery of this municipality until perpetual care upon the lot where the grave is to be opened is paid.

D. The fee for the annual maintenance and care of cemetery lots shall be that which is set by the City's adopted fee schedule . The fee shall continue to be paid until such time as a further or additional interment shall be made on the lot, at which time the provisions of this subject relating to perpetual care and maintenance and to payment of fees and costs pertaining thereto shall take effect and apply.

Commented [JS3]: The city currently only provides the option to pay up front, due to bookkeeping process.

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Section 8-262 Care Included

The essential perpetual care that the municipality agrees to give shall consist of care of the cemetery generally, and shall include, but is not limited to, mowing of all lots and graves at reasonable intervals, resodding, seeding, and filling in sunken graves, sodding the surface of the graves to lot level, removing dead flowers and trimming trees and shrubbery when necessary, raking and cleaning the lots and straightening of tilting stones or markers, but shall not include repairing or replacing markers or memorial structures of any nature, except when the need for repair or replacement is directly caused by the municipality.

Section 8-270 Perpetual Care Fund

Section 8-271 Perpetual Care Fund Created

A. There hereby is established a perpetual care fund according to the laws of the state of Utah and this chapter. All funds received from the sale of perpetual care services shall be placed in a special perpetual care fund, invested in compliance with the laws of the state of Utah and used for the purposes herein provided.

B. The income from the perpetual care fund shall be used to pay the upkeep and development of the cemetery. The municipality may borrow from the fund from time to time, but any funds borrowed shall be repaid to the fund with interest thereon at the prevailing rate paid by the municipality to borrow funds from commercial lenders.

C. If the municipality borrows from the fund, it shall pay into a fund for the operation of the cemeteries the interest accrued upon money annually. Should it be found that the interest returned upon the perpetual care funds shall be more than is required to pay for the operation and upkeep of the municipal cemetery, then the surplus shall be added to the principal amount of the perpetual care fund herein created, and shall be so handled until changed by resolution to provide for the use of such accumulated interest.

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Section 8-272 Duties of Treasurer

It shall be the duty of the treasurer to keep an accurate record of the perpetual care trust fund account, including investments, to see that the principal portion thereof is properly invested in accordance with resolutions of the governing body and the laws of the state of Utah, and to advise the mayor when funds are available for investment in the amount of \$1,000 or more. The mayor shall advise the governing body of the availability of such funds.

Section 8-273 Duty of Governing body

It shall be the duty of the governing body when funds are available for investment to direct by resolution all purchases of securities for the perpetual care fund or to name a suitable trustee for such investment.

Section 8-274 Income

All income from investments held in the perpetual care fund shall be quarterly credited to the cemetery maintenance fund for use in providing the perpetual care as required herein.

Section 8-280 Non-perpetual Care Lots

Section 8-281 Maintenance Charges on Lots without Perpetual Care

A. Every lot for which perpetual care has not been purchased and with reference to which the owner has established a right to directly provide for maintenance and care, notwithstanding the provisions of section 8-288, shall be maintained and cared for to the extent and in accordance with the standards established by the governing body for care and maintenance of all lots of the cemetery.

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B. In the event that the owner fails to provide the requisite care and maintenance for non-perpetual care lots, the cemetery sexton shall furnish care and maintenance at rates established by the governing body.

C. All such charges shall become a personal liability of the owner of the lots and, in addition thereto, shall constitute a lien against the lots upon the basis of which the governing body may cause the burial rights therein to be forfeited and said rights to revert to the municipality.

Section 8-282 Reversion of Nonpaying Lots

A. When any owner of any lot or portion of a lot in the cemetery shall have failed to pay the cost of services rendered by the municipality or its employees in watering, beautifying, maintaining or caring for any lots or portions thereof in the municipal cemetery for which perpetual care has not been purchased in accordance with the provisions of this chapter, and such failure to pay has continued for a period of six months, the municipality may pursue collection of such costs in a court of law. A court action may be pursued for the purpose of seeking judgment against the owner and thereafter attaching any of the assets of the owner including an attachment of the lots or portions of lots upon which the owner has failed to make payment for maintenance service.

B. As an additional remedy, or in lieu of seeking collection in a court of law, the municipality may cancel the owner's certificate or deed representing rights to burial on the unoccupied lots or portions of lots and causing ownership of lots or portions thereof to revert back to the municipality by following the procedure set forth in this part.

Section 8-283 Procedure for Termination of Cemetery Lot Rights; Sale of rights to Burial

A. By way of resolution, the municipality may demand that the owner of a lot, site, or portion of a municipal cemetery file with the city recorder notice

General Ordinances

Section 8: MUNICIPAL PROPERTY

of any claim to the lot, site, or parcel if it has been unused for burial purposes for more than sixty (60) years.

B. After passing the resolution, the municipality must serve notice on the owner that the owner must, within sixty (60) days after service of the resolution, express interest in maintaining the cemetery lot, site or parcel and submit satisfactory evidence of an intention to use the lot for a burial.

C. Service on the owner must be accomplished by personal service of a copy of the resolution in the same manner as personal service of process in a civil action. If the owner cannot be served personally with a copy of the resolution, then notice shall be published for three (3) successive weeks in a newspaper of general circulation within the county and in accordance with Utah Code 45-1-101 for three weeks a copy of the resolution shall be mailed within fourteen (14) days after the first publication to the owner's last known address, if available.

D. If the owner or person with a legal interest in the cemetery lot fails to state a valid interest within 30 days of the last day of service or publication, the owner's rights are terminated and that portion of the cemetery shall be vested in the municipality.

Commented [JS4]: Changed to comply with Utah Code 8-5-6

E. The owner, grantee, or person claiming through the grantee shall have the right, upon presentation of the certificate of title or right to burial to the municipality, for any lot which has been reverted to the municipality, to one of the following at the option of the municipality:

- (1) Compensation for the lot at the reasonable value of the lot as of the date the certificate is presented to the municipality;
- (2) Receipt of a right to burial in another lot if the right to burial or title to the lot has been sold by the municipality; or
- (3) Receipt of a right to burial to the lot if the municipality has not sold the right to burial to the lot.

The municipality shall first collect unpaid perpetual care charges from a person claiming title or the right to burial.

General Ordinances

Section 8: MUNICIPAL PROPERTY

F. The municipality shall sell only the right to be buried in municipal cemeteries.

Section 8-290 Indigents

Section 8-291 Burial of Indigents

A. The governing body may by resolution designate a portion of the municipal cemetery to the burial of indigents. Whenever it is made to appear to the mayor by proof submitted to him by the recorder/clerk that any person who has died does not have an estate sufficient to pay the purchase price of a lot in the cemetery, the mayor shall decide whether to provide the burial lot and costs free of charge.

B. The mayor shall communicate his decision to both the recorder/clerk and the cemetery sexton. The mayor shall give report of his decision, whether affirmative or negative, to the governing body at its next regular meeting. All strangers without funds or other persons who may die in the municipality may be granted the privilege granted herein.

Commented [JS5]: (18) "Indigent" means that a person's income falls below the federal poverty guideline issued annually by the U.S. Department of Health and Human Services in the Federal Register.53-3-102, driver's license act

Or for legal council: "Indigency" means that a person:
(i)

Deleted: .

Commented [JS6]: Pleasant Grove: 7-3-20: BURIAL OF INDIGENT PERSONS: Such lots as the city council shall from time to time designate shall be reserved for the burial of indigent persons. (Ord. 2009-8, 3-17-2009) A portion of the cemetery may be designated for the burial of indigents. Whenever it is determined by the City Administrator that any resident of Pleasant 7 Grove who has died, who does not have funds or an estate sufficient to pay the cost of a burial right in the cemetery, and whose nearest relative or representative desires to have the body of such deceased interred in the cemetery, the City Administrator may grant a burial right for such deceased person at no cost. All strangers without known relatives or funds who die in the City may be accorded the same privilege.

Heber City 2.24.320 Burial Of Indigents

The City may designate a portion of the City cemetery for the burial of indigents. Whenever it is made to appear by proof submitted to the City Manager that any person who has died does not have an estate sufficient to pay the purchase price of a lot in the City cemetery, and the nearest relative or representative of such deceased person desires to have the body of such deceased interred in the cemetery, the City Manager may grant burial space for such deceased person. The Sexton shall communicate this decision to the Registrar. All strangers without funds or known relative who may die in the City may be accorded the privilege herein granted if approved by the City Manager. If the City Manager is not available, the Mayor shall be substituted for said absent party.

Provo doesn't have one

Springville: The Director of Buildings and Grounds or his designee shall from time to time designate cemetery plots that shall be used for the burial of indigent persons. Burial of indigent persons in such plots may be approved by the Mayor or City Council.

Mayor
T. Colten Johnson
City Manager
Kyler Ludwig
Treasurer
Danielle Ramsay



City Council
Arlon Chamberlain
Chris Heaton
Scott Colson
Kerry Glover
JD Wright

Kanab City Council Staff Report

File Number 20240116

Date:	January 19, 2023
Meeting Date:	January 23, 2024
Agenda Item:	Approve or deny a text amendment on Chapter 4-21 Private Lanes

Attachments:

- Exhibit A: Proposed Amendment(s)

Summary:

Staff received a request to petition an amendment to the ordinances regarding the width of the private lanes required for road base. Staff, prior to the petition, had already identified a need to amend the requirement for a Conditional Use Permit. It was on the staff's list of future items for the Planning Commission to review.

A public notice was posted on the city's website and on the State Public Notice site January 5th 2024.

Planning Commission:

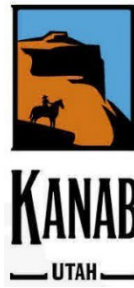
Item was discussed at the January 16, 2024 Planning Commission meeting. Staff went through the petition process, explaining the petition request and confirming a consensus that the Planning Commission would like to review the width of private lanes. After confirmation, staff explained that this section of the Land Use ordinance had already been flagged to come before the Planning Commission regarding the Conditional Use Permit. With the petition staff bumped the item up on the "to do" list. Staff explained the petitioners' requests and amendments and then went over the amendments staff were recommending after their review.

The Planning Commission discussed the amendments at length, the main concerns were the enforcement amendments, the orientation of a residence to the private lane and the width. Comments were updated to exhibit A on the results of the discussion and amendments from the Planning Commission.

The Planning Commission sent a unanimous positive recommendation to the City Council to adopt changes to City code identified in exhibit A of the staff report.

— A Western Classic —

Mayor
T. Colten Johnson
City Manager
Kyler Ludwig
Treasurer
Danielle Ramsay



City Council
Arlon Chamberlain
Chris Heaton
Scott Colson
Kerry Glover
JD Wright

Recommended Motion:

I make a motion to approve the amendments identified in exhibit A of staff report #20240116 and adopt ordinance 1-X-24 O.

