



HARRISVILLE CITY

363 W. Independence Blvd · Harrisville, Utah 84404 · 801-782-4100
www.cityofharrisville.com

MAYOR:
Michelle Tait

COUNCIL MEMBERS:
Grover Wilhelmsen
Steve Weiss
Blair Christensen
Max Jackson
Karen Fawcett

CITY COUNCIL AGENDA

December 9th, 2025

[Zoom Meeting Link](#)

Meeting ID: 876 5992 9509

Passcode: 357932

6:00 PM Work Session

1. Ordinance 562; Housing Affordability Overlay Zone. [Sarah Wichern]

7:00 PM City Council Meeting

Presiding: Mayor Michelle Tait

Mayor Pro Tem: Steve Weiss

1. **Call to Order** [Mayor Tait]
2. **Opening**
 - a. Pledge of Allegiance [Council Member Wilhelmsen]
3. **Consent Items**
 - a. Approval of meeting minutes for November 18th, 2025 City Council Meeting and November 18, 2025 Board of Canvassers Meeting.
4. **Oath Of Office**
5. **Acknowledgments**
6. **Business Items**
 - a. FY 2025 Audit Presentation. [Rob Wood]
 - b. Discussion/possible action to refund fees as outlined in 1.85.050. [Greg Montgomery]
 - c. Discussion/possible action Ordinance 562; Housing Affordability Overlay Zone. [Sarah Wichern]
 - d. Discussion/possible action to surplus equipment. [Bryan Fife and Mark Wilson]
 - e. Discussion/possible action to adopt Resolution 25-18; Active Shooter Task Force MOU. [Nick Taylor]
 - f. Discussion/possible action to adopt Resolution 25-19; America 250 [Jennie Knight]
7. **Public Comment** – (3 Minute Maximum)

8. Mayor/Council Follow-up

- 9. Closed Executive Session** – A Closed Executive Session for the purposes described under UCA § 52-4-205(1)(c); strategy session to discuss pending or reasonable imminent litigation.

10. Adjournment

The foregoing City Council agenda was posted and can be viewed at City Hall, on the City's website harrisvillecity.gov, and at the Utah Public Notice Website at <http://pmn.utah.gov>. Notice of this meeting has also been duly provided as required by law.

In accordance with the Americans with Disabilities Act, the City of Harrisville will make reasonable accommodations for participation in the meeting. Requests for assistance may be made by contacting the City Recorder at (801) 782-4100, at least three working days before the meeting.

Posted: By: Jack Fogal, City Recorder.

MINUTES
HARRISVILLE CITY COUNCIL WORK SESSION
November 18, 2025
363 West Independence Blvd
Harrisville, UT 84404

Minutes of a regular Harrisville City Council meeting held on November 18, 2025 at 6:00 P.M. in the Harrisville City Council Chambers, 363 West Independence Blvd., Harrisville, UT.

Present: Mayor Michelle Tait, Council Member Blair Christensen, Council Member Max Jackson, Council Member Grover Wilhelmsen, Council Member Karen Fawcett, Council Member Stephen Weiss

Excused:

Staff: Jennie Knight, City Administrator, Jack Fogal, City Recorder, Jill Hunt, City Treasurer, Mark Wilson, Chief of Police, Bryan Fife, Parks and Recreation Director.

Visitors: Jason Hadley, Greg Montgomery, Marcus Keller, Sam Elder, Stephen Hempel, Greg Maher, Kameron Spencer, Linda Russell, Doug Russell, Ruth Pearce, Jeff Pearce, Lynette Shuman, Roger Shuman.

1. Call to Order.

Mayor Tait called the meeting to order.

2. Discussion – Ben Lomond PID Discussion

Sam Elder with DA Davidson presented on PIDs. He reminded Council that he has spoken to them in the past. A public infrastructure district is a quasi-governmental entity that can levy property tax revenue to pay for public infrastructure. When created it will form its own board to run the district. Creating a PID allows developers to access additional markets for bonds. The investors for these bonds are looking to invest in tax exempt projects. PIDs are utilized in other states under different acronyms. This tax levy will not affect any current residents. This only affects the Ben Lomond Development. PIDs can raise money through an additional tax or an assessment lean on the properties. There have been approximately 160 PIDs approved in Utah in the last 4 years. They are created for specific projects. They should not be utilized for every project. It should be used for master plan communities or projects with lots of off-site improvements. The project is currently owned by Flagship Homes. They have been working quickly on the project. They are trying to prove their commitment to this project unlike previous owners. This project consists of 9 acres of commercial space, parks, and trails. These amenities require more money to complete the infrastructure. The price point for these homes is projected to be in the attainable range. The developer would submit a petition to create a PID with the proposed governing documents. The developer is proposing a maximum tax rate levy of 5 mils. Their goal is to be on the agenda in December for the approval of the governing documents. Council Member Wilhelmsen inquired if the affordable housing ordinance we are working on would affect this development. Does adding an additional tax counteract what we are trying to do with the ordinance. Sam Elder stated to have affordable housing the developer has to hit certain metrics for the investor to fund the project. While this does increase the potential tax on

the home the lowered cost of the home would offset the increased property tax. Council Member Wilhelmsen stated it seems like water hitting a hot pan. The price on the homes are not being driven down. Sam Elder stated some of the developers have to hit a certain price to get a return and they will not sell if the home is outside that price. These tools can help to increase the supply which will hopefully drive down the cost. Using the PID for funds can lower the interest rates on the infrastructure loans from 9% to 6%. Council Member Jackson inquired will the residents have to pay more if we do not do the PID. Sam Elder stated not necessarily. If infrastructure does not get completed it could cost the residents to get that completed. A benefit to the PID is it can increase commercial interest due to the increase in housing. The best way to drive down tax rates for residents is commercial. Marcus Keller with Crews and Associates stated the developer is asking for about 1/3 of what they can legally ask for in the governing documents. They can legally ask for up to 15 mills, they are asking for 5 mills. The amount is lower than many other PIDs in the state. The goal is that the PID money will be used to improve the development. We should see that the developments with PIDs are nicer and will be a positive for the city. The mil levy appears appropriate, the current relationship with the developer has been good. This may be a good project for a PID. He has a development near him and the townhomes are going for \$690,000. Attainable housing can be difficult. The PID can be a resource to try and lower the cost to build these homes which can lower the cost for future residents. Mayor Tait asked how does the process look as the board for the PID turns over to the residents. Sam Elder states it is similar to an HOA. There are transition terms outlined in the governing documents. This allows residents to be shifted to the board in phases. The goal would be to refinance and reduce the mil levy once the project is built out. Mayor Tait inquired what is the risk to the city. Sam Elder stated there is no financial or legal risk to the city. The statutes are written so responsibility is not on the city. Council Member Wilhelmsen inquired how much is the 5 mills on a \$600,000 home. Sam Elder stated in Utah primary residences are taxed at 55% on the home's value. If this is a primary residence on a \$600,000 home the additional tax would be approximately \$110 a month. A home that has a lower value would pay less than a home with a higher value. A \$450,000 home would be \$103 in additional tax a month. The hope is the mil levy gets refinanced down the road decreasing the cost. A key concern from the state when PIDs started is how can we make sure the buyer is aware of this additional tax. It is required to be put in their closing documents at least 7 times. They have a separate color paper that states it is part of a PID with an additional tax. The benefit to this is the mil levy cannot increase. Mayor Tait inquired does the PID take the place of the HOA. Sam Elder stated a PID is an entity meant to finance public infrastructure. It is not meant to maintain the private amenities. An HOA would still be required. Council Member Wilhelmsen clarified so as a home owner I now have my payment, an HOA fee and this additional tax. Sam Elder stated you are correct. Most people will use a lender who will help them determine what they can pay for. Council Member Wilhelmsen inquired what are payments on house now. Council Member Christensen stated \$4000-5000 a month. If we choose not to do this PID would the prices of the houses be higher. Sam Elder stated yes, with all factors in he believes the homes will have a higher cost without the PID. The PID tax is just another factor that people will look at. Some people will avoid it because it has a PID and some people will be willing to purchase in the development. Council Member Wilhelmsen inquired what would the PID money be used for. Sam Elder stated this levy would generate approximately \$5,000,000. This mil levy would help offset the cost of the offsite improvements needed for the development. Council Member Wilhelmsen questioned how the money is tracked. Sam Elder stated it would be tracked by the district accountant. There would be a district accountant, manager, engineer, and attorney. A third party will hold the funds. The third party cannot distribute the money without a letter from the attorney and engineer stating it is an eligible cost. Council Member Jackson inquired what is the cap that can be raised from this. Sam Elder stated there is a limit of \$12,000,000-

\$15,000,000, but the limiting factor is the 5 mills described in the governing document. That is the most that be levied. Once the bonds are fully paid the district dissolves and the tax goes away. Council Member Jackson asked how long would that take. Sam Elder says they structure the bond for 30 years usually. Council Member Wilhelmsen questioned what happens if the development cost goes up. Sam Elder stated they try and structure the bonds so they are over paying so it is up within those 30 years. They put a start date and it goes for 30 years. Council Member Wilhelmsen inquired if it can be paid off early. Sam Elder said it can be paid off earlier based on how the project performs. Kameron Spencer with Flag Ship Homes inquired who is responsible if it's not paid off in that time period. Sam Elder stated if it is not paid off in 40 years it dissolves regardless. The investor is taking the risk of it not getting paid off. There are refinancing items in place so they can reduce their mil levy or they can reduce the life of the loan depending on how it performs.

3. Adjournment.

Motion: Council Member Christensen motioned to adjourn the meeting, second by Council Member Weiss.

The vote on the motion was as follows:

Council Member Wilhelmsen, Yes
Council Member Weiss, Yes
Council Member Christensen, Yes
Council Member Jackson, Yes
Council Member Fawcett, Yes

The motion passed unanimously.

The meeting adjourned at 6:40 P.M.

MINUTES HARRISVILLE CITY COUNCIL November 18, 2025 363 West Independence Blvd Harrisville, UT 84404

Minutes of a regular Harrisville City Council meeting held on November 18, 2025 at 7:00 P.M. in the Harrisville City Council Chambers, 363 West Independence Blvd., Harrisville, UT.

Present: Mayor Michelle Tait, Council Member Karen Fawcett, Council Member Blair Christensen, Council Member Max Jackson Council Member Grover Wilhelmsen, Council Member Stephen Weiss.

Excused:

Staff: Jennie Knight, City Administrator, Jack Fogal, City Recorder, Brody Flint, City Attorney, Jill Hunt, City Treasurer, Mark Wilson, Chief of Police, Bryan Fife, parks and Recreation Director,

Visitors: Jason Hadley, Greg Montgomery, Steve Hempel, Greg Maher, Kameron Spencer, Linda Russell, Doug Russell, Ruth Pearce, Jeff Pearce, Lynette Shuman, Roger Shuman, Bridgette Fife, Bowen Fife, Briggs Fife, Brooks Fife, Brinklee Fife, Alecia Erksstrom, Bailey Fife, Michel Mouley, Keith Jacques, Kris Fawcett, Steve Mueller, Marvin Farrell, Debbie Smith, Carry Smith, Amelia McTee, Elisabeth Hansen, Kelly Bartlett, Sadie Greenhalgh, Elleigh Manley, Annie Rulie, Zach Nicolas, Shanna Edwards, Frances Hood, Steve Hood, Betsy Halverson, Rick Wetz, Stacey Roylance, Todd R.

1. Call to Order.

Mayor Tait called the meeting to order and welcomed all in attendance.

2. Opening Ceremony.

Council Member Fawcett opened with the Pledge of Allegiance.

3. Consent Items

a. Approval of Meeting Minutes for October 14, 2025 Council Meeting as presented.

Motion: Council Member Christensen made a motion to approve the meeting minutes for October 14, 2025 Council Meeting as presented, second by Council Member Weiss.

The vote on the motion was as follows:

Council Member Wilhelmsen, Yes
Council Member Weiss, Yes
Council Member Christensen, Yes
Council Member Jackson, Yes
Council Member Fawcett, Yes

The motion passed unanimously.

b. Advice and Consent of Mayor's appointment of Public Works, Parks, and Recreation Director

Mayor Tait stated last month an ordinance was brought before Council combining Parks and Public Works. She introduced Bryan Fife as her appointment for Director of Public Works, Parks and Recreation. Council Member Fawcett inquired what his qualifications are. Director Fife stated he spent 7 years with Public works from 2001 to 2007 then attended police academy. He was an officer for a few years then went back to public works. After several more years the Public Works Director decided to move him to a parks manager role. The departments were split in 2016. He has been the Parks Director since. Council Member Fawcett inquired if he feels his experience will help him. Director Fife stated he has been with the City for 25 years. He believes his experience will be a benefit. Council Member Wilhelmsen asked about his long-term and short-term goals. Director Fife stated long term he wants to retire from Harrisville City. Short term he wants the two departments to mesh and work well together. Parks has moved into the new public works building. Council Member Fawcett stated she has had the public reach out and ask her to postpone this decision and put an interim in the role. The position of Director is established by ordinance. Putting an interim in this role would require that person to assume all responsibilities and potentially give up their current role with no guarantee that they

would receive this role in the end. From an HR and ethical standpoint this creates an unstable and unfair employment situation. We would be asking Director Fife to assume responsibility for a department that has been deeply affected by the untimely passing of the previous director with not surety that he would have a job in the coming months. This is unethical and does not create stability for the department. Filling this role allows the department to move forward with training, resource allocation, logistics, winter preparation and more. Filling the role now is not about optics. This decision will allow the department to move forward and operate in a stable condition.

Motion: Council Member Weiss made a motion to ratify the appointment of Bryan Fife as Public Works, Parks, and Recreation Director, second by Council Member Jackson.

The vote on the motion was as follows:

Council Member Wilhelmsen, Yes
Council Member Weiss, Yes
Council Member Christensen, Yes
Council Member Jackson, Yes
Council Member Fawcett, Yes

The motion passed unanimously.

4. Oath of Office

Jack Fogal administered the Oath of Office to Bryan Fife.

5. Business Items.

a. YCC Presentation

Elleigh Manley and Sadie Greenhalgh presented for the YCC. Elleigh Manley reported on the Harrisville City Fall Festival and the activities the YCC ran. Sadie Greenhalgh invited Council to the Santa Porch Party. They will hand out cookies and have activities for the kids. Elleigh Manley explained Santa is coming to the Harrisville Cabin. It is always so fun. They usually have hot chocolate and donuts. This is the best way to start the holiday cheer. Sadie Greenhalgh stated they will be having a community Christmas event. The YCC watches kids while their parents go shopping. They have 3 new members that joined at the Fall Festival. Michelle Manley will be the new YCC advisor.

b. Discussion/possible action to adopt Resolution 25-16; to approve the contract with R&O Construction for general contracting services related to the Police/City Hall Building.

Jennie Knight explained the bid results for the project. In late August of 2025 a Request For Qualifications (RFQ) was sent out for the Police/City Call. 17 contractors were interested in the project. They short listed 6 contractors to submit bids for the project. The bids results returned with R&O as the low bid for the project and add alternate which includes the sally port. We assessed everything on the project to reduce cost. We are looking for direction from Council if they want to build a shell for the sally port/animal control or build it out as animal control now. We currently do not offer animal control services but the contract with Weber County Animal Control is up and we are keeping options open. The \$620,000 bid for add alternates includes the sally port and animal control fully built out. We are also asking to add the security fence. Staff is recommending awarding the contract to R&O. Council Member Fawcett inquired about the cost of the perimeter fence. Jennie Knight stated we do not have exact numbers right now

because we have not asked for it yet. Council Member Jackson inquired if we are getting numbers from the county for animal control. Jennie Knight stated we are still paying the old contract prices but the county is going to be proposing a new contract soon. Council Member Wilhelmsen asked Chief Wilson if he feels the sally port is necessary. Chief Wilson stated its similar to how the jail operates. The officer can pull in and close the doors then get the suspect out of the car. This eliminates outside interference and they have nowhere to run. Council Member Wilhelmsen inquired is the \$620,000 for a shell. Jennie Knight stated no that is the built-out animal control. Council Member Fawcett questioned the cost of the change order. Jennie Knight stated it is 5% on top of the price. Council Member Wilhelmsen inquired what our total bond amount is. We issued one months ago are we currently paying on it. Marcus Keller stated we are paying on all 3 bonds. He clarified in 2022 the city issued a \$6,000,000 bond to build the public works facility. It has been expended and the facility is built. In 2023 the city issued \$9,000,000 for the police station/city hall. It has been a net neutral due to interest earned. In 2025 \$3,500,000 was issued to finish this project. There were call provisions put into this bond in case the bids came back to high. They can be paid off without penalty starting in 2028. The goal is that all 3 bonds could be refinanced together at a lower interest rate at a later date. Total outstanding debt in 2025 is \$17,820,000. Council Member Jackson inquired about the difference between GO Bonds vs sales tax bonds. Marcus Keller stated GO bonds are a pledge of property tax. Sales and Franchise Tax bonds pledge your sales tax as collateral for the bonds. Council Member Wilhelmsen questioned are we able to make the payments. Jennie Knight stated yes, we are paying on all the bonds currently. Marcus Keller explained he helped with a project in another city. The original bid was \$75,000,000. They held off for 3 years and the project cost was \$125,000,000. Debt financing is one of the only ways to get ahead on some of these capital projects. The city is in good shape with bonds. Many cities have a lot of bonds to pay for buildings, sewers, or other infrastructure. Council Member Wilhelmsen inquired are their legal concerns with the current building. Chief Wilson stated we have concerns with ADA, BCI regulations and safety. This can create a problem with protected information. Council Member Wilhelmsen inquired what is the cost difference between updating the city hall here and the new building. Jennie Knight stated we do not have those numbers so I cannot give you accurate totals. She explained there were 3 bids that were close. That helps us feel confident that those numbers are accurate. R&O stated we hit a good time for the bid proposal. The contractors are anticipating rising costs in the next 6 months. Council Member Wilhelmsen stated his personal feeling is the sally port should be added on. It makes sense to build it now. If we wait it will just cost us more. Jennie Knight stated the contract has been going and forth between R&O and our legal counsel. If there were cause for delay R&O must notify us within 21 days. The fee for delay was updated. Council Member Wilhelmsen inquired did we have any major liability issues with R&O during the Public Works Building process. Jennie Knight stated we did not have any issues. We are required to carry liability insurance regardless. Council Member Fawcett stated PD is in the basement with no ADA access, no emergency window exits, and only exits on one side of the building. National DATA shows we are more likely to have an injured or killed officer in a small town. The current city hall does not meet international building code or emergency service code. Delaying this project places residents, staff, and officers at unnecessary risk. Council Member Jackson stated data shows small town officers are 5 times more likely to be assaulted. Council Member Fawcett stated she had people ask to delay this decision. Contracts are executed by the city not by the mayor. The entity is continuous not the person. If we delay this decision we could lose contractor availability, and increase the cost.

Motion: Council Member Weiss motioned to adopt Resolution 25-16; to approve the contract with R&O Construction for general contracting services related to the Police/City

Hall Building in the amount of \$9,535,798 with the addition of Add Alternate 1 the sally port and the perimeter fence in the amount of not to exceed \$620,628, second by Council Member Fawcett.

The vote on the motion was as follows:

Council Member Wilhelmsen, Yes
Council Member Weiss, Yes
Council Member Christensen, Yes
Council Member Jackson, Yes
Council Member Fawcett, Yes

The motion passed unanimously

c. Discussion/possible action to adopt Ordinance 562; Housing Affordability

Sarah Wichern with Jones and Associates stated she provided a memo to Council detailing this ordinance. The state passed legislation which encourages municipalities to adopt increased housing density options. Planning Commission has been working on an Ordinance they call the HOAZ. This is an overlay zone tool designed to attract developments for single family homes at an attainable price. There are deed restrictions for the ordinance. The goal is to get the price to affordable which is 120% of the median income. That percent could be decreased but our desire is to encourage single family homes. We already have an overlay zone that allows townhomes. Current residential zones are eligible for this overlay zone. We recommend this go through a development agreement so Planning Commission and Council can provide direction on what areas should be eligible for this zone. The desire is for this zone to be utilized to build the type of homes we want in Harrisville. The goal is to have park connectivity to eliminate the need for an HOA. We do have 20-year deed restrictions on properties in this zone. The ordinance establishes a time for priority sales to Harrisville residents, critical works, and first-time home buyers. We cleaned up some of the wording hoping to simplify the ordinance. The original ordinance asked for the developer to provide a lot of numbers. We changed that because we do not want to fit this to them, we want to fit this to what is best for Harrisville. Council Member Christensen questioned why we are doing 20-year deed restrictions when the bill says 5 years. Sarah Wichern stated the House Bill provides recommendations. We can do 20-year deed restrictions and still meet the requirements of the bill. Planning Commission felt 5 years was not enough. They wanted it longer to prevent these homes from being rental properties. Council Member Christensen inquired how many units per acre. Sarah Wichern stated you take the total acreage and divide it by 5000 sqft. The state recommends 6 per acre. We can do more density as long as we don't go less than the 6. Council Member Wilhelmsen inquired if is this going to be an evolving document. Sarah Wichern stated this ordinance would be a continual work in progress. Council Member Wilhelmsen stated he has spoken with Greg Montgomery and he asked is it important to add these changes now or do we wait and do it later. Sarah Wichern stated if Council wants to look at this more, we can do that. The goal with this is to create flexibility in our neighborhoods. We want to provide a variety of home and lot sizes. We want to encourage variety to avoid cookie cutter neighborhoods. We are looking at more guard rails and not tie downs. Council Member Weiss asked if this helps us with state requirements in affordable housing. Every year it seems the state presses harder. Sarah Wichern stated yes, this will help with the affordable housing required by the state. Council Member Wilhelmsen stated he likes trying to get in front of the requirements and not let it hit us like a train. Council Member Fawcett inquired if Council wants to table this ordinance and get some more information.

