

**CITY COUNCIL MEETING MINUTES OF THE
CITY OF CEDAR HILLS
Tuesday, June 10, 2025 – 6:00 PM
Community Recreation Center
10640 North Clubhouse Drive, Cedar Hills, Utah**

Present: Mayor Denise Andersen, Presiding
Council Member Mike Geddes (arrived at 6:04 p.m.)
Council Member Bob Morgan
Council Member Erika Price
Council Member Kelly Smith

Absent/Excused: Council Member Laura Ellison

Staff: Chandler Goodwin, City Manager
Charl Louw, Finance Director
Greg Gordon, Recreation Director
Kevin Anderson, Public Works Director
Hyrum Bosserman, City Attorney
Colleen Mulvey, City Recorder
Lieutenant Kevin Doyl

CITY COUNCIL MEETING

1. Call to Order, Pledge, and Invocation.

The City Council Meeting of the City of Cedar Hills, having been properly noticed, was called to order at 6:00 p.m. by Mayor Andersen.

The Pledge of Allegiance was led by Council Member Morgan.

The Invocation was offered by Council Member Price.

2. Approval of Meeting Agenda.

MOTION: Council Member Smith moved to APPROVE the Meeting Agenda. Council Member Morgan seconded the motion. Vote on Motion: Council Member Ellison-Absent, Council Member Geddes-Absent, Council Member Morgan-Yes, Council Member Price-Yes, Council Member Smith-Yes. The motion passed unanimously.

3. Public Comment.

Mayor Andersen opened the public comment period.

Laura Johnson gave her address as 10312 North Forest Creek Drive and commented on the library. She still has a young child in elementary school and the family frequents the library. Ms. Johnson

asked the City Council to keep the reimbursement program, as it is something that her family depends on. The reimbursement program allows her to utilize the American Fork library, which has a larger section of books for children. Ms. Johnson also shared a comment about the Family Festival. She heard that there might not be games for children next year but asked that the City Council continue to have activities and games available for young people.

There were no further comments. The public comment period was closed.

CONSENT AGENDA

4. Approval of the Minutes from the May 6 and May 20, 2025, City Council Meetings.

MOTION: Council Member Morgan moved to APPROVE the Consent Agenda. Council Member Price seconded the motion. **Vote on Motion:** Council Member Ellison-Absent, Council Member Geddes-Yes, Council Member Morgan-Yes, Council Member Price-Yes, Council Member Smith-Yes. The motion passed unanimously.

CITY REPORTS AND BUSINESS

5. Mayor and Council, City Manager and Staff.

City Manager, Chandler Goodwin, thanked everyone who helped make Family Festival a success. This includes the Public Works Department, volunteers, and others. Mr. Goodwin reported that due to the number of candidates there is no need for a primary municipal election for Cedar Hills.

Council Member Morgan expressed appreciation for the Family Festival volunteers. He commented that the Family Festival gets better each year. Council Member Morgan had a conversation with the Director at The Charleston about speaking to the residents once a month possibly reviewing the newsletter and answering questions each month. Council Member Morgan asked about the number of homes signed up with UTOPIA. Mr. Goodwin reported that there is currently 34.9% of the take rate and the City needs to hit 35%. The sign-up with UTOPIA has gone well. Council Member Morgan shared a comment about children running through sprinklers. He pointed out that Pressurized Irrigation (“PI”) is not appropriate water to run in.

Mayor Andersen commented that Family Festival was amazing. It was wonderful to see so many families together. There was a lot of work put in by Staff and the Family Festival Committee. Mayor Andersen reported that she sits on the Winter Response Task Force, which is the task force that helps to decide how the County treats code blue situations with the unhoused population. The County has provided a building that is away from neighborhoods, and it will be the only location this year. From November 15 to March 31, there will be a place for people to sleep with a blanket and a pad. A meal will also be provided. Mayor Andersen noted that on September 13, 2025, there will be a Day of Service and there is a team organizing activities.