Alternative Motion:

I make a motion to approve the amendments identified in exhibit A of staff report #20240116 and adopt ordinance 1-X-24 O, with the following amendments:

— A Western Classic —

Mayor
T. Colten Johnson
City Manager
Kyler Ludwig
Treasurer
Danielle Ramsay



City Council
Arlon Chamberlain
Chris Heaton
Scott Colson
Kerry Glover
JD Wright

Exhibit A: Proposed Amendment

Kanab

Land Use Ordinance

Chapter 04 – Supplementary Regulations

Section 4-21 Private Lanes - Special Provisions

- A. Because it may be in the interest of Kanab City to allow certain residential development without frontage upon public streets and only on a private lane, such approvals may be granted by ~~a conditional use permit recommended by the Planning Commission and approved by the City Council~~ City Council after the Planning Commission recommendation, upon satisfaction of the following conditions:
1. A scale drawing of the proposed private lane and lot shall be submitted in support of an application for approval, together with all other documents required and an agreement to abide by all provisions of this ordinance. The lot shall meet all size and setback requirements of the zone in which the lot is located.
 2. A determination shall be made as to the future width of a dedicated street that may be needed to serve the lot(s), based upon the City Master Plan of streets. If the proposed private lane is not identified as a major or collector street, it shall be improved with a minimum of road base and the improved portion be at least eighteen (18) sixteen (16) feet' wide, be considered to be a future local street. The private lane must meet all requirements of such a class of street, including width. The full length of the private lane is required to be paved if servicing more than three (3) residences.
 3. The applicant for the ~~Conditional Use Permit~~ Private Lane shall record a written agreement to dedicate the private lane at such time as the City shall require dedication. In addition to the dedication of the private lane, the recorded agreement including an exhibit of the scale drawing of the private lane and easement shall include and the property owner's/owners' agreement to dedicate "any additional width required under the City's ordinances for the type of street for which the City is requesting the private lane to be dedicated." The agreement shall be signed by all individuals owning any ~~interest in~~ of the private lane, with a recorded copy being provided to the City.
 4. ~~A~~ public utility and access easement shall be recorded, which includes the full length of the private lane and the full width of the private lane plus the width necessary to meet the class of street as identified in the City's Master Plan. If the private lane is not identified on the City Master Plan, then the easement shall encompass the private lane, plus the width necessary to meet the width requirement for a local street. The easement shall across the private lane between the subject property and the public street or right of way providing provide for installation and maintenance of utility lines and services, emergency vehicle access, ~~and~~ access of City or public personnel or vehicles as may be required in order to carry out the responsibilities of the City and other governmental entities, and access for the potential construction and dedication of an anticipated public street. A recorded copy of the easement shall be provided to the City.

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Commented [KC1]: Kanab City Staff is recommending removing the requirement of a Conditional Use Permit. A private lane isn't a "use". The requirement for residential developments to have street frontage is addressed in other sections of the Land Use ordinance and in the Subdivision ordinance. A Private Lane was an avenue for small developers or local residents to meet the street frontage requirement for small or individual developments, such as, minor subdivisions and parcels that may be land locked.

Commented [KB2R1]: Removed City Council as the ultimate decisionmaker, to be consistent with State law requirements that will be implemented into the subdivision ordinance later this year (eliminating the City Council from the administrative decision process for residential development; the Council's impact and control is through the establishment/modification of the ordinance--a legislative decision).

Commented [KC3]: Amendment recommended by Petitioner.

Kanab City Staff recommends that part of this information remain. The reason for this is if the proposed private lane is not identified as a major or collector street the right-of-way/easement of the proposed lane should still meet a width requirements as determined in our Design Standards for streets. This will ensure that the determination as to the future width of a dedicated street meet our City Standards and #3 if the private lane becomes a dedicated street at a future date.

After speaking with the Kanab City Fire Chief about the potential of having more than one residence accessed by a private lane, he recommends that the private lane is wider in front of the residence and any required fire hydrant down the lane. This recommendation is to allow set up of the emergency equipment and also still allow other emergency vehicles or private vehicles to pass by. He recommends at least a 26 foot width for 100 feet in front of the residence and hydrant, but the private lane can reduce in size to 18' at any other point along the private lane. ... [1]

Commented [KC4]: Planning Commission recommends 16' with out the widening in front of hydrants or residence

Commented [KB5]: Added this phrase to avoid confusion about whether you could just pave the private lane from the third residence to the fourth or fifth residence, and thereby leave the length of the private lane between the first through third residences unpaved (that portion will receive traffic from all five residences—it needs to be paved, under the logic used for paving at all).

Commented [KC6]: Remove the requirement for a Conditional Use Permit as discussed above.

Commented [KB7]: With the narrowing of the private lane requirement, we will need this phrase included in the recorded private lane agreement (agreement to dedicate) in order to avoid a non-conforming street or the necessity for the City to go through and eminent domain process. I would not recommend that the City narrow the private lane below what is required for a potential ... [2]

Commented [KB8]: If where the private lane will be located is not on the City's Master Plan, and is never anticipated to be a City dedicated street (e.g., if the geography/topography would make it impossible to be a through street), then perhaps the recorded easement could be as narrow as a rural road, instead of a local ... [3]

Kanab

Land Use Ordinance

Chapter 04 – Supplementary Regulations

5. The private lane shall be improved with a road base or better surface across such width as ~~the City may, from time to time, determine outlined herein.~~ The driving surface shall be well maintained, and it shall be readily passable by a standard passenger car and emergency vehicles, ~~in relation to its width, smoothness, and compaction.~~
6. Utility lines shall be extended at the cost of the applicant from the public street to the subject dwelling at such size as may be required by the City to serve the applicant or future development in the area. Upon installation and acceptance, the lines on the City side of the meter shall become the property of the City. The City will then assume responsibility for the upkeep and maintenance of the line. No reimbursement contracts will be issued by the City to the property owner for any future connections to any required utility line that may be installed as a part of ~~a conditional use permit~~ the private lane approval approval.
7. Water meters shall be located at the future property line in front of the dwelling. Other meters, such as electricity, shall be located as required by the City.
8. All dwellings shall be no further than two hundred and fifty (250) feet from an approved fire hydrant. If installation of a hydrant is necessary, it shall be done at the expense of the applicant. ~~Dwellings shall be oriented to face the private lane as if the private lane were a dedicated public street.~~
9. A letter of consent and non-opposition to any future improvement district initiated by the City shall be recorded against the land and shall run with the land. The City, at its option, may initiate a special improvement district for the improvement of any private lane approved for use under these conditions.
- ~~9.10. If the paved or required improved surface of a private lane is less than twenty-six (26) feet in width, then there shall be no parking or storage of vehicles, trailers, or equipment on a private lane, except for emergency vehicles. A violation of this ordinance shall be considered an infraction. The recommended fine for a first offense shall be \$150.00 per offense. The recommended fine for a second or subsequent offense shall be \$300 per offense. [These recommended fines may be subsequently adjusted by the Kanab City Fee Schedule.]~~
- B. In the event any private lane is proposed to serve more than one lot, an agreement executed by all holding an interest in the lots shall be recorded providing that each owner shall contribute his pro-rata share of the cost of maintenance and improvement of the private lane, which obligation shall be secured by a lien on the lots. A private lane shall only service up to ~~three-five (53)~~ three-five (53) lots. This agreement shall be enforceable by one or more property owners against one or more of the other property owners, or may be enforced by the City at the City's sole discretion. A recorded copy of the agreement shall be provided to the City.

Commented [KB9]: There may be a better way to phrase this.

Commented [KC10]: Planning Commission recommends to not add this amendment.

Commented [KC11R10]: Staff explained to Planning Commission with out some standards to what is considered "readily passable" this is difficult to enforce.

Commented [KB12]: This will help us avoid issues in the future of non-conforming orientation of a residence, which has the potential to cause other complications.

Commented [KC13]: Planning Commission recommends to strike this from this section.

Commented [KC14R13]: Staff explained to Planning Commission that the orientation of a residence is outlined in other areas of the ordinance and can still be enforced.

Commented [KC15]: Two Planning Commission recommends prior to the fine written notice for voluntary compliance is done (similar to Nuisance Ordinance) with a 30 day timeline. Three Planning Commission would like to see it eliminated.

Commented [KC16R15]: Staff did explain to Planning Commission that the parking of vehicles on a Private Lane can still be enforced under the nuisance ordinance. When done under the nuisance ordinance it would be criminal offense of a Class B or Class C misdemeanor. This recommendation was to lessen the offense to just a fine.

Amendment recommended by Petitioner.

Kanab City Staff recommends that part of this information remain. The reason for this is if the proposed private lane is not identified as a major or collector street the right-of-way/easement of the proposed lane should still meet a width requirements as determined in our Design Standards for streets. This will ensure that the determination as to the future width of a dedicated street meet our City Standards and #3 if the private lane becomes a dedicated street at a future date.

After speaking with the Kanab City Fire Chief about the potential of having more than one residence accessed by a private lane, he recommends that the private lane is wider in front of the residence and any required fire hydrant down the lane. This recommendation is to allow set up of the emergency equipment and also still allow other emergency vehicles or private vehicles to pass by. He recommends at least a 26 foot width for 100 feet in front of the residence and hydrant, but the private lane can reduce in size to 18' at any other point along the private lane.

Kanab city also recommends a minimum thickness requirement for the road base, i.e. 6 inches of road base.

There is a conflict in the Subdivision ordinance and Chapter 4-21 regarding the number of residences that can be accessed with a private lane. Some of the amendments address this conflict.

With the narrowing of the private lane requirement, we will need this phrase included in the recorded private lane agreement (agreement to dedicate) in order to avoid a non-conforming street or the necessity for the City to go through an eminent domain process. I would not recommend that the City narrow the private lane below what is required for a potential future anticipated street, UNLESS they include this phrase here—we don't want to set the City up for having to go through an eminent domain process any time the City wants to convert a private lane to a dedicated public street. That would likely result in private lanes almost never being converted to dedicated public streets, even with an appropriate need, due to the cost and process of eminent domain.

If where the private lane will be located is not on the City's Master Plan, and is never anticipated to be a City dedicated street (e.g., if the geography/topography would make it impossible to be a through street), then perhaps the recorded easement could be as narrow as a rural road, instead of a local road. This language could be added/modified, if desired by the Planning Commission or City Council.

ORDINANCE NO. 1-x-24 O
AN ORDINANCE AMENDING KANAB CITY LAND USE ORDINANCE
Land Use Ordinance – Chapter 4 – Supplementary Regulations

WHEREAS, the Kanab City Planning Commission and City staff have evaluated Chapter 4 – Supplementary Regulations of the current Land Use Ordinance;

WHEREAS, the Planning Commission has found a need for clarification, modification, and certain additions to Chapter 4 of the Land Use Ordinance;

WHEREAS, the Kanab City Planning Commission held a public hearing on January 16, 2024, reviewed, discussed, and then recommended to the Kanab City Council changes to the Land Use Ordinance, Chapter 4, Supplementary Regulations; and

WHEREAS, the Kanab City Council met during its regularly scheduled meeting on January 23, 2024, to consider, among other things, amending the Kanab City Land Use Ordinance, Chapter 4, Supplementary Regulations.

NOW, THEREFORE, BE IT ORDAINED by the Kanab City Council that the Kanab City Land Use Ordinance is hereby amended as reflected in the ____page(s) attached hereto.

All former ordinances or parts thereof conflicting or inconsistent with the provisions of this Ordinance or of the Code hereby adopted are hereby repealed. The provisions of this Ordinance shall be severable, and, if any provision thereof or any application of such provision is held invalid, it shall not affect any other provisions of this code or the application in a different circumstance.

This ordinance shall be effective upon the required posting.

PASSED AND ORDERED POSTED this 23th day of January, 2024.

