

MINUTES
HIGHLAND CITY COUNCIL MEETING
Tuesday, June 16, 2015

Highland City Council Chambers, 5400 West Civic Center Drive, Highland, Utah 84003

PRESENT: Mayor Mark S. Thompson, conducting
Councilmember Brian Braithwaite
Councilmember Dennis LeBaron
Councilmember Tim Irwin
Councilmember Jessie Schoenfeld
Councilmember Rod Mann

STAFF PRESENT: Aaron Palmer, City Administrator
Nathan Crane, Community Development Director
Gary LeCheminant, Finance Director
JoD'Ann Bates, City Recorder
Justin Parduhn, Public Works O&M Director
Brian Gwilliam, Chief of Police
Tim Merrill, City Attorney
Kent Slade, Library Director

OTHERS: Garrett Seely, Blythe Shupe, Kelsey Bradshaw, Travis Timothy, Carson Seegmiller, Bobby Seegmiller, Ed Barfuss, Mit Martin, Lynn Ruff, Jeff Murdoch, Austin Sorenson, Roy Bond, Van Bond, Jone Varney, Laurie Adams, Chris Weiss, Steven Mower, Gary Ellis, Ty Christensen, Gary Boren.

The meeting was called to order by Mayor Mark S. Thompson as a Regular Session at 7:02 p.m. The meeting agenda was posted on the *Utah State Public Meeting Website* at least 24 hours prior to the meeting. The prayer was offered by Jessie Schoenfeld and those assembled were led in the Pledge of Allegiance by Mit Martin, a scout.

APPEARANCES:

Carson Seegmiller stated that he is 13 years old and currently working on his Eagle Scout project. His goal is to encourage kids to be active, rather than at home playing video games. Carson requested the Council's permission to build a bike park on the City's property near Lonepeak High School. He explained that no funding will be necessary because all of the work will be done by volunteers. No set structures will be built, so they can easily be removed if needed.

Rod Mann asked if there were any plans for the design of the park, and Carson responded that at this point he is just waiting for permission.

Nathan Crane informed the Council that there is nothing formal on the property, and currently it's just an open area. He recommended that Carson set up a meeting with staff to go over details.

Justin Parduhn explained that they will need to check into the insurance policy to ensure proper coverage.

Bobby Seegmiller commented that each park has a different policy which accepts certain jumps and trails. He noted that his the team is covered by Lonepeak as they are a biking club.

Tim Irwin read a letter from another family who voiced their support for the project.

PUBLIC HEARING

Final Budget & Pressurized Irrigation Fund Transfer – Fiscal Year 2015-2016

Mayor Thompson opened the public hearing.

Hearing no comments, Mayor Thompson closed the public hearing.

CONSENT ITEMS:

RESOLUTION: Adopting Certified Tax Rate – As determined by Utah County.

Pulled by Brian Braithwaite

RESOLUTION: Supporting HB 362 (2015) – Local Option General Sales Tax Dedicated to Transportation.

Pulled by Tim Irwin

MOTION: Final Plat Approval – Stoney Brook Subdivision located at 4800 West and 11200 North

MOTION: Final Plat Amendment – Stirling Pointe located at approx. 12070 North and Highland Blvd.

MOTION: Tim Irwin moved the City Council approve the remaining consent items on the agenda.

Dennis LeBaron seconded the motion.

Unanimous vote, motion carried.

ACTION ITEMS:

MOTION: Adopting Certified Tax Rate

Pulled by Brian Braithwaite

Background: Highland City has received the certified tax rate from Utah County that determines the portion of property tax collected by the County for Highland City. The certified tax rate for Highland City has been set at 0.001568 of the assessed value of property. The rate is assigned as follows:

- 0.001362 for Highland City General operations with anticipated collections of \$1,501,373.
- 0.000206 for the Highland City Library with anticipated collections of \$227,080.
- 0.001568 is the total certified tax rate with anticipated collections of \$1,728,453.

Gary LeCheminant provided a background on the tax rates, and explained that the goal is to give Highland the same amount of tax revenue.

Brian Braithwaite remarked that the whole city could increase in value as the rate goes down to be sure that the same amount of funds is coming in. He continued to explain all of the values of the homes that are being added in, and the credit that the City will receive for new development.

Rod Mann explained that the tax system they have for property tax does not adjust for inflation. He feels that it isn't bad to ask for a higher property tax amount if it's something that changes every few years with the development.

Brian Braithwaite concluded that if there is no growth the budget will not change, regardless of the increase in value of the homes.

MOTION: Brian Braithwaite moved the City Council approve a Resolution adopting the Certified Tax Rate.

Rod Mann seconded the motion.

