

Thursday, January 14, 2016

PERRY CITY COUNCIL MEETING AGENDA

The Perry City Council will hold a meeting on the Thursday identified above, starting at approximately 7:00 PM (after a 6:30 PM Oath of Office Ceremony) in the City Council Room at 3005 South 1200 West in Perry. Agenda items may vary depending on length of discussion, cancellation of scheduled items, or agenda alteration. Numbers and/or times are estimates of when agenda items will be discussed. Action on public hearings will always be later in the same meeting or at a subsequent meeting. Every agenda item shall be a discussion and/or action item, unless otherwise indicated.

Approx. 6:30PM

Oath of Office – New City Council Members

Approx. 7:00 PM

1. Call to Order and Opening Ceremonies

- A. Invocation – Mayor Cronin
- B. Pledge of Allegiance – Greg Westfall
- C. Review and Adopt the Agenda
- D. Appointments City Boards (Planning Commission, Special Uses & Appeals, Wastewater, Economic Development, Flood Control, Joint Advisory)

2. Procedural Issues

- A. Conflicts of Interest Declaration(s), If Any
- B. Pass out Warrants to Council Members (and Possible Discussion)
- C. Business License(s)
 - Take Shape Systems

3. Presentations

- A. Fiscal Year 2014-2015 Audit and Financial Statement Report
- B. BCI Audit Report

4. Approx. 7:35 PM – Public Hearing and/or Public Comments (No Vote Needed)

Rules: (1) Please Speak Only Once (Maximum of 3 Minutes) per Agenda Item; (2) Please Speak in a Courteous and Professional Manner; (3) Do Not Speak to Specific Member(s) of the City Council, Staff, or Public (Please Speak to the Mayor or to the Council as a Group); (4) Please Present Possible Solutions for All Problems Identified; (5) No Decision May Be Made During this Meeting if the Item Is Not Specifically on the Agenda (with Action on Public Hearings, if any, later in the Meeting); and (6) Comments must be made in person or in writing (with your name being stated for the record).

- A. Public Comments

5. Approx. 7:40 PM – Action Items (Roll Call Vote)

- A. Approval of the Warrants
- B. Resolution 16-01 Three Mile Creek Shooting Sports Complex Board
- C. Resolution 16-02 Awarding Contract for City Legal Services
- D. Approval of a Regional Detention Basin Project to be paid for with Impact Fees
- E. Approval of a Conservation Easement

6. Approx. 8:00 PM – Discussion Items

- A. FY2016 Budget Update

7. Approx. 8:10 PM – Minutes & Council/Mayor Reports (Including Council Assignments)

No Council Action May be Taken if an Item is not specifically on the Agenda

- A. Approval of Consent Items
 - November 12, 2015 City Council Meeting
 - December 3, 2015 City Council Meeting

- B. Mayor's Report
- C. Staff Comments
- D. Items for Next City Newsletter

8. Approx. 8:20 PM-Executive Session

9. Approx. 9:00 PM – Adjournment (next regular meeting on Thurs., January 28, 2016 at 7:00 PM)

Certificate of Posting

The undersigned duly appointed official hereby certifies that a copy of the foregoing agenda was sent to each Member of the City Council and was posted in three locations at the Perry City Offices, as well as at the Dale Young Park and main Perry City Park, and was faxed to the Ogden Standard-Examiner and Box Elder News Journal on this 8th day of January, 2016. Any Individual requiring auxiliary services should contact the City Offices at least 3 days in advance (435-723-6461).

Shanna S. Johnson, Chief Deputy Recorder

Report Criteria:
 Detail report.
 Paid and unpaid invoices included.

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Voided
Brigham City Corp.								
6106	Brigham City Corp.	01/05/2016	interlocal storm water	01/05/2016	117.60	117.60	01/05/2016	
6106	Brigham City Corp.	01/05/2016	walmart sales tax	01/05/2016	16,565.55	16,565.55	01/05/2016	
6106	Brigham City Corp.	12/02/2015	interlocal storm water	12/01/2015	117.60	117.60	12/02/2015	
6106	Brigham City Corp.	12/02/2015	walmart sales tax	12/01/2015	17,248.81	17,248.81	12/02/2015	
Total Brigham City Corp.:					34,049.56	34,049.56		
DC Frost Associates, INC								
11350	DC Frost Associates, INC	9518	WWTP Sewer Plant	11/19/2015	9,081.38	9,081.38	12/21/2015	
Total DC Frost Associates, INC:					9,081.38	9,081.38		
Jones & Associates								
11552	Jones & Associates	16927-A	city center sub	10/01/2015	272.00	272.00	12/15/2015	
11552	Jones & Associates	16927-A	public works	10/01/2015	4,265.50	4,265.50	12/15/2015	
11552	Jones & Associates	16927-A	Streets	10/01/2015	394.50	394.50	12/15/2015	
11552	Jones & Associates	16927-A	Culinary Water	10/01/2015	1,260.00	1,260.00	12/15/2015	
11552	Jones & Associates	16927-A	Storm Drain	10/01/2015	190.25	190.25	12/15/2015	
11552	Jones & Associates	16927-A	sanitary Sewer	10/01/2015	500.50	500.50	12/15/2015	
11552	Jones & Associates	16927-A	Culinary Water	10/01/2015	46.50	46.50	12/15/2015	
11552	Jones & Associates	16927-A	sanitary Sewer	10/01/2015	46.50	46.50	12/15/2015	
11552	Jones & Associates	16927-A	Storm Drain	10/01/2015	46.50	46.50	12/15/2015	
11552	Jones & Associates	16970	public works	11/01/2015	753.00	753.00	12/02/2015	
11552	Jones & Associates	16970	public works	11/01/2015	753.00	753.00	12/02/2015	
11552	Jones & Associates	16970	city center sub	11/01/2015	263.50	263.50	12/02/2015	
11552	Jones & Associates	16970	city center sub	11/01/2015	2,735.50	2,735.50	12/02/2015	
11552	Jones & Associates	16970	city center sub	11/01/2015	563.50	563.50	12/02/2015	
11552	Jones & Associates	16970	city center sub	11/01/2015	102.00	102.00	12/02/2015	
11552	Jones & Associates	16970	1200 West TRail	11/01/2015	31.00	31.00	12/02/2015	
11552	Jones & Associates	16970	Streets	11/01/2015	51.00	51.00	12/02/2015	
11552	Jones & Associates	16970	Culinary Water	11/01/2015	1,378.00	1,378.00	12/02/2015	
11552	Jones & Associates	17025	miscellaneous	12/01/2015	306.00	306.00	01/07/2016	
11552	Jones & Associates	17025	public works	12/01/2015	51.00	51.00	01/07/2016	
11552	Jones & Associates	17025	city center sub	12/01/2015	961.00	961.00	01/07/2016	
11552	Jones & Associates	17025	city center sub	12/01/2015	1,139.00	1,139.00	01/07/2016	
11552	Jones & Associates	17025	Culinary Water	12/01/2015	688.50	688.50	01/07/2016	
11552	Jones & Associates	17025	sanitary Sewer	12/01/2015	51.00	51.00	01/07/2016	
Total Jones & Associates:					16,849.25	16,849.25		
Molgard Law Offices								
11773	Molgard Law Offices	12/16/2015	attorney fees	12/14/2015	2,250.00	2,250.00	12/16/2015	
Total Molgard Law Offices:					2,250.00	2,250.00		
Public Employee Health Plan								
10756	Public Employee Health Plan	04341	health insurance	12/01/2015	14,132.50	14,132.50	12/01/2015	
Total Public Employee Health Plan:					14,132.50	14,132.50		
Republic Services								
10200	Republic Services	0493-0004969	garbage service	11/30/2015	16,055.82	16,055.82	12/16/2015	