KANAB CITY

ATTEST:

MAYOR

RECORDER

VOTING:

Boyd Corry	Yea ___ Nay ___
Peter Banks	Yea ___ Nay ___
Arlon Chamberlain	Yea ___ Nay ___
Scott Colson	Yea ___ Nay ___
Chris Heaton	Yea ___ Nay ___

POSTED the ____ day of _____, 2024, as certified by the Recorder: _____.
RECORDER

Mayor
Colten Johnson
City Council
Arlon Chamberlain
Scott Colson
Chris Heaton
Kerry Glover



City Manager
Kyler Ludwig
City Attorney
Kent Burggraaf
City Recorder
Celeste Cram
City Treasurer
Danielle Ramsay

KANAB

—UTAH—

DATE: January 23
TO: Mayor and City Council
SUBJECT: SCB's Purchase
PREPARED BY: Kanab Fire

Background:

In 2015, Chief Decker approached the City Council for the purchase of SCBAs and agreed to exhaust all other options including grants, receiving used packs from other departments, and repairing our current packs to the point where they can no longer be repaired before asking the tax payers of Kanab to come up with the funds to purchase new packs. In the last 9 years, we have exhausted every option and spent many hours attempting to make due with our SCBAs, including writing for grants we were not awarded and repairing packs that were near expiration with the help of the pack manufacturer. We were fortunate enough to receive surplus packs donated from Layton Fire Department that were still within their expiration dates so that we could continue to perform our jobs safely. The current self-contained breathing apparatus (SCBA) tanks that Kanab Fire have in use were manufactured in 2007 and have a 15-year expiration date

Analysis:

Firefighters are assigned a mask and are required to be fit tested annually to ensure the mask can still seal and function properly. Our current SCBA tanks are 4500 psi, made of a composite material, and are hydro-tested every 3 years. The manufacturer has stated that it is not safe to hydro-test bottles more than 15 years old, and therefore we are no longer able to ensure that our packs are safe to use. In the event of an emergency on a fire scene, we have a Rapid Intervention Team (RIT). This team has the tools necessary to free a trapped firefighter as well as provide a secondary air source, known as the RIT pack. In total we are asking for 20 packs, 40 bottles, 30 masks, and a RIT pack.

Legal:

N/A

— A Western Classic —

Financial: Cost to replace all the current SCBA's approximately \$186.

Recommendations/Actions:

It is recommended that the City Council approve the purchase of SCBA packs, tanks, masks, and a RIT pack. The bids to replace the 20 pack, 30 masks, totaling \$181,872.





Quotation

135 West 7065 South
Midvale, UT 84047
Phone: 801-565-9595
Email: sales@weidnerpro.com

Order #	Date
S52323	01/17/2024

Bill To:	Ship To:
Kanab Fire Department 26 N 100 E Kanab, UT 84741	Kanab Fire Department 26 N 100 E Kanab, UT 84741
	Contact: Brett Pierson

Notes: Quote includes complimentary fit testing.

In service training upon delivery and 6 month follow up training.

Sales Rep	Payment Terms	FOB Point	Shipping Terms	Carrier	Ship Service
McCall Homer	NET 30 DAYS	Origin	Prepaid	UPS	Ground

Item #	Number	Description	Unit Price	Qty Ordered	Total Price
1	A-G1FS441MA2COLAR-(Kanab)	MSA G1 SCBA System Pressure: 4500 PSIG, Cylinder Connection: CGA Quick Connect, Standard Cradle Harness: Metal Band, Adjustable Swivel Lumbar Pad, Solid Cover Left Shoulder Regulator, Left Chest Speaker Mod., Right shoulder PASS, Rechargeable Batt	\$5,765.00	20 ea	\$ 115,300.00
2	10156459 - MSA	MSA Medium G1 Facepiece with 4pt Harness and Medium Nose Cup	\$355.00	30 ea	\$ 10,650.00
3	10175708 MSA	MSA G1 4500 PSI 45-Min Low-Profile Cylinder with QC Fitting	\$1,155.00	40 ea	\$ 46,200.00
4	10158385 MSA	MSA G1 (6) Unit Smart Charger	\$785.00	1 ea	\$ 785.00
5	10148741-SP MSA	MSA G1 Rechargeable Battery	\$405.00	6 ea	\$ 2,430.00
6	10175710 MSA	MSA G1 4500 PSI 60-Min Cylinder with QC Fitting	\$1,419.00	1 ea	\$ 1,419.00
7	10206313 MSA	G1 RIT System, 4500, FCPC, Regulator, 6-Ft Quick-Fill & ExtendAire II Systems (UEBSS, 2018 ed.), remote gauge, URC, Quick-Connect	\$4,789.00	1 ea	\$ 4,789.00
8	RBL20	True North L-2 RIT Bag w/ Skid Plate	\$299.00	1 ea	\$ 299.00

PRICE QUOTATION IS VALID FOR 30 DAYS FROM ISSUE DATE. THE QUOTE NUMBER MUST BE REFERENCED WHEN SUBMITTING AN ORDER TO GUARANTEE PRICING

Freight charges and sales tax will be added to your invoice where applicable. If this purchase is tax exempt, please provide a certificate with your purchase order. All returns are subject to restocking fees based on Weidner's suppliers' return policies. A 3% convenience fee is added to all credit card transaction. Weidner accepts all major credit cards.

Subtotal:	\$181,872.00
Sales Tax:	\$0.00
Total:	\$181,872.00



Quotation

135 West 7065 South
Midvale, UT 84047
Phone: 801-565-9595
Email: sales@weidnerpro.com

Order #	Date
S52305	01/16/2024

Bill To:	Ship To:
Kanab Fire Department 26 N 100 E Kanab, UT 84741	Kanab Fire Department 26 N 100 E Kanab, UT 84741
	Contact: Brett Pierson

Sales Rep	Payment Terms	FOB Point	Shipping Terms	Carrier	Ship Service
McCall Homer	NET 30 DAYS	Origin	Prepaid & Billed	UPS	Ground

Item #	Number	Description	Unit Price	Qty Ordered	Total Price
1	A-G1FS442MA2COLER MSA	MSA G1 SCBA, 4500 PSIG, Quick Connect, Standard Shoulder Straps with Chest Strap, Metal band, Adjustable Swivel Lumbar Pad, Solid Regulator on left Shoulder, Continuous Regulator, No emergency breathing, Speaker Module Left, PASS w/TIC, Rechargeable	\$7,626.24	15 ea	\$ 114,393.53
2	10175708 MSA	MSA G1 4500 PSI 45-Min Low-Profile Cylinder with QC Fitting	\$1,222.94	30 ea	\$ 36,688.24
3	10156459 - MSA	MSA Medium G1 Facepiece with 4pt Harness and Medium Nose Cup	\$375.29	25 ea	\$ 9,382.35
4	10169711 - MSA	G1 RIT System, 4500, FCPC, Regulator, 6-Ft Quick-Fill & ExtendAire II Systems (2013 ed.), remote gauge, URC, Quick-Connect	\$5,372.06	1 ea	\$ 5,372.06
5	10158385 MSA	MSA G1 (6) Unit Smart Charger	\$829.71	1 ea	\$ 829.71
6	10148741-SP MSA	MSA G1 Rechargeable Battery	\$428.24	6 ea	\$ 2,569.41

PRICE QUOTATION IS VALID FOR 30 DAYS FROM ISSUE DATE. THE QUOTE NUMBER MUST BE REFERENCED WHEN SUBMITTING AN ORDER TO GUARANTEE PRICING
Freight charges and sales tax will be added to your invoice where applicable.
If this purchase is tax exempt, please provide a certificate with your purchase order. All returns are subject to restocking fees based on Weidner's suppliers' return policies. A 3% convenience fee is added to all credit card transaction.
Weidner accepts all major credit cards.

Subtotal:	\$169,235.30
Sales Tax:	\$0.00
Total:	\$169,235.30



Quotation

135 West 7065 South
Midvale, UT 84047
Phone: 801-565-9595
Email: sales@weidnerpro.com

Order #	Date
S52323	01/17/2024

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Notes: Quote includes complimentary fit testing.

In service training upon delivery and 6 month follow up training.

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2	10156459 - MSA	MSA Medium G1 Facepiece with 4pt Harness and Medium Nose Cup	\$355.00	25 ea	\$ 8,875.00
3	10175708 MSA	MSA G1 4500 PSI 45-Min Low-Profile Cylinder with QC Fitting	\$1,155.00	30 ea	\$ 34,650.00
4	10158385 MSA	MSA G1 (6) Unit Smart Charger	\$785.00	1 ea	\$ 785.00
5	10148741-SP MSA	MSA G1 Rechargeable Battery	\$405.00	6 ea	\$ 2,430.00
6	10175710 MSA	MSA G1 4500 PSI 60-Min Cylinder with QC Fitting	\$1,419.00	1 ea	\$ 1,419.00
7	10206313 MSA	G1 RIT System, 4500, FCPC, Regulator, 6-Ft Quick-Fill & ExtendAire II Systems (UEBSS, 2018 ed.), remote gauge, URC, Quick-Connect	\$4,789.00	1 ea	\$ 4,789.00
8	RBL20	True North L-2 RIT Bag w/ Skid Plate	\$299.00	1 ea	\$ 299.00

Subtotal:	\$139,722.00
Sales Tax:	\$0.00
Total:	\$139,722.00

PRICE QUOTATION IS VALID FOR 30 DAYS FROM ISSUE DATE. THE QUOTE NUMBER MUST BE REFERENCED WHEN SUBMITTING AN ORDER TO GUARANTEE PRICING

Freight charges and sales tax will be added to your invoice where applicable. If this purchase is tax exempt, please provide a certificate with your purchase order. All returns are subject to restocking fees based on Weidner's suppliers' return policies. A 3% convenience fee is added to all credit card transaction. Weidner accepts all major credit cards.



Siddons-Martin Emergency Group
3500 Shelby Lane
Denton, TX, 76207
USA
Phone: (940) 315-4948

ESTIMATE

DO NOT PAY

Customer Info:

Kanab Fire (UT)
26 n 100E
Kanab, UT, 84741
USA

Document Info:

Quote #: 700-0006119
Taken By: Jeremy Crowton
Expiration Date: 01/18/2024

Item #	Description	Quantity / Unit	Unit Price	Amount
244005	PSS 7000 HP/QC W/ UEBSS, 4500/45 SENTINEL, LDV HOLDER RIGHT	16.00 / EA	5,100.00	81,600.00
000041	Draager Mask MED No HUD NO Coms NPN (No Part Number)	20.00 / EA	330.00	6,600.00
244706	Cylinder HP 4500/45, Eclipse 3701914	30.00 / EA	1,050.00	31,500.00
244722	Kit, RIT Life Guard Includes Mask, LDV, Pneumatics and 60 Mi 3702124	1.00 / EA	3,900.00	3,900.00
000041	Quick Connect adapter for bottle NPN (No Part Number)	15.00 / EA	125.00	1,875.00
244007	CHARGING ADAPTER HP for fill stations 3357116	1.00 / EA	700.00	700.00
149539	VALVE LUBRICANT AND SEALANT DRA-4059123	1.00 / EA	0.00	0.00

Total of All Services

Labor total	\$0.00	Shop supplies	\$0.00
Parts total	\$126,175.00	Sublet total	\$0.00
Freight total	\$ 0.00	Core charges	\$0.00
		Sales tax	\$0.00

Total: \$126,175.00



Siddons-Martin Emergency Group
3500 Shelby Lane
Denton, TX, 76207
USA
Phone: (940) 315-4948

ESTIMATE

DO NOT PAY

Customer Info:

Kanab Fire (UT)
26 n 100E
Kanab, UT, 84741
USA

Document Info:

Quote #: 700-0006121
Taken By: Jeremy Crowton
Expiration Date: 01/18/2024

Item #	Description	Quantity / Unit	Unit Price	Amount
244005	PSS 7000 HP/QC W/ UEBSS, 4500/45 SENTINEL, LDV HOLDER RIGHT	16.00 / EA	5,100.00	81,600.00
000041	NPN (No Part Number)FPS 7000 Mask-Medium (hairnet standard included) with HUD and COM's - R61343 VN00023	20.00 / EA	1,800.00	36,000.00
244706	Cylinder HP 4500/45, Eclipse 3701914	30.00 / EA	1,050.00	31,500.00
000041	NPN (No Part Number) Quick Connect for cylinder	15.00 / EA	125.00	1,875.00
244722	Kit, RIT Life Guard Includes Mask, LDV, Pneumatics and 60 Mi 3702124	1.00 / EA	3,900.00	3,900.00
244007	CHARGING ADAPTER HP for Fill Stations 3357116	1.00 / EA	700.00	700.00
149539	VALVE LUBRICANT AND SEALANT DRA-4059123	1.00 / EA	0.00	0.00

Total of All Services

Labor total	\$0.00	Shop supplies	\$0.00
Parts total	\$155,575.00	Sublet total	\$0.00
Freight total	\$ 0.00	Core charges	\$0.00
		Sales tax	\$0.00

Total: \$155,575.00



SEAWESTERN
FIRE FIGHTING EQUIPMENT

Phone: 425-821-5858
Email: Info@seawestern.com
www.seawestern.com

Qty	Unit	Part Number	Description	Unit Price	Extended Pri...
15	EA	SCOTT X3 Pro	3M Scott Air-Pak X3 Pro SCBA NFPA 1981/1982, 2018 Edition Ordering Part Number: X8914023005304	5,775.00	86,625.00
30	EA	SCOTT 200129-01	CYL&VLV CARB 4.5 45MIN NXG	1,155.00	34,650.00
20	EA	Medium C5 Mask	Medium Vision C5 Mask with Kevlar Headnet Pricing above includes first annual flow testing at no charge	375.00	7,500.00

Pricing valid for above listed quantities
Restocking fee up to 25% will apply on any non-stock merchandise
Returns within 30 days of receipt
Custom orders are non-cancellable, non-returnable
Unless otherwise noted, pricing does not include shipping.
Orders over \$2500 paid by credit card will have a 3% processing fee applied.