Council Member Smith reported that she serves on the Family Festival Committee and appreciates everything that was done to make the event a success. Council Member Smith stated she serves as the Alpine School District liaison and three people are running for the School Board seat. There

will not be a primary, but those candidates will be campaigning over the summer. As for the comment made during the public comment period, if there are no volunteers, then offerings at the festival will be dropped. That is what almost happened with the games for children this year. There was a request made for volunteers, but there was only one person who offered to run the games. Every year, the Family Festival Committee looks at the response to the offerings to see what is most popular, but without volunteers, it is not always possible to run certain programs.

Council Member Geddes echoed the comments that have been shared about the Family Festival. It was a wonderful experience, and he was pleased that there was good weather throughout.

Council Member Price reported that the Community Outreach Committee met a few weeks ago and there are some fun things planned for the fall. For example, there is a local ghost hunter who will tell ghost stories for those interested. There will also be a BYU expert who will present.

Council Member Price presented awards to outstanding seniors from Lone Peak High School. The first awardee is Brooklyn Limb and Council Member Price read a statement from the school principal. The second awardee is Molly Gygi who received an award for outstanding service and character. The Mayor and Council congratulated both of the awardees from Lone Peak High School and a photograph was taken.

Mayor Andersen thanked the Police Department and Fire Department for their efforts during the Family Festival. Lieutenant Kevin Doyl appreciated the public support and Staff support during Family Festival. He stated that the event went well and there were very few issues.

Recreation Director, Greg Gordon, recognized the work done by Rob Olsen and Jerrianne Conroy.

Public Works Director, Kevin Anderson, echoed the comments made and thanked Mr. Olsen and Ms. Conroy for their assistance. Everything is going well in the Public Works Department. There are only a handful of PI meters left to be installed and that work should be completed shortly.

SCHEDULED ITEMS AND PUBLIC HEARINGS

6. Review/Action and Public Hearing on Preliminary/Final Lot Split Plan for Lot 2 Plat A CH Shiny Shell Subdivision, Located in the SC-1 Commercial Zone.

Mr. Goodwin explained that this item is a Preliminary/Final Lot Split Plan. The Shiny Shell and Valvoline share one parcel, and the owners want to split it into two parcels. The new property line will split the lot where the solid black line is shown. There will be an agreement between the owners that is recorded against both properties concerning easements and access. This does not grant either owner commercial subdivision rights that did not exist prior.

Mayor Andersen opened the public hearing. There were no comments. The hearing was closed.

MOTION: Council Member Smith moved to APPROVE the Preliminary/Final Plan for the Lot Split for Lot 2 Plat A CH Shiny Shell Subdivision, located in the SC-1 Commercial Zone. Council Member Price seconded the motion. Vote on Motion: Council Member Ellison-

Absent, Council Member Geddes-Yes, Council Member Morgan-Yes, Council Member Price-Yes, Council Member Smith-Yes. The motion passed unanimously.

7. Review/Action and Public Hearing on an Ordinance Amending City Code Title 10-4D-9 Related to Building Height Requirements.

Mr. Goodwin explained that this pertains to an amendment to City Code Title 10-4D-9 and clarified that this relates to building height requirements for accessory buildings. In the R1-15,000 Zone, there is a half-acre minimum requirement for the lot size. If the lot is an acre, in theory, that lot could be split into two and a new 35-foot home could be built there. According to the code, it is only possible to place a 20-foot accessory building there. As the accessory building is pulled away from the property line, the impact is minimized on the adjacent residential properties. In 2018, language was added to the R1-15,000 which allows for a height of up to 25 feet for an accessory building. The proposal is that the same code be extended into the H-1 Hillside Zone, as there are some larger lots there that wish to have larger accessory buildings. He clarified that this would only apply to the larger lots, and it could be 25 feet instead of 20 feet.

Council Member Smith asked about the rationale for allowing the additional 5-feet. Mr. Goodwin explained that there could be slightly more height or a steeper pitch on the roof. What is being discussed is a detached accessory building. Council Member Smith expressed concerns about how close it is possible for an accessory building to be to another property. What most people like to do is place the accessory building as far back from the home as possible, which then puts it close to the neighboring property. She asked why the additional 5-feet is something the Council should consider. Mr. Goodwin pointed out that lot size matters in this case. In theory, lots of that size could already be subdivided and a 35-foot building could be placed there, as that property right exists. When there is an accessory building of 25 feet, that is actually less than the potential impact. Council Member Geddes believes this proposal makes sense.