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Voided
Total Republic Services:					16,055.82	16,055.82		
Rocky Mountain Power								
2501	Rocky Mountain Power	01/07/2016	WWTP Power Bill	12/15/2015	5,054.97	5,054.97	01/07/2016	
2501	Rocky Mountain Power	01/07/2016	powe bill	12/15/2015	1,602.90	1,602.90	01/07/2016	
2501	Rocky Mountain Power	01/07/2016	powe bill	12/15/2015	87.70	87.70	01/07/2016	
2501	Rocky Mountain Power	01/07/2016	powe bill	12/15/2015	4,560.48	4,560.48	01/07/2016	
2501	Rocky Mountain Power	01/07/2016	powe bill	12/15/2015	133.96	133.96	01/07/2016	
2501	Rocky Mountain Power	01/07/2016	powe bill	12/15/2015	437.41	437.41	01/07/2016	
Total Rocky Mountain Power:					11,877.42	11,877.42		
Utah State Division of Finance								
10912	Utah State Division of Finance	12/29/2015	bond payment	12/15/2015	40,968.00	40,968.00	12/29/2015	
Total Utah State Division of Finance:					40,968.00	40,968.00		
William M. Morris P.C.								
10434	William M. Morris P.C.	12/02/2015	Attorney fees	11/01/2015	2,842.50	2,842.50	12/02/2015	
10434	William M. Morris P.C.	12/15/2015	Attorney fees	12/01/2015	2,437.50	2,437.50	12/15/2015	
Total William M. Morris P.C.:					5,280.00	5,280.00		
Zions Bank								
11510	Zions Bank	01/05/2016	Utopia	12/24/2015	9,329.24	9,329.24	01/05/2016	
11510	Zions Bank	12/08/2015	Utopia	11/24/2015	9,329.24	9,329.24	12/08/2015	
Total Zions Bank:					18,658.48	18,658.48		
Grand Totals:					169,202.41	169,202.41		

Dated: _____

Mayor: _____

City Council: _____

City Recorder: _____

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Voided
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Report Criteria:

Detail report.

Paid and unpaid invoices included.



FOR OFFICE USE ONLY		
Zone _____	Use: P* P C N	
Issued _____	Approved _____	
Business License No. _____		
License Fee \$ _____	Date Rec'd _____	
Receipt # _____		
<input type="checkbox"/> Check # _____	<input type="checkbox"/> Cash	<input type="checkbox"/> Other _____

BUSINESS LICENSE APPLICATION

Check all that Apply:

Original application Renewal Application

Change of: Address Ownership Business name

Business Information – Please type or print clearly:

Applicant's Name Sean Morris

Business Name TAKE SHAPE SYSTEMS

Business Address 1525 So. Highway 89 Perry City, UT 84302

What type of building is this? Home Commercial Other

Will you have visiting clientele at this address? Yes No

Mailing Address 1525 So. Highway 89 City Perry State UT Zip 84302

Bus. Phone (801) 624-9584 Business Start Date 1/4/2016

Email Address: takeshapesystems@gmail.com (required) Sales Tax # 13997047-004-STC

Website Address: takeshapesystems.com

Is the Applicant the Property Owner? Yes No

If No, Property Owner's Name _____ Phone () _____

Describe Business: CNC Machine Business, Plastic cutting & Assembly

Check all that Apply:

- | | | |
|---|--------------------------------|---------------------------------|
| <input checked="" type="checkbox"/> 1. Professional Services \$34 | 8. Food /Fruit Sales \$125 | 15. Truck Stop \$2,608 |
| 2. Home Business \$30 | 9. Large Scale Constr. \$2,359 | 16. Restaurant \$125 |
| 3. Wholesale/Retail Bus. \$30 | 10. Live Performance \$125 | 17. Temporary \$34 |
| 4. Big Box \$5,000 | 11. Movie Theater \$125 | 18. Amusement Machines \$30 |
| 5. Construction \$125 | 12. Public Lodging \$34 | 19. Vending Machines \$5 |
| 6. Automotive \$34 | 13. Rental \$41 (+\$10/unit) | 20. Class A Beer \$225 |
| 7. Gas Station/Conv. Store \$125 | 14. Storage Units \$125 | 21. Public Exhibitions \$30/day |
| 22. Solicitors \$38 per person (ID required for all participants) | | |

All Licenses expire December 31st. No pro ration for a partial year.

Perry City Contact:

Robin Matthews, Utility, Permit, & Licensing Clerk

435-723-6461 ext.103

robin.matthews@perrycity.org



FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

PERRY CITY CORPORATION

FINANCIAL REPORT

JUNE 30, 2015

**PERRY CITY CORPORATION
FINANCIAL REPORT
JUNE 30, 2015**

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Independent Auditor's Report

To the Mayor and City Council
Perry City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Perry City (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Perry City, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-11 and 49 - 51 be presented to supplement the basic financial statements. Such information, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2015 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 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.

Christensen, Palmer + Ambrose P.C.

MANAGEMENT

DISCUSSION

&

ANALYSIS

PERRY CITY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015

The following is a discussion and analysis of Perry City's (City) financial performance and activities for the year ended June 30, 2015. Please read it in conjunction with the financial statements that follow.

HIGHLIGHTS

Government-Wide

- The City's combined net position increased \$454,146 or 3.0 percent from the prior year. Business-type activities increased \$308,178 and governmental activities increased \$145,968.

Governmental Fund Level

- Fund balances in the City's governmental funds increased \$124,112 or 16.2 percent over the prior year's governmental fund balance. Collection of bond assessment revenue to pay the debt service was lower than the debt payments for the year and is the primary reason for the decrease in the debt service fund. The increase in the general fund was due to slightly higher revenues and fewer expenses than in the prior year when the City was establishing the gun range.

Proprietary Fund Level

- Fund balances in the City's utility fund increased \$224,010 over the prior year. The increase was due to increased impact fees and adding recycling services. Repair expenses were also down from the prior year. Sewer fund assets increased \$84,168 due primarily to increased collection of impact fees. All segments of proprietary funds provided program revenues which exceeded their program expenses, for a net increase in net position of \$308,178 over last year.

Long-Term Debt

- The City's long-term debt decreased from \$11,648,365 to \$11,144,848, or -4.3 percent due primarily to principal payments on the debt. Principal reductions of bonds and notes payable totaled \$491,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the City's basic financial statements. The City's basic financial statements are comprised of four components: 1) government-wide financial statements, 2) fund financial statements, 3) component unit financial statements, and 4) notes to the financial statements. In addition to the basic financial statements, this report also contains other supplementary information concerning budgetary comparisons.

Government-Wide Statements – Reporting the City as a Whole

The statement of net position and the statement of activities comprise the government-wide financial statements. These statements provide a broad overview with a long-term focus of the City's finances as a whole and are prepared using the full-accrual basis of accounting, similar to private-sector companies. This means all revenues and expenses are recognized regardless of when cash is received or spent, and all assets and liabilities, including capital assets and long-term debt, are reported at the entity level.

The government-wide statements report the City's net position - the difference between total assets and total liabilities - and how they have changed from the prior year. Over time, increases and decreases in net position measure whether the City's overall financial condition is getting better or worse. In evaluating the government's overall condition, however, additional nonfinancial factors should be considered such as the City's economic outlook, changes in its demographics, and the condition of its capital assets and infrastructure.

The government-wide statements distinguish the programs of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities). The City's governmental activities include general administration, judicial, public safety, streets, parks, community development, and interest on long-term debt. The City has two business-type activities, utility and sewer.

See Independent Auditors' Report

PERRY CITY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015

Fund Financial Statements - Reporting the City's Most Significant Funds

The fund financial statements provide detailed information about individual major funds and not the City as a whole. A fund is a group of related accounts that the City uses to keep track of specific resources that are segregated for a specific purpose. Some funds are required by law to exist, while others are established internally to maintain control over a particular activity. All of the City's funds are divided into three types, each of which uses a different accounting approach:

Governmental Funds - The majority of the City's basic services are accounted for in governmental funds and are essentially the same functions reported as governmental activities in the government-wide statements. Governmental funds use the modified accrual basis of accounting, which measures the flow of current financial resources that can be converted to cash and the balances left at year end that are available for future spending. This short-term view of the City's financial position helps determine whether the City has sufficient resources to cover expenditures for its basic services in the near future.

Proprietary Funds - The City uses enterprise funds to report the same functions presented as business-type activities in the government-wide financial statements. The City has two enterprise funds, the utility fund and the sewer fund. The City also operates an internal service fund to account for the City's fleet operations.

Component Units – The City's financial statements include information for two discretely presented component units, the Box Elder County & Perry City Flood Control component unit and the Box Elder County & Perry City Flood Control Capital Projects component unit. These component units are legally separate entities from the City, yet the City remains financially accountable for them. These component units will be presented discretely on the financial statements.