Those voting "Aye": Rodd Mann, Jessie Schoenfeld, Tim Irwin, Dennis LaBaron and Brian Braithwaite.

Those voting "Nay": None

Motion carried.

MOTION: Supporting HB 362 (2015)

Pulled by Tim Irwin

Background: HB 362 is a comprehensive approach to addressing part of the funding shortfall identified in Utah's Unified Transportation Plan. The bill reforms the state motor fuel tax and authorizes local option transportation sales tax to allow for priority investments in roads, transit and active transportation facilities at the local level. It will help Utah preserve our current infrastructure and accommodate our projected population growth. There are two main provisions in the bill. 1) **Gas Tax Reform:** The bill converts the current 24.5 cents-per-gallon

state gas tax to a 12% sales tax on the statewide average rack price of fuel. This will take effect January 1, 2016 and local governments can expect an increase to their B&C allocation in March or April. 2) **Local Option Transportation Sales Tax:** This provision gives local governments the tools they need to address their transportation needs. Counties are authorized to enact a 0.25% general sales tax for transportation subject to voter approval. These funds will be allocated as follows:

0.10% to the transit provider

0.10% to cities, towns and unincorporated county area

0.05% to the county in areas without transit service the funds would be allocated as follows:

0.10% to cities towns and unincorporated county area

0.15% to the county

A county must impose and voters must approve the 0.25% during a November election. (no specific year is required)

Tim Irwin was concerned about the resolution because the tax rate would be going into mass transit programs in Orem and Provo, which would not affect Highland City directly. He cannot support the motion as written.

Rod Mann explained that the City needs the road funds and this is a tax specifically dedicated to that need. This item would be voted upon and then sent to the County Commissioners to be added to the ballot.

Tim Irwin stated there would be a quarter cent tax increase that would be divided between three ways; transit, towns and county. The funding could be used for transit or road maintenance.

Brian Braithwaite concluded that tonight the Council is voting on whether or not to support the resolution which supports HB 362.

MOTION: Rod Mann moved the City Council approve a Resolution supporting HB362 (2015), Local Option General Sales Tax.

Brian Braithwaite seconded the motion.

Those voting "Aye": Dennis LeBaron, Brian Braithwaite, Rod Mann and Jessie Schoenfeld.

Those voting "Nay": Tim Irwin

Motion carried.

RESOLUTION: Approval and Adoption of Final Budget – Fiscal Year 2015-2016

Background: On April 14, 2015 a working budget was presented to the City Council for comment in a work session meeting. Some of the major items to come out of that meeting were to ensure that Highland's new fee schedule was reflected in the budget, increase the Class "C" road revenue from the state to \$560,000 and use all of that in the Capital Road Fund, and to use

the estimated \$60,000 to \$70,000 in savings in the Streets & Road fund from the dry winter Highland experienced in Fiscal Year 2014-2015, in Fiscal Year 2015-2016, to build a required Salt Storage Building. All these changes were incorporated into the Fiscal Year 2015-2016 budget that was presented to the City Council at the May 19, 2015 tentative budget meeting that was also part of a public hearing on the proposed Fiscal Year 2015-2016 budget. At the tentative budget meeting the City Council asked that the amount in account 20-43-26 (playground maintenance in Open Space) be reduced from \$65,000 to \$40,000. This final budget makes that change as requested. In addition, some other changes have been made to the tentative budget to arrive at the current final budget. The library budget shaved down its expenses by \$9,950. The property tax data from the county received on June 8 allowed for a better projection of next year's property tax revenue, therefore, the budget for property tax revenue has increased by \$38,000 from the tentative budget amount. Also, the Finance Director, has increased the forecast from Delinquent Property Tax revenue from \$20,000 to \$40,000. Finally, the savings from the Streets and Roads fund in Fiscal Year 2014-2015, has been formally incorporated into the Fiscal Year 2015-2016 budget, by adding a line item of \$70,000 for a Salt Storage Building in the Capital Building Fund. Along with that budget item comes the transfer into that account from the General Fund in the amount of \$70,000. With all these necessary adjustments the Fiscal Year 2015-2016 budget is a balanced budget with revenues of \$8,098,131 and expenses of \$8,097,851 for a difference of \$280.

Rod Mann asked for clarification on the line item of \$70,000 for a Salt Storage Building in the Capital Building Fund.

Nathan Crane replied that staff anticipates that the building will actually cost between \$30,000 to \$40,000, and that additional funds have been factored in for any possible site improvements.

Justin Parduhn explained that they shouldn't use the whole budget unless the Parks Maintenance Building ends up on the same location.

Brian Braithwaite was under the impression that they had put into the budget an overhead fund for the library, and suggested that this change be made.