Mr. Goodwin liked the idea of giving as many property rights as possible to homeowners when it makes sense. Mayor Andersen noted that the City is generally concerned with the architectural look. The additional five feet in this case would allow that architectural difference to ensure that the design fits into the overall look of the neighborhood. Mr. Goodwin explained that in a case where the accessory building is at 25 feet, there is language proposed that states: "...should the proposed accessory building comply with the building setback requirements of a main dwelling in the underlying zone." It would be set back that same distance as the home would be.

Mayor Andersen opened the public hearing. There were no comments. The public hearing was closed.

MOTION: Council Member Price moved to APPROVE Ordinance No. 06-10-2025A, an Ordinance Amending City Code Title 10 Chapter 4D Section 9 Related to Accessory Building Height Restrictions. Council Member Geddes seconded the motion. Vote on Motion: Council Member Ellison-Absent, Council Member Geddes-Yes, Council Member Morgan-Yes, Council Member Price-Yes, Council Member Smith-Yes. The motion passed unanimously.

8. Review/Action and Public Hearing on a Resolution Adopting the Fiscal Year 2025 Budget Amendments.

Finance Director, Charles Louw explained the proposed amendments to the revenues and expenditures are based on trends and priorities. He highlighted a few items that have changed. The Professional Services Revenue Trends amendments have to do with some increases in revenues from items such as Business Licenses and Building Permits. The Building Permits and Plan Check Fees did better this year than the last two years, so there are adjustments listed to account for that. Passports did better than any other year due to the increase in the timeslots. There is also the Sale of Capital Assets – Land listed that needs to be adjusted for in the amendments.

Under the Professional Services Expenditure Trends, there are Membership Dues increases, so there is an adjustment made to accommodate that. The backup generator maintenance is covered under the Repairs and Maintenance line item. Legal Services have increased this year as well as Engineering Services and Materials and Supplies. As for the Employee Benefits line, it was noted that someone was made a permanent part-time employee. Though that employee was scheduled for 20 hours, there were some weeks where the employee worked more than that, so the related benefit cost was higher than budgeted. There is also an increase in expenditures shown in the Fiscal Year 2025 Budget Amendment document for both Recreation Programs and Credit Card Fees.

Mr. Louw reviewed the Golf Fund information and pointed out the Building Maintenance line item. He explained that this building continues to have HVAC issues, so some more money was requested to address those needs. The main revenue increases in this fund were reviewed. There is \$300,000 more projected in Green Fees, \$10,000 more in the Short Course, \$20,000 more in Pro Shop Revenue, \$25,000 more in Event Rentals, and \$40,000 more in Season Passes. Some of the expenditures were reviewed, including the Golf Cart Rent items that were broken out between Lease Principal and Lease Interest. The Transfer to the Capital Projects Fund was eliminated.

The Class C Roads Fund section was discussed. Mr. Louw reported that there was not a lot of snow this year, so there is a \$15,000 decrease in expenditures for Snow Removal. In the Capital Projects Fund, it shows the canceled transfer from the Golf Fund. In the Water and Sewer Fund section, there is a budget adjustment shown for the Grant – Aquatrax Reimbursement from the State of Utah. This is the second year that money is being received for the water meter software. There are some other adjustments listed, some of which are decreases in expenditures. Council Member Price asked about the two separate Continuing Education line items. Mr. Louw explained that one is storm drain education and there is also a continuing education item related to sewer.

Mayor Andersen clarified that the adjustments listed are for the current fiscal year. The new budget will be for the next fiscal year. She stated that Mr. Louw does a great job bringing the numbers into alignment. Council Member Geddes asked about the Class C Roads Fund. Mr. Louw explained that there is one more distribution in September, but the projections are ahead of last year. It was clarified that those funds are restricted and need to be spent on road maintenance.

Mayor Andersen opened the public hearing.