Motion: Council Member Wilhelmsen made a motion to table Ordinance 562; Housing Affordability until the December Council Meeting, second by Council Member Weiss.

The vote on the motion was as follows:

Council Member Wilhelmsen, Yes
Council Member Weiss, Yes
Council Member Christensen, Yes
Council Member Jackson, Yes
Council Member Fawcett, Yes

The motion passed unanimously

6. Public Comment

Mayor Tait opened the public comment period.

Zach Nicholas has some concerns on the direction and timing of items on the agenda. He questions whether it is the right time to build a new city hall/police department. By moving quickly, we risk losing services. A PID can be a great tool, but until the funding mechanisms are determined it is premature to move forward with the city hall. The overlay zone is against the city. We need a small measured approach to make sure growth pays for growth.

Francis Hood is here as a proxy for Donna Clark. She lives on the north side of the Public Works Building. Her property has been damaged by the flooding on her property. Never has she had flooding on her property. 20-to-30-foot dirt piles have contributed to flooding her barn. Now for the third time city runoff has flooded her barn. If her hay molds the city is at fault. She has pictures showing water from city land running onto her land and creating ponds. This is due to the elevation of the city land being low land.

Ruth Pearce has concerns about water issues with new buildings going in. A new facility went in at the Lutheran Church. This has caused flooding in her property and her neighbors' properties. We need to look at the elevation of new buildings.

Keith Jacks is against the new cop shop from the start. He was against it from the very start. He has not had the chance to come to the meetings.

Jason Hadley has some questions he thinks will be a benefit to consider. It was mentioned that there are approximately 160 PIDS in the state. Can we ask some of those how successful they have been. It would be good to know successful PIDs vs not successful. He is concerned about the affordable housing ordinance. With the stroke of a pen, we are going to deem invalid any trust. There should be more exploration to eliminate some of these loopholes.

Chad Davis has a question for the Chief of Police. How many incidents have we had in the building with the police.

Greg Montgomery has a comment about the affordable housing ordinance. This is eliminating the cluster ordinance. He filed a petition with the city a year and half ago to eliminate the cluster ordinance. What happens to his petition when we are acting on something different. Will he get reimbursed for the filing fee for the petition.

Roger Shuman congratulated Byran Fife on the new job. In January he will get to deal with all of the problems Council is dealing with now. It's like he handed his kid a credit card and told them to have fun. He is going to have to deal with the cost. We get qualified for a bond and we run out and get \$10,000,000. Nobody even looked at other options besides constructing a new building. We didn't look at all the options. The public works building is a nice building and is better than what we need. I have heard the term that it will last 50 years. The windows won't last 50 years. He is concerned about the PID. How do we make sure the resident does not get billed twice. Now if they have a PID they are paying taxes on that and paying for it in the cost of the lot.

Steven Hempel stated this meeting is weird. You make a vote then ask for input after the item. We don't feel heard. You are not listening to us. Can you swap the public comment period.

Mayor Tait closed the public comment period.

7. Mayor/Council Follow-up

Chief Wilson stated we have finished the online portion of accreditation. An onsite visit will be scheduled to make sure we follow through on everything we say we are doing.

Director Fife stated on December 12 we have Santa at the Cabin at 6 PM. The parade is 4 PM to 6 PM. Snow plowing equipment is being prepared. If anyone wants to do a ride along when plowing let him know.

Jennie Knight reminded Council that we were in compliance with our moderate-income housing report. As we move towards our next legislative session we will work on the housing affordable ordinance. We are also working on an ordinance allowing an external ADU. We anticipate legislation requiring that. We are coming up on our 10-year anniversary for our general plan. It is due for an update.

8. Adjournment

Motion: Council Member Fawcett motioned to adjourn the meeting, second by Council Member Wilhelmsen.

The vote on the motion was as follows:

Council Member Wilhelmsen, Yes
Council Member Weiss, Yes
Council Member Christensen, Yes
Council Member Jackson, Yes
Council Member Fawcett, Yes

The motion passed unanimously.

The meeting adjourned at 8:20 P.M.

MICHELLE TAIT
Mayor

ATTEST:

Jack Fogal

City Recorder

Approved this 9th day of December, 2025

DRAFT

MINUTES
HARRISVILLE CITY BOARD OF CANVASSERS
November 18, 2025
363 West Independence Blvd
Harrisville, UT 84404

Minutes of a Harrisville City Board of Canvassers meeting held on November 18, 2025 at 6:45 P.M. in the Harrisville City Council Chambers, 363 West Independence Blvd., Harrisville, UT.

Present: Chair Michelle Tait, Board Member Karen Fawcett, Board Member Grover Wilhelmsen, Board Member Max Jackson, Board Member Steve Weiss, Board Member Blair Christensen.

Excused:

Staff: Jennie Knight, City Administrator, Jack Fogal, City Recorder, Bryan Fife, Public Works Director, Kevin Wilbur, Parks Lead, Devin Weidmann, Parks Staff, West Hoskins, Road Lead, Liam Rounkles, Parks Staff.

Visitors: Jason Hadley, Greg Montgomery, Steve Hempel, Greg Maher, Kameron Spencer, Linda Russell, Doug Russell, Ruth Pearce, Jeff Pearce, Lynette Shuman, Roger Shuman, Bridgette Fife, Bowen Fife, Briggs Fife, Brooks Fife, Brinklee Fife, Alecia Erstrom, Bailey Fife, Michel Mouley, Keith Jacques, Kris Fawcett, Steve Mueller, Marvin Farrell, Debbie Smith, Carry Smith, Amelia McTee, Elisabeth Hansen, Kelly Bartlett, Sadie Greenhalgh, Elleigh Manley, Annie Rulie, Zach Nicolas, Shanna Edwards, Frances Hood, Steve Hood, Betsy Halverson, Rick Wetz, Stacey Roylance, Todd Roylance.

1. Call to Order.

Chair Tait called the meeting to order and welcomed all in attendance.

2. Business Items

a. Discussion/possible action to adopt Harrisville Resolution 25-17; Municipal General Election Canvass.

Jack Fogal reported on the 2025 Municipal General Election. He explained Weber County conducts our elections. They count the votes and perform the required audits. He presented the canvass breakdown report, results report, and precinct level results report. He stated that there were 1,431 votes cast, no provisional ballots cast, and 5 ballots rejected. 4 ballots were rejected for being returned past the deadline and 1 was returned unsigned. Roger W. Shuman was elected Harrisville City Mayor for a 4-year term starting in January of 2026. Greg Montgomery and Jason Hadley were elected to the Harrisville City Council for 4-year terms starting in January of 2026.

Motion: Board Member Wilhelmsen made a motion to adopt Harrisville Resolution 25-17; Municipal General Election Canvass, second by Board Member Christensen.

The vote on the motion was as follows:

Board Member Wilhelmsen, Yes
Board Member Weiss, Yes
Board Member Christensen, Yes
Board Member Jackson, Yes
Board Member Fawcett, Yes

The motion passed unanimously.

3. Public Comment

Chair Tait opened the public comment period.

No Public Comment was offered

Chair Tait closed the public comment period.

4. Adjournment

Motion: Board Member Weiss motioned to adjourn the meeting, second by Board Member Fawcett.

The vote on the motion was as follows:

Board Member Wilhelmsen, Yes
Board Member Weiss, Yes
Board Member Christensen, Yes
Board Member Jackson, Yes
Board Member Fawcett, Yes

The motion passed unanimously.

The meeting adjourned at 6:49 P.M.

MICHELLE TAIT
Chair

ATTEST:

Jack Fogal
City Recorder
Approved this 9th day of December, 2025

CITY OF HARRISVILLE

**Financial Statements
and
Independent Auditor's Report**

For the Year Ended June 30, 2025

DRAFT

CITY OF HARRISVILLE

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CITY OF HARRISVILLE

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Financial Section

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Harrisville, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information of the City of Harrisville, Utah (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City'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, and each major fund of the City of Harrisville, Utah, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund 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 the City 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.

Responsibilities of Management for the Financial Statements

The City'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 the City'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 the City'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 the City'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 the management's discussion and analysis on pages 5-12, the budgetary comparison information on page 55, and the pension schedules on pages 56-58 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 the City's basic financial statements. The combining and individual nonmajor fund financial statements and the budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate 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 combining and individual nonmajor fund financial statements and budgetary comparison schedules are 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 8, 2025 on our consideration of the City'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 the City's internal control over financial reporting and compliance.

December 8, 2025
Bountiful, Utah

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Basic Financial Statements

CITY OF HARRISVILLE
Management's Discussion and Analysis
Year Ended June 30, 2025

As management of the City of Harrisville (the 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, 2025.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$20,178,814 (\$19,394,962 in 2024) (*net position*), consisting of \$13,128,865 (\$10,242,822 in 2024) in net investment in capital assets, \$3,697,617 (\$5,062,516 in 2024) in restricted net position and an unrestricted net position of \$3,352,332 (\$4,089,624 in 2024).
- The City's net position increased during 2025 by \$783,852 (and by \$1,452,109 in 2024).
- The City's governmental funds reported combined fund balances of \$15,893,086 (\$19,068,482 in 2024). \$14,983,459 (\$17,312,434 in 2024) is either nonspendable, assigned, or restricted as to use, leaving an unassigned fund balance of \$909,627 (\$1,756,048 in 2024).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

- The statement of net position presents information on all the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish between the governmental activities and business-type activities of the City. Governmental activities are principally supported by taxes and intergovernmental revenues, while business-type activities are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City include general government, public safety, streets and public improvements, community development, and parks and recreation. The business-type activities of the City include utilities for sewer, stormwater, street lights, and garbage.

The government-wide financial statements can be found on pages 13-14 of this report.

CITY OF HARRISVILLE
Management's Discussion and Analysis
Year Ended June 30, 2025

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific functions or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City are divided into two categories: governmental funds and proprietary funds (business-type).

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the capital projects fund, debt service fund, and the four-mile special services district, the first two of which are reported as major funds (the others are deemed nonmajor governmental funds).

The governmental fund financial statements can be found on pages 15-18 of this report.

Proprietary funds. The City maintains proprietary funds including the sewer, stormwater, street lights, and garbage funds, which are enterprise funds, and one internal service fund in motor pool. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. These funds are all classified as major funds. The internal service fund is used to report the activities that provide goods or services to other funds on a cost-reimbursement basis. The City uses its internal service fund to account for the maintenance of its vehicles. Since these services predominantly benefit government rather than business-type functions, they have been included with governmental activities in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 19-23 of this report.

The City adopts an annual appropriated budget for all of its funds. Budgetary comparison statements have been provided for governmental funds to demonstrate compliance with these budgets. Budgetary comparisons for the remaining funds can be found in the supplementary section.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-53 of this report.

Required Supplemental Information. Information regarding General Fund and any major special revenue governmental funds budget and actual and pensions can be found on pages 55-58.

Other Supplemental information. Individual fund schedules can be found on pages 59-60 of this report.

CITY OF HARRISVILLE
Management's Discussion and Analysis
Year Ended June 30, 2025

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$20,178,814 at the close of the most recent year (\$19,394,962 as of June 30, 2024).

As of June 30, 2025, \$13,128,865 or 65.1% (\$10,242,822 or 52.8% as of June 30, 2024) of the City's net position reflects its net investment in capital assets (e.g. land, buildings and improvements, machinery, equipment, vehicles, infrastructure assets, construction in progress). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position \$3,697,617 or 18.3% (\$5,062,516 or 26.1% as of June 30, 2024) represents resources that are subject to external restrictions on how they may be used. Unrestricted net position represents net position which may be used to meet the government's ongoing obligations to citizens and creditors as cash is made available through the collection of taxes and other receivables. As of June 30, 2025 the City has unrestricted net position of \$3,352,232 or 16.6% (\$4,089,624 or 21.1% as of June 30, 2024).

The following table summarizes the City's net position:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	Restated 2024	2025	Restated 2024	2025	Restated 2024
Current and other assets	\$ 18,427,218	\$ 22,104,208	\$ 3,359,826	\$ 2,705,016	\$ 21,787,044	\$ 24,809,224
Capital assets	15,499,645	9,021,350	2,604,533	2,719,989	18,104,178	11,741,339
Total Assets	33,926,863	31,125,558	5,964,359	5,425,005	39,891,222	36,550,563
Total deferred outflows of resources	570,078	595,911	82,184	84,914	652,262	680,825
Current and other liabilities:	713,358	1,517,026	290,372	125,672	1,003,730	1,642,698
Long-term liabilities	18,165,242	15,047,055	126,287	110,698	18,291,529	15,157,753
Total Liabilities	18,878,600	16,564,081	416,659	236,370	19,295,259	16,800,451
Total deferred inflows of resources	1,067,531	1,035,078	1,880	897	1,069,411	1,035,975
Net position:						
Net investment in capital assets	10,524,332	7,522,833	2,604,533	2,719,989	13,128,865	10,242,822
Restricted	2,616,951	4,418,953	1,080,666	643,563	3,697,617	5,062,516
Unrestricted	1,409,527	2,180,524	1,942,805	1,909,100	3,352,332	4,089,624
Total Net Position	\$ 14,550,810	\$ 14,122,310	\$ 5,628,004	\$ 5,272,652	\$ 20,178,814	\$ 19,394,962

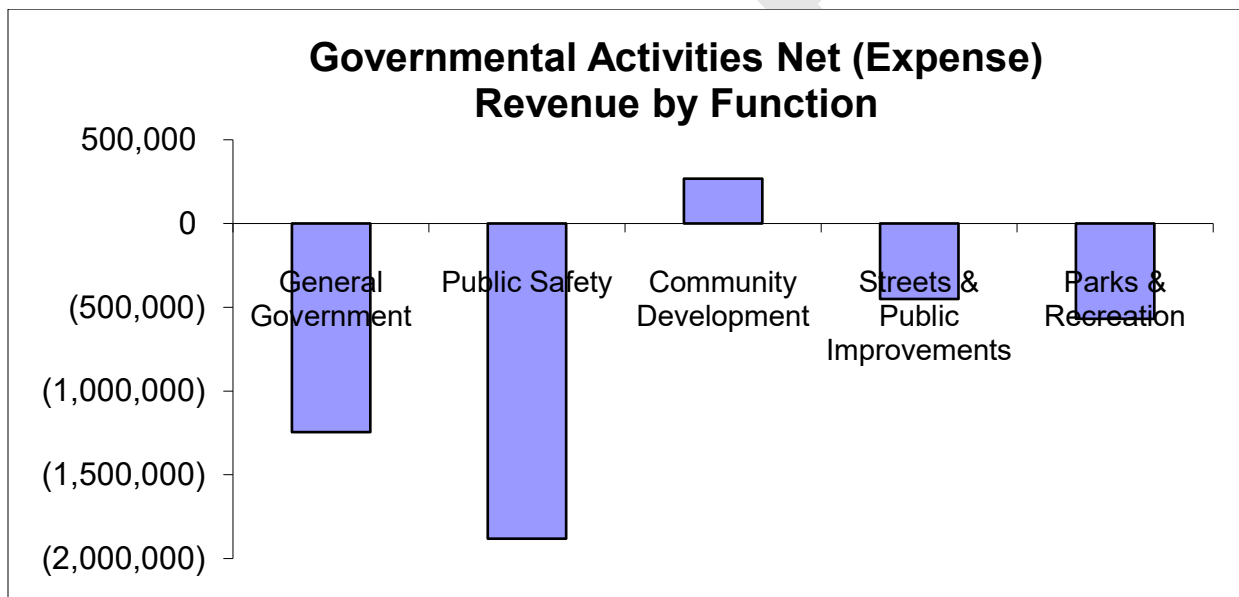
CITY OF HARRISVILLE
Management's Discussion and Analysis
Year Ended June 30, 2025

Governmental Activities

Governmental activities increased the City's net position by \$428,500 in 2025 (\$1,441,137 in 2024). Key elements in the change in net position include:

- Property taxes increased by \$59,961 in 2025 and \$43,717 in 2024. Increase in 2025 is due to general growth.
- Governmental program revenues increased by \$884,131 in 2025 and a decrease of \$930,926 in 2024. The largest increase was related to capital grants and contributions, mainly from a one-time capital grant received for \$540,000. Charges for services also had more revenues received for police services, business licenses, and building permit and check fees.
- Governmental expenses increased by \$1,534,037 in 2025 and increased by \$411,648 in 2024. The 2025 primary increases were in streets and public improvements of \$973,526 for street and sidewalk projects, building inspections, and other maintenance projects. In addition, City reported additional expenses related to pension accounting for retirement updates from URS.

The following chart shows the net revenues or expenses by function for fiscal year 2025. For those that are negative, they rely on taxes and other general revenue to support their costs.



Business-type Activities

Business-type activities increased the City's net position by \$355,352 (\$10,972 in 2024). Key elements in the change in net position include:

- Charges for services increased by \$173,087, while capital grants and contributions increased by \$156,121 compared to 2024.
- Operational expenses increased by \$135,451 in 2025 compared to \$142,818 in 2024. Sewer expenses increased by \$83,739 and garbage by \$48,212 in 2025.