Reconciliation Between Government-Wide and Fund Statements

The financial statements include schedules that reconcile the amounts reported for governmental activities on the government-wide statements (full-accrual accounting, long-term focus) with amounts reported on the governmental fund statements (modified accrual accounting, short-term focus). Following are some of the major differences between the two statements:

- Capital assets and long-term debt are included on the government-wide statements but are not reported on the governmental fund statements.
- Capital outlays result in capital assets on the government-wide statements but are expenditures on the governmental fund statements.
- Long-term debt proceeds result in liabilities on the government-wide statements, but are other financing sources on the governmental fund statements.
- Net pension assets and liabilities as well as deferred inflows and outflows related to defined benefit plan pensions are required to be reported on a government-wide basis but are not reported on the governmental fund statements.

Notes to the Financial Statements

The notes provide additional schedules and information that are essential for a complete understanding of the financial statements. The notes apply to both the government-wide financial statements and the fund financial statements.

Required Supplementary Information

The City adopts an annual budget for its governmental funds as well as its proprietary funds. A budgetary comparison schedule for the City's general fund is included.

See Independent Auditors' Report

PERRY CITY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

A large component of the City's net position, 73 percent, reflects investments in capital assets (land, buildings, improvements, infrastructure, vehicles and equipment) less all outstanding debt that was issued to buy or build those assets. As capital assets, these resources are not available for future spending, nor can they all be readily liquidated to pay off the related liabilities. Resources needed to repay capital-related debt must be provided from other sources.

The City's net position increased \$454,146 or 1 percent as a whole. Net position of governmental activities increased \$145,968 over last year, or 2 percent. Net position of business-type activities increased in the amount of \$308,178 or 3 percent. A prior period adjustment relating to the implementation of GASB 68 reduces the net position for the year by \$297,696.

Restricted net position comprised 17 percent of total net position and is subject to external restrictions on how it may be used. The remaining 10 percent of net position is unrestricted and may be used by the City to meet ongoing obligations to citizens and creditors.

A summary of the net position of the City is as follows:

Perry City Corporation
Net Position
June 30, 2015

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 2,995,277	\$ 3,099,894	\$ 5,575,076	\$ 5,351,617	\$ 8,301,615	\$ 8,173,683
Capital assets	<u>7,297,920</u>	<u>7,502,828</u>	<u>14,949,484</u>	<u>15,269,372</u>	<u>22,247,404</u>	<u>22,772,200</u>
Total assets	<u>10,293,197</u>	<u>10,602,722</u>	<u>20,524,560</u>	<u>20,620,989</u>	<u>30,549,019</u>	<u>30,945,883</u>
Deferred outflows	<u>49,266</u>	<u>-</u>	<u>23,790</u>	<u>-</u>	<u>73,056</u>	<u>-</u>
Current and other liabilities	637,297	862,694	553,392	558,068	921,951	1,142,934
Long-term liabilities	<u>1,047,022</u>	<u>1,017,525</u>	<u>9,841,789</u>	<u>10,129,840</u>	<u>10,888,811</u>	<u>11,147,365</u>
Total liabilities	<u>1,684,319</u>	<u>1,880,219</u>	<u>10,395,181</u>	<u>10,687,908</u>	<u>11,810,762</u>	<u>12,290,299</u>
Deferred inflows	<u>1,768,410</u>	<u>1,777,981</u>	<u>1,788,055</u>	<u>1,779,205</u>	<u>3,556,465</u>	<u>3,557,186</u>
Net Position						
Investment in capital assets, net						
of related debt	6,312,920	6,372,828	4,844,484	4,808,372	11,157,404	11,181,200
Restricted	236,587	274,403	2,342,626	1,606,350	2,579,213	1,880,753
Unrestricted	<u>340,227</u>	<u>297,291</u>	<u>1,178,004</u>	<u>1,739,154</u>	<u>1,518,231</u>	<u>2,036,445</u>
Total Net Position	<u>\$ 6,889,734</u>	<u>\$ 6,944,522</u>	<u>\$ 8,365,114</u>	<u>\$ 8,153,876</u>	<u>\$ 15,254,848</u>	<u>\$ 15,098,398</u>

See Independent Auditors' Report

PERRY CITY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015

Change in Net Position

Total revenues for 2015 decreased slightly from last year, due in large part to CDBG money received in the prior year for road, storm drain and water projects. Program expenses decreased \$42,897, or -1 percent overall. Most of the expense categories decreased from 2014 to 2015, except for Highways and Streets which increased due to road repairs. A prior period adjustment relating to the implementation of GASB 68 reduces the net position for the year by \$297,696.

Below is a table comparing the City's sources of revenues and expenses for fiscal year 2015:

Perry City Corporation
Change in Net Position
For the Year Ended June 30, 2015

	Governmental Activities		Business-Type Activities		Total		Total Percent Change
	2015	2014	2015	2014	2015	2014	2014-2015
Revenues:							
General revenues:							
Taxes	\$ 1,604,225	\$ 1,558,186	\$ -	\$ -	\$ 1,604,225	\$ 1,558,186	3%
Other Revenues	24,290	28,086	4,147	3,505	28,437	31,591	-10%
Program revenues:							
Charges for services	267,513	340,797	1,538,920	1,494,001	1,806,433	1,834,798	-2%
Operating grants and contributions	199,577	200,053	162,524	119,387	362,101	319,440	13%
Capital grants and contributions	66,937	133,397	114,155	132,703	181,092	266,100	-32%
Total revenues	<u>2,162,542</u>	<u>2,260,519</u>	<u>1,819,746</u>	<u>1,749,596</u>	<u>3,982,288</u>	<u>4,010,115</u>	-1%
Expenses:							
Judicial	27,343	29,390	-	-	27,343	29,390	-7%
Administration	560,481	674,224	-	-	560,481	674,224	-17%
Public safety	567,158	627,704	-	-	567,158	627,704	-10%
Highways and streets	482,697	297,392	-	-	482,697	297,392	62%
Parks	131,463	135,636	-	-	131,463	135,636	-3%
Community development	54,275	56,306	-	-	54,275	56,306	-4%
Interest on long-term debt	50,529	59,280	-	-	50,529	59,280	-15%
Water utility	-	-	541,325	603,731	541,325	603,731	-10%
Sewer utility	-	-	1,112,871	1,087,376	1,112,871	1,087,376	0%
Total expenses	<u>1,873,946</u>	<u>1,879,932</u>	<u>1,654,196</u>	<u>1,691,107</u>	<u>3,528,142</u>	<u>3,571,039</u>	-1%
Increase (decrease) before transfers	288,596	380,587	165,550	58,489	454,146	439,076	
Transfers in (out)	<u>(142,628)</u>	<u>(142,628)</u>	<u>142,628</u>	<u>142,628</u>	<u>-</u>	<u>-</u>	
Increase (decrease) in Net Position	145,968	237,959	308,178	201,117	454,146	439,076	3%
Net Position beginning	<u>6,944,522</u>	<u>6,706,563</u>	<u>8,153,876</u>	<u>7,952,759</u>	<u>15,098,398</u>	<u>14,659,322</u>	3%
Prior period adjustment	<u>(200,756)</u>	<u>-</u>	<u>(96,940)</u>	<u>-</u>	<u>(297,696)</u>	<u>-</u>	
Net Position ending	<u>\$ 6,889,734</u>	<u>\$ 6,944,522</u>	<u>\$ 8,365,114</u>	<u>\$ 8,153,876</u>	<u>\$ 15,254,848</u>	<u>\$ 15,098,398</u>	1%

See Independent Auditors' Report

**PERRY CITY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015**

Governmental Activities

The table below shows the extent to which the City's governmental activities relied on taxes and other general revenue to cover all of their costs. For 2015, these programs generated \$534,027, or 28 percent of their total expenses through charges for services and grants. Taxes and other general revenues provided an additional \$1,339,919 for program expenses, which was \$134,234 more than was required last year.

General fund tax collections increased from \$1,558,186 to \$1,604,225, or 3 percent, and other revenues decreased 14 percent from \$28,086 to \$24,290 in 2015. The major contributor to the increase in general fund tax collections was due to the increased Municipal Energy Tax. Charges for services decreased \$73,284 primarily due to fluctuations of bond assessment revenue in the debt service fund. Operating grants decreased \$476 in 2015. Intergovernmental revenue decreased when compared to last year because \$100,000 of CDBG money was received in the prior year.