Wayne Gardner gave his address as 9057 North Renaissance Drive and stated that he is in the Renaissance Homeowners Association (“HOA”). He was curious about the increase in the Building Permits. Cedar Hills is not built out, but is close, and he wanted to know about water rights. Mayor Andersen reported that developers purchase water rights for each lot in the City and it is based on size. Mr. Goodwin explained that there is a robust water rights portfolio for the size of the City, assuming that people use the appropriate amount of water. With the water conservation efforts that the City had put in place, such as the secondary water meters and the tiered rate structure for use, there has been a decrease in the amount of water that people are using. As for the Building Permits, he confirmed that the City is near build-out, so Cedar Hills is not actively looking for new water rights. The intention is to responsibly use the water rights that exist.

There were no further comments. The hearing was closed.

MOTION: Council Member Smith moved to APPROVE Resolution No. 06-10-2025A, a Resolution Adopting the Fiscal Year 2025 Budget Amendments. Council Member Morgan seconded the motion. Vote on Motion: Council Member Ellison-Absent, Council Member Geddes-Yes, Council Member Morgan-Yes, Council Member Price-Yes, Council Member Smith-Yes. The motion passed unanimously.

9. Review/Action and Public Hearing on an Ordinance Enacting Compensation Increases for Executive Municipal Officers.

Mr. Louw presented explained that Senate Bill (“S.B.”) 91 - Local Government Officers Compensation Amendments from the 2024 Legislative Session went into effect on May 1, 2024. The bill defines compensation as salary, a budgeted bonus, a vehicle allowance, and a deferred salary. It defines an Executive Municipal Officer as a City Manager, an Assistant City Manager or Chief Administrative Officer, a City Attorney, an individual who is the head of a City Department, or an individual who is an Assistant Department Head. Before a governing body may adopt a Final Budget or Final Amended Budget that includes a compensation increase for an Executive Municipal Officer, the governing body shall hold a public hearing on the compensation increase. Cedar Hills has approximately 30 permanent employees with 20 full-time employees.

Mr. Louw reviewed the Full-Time Positions Pay Scale, which shows what the hourly increases would be for each of the permanent employees. There is also a proposed 3% increase for the Mayor and City Council. Council Member Smith explained that the intention is to include the Mayor and City Council with everyone else rather than wait until there is a more significant increase. It is better to focus on incremental increases rather than singling out different groups.

Mayor Andersen opened the public hearing.

Laura Johnson gave her address as 10312 North Forest Creek Drive. She believes that people should receive raises, but this is a tight economy. It is her understanding that there was a small raise last year. Mr. Louw noted that there was a 2.75% merit increase and an inflationary component. Discussions were had about merit. Council Member Smith reported that she looks at other cities and checks their budgets to see what is happening in other areas. She has not seen a city that does not at least do a cost of living adjustment (“COLA”) each year to address inflation.

There were no further comments. The hearing was closed.

MOTION: Council Member Morgan moved to APPROVE Ordinance No. 06-10-2025B, an Ordinance Approving the Recommended Compensation Updates for the Final Budget Fiscal Year 2025-2026. Council Member Geddes seconded the motion. Vote on Motion: Council Member Ellison-Absent, Council Member Geddes-Yes, Council Member Morgan-Yes, Council Member Price-Yes, Council Member Smith-Yes. The motion passed unanimously.

10. Review/Action and Public Hearing on a Resolution Adopting the Fiscal Year 2026 Budget (July 1, 2025 to June 30, 2026).

Mr. Louw reviewed the Budget Fiscal Year – July 1, 2025 to June 30, 2026 presentation slides. It was noted that the budget process can be difficult, as there is a need to retain employees, provide quality services, and be fair to residents. Information about the 2025 Decision Survey was shared. The top priorities were to promote beautification and preserve open space, reduce taxes, enhance parks and trails, debt reduction, and improve public safety, crime, and emergency services.

Mr. Louw shared the Employment Update – April 2025 information, which includes data from the Department of Workforce Services. The State of Utah's unemployment rate is 3.1%. Utah County has an average of 284 new unemployment claims per week, which is a 2% decline from the prior year. The two-year job growth rate is 2.1% in the State of Utah. The biggest layoffs were Federal.

The May 2025 Economic and Housing Outlook information was reviewed. The gross domestic product (“GDP”) outlook for 2025 and 2026 is at 0.7%. The core consumer price index (“CPI”) is expected to rise 3.8% in 2025 and 2.6% in 2026. The mortgage rates are expected to trend slightly lower, and the housing sales were revised up slightly as well as the mortgage originations.