CITY OF HARRISVILLE
Management's Discussion and Analysis
Year Ended June 30, 2025

The following table summarizes the City's operations:

	Governmental Activities		Business-type Activities		Total Primary Government	
		Restated		Restated		Restated
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 872,375	\$ 532,592	\$ 1,981,917	\$ 1,808,830	\$ 2,854,292	\$ 2,341,422
Operating grants and contributions	400,506	243,104	-	-	400,506	243,104
Capital grants and contributions	874,137	487,191	347,120	190,999	1,221,257	678,190
General revenues:						
Property taxes	1,113,506	1,053,545	-	-	1,113,506	1,053,545
Sales taxes	2,129,158	2,120,271	-	-	2,129,158	2,120,271
Franchise taxes	397,373	408,696	-	-	397,373	408,696
Interest income	879,262	1,231,065	124,861	111,372	1,004,123	1,342,437
Miscellaneous	59,844	38,922	83,545	35,786	143,389	74,708
Total Revenues	6,726,161	6,115,386	2,537,443	2,146,987	9,263,604	8,262,373
Expenses:						
General government	1,416,586	1,201,983	-	-	1,416,586	1,201,983
Public safety	2,204,510	2,076,817	-	-	2,204,510	2,076,817
Community development	128,370	71,284	-	-	128,370	71,284
Streets and public improvements	1,546,933	573,407	-	-	1,546,933	573,407
Parks and recreation	727,636	593,559	-	-	727,636	593,559
Interest on long-term debt	548,626	521,574	-	-	548,626	521,574
Sewer	-	-	815,308	731,569	815,308	731,569
Storm water	-	-	410,012	412,267	410,012	412,267
Street lights	-	-	55,585	49,830	55,585	49,830
Garbage	-	-	626,186	577,974	626,186	577,974
Total Expenses	6,572,661	5,038,624	1,907,091	1,771,640	8,479,752	6,810,264
Increase in net position before transfers	153,500	1,076,762	630,352	375,347	783,852	1,452,109
Transfers	275,000	364,375	(275,000)	(364,375)	-	-
Increase in net position	428,500	1,441,137	355,352	10,972	783,852	1,452,109
Net position - beginning as restated	14,122,310	12,681,173	5,272,652	5,261,680	19,394,962	17,942,853
Net position - ending	\$ 14,550,810	\$ 14,122,310	\$ 5,628,004	\$ 5,272,652	\$ 20,178,814	\$ 19,394,962

Financial Analysis of the Governmental Funds

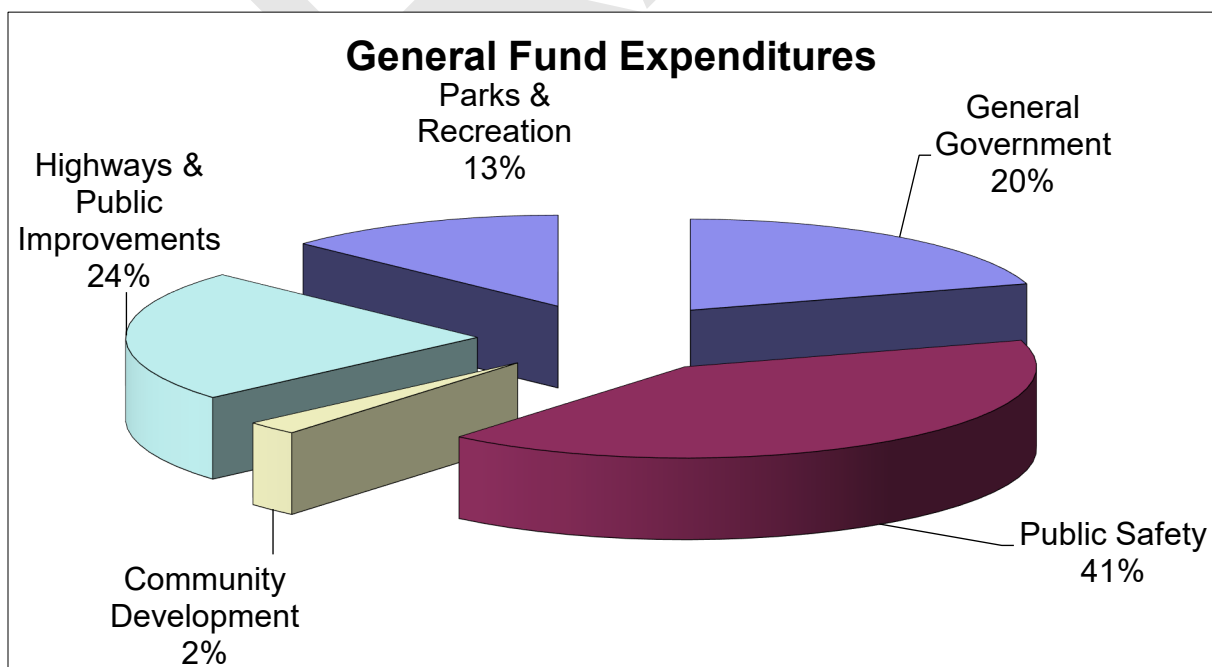
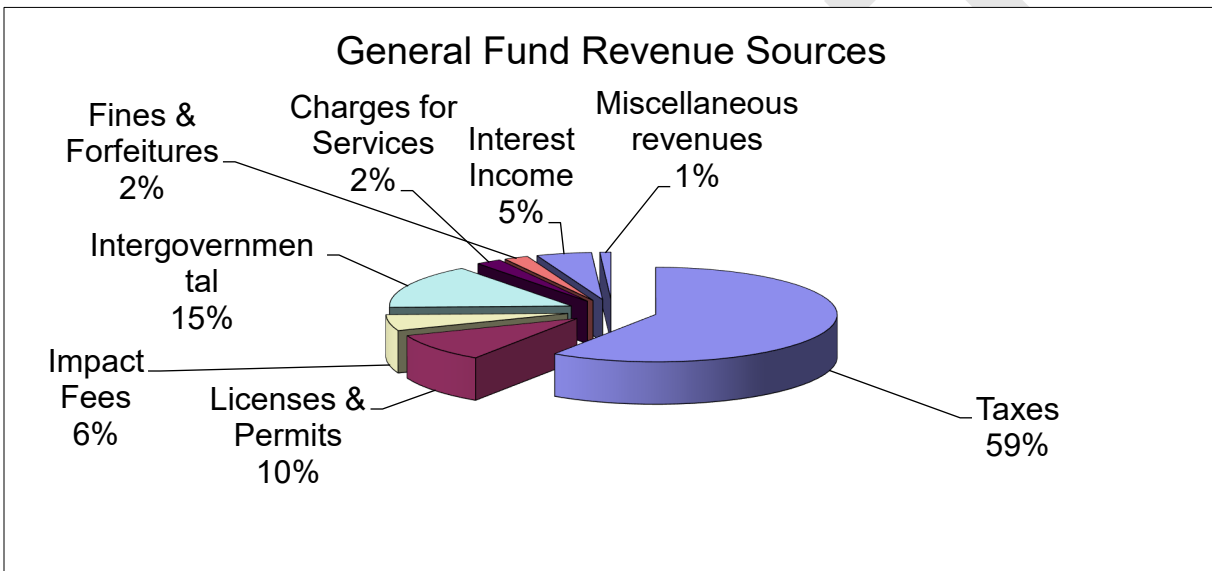
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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, unassigned 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 2025 fiscal year, the City's governmental funds reported a combined ending fund balance of \$15,893,086 (\$19,068,482 in 2024). In 2025, the City showed a combined unassigned fund balances of \$909,627, compared to \$1,756,0478 in 2024. The general fund, capital projects fund, debt service fund, and four-mile special services fund all show positive amounts in 2025 for assigned and unassigned fund balance, which are available for spending at the government's discretion or for the purpose of the collection if assigned.

General Fund

The general fund is the chief operating fund of the City. At the end of the 2025 fiscal year, the unassigned fund balance of the general fund was \$909,627 (\$1,756,048 in 2024), which is available to help meet current operational needs. Revenues increased in aggregate by \$963,707 mainly from taxes, licenses and permits, and grant revenues as mentioned previously. Expenditures, including transfers, increased by \$2,572,190 mainly across all departments as general costs were up with inflation, in addition to more street maintenance projects were done. The fund also transferred out \$2.4 million for capital project costs and debt service payments on bonds. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund revenues and expenditures. The general fund's unassigned fund balance represents 14.8% of total general fund revenues and 17.4% of total general fund expenditures (34.0% and 38.0%, respectively, in 2024).



CITY OF HARRISVILLE
Management's Discussion and Analysis
Year Ended June 30, 2025

Capital Projects Fund

At the end of fiscal year 2025, the capital projects fund had a total fund balance of \$12,367,488 (\$14,054,842 in 2024), which consisted of \$12,366,508 in restricted fund balance and \$980 in assigned fund balance. Revenues included interest income of \$552,504, while expenditures included \$7,392,858 in debt service, capital outlay for construction projects mainly related to the design of the new public works building, and other non-capital costs. Activity in 2024 was only \$4,084,019 and the increase is due to the new public works building.

Debt Service Fund

The City created this fund in 2025 to account for the debt service payments related to its bond debt obligations and to hold resources transferred for the payment of such obligations as they come due. The resource will come from other funds as needed to service the debt, but mainly the general fund.

Four-Mile Special Service District

The fund balance in the four-mile special service district fund increased \$5,407 (increase of \$1,311 in 2024). The increases in 2025 and 2024 were mainly for development fees received with minimal expenditures.

Financial Analysis of the Proprietary Funds

Sewer Fund

The sewer fund's unrestricted net position increased by \$202,889 to a total of \$1,476,295 this fiscal year. The fund's operating income was \$10,441 in 2025, while total fund balance increased by \$154,428 for the fiscal year due to interest income and capital contributions. The fund had an increase in net position of \$135,225 in 2025.

Storm Water Fund

The storm water fund's unrestricted net position decreased by \$262,282 to a total of \$314,282 this fiscal year. The storm water fund had an operating income of \$57,821 and change in net position of \$107,826 in 2025. The significant decrease was attributed to recognition of more impact fees that have not been spent yet. The fund had an decrease in net position of \$216,944 in 2024.

Street Lights Fund

The street lights fund's net position increased by \$9,495 to a total of \$53,633 this fiscal year. The fund had an increase in net position of \$3,754 in 2024.

Garbage Fund

The garbage fund's net position increased by \$85,603 compared to an increase of \$85,024 in 2024. The fund eliminated their deficit net position in 2024 from a general fund subsidy for \$84,000. The services are contracted with Waste Management.

General Fund Budgetary Highlights

During the fiscal year, the general fund's budget was amended from an original expenditure budget of \$5,129,249 to a final budget of \$6,044,461 an increase of \$915,212. This increase was related primarily to budgeting for increased street projects, building inspection costs, and other general government expenditures for inflation and professional services needed. The increase was funded from interest revenues, other license and permit fees, grant revenues, and projected use of fund balance reserves. The City's actual expenditures of \$5,229,019 resulted in a net savings of \$815,442 for operations.

CITY OF HARRISVILLE
Management's Discussion and Analysis
Year Ended June 30, 2025

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets as of June 30, 2025 amounts to \$18,104,178, net of accumulated depreciation (\$11,741,339 in 2024). This investment in capital assets includes land, buildings and improvements, infrastructure, machinery, equipment, vehicles, and construction in progress.

Major capital asset events during the current fiscal year include the following:

- Public works building \$9,596,361
- Land for \$60,309
- Machinery, equipment, and vehicles for \$366,318

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land and right of ways	\$ 680,349	\$ 620,040	\$ 92,000	\$ 92,000	\$ 772,349	\$ 712,040
Construction in progress	496,529	3,267,479	-	-	496,529	3,267,479
Buildings	10,329,318	732,957	-	-	10,329,318	732,957
Other improvements	2,188,757	2,188,757	-	-	2,188,757	2,188,757
Machinery, equipment, and vehicles	3,318,787	3,018,870	206,345	191,845	3,525,132	3,210,715
Infrastructure	5,094,592	5,094,592	3,859,239	3,859,239	8,953,831	8,953,831
Accumulated depreciation	(6,608,687)	(5,901,345)	(1,553,051)	(1,423,095)	(8,161,738)	(7,324,440)
Total Capital Assets	\$ 15,499,645	\$ 9,021,350	\$ 2,604,533	\$ 2,719,989	\$ 18,104,178	\$ 11,741,339

Additional information on the City's capital assets can be found in Note 6 of the financial statements.

Long-term debt. At the end of the current fiscal year, the City had total long-term debt outstanding (excluding net pension liability) of \$17,352,000, which included three sales and franchise tax revenue bonds for new building construction of a public works facility and City Hall.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Bonds payable	\$ 17,352,000	\$ 14,328,000	\$ -	\$ -	\$ 17,352,000	\$ 14,328,000
Total	\$ 17,352,000	\$ 14,328,000	\$ -	\$ -	\$ 17,352,000	\$ 14,328,000

Additional information on the City's long-term debt can be found in Note 7 of the financial statements.

Economic Factors and Next Year's Budgets and Rates

The City's new Public Works Facility was completed in May and design work for a new City Hall and public safety building is underway. Revenues and expenditures were budgeted conservatively for fiscal year 2026.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to City Administrator, 363 W. Independence Blvd., Harrisville, UT 84404.

CITY OF HARRISVILLE
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,430,736	\$ 2,098,172	\$ 3,528,908
Accounts receivable	1,656,430	180,988	1,837,418
Prepaid expenses	-	-	-
Restricted cash and cash equivalents	15,340,052	1,080,666	16,420,718
Capital assets:			
Land	680,349	92,000	772,349
Construction in progress	496,529	-	496,529
Buildings	10,329,318	-	10,329,318
Other improvements	2,188,757	-	2,188,757
Machinery, equipment, vehicles	3,318,787	206,345	3,525,132
Infrastructure	5,094,592	3,859,239	8,953,831
Less accumulated depreciation	(6,608,687)	(1,553,051)	(8,161,738)
Total assets	33,926,863	5,964,359	39,891,222
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension related	570,078	82,184	652,262
<u>LIABILITIES</u>			
Accounts payable	236,250	275,893	512,143
Accrued liabilities	133,596	14,479	148,075
Accrued interest payable	52,770	-	52,770
Developer and customer deposits	290,742	-	290,742
Noncurrent liabilities:			
Due within one year: bonds, leases, comp abs.	753,532	18,191	771,723
Due in more than one year:			
Bonds, leases, comp abs.	16,781,880	17,298	16,799,178
Net pension liability	629,830	90,798	720,628
Total liabilities	18,878,600	416,659	19,295,259
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension related	13,041	1,880	14,921
Deferred property taxes	1,054,490	-	1,054,490
Total deferred inflows of resources	1,067,531	1,880	1,069,411
<u>NET POSITION</u>			
Net investment in capital assets	10,524,332	2,604,533	13,128,865
Restricted for:			
Class C roads and road projects	1,116,424	-	1,116,424
Park development	45,559	-	45,559
Transportation impact fees	220,339	-	220,339
Public Safety	216,995	-	216,995
Transportation tax	1,004,790	-	1,004,790
Capital projects	7,891	1,080,666	1,088,557
Debt service	4,953	-	4,953
Unrestricted	1,409,527	1,942,805	3,352,332
Total net position	\$ 14,550,810	\$ 5,628,004	\$ 20,178,814

The accompanying notes are an integral part of this financial statement.

CITY OF HARRISVILLE
Statement of Activities
For the Year Ended June 30, 2025

	Program Revenues				Net (Expense) Revenues and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Functions/Programs:						
Primary government:						
Governmental activities						
General government	\$ 1,416,586	\$ 170,562	\$ -	\$ -	\$ (1,246,024)	\$ (1,246,024)
Public safety	2,204,510	240,843	48,183	35,031	(1,880,453)	(1,880,453)
Community development	128,370	396,470	-	-	268,100	268,100
Streets and public improvements	1,546,933	56,426	352,323	687,779	(450,405)	(450,405)
Parks and recreation	727,636	8,074	-	151,327	(568,235)	(568,235)
Debt service - interest	548,626	-	-	-	(548,626)	(548,626)
Total governmental activities	6,572,661	872,375	400,506	874,137	(4,425,643)	(4,425,643)
Business-type activities						
Sewer	815,308	825,749	-	153,797		\$ 164,238
Storm Water	410,012	384,288	-	193,323		167,599
Street Lights	55,585	63,427	-	-		7,842
Garbage	626,186	708,453	-	-		82,267
Total business-type activities	1,907,091	1,981,917	-	347,120		421,946
Total primary government	\$ 8,479,752	\$ 2,854,292	\$ 400,506	\$ 1,221,257	(4,425,643)	421,946
General revenues and transfers:						
General Revenues:						
Taxes						
Property					1,113,506	-
Sales					2,129,158	-
Franchise					397,373	-
Interest					879,262	124,861
Miscellaneous					59,844	83,545
Transfers - net					275,000	(275,000)
Total general revenue and transfers					4,854,143	(66,594)
Change in net position					428,500	355,352
Net position - beginning as restated					14,122,310	5,272,652
Net position - ending					\$ 14,550,810	\$ 5,628,004
						\$ 20,178,814

The accompanying notes are an integral part of this financial statement.

CITY OF HARRISVILLE
Balance Sheet – Governmental Funds
June 30, 2025

	General Fund	Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 603,791	\$ 980	\$ 6,911	\$ 611,682
Accounts receivable	1,656,430	-	-	1,656,430
Restricted cash and cash equivalents	2,894,849	12,440,250	4,953	15,340,052
Total assets	\$ 5,155,070	\$ 12,441,230	\$ 11,864	\$ 17,608,164
<u>LIABILITIES</u>				
Accounts payable	\$ 162,508	\$ 73,742	\$ -	\$ 236,250
Accrued liabilities	133,596	-	-	133,596
Developer and customer deposits	290,742	-	-	290,742
Total liabilities	586,846	73,742	-	660,588
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred property taxes	1,054,490	-	-	1,054,490
Total deferred inflows of resources	1,054,490	-	-	1,054,490
<u>FUND BALANCES</u>				
Restricted:				
Class C roads and road projects	1,116,424	-	-	1,116,424
Park development	45,559	-	-	45,559
Transportation fees	220,339	-	-	220,339
Public safety	177,770	-	-	177,770
Public safety beer tax	39,225	-	-	39,225
Transportation tax	1,004,790	-	-	1,004,790
Capital projects	-	12,366,508	-	12,366,508
Debt service	-	-	4,953	4,953
Assigned:				
Capital projects	-	980	6,911	7,891
Unassigned	909,627	-	-	909,627
Total fund balances	3,513,734	12,367,488	11,864	15,893,086
Total liabilities, deferred inflows of resources and fund balances	\$ 5,155,070	\$ 12,441,230	\$ 11,864	\$ 17,608,164

The accompanying notes are an integral part of this financial statement.

CITY OF HARRISVILLE
Reconciliation of the Balance Sheet of Governmental Funds
To The Statement of Net Position
June 30, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances for governmental funds	\$ 15,893,086
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	15,499,645
Other long-term assets and deferred outflows of resources are not available for current period expenditures and, therefore, are not reported in the funds balance sheet.	570,078
Accrued interest on long-term debt is not due and payable in the current period and, therefore, is not recorded in the funds.	(52,770)
Long-term liabilities, including bonds, compensated absences, and notes are not due and payable in the current period and, therefore, are not reported in the funds.	(17,535,412)
Other long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds balance sheet.	(642,871)
The internal service fund is used by management to charge the cost of vehicles and related maintenance to other funds. The assets and liabilities of the internal services fund are included in the governmental activities in the Statement of Net Position.	<u>819,054</u>
Net position of governmental activities	<u><u>\$ 14,550,810</u></u>

The accompanying notes are an integral part of this financial statement.

CITY OF HARRISVILLE
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<u>REVENUES</u>				
Taxes	\$ 3,640,037	\$ -	\$ -	\$ 3,640,037
Licenses and permits	595,350	-	-	595,350
Impact fees	334,137	-	-	334,137
Intergovernmental	928,770	-	-	928,770
Charges for services	138,524	-	17,250	155,774
Fines and forfeitures	132,987	-	-	132,987
Interest income	300,855	552,504	567	853,926
Miscellaneous revenues	59,844	-	-	59,844
Total revenues	6,130,504	552,504	17,817	6,700,825
<u>EXPENDITURES</u>				
Current:				
General government	1,061,875	36	-	1,061,911
Public safety	2,131,676	-	-	2,131,676
Community development	128,370	-	-	128,370
Streets and public improvements	1,230,738	267,376	12,410	1,510,524
Parks and recreation	676,360	-	-	676,360
Debt service:				
Principal	-	-	476,000	476,000
Interest	-	-	540,934	540,934
Bond issuance costs	-	28,000	-	28,000
Capital outlay	-	7,097,446	-	7,097,446
Total expenditures	5,229,019	7,392,858	1,029,344	13,651,221
Excess (deficiency) of revenues over (under) expenditures	901,485	(6,840,354)	(1,011,527)	(6,950,396)
<u>OTHER FINANCING SOURCES (USES)</u>				
Issuance of bonds	-	3,500,000	-	3,500,000
Transfers in	-	2,000,000	1,022,000	3,022,000
Transfers out	(2,400,000)	(347,000)	-	(2,747,000)
Total other financing sources (uses)	(2,400,000)	5,153,000	1,022,000	3,775,000
Net change in fund balances	(1,498,515)	(1,687,354)	10,473	(3,175,396)
Fund balances, beginning	5,012,249	14,054,842	1,391	19,068,482
Fund balances, ending	\$ 3,513,734	\$ 12,367,488	\$ 11,864	\$ 15,893,086

The accompanying notes are an integral part of this financial statement.

CITY OF HARRISVILLE
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of
Governmental Funds To the Statement of Activities
For the Year Ended June 30, 2025

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

Net change in fund balances for governmental funds	\$ (3,175,396)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, assets with an initial cost of \$2,000 or more are capitalized and the cost is allocated over the assets estimated useful lives and reported as depreciation expense.

Capital outlay	7,109,457
Depreciation expense	(429,852)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither type of transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. These amounts are deferred and amortized in the Statement of Activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items.

Sales and franchise tax revenue bonds issued	(3,500,000)
Reduction of long-term liability	476,000

Accrued pension costs are not reported as an expenditure in the current period for governmental funds but are recorded as an expense in the statement of activities.	(119,719)
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Expenses are recognized in the governmental funds when paid or due; however, the Statement of Activities is presented on the accrual basis and expenses and liabilities are reported when incurred, regardless of when financial resources are available or expenses are paid or due.

Accrued interest	(7,692)
Compensated absences	(7,044)

Internal service fund is used by management to charge the cost of centralized services to individual funds. The net income of the internal service fund is reported with governmental activities.

	82,746
Change in net position of governmental activities	\$ 428,500

The accompanying notes are an integral part of this financial statement.