Tim Irwin explained that at one point a Kent Slade made a proposal to the Council with regards to library funding.

Rod Mann stated that the library is funded by the general budget, and was opposed to having a separate category created.

There was continued discussion on the matter, and Nathan Crane suggested that the office supplies line be dismissed. A question was asked of Kent as to why he had reduced his budget significantly, and why he was now requesting more for that account.

Kent Slade answered that he had to estimate for all expenses including taxes in order to budget the balance. Furthermore, the estimated salaries were much higher than what he had anticipated.

Mayor Thompson allowed public comments:

Lynn Ruff questioned if the HB362 will affect this year's taxes. Jessie Schoenfeld confirmed that it was approved and will start January 1, 2016. Lynn questioned if there are any plans to fix the roads.

Mayor Thompson explained that the funds are tight and they currently don't have the finances to finish a comprehensive road plan.

Gary LeCheminant explained that the City uses its own services, and that if the General Fund is not used a public hearing on the matter must take place. Other options by which this transfer may take place were discussed.

MOTION: Rod Mann moved the City Council adopt a Resolution approving the Final Budget for Fiscal Year 2015-2016 with the following amendments: 1) library costs to add items as indicated by Financial Director, Gary LeCheminant, 2) removal of the allocation for office supplies. reducing \$59,907 by approximately \$3,000, 3) place additional \$6,500 from previous cuts.

Tim Irwin seconded the motion.

Those voting "Aye": Jessie Schoenfeld, Tim Irwin, Dennis LeBaron, Brian Braithwaite and Rod Mann.

Those voting "Nay": None

Motion carried.

MOTION: Request to Expand Existing Easement in Beacon Hills Subdivision – Questar Gas

Background: The Council originally considered this request at the May 19, 2015 meeting. Questar Gas Company is in the process of replacing an existing ten inch high pressure natural gas line in Salt Lake and Utah Counties. The replacement pipeline will be a twelve inch line that is run parallel to the existing line. Upon completion the existing line will be abandoned. Part of the pipeline runs through property owned by Highland City in the northeast corner of the city in the vicinity of the upper pressurized irrigation pond. The existing pipeline is within an existing sixteen foot easement. Questar Gas Company would like to expand the easement from sixteen feet to thirty feet. The expansion does not impact any existing Highland City utilities. Questar is offering \$3,250 for the easement. The proposed easement is attached. The easement limits the operation to underground facilities with the exception of mitigation facilities. Mitigation facilities are equipment that is used to maintain corrosion mitigation facilities and that periodically monitor the operation of these facilities. These facilities consist of buried and above ground equipment which imposes a protective electronic current on the pipeline and wires and terminals that allow testing of the adequacy of the mitigation system. These facilities are located at various locations along the pipeline system and may be added or modified as conditions change. This above ground equipment is usually a tube that sticks out of the ground and looks similar to the markers we install along the right of way. The cathodic monitoring is in conjunction with the mitigation facilities, but is all done underground through anodes or wells. The agreement has been reviewed by staff and the City Attorney.

Brady Nowers with Questar Gas provided an overview of this item.

Tim Irwin asked if there are any restrictions for use in the contract.

Justin Parduhn explained that cathodic monitoring is corrosion protection, the process of which entails coating the piping, and installing an electro current to avoid rust on the pipeline. Electro current is then discharged into an above ground facility which absorbs the charges.

MOTION: Jessie Schoenfeld moved the City Council approve an agreement with Questar Gas to expand and easement in the Beacon Hills subdivision and authorize the Mayor to sign the agreement.

Brian Braithwaite seconded the motion.

Unanimous vote, motion carried.

MOTION: Metropolitan Water District Agreement

Background: In July of 2005, the City Council signed an agreement with the Metropolitan Water District of Salt Lake & Sandy (the District) to allow a small portion of Country Club Drive to encroach on their existing property. The agreement is set to expire on July 14, 2015. In advance of the expiration, the District is requesting a new agreement. The agreement allows Country Club Drive to remain in place and would expire in 25 years. The District is requesting \$2,000 for the District to cover some or all of the costs to District for its initial engineering and/or other costs incurred for the review of plans and specifications, preparation of documents, inspection of work and materials, and administration of this Agreement. In addition, City agrees to reimburse District for any additional out of pocket costs which District reasonably incurs that would not have been incurred by the District but for City's use of the property. The agreement has been reviewed by staff and the City Attorney.

Brian Braithwaite asked if there is any possible negotiation for the price and questioned the possibility of giving them a larger rate for a longer period of time.

Nathan Crane stated that staff has negotiated this price and is confident that this is the best deal offered.

MOTION: Brian Braithwaite moved the City Council approve the agreement with the Metropolitan Water District allowing a portion of the Country Club drive to be on District property and authorize the Mayor to sign the agreement.