The Federal Reserve Bank of Atlanta projects a GDP of 3.8% during the second quarter after shrinking 0.2% in the first quarter. Based on a survey that was conducted, 44% of top audit professionals hold a gloomy view with concerns that the United States economy will fall into a recession. This is compared to 10% last fall. 15% of audit professionals were optimistic, which was a shift from 38% at the beginning of this period. There is a trend of pessimism among auditors. Companies have been reacting to fear of a potential recession, ongoing geopolitical instability, and trade uncertainties by doubling down on risk mitigation, cost management strategies, and financial performance.

Mr. Louw reported that most of the revenues in the City come from Sales Tax. Until the last distribution, the tax amount was down. Fortunately, the last distribution in March was higher and that brought the number back to flat compared to last year. The second largest revenue source is Property Tax and Motor Vehicle Fees. The third highest is Garbage and Recycling Fees and the fourth is the Class C Road Revenues. Mr. Louw next reviewed expenditures. Almost 40% goes towards Public Safety. The next highest is Parks and Recreation followed by Streets, Building, and Zoning.

The Monthly Sales and Use Tax Revenue chart was shared. He next reviewed the Monthly Building Permit Revenue and pointed out the five-year average. The Monthly Passport Revenue

was shared. When the timeslots increased, there was a significant increase in January, February, March, and April. A question was asked about the amount that is charged for passports. Mr. Goodwin clarified that passport fees are set by the U.S. Department of State, the City does have flexibility in what is charged for passport photographs, which the City tries to be competitive on. It is currently priced at \$15.

Mr. Louw reviewed the Golf Fund Revenues Budget. He reported that most of the Golf Fund budget comes from the Green Fees, Golf Carts, and Tournaments. May was a record-breaking month where the averages were high. The Pro Shop Revenue, Snack Shack and Concessions, and Season Passes are smaller compared to the Green Fees, Golf Carts, and Tournaments revenue.

The Golf Fund Expenditures Budget information was shared. Mr. Louw noted that golf is labor intensive, and a lot of the expenditures are related to payroll. In other funds, the payroll is usually around 30% of the cost, but in the Golf Fund, it is 56.3%. There are also items such as Golf Cart Rentals and Course Maintenance listed. The Monthly Revenues from the Green Fees chart was shared. He pointed out how much higher the Green Fees were in May compared to the last four years and explained that it was a very strong month.

The Class C Roads Fund Revenues information was shared. Mr. Louw explained that most of the money for roads comes from Class C Roads, but there is also the Public Transit Sales Tax and Highway Sales Tax. As for the Class C Roads Fund Expenditures, most of the money goes towards the Street Maintenance and Wages and Benefits line items. The Class C Roads Gas Tax Distribution chart was shared. That chart shows a yearly average where there is an upward trend.

Mr. Louw discussed the Water and Sewer Fund Revenues. 53.54% is Water Revenues, 33.72% is Sewer Revenues, and 11.06% is Storm Drain Revenues. As for the Water and Sewer Fund Budgeted Expenses, there are items such as Staff Costs, Sewer Contract, Water Utility Debt Service, Supplies and Equipment, and Supplementary Water listed. Mr. Louw next reviewed some of the Budgeted Revenue Highlights included in the presentation slides, such as:

- City Staff recommends a three-year average for revenues that are subject to volatility;
- The property tax revenue operating amount is flat;
- Local sales tax revenues fund 35% of the General Fund and Class C Road budgets combined are expected to be flat;
- Contributing to the General Fund: Golf transfer of \$40,000, passports transfer of \$25,000, and cell tower leasing of \$26,000;
- Fee increases to offset higher contractual amounts for garbage, public safety, and electricity;
- Golf demand continues to trend revenues higher;
- Gas tax revenues continue to trend higher;
- The Golf Debt Levy is \$57,000 less than allowed on the property tax levy.