CITY OF HARRISVILLE
Statement of Net Position – Proprietary Funds
June 30, 2025

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Sewer	Storm Water	Street Light	Garbage	Total	
<u>ASSETS</u>						
Current assets:						
Cash and cash equivalents	\$ 1,650,371	\$ 314,820	\$ 49,595	\$ 83,386	\$ 2,098,172	\$ 819,054
Accounts receivable	74,510	33,950	4,836	67,692	180,988	-
Total current assets	1,724,881	348,770	54,431	151,078	2,279,160	819,054
Noncurrent assets:						
Restricted cash and cash equivalents	-	1,080,666	-	-	1,080,666	-
Capital assets:						
Land	-	92,000	-	-	92,000	-
Machinery, equipment, & vehicles	69,825	136,520	-	-	206,345	2,589,908
Infrastructure	1,724,783	2,134,456	-	-	3,859,239	-
Accumulated depreciation	(841,118)	(711,933)	-	-	(1,553,051)	(1,667,621)
Total capital assets	953,490	1,651,043	-	-	2,604,533	922,287
Total noncurrent assets	953,490	2,731,709	-	-	3,685,199	922,287
Total assets	2,678,371	3,080,479	54,431	151,078	5,964,359	1,741,341
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Pension related	34,668	47,516	-	-	82,184	-
Total deferred outflows of resources	34,668	47,516	-	-	82,184	-

(Continued)

The accompanying notes are an integral part of this financial statement.

CITY OF HARRISVILLE
Statement of Net Position – Proprietary Funds (Continued)
June 30, 2025

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Sewer	Storm Water	Street Lights	Garbage	Total	
<u>LIABILITIES</u>						
Current liabilities:						
Accounts payable	\$ 219,848	\$ 2,764	\$ 798	\$ 52,483	\$ 275,893	\$ -
Accrued liabilities	5,926	8,553	-	-	14,479	-
Compensated absences	7,740	10,451	-	-	18,191	-
Total current liabilities	233,514	21,768	798	52,483	308,563	-
Noncurrent liabilities:						
Compensated absences	10,645	6,653	-	-	17,298	-
Net pension liability	38,302	52,496	-	-	90,798	-
Total noncurrent liabilities	48,947	59,149	-	-	108,096	-
Total liabilities	282,461	80,917	798	52,483	416,659	-
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Pension related	793	1,087	-	-	1,880	-
Total deferred inflows of resources	793	1,087	-	-	1,880	-
<u>NET POSITION</u>						
Net investment in capital assets	953,490	1,651,043	-	-	2,604,533	922,287
Restricted	-	1,080,666	-	-	1,080,666	-
Unrestricted	1,476,295	314,282	53,633	98,595	1,942,805	819,054
Total net position	\$ 2,429,785	\$ 3,045,991	\$ 53,633	\$ 98,595	\$ 5,628,004	\$ 1,741,341

The accompanying notes are an integral part of this financial statement.

CITY OF HARRISVILLE
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds
For the Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Sewer	Storm Water	Street Lights	Garbage	Total	
<u>OPERATING REVENUES</u>						
Charges for services	\$ 825,599	\$ 384,288	\$ 63,427	\$ 708,453	\$ 1,981,767	\$ 357,763
Connection fees	150	-	-	-	150	-
Miscellaneous	-	83,545	-	-	83,545	-
Total operating revenues	825,749	467,833	63,427	708,453	2,065,462	357,763
<u>OPERATING EXPENSES</u>						
Salaries and benefits	158,217	253,862	-	-	412,079	-
Contractual services	533,573	10,284	8,775	626,186	1,178,818	-
Supplies and repairs	74,432	64,075	46,810	-	185,317	-
Administrative	625	296	-	-	921	-
Depreciation	48,461	81,495	-	-	129,956	320,073
Total operating expenses	815,308	410,012	55,585	626,186	1,907,091	320,073
Operating income (loss)	10,441	57,821	7,842	82,267	158,371	37,690
<u>NONOPERATING REVENUES (EXPENSES)</u>						
Interest income	65,190	56,682	1,653	1,336	124,861	25,336
Gain (loss) on disposal of assets	-	-	-	-	-	19,720
Total nonoperating revenues (expenses)	65,190	56,682	1,653	1,336	124,861	45,056
Income before contributions and transfers	75,631	114,503	9,495	83,603	283,232	82,746
Capital contributions	153,797	193,323	-	-	347,120	-
Transfers out	(75,000)	(200,000)	-	-	(275,000)	-
Change in net position	154,428	107,826	9,495	83,603	355,352	82,746
Total net position, beginning as restated	2,275,357	2,938,165	44,138	14,992	5,272,652	1,658,595
Total net position, ending	<u>\$ 2,429,785</u>	<u>\$ 3,045,991</u>	<u>\$ 53,633</u>	<u>\$ 98,595</u>	<u>\$ 5,628,004</u>	<u>\$ 1,741,341</u>

The accompanying notes are an integral part of this financial statement.

CITY OF HARRISVILLE
Statement of Cash Flows – Proprietary Funds
For the Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities Internal Service Fund
	Sewer	Storm Water	Street Lights	Garbage		
Cash flows from operating activities						
Receipts from customers and users	\$ 821,254	\$ 467,028	\$ 62,832	\$ 697,441	\$ 2,048,555	\$ 357,763
Payments to suppliers	(451,926)	(74,351)	(54,787)	(620,848)	(1,201,912)	-
Payments to employees	(149,527)	(1,322,360)	-	-	(1,471,887)	-
Net cash provided (used) by operating activities	219,801	(929,683)	8,045	76,593	(625,244)	357,763
Cash flows from noncapital financing activities						
Transfers to other funds	(75,000)	(200,000)	-	-	(275,000)	-
Net cash provided (used) by noncapital financing activities	(75,000)	(200,000)	-	-	(275,000)	-
Cash flows from capital and related financing activities						
Aquisition of capital assets	-	(14,500)	-	-	(14,500)	(128,081)
Proceeds from sale of assets	-	-	-	-	-	29,038
Impact fees received	153,797	193,323	-	-	347,120	-
Net cash provided (used) by capital and related financing activities	153,797	178,823	-	-	332,620	(99,043)
Cash flows from investing activities						
Interest received	65,190	56,682	1,653	1,336	124,861	25,336
Net cash provided by investing activities	65,190	56,682	1,653	1,336	124,861	25,336

(Continued)

CITY OF HARRISVILLE
Statement of Cash Flows – Proprietary Fund (Continued)
For the Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds					Governmental Activities
	Sewer	Storm Water	Street Lights	Garbage	Total Enterprise Funds	Internal Service Fund
Net increase (decrease) in cash and cash equivalents	363,788	(894,178)	9,698	77,929	(442,763)	284,056
Cash and cash equivalents, beginning of year	1,286,583	1,208,998	39,897	5,457	2,540,935	534,998
Cash and cash equivalents, end of year	<u>\$ 1,650,371</u>	<u>\$ 314,820</u>	<u>\$ 49,595</u>	<u>\$ 83,386</u>	<u>\$ 2,098,172</u>	<u>\$ 819,054</u>
Reconciliation of operating income (loss) to net cash provided by operating activities						
Operating income (loss)	\$ 10,441	\$ 57,821	\$ 7,842	\$ 82,267	\$ 158,371	\$ 37,690
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	48,461	81,495	-	-	129,956	320,073
Changes in assets and liabilities:						
Accounts receivable	(4,495)	(805)	(595)	(11,012)	(16,907)	-
Accounts payable	156,704	304	798	5,338	163,144	-
Accrued liabilities	450	1,106	-	-	1,556	-
Compensated absences	978	1,143	-	-	2,121	-
Net pension liability	7,262	(1,070,747)	-	-	(1,063,485)	-
Net cash provided (used) by operating activities	<u>\$ 219,801</u>	<u>\$ (929,683)</u>	<u>\$ 8,045</u>	<u>\$ 76,593</u>	<u>\$ (625,244)</u>	<u>\$ 357,763</u>

The accompanying notes are an integral part of this financial statement.

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CITY OF HARRISVILLE
Notes to the Financial Statements
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Harrisville (the City) was incorporated on April 19, 1962 as a township and became a city on January 30, 1964. The City operates under a traditional Mayor-Council form of government. The City provides the following services as authorized by its charter: general administrative services, public safety, planning and zoning, highway and streets, parks and recreation, sewer, storm water, street lights, sanitation, and public improvements.

The City's financial statements are prepared in accordance with generally accepted accounting principles in the States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

Reporting Entity

The accompanying financial statements present the City of Harrisville (the primary government). The City has no component units.

Government-Wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general administrative services, police (public safety), building inspection, parks and recreation, and highways and public improvements are classified as governmental activities. The City's sewer, storm water, street lights, and garbage services are classified as business-type activities.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services, and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The Statement of Net Position presents the City's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is restricted when constraints placed upon them are either externally imposed or are imposed by constitutional provisions or enabling legislation. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. The City does not allocate general government (indirect) expenses to other functions. 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenues are reported instead as general revenues.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and statutory mandate. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary 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 projects fund* is used to account for financial resources to be used for the acquisition or construction of the major capital facilities of the City, other than those financed by proprietary funds.

The City reports the following major proprietary funds:

The *sewer fund* accounts for the activities of the City's sewer treatment operations which directs sewage to a treatment plant that is operated by another government agency.

The *storm water fund* accounts for the activities of the City's storm drain collection system.

The *garbage fund* accounts for the activities of the City's solid waste collection operations, including garbage pick-up and tipping and disposal fees.

The *street lights fund* accounts for the activities of the City's street lights system.

Additionally, the City reports the following fund types:

The *internal service fund* accounts for the costs of procurement and maintenance of vehicles by motor pool to other departments of the City, or to other governments, on a cost-reimbursement basis.

The *debt service fund* accounts for the accumulation of resource that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. 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 use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

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. 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.

Property taxes, sales tax, use taxes, franchise taxes, licenses, interest, and earned but unreimbursed state and federal grants 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. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the general fund by various proprietary funds for the providing of administrative and billing services for such funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. General revenues include all taxes imposed by the City.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 all 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 nonoperating revenues and expenses.

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position

Cash, Cash Equivalents, and Investments - The City considers all cash and investments with original maturities of three months or less to be cash and cash equivalents and includes deposits with financial institutions, money market accounts, bond reserve accounts, and accounts at the Utah Public Treasurer's Investment Trust (the State Treasurer's Pool). For the purpose of the statement of cash flows, cash and cash equivalents are defined as the cash and cash equivalent accounts and the restricted cash and cash equivalents accounts. Investments of the City are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income, when applicable.

Receivables and Payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not available financial resources.

Management has estimated no allowance for uncollectibles is considered necessary as accounts receivable are all deemed fully collectible for both governmental and enterprise funds. Accounts receivable at June 30, 2025, consist of property taxes, franchise taxes, sales tax, grants and accounts (billings for user charged services). The utility billings for charged services are billed to customers monthly by another governmental agency.

Restricted Assets - Assets whose use is restricted for construction, debt service or by other independent third parties, enabling legislation, or other laws and statutes. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position (Continued)

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

Capital Assets - Capital assets, which include property, plant, equipment, vehicles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of capital assets is computed using the straight-line method over their estimated useful lives as follows:

<u>Assets</u>	<u>Years</u>
Buildings	40
Other improvements	10-30
Sewer collection system	50
Machinery, equipment, and vehicles	3-15

Developer and Customer Deposits - Deposits from customers or developers that are held for construction projects and development agreements until such time that refund or forfeiture is warranted. It also included deposits and bail held by the Court until proper adjudication of the cases.

Compensated Absences - The City has a benefit program for compensated absences. Under the program, accumulated unpaid vacation is accrued as incurred up to the maximum amounts based on years of service for each employee. Vacation is fully vested when earned. At retirement, death, or termination, all unpaid accrued vacation is paid to the beneficiary at designated maximum amounts per City policy. Accumulated sick leave is earned at a rate of four hours per pay period. Employees may accumulate sick leave up to a maximum of 960 hours. Employees who retire are either paid 25% of accumulated sick leave at retirement or they can use 80 hours of accrued sick leave per month towards the premium for one month of health insurance. Sick leave is analyzed for usage potential based on historical and projected percentages and accrued using the LIFO basis of accounting. Proprietary funds expense all accrued vacation and potential sick retirement payout amounts when incurred. Governmental funds report an expenditure as the vacation is paid or at termination.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position (Continued)

Compensated Absences (continued) – Per the criteria outlined by GASB 101, *Compensated Absences*, all other potential leave benefits (i.e. holiday, bereavement leave, post-partum, military, etc.) have been deemed insignificant to the City’s respective reporting funds as they do not result in any termination or retirement payments, but are rather a use-it or lose-it benefits to the employees and are dependent upon the occurrence of a sporadic event. As such, they are recognized more appropriately when the leave commences and is used.

The total compensated absences liability is reported on the government-wide financial statements. Proprietary funds report the total compensated absences liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only when it is due for payment in the current fiscal year.

Deferred Inflows and Outflows of Resources - In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from property taxes (property taxes which will be levied and collected more than 60 days after year end) in this category. These amounts are deferred and recognized as an inflow of resources in the period in which the amounts become available. The City also has deferred inflows relating to pensions.

Deferred outflows of resources represent a consumption of net assets that applies to a future period and is therefore deferred until that time. The City also has deferred outflows relating to pensions.

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. Historically, pension costs are paid by the individual funds as they become due, for governmental funds, most of the costs are paid by the general fund.

Long-Term Obligations and Leases - In the government-wide financial statements and proprietary funds, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds’ Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the applicable debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period as other financing sources or uses. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures in the current period.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position (Continued)

Long-Term Obligations and Leases (continued) - The City recognizes a lease or subscription payable and an intangible right-to-use lease asset or subscription asset in the government-wide and proprietary fund financial statements for individual values over \$5,000. At the commencement of a lease or subscription, the City measures the lease payable at the present value of payments expected to be made during the lease term. Subsequently, the lease or subscription payable is reduced by the principal amount of the lease or subscription payments. The intangible right-to-use lease or subscription asset is measured at the initial amount of the lease or subscription payable, adjusted for payments made at or before the lease commencement date, plus initial direct costs. The asset is amortized over its useful life. The City currently has no leases or subscriptions that are significant enough or that qualify for reporting recognition under GASB 87 or GASB 96.

Fund Balance and Net Position - Net position is classified in the government-wide financial statements in three components:

- (1) *Net investment in capital assets* - consists of capital assets including restricted capital assets and intangible right-to-use assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2) *Restricted net position* - consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
- (3) *Unrestricted net position* - All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

GASB Statement No. 54 provided new reporting categories for fund balance in governmental funds. The categories and descriptions are as follows:

- (1) *Nonspendable fund balance* classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- (2) *Restricted fund balance* classifications are restricted by the following: (a) externally imposed by creditor, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- (3) *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.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position (Continued)

Fund Balance and Net Position (Continued)

- (4) *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.
- (5) *Unassigned fund balance* classification is the residual classification for the general fund or funds with deficit fund balances. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

Proprietary funds report net position in the same manner as the government-wide statements.

When restricted, committed, assigned, or unassigned resources are available for use, it is the City's policy to use restricted resources first, followed by committed resources, then assigned, and then unassigned as they are needed.

Estimates - The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain asset and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to estimates and assumptions include the carrying amount of property and equipment and the realizability of sick leave time to be potentially used by or paid to employees. Actual results could vary from these estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

Annual budgets are prepared and adopted, in accordance with State law, by the City Council on or before June 22 for the following fiscal year. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in several different funds, including the general fund, special revenue funds and enterprise funds. Annual budgets are also adopted for capital projects which may include activities which overlap several fiscal years. The level of the City's budgetary control (that is, the level at which the City's expenditures cannot legally exceed the appropriated amounts) is established at the department level. Each department head is responsible to the City Administrator and City Council for operating within the budget for their departments. All annual budgets lapse at fiscal year-end.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Data (Continued)

Utah State law prohibits the appropriation of the sum of unassigned, assigned, and committed general fund balance until it exceeds 5% of the general fund revenues. Until the sum of the stated fund balance categories is greater than the above amount, it cannot be budgeted, but is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Utah State law also prohibits the accumulation of the stated fund balance categories in the general fund in any amounts greater than 35% of the current year's total actual revenues.

The Mayor, in conjunction with the appropriate department head, has the authority to transfer budget appropriations within and between any divisions of any budgetary fund. The City Council has the authority to transfer budget appropriations between individual budgetary funds by resolution. A public hearing must be held to increase the total appropriations of any one governmental fund type; however, after the original public hearing, operating and capital budgets or enterprise fund types may be increased by resolution without an additional hearing.

Annual budgets for the general fund, special revenue fund, capital projects fund, and debt service fund were legally adopted by the City and are prepared on the modified-accrual method of accounting. Annual budgets for the enterprise funds are legally adopted by the City and prepared on the accrual method of accounting.

Although Utah State law requires the initial preparation of budgets for all City funds (both governmental and proprietary), it only requires the reporting of comparisons of actual results to budgets for the general fund and any major special revenue funds.

Tax Revenues

Property taxes are collected by the County Treasurer and remitted to the City mainly in two to three installments in November, December and a final settlement by March 31st, but are remitted routinely each month based on collections received. Taxes are levied and are due and payable on November 1st and delinquent after November 30th of each year at which time they become liens if not paid. An accrual of uncollected current and prior year's property taxes beyond that which was received within 60 days after the fiscal year end has not been made, as the amounts are not deemed to be material.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly. An accrual has been made for all taxes received by the State for the period ended June 30th and thus due and payable to the City.

Franchise taxes are charged to various utility companies doing business with the City including telephone, cable television, gas utility, and electric utility companies. The fees are remitted on a monthly, quarterly, semi-annual, or annual basis. An accrual has made for fees due and payable to the City at June 30th.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

3. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits as well as term deposits. Each fund's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents" and "restricted cash and cash equivalents," which includes cash accounts that are separately held by several of the City's funds. 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 (UMMA) that relate to the deposit and investment of public funds.

The City's follows the requirements of UMMA (*Utah Code*, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of City funds in a qualified depository, which is defined as a 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. UMMA defines types of securities authorized as appropriate investments for the City's funds 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.

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Financial instruments with unadjusted, quoted prices listed on active market exchanges.
- Level 2: Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. The prices for the financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3: Financial instruments that are not actively traded on a market exchange. This category includes situations where there is little, if any, market activity for the financial instruments. The prices are determined using significant unobservable inputs or valuation techniques. Quoted prices for identical investments in active markets.

At June 30, 2025, the City had the following recurring fair value measurements.

Investment Type	06/30/25	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
PTIF	\$ 6,829,549	\$ -	\$ 6,829,549	\$ -
Total investments	\$ 6,829,549	\$ -	\$ 6,829,549	\$ -

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

3. DEPOSITS AND INVESTMENTS (CONTINUED)

The City's cash and cash equivalents and investments are exposed to certain risks as outlined below:

Custodial credit risk – deposits is the risk that in the event of a bank failure, the City's deposits may not be returned. As of June 30, 2025, \$13,531,723 of the City's \$13,781,723 bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized. UMMA does not require deposits to be insured or collateralized. The City's policy for managing custodial deposit credit risk is to adhere to the UMMA. UMMA requires that the City keep deposits in a qualified depository, which the City has done.

Custodial credit risk – investments is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City's policy for limiting credit risk of investments is to comply with the requirements of UMMA as described above. Of the City's investment in the Utah Public Treasurer's Investment Fund (PTIF) of \$6,829,549, the City has no custodial credit risk exposure as the PTIF is an external investment pool managed by the Utah State Treasurer and is not categorized as to custodial 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 limiting the credit risks of investments is to comply with UMMA. Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable 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 UMMA; and the Utah State Public Treasurers' Investment Fund.

The Utah State Treasurer's Office operates the PTIF, which is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by UMMA. 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 gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, 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.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

3. DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2025, the City had the following investments and quality ratings:

	Quality Ratings			
	06/30/25	AAA	A	Unrated
PTIF	\$ 6,829,549	\$ -	\$ -	\$ 6,829,549
Total investments	\$ 6,829,549	\$ -	\$ -	\$ 6,829,549

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The City has no formal policy relating to specific investment-related interest rate risk. The City manages its exposure by investing mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

As of June 30, 2025, the City's investments had the following maturities and ratings:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
PTIF	\$ 6,829,549	\$ 6,829,549	\$ -
Total investments	\$ 6,829,549	\$ 6,829,549	\$ -

Concentration of credit risk is the risk of loss attributed to the magnitude of a City's investment in a single issuer. The City's policy for reducing this risk of loss is to comply with the rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio. The City's investment in the PTIF has no concentration of credit risk as the PTIF is an external investment pool managed by the Utah State Treasurer.