General governmental expenditures decreased \$5,986 or 0 percent during fiscal year 2015 over 2014. There was fluctuation in many of the departments during the year. The Administration Department decreased by \$113,743 or 17 percent over the prior year. The Public Safety Department decreased by \$60,546 or -1 percent, the Highways and Streets Department increased by \$185,305 or 62 percent and Community Development decreased by \$2,031 or 4 percent. Administration decreased due to CDBG funds that were expended in the prior year. Highways and Streets had more road repair projects during 2015 than were done during 2014.

**Perry City Corporation
Net Cost of Governmental Activities
For the Year Ended June 30, 2015**

	Total	Less	Program Revenues as a			
	Program	Program	Percentage of Total			
	<u>Expenses</u>	<u>Revenues</u>	<u>Net Program Costs</u>		<u>Expenses</u>	
	<u>2015</u>	<u>2015</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Governmental activities						
Judicial	\$ 27,343	\$ 36,927	\$ (9,584)	\$ (7,207)	135%	125%
Administration	560,481	20,004	540,477	665,168	4%	1%
Public safety	567,158	41,935	525,223	594,207	7%	5%
Streets	482,697	183,064	299,633	31,564	38%	89%
Parks	131,463	60,206	71,257	93,315	46%	31%
Community development	54,275	191,891	(137,616)	(230,642)	354%	510%
Interest on long-term debt	<u>50,529</u>	<u>-</u>	<u>50,529</u>	<u>59,280</u>	0%	0%
 Total governmental activities	 <u>\$ 1,873,946</u>	 <u>\$ 534,027</u>	 <u>\$ 1,339,919</u>	 <u>\$ 1,205,685</u>	 28%	 36%

See Independent Auditors' Report

PERRY CITY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015

Business-Type Activities

Total business-type activity revenues for 2015 were \$1,819,746, an increase of \$70,150 or 4 percent over last year; 85 percent of total revenues were charges for services. Impact and connection fees accounted for 14 percent and investment earnings and other income, including grants for the sewer project, make up the other 1 percent. Total expenditures decreased by \$36,911 or 2 percent, and business type activities showed income of \$308,178, an increase of \$107,061 over last year. Most of this positive change was due to activities related to the sewer project during the year. Charges for services increased slightly during the year, and operating grants and contributions were received for \$162,524. Expenses, especially those in the utility fund, increased as there were more repairs and maintenance expenses. Utility fund expenses were \$541,325 and sewer fund expenses were \$1,112,871. The utility department was able to cover its share of program expenses with charges for services, without relying on other sources of revenue. However, the sewer was not able to cover their program expenses, mainly because part of the program expenses includes interest expense (the sewer revenue does cover operating expenses.) Impact fees in all departments increased this year from \$184,588 in 2014 to \$261,130 in 2015, an increase of 41 percent.

Perry City Corporation
Net Cost of Business-Type Activities
For the Year Ended June 30, 2015

	Total	Less	Program Revenues as a			
	Program	Program	Net Program Costs		Percentage of Total	
	<u>Expenses</u>	<u>Revenues</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Business-type activities						
Utility	\$ 541,325	\$ 761,191	\$ (219,866)	\$(123,807)	141%	121%
Sewer	<u>1,112,871</u>	<u>1,054,408</u>	<u>58,463</u>	<u>68,823</u>	95%	94%
Total business-type activities	<u>\$ 1,654,196</u>	<u>\$ 1,815,599</u>	<u>\$ (161,403)</u>	<u>\$ (54,984)</u>	110%	103%

See Independent Auditors' Report

PERRY CITY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

Capital Assets

In governmental activities during fiscal year 2015, the city completed work on a restroom at Dale Young Park for \$43,315 and re-roofed the Perry Park Bowery. The Police department also purchased some software.

In business-type activities, a water main on Highway 89 was replaced for \$133,000, and some additional money was spent on a chlorinator and a waterline extension. In addition, a drive box for the waste water treatment plant was installed for \$7,000.

The City holds \$22,247,404 in net capital assets. Of those, \$7,297,920 or 33 percent is held in governmental activity net capital assets. Business-type activities hold \$14,949,484 or 67 percent of total net capital assets. More information about capital assets is included in Note 4.

	Governmental Activities		Business-Type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 363,847	\$ 363,847	\$ 394,738	\$ 394,738	\$ 758,585	\$ 758,585
Buildings	281,643	238,328	8,193,277	8,193,277	8,474,920	8,431,605
Improvements	942,258	935,058	26,754	26,754	969,012	961,812
Infrastructure	8,685,062	8,685,062	9,302,909	9,126,287	17,987,971	17,811,349
Machinery and equipment	199,159	182,498	1,585,852	1,578,799	1,785,011	1,761,297
Vehicles	642,760	642,760	239,999	239,999	882,759	882,759
Accumulated depreciation	<u>(3,816,809)</u>	<u>(3,544,725)</u>	<u>(4,794,045)</u>	<u>(4,290,482)</u>	<u>(8,610,854)</u>	<u>(7,835,207)</u>
Net capital assets	<u>\$ 7,297,920</u>	<u>\$ 7,502,828</u>	<u>\$ 14,949,484</u>	<u>\$ 15,269,372</u>	<u>\$ 22,247,404</u>	<u>\$ 22,772,200</u>

Long-Term Debt

The repayment of bonds for general fund special assessment, water and sewer continued in 2015. Principal of \$135,000 was paid off during 2015 on the 2005 Special Assessment Bonds, leaving an ending balance of \$955,000. The current portion due is \$142,000.

The 1998 Water Revenue Bonds are nearing completion. Payments of \$36,000 were made during the current year, leaving a balance of \$155,000. The current portion due for the coming year is \$37,000. The bonds are estimated to be paid off in 2019.

The 2008 Sewer Revenue Bond still has 19 years until it is paid off, based upon the current amortization schedule. Principal payments of \$320,000 were made, and \$340,000 will be made next year. The ending principal balance as of June 30, 2015 was \$9,950,000.

See Independent Auditors' Report

**PERRY CITY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015**

Compensated absences had a balance of \$54,848. As a whole, long-term liabilities decreased from \$11,648,365 in 2014 to \$11,144,848 in 2015, down by \$503,517 or 4 percent.

Long-term liabilities consisted of the following at June 30:

**Perry City Corporation
Long-Term Liabilities
June 30, 2015**

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2014 - 2015</u>
Bonds payable	\$ 955,000	\$ 1,090,000	\$ 10,105,000	\$ 10,461,000	\$ 11,060,000	\$ 11,551,000	-4%
Note payable	30,000	40,000	-	-	30,000	40,000	
Compensated absences	<u>29,945</u>	<u>32,525</u>	<u>24,903</u>	<u>24,840</u>	<u>54,848</u>	<u>57,365</u>	-4%
Total	<u>\$ 1,014,945</u>	<u>\$ 1,162,525</u>	<u>\$ 10,129,903</u>	<u>\$ 10,485,840</u>	<u>\$ 11,144,848</u>	<u>\$ 11,648,365</u>	-4%

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Fund Balances

At June 30, 2015, the City's governmental funds reported combined fund balances of \$927,395. Of that amount, \$80,736 was reserved for park impact fees, \$2,380 for police impact fees, \$18,256 for fire impact fees, \$117,715 for Class C roads, \$17,500 for a tourism grant and \$179,046 is assigned to debt service. The fund balance of the internal service fund (fleet) is \$61,148 but is made up entirely of capital assets held in that fund. The general fund's unassigned fund balance closed with a balance of \$512,473, up \$224,318 from last year.

The following chart presents the City's 2015 ending fund balances:

**Perry City Corporation
Fund Balances/Net Position
June 30, 2015**

	<u>General</u> <u>Fund</u>	<u>Debt</u> <u>Service</u>	<u>Capital</u> <u>Projects</u>	<u>Utility</u> <u>Fund</u>	<u>Sewer</u> <u>Fund</u>	<u>Internal</u> <u>Service</u> <u>Fund</u>
Invested in capital assets	\$ -	\$ -	\$ -	\$2,646,152	\$ 2,198,332	\$ 179,710
Reserved/restricted	236,587	-	-	561,257	1,781,369	-
Assigned	-	179,046	-	-	-	-
Unreserved/unassigned	<u>512,473</u>	<u>(61,859)</u>	<u>25,000</u>	<u>1,109,111</u>	<u>68,893</u>	<u>(118,562)</u>
Total	<u>\$ 749,060</u>	<u>\$ 117,187</u>	<u>\$ 25,000</u>	<u>\$ 4,316,520</u>	<u>\$ 4,048,594</u>	<u>\$ 61,148</u>
<i>Percent change from prior year</i>	27%	-35%	N/A	4%	1%	0%

See Independent Auditors' Report

PERRY CITY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015

General Fund Budgetary Highlights

The City prepares its budget according to state statutes. The most significant budgeted fund is the general fund. The City amended the general fund budget during the year to meet the needs of the programs as issues arose. The significant changes to the originally adopted budget for revenues were limited to a small increase in Intergovernmental revenue. Administration, Public Safety, and Community Development expense budgets were increased as well.