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FIRE FIGHTING EQUIPMENT

Phone: 425-821-5858
Email: Info@seawestern.com
www.seawestern.com

Qty	Unit	Part Number	Description	Unit Price	Extended Pri...
15	EA	SCOTT X3 Pro	3M Scott Air-Pak X3 Pro SCBA NFPA 1981/1982, 2018 Edition Ordering Part Number: X8914026305304	6,520.00	97,800.00
30	EA	SCOTT 200129-01	4500 psi, 45 minute cylinder with snap change valve	1,155.00	34,650.00
20	EA	Medium RDI/BCH C5 Mask	Medium Vision C5 Mask with Kevlar Headnet, RDI for Motorola Radios, Bone Conduction Headphones	1,495.00	29,900.00
1	EA	SCOTT CF5V2DDB	C5,VEH CHGR,DBL,AC PWR SUP	785.17	785.17
4	EA	SCOTT 201506-01	BATTERY PACK, LITHIUM ION C5 Pricing above includes first annual flow testing at no charge	101.60	406.40

Pricing valid for above listed quantities
Restocking fee up to 25% will apply on any non-stock merchandise
Returns within 30 days of receipt
Custom orders are non-cancellable, non-returnable
Unless otherwise noted, pricing does not include shipping.
Orders over \$2500 paid by credit card will have a 3% processing fee applied.



Open and Public Meetings Act

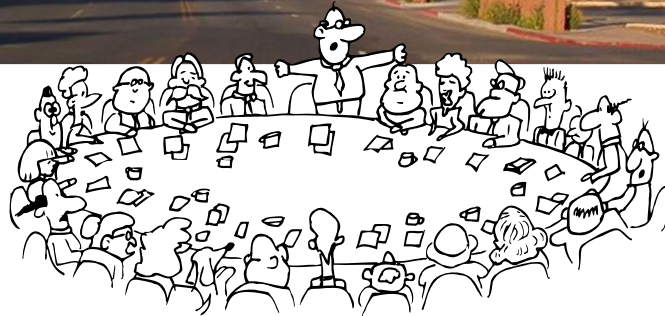
Utah Code, Title 52, Chapter 4



1

Public Policy - §52-4-102

- Public bodies exist to aid in the conduct of the people's business.
- Their actions and deliberations should be taken and conducted openly.



2

Definitions
§ 52-4-103(6)

- “Meeting” means the convening of a **public body**, with a **quorum** present, whether in person or by means of electronic communications, for the purpose of discussing, receiving comments from the public about, or acting upon a matter over which the public body has jurisdiction or advisory power.
- Includes a workshop or executive session of a public body.
- Does not mean a chance or meeting.



3

Definitions
§ 52-4-103(9)

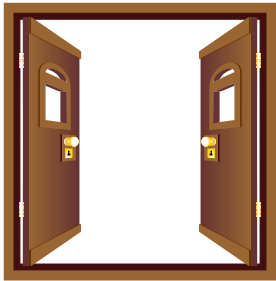
“Public body” means any administrative, advisory, executive, or legislative body of the state or its subdivisions that:

1. is created by the Utah Constitution, a statute, rule, ordinance, or resolution;
2. consists of two or more persons;
3. expends, disburses or is supported in whole or part by tax revenue; and
4. is vested with the authority to make decisions regarding the public’s business.

4

General Rule § 52-4-201(1)

Every meeting is open to the public unless closed under Sections 52-4-204, 52-4-205, and 52-4-206.



- IT REQUIRES GOVERNMENT TO TAKE ACTIONS OPENLY AND TRANSPARENTLY.
- NOTICE
- RECORD MAKING AND RECORD KEEPING
- PROCESS AND PARTICIPATION

5

Notice Requirements § 52-4-202(1)-(3)

- Annual public notice of the date, time, and place of regularly scheduled meetings.
- At least 24-hour public notice of the agenda, date, time and place of each meetings.
- The 24-hour public notice is satisfied by:



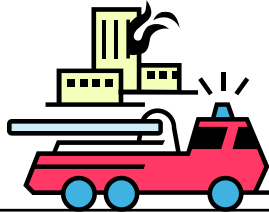
- posting a notice:
 - (a) on a door or public bulletin board at the Kanab City Office; AND
 - (b) online at the Utah Public Notice Website (§ 63F-1-701).
- providing notice to at least one newspaper of general circulation or to a local media correspondent.

6

Emergency Meetings

§ 52-4-202(5)

- When due to unforeseen circumstances it is necessary for a public body to hold an emergency meeting to discuss matters of an emergency or urgent nature, the notice requirements may be disregarded and the best notice practicable given.
- Before such a meeting is held an attempt must be made to notify all of its members and a majority must vote in favor to hold such a meeting.



7

Kanab City Council Meetings

General Ordinance 3-110

- Council shall hold 2 regular meetings each month, on the 2nd and 4th Tuesday, at 6:30 p.m.
- Regular meeting schedule may be changed by resolution.
- One meeting per month may be cancelled or rescheduled, if the Council will meet or has met one other time during the month.
- Special Meeting: A special meeting, outside the regular scheduled meetings, may be called by the mayor or any 2 Council members.
 - At least 3 hours' notice must be given and served upon each member.
 - Personal appearance at the special meeting constitutes a waiver of the notice requirement.

8

Agenda Requirements

§ 52-4-202(6)

- A public notice that is required to include an agenda must be specific enough to notify the public as to the topics to be considered at a meeting.
- Except for emergency meetings, a public body may not consider a topic that is not listed under a properly noticed agenda.
- A topic not included on an agenda, raised by the public, during an open meeting may be discussed but no final action may be taken at that meeting.

9

Minutes and Recordings of Open Meetings

§52-4-203

- Except for site visits and traveling tours, written minutes and recordings must be kept of all open meetings.
- Pending minutes and recordings are public records, but approved minutes are the official record of action taken.
- Anyone in attendance can make their own recording unless it interferes with the conduct of the meeting.



10

Minutes and Recordings of Open Meetings

§ 52-4-203(2)

Written Minutes shall include:

- Date, time, and location of meeting
- Names of members present and absent
- Substance of all matters proposed, discussed, or decided (may include a summary of comments)
- A record, by individual member, of each vote taken
- The name of each person that provides public comment and a brief summary of their comment
- Any other info. a member of the public requests be entered in the minutes or recording

11

Minutes and Recordings of Open Meetings

§ 52-4-203(4)

Written minutes and recordings of an open and public meeting are public records as follows:

- Pending minutes that have been prepared in a form awaiting only formal approval by the public body are a public record.
- Pending minutes that have not been adopted by the public body shall be marked **“awaiting formal approval”** or **“unapproved.”**
- Appropriately marked pending minutes shall be made available to the public 30 calendar days after the end of the public meeting.

12

Minutes and Recordings of Open Meetings § 52-4-203(4)

- A recording of an open meeting shall be available to the public for listening within **3 business days** after the end of the meeting.
- Approved minutes and any public materials distributed at the meeting shall be posted to the Utah Public Notice Website within **3 business days** after approval.
- Must make the approved minutes and public materials distributed during the meeting available to the public at the City Office.

13

Closing a Meeting § 52-4-204

Closed meetings are never required, but may be held, provided:

- a. a quorum is present;
- b. two-thirds of the members in a properly noticed open meeting vote to close the meeting;
- c. the only matters discussed in the closed meeting are those permitted in Section 52-4-205; and
- d. no ordinance, resolution, rule, regulation, contract, or appointment is approved in the closed meeting.



NO ADMITTANCE

14

Closing a Meeting

§ 52-4-204(4)

The following must be publicly announced and entered on the minutes the open meeting:

- the reason or reasons for holding a closed meeting;
- the location where the closed meeting will be held; and
- the vote by name, of each member of the public body, either for or against the motion to hold a closed meeting.



NO ADMITTANCE

15

Closing a Meeting

§ 52-4-205



NO ADMITTANCE

The purposes for closing a meeting include discussion of the following:

- The character, professional competence, or physical or mental health of an individual;*
- Pending or reasonably imminent litigation;
- The purchase, exchange, sale or lease of real property;
- Deployment of security personnel, devices, or systems; and
- Investigative proceedings regarding allegations of criminal misconduct.

16

Record of Closed Meetings

§ 52-4-206(1) & (2)

- A recording of the closed meeting is required, except where a sworn statement is allowed.
- Written minutes may be kept but are not required.
- Recordings must be a complete and unedited record from commencement through adjournment of the closed meeting.



17

Electronic Meetings

§ 52-4-207(2)

A public body may not hold an electronic meeting unless it has adopted a resolution, rule, or ordinance governing the use of electronic meetings.

Kanab has adopted General Ordinance 3-110(E), which provides the following provision for electronic meetings:

- A quorum must be present, with a minimum of 2 council members being present at an anchor location, where the public may attend
- Council members attending electronically must inform the City Recorder of the method intended to be used at least 48-hours prior to the meeting.
- Public participation is limited to the anchor location (i.e., they cannot participate by electronic means).
- Electronic meetings may be prohibited or limited based on budget, public policy, or logistical circumstances.



18

Electronic Meetings § 52-4-207(3)

A public body convening or conducting an electronic meeting must:

- Give public notice of the meeting;
- Post written notice at the anchor location(s);
- Provide at least 24-hour notice to the public body, including how members will be connected, so members may participate in and be counted as present for all purposes;
- Provide space and facilities at an anchor location for members of the public to attend the open portions of the meeting, UNLESS health or safety grounds established.

19

Disruptive Behavior at a Meeting § 52-4-301

- A public body may remove any person who willfully disrupts a meeting to the extent that orderly conduct is seriously compromised.
 - Such a removal does not constitute closing the meeting.
 - City Council may expel a council member or member of the public, or fine a council member, for disorderly conduct on a 2/3rds vote.
- [G.O. 3-607 and 3-608]



20

Voiding a Public Meeting § 52-4-302

- Final action in a meeting held in violation of the requirements for open, emergency, and electronic meetings is voidable in court.
- A lawsuit to void any final action must be filed within 90 days after the date of the action.