The PTIF invests in high-grade securities which are delivered to the custody of the Utah State Treasurer, assuring a perfected interest in the securities, and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. The maximum weighted average life of the portfolio does not exceed 90 days. Twice a year, at June 30 and December 31, which are the accounting periods for public entities, the investments are valued at fair value and participants are informed of the fair value valuation factor. Additional information is available at the Utah State Treasures' Office.

For the year ended June 30, 2025, the City had investments of \$6,829,549 with the PTIF. The fair value of these investments was \$6,843,109 using a fair value factor of 1.00198542.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Following are the City's cash and cash equivalents at June 30, 2025:

	Carrying Value
Cash on hand and on deposit:	
Cash on hand	\$ 250
Cash on deposit	13,119,827
PTIF accounts	6,829,549
Total cash on hand and deposit	<u>\$ 19,949,626</u>

4. RECEIVABLES

Receivables as of June 30, 2025 for the City's individual funds are as follows:

	Accounts Receivable	Property Tax	Inter- Governmental	Gross Receivables	Less: Allowance for Uncollectabl e Accounts	Total Receivables, Net
General Fund	\$ 84,731	1,062,930	\$ 508,769	\$ 1,656,430	\$ -	\$ 1,656,430
Sewer	74,510	-	-	74,510	-	74,510
Storm Water	33,950	-	-	33,950	-	33,950
Street Lights	4,836	-	-	4,836	-	4,836
Garbage	67,692	-	-	67,692	-	67,692
	<u>\$ 265,719</u>	<u>\$ 1,062,930</u>	<u>\$ 508,769</u>	<u>\$ 1,837,418</u>	<u>\$ -</u>	<u>\$ 1,837,418</u>

5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The purpose of the transfers was to provide cash flows, pay operating expenses, and to fund capital projects. Transfers among the funds during the current year were:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 2,400,000
Capital Projects Fund	2,000,000	347,000
Debt Service Fund	1,022,000	-
Sewer Fund	-	75,000
Storm Water	-	200,000
	<u>\$ 3,022,000</u>	<u>\$ 3,022,000</u>

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

6. **CAPITAL ASSETS**

Capital asset activity of the governmental activities, including the internal service fund, for the year ended June 30, 2025 was as follows:

	6/30/2024	Increases	Decreases	06/30/25
<u>Governmental activities</u>				
Capital assets, not being depreciated:				
Land	\$ 620,040	\$ 60,309	\$ -	\$ 680,349
Construction in progress	3,267,479	490,129	(3,261,079)	496,529
Total capital assets, not being depreciated	3,887,519	550,438	(3,261,079)	1,176,878
Capital assets, being depreciated:				
Buildings	732,957	9,596,361	-	10,329,318
Other improvements	2,188,757	-	-	2,188,757
Machinery, equipment, and vehicles	3,018,870	351,818	(51,901)	3,318,787
Infrastructure	5,094,592	-	-	5,094,592
Total capital assets, being depreciated	11,035,176	9,948,179	(51,901)	20,931,454
Less accumulated depreciation	(5,901,345)	(749,925)	42,583	(6,608,687)
Total capital assets being depreciated, net	5,133,831	9,198,254	(9,318)	14,322,767
Governmental capital assets, net	<u>\$ 9,021,350</u>	<u>\$ 9,748,692</u>	<u>\$ (3,270,397)</u>	<u>\$ 15,499,645</u>

Capital asset activity of the business-type activities for the year ended June 30, 2025 was as follows:

	6/30/2024	Increases	Decreases	06/30/25
<u>Business-type activities</u>				
Capital assets, not being depreciated:				
Land	\$ 92,000	\$ -	\$ -	\$ 92,000
Total capital assets, not being depreciated	92,000	-	-	92,000
Capital assets, being depreciated:				
Machinery, equipment, and vehicles	191,845	14,500	-	206,345
Infrastructure	3,859,239	-	-	3,859,239
Total capital assets, depreciated	4,051,084	14,500	-	4,065,584
Less accumulated depreciation	(1,423,095)	(129,956)	-	(1,553,051)
Total capital assets being depreciated, net	2,627,989	(115,456)	-	2,512,533
Business-type capital assets, net	<u>\$ 2,719,989</u>	<u>\$ (115,456)</u>	<u>\$ -</u>	<u>\$ 2,604,533</u>

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

6. CAPITAL ASSETS (CONTINUED)

In the government-wide financial statements, depreciation was charged as follows by program or activity:

Governmental activities:		
General government	\$	297,566
Public safety		165,903
Highways and public improvements		214,078
Parks and recreation		72,378
Total depreciation expense - governmental activities	\$	<u>749,925</u>
Business-type activities:		
Sewer Fund	\$	48,461
Storm Water Fund		81,495
Total depreciation expense - business-type activities	\$	<u>129,956</u>

7. LONG-TERM DEBT

The following is a summary of changes in long-term debt for governmental and business-type activities of the City at June 30, 2025 (excluding net pension liability discussed in note 8):

	6/30/2024	Increases	Decreases	06/30/25	Due in One Year
<u>Governmental activities</u>					
Sales and franchise tax revenue bonds	\$ 14,328,000	\$ 3,500,000	\$ (476,000)	\$ 17,352,000	\$ 610,000
Compensated absences *	<u>176,368</u>	<u>7,044</u>	<u>-</u>	<u>183,412</u>	<u>143,532</u>
Governmental activities, long-term liabilities	<u>\$ 14,504,368</u>	<u>\$ 3,507,044</u>	<u>\$ (476,000)</u>	<u>\$ 17,535,412</u>	<u>\$ 753,532</u>
<u>Business-type activities</u>					
Compensated absences *	<u>33,368</u>	<u>2,121</u>	<u>-</u>	<u>35,489</u>	<u>18,191</u>
Business-type activities, long-term liabilities	<u>\$ 33,368</u>	<u>\$ 2,121</u>	<u>\$ -</u>	<u>\$ 35,489</u>	<u>\$ 18,191</u>

* The change in compensated absences above is a net change for the year.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

7. LONG-TERM DEBT (CONTINUED)

Long-term debt and bond obligations for governmental activities payable at June 30, 2025 were as follows:

<u>Governmental Activities</u>	<u>Current Portion</u>	<u>Long-Term Balance</u>
Series 2022 Sales and Franchise Tax Revenue Bonds, original issue of \$6,000,000, principal due in annual installments beginning June 2023, interest at 2.10% to 4.35% due in semi-annual installments beginning December 2022, with the final payment due June 2042. The bonds were issued to finance the construction of a new public works facility.	\$ 240,000	\$ 5,057,000
Series 2023 Sales and Franchise Tax Revenue Bonds, original issue of \$9,000,000, principal due in annual installments beginning June 2024, interest at 2.55% to 5.25% due in semi-annual installments beginning December 2023, with the final payment due June 2048. The bonds were issued to finance the construction of a new City Hall complex building.	248,000	8,307,000
Series 2025 Sales and Franchise Tax Revenue Bonds, original issue of \$3,500,000, principal due in annual installments beginning June 2026, interest at 3.30% to 6.25% due in semi-annual installments beginning December 2025, with the final payment due June 2045. The bonds were issued to finance the construction of a new City Hall complex building.	122,000	3,378,000
Total Governmental Activities Long-term Debt	<u>\$ 610,000</u>	<u>\$ 16,742,000</u>

Debt service requirements to maturity on the City's long-term bond obligations are as follows:

Year Ending June 30,	Governmental Activities Sales Tax Revenue Bonds		
	Principal	Interest	Totals
2026	\$ 610,000	\$ 689,294	\$ 1,299,294
2027	622,000	677,621	1,299,621
2028	639,000	659,906	1,298,906
2029	658,000	641,060	1,299,060
2030	678,000	620,995	1,298,995
2031-2035	3,742,000	2,754,570	6,496,570
2036-2040	4,528,000	2,008,500	6,536,500
2041-2045	4,260,000	997,227	5,257,227
2046-2048	1,615,000	166,973	1,781,973
	<u>\$ 17,352,000</u>	<u>\$ 9,216,146</u>	<u>\$ 26,568,146</u>

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

8. RETIREMENT 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:

- Public Employees Noncontributory Retirement System (Noncontributory System) is a cost sharing, multiple employer public employee retirement system.
- The 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 work on or after July 1, 2011, who has 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 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 System, 560 E 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

8. RETIREMENT PLANS (CONTINUED)

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

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% or 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.50%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year to June 30, 2020; 2.0% per year July 1, 2020 to present	Up to 2.50%

*with actuarial reductions

**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.

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, 2025 are as follows:

Utah Retirement Systems

	Employee Paid	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System			
111 - Local Governmental Division Tier 2	0.70%	15.19%	N/A
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	16.97%	N/A
Public Safety Retirement System			
Contributory			
122 - Tier 2 DB Hybrid Public Safety Contributory	4.73%	25.33%	N/A
Noncontributory			
43 - Other Division A Noncontributory with 2.5% COLA	N/A	33.54%	N/A
Tier 2 DC Only			
211- Local Government	N/A	5.19%	10.00%
222-Public Safety	N/A	11.33%	14.00%

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

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

8. RETIREMENT PLANS (CONTINUED)

Contributions (Continued)

For fiscal year ended June 30, 2025, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 138,214	\$ -
Public Safety System	127,251	-
Tier 2 Public Employees System	59,654	2,435
Tier 2 Public Safety and Firefighter System	99,771	14,766
Tier 2 DC Public Safety and Firefighter System	10,415	-
Total Contributions	<u>\$ 435,305</u>	<u>\$ 17,201</u>

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.

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

At June 30, 2025, the City reported no net pension asset and a net pension liability of \$720,628.

	Measurement Date: December 31, 2024				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2023	Change (Decrease)
Noncontributory System	\$ -	\$ 237,227	0.0748086%	0.0723420%	0.0024666%
Public Safety System	-	409,403	0.2645915%	0.2831067%	-0.0185152%
Tier 2 Public Employees System	-	38,530	0.0129193%	0.0137564%	-0.0008371%
Tier 2 Public Safety and Firefighter	-	35,468	0.0784194%	0.0545576%	0.0238618%
Total Net Pension Asset / Liability	<u>\$ -</u>	<u>\$ 720,628</u>			

The net pension asset and liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2024 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 Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2025, the City recognized pension expense of \$567,227.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

8. RETIREMENT PLANS (CONTINUED)

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

At June 30, 2025, 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	\$ 222,745	\$ 2,129
Changes in assumptions	52,383	561
Net difference between projected and actual earnings on pension plan investments	147,074	-
Changes in proportion and differences between contributions and proportionate share of contributions	9,683	12,231
Contributions subsequent to the measurement date	220,377	-
Total	<u>\$ 652,262</u>	<u>\$ 14,921</u>

\$220,377 was reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2024.

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,	Net Deferred Outflows (Inflows) of Resources
2026	\$ 183,128
2027	243,632
2028	(52,586)
2029	(3,743)
2030	16,155
Thereafter	30,378

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

8. RETIREMENT PLANS (CONTINUED)

Noncontributory System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2025, the City recognized pension expense of \$216,411.

At June 30, 2025, 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	\$ 141,353	\$ -
Changes in assumptions	19,623	-
Net difference between projected and actual earnings on pension plan investments	71,456	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	3,282
Contributions subsequent to the measurement date	70,431	-
Total	<u>\$ 302,863</u>	<u>\$ 3,282</u>

\$70,431 reported as deferred outflows of resources related to pension results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2024.

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,	Net Deferred Outflows (Inflows) of Resources
2026	\$ 133,396
2027	130,044
2028	(28,995)
2029	(5,295)

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

8. RETIREMENT PLANS (CONTINUED)

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

For the year ended June 30, 2025, the City recognized pension expense of \$257,572.

At June 30, 2025, 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	\$ 43,262	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	70,856	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	6,185
Contributions subsequent to the measurement date	62,128	-
	<hr/>	<hr/>
Total	\$ 176,246	\$ 6,185

\$62,128 reported as deferred outflows of resources related to pension results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2024.

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,	Net Deferred Outflows (Inflows) of Resources
2026	\$ 41,356
2027	100,574
2028	(28,780)
2029	(5,217)

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

8. RETIREMENT PLANS (CONTINUED)

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

For the year ended June 30, 2025, the City recognized pension expense of \$42,011.

At June 30, 2025, 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	\$ 16,657	\$ 265
Changes in assumptions	12,869	4
Net difference between projected and actual earnings on pension plan investments	2,463	-
Changes in proportion and differences between contributions and proportionate share of contributions	5,703	698
Contributions subsequent to the measurement date	29,572	-
	<hr/>	<hr/>
Total	\$ 67,264	\$ 967

\$29,572 reported as deferred outflows of resources related to pension results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2024.

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,	Net Deferred Outflows (Inflows) of Resources
2026	\$ 4,370
2027	6,792
2028	2,899
2029	3,608
2030	8,573
Thereafter	10,483

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

8. RETIREMENT PLANS (CONTINUED)

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

For the year ended June 30, 2025, the City recognized pension expense of \$51,233.

At June 30, 2025, 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	\$ 21,473	\$ 1,864
Changes in assumptions	19,891	557
Net difference between projected and actual earnings on pension plan investments	2,299	-
Changes in proportion and differences between contributions and proportionate share of contributions	3,980	2,066
Contributions subsequent to the measurement date	58,246	-
Total	<u>\$ 105,889</u>	<u>\$ 4,487</u>

\$58,246 reported as deferred outflows of resources related to pension results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2024.

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,	Net Deferred Outflows (Inflows) of Resources
2026	\$ 4,006
2027	6,222
2028	2,290
2029	3,161
2030	7,582
Thereafter	19,895

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

8. RETIREMENT PLANS (CONTINUED)

Actuarial assumptions

The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.5 - 9.5 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, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale 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, 2024 valuation were based on an experience study for the period ending December 31, 2023.

The long-term expected rate of return of 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 and is applied consistently to each defined benefit pension plan. 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:

Expected Return Arithmetic Basis			
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	35%	7.01%	2.45%
Debt securities	20%	2.54%	0.51%
Real assets	18%	5.45%	0.98%
Private equity	12%	10.05%	1.21%
Absolute return	15%	4.36%	0.65%
Cash and cash equivalents	0%	0.49%	0.00%
Totals	100%		5.80%
		Inflation	2.50%
		Expected arithmetic nominal return	8.30%

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

8. RETIREMENT PLANS (CONTINUED)

Actuarial assumptions (Continued)

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.

Sensitivity to 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 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:

<u>System</u>	<u>1% Decrease (5.85%)</u>	<u>Discount Rate (6.85%)</u>	<u>1% Increase (7.85%)</u>
Noncontributory System	\$ 1,003,274	\$ 237,227	\$ (405,239)
Public Safety System	1,257,744	409,403	(282,831)
Tier 2 Public Employees System	115,081	38,530	(21,018)
Tier 2 Public Safety and Firefighter System	120,943	35,468	(32,870)
Total	<u>\$ 2,497,042</u>	<u>\$ 720,628</u>	<u>\$ (741,958)</u>

Pension Plan Fiduciary Net Position

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

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

8. RETIREMENT PLANS (CONTINUED)

Defined Contribution Savings Plan

The City participates in a Defined Contribution Saving Plan, which is administered by the Utah Retirement Systems Board and is a supplemental plan 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 section 401(k) of the Internal Revenue Code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

The City participates in the following Defined Contribution Savings Plans with URS:

- 401(k) Plan
- Roth IRA Plan

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
401(k) Plan			
Employer contributions	\$ 65,039	\$ 66,480	\$ 51,583
Employee contributions	61,319	65,536	57,537
457 Plan			
Employer contributions	-	-	-
Employee contributions	-	-	-
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A

9. COMMITMENTS AND CONTINGENCIES

The City has construction commitments outstanding at year end for projects which have been awarded and construction has begun, but which have not completed at year end. The total remaining construction commitments at June 30, 2025 were \$6,261,615 (includes retainage) on contracts totaling \$8,666,420.

10. CONTINGENT LIABILITIES

The City is involved in various claims and legal actions arising in the ordinary course of events. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the City's financial position or results of operations.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

11. RISK MANAGEMENT

The City has joined the Utah Local Governments Trust (Trust). Founded in 1974, the Utah Local Governments Trust is licensed in Utah as a public agency insurance mutual. Trust policies are designed specifically for government agencies, including cities, towns, counties, special service districts, and school districts. The Trust provides low-cost liability and property coverage for local governments, claims adjustment services, loss prevention and safety training to its members. Utah Local Governments Trust is reinsured through Munich America RE & Clarendon, two national insurance companies with members from municipal leagues across the US.

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance as noted above. Settled claims from these risks have not exceeded commercial insurance coverage.

12. CHANGE IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENT

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*, which was an amendment of GASB No. 62. The statement is meant to enhance the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The City adopted and implemented this statement during the current fiscal year.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, to improve the recognition and measurement of liabilities for compensated absences, including vacation, sick leave, and other paid leave benefits. The City has implemented GASB 101 and analyzed all leave policies in relation to the new standard. The City also evaluated the effects of this implementation on the beginning compensated absences for fiscal year ended June 30, 2024, and determined that an adjustment and restatement was required as follows:

	<u>Sewer Fund</u>	<u>Storm Water Fund</u>	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
Net position, June 30, 2024, as previously reported	\$ 2,271,444	\$ 2,934,820	\$ 5,265,394	\$ 14,058,425
Compensated absence liability adjustment (change in accounting principle - GASB 101)	3,913	3,345	7,258	63,885
Net position, June 30, 2024, as restated	<u>\$ 2,275,357</u>	<u>\$ 2,938,165</u>	<u>\$ 5,272,652</u>	<u>\$ 14,122,310</u>

The calculations were updated to match the standard and defined contributions were added to the salary related costs where necessary.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2025

12. CHANGE IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENT
(CONTINUED)

The adjustment reflects a decrease in the compensated absences liability due to the revised measurement criteria, specifically measuring leave that is more likely than not to be used for time off or otherwise paid in cash or noncash means. The City estimated the potential for its employees to use sick leave for time off and also estimated the number of employees that are anticipated to reach URS retirement and thus be eligible for a sick leave payout. A decrease was deemed reasonable as historical data indicates many employees will potentially leave before reaching retirement from the City.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The City has adopted and implemented this standard by reviewing all revenues and expenditures to check for concentration or constraints risks which may limit the City's ability to acquire resources or control spending. There were no substantial concentrations of revenue sources or suppliers, and no substantial constraints on the City's ability to provide services.