Actual general fund revenues were \$2,038,872, or 1 percent above the original budget, and \$11,787, or 1 percent above the final budget. Actual expenditures were \$1,710,272, or 12 percent below the original budget, and \$278,301, or 14 percent below the final budget.

Debt Service Fund

The fund balance in the debt service fund decreased \$61,859, or -35 percent during fiscal year 2015 due to insufficient bond assessment revenue received from developers.

Capital Projects Fund

A new capital projects fund was created during the year. The initial intent of the capital projects fund is to put aside money to help with the construction of a joint fire station with Brigham City in the future. During the year ended June 30, 2015, \$25,000 was transferred to the capital projects fund.

Utility Fund

The utility fund has total net position of \$4,316,520, which showed an increase of \$182,366 or 4 percent (after adjusting for the prior period adjustment due to the GASB 68 standard implementation) during 2015. Total operating revenues of \$647,036 were lower than last year by \$39,360 or 6 percent, and were more than sufficient to cover operating expenses of \$536,897, which increased by \$74 or 0 percent relative to the prior year.

Sewer Fund

The sewer fund has total net position of \$4,048,594, which showed an increase of \$28,872 or 1 percent (after adjusting for the prior period adjustment due to the GASB 68 standard implementation) during 2015. Total operating revenues of \$891,884 were lower than last year by \$25,867 or 3 percent, and were more than sufficient to cover operating expenses of \$794,881, which increased by -\$36,141 or -7 percent relative to the prior year.

Internal Service Fund

The internal service fund maintains and allocates expenses for City vehicles to other funds. During 2015, its fund balance was \$61,148, which remained the same at the end of the year.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of Perry City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information in this report or any other matters related to the City's finances should be addressed to the Perry City Treasurer, 3005 South 1200 West, Perry, Utah, 84302-4229.

**BASIC
FINANCIAL
STATEMENTS**

PERRY CITY CORPORATION
STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets				
Cash and cash equivalents	\$ 957,513	\$ 3,365,332	\$ 4,322,845	\$ 329,636
Accounts receivable (net of allowance)	351,025	159,376	510,401	-
Intergovernmental receivables				
Taxes receivable	580,272	-	580,272	-
Deposits	32,716	-	32,716	-
Due from other governmental agencies	238,041	-	238,041	-
Land held for resale	835,170	-	835,170	-
Restricted cash	-	1,781,369	1,781,369	-
Internal balances*	-	268,738	-	-
<i>Total current assets</i>	<u>2,994,737</u>	<u>5,574,815</u>	<u>8,300,814</u>	<u>329,636</u>
Noncurrent assets (net of accumulated depreciation)				
Land	363,847	394,738	758,585	-
Buildings	235,533	7,258,248	7,493,781	-
Improvements	356,999	18,728	375,727	-
Infrastructure	6,122,638	6,110,311	12,232,949	-
Machinery and equipment	39,193	1,011,687	1,050,880	-
Vehicles	179,710	155,772	335,482	-
Net pension asset	540	261	801	-
<i>Total assets</i>	<u>10,293,197</u>	<u>20,524,560</u>	<u>30,549,019</u>	<u>329,636</u>
Deferred outflows of resources				
Deferred outflows of resources related to pensions	49,266	23,790	73,056	-
<i>Total deferred outflows of resources</i>	<u>49,266</u>	<u>23,790</u>	<u>73,056</u>	<u>-</u>

*Amounts have been eliminated in total column

The accompanying notes are an integral part of these statements.

PERRY CITY CORPORATION
STATEMENT OF NET POSITION (Continued)
JUNE 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Current liabilities				
Accounts payable	\$ 124,418	\$ 63,360	\$ 187,778	\$ -
Accrued liabilities	38,180	4,788	42,968	-
Customer deposits	25,486	56,510	81,996	-
Internal balances*	268,738	-	-	-
Current portion of long-term debt	152,000	377,000	529,000	-
Accrued interest	<u>28,475</u>	<u>51,734</u>	<u>80,209</u>	-
<i>Total current liabilities</i>	637,297	553,392	921,951	-
Long-term liabilities:				
Revenue bond payable	833,000	9,728,000	10,561,000	-
Net pension liability	184,077	88,886	272,963	-
Compensated absences	<u>29,945</u>	<u>24,903</u>	<u>54,848</u>	-
<i>Total liabilities</i>	<u>1,684,319</u>	<u>10,395,181</u>	<u>11,810,762</u>	-
Deferred inflows of resources				
Deferred inflows related to pensions	31,655	15,285	46,940	-
Unavailable revenue	<u>1,736,755</u>	<u>1,772,770</u>	<u>3,509,525</u>	-
<i>Total deferred inflows of resources</i>	<u>1,768,410</u>	<u>1,788,055</u>	<u>3,556,465</u>	-
Net position				
Invested in capital assets, net of related debt	6,312,920	4,844,484	11,157,404	-
Restricted for:				
Police impact fees	2,380	-	2,380	-
Fire impact fees	18,256	-	18,256	-
Park impact fees	80,736	-	80,736	-
Other purposes	-	2,342,626	2,342,626	-
Tourism grant	17,500	-	17,500	-
Class "C" road funds	117,715	-	117,715	-
Unrestricted	<u>340,227</u>	<u>1,178,004</u>	<u>1,518,231</u>	<u>329,636</u>
<i>Total net position</i>	<u>\$ 6,889,734</u>	<u>\$ 8,365,114</u>	<u>\$ 15,254,848</u>	<u>\$ 329,636</u>

*Amounts have been eliminated in total columns

The accompanying notes are an integral part of these statements.

**PERRY CITY CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

	Expenses	Program Revenue			Changes in Net Position Primary Government			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental activities:								
Administration	\$ 560,481	\$ 20,004	\$ -	\$ -	\$ (540,477)	\$ -	\$ (540,477)	\$ -
Judicial	27,343	36,927	-	-	9,584	-	9,584	-
Public safety	567,158	15,485	20,513	5,937	(525,223)	-	(525,223)	-
Streets	482,697	-	178,064	5,000	(299,633)	-	(299,633)	-
Parks	131,463	3,206	1,000	56,000	(71,257)	-	(71,257)	-
Community development	54,275	191,891	-	-	137,616	-	137,616	-
Interest on long-term debt	50,529	-	-	-	(50,529)	-	(50,529)	-
<i>Total governmental activities</i>	<u>1,873,946</u>	<u>267,513</u>	<u>199,577</u>	<u>66,937</u>	<u>(1,339,919)</u>	<u>-</u>	<u>(1,339,919)</u>	<u>-</u>
Business-type activities:								
Utility	541,325	647,036	-	114,155	-	219,866	219,866	-
Sewer	1,112,871	891,884	162,524	-	-	(58,463)	(58,463)	-
<i>Total business-type activities</i>	<u>1,654,196</u>	<u>1,538,920</u>	<u>162,524</u>	<u>114,155</u>	<u>-</u>	<u>161,403</u>	<u>161,403</u>	<u>-</u>
<i>Total primary government activities</i>	<u>\$ 3,528,142</u>	<u>\$ 1,806,433</u>	<u>\$ 362,101</u>	<u>\$ 181,092</u>	<u>(1,339,919)</u>	<u>161,403</u>	<u>(1,178,516)</u>	<u>-</u>
Component Units:								
Box Elder/Perry Flood Control	3,896	6,578	-	-	-	-	-	2,682
Box Elder/Perry Flood Control Cap Proj.	116,313	-	-	-	-	-	-	(116,313)
<i>Total component units</i>	120,209	6,578	-	-	-	-	-	(113,631)
Revenues								
Property taxes					713,128	-	713,128	74,485
Sales taxes					642,353	-	642,353	-
Franchise, lodging and energy taxes					248,744	-	248,744	-
Sale of property					4,206	-	4,206	-
Miscellaneous					1,284	1,457	2,741	-
Investment earnings					18,800	2,690	21,490	692
Transfers					(142,628)	142,628	-	-
Total general revenues and transfers					<u>1,485,887</u>	<u>146,775</u>	<u>1,632,662</u>	<u>75,177</u>
Change in net position					145,968	308,178	454,146	(38,454)
Net position - beginning					<u>6,944,522</u>	<u>8,153,876</u>	<u>15,098,398</u>	<u>368,090</u>
Prior period adjustment					(200,756)	(96,940)	(297,696)	-
Net position - ending					<u>\$ 6,889,734</u>	<u>\$ 8,365,114</u>	<u>\$ 15,254,848</u>	<u>\$ 329,636</u>

The accompanying notes are an integral part of these statements.