21

Criminal Penalty for Closed Meeting Violation § 52-4-305

A knowing or intentional violation of the OPMA, or aiding or advising another to violate the closed meeting provisions of the OPMA, is classified as a class B misdemeanor.



22

Municipal Officers' and Employees' Ethics Act

Utah Code, Title 10, Chapter 3, Part 13

It is an offense for an elected or appointed official or municipal employee to:

- Disclose or improperly use private, controlled, or protected information (e.g., closed meeting information) acquired by reason of their position or in the course of official duties in order to further their own economic interest or to secure special privileges or exemptions for the themselves or others.
- Use their position to further substantially their own personal economic interest or to secure special privileges or exemptions for the themselves or others.
- Knowingly receive, accept, take, seek, or solicit, directly or indirectly, for themselves or another, a gift of substantial value or substantial economic benefit, that would:
 - Tend improperly to influence a reasonable person in the person's position to depart from the faithful and impartial discharge of their public duties; or
 - The person knows or that a reasonable person should know under the circumstances is primarily for the purpose of rewarding the person for official action taken.

23

Municipal Officers' and Employees' Ethics Act

Utah Code, Title 10, Chapter 3, Part 13

It is an offense for an elected or appointed official to receive or agree to receive compensation for assisting any person or business entity in any transaction involving the municipality in which the member is an officer, UNLESS the member:

- Files a sworn statement giving the information required by Utah Code § 10-3-1305(5) (conflict of interest disclosure); AND
- Discloses the information required by Utah Code § 10-3-1305(5) in an open meeting to the members of the public body immediately before the item is discussed.

Written disclosure must be filed 10 days before the date of an agreement between the elected or appointed official and the person or business entity being assisted, or 10 days before receiving compensation, whichever is earlier.

The written disclosure and other required disclosures under Utah Code § 10-3-1306 through -1308 are public information, available to be examined by the public.

24

Chapter 4

Open and Public Meetings Act

Part 1

General Provisions

52-4-101 Title.

This chapter is known as the "Open and Public Meetings Act."

Enacted by Chapter 14, 2006 General Session

52-4-102 Declaration of public policy.

- (1) The Legislature finds and declares that the state, its agencies and political subdivisions, exist to aid in the conduct of the people's business.
- (2) It is the intent of the Legislature that the state, its agencies, and its political subdivisions:
 - (a) take their actions openly; and
 - (b) conduct their deliberations openly.

Renumbered and Amended by Chapter 14, 2006 General Session

52-4-103 Definitions.

As used in this chapter:

- (1) "Anchor location" means the physical location from which:
 - (a) an electronic meeting originates; or
 - (b) the participants are connected.
- (2) "Capitol hill complex" means the grounds and buildings within the area bounded by 300 North Street, Columbus Street, 500 North Street, and East Capitol Boulevard in Salt Lake City.
- (3)
 - (a) "Convening" means the calling together of a public body by a person authorized to do so for the express purpose of discussing or acting upon a subject over which that public body has jurisdiction or advisory power.
 - (b) "Convening" does not include the initiation of a routine conversation between members of a board of trustees of a large public transit district if the members involved in the conversation do not, during the conversation, take a tentative or final vote on the matter that is the subject of the conversation.
- (4) "Electronic meeting" means a public meeting convened or conducted by means of a conference using electronic communications.
- (5) "Electronic message" means a communication transmitted electronically, including:
 - (a) electronic mail;
 - (b) instant messaging;
 - (c) electronic chat;
 - (d) text messaging, which means a communication in the form of electronic text or one or more electronic images sent by the actor from a telephone, computer, or other electronic communication device to another person's telephone, computer, or electronic communication device by addressing the communication to the person's telephone number or other electronic communication access code or number; or
 - (e) any other method that conveys a message or facilitates communication electronically.

- (6) "Fiduciary or commercial information" means information:
- (a) related to any subject if disclosure:
 - (i) would conflict with a fiduciary obligation; or
 - (ii) is prohibited by insider trading provisions; or
 - (b) that is commercial in nature including:
 - (i) account owners or borrowers;
 - (ii) demographic data;
 - (iii) contracts and related payments;
 - (iv) negotiations;
 - (v) proposals or bids;
 - (vi) investments;
 - (vii) management of funds;
 - (viii) fees and charges;
 - (ix) plan and program design;
 - (x) investment options and underlying investments offered to account owners;
 - (xi) marketing and outreach efforts;
 - (xii) financial plans; or
 - (xiii) reviews and audits excluding the final report required under Section 53B-8a-111.
- (7)
- (a) "Meeting" means the convening of a public body or a specified body, with a quorum present, including a workshop or an executive session, whether in person or by means of electronic communications, for the purpose of discussing, receiving comments from the public about, or acting upon a matter over which the public body or specified body has jurisdiction or advisory power.
 - (b) "Meeting" does not mean:
 - (i) a chance gathering or social gathering;
 - (ii) a convening of the State Tax Commission to consider a confidential tax matter in accordance with Section 59-1-405; or
 - (iii) a convening of a three-member board of trustees of a large public transit district as defined in Section 17B-2a-802 if:
 - (A) the board members do not, during the conversation, take a tentative or final vote on the matter that is the subject of the conversation; or
 - (B) the conversation pertains only to day-to-day management and operation of the public transit district.
 - (c) "Meeting" does not mean the convening of a public body that has both legislative and executive responsibilities if:
 - (i) no public funds are appropriated for expenditure during the time the public body is convened; and
 - (ii) the public body is convened solely for the discussion or implementation of administrative or operational matters:
 - (A) for which no formal action by the public body is required; or
 - (B) that would not come before the public body for discussion or action.
- (8) "Monitor" means to hear or observe, live, by audio or video equipment, all of the public statements of each member of the public body who is participating in a meeting.
- (9) "Participate" means the ability to communicate with all of the members of a public body, either verbally or electronically, so that each member of the public body can hear or observe the communication.
- (10)

- (a) "Public body" means:
 - (i) any administrative, advisory, executive, or legislative body of the state or its political subdivisions that:
 - (A) is created by the Utah Constitution, statute, rule, ordinance, or resolution;
 - (B) consists of two or more persons;
 - (C) expends, disburses, or is supported in whole or in part by tax revenue; and
 - (D) is vested with the authority to make decisions regarding the public's business; or
 - (ii) any administrative, advisory, executive, or policymaking body of an association, as that term is defined in Section 53G-7-1101, that:
 - (A) consists of two or more persons;
 - (B) expends, disburses, or is supported in whole or in part by dues paid by a public school or whose employees participate in a benefit or program described in Title 49, Utah State Retirement and Insurance Benefit Act; and
 - (C) is vested with authority to make decisions regarding the participation of a public school or student in an interscholastic activity, as that term is defined in Section 53G-7-1101.
- (b) "Public body" includes:
 - (i) an interlocal entity or joint or cooperative undertaking, as those terms are defined in Section 11-13-103;
 - (ii) a governmental nonprofit corporation as that term is defined in Section 11-13a-102;
 - (iii) the Utah Independent Redistricting Commission; and
 - (iv) a project entity, as that term is defined in Section 11-13-103.
- (c) "Public body" does not include:
 - (i) a political party, a political group, or a political caucus;
 - (ii) a conference committee, a rules committee, or a sifting committee of the Legislature;
 - (iii) a school community council or charter trust land council, as that term is defined in Section 53G-7-1203;
 - (iv) a taxed interlocal entity, as that term is defined in Section 11-13-602, if the taxed interlocal entity is not a project entity; or
 - (v) the following Legislative Management subcommittees, which are established in Section 36-12-8, when meeting for the purpose of selecting or evaluating a candidate to recommend for employment, except that the meeting in which a subcommittee votes to recommend that a candidate be employed shall be subject to the provisions of this act:
 - (A) the Research and General Counsel Subcommittee;
 - (B) the Budget Subcommittee; and
 - (C) the Audit Subcommittee.
- (11) "Public statement" means a statement made in the ordinary course of business of the public body with the intent that all other members of the public body receive it.
- (12)
 - (a) "Quorum" means a simple majority of the membership of a public body, unless otherwise defined by applicable law.
 - (b) "Quorum" does not include a meeting of two elected officials by themselves when no action, either formal or informal, is taken.
- (13) "Recording" means an audio, or an audio and video, record of the proceedings of a meeting that can be used to review the proceedings of the meeting.
- (14) "Specified body":
 - (a) means an administrative, advisory, executive, or legislative body that:
 - (i) is not a public body;
 - (ii) consists of three or more members; and

- (iii) includes at least one member who is:
 - (A) a legislator; and
 - (B) officially appointed to the body by the president of the Senate, speaker of the House of Representatives, or governor; and
 - (b) does not include a body listed in Subsection (10)(c)(ii) or (10)(c)(v).
- (15) "Transmit" means to send, convey, or communicate an electronic message by electronic means.

Amended by Chapter 139, 2023 General Session

Amended by Chapter 374, 2023 General Session

Amended by Chapter 457, 2023 General Session

52-4-104 Training.

- (1) The presiding officer of the public body shall ensure that the members of the public body are provided with annual training on the requirements of this chapter.
- (2) The presiding officer shall ensure that any training described in Subsection (1) complies with Title 63G, Chapter 22, State Training and Certification Requirements.

Amended by Chapter 200, 2018 General Session

Part 2 Meetings

52-4-201 Meetings open to the public -- Exceptions.

- (1) A meeting is open to the public unless closed under Sections 52-4-204, 52-4-205, and 52-4-206.
- (2)
 - (a) A meeting that is open to the public includes a workshop or an executive session of a public body in which a quorum is present, unless closed in accordance with this chapter.
 - (b) A workshop or an executive session of a public body in which a quorum is present that is held on the same day as a regularly scheduled public meeting of the public body may only be held at the location where the public body is holding the regularly scheduled public meeting unless:
 - (i) the workshop or executive session is held at the location where the public body holds its regularly scheduled public meetings but, for that day, the regularly scheduled public meeting is being held at different location;
 - (ii) any of the meetings held on the same day is a site visit or a traveling tour and, in accordance with this chapter, public notice is given;
 - (iii) the workshop or executive session is an electronic meeting conducted according to the requirements of Section 52-4-207; or
 - (iv) it is not practicable to conduct the workshop or executive session at the regular location of the public body's open meetings due to an emergency or extraordinary circumstances.

Renumbered and Amended by Chapter 14, 2006 General Session

Amended by Chapter 263, 2006 General Session

52-4-201.3 Local school boards -- Public comment.

- (1) As used in this section, "local school board" means a board elected under Title 20A, Chapter 14, Part 2, Election of Members of Local Boards of Education.
- (2)
 - (a) A local school board holding a meeting that is open to the public under Section 52-4-201 shall allow a reasonable opportunity for the public to provide verbal comments that are germane to the authority of the local school board.
 - (b) Subsection (2)(a) does not apply to a meeting that is:
 - (i) a work session; or
 - (ii) an emergency meeting as described in Subsection 52-4-202(5).
- (3) No later than July 1, 2023, a local school board shall adopt a written policy that provides a reasonable opportunity for the public to provide both verbal and written comments in a meeting of the local school board that:
 - (a) is open to the public; and
 - (b) is not a meeting described in Subsection (2)(b).
- (4) The written policy described in Subsection (3) may limit public verbal and written comments to topics that are germane to the authority of the local school board.

Enacted by Chapter 100, 2023 General Session

52-4-202 Public notice of meetings -- Emergency meetings.