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Required Supplementary Information

CITY OF HARRISVILLE
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>REVENUES</u>				
Property taxes	\$ 1,079,780	\$ 1,198,322	\$ 1,113,506	\$ (84,816)
Sales taxes	2,125,132	2,125,132	2,129,158	4,026
Franchise taxes	400,000	400,000	397,373	(2,627)
Licenses and permits	251,000	642,236	595,350	(46,886)
Impact fees	35,000	358,125	334,137	(23,988)
Intergovernmental	370,000	942,000	928,770	(13,230)
Charges for services	12,000	94,500	138,524	44,024
Fines and forfeitures	140,500	140,500	132,987	(7,513)
Interest	159,500	203,210	300,855	97,645
Miscellaneous	100,000	753,681	59,844	(693,837)
Total revenues	4,672,912	6,857,706	6,130,504	(727,202)
<u>EXPENDITURES</u>				
Current:				
General government:				
Legislative	44,622	44,622	31,535	13,087
Judicial	143,608	176,380	148,440	27,940
City administrator	687,830	664,484	535,985	128,499
Nondepartmental	245,250	365,350	345,915	19,435
Total general government	1,121,310	1,250,836	1,061,875	188,961
Public safety:				
Police	2,373,995	2,467,029	2,131,676	335,353
Community development:				
Building inspection	93,816	178,849	128,370	50,479
Streets and public improvements:				
Public works	274,833	294,833	255,334	39,499
Road and transportation	543,063	1,109,682	975,404	134,278
Total streets and public improvements	817,896	1,404,515	1,230,738	173,777
Parks and recreation:				
Park and recreation	722,232	743,232	676,360	66,872
Total parks and recreation	722,232	743,232	676,360	66,872
Total expenditures	5,129,249	6,044,461	5,229,019	815,442
Excess (deficiency) of revenues over (under) expenditures	(456,337)	813,245	901,485	88,240
<u>OTHER FINANCING SOURCES (USES)</u>				
Sale of capital assets	-	29,038	-	(29,038)
Transfers out	(400,000)	(2,400,000)	(2,400,000)	-
Net other financing sources (uses)	(400,000)	(2,370,962)	(2,400,000)	(29,038)
Net change in fund balance	\$ (856,337)	\$ (1,557,717)	(1,498,515)	\$ 59,202
Fund balance, beginning of year			5,012,249	
Fund balance, end of year			\$ 3,513,734	

CITY OF HARRISVILLE
Schedule of the Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

	As of December 31,	Proportion of 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 (Asset)
Noncontributory System	2015	0.0526020%	\$ 297,648	\$ 445,904	66.75%	87.80%
	2016	0.0591657%	379,916	520,603	72.98%	87.30%
	2017	0.0587011%	257,181	504,297	51.00%	91.90%
	2018	0.0606721%	446,773	519,422	86.01%	87.00%
	2019	0.0564832%	212,878	469,564	45.34%	93.70%
	2020	0.0489999%	25,134	415,269	6.05%	99.20%
	2021	0.0532531%	(304,986)	470,803	-64.78%	108.70%
	2022	0.0596600%	102,183	614,159	16.64%	97.50%
	2023	0.0723420%	167,802	740,873	22.65%	96.90%
	2024	0.0748086%	237,227	790,890	29.99%	96.02%
Public Safety System	2015	0.1507968%	\$ 269,578	\$ 305,690	88.19%	87.10%
	2016	0.1780486%	361,310	324,312	111.41%	86.50%
	2017	0.1669461%	261,881	291,267	89.91%	90.20%
	2018	0.1851420%	476,294	313,699	151.83%	84.70%
	2019	0.1998652%	320,907	312,616	102.65%	90.90%
	2020	0.2262038%	187,804	302,750	62.03%	95.50%
	2021	0.2155294%	(175,041)	267,069	-65.54%	104.20%
	2022	0.2524143%	326,390	394,627	82.71%	93.60%
	2023	0.2831067%	404,889	503,211	80.46%	93.44%
	2024	0.2645915%	409,403	447,509	91.48%	93.30%
Tier 2 Public Employees System	2015	0.0067037%	\$ 15	\$ 43,332	-0.03%	100.20%
	2016	0.0053676%	599	44,018	1.36%	95.10%
	2017	0.0086000%	758	84,084	0.90%	97.40%
	2018	0.0104868%	4,491	122,100	3.68%	90.80%
	2019	0.0139628%	3,140	193,944	1.62%	96.50%
	2020	0.0103251%	1,485	165,133	0.90%	98.30%
	2021	0.0097581%	(4,130)	181,186	-2.28%	103.80%
	2022	0.0074899%	8,156	163,492	4.99%	92.30%
	2023	0.0137564%	26,775	355,651	7.53%	89.58%
	2024	0.0129193%	38,530	382,751	10.07%	87.44%
Tier 2 Public Safety and Firefighter System	2015	0.1064489%	\$ 1,555	\$ 63,296	-2.46%	110.70%
	2016	0.0479146%	416	39,588	-1.05%	103.60%
	2017	0.0810498%	938	85,467	-1.10%	103.00%
	2018	0.0856616%	2,146	114,231	1.88%	95.60%
	2019	0.0837062%	7,874	138,013	5.71%	89.60%
	2020	0.0753268%	6,756	149,284	4.53%	93.10%
	2021	0.0912125%	(4,610)	218,124	-2.11%	102.80%
	2022	0.0687652%	5,737	211,576	2.71%	96.40%
	2023	0.0545576%	20,551	206,722	9.94%	89.10%
	2024	0.0784194%	35,468	357,962	9.91%	90.10%

CITY OF HARRISVILLE
Schedule of Pension Contributions
Last Ten 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	2016	\$ 88,261	\$ 88,261	\$ -	\$ 477,860	18.47%
	2017	96,232	96,232	-	527,258	18.25%
	2018	93,150	93,150	-	504,500	18.46%
	2019	93,864	93,864	-	510,783	18.38%
	2020	80,588	80,588	-	436,337	18.47%
	2021	79,053	79,053	-	428,008	18.47%
	2022	95,539	95,539	-	536,556	17.81%
	2023	117,219	117,219	-	652,825	17.96%
	2024	142,846	142,846	-	794,918	17.97%
	2025	138,214	138,214	-	820,363	16.85%
Public Safety System	2016	\$ 77,403	\$ 77,403	\$ -	\$ 226,702	34.14%
	2017	83,207	83,207	-	242,797	34.27%
	2018	77,200	77,200	-	282,489	27.34%
	2019	76,838	76,838	-	330,593	23.24%
	2020	92,932	92,932	-	299,800	31.00%
	2021	107,491	107,491	-	319,435	33.65%
	2022	98,924	98,924	-	306,234	32.30%
	2023	139,810	139,810	-	435,987	32.07%
	2024	151,027	151,027	-	505,907	29.85%
	2025	127,251	127,251	-	447,651	28.43%
Tier 2 Public Employees System*	2016	\$ 8,187	\$ 8,187	\$ -	\$ 54,910	14.91%
	2017	8,029	8,029	-	53,852	14.91%
	2018	15,002	15,002	-	99,360	15.10%
	2019	24,207	24,207	-	157,358	15.38%
	2020	30,199	30,199	-	193,144	15.64%
	2021	26,763	26,763	-	169,388	25.83%
	2022	27,730	27,730	-	172,795	16.05%
	2023	39,369	39,369	-	245,904	16.01%
	2024	60,558	60,558	-	378,988	15.98%
	2025	59,654	59,654	-	392,718	15.19%
Tier 2 Public Safety and Firefighter System*	2016	\$ 10,478	\$ 10,478	\$ -	\$ 46,615	22.48%
	2017	10,101	10,101	-	47,804	21.13%
	2018	23,390	23,390	-	106,542	21.95%
	2019	34,364	34,364	-	150,380	22.85%
	2020	36,522	36,522	-	158,636	23.02%
	2021	48,879	48,879	-	189,234	25.83%
	2022	58,666	58,666	-	227,123	25.83%
	2023	52,707	52,707	-	204,053	25.83%
	2024	73,944	73,944	-	286,562	25.80%
	2025	99,771	99,771	-	393,884	25.33%
Tier 2 Public Employees DC Only System*	2016	\$ 2,029	\$ 2,029	\$ -	\$ 30,323	6.69%
	2017	2,125	2,125	-	31,766	6.69%
	2018	2,252	2,252	-	33,659	6.69%
	2019	2,363	2,363	-	35,323	6.69%
	2020	2,429	2,429	-	36,309	6.69%
	2021	2,511	2,511	-	37,530	6.69%
	2022	1,263	1,263	-	18,875	6.69%
Tier 2 DC Public Safety and Firefighter DC Only System*	2016	\$ 3,157	\$ 3,157	\$ -	\$ 26,683	11.83%
	2017	4,730	4,730	-	39,982	11.83%
	2018	4,702	4,702	-	39,746	11.83%
	2019	5,459	5,459	-	46,149	11.83%
	2020	7,688	7,688	-	64,992	11.83%
	2021	8,410	8,410	-	71,087	11.83%
	2022	7,261	7,261	-	61,377	11.83%
	2023	9,797	9,797	-	82,818	11.83%
	2024	10,856	10,856	-	91,913	11.81%
	2024	10,415	10,415	-	91,922	11.33%

Note:

Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other administrative issues.

* 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.

CITY OF HARRISVILLE
Notes to the Required Supplementary Information
June 30, 2025

1. CHANGES IN ASSUMPTIONS

There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

DRAFT

Supplementary Information

CITY OF HARRISVILLE
Schedule of the Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual – Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>REVENUES</u>				
Interest income	\$ 20,000	\$ 600,000	\$ 552,504	\$ (47,496)
Total revenues	20,000	600,000	552,504	(47,496)
<u>EXPENDITURES</u>				
Current:				
General government	12,000	12,000	36	11,964
Streets and public improvements	732,000	732,000	267,376	464,624
Capital outlay	538,305	8,136,043	7,097,446	1,038,597
Debt service:				
Bond issuance costs	25,000	25,000	28,000	(3,000)
Total debt service	25,000	25,000	28,000	(3,000)
Total expenditures	1,307,305	8,905,043	7,392,858	1,512,185
Excess (deficiency) of revenues over (under) expenditures	(1,287,305)	(8,305,043)	(6,840,354)	1,464,689
<u>OTHER FINANCING SOURCES (USES)</u>				
Issuance of bonds	-	-	3,500,000	3,500,000
Transfers in	500,000	2,500,000	2,000,000	(500,000)
Transfers out	-	-	(347,000)	(347,000)
Net other financing sources (uses)	500,000	2,500,000	5,153,000	2,653,000
Net change in fund balance	\$ (787,305)	\$ (5,805,043)	(1,687,354)	\$ 4,117,689
Fund balance, beginning of year			14,054,842	
Fund balance, end of year			\$ 12,367,488	

CITY OF HARRISVILLE
Schedule of the Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual – Debt Service Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>EXPENDITURES</u>				
Debt service:				
Principal	914,000	914,000	476,000	438,000
Interest	580,806	580,806	540,934	39,872
Total expenditures	<u>1,494,806</u>	<u>1,494,806</u>	<u>1,016,934</u>	<u>477,872</u>
Excess of revenues over expenditures	<u>(1,494,806)</u>	<u>(1,494,806)</u>	<u>(1,016,934)</u>	<u>477,872</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	1,105,000	1,105,000	1,022,000	(83,000)
Net other financing sources (uses)	<u>1,105,000</u>	<u>1,105,000</u>	<u>1,022,000</u>	<u>(83,000)</u>
Net change in fund balance	<u>\$ (389,806)</u>	<u>\$ (389,806)</u>	<u>5,066</u>	<u>\$ 394,872</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u><u>\$ 5,066</u></u>	

CITY OF HARRISVILLE
Schedule of the Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual – Four Mile Special Service District
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Charges for services	\$ 15,000	\$ 15,000	\$ 17,250	\$ 2,250
Interest income	-	-	567	567
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>17,817</u>	<u>2,817</u>
<u>EXPENDITURES</u>				
Current:				
Streets and public improvements	50,000	50,000	12,410	37,590
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>12,410</u>	<u>37,590</u>
Excess of revenues over expenditures	<u>(35,000)</u>	<u>(35,000)</u>	<u>5,407</u>	<u>40,407</u>
Net change in fund balance	<u>\$ (35,000)</u>	<u>\$ (35,000)</u>	<u>5,407</u>	<u>\$ 40,407</u>
Fund balance, beginning of year			<u>1,391</u>	
Fund balance, end of year			<u>\$ 6,798</u>	

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Compliance Section

**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***

Honorable Mayor and Members of the City Council
City of Harrisville, Utah

We have audited, in accordance with 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 the City of Harrisville, Utah (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 8, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City'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. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as item 2025-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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 financial statements. 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 Standards*, and which are described in the accompanying Schedule of Findings and Responses as items 2025-001 and 2025-002.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on City's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

December 8, 2025
Bountiful, Utah

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE***

Honorable Major and Members of the City Council
City of Harrisville, Utah

Report On Compliance

We have audited City of Harrisville, Utah's (the City) compliance with state compliance requirements described in the *State Compliance Audit Guide* issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2025.

State compliance requirements were tested for the year ended June 30, 2025 in the following areas:

Budgetary Compliance
Fund Balance
Justice Courts
Fraud Risk Assessment
Utah Retirement Systems

Restricted Taxes and Related Restricted
Revenues
Governmental Fees
Impact Fees
Crime Insurance for Public Treasurers

Opinion on Compliance

In our opinion, City of Harrisville complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the *State Compliance Audit Guide (Guide)*. Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the *Guide* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *Guide*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Guide and which is described in the accompanying Schedule of Findings and Responses as item 2025-001. Our opinion on compliance is not modified with respect to these matters.

Government Auditing Standards require the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report On 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 to 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

We noted a matter involving internal control over compliance which we are submitting for your consideration. This matter is described in the Schedule of Findings and Responses as item 2025-001.

Government Auditing Standards requires the auditor to perform limited procedures on City's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of This Report

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 *Guide*. Accordingly, this report is not suitable for any other purpose.

December 8, 2025
Bountiful, Utah

DRAFT

CITY OF HARRISVILLE
Schedule of Findings and Responses
For the Year Ended June 30, 2025

2025-002 Internal Control Over Financial Reporting - Financial Statement Preparation and Review (Material Weakness)

Condition: The City's finance department currently does not perform the functions related to the preparation or review of its financial statements, and the notes to those financial statements, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Accordingly, the City is unable to, and has not established formal procedures or internal controls over the preparation or review of its financial statements. During the audit of fiscal year ended June 30, 2025, we noted several accounts were not recorded at their proper accrual value for the year ended June 30, 2025 and were not properly reconciled.

As part of the audit, management requested the auditors to prepare a draft of the City's financial statements, including the related notes to the financial statements. Management reviewed, approved, and accepted responsibility for those financial statements prior to their issuance; however, management has not developed formal, written, approved procedures or controls to 1) evaluate the completeness of the financial statement disclosures or 2) recognize instances when reclassification of financial statement items may be required by U.S. GAAP, or 3) evaluate the appropriateness of information that is required to be recorded or disclosed by the governmental accounting standards board (GASB).

Cause: Management has been relying on the auditor's controls over 1) evaluating the completeness of the financial statement disclosures, 2) the classification of financial statement items and 3) the reconciliation and adjustment of financial statement elements as required by the GASB, instead of relying on applicable internal controls over financial reporting.

Effect or Potential Effect: Because controls to 1) evaluate the completeness of financial statement disclosures, 2) recognize instances when reclassification of financial statement items may be required and 3) evaluate the appropriateness of information required by the GASB are not in place, there is a risk that the auditor prepared financial statements will not include a required disclosure, or that certain information in the financial statements might not be properly classified. This condition is considered be a material weakness.

Recommendation: We recommend the City create policies and procedures over financial reporting for financial statement preparation.

Management's Response: Management concurs with the recommendation and will implement written policies and procedures governing financial reporting for financial statement preparation. Past practice included reliance on auditor for financial statement preparation and end of year closing processes.

To: Harrisville City

Subject: Request for consideration of refund of fees as outlined in 1.85.050 of the Harrisville Municipal Code

Date: November 24, 2025

From: Greg Montgomery, petitioner of June 27, 2024 and amended petition of August 11, 2024

The Harrisville Code allows the City Council to modify or refund any fee imposed by 1.85 of the municipal code, which in this specific request is the land use amendment fee for a text amendment of \$300. (1.85.010.2.B.). I had made mention of the lack of discussion or placement of the petition I filed on June 27, 2024. As of this date, I have never had an opportunity to address my petition before the project management committee, Planning Commission and the City Council as a petitioner. I had mentioned at the last City Council meeting of November 18, 2025 that I have never had any opportunity to have my petition heard, though the item on the Council agenda that night was to replace the cluster development regulations (11.16.) with the moderate income housing provisions. Through that entire process of the moderate income housing ordinance, there was no mention of why the cluster development elimination would be appropriate or what impact its replacement might have on other development options. Not that I am against the elimination of the cluster development regulations, as the existing ordinance has many flaws but to find no mention at all of the city's reasoning while at the same time there was no attempt to bring the petitioned request before the public forum of the Planning Commission and City Council is what has led to the request of a refund of the petition fee paid back in July of 2024.

There was no comment or direction on the information I brought up at the November 18th meeting regarding my petition and status on the petition. I am choosing to now use the other option for consideration by making a written request submitted to the city recorder for the city council consideration of a refund of my \$300 petition fee. (1.85.050)

In order to consider such a request as a refund, the Council is required to consider that: (1.85.050.2.)

a. The actual cost considered by the city were nominal;

I have no information about the cost since no public hearing was noticed, there were no staff reports generated and there were two brief discussions in the project management meetings of July 11, 2024 and September 12, 2024 (see attached minutes) which also included discussions on several other items at the same

meetings. In my mind the moments spent in considering this specific petition were nominal.

b. That based upon the fee as applied to an applicant who is distinguishable from other applicants of similar circumstances by certain facts and circumstances that necessitate the applicant of fundamental fairness in fee consideration; or

I am not aware of others who have filed a petition for consideration and did not having an opportunity to present their request at least before the decision-making body of the planning commission in the form of a public hearing and then the city council for a final determination of action, whether the action be positive or negative to the petition.

The important principle that should be considered is that a complete application, filed for consideration, should be allowed to be considered by the governing body in a timely manner. A developer's petition has to be enacted within a limited time frame unless the petitioner agrees to a longer time frame for consideration according to State law. Citizen petitions have no such requirement of a timely action. This petition was not given the same fairness of other filed petitions to have it considered by the governing bodies.

c. There is a prevailing public interest in waiving, modifying, or refunding the fees.

I filed the petition and even modified it based on reading the comments of the July 11, 2024 Project Management meeting in order to have discussion that could lead to a better ordinance and options. The intent of the public discussion by a petitioner has never taken place. The prevailing public interest is that a petitioner should have a right to be heard and consideration be made by the planning commission and city council. The lack of fundamental fairness is a prevailing public interest and is why this refund request should be approved.

ATTACHMENTS

Amended August 11,2024 petition
Minutes of Project management meetings

To: Harrisville City
Subject: Amended petition of revisions to Harrisville City Municipal Code 11. 16 Cluster Development
Date: August 11, 2024
From: Petitioner Greg Montgomery

I filed a petition on June 27, 2024 to amend the wording of the cluster development chapter of the land use ordinance of the Harrisville Municipal Code referenced as 11.16. The intent of the petition was to correct conflicting language in the existing ordinance which led to interpretations that did nothing to provide harmonious transitions between existing and new development. (See March 5, 2024 Staff report to Planning Commission on a proposed cluster development.) Another avenue was used to ultimately approve the development, but in some part the development was based on the cluster development interpretations to be used as established rights. (See Planning Commission minutes of June 12, 2024)

The fact that the existing ordinance has flaws that cause the existing ordinance to not be clear in its standards and application and that the purpose of the zoning ordinances are “to promote the... order, prosperity and welfare of the present and future inhabitants of Harrisville City” (11.01.030 of the Harrisville Land Use Ordinance) is what led me to file the original petition.

I have now reconsidered rather than my first attempt to revise the language of the flawed ordinance, to amend my petition to remove 11.16 Cluster Development from the Municipal Code rather than make corrections. Removal of 11.16 will allow the City to:

1. Develop a future ordinance that will not have the flaws of the existing ordinance by trying to stay within the existing ordinance framework,
2. Protect the existing residents of Harrisville from the flawed existing ordinance that does not provide for transition and balance between existing development and new development by removal of the existing ordinance with its flaws.
3. Be consistent with the purposes of the zoning code by elimination of this chapter which in its present form is inconsistent.
4. Allow the City to develop more clear expectations and requirements of development that meet the changes of development patterns while not be cumbered with the existing inadequate provisions of 11.6.

Please consider this as an official request to amend my original petition filed on June 27, 2024, which has not gone through any public hearing process at this time, to now read:

Ordinance you are requesting to amend- Repeal of the entire chapter 11.16 Cluster Development and leaving 11.16 blank as a placeholder with the note for future code development.

July 11, 2024 Project Management Meeting minutes

3. Discussion on proposed text change amendment to the cluster land use ordinance – Greg Montgomery The committee discussed this item despite the applicant not being present. Mr. Green said the information provided is antiquated code. He feels there is better information out there to be represented. The cluster development and the ordinances have their place in cities, but there are other ways to provide zoning options for developers through updated zoning ordinances and practices than what Mr. Montgomery suggests. Ms. Knight's suggestion is not to make any modifications to the code, but to look at repealing and replacing it with a newer, more updated code dealing with the city's unique in-fill properties. Mr. Green feels the city needs to look at other ordinances and other options instead of the proposed limitations. The committee agreed to work on a new in-fill / conservation / preserving open space type ordinance instead.

September 12, 2024 Project Management Meeting minutes

4. Discussion on amended petition to amend Clustered Development Ordinance – Ms. Knight reviewed a petition to amend the cluster development ordinance received by the city in July of this year. During that discussion the committee decided not to move the petition forward to the Planning Commission. They felt the city was better served by developing an affordable housing ordinance or to repeal and replace the cluster ordinance with applicability to the city's open spaces. The committee felt the petition was not conducive to the ten (10) acres or more requirement since the city does not have many parcels remaining which would meet this. The applicant at first wanted to move it forward. However, he decided to amend the petition to go along with the city's recommendation which is repealing and replacing the cluster ordinance. The petition will not move forward at this time. Ms. Knight would like to wait and see what new legislation mandates will come out of the 2025 Legislative Session so the city will not need to redo anything regarding this matter. The committee agreed this is a good course of action. The petition will be looked at again in March of 2025.