PERRY CITY CORPORATION
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2015

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 786,851	\$ 144,966	\$ 25,000	\$ 956,817
Taxes receivable	580,273	-	-	580,273
Deposits	62,426	321,313	-	383,739
Due from other governments	238,041	-	-	238,041
Land held for resale	-	835,170	-	835,170
Restricted cash and cash equivalents	-	696	-	696
<i>Total assets</i>	<u>1,667,590</u>	<u>1,302,145</u>	<u>25,000</u>	<u>2,994,735</u>
Liabilities				
Cash overdraft				
Accounts payable	\$ 124,416	\$ -	\$ -	\$ 124,416
Accrued liabilities	38,180	-	-	38,180
Customer deposits	25,486	-	-	25,486
Accrued interest payable	-	28,475	-	28,475
Due to other funds	150,176	-	-	150,176
<i>Total liabilities</i>	<u>338,258</u>	<u>28,475</u>	<u>-</u>	<u>366,733</u>
Deferred inflows of resources				
Unavailable revenue	580,272	1,156,483	-	1,736,755
<i>Total deferred inflows of resources</i>	<u>580,272</u>	<u>1,156,483</u>	<u>-</u>	<u>1,736,755</u>
Fund balances				
Restricted for:				
Police impact fees	2,380	-	-	2,380
Fire impact fees	18,256	-	-	18,256
Park impact fees	80,736	-	-	80,736
Tourism grant	17,500	-	-	17,500
Class "C" roads	117,715	-	-	117,715
Assigned fund balance	-	179,046	-	179,046
Unassigned fund balance	512,473	(61,859)	25,000	475,614
<i>Total fund balances</i>	<u>749,060</u>	<u>117,187</u>	<u>25,000</u>	<u>891,247</u>
<i>Total liabilities and fund balances</i>	<u>\$1,667,590</u>	<u>\$1,302,145</u>	<u>\$ 25,000</u>	<u>\$2,994,735</u>

The accompanying notes are an integral part of these statements.

**PERRY CITY CORPORATION
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015**

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

Total fund balance - governmental fund types	\$ 891,247
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	7,297,920
The internal service fund is used to account for charges to the other funds for the use of the City fleet. In the government-wide financial statements, the internal service fund is included with the governmental activities.	(118,562)
Due to the implementation of GASB 68 as of June 30, 2015, net pension assets and liabilities, as well as deferred inflows and outflows of resources related to the City's participation in the Utah Retirement Systems are required to be reported on a government wide basis.	(165,926)
Some liabilities, (such as notes payable, capital lease contract payable, long-term compensated absences and bonds payable) are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the statement of net position.	<u>(1,014,945)</u>
<i>Net position of governmental activities in the statement of net position</i>	<u>\$ 6,889,734</u>

The accompanying notes are an integral part of these statements.

PERRY CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Debt Service	Capital Projects	Total Governmental Funds
Revenues:				
Taxes				
Property taxes	\$ 664,461	\$ 48,667	\$ -	\$ 713,128
Sales and use	642,353	-	-	642,353
Other	248,744	-	-	248,744
Licenses and permits	116,888	-	-	116,888
Intergovernmental	216,316	-	-	216,316
Charges for services	12,172	75,003	-	87,175
Impact fees	63,937	-	-	63,937
Earnings on investments	18,800	-	-	18,800
Fines and forfeitures	36,927	-	-	36,927
Miscellaneous	18,273	-	-	18,273
<i>Total revenues</i>	<u>2,038,871</u>	<u>123,670</u>	<u>-</u>	<u>2,162,541</u>
Expenditures:				
Current				
Administration	565,121	-	-	565,121
Judicial	27,343	-	-	27,343
Public safety	610,135	-	-	610,135
Streets	308,118	-	-	308,118
Parks	145,280	-	-	145,280
Community development	54,275	-	-	54,275
Debt service				
Principal	-	135,000	-	135,000
Interest and other charges	-	50,529	-	50,529
<i>Total expenditures</i>	<u>1,710,272</u>	<u>185,529</u>	<u>-</u>	<u>1,895,801</u>
Excess (deficiency) of revenues over expenditures	<u>328,599</u>	<u>(61,859)</u>	<u>-</u>	<u>266,740</u>
Other financing sources (uses):				
Transfers in	-	-	25,000	25,000
Transfers out	(167,628)	-	-	(167,628)
Transfers	<u>(167,628)</u>	<u>-</u>	<u>25,000</u>	<u>(142,628)</u>
<i>Net change in fund balances</i>	160,971	(61,859)	25,000	124,112
Fund balances - beginning	<u>588,089</u>	<u>179,046</u>	<u>-</u>	<u>767,135</u>
Fund balances - ending	<u>\$ 749,060</u>	<u>\$ 117,187</u>	<u>\$ 25,000</u>	<u>\$ 891,247</u>

The accompanying notes are an integral part of these statements.

PERRY CITY CORPORATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE STATEMENT OF ACTIVITIES
JUNE 30, 2015

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

Net change in fund balances - total governmental funds:	\$ 124,112
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
This is the amount by which depreciation of \$227,731 exceeded capital outlays of \$77,176 in the current period.	(150,555)
<p>Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure; the Statement of Activities treats such repayment as a reduction in long-term liabilities. This is the amount by which proceeds exceeded repayments.</p>	
	135,000
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of accrued bond interest, amortization of deferred amounts, and increase in compensated absences.</p>	
	2,580
<p>The Statement of Activities shows pension benefits and pension expenses from the adoption of GASB 68 that are not shown on the fund statements.</p>	
	<u>34,829</u>
<i>Change in net position of governmental activities</i>	<u>\$ 145,966</u>

The accompanying notes are an integral part of these statements.

**PERRY CITY CORPORATION
PROPRIETY FUND FINANCIAL STATEMENTS
JUNE 30, 2015**

Utility Fund

This enterprise fund accounts for the provision of water, garbage and storm drain services to City residents. All activities necessary to provide such service are accounted for in this fund, including: administration, operation, maintenance, billing and collecting.

Sewer Fund

This enterprise fund accounts for the provision of sewer services to City residents. All activities necessary to provide such service are accounted for in this fund, including: administration, operation, maintenance, billing and collecting.

Internal Service Fund

This internal service fund accounts for the purchase and maintenance of the City's fleet of vehicles, and tracks the usage of those vehicles for the City's various departments and funds.

The accompanying notes are an integral part of these statements.

**PERRY CITY CORPORATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015**

Business-Type Activities – Enterprise Funds

	Business-Type Activities - Enterprise Funds			Governmental Activities
	<u>Utility</u>	<u>Sewer</u>	<u>Total</u>	<u>Internal Service Fund</u>
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,457,551	\$ 1,907,781	\$ 3,365,332	\$ -
Accounts receivable (net of allowance)	63,480	95,896	159,376	-
Restricted cash and cash equivalents	-	1,781,369	1,781,369	-
Due from other funds	<u>268,738</u>	<u>-</u>	<u>268,738</u>	<u>-</u>
<i>Total current assets</i>	<u>1,789,769</u>	<u>3,785,046</u>	<u>5,574,815</u>	<u>-</u>
Noncurrent assets:				
Land	159,579	235,159	394,738	-
Buildings	11,883	7,246,365	7,258,248	-
Land improvements	-	18,728	18,728	-
Infrastructure	2,598,433	3,511,878	6,110,311	-
Machinery and equipment	31,257	980,430	1,011,687	-
Vehicles	-	155,772	155,772	179,710
Net pension asset	<u>112</u>	<u>149</u>	<u>261</u>	<u>-</u>
<i>Total noncurrent assets</i>	<u>2,801,264</u>	<u>12,148,481</u>	<u>14,949,745</u>	<u>179,710</u>
<i>Total assets</i>	<u>4,591,033</u>	<u>15,933,527</u>	<u>20,524,560</u>	<u>179,710</u>
Deferred outflows of resources:				
Deferred outflows related to pensions	<u>10,220</u>	<u>13,570</u>	<u>23,790</u>	<u>-</u>
<i>Total deferred outflows of resources</i>	<u>10,220</u>	<u>13,570</u>	<u>23,790</u>	<u>-</u>