Mr. Louw shared some of the Budgeted Expenditure Highlights, which includes the following:

- \$50,000+ public safety contractual increases for fire, police, and dispatch;
- \$25,000 set aside to study public safety preferences and funding methodology;

- Community Service Director - 90% allocation moved to the Golf Fund from 75%;
- \$30,000 in cuts to Seasonal Park Staff funding and other City Council and Staff line items, such as training;
- Waste management - 4.9% contractual increase with a 6% increase from North Pointe Solid Waste for a total of \$20,000;
- Compensation for Staff and City Council: increase at 3%;
- Library Reimbursement remains at \$60 with a sales tax revenue bump from the May distributions;
- Golf improvements - irrigation replacement plans finalized, nursery green, and potential golf simulator after analysis presented;
- Road maintenance for various roads - crack seal, bond matrix, and HA5 preventative treatments at \$400,000;
- Capital Projects Fund - Council Chambers this summer and fall (\$400,000), Harvey Boulevard widening project (\$270,000), and Mesquite Park Playground (\$250,000);
- Water and Sewer Fund - vacuum truck (\$616,000) and trailer (\$16,000), secondary water meter;
- Motor Pool Fund - two pickups and one dump truck replacement (\$140,000).

Mr. Louw discussed the Public Safety Study mentioned. He explained that the goal of the City is to have stable expenses that are as affordable as possible and provide an appropriate level of service. It has been positive working with American Fork, but there is a desire to have something in writing that provides stability. Currently, American Fork can opt-out, provide notice, and leave us scrambling to find a new partner. Mr. Louw shared information about the Harvey Boulevard widening project and the Utah County grant for park-related work.

Council Member Smith asked about the \$25,000 for the study. She wanted to know if that is the cost to simply study what the different options are. Mr. Louw clarified that this is based on a proposal that included a study and analysis of how to charge different entities, in line with some Legislation that has almost passed in the last few years. Council Member Smith mentioned the credit card fees. Mayor Andersen pointed out that it is possible to make a budget adjustment if there are changes, but the details have not been finalized at this time. Council Member Smith asked about the fees that increased for the Utah League of Cities and Towns (“ULCT”) and the Chamber. She wanted to know what the increases were based on. Mr. Goodwin explained that their membership fees have changed. With the ULCT, there have been some increases based on the staff that is required to monitor the different bills that are proposed each year. Discussions were had about the Chamber-related increase.

Council Member Smith mentioned the Library Reimbursement. Last month, there was a discussion about lowering the reimbursement. The conversations about Library Reimbursement has created a need to have discussions with other cities about different options. In order to have these discussions, she believes \$30,000 will be needed in that budget line item. She does not want to lose an opportunity with another city which might increase literacy and access to resources. Mayor Andersen suggested that there be a discussion about this once all of the numbers and information has been finalized. It is possible to do a budget amendment. The Final Budget needs to be submitted. As for the Library Reimbursement, she pointed out that no one has ever been

turned away for that. The Council discussed the Library Reimbursement amount and what makes sense moving forward.

Council Member Smith asked what the sidewalk policy is in Cedar Hills. Mr. Anderson explained that City Staff goes around and rates the sidewalks based on the amount of wear and tear. The amount that is budgeted for sidewalk work is used to address some of the necessary repairs. Mr. Goodwin explained that the work usually waits until there are a number of panels that can be taken care of all at once in order to reduce the costs.

Mayor Andersen opened the public hearing.

Wayne Gardner gave his address as 9057 North Renaissance Drive and asked for information about the Library Reimbursement Program. Mayor Andersen explained that there is not a library in Cedar Hills. To address that need, when residents obtain a library card in another City, the receipt is then brought to the City Office, and the City reimburses them \$60 to help pay for the library fee.

Laura Johnson lives at 10312 North Forest Creek Drive. She mentioned the replacement of pickups in the budget line item and asked how often that is done. Mr. Louw reported that the replacement is generally done every three years for unmodified trucks that are easier to sell. That keeps the costs under \$200 per month for the vehicle and there is little maintenance. More specialized vehicles are kept for approximately six years.

Ms. Johnson noticed that the holiday expenses line item in the budget has a significant increase. She wondered what that increase was covering. Mr. Louw explained that even though it looks like a large increase, this is actually a consolidation of the Easter Egg Hunt, Santa Night, and Christmas lighting. The holidays were combined into one line item rather than being separated out.