Note: Since the September meeting in 2024 the item was never brought up again in any meeting for further consideration.



HARRISVILLE CITY

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www.cityofharrisville.com

CITY COUNCIL

Grover Wilhelmsen
Steve Weiss
Blair Christensen
Max Jackson
Karen Taylor-Fawcett

Staff Report

Housing Affordability Overlay Zone Ordinance
December 4th, 2025

MEMORANDUM

To: Harrisville City Council
From: Sarah Wichern, City Planner
Agenda Date: December 11, 2025
Subject: Consideration of the Housing Affordability Overlay Zone Ordinance

BACKGROUND

Housing affordability has become a pressing issue in Utah. To address this challenge, the state legislature passed House Bill 37, which encourages municipalities to adopt increased housing density options. Harrisville City has likewise felt the impact of rising housing costs. The proposed Housing Affordability Overlay Zone (HAOZ) Ordinance aligns with the incentives of House Bill 37 while tailoring solutions to Harrisville's specific needs. Staff have worked with Harrisville's elected officials, planning commission and various stakeholders in the housing community to draft the HAOZ ordinance. This ordinance responds to the growing need for attainable housing within the City by establishing an overlay zoning tool that encourages development of single-family homes priced within reach of Harrisville residents, particularly first-time buyers and essential workers.

The HAOZ is intended to expand homeownership opportunities, foster long-term community stability, and implement the City's objectives regarding housing variety, affordability, and neighborhood vitality.

OVERVIEW

The proposed **Chapter 11.16 – Housing Affordability Overlay Zone (HAOZ)** includes the following sections:

1. **Definitions (11.16.010):** Establishes key terms such as "Affordable Housing," "Critical and Essential Workers," "Owner Occupied," and "Hardship."
2. **Purpose (11.16.020):** Describes the goals of the HAOZ, including creating affordable homeownership opportunities, supporting critical and essential workers, and promoting multigenerational neighborhoods.
3. **Description (11.16.030):** Defines "Housing Affordability Developments" as subdivisions designed to balance affordability with quality design.

4. **Allowed Uses (11.16.040):** Permits a range of single-family detached residential types consistent with the overlay's purpose.
5. **Requirements for HAOZ Projects (11.16.050):**
 - **Qualifying Districts:** Limited to residential areas with City Council approval.
 - **Minimum Acreage:** Projects must be at least 5 acres.
 - **Density and Design Standards:** Includes flexible lot sizes, setbacks, and frontage requirements to reduce costs while maintaining neighborhood quality.
 - **Park Connectivity:** Requires sidewalk/trail connections to existing City parks.
 - **Critical and Essential Housing:** Imposes deed restrictions (20 years) ensuring owner occupancy, hardship allowances, and priority sales to Harrisville residents, first-time homebuyers, and critical workers.
6. **Approval Process (11.16.060):** Establishes a multi-step process including concept plan submission, development agreement negotiation, zone change adoption, and subsequent plat reviews.
7. **Amendments to Development Plan (11.16.070):** Provides a process for future modifications, with allowances for minor revisions.

ANALYSIS

The proposed HAOZ ordinance:

1. Creates a **clear framework** for increasing affordable homeownership opportunities.
2. Prioritizes housing for **first time home buyers and critical and essential workers** while still serving the broader Harrisville community.
3. Provides **flexibility in development standards** that encourage cost savings without compromising design or neighborhood character.

Revisions to consider based on City Council feedback (see following redline):

Density: Reduce maximum density to 6 units per acre

Minimum Lot size: Increase minimum lot size to 4000 sf

Critical And Essential Housing: Reduce Target Pricing applicability to 50% of homes to allow for decreased maximum density. Only apply the Critical and Essential Housing requirements to the Target Pricing homes.

RECOMMENDATION

Staff recommends the City Council:

1. Review the draft ordinance and discuss and consider the proposed draft revisions.
2. Adopt (with possible revisions based on discussion) the Housing Affordability Overlay Zone.

HARRISVILLE CITY DEVELOPMENT CODE CHAPTER

HOUSING AFFORDABILITY OVERLAY ZONE (HAOZ)

Section 11.16.010. Definitions.

Section 11.16.020. Purpose.

Section 11.16.030. Description.

Section 11.16.040. Allowed Uses.

Section 11.16.050. Requirements for HAOZ Projects.

Section 11.16.060. Approval Process.

Section 11.16.070. Amendments to Development Plan.

Section. 11.16.010. Definitions

For purposes of this Chapter, the following definitions apply:

- a) “Affordable housing” means a dwelling:
 - i) offered for sale to an owner-occupier at a purchase price affordable to a household with a gross income of no more than 120% of area median income for the county in which the residential unit is offered for sale.
- b) “Critical and Essential Workers” means persons who are actively employed within Harrisville City and surrounding cities at jobs considered critical and essential, including employees of Harrisville City, and employees in the sectors of health care, law enforcement, first responders, education, military and veterans, other government entities.
- c) “Legitimate Offer” means a qualified offer to purchase a residential unit, with assurances of the means to complete the purchase, of at least the average sales price of other comparable units in the Development over the past twelve months.
- d) “Harrisville Resident” means a person whose permanent residence has been within the boundaries of Harrisville City for each of the past twelve months.
- e) “Owner Occupied” means an individual who owns, solely or jointly, a housing unit in which the individual lives as the individual's primary residence.
- f) “Hardship” means significant medical emergencies, loss of employment or significant loss of income, divorce, relocation for employment, military service, religious service, or death of a spouse or co-owner. In the event of a Hardship, owners shall be allowed an exemption to the owner-occupancy requirement.
- g) “Minor Revision” means a modification or adjustment to an approved subdivision plat, plan, or associated documents that does not substantially alter the original intent, design, layout, or conditions of approval. Such revisions typically address minor corrections, clarifications, or updates and do not significantly impact the subdivision's infrastructure, lot configuration, public improvements, or compliance with applicable ordinances and regulations.

Section. 11.16.020. Purpose.

Housing Affordability Developments in Harrisville offer a new approach to affordable housing. The zone overlay creates a path to homeownership for a wider range of residents by providing attainable housing without compromising quality or aesthetics. Echoing Harrisville's rich history of multigenerational communities, these developments foster diverse, inclusive neighborhoods where families can thrive, put down roots, and build a strong foundation for their future. Through innovative design and efficient land use, they create attractive living spaces where affordability and a strong sense of community go hand in hand.

The Housing Affordability Overlay Zone (HAOZ) is an overlay zone to be applied over an underlying zoning designation. It does not need to be adjacent to other HAOZ zones.

The provisions of the HAOZ in this code establish a zoning district aimed at creating homeownership opportunities for Critical and Essential Workers, as well as others, by increasing the availability of financially attainable single-family detached homes within the City.

The intent of the HAOZ is to provide accessible and affordable homeownership opportunities in Harrisville City, fostering a multigenerational community where families can thrive across generations, promoting long-term residency and stability. By encouraging homeownership, the HAOZ seeks to:

- Provide single family housing at a significantly more attainable price for the majority of current and future Harrisville residents who desire to own a home.
- Provide priority opportunities for homeownership to Critical and Essential Workers.
- Provide a variety of housing choices into all parts of Harrisville City appropriate for residents in all stages of life.
- Allow flexible development options for single-family detached housing in areas where existing zoning, lot configurations, and standard development requirements make housing unattainable.
- Provide flexibility in architectural design, placement of buildings, setbacks, parking, and other related cost saving considerations.
- Support reductions in development costs and ongoing maintenance costs to aid in significantly reducing the cost of the homes being built in the HAOZ.
- Provide for efficient use of public services and improvements.
- Promote an attractive and safe living environment.
- Provide pride and stability through homeownership that will provide city residents with a higher life satisfaction and increased control over their lives.

Section 11.16.030. Description.

A Housing Affordability Development is a subdivision designed to offer more attainable housing by incorporating price adjusting factors generally restricted by traditional zoning ordinances. The primary goal is to ensure and provide a balanced opportunity for home ownership in Harrisville; specifically, to serve the critical and essential workers as well as the first-time homebuyers in Harrisville. These developments must be planned and designed in a coordinated, functional, and unified manner, with the home's sale price driving the design strategy. By focusing on creating more affordable housing options, the zone allows for greater flexibility in development standards while maintaining the aesthetic appeal and desirability of Harrisville.

Section 11.16.040. Allowed Uses.

The Housing Affordability Overlay Zone allows a variety of single family detached residential types that meet the purpose outlined above as a permitted use.

Section 11.16.050. Requirements for Housing Affordability Overlay Zone Projects.

- A. Qualifying Districts. Housing Affordability Developments may be allowed at the discretion of the City Council, following a public hearing by the Planning Commission and review with recommendations from City Staff. These developments are only allowed in current or future residential zones ~~areas designated as permitted uses in the General Plan~~ and shall be governed by an approved Master Development Agreement.
- B. Minimum Acreage. To be considered for the Housing Affordability Overlay the overall project acreage must be a minimum of 5 acres.
- C. Density and Design. **The following design standards shall be followed unless the developer can**

present a compelling reason to deviate from the given standards.

1. Allowed Density: Total units allowed in any given area shall be no more than 6 units per acre ~~the gross area divided by 5,000 sf.~~
2. Minimum Lot Area for a Dwelling: ~~3000~~ 4000 sf
3. Lot Width and Lot Frontage:
 - (a) Dwelling without a Public-Street-Facing Garage Door: 40 feet
 - (b) Dwelling with a Public-Street-Facing Garage Door: 50 Feet
4. Front Yard Setback:
 - (a) Dwelling without a Public-Street-Facing Garage Door: 12 feet
 - (b) Dwelling with a Public-Street-Facing Garage Door: 25 Feet
5. Side Yard Setback:
 - (a) Single Story: 5 feet
 - (b) More Than One Story: 7 feet
 - (c) Corner Lot Without a Public-Street-Facing Garage Door: 12 feet
 - (d) Corner Lot with Public-Street-Facing Garage Door: 20 feet
 - (e) Zero side yard setbacks may be considered, provided a minimum separation of 10 feet is maintained between all buildings and appropriate access and maintenance easements are recorded with the affected properties.
6. Rear Yard Setback:
 - (a) Dwelling: 20 feet
 - (b) Garage Door Facing Alley or Share Private Lane: 5 feet
- D. Park Connectivity. Proposed Developments must show a possible connection to an existing city park. Developers shall be required to complete connectivity within their development through sidewalk and/or trails in addition to all or part of the pathway connecting the development to an existing park facility.
- E. Critical and Essential Housing. To ensure that ~~all~~ units within the Housing Affordability Overlay Zone (HAOZ) remain attainable to the target customers, 50% of the units shall be subject to target pricing on initial sales and recorded deed restrictions. For the initial sale of the property, the developer shall, accept a price no more than the Target Price (as defined below). Recorded deed restrictions must ~~that~~ contain at least the following:
 1. Duration of Deed Restrictions: The deed restrictions shall be in effect and applicable to the units for no less than twenty years following the issuance of the first certificate of occupancy for each home. Following the expiration of the deed restriction, they shall have no further force nor effect.
 2. Owner Occupancy Requirement: Units must be owner occupied, unless the owner experiences a documented Hardship. In such case the unit may be rented for a temporary period of up to 12 months. This period may be extended for an additional 12 months upon proof that the Hardship continues.
 3. Enforceability: The deed restriction shall be enforceable by the City, or another entity as identified in the deed restriction.
 4. Priority for ownership: For the first 30 days after a unit is listed or advertised for sale, (including any subsequent sales after the initial sale) the owner may not accept an offer to purchase unless such offer comes from one or more of the following:
 - (a) Critical and Essential Workers,
 - (b) a Harrisville Resident who does not currently own a home, or
 - (c) a first-time homebuyer.
 5. General Public Sales: If, after 30 days of listing or advertising the unit for sale (including on, but not limited to, the local MLS) an owner has not received a Legitimate Offer from a qualified buyer under section 4, the owner may offer the property to the general public and accept offers from any buyer.

Limitation on Initial Sales: For the initial sale of the property, the developer shall, accept a price

no more than the Target Price (as defined below) for a minimum of 75% of the units

Section 11.16.060. Approval Process.

Housing Affordability Developments, are to be reviewed and approved in accordance with the following process:

- A. Establishment of Target Price. Target home price for developments in the HAOZ shall be set at a price that qualifies the home as Affordable Housing (“**Target Price**”).
- B. Concept Plans. Applicants shall submit three concept plans simultaneously to the City Council for consideration at the time of rezoning application. Developer’s concept plans shall include:
 - 1. Two concept plans of single-family detached lots, showing a typical “unattainable” development with standard lot sizes and development standards, contrasted against a concept plan with adjusted development standards that meet the Target Price for attainable development.
 - (a) Base Concept: The first concept plan must show the lot count and lineal footage of infrastructure under the current zoning district of the subject property.
 - (b) Attainable Concept: The second concept plan shall show the lot count and lineal footage of infrastructure based on the design standards in section 11.16.050 C.
 - (c) Developer’s concept plan should avoid the creation of a Homeowner’s Association (HOA) that can impose assessments, when possible, unless specific conditions determined by the City Council require an HOA.
 - (d) Homes of varying lot size, building size, and price points should be distributed throughout the development.
 - 2. A concept plan showing an off-street-path connecting the proposed development to an existing city park. The path may consist of sidewalk completion, paved trail completion, or gravel/natural pathway completion.
- C. Development Agreement. The applicant and City Staff shall prepare a Development Agreement that formalizes the accepted Target Price, proposed lot and building area criteria, subdivision design, unit design, and park connection plan in accordance with the Developer’s Concept Plan. The Development Agreement shall also include an exhibit detailing the form of the deed restrictions, which outlines the qualification, terms and conditions, and the party responsible for enforcing the deed restriction.
- D. Zone Change and Development Agreement Adoption. Once the Development Agreement and Concept Plan have been prepared, the Developer shall apply to the City for adoption of the Housing Affordability Overlay Zone and the Development Agreement. Approval of Housing Affordability Developments is subject to the requirements of this Chapter and the procedures outlined in this Code. The approval of both the Housing Affordability Overlay Zone and the accompanying Development Agreement are legislative decisions made by the City Council and are subject to established procedures for zone changes, including a public hearing at Planning Commission stage. If approved, the overlay zone should be approved first, followed by the approval of the Development Agreement.
- E. Preliminary Plat. Following the approval and adoption of the HAOZ and the Development Agreement, the review of the preliminary plat becomes an administrative and technical process. The Preliminary Plat assesses the subdivision design in accordance with the approved concept plan and development agreement. Preliminary approval shall only be granted when there is reasonable certainty that the Housing Affordability Development will meet all the requirements

of this Chapter, the concept plan, and development agreement.

The preliminary application requirements for a Housing Affordability Development are the same as those for a preliminary subdivision plat as identified in Section 12.02.06.02, except where conflicts arise between this code, the Concept Plan, or the Development Agreement, in which case the former controls. The Planning Commission will approve the Preliminary Plat after review by the appropriate city departments.

- F. **Final Plat.** Review of the final plat is an administrative and technical process. The applicant shall submit all detailed and technical information necessary to demonstrate compliance with all City standards, requirements, and conditions. Final approval may only be granted if the final plat conforms to the preliminary plat approval and meets the City requirements for final subdivision plat approval as outlined in Section 12.02.06.04.

Section 11.16.070. Amendments to the Development Plan.

Applicants may request revisions to approved preliminary or final Housing Affordability Development plans. All requests for revisions shall be submitted in writing to the City. Changes and amendments to approved preliminary and final Planned Housing Affordability Development plans may be processed using the same procedure as the original review and approval, unless the changes qualify as a Minor Revision as identified in Section 11.16.010 of this Code.

**HARRISVILLE CITY
ORDINANCE 562**

HOUSING AFFORDABILITY OVERLAY ZONE

**AN ORDINANCE OF HARRISVILLE CITY, UTAH, REPEALING
AND REPLACING TITLE 11 SECTION 16 OF THE
HARRISVILLE CITY CODE TO BE ENTITLED “HOUSING
AFFORDABILITY OVERLAY ZONE; SEVERABILITY; AND
PROVIDING AN EFFECTIVE DATE**

WHEREAS, Harrisville City (hereafter “City”) is a municipal corporation, duly organized and existing under the laws of the State of Utah;

WHEREAS, Title 10, Chapter 9a of the *Utah Code Annotated* enables municipalities to regulate land use and development;

WHEREAS, Utah Code Annotated §10-8-84 and §10-8-60 allow municipalities in the state of Utah to exercise certain police powers and nuisance abatement powers, including but not limited to providing for safety and preservation of health, promotion of prosperity, improve community well-being, peace and good order for the inhabitants of the City;

WHEREAS, after publication of the required notice the City's Planning Commission held its public hearing on March 12, 2025, to take public comment on the proposed ordinance, and subsequently gave its recommendation to approve this ordinance;

WHEREAS, the City Council received a positive recommendation from the Planning Commission and held a public meeting November 18, 2025, and now desires to act on this Ordinance;

NOW, THEREFORE, be it ordained by the City Council of Harrisville City as follows:

Section 1: Repealer. Title 11 Section 16 entitled “Clustered Development” is hereby repealed along with any word, sentence, paragraph, or phrase inconsistent with this Ordinance and any reference thereto is hereby vacated.

Section 2: Replaced. Title 11 Section 16 entitled "Housing Affordability Overlay Zone" set forth as Exhibit “A”, incorporated herein by this reference, is hereby adopted.

Section 3: Severability. If a court of competent jurisdiction determines that any part of this Ordinance is unconstitutional or invalid, then such portion of this Ordinance, or specific application of the Ordinance, shall be severed from the remainder, which shall continue in full force and effect.

Section 4: Effective date. This Ordinance shall be effective immediately upon posting after final passage, approval, and posting.

MICHELLE TAIT, Mayor
Harrisville City

ATTEST:

Jack Fogal, City Recorder

RECORDED this ____ day of _____, 2025.

PUBLISHED OR POSTED this ____ day of _____, 2025.

CERTIFICATE OF PASSAGE AND PUBLICATION OR POSTING

According to the provision of U.C.A. §10-3-713, 1953 as amended, I, the municipal recorder of Harrisville City, hereby certify that foregoing ordinance was duly passed and published, or posted at 1) City Hall 2) 2150 North and 3) Harrisville Cabin on the above referenced dates.

City Recorder

DATE: _____

Title 11 Section 16

HOUSING AFFORDABILITY OVERLAY ZONE (HAOZ)

Section 11.16.010. Definitions.

Section 11.16.020. Purpose.

Section 11.16.030. Description.

Section 11.16.040. Allowed Uses.

Section 11.16.050. Requirements for HAOZ Projects.

Section 11.16.060. Approval Process.

Section 11.16.070. Amendments to Development Plan.

Section. 11.16.010. Definitions

For purposes of this Chapter, the following definitions apply:

- a) “Affordable housing” means a dwelling:
 - i) offered for sale to an owner-occupier at a purchase price affordable to a household with a gross income of no more than 120% of area median income for the county in which the residential unit is offered for sale.
- b) “Critical and Essential Workers” means persons who are actively employed within Harrisville City and surrounding cities at jobs considered critical and essential, including employees of Harrisville City, and employees in the sectors of health care, law enforcement, first responders, education, military and veterans, other government entities.
- c) “Legitimate Offer” means a qualified offer to purchase a residential unit, with assurances of the means to complete the purchase, of at least the average sales price of other comparable units in the Development over the past twelve months.
- d) “Harrisville Resident” means a person whose permanent residence has been within the boundaries of Harrisville City for each of the past twelve months.
- e) “Owner Occupied” means an individual who owns, solely or jointly, a housing unit which the individual lives as the individual’s primary residence.
- f) “Hardship” means significant medical emergencies, loss of employment or significant loss of income, divorce, relocation for employment, military service, religious service, or death of a spouse or co-owner. In the event of a Hardship, owners shall be allowed an exemption to the owner-occupancy requirement.
- g) “Minor Revision” means a modification or adjustment to an approved subdivision plat, plan, or associated documents that does not substantially alter the original intent, design, layout, or conditions of approval. Such revisions typically address minor corrections, clarifications, or updates and do not significantly impact the subdivision’s infrastructure, lot configuration, public improvements, or compliance with applicable ordinances and regulations.

Section. 11.16.020. Purpose.

Critical Homeownership Developments in Harrisville offer a new approach to affordable housing. The zone overlay creates a path to homeownership for a wider range of residents by providing attainable housing without compromising quality or aesthetics. Echoing Harrisville's rich history of multigenerational communities, these developments foster diverse, inclusive neighborhoods where families can thrive, put down roots, and build a strong foundation for their future. Through innovative design and efficient land use, they create attractive living spaces where affordability and a strong sense of community go hand in hand.