The accompanying notes are an integral part of these statements

PERRY CITY CORPORATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015
(Continued)

Business-Type Activities – Enterprise Funds (Continued)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	<u>Utility</u>	<u>Sewer</u>	<u>Total</u>	<u>Internal Service Fund</u>
Liabilities				
Current liabilities:				
Accounts payable	44,982	18,378	63,360	-
Accrued liabilities	2,193	2,595	4,788	-
Customer deposits	27,108	29,402	56,510	-
Accrued interest payable	1,984	49,750	51,734	-
Due to other funds	-	-	-	118,562
<i>Total current liabilities</i>	76,267	100,125	176,392	118,562
Noncurrent liabilities:				
Compensated absences	8,716	16,187	24,903	-
Net pension liability	38,184	50,702	88,886	-
Noncurrent liabilities - due in less than one year	37,000	340,000	377,000	-
Noncurrent liabilities - due in more than one year	118,000	9,610,000	9,728,000	-
<i>Total noncurrent liabilities</i>	201,900	10,016,889	10,218,789	-
<i>Total liabilities</i>	278,167	10,117,014	10,395,181	118,562
Deferred inflows of resources				
Unavailable revenue	-	1,772,770	1,772,770	-
Deferred inflows related to pensions	6,566	8,719	15,285	-
<i>Total deferred inflows of resources</i>	6,566	1,781,489	1,788,055	-
<i>Total liabilities and deferred inflows of resources</i>	284,733	11,898,503	12,183,236	118,562
Net position				
Investment in capital assets, net of related debt	\$ 2,646,152	\$ 2,198,332	\$ 4,844,484	\$ 179,710
Restricted for other purposes	561,257	1,781,369	2,342,626	-
Unrestricted	1,109,111	68,893	1,178,004	(118,562)
<i>Total net position</i>	\$ 4,316,520	\$ 4,048,594	\$ 8,365,114	\$ 61,148

The accompanying notes are an integral part of these statements.

PERRY CITY CORPORATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Business-Type Activities – Enterprise Funds

	Business-Type Activities - Enterprise Funds			Governmental Activities
	<u>Utility</u>	<u>Sewer</u>	<u>Total</u>	<u>Internal Service Fund</u>
Operating revenues				
Charges for services	\$ 637,786	\$ 891,134	\$ 1,528,920	\$ -
Miscellaneous operating revenues	<u>9,250</u>	<u>750</u>	<u>10,000</u>	<u>44,353</u>
<i>Total operating revenues</i>	<u>647,036</u>	<u>891,884</u>	<u>1,538,920</u>	<u>44,353</u>
Operating expenses				
Wages and benefits	122,822	163,914	286,736	-
Fees and services	203,366	16,085	219,451	-
Materials and supplies	18,293	7,870	26,163	-
Utilities	69,077	88,352	157,429	-
Repairs and maintenance	29,050	86,282	115,332	-
Insurance claims and expenses	-	19,325	19,325	-
Depreciation	<u>94,289</u>	<u>413,053</u>	<u>507,342</u>	<u>44,353</u>
<i>Total operating expenses</i>	<u>536,897</u>	<u>794,881</u>	<u>1,331,778</u>	<u>44,353</u>
<i>Operating income (loss)</i>	<u>110,139</u>	<u>97,003</u>	<u>207,142</u>	<u>-</u>
Nonoperating revenues (expenses)				
Impact fees	114,155	146,975	261,130	-
Operating grants and contributions	-	15,549	15,549	-
Investment earnings	2,690	-	2,690	-
Interest expense	(4,429)	(306,500)	(310,929)	-
Miscellaneous revenues (expenses)	<u>1,455</u>	<u>(11,487)</u>	<u>(10,032)</u>	<u>-</u>
<i>Total nonoperating revenue (expenses)</i>	<u>113,871</u>	<u>(155,463)</u>	<u>(41,592)</u>	<u>-</u>
<i>Income (loss) before contributions and transfers</i>	<u>224,010</u>	<u>(58,460)</u>	<u>165,550</u>	<u>-</u>
Transfers in (out)	<u>-</u>	<u>142,628</u>	<u>142,628</u>	<u>-</u>
<i>Change in net position</i>	<u>224,010</u>	<u>84,168</u>	<u>308,178</u>	<u>-</u>
Net position - beginning	<u>4,134,154</u>	<u>4,019,722</u>	<u>8,153,876</u>	<u>61,148</u>
Prior period adjustment	<u>(41,644)</u>	<u>(55,296)</u>	<u>(96,940)</u>	<u>-</u>
Net position - ending	<u>\$ 4,316,520</u>	<u>\$4,048,594</u>	<u>\$ 8,365,114</u>	<u>\$ 61,148</u>

The accompanying notes are an integral part of these statements.

**PERRY CITY CORPORATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Enterprise Fund <u>Utility</u>	Enterprise Fund <u>Sewer</u>	Governmental <u>Activities - ISF</u>
Cash flows from operating activities:			
Receipts from customers	\$ 681,099	\$ 880,603	\$ 44,353
Payments to suppliers	(354,926)	(205,273)	-
Cash paid for claims	-	(2,107)	-
Payments to employees	<u>(124,884)</u>	<u>(160,797)</u>	<u>-</u>
<i>Net cash provided by (used in) operating activities</i>	<u>201,289</u>	<u>512,426</u>	<u>44,353</u>
Cash flows from noncapital financing activities:			
Loans from other funds	-	-	(44,353)
Operating transfers (to)/from other funds	<u>-</u>	<u>142,628</u>	<u>-</u>
<i>Net cash provided by (used in) noncapital financing activities</i>	<u>-</u>	<u>142,628</u>	<u>(44,353)</u>
Cash flows from capital and related financing activities:			
Payment on revenue bonds	(36,000)	(320,000)	-
Acquisition of capital assets	(185,739)	(18,538)	-
Other revenues / (expenses)	1,455	4,062	-
Interest paid on revenue bonds	(4,890)	(308,100)	-
Proceeds from impact fees	<u>114,155</u>	<u>146,975</u>	<u>-</u>
<i>Net cash provided by (used in) capital and related financing activities</i>	<u>(111,019)</u>	<u>(495,601)</u>	<u>-</u>
Cash flows from investing activities:			
Interest and dividends received	<u>2,690</u>	<u>-</u>	<u>-</u>
<i>Net cash provided by (used in) investing activities</i>	<u>2,690</u>	<u>-</u>	<u>-</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	92,960	159,453	-
Cash and cash equivalents - beginning	<u>1,364,591</u>	<u>3,529,697</u>	<u>-</u>
Cash and cash equivalents - ending	<u>\$ 1,457,551</u>	<u>\$3,689,150</u>	<u>\$ -</u>
Cash and cash equivalents	\$ 1,457,551	\$1,907,781	\$ -
Restricted cash and investments	<u>-</u>	<u>1,781,369</u>	<u>-</u>
Total cash and cash equivalents	<u>\$ 1,457,551</u>	<u>\$3,689,150</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

**PERRY CITY CORPORATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)**

	Enterprise Fund <u>Utility</u>	Enterprise Fund <u>Sewer</u>	Governmental <u>Activities - ISF</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 110,139	\$ 97,003	\$ -
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation expense	94,289	413,053	44,353
Change in assets and liabilities:			
Change in accounts receivable	(10,290)	(4,846)	-
Change in due from other funds	44,353	-	-
Change in deposits payable	1,605	4,504	-
Change in accounts payable	(36,746)	6,030	-
Change in deferred revenue	-	(6,435)	-
Change in wages payable and compensated absences	<u>(2,061)</u>	<u>3,117</u>	<u>-</u>
 <i>Net cash provided by (used in) operating activities</i>	 <u>\$ 201,289</u>	 <u>\$ 512,426</u>	 <u>\$ 44,353</u>

The accompanying notes are an integral part of these statements.

PERRY CITY CORPORATION
COMPONENT UNIT FINANCIAL STATEMENTS
JUNE 30, 2015

Box Elder County & Perry City Flood Control

This organization was created to allow Box Elder County and Perry City to work together on flood control projects that benefit both the City and the County.