Lindsey Duke lives at 4513 Haven Lane. She thanked the City for the Library Reimbursement and for listening to residents. All of the discussions about the reimbursement might cause more residents to seek out reimbursement, so that is important to consider. Mayor Andersen explained that if the City finds there is a need to increase the budget, then a budget adjustment can be made.

Susan Proctor gave her address as 4096 West Cedar Hills Drive. She wanted to know about the cost of the Golf Pass. Mr. Gordon explained that it depends on how it is used, as there are either 9 or 18 holes. It can be anywhere from \$30 to \$56 and there were 68 total passes used last year.

There were no further comments. The hearing was closed.

MOTION: Council Member Morgan moved to APPROVE Resolution No. 06-10-2025B, a Resolution Adopting the July 1, 2025 – June 30, 2026 Fiscal Year Budget for the City of Cedar Hills, Utah. Council Member Price seconded the motion. Vote on Motion: Council Member Ellison-Absent, Council Member Geddes-Yes, Council Member Morgan-Yes, Council Member Price-Yes, Council Member Smith-Yes. The motion passed unanimously.

11. Review/Action on a Resolution Certifying the Calculated 2025-2026 Real and Personal Property Tax Levy.

Mr. Louw stated this item relates to the calculated 2025-2026 real and personal property tax levy. Last year, the certified amount was projected to bring in \$761,000. This year, it is projected to bring in almost \$764,000. There is approximately \$2,500 more being brought in due to new growth. The certified tax rate includes the amount last year plus new growth. That rate is 0.001043. He reviewed a chart that shows what the median home pays in property tax in different cities.

MOTION: Council Member Price moved to APPROVE Resolution No. 06-10-2025C, a Resolution Setting the Total Property Tax Levy Assessed Upon the Real and Personal Property for General Governmental Purposes for the 2025-2026 Tax Year for the City of Cedar Hills, Utah. Council Member Smith seconded the motion. Vote on Motion: Council Member Ellison-Absent, Council Member Geddes-Yes, Council Member Morgan-Yes, Council Member Price-Yes, Council Member Smith-Yes. The motion passed unanimously.

12. Review/Action and Public Hearing on a Resolution Adding, Amending, or Deleting Certain Fees to the Official Fees, Bonds, and Fines Schedule for the City of Cedar Hills.

Mr. Louw presented information about the different tiers of the pressurized irrigation system. This includes: Tier 1 (0 to 75% of the water allotment) at \$0.70 per 1,000 gallons, Tier 2 (75% to 100% of the water allotment) at \$1.00 per 1,000 gallons, and Tier 3 (100% or more of the water allotment) at \$1.50 per 1,000 gallons. However, effective from September 1, 2025, Tier 3 would be adjusted to 100% to 150% of the water allotment at \$1.50 per 1,000 gallons. From September 1, 2025, there is also Tier 4 (150% to 200% of the water allotment) at \$2.50 per 1,000 gallons, Tier 5 (200% to 250% of the water allotment) at \$3.10 per 1,000 gallons, and Tier 6 (250% and more of the water allotment) at \$3.95 per 1,000 gallons.

Mr. Goodwin appreciated the approach that has been taken with the pause before some of the higher tiers. This gives residents time to adjust to their PI meters and figure out use levels. It essentially gives residents the summer to learn how to track water use. Following the Town Hall meeting, City Staff went back and looked at the base rate to determine whether it was possible to lower it at all. Unfortunately, there is no way to lower the base rate and ensure that there is proper debt service coverage for the bonds. Mr. Louw reported that the base rate is listed as \$38.58.

Council Member Price asked if there are concerns about the debt service coverage with the lower tiers to start. Mr. Louw pointed out that anything is possible, but the City is making the best choices possible with the information that is currently known. If it rained all September and October, that might cause some difficulties. That being said, sometimes with bond rating agencies, when there are unusual situations, it is possible to show the good faith efforts that were taken.

Mr. Louw discussed the other rates. Waste Management is up 4.9% and North Pointe is up by 6%. The American Fork Public Safety contract fee is increasing by \$1, which will fund approximately two-thirds of the increase. Council Member Smith asked where the other one-third comes from if

it is not coming from these fees. Mr. Louw explained that it comes down to certain cuts, such as training and seasonal park staff as well as the additional revenue from passports and other sources.