The Housing Affordability Overlay Zone (HAOZ) is an overlay zone to be applied over an underlying zoning designation. It does not need to be adjacent to other HAOZ zones.

The provisions of the HAOZ in this code establish a zoning district aimed at creating homeownership opportunities for Critical and Essential Workers, as well as others, by increasing the availability of financially attainable single-family detached homes within the City.

The intent of the HAOZ is to provide accessible and affordable homeownership opportunities in Harrisville City, fostering a multigenerational community where families can thrive across generations, promoting long-term residency and stability. By encouraging homeownership, the HAOZ seeks to:

- Provide single family housing at a significantly more attainable price for the majority of current and future Harrisville residents who desire to own a home.
- Provide priority opportunities for homeownership to Critical and Essential Workers.
- Provide a variety of housing choices into all parts of Harrisville City appropriate for residents in all stages of life.
- Allow flexible development options for single-family detached housing in areas where existing zoning, lot configurations, and standard development requirements make housing unattainable.
- Provide flexibility in architectural design, placement of buildings, setbacks, parking, and other related cost saving considerations.
- Support reductions in development costs and ongoing maintenance costs to aid in significantly reducing the cost of the homes being built in the HAOZ.
- Provide for efficient use of public services and improvements.
- Promote an attractive and safe living environment.
- Provide pride and stability through homeownership that will provide city residents with a higher life satisfaction and increased control over their lives.

Section 11.16.030. Description.

A Critical Homeownership Development is a subdivision designed to offer more attainable housing by incorporating price adjusting factors generally restricted by traditional zoning ordinances. The primary goal is to ensure and provide a balanced opportunity for home ownership in Harrisville; specifically, to serve the critical and essential workers as well as the first-time homebuyers in Harrisville. These developments must be planned and designed in a coordinated, functional, and unified manner, with the home's sale price driving the design strategy. By focusing on creating more affordable housing options, the zone allows for greater flexibility in development standards while maintaining the aesthetic appeal and desirability of Harrisville.

Section 11.16.040. Allowed Uses.

The Housing Affordability Overlay Zone allows a variety of single family detached residential types that meet the purpose outlined above as a permitted use.

Section 11.16.050. Requirements for Housing Affordability Overlay Zone Projects.

- A. Qualifying Districts. Critical Homeownership Developments may be allowed at the discretion of the City Council, following a public hearing by the Planning Commission and review with recommendations from City Staff. These developments are only allowed in current or future residential zones and shall be governed by an approved Master Development Agreement.
- B. Minimum Acreage. To be considered for the Housing Affordability Overlay the overall project acreage must be a minimum of 5 acres.
- C. Density and Design. The following design standards shall be followed unless the developer can present a compelling reason to deviate from the given standards.
 - 1 Allowed Density: Total units allowed in any given area shall be no more than 6 units per acre.
 - 2 Minimum Lot Area for a Dwelling: 4000 sf
 - 3 Lot Width and Lot Frontage:
 - i. Dwelling without a Public-Street-Facing Garage Door: 40 feet
 - ii. Dwelling with a Public-Street-Facing Garage Door: 50 Feet
 - 4 Front Yard Setback:
 - i. Dwelling without a Public-Street-Facing Garage Door: 12 feet
 - ii. Dwelling with a Public-Street-Facing Garage Door: 25 Feet
 - 5 Side Yard Setback:
 - i. Single Story: 5 feet
 - ii. More Than One Story: 7 feet
 - iii. Corner Lot Without a Public-Street-Facing Garage Door: 12 feet
 - iv. Corner Lot with Public-Street-Facing Garage Door: 20 feet

- v. Zero side yard setbacks may be considered, provided a minimum separation of 10 feet is maintained between all buildings and appropriate access and maintenance easements are recorded with the affected properties.
- 6 Rear Yard Setback:
 - i. Dwelling: 20 feet
 - ii. Garage Door Facing Alley or Share Private Lane: 5 feet
- D. Park Connectivity. Proposed Developments must show a possible connection to an existing city park. Developers shall be required to complete connectivity within their development through sidewalk and/or trails in addition to all or part of the pathway connecting the development to an existing park facility.
- E. Critical and Essential Housing. To ensure that units within the Housing Affordability Overlay Zone (HAOZ) remain attainable to the target customers, 50% of the units shall be subject to target pricing on initial sales and recorded deed restrictions-For the initial sale of the property, the developer shall, accept a price no more than the Target Price (as defined below). Recorded deed restrictions must contain at least the following:
 - 1 Duration of Deed Restrictions: The deed restrictions shall be in effect and applicable to the units for no less than twenty years following the issuance of the first certificate of occupancy for each home. Following the expiration of the deed restriction, they shall have no further force nor effect.
 - 2 Owner Occupancy Requirement: Units must be owner occupied, unless the owner experiences a documented Hardship. In such case the unit may be rented for a temporary period of up to 12 months. This period may be extended for an additional 12 months upon proof that the Hardship continues.
 - 3 Enforceability: The deed restriction shall be enforceable by the City, or another entity as identified in the deed restriction.
 - 4 Priority for ownership: For the first 30 days after a unit is listed or advertised for sale, (including any subsequent sales after the initial sale) the owner may not accept an offer to purchase unless such offer comes from one or more of the following:
 - i. Critical and Essential Workers,
 - ii. a Harrisville Resident who does not currently own a home, or
 - iii. a first-time homebuyer.
 - 5 General Public Sales: If, after 30 days of listing or advertising the unit for sale (including on, but not limited to, the local MLS) an owner has not received a Legitimate Offer from a qualified buyer under section 4, the owner may offer the property to the general public and accept offers from any buyer.

Section 11.16.060. Approval Process.

Critical Homeownership Developments, are to be reviewed and approved in accordance with the following process:

- A. Establishment of Target Price. Target home price for developments in the HAOZ shall be set at a price that qualifies the home as Affordable Housing (“Target Price”).
- B. Concept Plans. Applicants shall submit three concept plans simultaneously to the City Council for consideration at the time of rezoning application. Developer’s concept plans shall include:
 - 1 Two concept plans of single-family detached lots, showing a typical “unattainable” development with standard lot sizes and development standards, contrasted against a concept plan with adjusted development standards that meet the Target Price for attainable development.
 - i. Base Concept: The first concept plan must show the lot count and lineal footage of infrastructure under the current zoning district of the subject property.
 - ii. Attainable Concept: The second concept plan shall show the lot count and lineal footage of infrastructure based on the design standards in section 11.16.050 C.
 - iii. Developer’s concept plan should avoid the creation of a Homeowner’s Association (HOA) that can impose assessments, when possible, unless specific conditions determined by the City Council require an HOA.
 - iv. Homes of varying lot size, building size, and price points should be distributed throughout the development.
 - 2 A concept plan showing an off-street-path connecting the proposed development to an existing city park. The path may consist of sidewalk completion, paved trail completion, or gravel/natural pathway completion.
- C. Development Agreement. The applicant and City Staff shall prepare a Development Agreement that formalizes the accepted Target Price, proposed lot and building area criteria, subdivision design, unit design, and park connection plan in accordance with the Developer’s Concept Plan. The Development Agreement shall also include an exhibit detailing the form of the deed restrictions, which outlines the qualification, terms and conditions, and the party responsible for enforcing the deed restriction.
- D. Zone Change and Development Agreement Adoption. Once the Development Agreement and Concept Plan have been prepared, the Developer shall apply to the City for adoption of the Housing Affordability Overlay Zone and the Development Agreement. Approval of Critical Homeownership Developments is subject to the requirements of this Chapter and the procedures outlined in this Code. The approval of both the Housing Affordability Overlay Zone and the accompanying Development Agreement are legislative decisions made by the City Council and are subject to established procedures for zone changes, including a public hearing at Planning Commission stage. If approved, the overlay zone should be approved first, followed by the approval of the Development Agreement.

- E. Preliminary Plat. Following the approval and adoption of the HAOZ and the Development Agreement, the review of the preliminary plat becomes an administrative and technical process. The Preliminary Plat assesses the subdivision design in accordance with the approved concept plan and development agreement. Preliminary approval shall only be granted when there is reasonable certainty that the Critical Homeownership Development will meet all the requirements of this Chapter, the concept plan, and development agreement.

The preliminary application requirements for a Critical Homeownership Development are the same as those for a preliminary subdivision plat as identified in Section 12.02.06.02, except where conflicts arise between this code, the Concept Plan, or the Development Agreement, in which case the former controls. The Planning Commission will approve the Preliminary Plat after review by the appropriate city departments.

- F. Final Plat. Review of the final plat is an administrative and technical process. The applicant shall submit all detailed and technical information necessary to demonstrate compliance with all City standards, requirements, and conditions. Final approval may only be granted if the final plat conforms to the preliminary plat approval and meets the City requirements for final subdivision plat approval as outlined in Section 12.02.06.04.

Section 11.16.070. Amendments to the Development Plan.

Applicants may request revisions to approved preliminary or final Critical Homeownership Development plans. All requests for revisions shall be submitted in writing to the City. Changes and amendments to approved preliminary and final Planned Critical Homeownership Development plans will be processed using the same procedure as the original review and approval, unless the changes qualify as a Minor Revision as identified in Section 11.16.010 of this Code.



HARRISVILLE CITY

363 West Independence \$ Harrisville, Utah 84404 \$ (801) 782-4100

MAYOR:

Michelle N. Tait

COUNCIL MEMBERS:

Grover Wilhelmsen
Steve Weiss
Blair Christensen
Max Jackson
Kenny Loveland

MEMORANDUM

To: City Council
From: Bryan Fife
Department: Public Works
Date: 12/04/2025
Re: Surplus Items

The purpose of this memorandum is to identify city owned property to surplus.

Items:

2023 Dodge Ram Crew Cab Laramie Pickup

Selling due to ongoing mechanical issues and has already been replaced by a Ford F150 which was previously budgeted for.

Private Party Value: \$69,491

Current amount owed: \$51,474
\$18,017

2023 Dodge Ram Crew Cab Big Horn Pickup

Selling due to not being needed by the combining of the Parks & Recreation and Public Works Departments.

Private Party Value: \$57,287

Current amount owed: \$23,930
\$33,357

2004 Kubota BX2230D tractor

Cracked Head and bad seals.

The price to repair (\$9,037.61) exceeds the value of the tractor. Black Cliffs Equipment (Kubota) suggests scrap value of the machine be considered before any repairs are completed.

Value: \$0.00

Current amount owed: \$0.00

Miscellaneous

- Rubber mats (Baseball field backstop mats)
- Scrap metal
- Scrap aluminum
- Community event signs/banners
- Rubber speed bumps
- Broken/old recreation equipment: Bats, helmets, baseballs, catchers gear, etc.



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Max Jackson

Karen Taylor-Fawcett

MEMORANDUM

To: City Council
From: Chief of Police Mark L Wilson
Department: Police Department
Date: December 3, 2025
Re: Surplus of Outdated Police Car Radios

The Harrisville Police Department is currently in possession of several outdated Motorola car radios that are no longer compatible with our current communications system. As these units no longer meet operational needs, I recommend that they be declared surplus.

A vendor has been identified that purchases and repurposes older radio equipment for resale to law enforcement agencies in other states that may not have the budget to acquire newer systems. Utilizing this vendor would allow the department to responsibly dispose of obsolete equipment while ensuring it can still serve a useful purpose elsewhere.

I respectfully request that any proceeds from the sale of these surplus radios be returned to the Police Department's equipment line item to support future equipment needs.

Chief Mark L Wilson

**HARRISVILLE CITY
RESOLUTION 25-18**

**A RESOLUTION OF HARRISVILLE CITY, UTAH, APPROVING AN
INTERLOCAL AGREEMENT BETWEEN HARRISVILLE CITY, NORTH
OGDEN CITY, PLEASANT VIEW CITY, AND NORTH VIEW FIRE DISTRICT
FOR THE PROVISION OF ACTIVE SHOOTER TASK FORCE
MEMORANDUM OF UNDERSTANDING.**

WHEREAS, the Utah Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1983 as amended, permits governmental units to enter into agreements with one another for the purpose of exercising on a join and cooperative basis powers and privileges that will benefit their citizens and make the most efficient use of their resources; and

WHEREAS, Title 11, Chapter 13, Section 202.5 of the Utah Code Annotated, 1953 as amended, requires that governing bodies of governmental units adopt resolutions approving interlocal agreements before such agreements may become effective; and

WHEREAS, Harrisville City, North Ogden City, Pleasant View City, and North View Fire District have negotiated an Agreement for the purpose of creating an Active Shooter Task Force Memorandum of Understanding (MOU);

WHEREAS, proposes a new Interlocal Cooperation Agreement (hereafter “Agreement”) for said services attached hereto as Exhibit “A” and incorporated herein by this reference; and

NOW, THEREFORE, the City Council of Harrisville City hereby resolves to enter into the attached Interlocal Agreement with North Ogden City, Pleasant View City, and North View Fire District for the purposes authorized in the Interlocal Agreement, and the Interlocal Agreement is hereby approved. The Mayor is hereby authorized to execute said agreement on behalf of the City.

PASSED AND APPROVED by the Harrisville City Council this 9th day of December, 2025.

MICHELLE TAIT
Mayor

JACK FOGAL
City Recorder

Municipal Council
Roll Call Vote Tally

	Yes	No
Mr. Wilhelmsen	___	___
Mr. Weiss	___	___
Mr. Christensen	___	___
Mr. Jackson	___	___
Ms. Fawcett	___	___



Memorandum of Understanding (MOU)

Establishment of the Tri-City Active Shooter Task Force

This Memorandum of Understanding (MOU) is entered into by and among the following parties:

- North Ogden City Police Department
- Pleasant View City Police Department
- Harrisville City Police Department
- North View Fire District

Collectively referred to as the “Participating Agencies.”

1. Purpose

The purpose of this MOU is to establish a multi-jurisdictional **Active Shooter Task Force (ASTF)** to enhance regional preparedness, coordination, and response to active shooter and Mass Casualty incidents within the cities of Harrisville, North Ogden, and Pleasant View.

2. Objectives

- Develop and maintain a unified response protocol.
- Conduct joint training and exercises.
- Share intelligence and threat assessments.
- Coordinate deployment of specialized personnel and equipment.
- Promote community education and outreach.

3. Governance

- The ASTF shall be governed by the Tri-City Active Shooter Task Force, composed of at least one representative from each Participating Agency.
- The Task Force should meet **Monthly** to review operations, training, and strategic planning.

A **Task Force Commander** is to promote equitable leadership and strengthen interagency collaboration; the Tri-City Active Shooter Task Force shall implement a rotating **Task Force Commander** structure. Each participating agency will have the opportunity to appoint a representative to serve as Task Force Commander on a yearly, rotational basis.

This objective ensures shared responsibility, fosters leadership development across agencies, and reinforces the unified nature of the Task Force.

Task Force Commander Responsibilities

The Task Force Commander should:

- Develop an annual training schedule.
- Oversee training and equipment planning.
- Schedule and lead monthly meetings.
- Maintain communication with Task Force members.
- **Monthly meeting agendas** should include:
 - Review of recent training activities.
 - Upcoming training plans and logistics.
 - Equipment status and needs.
 - Operational updates or concerns.
 - Interagency coordination items
 - Policy and procedure updates
 - Open forum for member input.

4. Operational Structure

- The ASTF should consist of:
 - Tactical Operators
 - Incident Commanders
 - Tactical Medics (TEMS)
 - Intelligence Officers

The parties to this Memorandum of Understanding agree that **incident command should be established and maintained by the agency having jurisdiction over the geographic location of the incident.**

- The jurisdictional agency shall assume the role of Incident Command and be responsible for the coordination of response operations, resource management, and communication with supporting agencies. Supporting agencies shall operate under a unified command structure when appropriate and provide assistance as requested, consistent with their capabilities and responsibilities.
- This provision ensures clarity of command, promotes operational efficiency, and supports interagency cooperation during emergency response operations.

5. Training & Standards

To support safe and effective operations, participating agencies will make every reasonable effort to provide training appropriate to their personnel's operational roles within the Active Shooter framework, including:

- Law Enforcement: CQB/Active Shooter Response
- Fire/EMS: TECC-based warm-zone medical and/or RTF operations
- All Agencies: ICS/NIMS appropriate to their assignments

- Joint training exercises shall be conducted **annually**.
- Participating Agencies shall share facilities and instructors when feasible.

6. Equipment & Resources

- Each agency may contribute to equipment as agreed upon by the **Active Shooter Task Force**.
- Shared resources may include:
 - Ballistic shields
 - Breaching tools
 - Communications gear
 - Armored vehicles

The Tri-City Active Shooter Task Force recognizes the importance of shared resources in enhancing operational readiness and response capabilities. To ensure clarity and accountability, the following objective is established:

All equipment utilized by the Task Force shall remain the property of the agency that originally provided the equipment and shall be maintained by that agency. This includes responsibility for upkeep, repairs, and replacement unless otherwise agreed upon in writing.

In cases where equipment has been acquired through a collective grant awarded to the Tri-City Active Shooter Task Force, ownership and maintenance responsibilities shall be jointly determined by the participating agencies at the time of acquisition. Such determinations shall be documented and maintained by the Task Force Coordinator or designated administrative authority.

This objective promotes transparency, ensures proper stewardship of resources, and supports the long-term sustainability of the Task Force's operational capabilities.

7. Communications

- Communications related to Active Shooter Task Force (ASTF) operations and training should be coordinated with input from Weber Consolidated Dispatch to ensure interoperability and effective response support.
 - Agencies should ensure interoperability of communication systems.
 - Real-time intelligence sharing should be facilitated through secure platforms.
-

8. Funding

- The ASTF may seek funding through:
 - Federal and state grants
 - County emergency management allocations
 - Shared municipal contributions
 - A budget proposal may be submitted annually by the Steering Committee.
-

9. Liability & Insurance

- Each Participating Agency shall maintain liability coverage for its personnel.
 - Legal counsel shall review this MOU to ensure compliance with Utah law.
-

10. Duration & Termination

- This MOU shall remain in effect for **Three (3) years** from the date of signing.
 - It may be amended by mutual written consent of all parties.
 - Any party may withdraw with **60 days written notice**, provided that ongoing operations are not compromised.
-

11. Signatures

By signing below, each agency agrees to the terms outlined in this MOU and commits to the collaborative mission of the Tri-City Active Shooter Task Force.

North Ogden Police

Chief Brian Enyon

Signature: _____

Date: _____

Pleasant View Police

Chief Stetson Talbot

Signature: _____

Date: _____

Harrisville Police

Chief Mark L. Wilson

Signature: _____

Date: _____

North View Fire District

Chief Kristopher Maxfield

Signature: _____

Date: _____

**HARRISVILLE CITY
RESOLUTION 25-19**

**A RESOLUTION OF HARRISVILLE CITY, UTAH, SUPPORTING
AMERICA250 UTAH AND RECOGNIZING AND APPROVING OF THE
HARRISVILLE UTAH250 COMMUNITY COMMITTEE.**

WHEREAS, Governor Spencer J. Cox and the Utah State Legislature created the America250 Utah Commission (also known as America 250 Utah);

WHEREAS, the mission of America250 Utah is to commemorate and celebrate, reflect on our nation's past, build community, and look toward the future by educating, engaging, and uniting Utahns and visitors to our state;

WHEREAS, America250 Utah is seeking partnerships with counties and municipalities to further its mission;

WHEREAS, Harrisville City desires to partner with America250 Utah;

WHEREAS, this partnership will be formed by creating a local committee called the Harrisville Utah250 Community Committee;

WHEREAS, the Harrisville Utah250 Community Committee will focus on important events, people, and places within Harrisville City to commemorate and celebrate Harrisville City's role in America's 250th anniversary; and

WHEREAS, local projects will enhance tourism, community building, and economic development opportunities.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Harrisville City:

1. Hereby recognized the Harrisville Utah250 Community Committee as its official committee.
2. Will partner with America250.
3. Will support signature programs of the America250 Utah Commission; and
4. Will support the Harrisville Utah250 Community Committee in its local efforts to educate, engage, and unify Utahns and our visitors in Weber County.

PASSED AND APPROVED by the Harrisville City Council this 9th day of December, 2025.

MICHELLE TAIT, Mayor
Harrisville City

ATTEST:

Roll Call Vote Tally	Yes	No
Council Member Wilhelmsen	___	___
Council Member Weiss	___	___
Council Member Christensen	___	___
Council Member Jackson	___	___
Council Member Fawcett	___	___

JACK FOGAL, City Recorder

DRAFT