- (1)
 - (a)
 - (i) A public body shall give not less than 24 hours' public notice of each meeting.
 - (ii) A specified body shall give not less than 24 hours' public notice of each meeting that the specified body holds on the capitol hill complex.
 - (b) The public notice required under Subsection (1)(a) shall include the meeting:
 - (i) agenda;
 - (ii) date;
 - (iii) time; and
 - (iv) place.
- (2)
 - (a) In addition to the requirements under Subsection (1), a public body which holds regular meetings that are scheduled in advance over the course of a year shall give public notice at least once each year of its annual meeting schedule as provided in this section.
 - (b) The public notice under Subsection (2)(a) shall specify the date, time, and place of the scheduled meetings.
- (3)
 - (a) Subject to Subsection (3)(c), a public body or specified body satisfies a requirement for public notice by publishing the notice for the public body's jurisdiction, as a class A notice under Section 63G-30-102, for at least 24 hours.
 - (b) A public body whose limited resources make compliance with the requirement to post notice on the Utah Public Notice Website difficult may request the Division of Archives and Records Service, created in Section 63A-12-101, to provide technical assistance to help the public body in its effort to comply.
 - (c) A public body or specified body that is required, under this chapter and Section 63G-30-102, to post notice in a public location within the affected area may comply with the requirement by posting the notice in, on, or near:
 - (i) the anchor location for the meeting; or

- (ii) the structure or other area where the meeting will be held.
- (4) A public body and a specified body are encouraged to develop and use additional electronic means to provide notice of their meetings under Subsection (3).
- (5)
 - (a) The notice requirement of Subsection (1) may be disregarded if:
 - (i) because of unforeseen circumstances it is necessary for a public body or specified body to hold an emergency meeting to consider matters of an emergency or urgent nature; and
 - (ii) the public body or specified body gives the best notice practicable of:
 - (A) the time and place of the emergency meeting; and
 - (B) the topics to be considered at the emergency meeting.
 - (b) An emergency meeting of a public body may not be held unless:
 - (i) an attempt has been made to notify all the members of the public body; and
 - (ii) a majority of the members of the public body approve the meeting.
- (6)
 - (a) A public notice that is required to include an agenda under Subsection (1) shall provide reasonable specificity to notify the public as to the topics to be considered at the meeting. Each topic shall be listed under an agenda item on the meeting agenda.
 - (b) Subject to the provisions of Subsection (6)(c), and at the discretion of the presiding member of the public body, a topic raised by the public may be discussed during an open meeting, even if the topic raised by the public was not included in the agenda or advance public notice for the meeting.
 - (c) Except as provided in Subsection (5), relating to emergency meetings, a public body may not take final action on a topic in an open meeting unless the topic is:
 - (i) listed under an agenda item as required by Subsection (6)(a); and
 - (ii) included with the advance public notice required by this section.
- (7) Except as provided in this section, this chapter does not apply to a specified body.

Amended by Chapter 100, 2023 General Session

Amended by Chapter 435, 2023 General Session

52-4-203 Written minutes of open meetings -- Public records -- Recording of meetings.

- (1) Except as provided under Subsection (7), written minutes and a recording shall be kept of all open meetings.
- (2)
 - (a) Written minutes of an open meeting shall include:
 - (i) the date, time, and place of the meeting;
 - (ii) the names of members present and absent;
 - (iii) the substance of all matters proposed, discussed, or decided by the public body which may include a summary of comments made by members of the public body;
 - (iv) a record, by individual member, of each vote taken by the public body;
 - (v) the name of each person who:
 - (A) is not a member of the public body; and
 - (B) after being recognized by the presiding member of the public body, provided testimony or comments to the public body;
 - (vi) the substance, in brief, of the testimony or comments provided by the public under Subsection (2)(a)(v); and
 - (vii) any other information that is a record of the proceedings of the meeting that any member requests be entered in the minutes or recording.

- (b) A public body may satisfy the requirement under Subsection (2)(a)(iii) or (vi) that minutes include the substance of matters proposed, discussed, or decided or the substance of testimony or comments by maintaining a publicly available online version of the minutes that provides a link to the meeting recording at the place in the recording where the matter is proposed, discussed, or decided or the testimony or comments provided.
- (c) A public body that has members who were elected to the public body shall satisfy the requirement described in Subsection (2)(a)(iv) by recording each vote:
 - (i) in list format;
 - (ii) by category for each action taken by a member, including yes votes, no votes, and absent members; and
 - (iii) by each member's name.
- (3) A recording of an open meeting shall:
 - (a) be a complete and unedited record of all open portions of the meeting from the commencement of the meeting through adjournment of the meeting; and
 - (b) be properly labeled or identified with the date, time, and place of the meeting.
- (4)
 - (a) As used in this Subsection (4):
 - (i) "Approved minutes" means written minutes:
 - (A) of an open meeting; and
 - (B) that have been approved by the public body that held the open meeting.
 - (ii) "Electronic information" means information presented or provided in an electronic format.
 - (iii) "Pending minutes" means written minutes:
 - (A) of an open meeting; and
 - (B) that have been prepared in draft form and are subject to change before being approved by the public body that held the open meeting.
 - (iv) "Specified local public body" means a legislative body of a county, city, town, or metro township.
 - (v) "State public body" means a public body that is an administrative, advisory, executive, or legislative body of the state.
 - (vi) "State website" means the Utah Public Notice Website created under Section 63A-16-601.
 - (b) Pending minutes, approved minutes, and a recording of a public meeting are public records under Title 63G, Chapter 2, Government Records Access and Management Act.
 - (c) Pending minutes shall contain a clear indication that the public body has not yet approved the minutes or that the minutes are subject to change until the public body approves them.
 - (d) A public body shall require an individual who, at an open meeting of the public body, publicly presents or provides electronic information, relating to an item on the public body's meeting agenda, to provide the public body, at the time of the meeting, an electronic or hard copy of the electronic information for inclusion in the public record.
 - (e) A state public body shall:
 - (i) make pending minutes available to the public within 30 days after holding the open meeting that is the subject of the pending minutes;
 - (ii) within three business days after approving written minutes of an open meeting:
 - (A) post to the state website a copy of the approved minutes and any public materials distributed at the meeting;
 - (B) make the approved minutes and public materials available to the public at the public body's primary office; and

- (C) if the public body provides online minutes under Subsection (2)(b), post approved minutes that comply with Subsection (2)(b) and the public materials on the public body's website; and
- (iii) within three business days after holding an open meeting, post on the state website an audio recording of the open meeting, or a link to the recording.
- (f) A specified local public body shall:
 - (i) make pending minutes available to the public within 30 days after holding the open meeting that is the subject of the pending minutes;
 - (ii) within three business days after approving written minutes of an open meeting, post and make available a copy of the approved minutes and any public materials distributed at the meeting, as provided in Subsection (4)(e)(ii); and
 - (iii) within three business days after holding an open meeting, make an audio recording of the open meeting available to the public for listening.
- (g) A public body that is not a state public body or a specified local public body shall:
 - (i) make pending minutes available to the public within a reasonable time after holding the open meeting that is the subject of the pending minutes;
 - (ii) within three business days after approving written minutes of an open meeting:
 - (A) post and make available a copy of the approved minutes and any public materials distributed at the meeting, as provided in Subsection (4)(e)(ii); or
 - (B) comply with Subsections (4)(e)(ii)(B) and (C) and post to the state website a link to a website on which the approved minutes and any public materials distributed at the meeting are posted; and
 - (iii) within three business days after holding an open meeting, make an audio recording of the open meeting available to the public for listening.
- (h) A public body shall establish and implement procedures for the public body's approval of the written minutes of each meeting.
- (i) Approved minutes of an open meeting are the official record of the meeting.
- (5) All or any part of an open meeting may be independently recorded by any person in attendance if the recording does not interfere with the conduct of the meeting.
- (6) The written minutes or recording of an open meeting that are required to be retained permanently shall be maintained in or converted to a format that meets long-term records storage requirements.
- (7) Notwithstanding Subsection (1), a recording is not required to be kept of:
 - (a) an open meeting that is a site visit or a traveling tour, if no vote or action is taken by the public body; or
 - (b) an open meeting of a special district under Title 17B, Limited Purpose Local Government Entities - Special Districts, or special service district under Title 17D, Chapter 1, Special Service District Act, if the district's annual budgeted expenditures for all funds, excluding capital expenditures and debt service, are \$50,000 or less.

Amended by Chapter 16, 2023 General Session

52-4-204 Closed meeting held upon vote of members -- Business -- Reasons for meeting recorded.

- (1) A closed meeting may be held if:
 - (a)
 - (i) a quorum is present;

- (ii) the meeting is an open meeting for which notice has been given under Section 52-4-202; and
- (iii)
 - (A) two-thirds of the members of the public body present at the open meeting vote to approve closing the meeting;
 - (B) for a meeting that is required to be closed under Section 52-4-205, if a majority of the members of the public body present at an open meeting vote to approve closing the meeting;
 - (C) for an ethics committee of the Legislature that is conducting an open meeting for the purpose of reviewing an ethics complaint, a majority of the members present vote to approve closing the meeting for the purpose of seeking or obtaining legal advice on legal, evidentiary, or procedural matters, or for conducting deliberations to reach a decision on the complaint;
 - (D) for the Political Subdivisions Ethics Review Commission established in Section 63A-15-201 that is conducting an open meeting for the purpose of reviewing an ethics complaint in accordance with Section 63A-15-701, a majority of the members present vote to approve closing the meeting for the purpose of seeking or obtaining legal advice on legal, evidentiary, or procedural matters, or for conducting deliberations to reach a decision on the complaint;
 - (E) for a project entity that is conducting an open meeting for the purposes of determining the value of an asset, developing a strategy related to the sale or use of that asset;
 - (F) for a project entity that is conducting an open meeting for purposes of discussing a business decision, the disclosure of which could cause commercial injury to, or confer a competitive advantage upon a potential or actual competitor of, the project entity; or
 - (G) for a project entity that is conducting an open meeting for purposes of discussing a record, the disclosure of which could cause commercial injury to, or confer a competitive advantage upon a potential competitor of, the project entity; or
- (b)
 - (i) for the Independent Legislative Ethics Commission, the closed meeting is convened for the purpose of conducting business relating to the receipt or review of an ethics complaint, if public notice of the closed meeting is given under Section 52-4-202, with the agenda for the meeting stating that the meeting will be closed for the purpose of "conducting business relating to the receipt or review of ethics complaints";
 - (ii) for the Political Subdivisions Ethics Review Commission established in Section 63A-15-201, the closed meeting is convened for the purpose of conducting business relating to the preliminary review of an ethics complaint in accordance with Section 63A-15-602, if public notice of the closed meeting is given under Section 52-4-202, with the agenda for the meeting stating that the meeting will be closed for the purpose of "conducting business relating to the review of ethics complaints";
 - (iii) for the Independent Executive Branch Ethics Commission created in Section 63A-14-202, the closed meeting is convened for the purpose of conducting business relating to an ethics complaint, if public notice of the closed meeting is given under Section 52-4-202, with the agenda for the meeting stating that the meeting will be closed for the purpose of "conducting business relating to an ethics complaint"; or
 - (iv) for the Data Security Management Council created in Section 63A-16-701, the closed meeting is convened in accordance with Subsection 63A-16-701(7), if public notice of the closed meeting is given under Section 52-4-202, with the agenda for the meeting

stating that the meeting will be closed for the purpose of "conducting business relating to information technology security."

- (2) A closed meeting is not allowed unless each matter discussed in the closed meeting is permitted under Section 52-4-205.
- (3)
 - (a) An ordinance, resolution, rule, regulation, contract, or appointment may not be approved at a closed meeting.
 - (b)
 - (i) A public body may not take a vote in a closed meeting, except for a vote on a motion to end the closed portion of the meeting and return to an open meeting.
 - (ii) A motion to end the closed portion of a meeting may be approved by a majority of the public body members present at the meeting.
- (4) The following information shall be publicly announced and entered on the minutes of the open meeting at which the closed meeting was approved:
 - (a) the reason or reasons for holding the closed meeting;
 - (b) the location where the closed meeting will be held; and
 - (c) the vote by name, of each member of the public body, either for or against the motion to hold the closed meeting.
- (5) Except as provided in Subsection 52-4-205(2), nothing in this chapter shall be construed to require any meeting to be closed to the public.