Tim Irwin seconded the motion.

Unanimous vote, motion carried.

MOTION: Sewer Replacement Project

Background: Staff is currently preparing maintenance plans for all of the City owned infrastructure. These maintenance plans are designed to prolong the life of existing

infrastructure by ensuing proper maintenance is completed. The maintenance plans are based on manufacture recommendations as well as staff experience. Some components may have longer life spans and some may have shorter life spans. However, staff believes it is fiscally responsible to plan and fund maintenance of critical infrastructure. This will allow the City to save for these expenditures. Hansen, Allen and Luce is assisting City staff in preparation of the maintenance plans. Master plans and capital improvement plans have been completed. Once the maintenance plans are completed, rate analysis can be completed. This will ensure that the enterprise funds are properly funded to address current and long term needs. The purpose of the Sanitary Sewer Maintenance Plan (Plan) is to prolong the life of the system infrastructure and transport waste without disruption or overflows, while meeting the needs of citizens in a cost-efficient manner. This plan identifies annual maintenance required for manholes, pipe and lift stations along with estimated costs for planning purposes. Highland City established in their 2014 Sanitary Sewer Management Plan (SSMP) a sanitary sewer system operations and maintenance (O&M) program to ensure proper system operations, to minimize any basement backups, and to provide for replacement, refurbishment, or repair of damaged or deteriorated piping systems. The combined maintenance program insures that the environment and health of the public are protected at a reasonable cost for the end users.

Nathan Crane provided a summary of this motion and explained that the City is changing lines from a ten to 12 inch pipe to provide the possibility for buildout.

Brian Braithwaite asked how a curb and gutter would affect the road.

Nathan Crane replied that it shouldn't affect the new asphalt. Staff reassured the Council that all upgrades and improvements will be taken care of at one time.

MOTION: Tim Irwin moved the City Council approve the Sewer Replacement Project for 10400 North Sewer line to include road replacement.

Jessie Schoenfeld seconded the motion.

Unanimous vote, motion carried.

MAYOR, CITY COUNCIL & STAFF COMMUNICATION ITEMS

(These items are for information purposes only and do not require action or discussion by the City Council)

Sanitary Sewer Maintenance Plan: Nathan Crane stated that the Sanitary Sewer Maintenance Plan will complete the capitol planning for sanitary sewer in preparation for rate studies in the fall. The plan is not designed to be definite, but is rather supposed to make the Council aware of what typically is needed. Rod Mann asked it will be more beneficial for the City to buy or rent a truck. Nathan replied that the truck is currently not needed, but they will revisit the item at a later date.

Engineering Design Standards: Nathan Crane commented that these standards should be updated, which will be addressed in an upcoming meeting.

Personnel Policy: Brian Braithwaite discussed the vacation plan for employees, and explained that it would provide a certain amount of vacation time that employees could accrue. The time would clear and then restart yearly, and if not used would be lost. Staff suggested 175% of accrual, or 220 hours. Tim Irwin felt that any vacation time accrued should not be lost, and stated that management needs to make sure the employees use their vacation time. Jessie Schoenfeld suggested that unused vacation time be rolled over into the next year, and there was further deliberation on the matter.

Park Maintenance Building: Nathan Crane stated that he would like additional information with regards to continuation of the plan. Rod Mann stated that he'd like to outsource the maintenance so they can have more options. Justin Parduhn explained that the lawn care would be the only item that could realistically be outsourced. Another comment was made the putting out bids is not as cost or time effective as having staff do the work themselves. Mowers could be stored in a trailer in order to protect them through the winter. Brian Braithwaite concluded that the Council would like to get bids for outsourcing services in order to more effectively compare costs.

ADJOURN TO CLOSED EXECUTIVE SESSION

- The purchase, exchange, or lease of real property and reasonably imminent litigation;
- The sale of real property; including any form of water right or water shares;
- The character, professional competence, or physical or mental health of an individual.

Pursuant to Section 52-4-205(1)(c) of the Utah State Code Annotated.

MOTION: Rod Mann moved to adjourn into closed executive session.

**Brian Braithwaite seconded the motion.
Unanimous vote. Motion carried.**

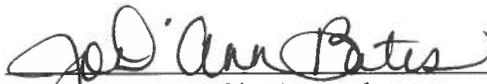
ADJOURN CITY COUNCIL MEETING

MOTION: Jessie Schoenfeld moved to adjourn.

**Rod Mann seconded the motion.
Unanimous vote. Motion carried.**

Meeting adjourned at 11:55 p.m.




JoD'Ann Bates, City Recorder

Date Approved: August 18, 2015