Mayor Andersen opened the public hearing.

Laura Johnson gave her address as 10312 North Forest Creek Drive. She asked what would happen if someone used more than 100% of the water allotment. She wondered whether all of the water use would be charged at \$1.50 or only everything that was over the 100% amount. It was clarified that it would be the latter. Ms. Johnson asked how many residents use 100%. Mr. Goodwin reported that there are residents who use 40% to 50% and then there are residents who use 1,000%. Mayor Andersen reminded those present that the allotment is based on the lot size. It is a generous allotment that residents should be able to work within. What is proposed is a starting point.

There were no further comments. The hearing was closed.

MOTION: Council Member Morgan moved to APPROVE Resolution No. 06-10-2025D, a Resolution Adding, Amending, or Deleting Certain Fees to the Official Fees, Bonds, and Fines Schedule of the City of Cedar Hills, Utah. Council Member Price seconded the motion. Vote on Motion: Council Member Ellison-Absent, Council Member Geddes-Yes, Council Member Morgan-Yes, Council Member Price-Yes, Council Member Smith-Yes. The motion passed unanimously.

13. Review/Action on Acceptance of the Internal Audit Reports.

Mr. Goodwin explained that this is part of a larger attempt by the State of Utah to reduce the risk of fraud in municipalities. There is a Fraud Risk Assessment and there are points given for all efforts made to reduce fraud. One of the biggest sections has to do with establishing a proper separation of duties. Mr. Goodwin reported that one of the components is that there is an internal Audit Committee that looks at various processes and procedures within the City. That has been established and each year, there are one or two meaningful internal audits that are conducted. This year, the focus was on the accounts payable process. The intention is to make sure there is a minimal risk of fraud in the process and to streamline the process for increased efficiency.

Mr. Goodwin pointed out that with invoices, there is context that needs to be taken into account. For example, there might be a scenario where an invoice is not paid until there is verification the work has been done. The City wants to make sure the policies and procedures make sense when it comes to initiating these types of payments. There is now tracking for the date the invoices are received. This allows the City to show that in many cases, the City receives the invoices when the due date has already expired. An invoice box has been instituted to ensure invoices are not misplaced. There will be continued monitoring of invoices to ensure that those are paid on time and coded correctly. What is before the City Council is acceptance of the Internal Audit Reports.

MOTION: Council Member Smith moved to APPROVE the Acceptance of the Internal Audit Reports. Council Member Price seconded the motion. Vote on Motion: Council

Member Ellison-Absent, Council Member Geddes-Yes, Council Member Morgan-Yes, Council Member Price-Yes, Council Member Smith-Yes. The motion passed unanimously.

14. Review/Action on Acceptance of the Fiscal Year 2025 Fraud Risk Assessment Report.

Mr. Goodwin reported that for the Fraud Risk Assessment, there is a total score of 395. Anything that is over 355 indicates a very low risk of fraud. Cedar Hills received a score of 390. One item that was not checked off had to do with a policy in IT and computer security which is where updates are needed. Work will be done to update the IT and computer security policy moving forward.

Mayor Andersen pointed out that this is a situation where Cedar Hills benefits from being a smaller City, as it is a little easier to control things. Mr. Goodwin stated that the main challenge is the separation of duties and making sure there are enough people trained to handle the different duties that exist.

MOTION: Council Member Price moved to APPROVE the Acceptance of the Fraud Risk Assessment Report for the Fiscal Year 2025 for the City of Cedar Hills. Council Member Geddes seconded the motion. Vote on Motion: Council Member Ellison-Absent, Council Member Geddes-Yes, Council Member Morgan-Yes, Council Member Price-Yes, Council Member Smith-Yes. The motion passed unanimously.

ADJOURNMENT

15. Adjourn.

MOTION: Council Member Geddes moved to ADJOURN the City Council Meeting. Council Member Smith seconded the motion. Vote on Motion: Council Member Ellison-Absent, Council Member Geddes-Yes, Council Member Morgan-Yes, Council Member Price-Yes, Council Member Smith-Yes. The motion passed unanimously.

The City Council Meeting adjourned at 8:01 p.m.

Approved:
July 15, 2025

/s/ Colleen A. Mulvey, MMC, UCC
City Recorder