Amended by Chapter 169, 2022 General Session

Amended by Chapter 422, 2022 General Session

52-4-205 Purposes of closed meetings -- Certain issues prohibited in closed meetings.

- (1) A closed meeting described under Section 52-4-204 may only be held for:
 - (a) except as provided in Subsection (3), discussion of the character, professional competence, or physical or mental health of an individual;
 - (b) strategy sessions to discuss collective bargaining;
 - (c) strategy sessions to discuss pending or reasonably imminent litigation;
 - (d) strategy sessions to discuss the purchase, exchange, or lease of real property, including any form of a water right or water shares, or to discuss a proposed development agreement, project proposal, or financing proposal related to the development of land owned by the state, if public discussion would:
 - (i) disclose the appraisal or estimated value of the property under consideration; or
 - (ii) prevent the public body from completing the transaction on the best possible terms;
 - (e) strategy sessions to discuss the sale of real property, including any form of a water right or water shares, if:
 - (i) public discussion of the transaction would:
 - (A) disclose the appraisal or estimated value of the property under consideration; or
 - (B) prevent the public body from completing the transaction on the best possible terms;
 - (ii) the public body previously gave public notice that the property would be offered for sale; and
 - (iii) the terms of the sale are publicly disclosed before the public body approves the sale;
 - (f) discussion regarding deployment of security personnel, devices, or systems;
 - (g) investigative proceedings regarding allegations of criminal misconduct;
 - (h) as relates to the Independent Legislative Ethics Commission, conducting business relating to the receipt or review of ethics complaints;

- (i) as relates to an ethics committee of the Legislature, a purpose permitted under Subsection 52-4-204(1)(a)(iii)(C);
 - (j) as relates to the Independent Executive Branch Ethics Commission created in Section 63A-14-202, conducting business relating to an ethics complaint;
 - (k) as relates to a county legislative body, discussing commercial information as defined in Section 59-1-404;
 - (l) as relates to the Utah Higher Education Savings Board of Trustees and its appointed board of directors, discussing fiduciary or commercial information;
 - (m) deliberations, not including any information gathering activities, of a public body acting in the capacity of:
 - (i) an evaluation committee under Title 63G, Chapter 6a, Utah Procurement Code, during the process of evaluating responses to a solicitation, as defined in Section 63G-6a-103;
 - (ii) a protest officer, defined in Section 63G-6a-103, during the process of making a decision on a protest under Title 63G, Chapter 6a, Part 16, Protests; or
 - (iii) a procurement appeals panel under Title 63G, Chapter 6a, Utah Procurement Code, during the process of deciding an appeal under Title 63G, Chapter 6a, Part 17, Procurement Appeals Board;
 - (n) the purpose of considering information that is designated as a trade secret, as defined in Section 13-24-2, if the public body's consideration of the information is necessary to properly conduct a procurement under Title 63G, Chapter 6a, Utah Procurement Code;
 - (o) the purpose of discussing information provided to the public body during the procurement process under Title 63G, Chapter 6a, Utah Procurement Code, if, at the time of the meeting:
 - (i) the information may not, under Title 63G, Chapter 6a, Utah Procurement Code, be disclosed to a member of the public or to a participant in the procurement process; and
 - (ii) the public body needs to review or discuss the information to properly fulfill its role and responsibilities in the procurement process;
 - (p) as relates to the governing board of a governmental nonprofit corporation, as that term is defined in Section 11-13a-102, the purpose of discussing information that is designated as a trade secret, as that term is defined in Section 13-24-2, if:
 - (i) public knowledge of the discussion would reasonably be expected to result in injury to the owner of the trade secret; and
 - (ii) discussion of the information is necessary for the governing board to properly discharge the board's duties and conduct the board's business;
 - (q) as it relates to the Cannabis Production Establishment Licensing Advisory Board, to review confidential information regarding violations and security requirements in relation to the operation of cannabis production establishments;
 - (r) considering a loan application, if public discussion of the loan application would disclose:
 - (i) nonpublic personal financial information; or
 - (ii) a nonpublic trade secret, as defined in Section 13-24-2, or nonpublic business financial information the disclosure of which would reasonably be expected to result in unfair competitive injury to the person submitting the information;
 - (s) a discussion of the board of the Point of the Mountain State Land Authority, created in Section 11-59-201, regarding a potential tenant of point of the mountain state land, as defined in Section 11-59-102; or
 - (t) a purpose for which a meeting is required to be closed under Subsection (2).
- (2) The following meetings shall be closed:

- (a) a meeting of the Health and Human Services Interim Committee to review a report described in Subsection 26B-1-506(1)(a), and the responses to the report described in Subsections 26B-1-506(2) and (4);
- (b) a meeting of the Child Welfare Legislative Oversight Panel to:
 - (i) review a report described in Subsection 26B-1-506(1)(a), and the responses to the report described in Subsections 26B-1-506(2) and (4); or
 - (ii) review and discuss an individual case, as described in Subsection 36-33-103(2);
- (c) a meeting of the Opioid and Overdose Fatality Review Committee, created in Section 26B-1-403, to review and discuss an individual case, as described in Subsection 26B-1-403(10);
- (d) a meeting of a conservation district as defined in Section 17D-3-102 for the purpose of advising the Natural Resource Conservation Service of the United States Department of Agriculture on a farm improvement project if the discussed information is protected information under federal law;
- (e) a meeting of the Compassionate Use Board established in Section 26B-1-421 for the purpose of reviewing petitions for a medical cannabis card in accordance with Section 26B-1-421;
- (f) a meeting of the Colorado River Authority of Utah if:
 - (i) the purpose of the meeting is to discuss an interstate claim to the use of the water in the Colorado River system; and
 - (ii) failing to close the meeting would:
 - (A) reveal the contents of a record classified as protected under Subsection 63G-2-305(82);
 - (B) reveal a legal strategy relating to the state's claim to the use of the water in the Colorado River system;
 - (C) harm the ability of the Colorado River Authority of Utah or river commissioner to negotiate the best terms and conditions regarding the use of water in the Colorado River system; or
 - (D) give an advantage to another state or to the federal government in negotiations regarding the use of water in the Colorado River system;
- (g) a meeting of the General Regulatory Sandbox Program Advisory Committee if:
 - (i) the purpose of the meeting is to discuss an application for participation in the regulatory sandbox as defined in Section 63N-16-102; and
 - (ii) failing to close the meeting would reveal the contents of a record classified as protected under Subsection 63G-2-305(83);
- (h) a meeting of a project entity if:
 - (i) the purpose of the meeting is to conduct a strategy session to discuss market conditions relevant to a business decision regarding the value of a project entity asset if the terms of the business decision are publicly disclosed before the decision is finalized and a public discussion would:
 - (A) disclose the appraisal or estimated value of the project entity asset under consideration; or
 - (B) prevent the project entity from completing on the best possible terms a contemplated transaction concerning the project entity asset;
 - (ii) the purpose of the meeting is to discuss a record, the disclosure of which could cause commercial injury to, or confer a competitive advantage upon a potential or actual competitor of, the project entity;
 - (iii) the purpose of the meeting is to discuss a business decision, the disclosure of which could cause commercial injury to, or confer a competitive advantage upon a potential or actual competitor of, the project entity; or

- (iv) failing to close the meeting would prevent the project entity from getting the best price on the market; and
 - (i) a meeting of the School Activity Eligibility Commission, described in Section 53G-6-1003, if the commission is in effect in accordance with Section 53G-6-1002, to consider, discuss, or determine, in accordance with Section 53G-6-1004, an individual student's eligibility to participate in an interscholastic activity, as that term is defined in Section 53G-6-1001, including the commission's determinative vote on the student's eligibility.
- (3) In a closed meeting, a public body may not:
- (a) interview a person applying to fill an elected position;
 - (b) discuss filling a midterm vacancy or temporary absence governed by Title 20A, Chapter 1, Part 5, Candidate Vacancy and Vacancy and Temporary Absence in Elected Office; or
 - (c) discuss the character, professional competence, or physical or mental health of the person whose name was submitted for consideration to fill a midterm vacancy or temporary absence governed by Title 20A, Chapter 1, Part 5, Candidate Vacancy and Vacancy and Temporary Absence in Elected Office.

Amended by Chapter 263, 2023 General Session

Amended by Chapter 328, 2023 General Session

Amended by Chapter 374, 2023 General Session

Amended by Chapter 521, 2023 General Session

52-4-206 Record of closed meetings.

- (1) Except as provided under Subsection (6), if a public body closes a meeting under Subsection 52-4-205(1), the public body:
- (a) shall make a recording of the closed portion of the meeting; and
 - (b) may keep detailed written minutes that disclose the content of the closed portion of the meeting.
- (2) A recording of a closed meeting shall be complete and unedited from the commencement of the closed meeting through adjournment of the closed meeting.
- (3) The recording and any minutes of a closed meeting shall include:
- (a) the date, time, and place of the meeting;
 - (b) the names of members present and absent; and
 - (c) the names of all others present except where the disclosure would infringe on the confidentiality necessary to fulfill the original purpose of closing the meeting.
- (4) Minutes or recordings of a closed meeting that are required to be retained permanently shall be maintained in or converted to a format that meets long-term records storage requirements.
- (5) A recording, transcript, report, and written minutes of a closed meeting are protected records under Title 63G, Chapter 2, Government Records Access and Management Act, except that the records:
- (a) may be disclosed under a court order only as provided under Section 52-4-304; and
 - (b) shall be disclosed, upon request, to the Office of the Legislative Auditor General under Section 36-12-15.
- (6) If a public body closes a meeting exclusively for the purposes described under Subsection 52-4-205(1)(a), (1)(f), or (2):
- (a) the person presiding shall sign a sworn statement affirming that the sole purpose for closing the meeting was to discuss the purposes described under Subsection 52-4-205(1)(a),(1)(f), or (2); and
 - (b) the provisions of Subsection (1) of this section do not apply.

Amended by Chapter 21, 2023 General Session

52-4-207 Electronic meetings -- Authorization -- Requirements.

- (1) Except as otherwise provided for a charter school in Section 52-4-209, a public body may convene and conduct an electronic meeting in accordance with this section.
- (2)
 - (a) A public body may not hold an electronic meeting unless the public body has adopted a resolution, rule, or ordinance governing the use of electronic meetings.
 - (b) A resolution, rule, or ordinance described in Subsection (2)(a) that governs an electronic meeting shall establish the conditions under which a remote member is included in calculating a quorum.
 - (c) A resolution, rule, or ordinance described in Subsection (2)(a) may:
 - (i) prohibit or limit electronic meetings based on budget, public policy, or logistical considerations;
 - (ii) require a quorum of the public body to:
 - (A) be present at a single anchor location for the meeting; and
 - (B) vote to approve establishment of an electronic meeting in order to include other members of the public body through an electronic connection;
 - (iii) require a request for an electronic meeting to be made by a member of a public body up to three days prior to the meeting to allow for arrangements to be made for the electronic meeting;
 - (iv) restrict the number of separate connections for members of the public body that are allowed for an electronic meeting based on available equipment capability;
 - (v) if the public body is statutorily authorized to allow a member of the public body to act by proxy, establish the conditions under which a member may vote or take other action by proxy; or
 - (vi) establish other procedures, limitations, or conditions governing electronic meetings not in conflict with this section.
- (3) A public body that convenes and conducts an electronic meeting shall:
 - (a) give public notice of the electronic meeting in accordance with Section 52-4-202;
 - (b) except for an electronic meeting described in Subsection (5), post written notice of the electronic meeting at the anchor location; and
 - (c) except as otherwise provided in a rule of the Legislature applicable to the public body, at least 24 hours before the electronic meeting is scheduled to begin, provide each member of the public body a description of how to electronically connect to the meeting.
- (4)
 - (a) Except as provided in Subsection (5), a public body that convenes and conducts an electronic meeting shall provide space and facilities at an anchor location for members of the public to attend the open portions of the meeting.
 - (b) A public body that convenes and conducts an electronic meeting may provide means by which members of the public may attend the meeting remotely by electronic means.
- (5) Subsection (4)(a) does not apply to an electronic meeting if:
 - (a)
 - (i) the chair of the public body determines that:
 - (A) conducting the meeting as provided in Subsection (4)(a) presents a substantial risk to the health or safety of those present or who would otherwise be present at the anchor location; or

- (B) the location where the public body would normally meet has been ordered closed to the public for health or safety reasons; and
- (ii) the public notice for the meeting includes:
 - (A) a statement describing the chair's determination under Subsection (5)(a)(i);
 - (B) a summary of the facts upon which the chair's determination is based; and
 - (C) information on how a member of the public may attend the meeting remotely by electronic means;
- (b)
 - (i) during the course of the electronic meeting, the chair:
 - (A) determines that continuing to conduct the electronic meeting as provided in Subsection (4)(a) presents a substantial risk to the health or safety of those present at the anchor location; and
 - (B) announces during the electronic meeting the chair's determination under Subsection (5)(b)(i)(A) and states a summary of the facts upon which the determination is made; and
 - (ii) in convening the electronic meeting, the public body has provided means by which members of the public who are not physically present at the anchor location may attend the electronic meeting remotely by electronic means;
- (c)
 - (i) the public body is a special district board of trustees established under Title 17B, Chapter 1, Part 3, Board of Trustees;
 - (ii) the board of trustees' membership consists of:
 - (A) at least two members who are elected or appointed to the board as owners of land, or as an agent or officer of the owners of land, under the criteria described in Subsection 17B-1-302(2)(b); or
 - (B) at least one member who is elected or appointed to the board as an owner of land, or as an agent or officer of the owner of land, under the criteria described in Subsection 17B-1-302(3)(a)(ii);
 - (iii) the public notice required under Subsection 52-4-202(3)(a)(i)(B) for the electronic meeting includes information on how a member of the public may attend the meeting remotely by electronic means; and
 - (iv) the board of trustees allows members of the public attending the meeting by remote electronic means to participate in the meeting; or
- (d)
 - (i) the public body is a special service district administrative control board established under Title 17D, Chapter 1, Part 3, Administrative Control Board;
 - (ii) the administrative control board's membership consists of:
 - (A) at least one member who is elected or appointed to the board as an owner of land, or as an agent or officer of the owner of land, under the criteria described in Subsection 17D-1-304(1)(a)(iii)(A) or (B), as applicable; or
 - (B) members that qualify for election or appointment to the board because the owners of real property in the special service district meet or exceed the threshold percentage described in Subsection 17D-1-304(1)(b)(i);
 - (iii) the public notice required under Subsection 52-4-202(3)(a)(i)(B) for the electronic meeting includes information on how a member of the public may attend the meeting remotely by electronic means; and
 - (iv) the administrative control board allows members of the public attending the meeting by remote electronic means to participate in the meeting.

- (6) A determination under Subsection (5)(a)(i) expires 30 days after the day on which the chair of the public body makes the determination.
- (7) Compliance with the provisions of this section by a public body constitutes full and complete compliance by the public body with the corresponding provisions of Sections 52-4-201 and 52-4-202.
- (8) Unless a public body adopts a resolution, rule, or ordinance described in Subsection (2)(c)(v), a public body that is conducting an electronic meeting may not allow a member to vote or otherwise act by proxy.
- (9) Except for a unanimous vote, a public body that is conducting an electronic meeting shall take all votes by roll call.

Amended by Chapter 100, 2023 General Session

52-4-208 Chance or social meetings.

- (1) This chapter does not apply to any chance meeting or a social meeting.
- (2) A chance meeting or social meeting may not be used to circumvent the provisions of this chapter.

Enacted by Chapter 14, 2006 General Session

52-4-209 Electronic meetings for charter school board.

- (1) Notwithstanding the definitions provided in Section 52-4-103 for this chapter, as used in this section:
 - (a) "Anchor location" means a physical location where:
 - (i) the charter school board would normally meet if the charter school board were not holding an electronic meeting; and
 - (ii) space, a facility, and technology are provided to the public to monitor and, if public comment is allowed, to participate in an electronic meeting during regular business hours.
 - (b) "Charter school board" means the governing board of a school created under Title 53G, Chapter 5, Charter Schools.
 - (c) "Meeting" means the convening of a charter school board:
 - (i) with a quorum who:
 - (A) monitors a website at least once during the electronic meeting; and
 - (B) casts a vote on a website, if a vote is taken; and
 - (ii) for the purpose of discussing, receiving comments from the public about, or acting upon a matter over which the charter school board has jurisdiction or advisory power.
 - (d) "Monitor" means to:
 - (i) read all the content added to a website by the public or a charter school board member; and
 - (ii) view a vote cast by a charter school board member on a website.
 - (e) "Participate" means to add content to a website.
- (2)
 - (a) A charter school board may convene and conduct an electronic meeting in accordance with Section 52-4-207.
 - (b) A charter school board may convene and conduct an electronic meeting in accordance with this section that is in writing on a website if:
 - (i) the chair verifies that a quorum monitors the website;
 - (ii) the content of the website is available to the public;

- (iii) the chair controls the times in which a charter school board member or the public participates; and
 - (iv) the chair requires a person to identify himself or herself if the person:
 - (A) participates; or
 - (B) casts a vote as a charter school board member.
- (3) A charter school that conducts an electronic meeting under this section shall:
 - (a) give public notice of the electronic meeting:
 - (i) in accordance with Section 52-4-202; and
 - (ii) by posting written notice at the anchor location as required under Section 52-4-207;
 - (b) in addition to giving public notice required by Subsection (3)(a), provide:
 - (i) notice of the electronic meeting to the members of the charter school board at least 24 hours before the meeting so that they may participate in and be counted as present for all purposes, including the determination that a quorum is present;
 - (ii) a description of how the members and the public may be connected to the electronic meeting;
 - (iii) a start and end time for the meeting, which shall be no longer than 5 days; and
 - (iv) a start and end time for when a vote will be taken in an electronic meeting, which shall be no longer than four hours; and
 - (c) provide an anchor location.
- (4) The chair shall:
 - (a) not allow anyone to participate from the time the notice described in Subsection (3)(b)(iv) is given until the end time for when a vote will be taken; and
 - (b) allow a charter school board member to change a vote until the end time for when a vote will be taken.
- (5) During the time in which a vote may be taken, a charter school board member may not communicate in any way with any person regarding an issue over which the charter school board has jurisdiction.
- (6) A charter school conducting an electronic meeting under this section may not close a meeting as otherwise allowed under this part.
- (7)
 - (a) Written minutes shall be kept of an electronic meeting conducted as required in Section 52-4-203.
 - (b)
 - (i) Notwithstanding Section 52-4-203, a recording is not required of an electronic meeting described in Subsection (2)(b).
 - (ii) All of the content of the website shall be kept for an electronic meeting conducted under this section.
 - (c) Written minutes are the official record of action taken at an electronic meeting as required in Section 52-4-203.
- (8)
 - (a) A charter school board shall ensure that the website used to conduct an electronic meeting:
 - (i) is secure; and
 - (ii) provides with reasonably certainty the identity of a charter school board member who logs on, adds content, or casts a vote on the website.
 - (b) A person is guilty of a class B misdemeanor if the person falsely identifies himself or herself as required by Subsection (2)(b)(iv).

- (9) Compliance with the provisions of this section by a charter school constitutes full and complete compliance by the public body with the corresponding provisions of Sections 52-4-201 and 52-4-202.

Amended by Chapter 415, 2018 General Session

52-4-210 Electronic message transmissions.

Nothing in this chapter shall be construed to restrict a member of a public body from transmitting an electronic message to other members of the public body at a time when the public body is not convened in an open meeting.

Enacted by Chapter 25, 2011 General Session

Part 3 Enforcement

52-4-301 Disruption of meetings.

This chapter does not prohibit the removal of any person from a meeting, if the person willfully disrupts the meeting to the extent that orderly conduct is seriously compromised.

Enacted by Chapter 14, 2006 General Session

52-4-302 Suit to void final action -- Limitation -- Exceptions.

- (1)
- (a) Any final action taken in violation of Section 52-4-201, 52-4-202, 52-4-207, or 52-4-209 is voidable by a court of competent jurisdiction.
 - (b) A court may not void a final action taken by a public body for failure to comply with the posting written notice requirements under Subsection 52-4-202(3)(a) if:
 - (i) the posting is made for a meeting that is held before April 1, 2009; or
 - (ii)
 - (A) the public body otherwise complies with the provisions of Section 52-4-202; and
 - (B) the failure was a result of unforeseen Internet hosting or communication technology failure.
- (2) Except as provided under Subsection (3), a suit to void final action shall be commenced within 90 days after the date of the action.
- (3) A suit to void final action concerning the issuance of bonds, notes, or other evidences of indebtedness shall be commenced within 30 days after the date of the action.

Amended by Chapter 435, 2023 General Session

52-4-303 Enforcement of chapter -- Suit to compel compliance.

- (1) The attorney general and county attorneys of the state shall enforce this chapter.
- (2) The attorney general shall, on at least a yearly basis, provide notice to all public bodies that are subject to this chapter of any material changes to the requirements for the conduct of meetings under this chapter.

- (3) A person denied any right under this chapter may commence suit in a court of competent jurisdiction to:
 - (a) compel compliance with or enjoin violations of this chapter; or
 - (b) determine the chapter's applicability to discussions or decisions of a public body.
- (4) The court may award reasonable attorney fees and court costs to a successful plaintiff.

Renumbered and Amended by Chapter 14, 2006 General Session
Amended by Chapter 263, 2006 General Session

52-4-304 Action challenging closed meeting.

- (1) Notwithstanding the procedure established under Subsection 63G-2-202(7), in any action brought under the authority of this chapter to challenge the legality of a closed meeting held by a public body, the court shall:
 - (a) review the recording or written minutes of the closed meeting in camera; and
 - (b) decide the legality of the closed meeting.
- (2)
 - (a) If the judge determines that the public body did not violate Section 52-4-204, 52-4-205, or 52-4-206 regarding closed meetings, the judge shall dismiss the case without disclosing or revealing any information from the recording or minutes of the closed meeting.
 - (b) If the judge determines that the public body violated Section 52-4-204, 52-4-205, or 52-4-206 regarding closed meetings, the judge shall publicly disclose or reveal from the recording or minutes of the closed meeting all information about the portion of the meeting that was illegally closed.
- (3) Nothing in this section may be construed to affect the ability of a public body to reclassify a record, as defined in Section 63G-2-103, as provided in Section 63G-2-307.

Amended by Chapter 425, 2018 General Session

52-4-305 Criminal penalty for closed meeting violation.

In addition to any other penalty under this chapter, a member of a public body who knowingly or intentionally violates or who knowingly or intentionally abets or advises a violation of any of the closed meeting provisions of this chapter is guilty of a class B misdemeanor.

Enacted by Chapter 263, 2006 General Session