Box Elder County & Perry City Flood Control Capital Projects

This organization was created to allow Box Elder County and Perry City to work together on flood control projects that benefit both the City and the County, specifically in relation to capital projects.

The accompanying notes are an integral part of these statements

**PERRY CITY CORPORATION
STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2015**

	Component Units		
	<u>Box Elder County & Perry City Flood Control</u>	<u>Box Elder County & Perry City Flood Control Capital Projects</u>	<u>Total</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ <u>54,949</u>	\$ <u>274,687</u>	\$ <u>329,636</u>
<i>Total assets</i>	<u>54,949</u>	<u>274,687</u>	<u>329,636</u>
Net position			
Unrestricted	\$ <u>54,949</u>	\$ <u>274,687</u>	\$ <u>329,636</u>
<i>Total net position</i>	<u>\$ 54,949</u>	<u>\$ 274,687</u>	<u>\$ 329,636</u>

The accompanying notes are an integral part of these statements

PERRY CITY CORPORATION
STATEMENT OF ACTIVITIES
COMPONENT UNITS
JUNE 30, 2015

	<u>Box Elder County & Perry Flood Control</u>	<u>Box Elder County & Perry Flood Control Capital Project</u>	<u>Total</u>
Expenses:	\$ 3,896	\$ 116,313	\$ 120,209
Program Revenues:			
Taxes			
Property taxes	\$ 74,485	\$ -	\$ 74,485
Other	6,578	-	6,578
Earnings on investments	<u>692</u>	<u>-</u>	<u>692</u>
<i>Total revenues</i>	<u>81,755</u>	<u>-</u>	<u>81,755</u>
 Net (Expenses) Revenues	 <u>77,859</u>	 <u>(116,313)</u>	 <u>(38,454)</u>
 Other financing sources (uses):			
Transfers in	-	391,000	391,000
Transfers out	<u>(391,000)</u>	<u>-</u>	<u>(391,000)</u>
Transfers	<u>(391,000)</u>	<u>391,000</u>	<u>-</u>
 <i>Change in net position</i>	 (313,141)	 274,687	 (38,454)
Net position - beginning	<u>368,090</u>	<u>-</u>	<u>368,090</u>
Net position - ending	<u>\$ 54,949</u>	<u>\$ 274,687</u>	<u>\$ 329,636</u>

The accompanying notes are an integral part of these statements

NOTES

TO THE

FINANCIAL

STATEMENTS

PERRY CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Perry City Corporation (City) conform in all material respects to generally accepted accounting principles (GAAP) as applicable to governments. The City has adopted the provisions of the Governmental Accounting Standards Board (GASB). Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements.

The following is a summary of the more significant policies and is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the accompanying financial statements.

A. Reporting Entity

The City operates under a traditional form of government and provides the following services: public safety (police and emergency medical), highways and streets, water, sewer, storm sewer, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The criteria set forth by generally accepted accounting principles (GAAP) were used to determine which entities to include in this report. GASB Concepts Statement-1 (Objectives of Financial Reporting) concludes that the basic foundation for governmental financial reporting is accountability. The Concepts Statement asserts that accountability requires governments to answer to the citizenry - to justify the raising of public resources and the purposes for which they are used. In turn, the concept of accountability becomes the basis for defining the financial reporting entity. Under GASB-14 (The Financial Reporting Entity) the financial reporting entity consists of the following:

1. The primary government.
2. Organizations for which the primary government is financially accountable.
3. Other organizations that, because of the nature and significance of their relationship with the primary government exclusion from the reporting entity would render the financial statements misleading or incomplete.

Blended component units, although legally separate entities, are, in substance, part of the government's operations. They are reported as part of the primary government and blended with the appropriate funds. The City has no blended component units.

Discretely presented component units are reported in a separate column and/or rows in each of the government-wide statements to emphasize that they are legally separate from the City. The Box Elder County & Perry City Flood Control component unit and the Box Elder County & Perry City Flood Control Capital Projects component unit are the only discretely presented component units.

B. Government-Wide and Fund Financial Statements

The City's basic financial statements consist of both government-wide statements and fund statements. The government-wide statements focus on the City as a whole, while the fund statements focus on individual funds.

Government-Wide Financial Statements

The government-wide statements present information on all nonfiduciary activities of the primary government. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Net Position presents the City's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is restricted when constraints placed upon it 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.

PERRY CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Direct expenses are those that are clearly identifiable within a specific function. 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; and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

Fund Financial Statements

The financial transactions of the City are recorded in individual funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Separate statements are provided for governmental and proprietary funds. For governmental and proprietary funds, the emphasis is on major funds, with each displayed in a separate column. Internal service funds, even though primarily benefiting governmental activities, are reported on the proprietary fund financial statements.

The City reports the following major governmental funds:

- **General Fund** - This fund is the principal operating fund of the City. It is used to account for all financial resources not required to be accounted for in another fund.
- **Debt Service Fund** – The debt service fund is used to account for the receipt and payment of the special improvement bonds that were used for the Pointe Perry Project.
- **Capital Projects Fund** – The capital projects fund was created during the fiscal year ended June 30, 2015 and is to be used to put aside money to help with the construction of a joint fire station with Brigham City.

The City reports the following proprietary funds:

- **Utility Fund** – The utility fund is used to account for revenue and expenses for the City’s water, garbage and storm sewer.
- **Sewer Fund** – The sewer fund is used to account for revenue and expenses for the City’s sanitary sewer system.
- **Internal Service Fund** – The internal service fund is used to account for charges to the other funds for the use of the City fleet. In the government-wide financial statements, the internal service fund is included with the governmental activities.

The City reports the following component units:

- **Box Elder County & Perry City Flood Control** – This is a separate legal entity from the City that provides the County and the City the opportunity to work on flood control projects together.
- **Box Elder County & Perry City Flood Control Capital Projects** – This is a separate legal entity from the City that provides the County and the City the opportunity to work on flood control capital projects together.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows. Taxes and fees are recognized in the year in which the related sales or other activity has occurred. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

PERRY CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The proprietary fund statements are also prepared using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues generally result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating items, such as interest expense and investment earnings, result from nonexchange transactions or ancillary activities.

For business-type activities and enterprise funds, the City follows all GASB pronouncements and all Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those standards conflict with a GASB pronouncement.

The governmental fund financial statements are prepared and reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Expenditures are generally recorded when the related liability is incurred. Exceptions to this general rule include principal and interest on long-term debt as well as expenditures related to compensated absences, which are recognized when payment is due.

Property taxes are recorded when levied. Property taxes which have not been collected within 60 days and, therefore, do not meet the "available" criterion, are not reported until collected. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Sales and excise taxes, restaurant taxes and franchise taxes, are considered "available" and recognized as revenue when received by merchants and will be remitted to the City in time to be used to pay current obligations. Grant revenue is recognized when qualified expenditures are incurred and a contractual claim exists with the grantor agency. All other revenue items are considered to be measurable and available only when cash is received by the City.

D. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at the fiscal year end. Project-length financial plans are adopted for capital projects funds. Encumbrance accounting is not used by the City.

Summary of City Budget Procedures and Calendar:

1. The City council can amend the budget to any extent, provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance.
2. Budgets are required by the state of Utah for the general, debt service, proprietary and capital improvements funds.
3. Each year the City publishes a separate budget document prepared according to this legal level of control.
4. The City's budget is a financial plan of all estimated revenues and all appropriations for expenditures. Revenues and expenditures must balance for the funds required by the state code as indicated in item 2 above.
5. A tentative budget is presented by the mayor to the City council by the first regularly scheduled council meeting in May. The tentative budget is reviewed and tentatively adopted by the council no later than June 22.
6. The tentative budget is a public record and is available for inspection at the City offices for at least ten days prior to adoption of the final budget.
7. Notice of public hearing on adoption of the final budget is published seven days prior to the public hearing.

PERRY CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. The public hearing on the tentatively adopted budget is held no later than June 22. Final adjustments are made to the tentative budget by the council after the public hearing.
9. Occasionally, the City council will exercise their option to open the budget to indicate additional financing sources that become available.
10. The final budget is adopted by ordinance before June 22 and a copy of the budget certified by the budget officer is filed with the state auditor within thirty days of adoption.
11. In connection with budget adoption:
 - a. An annual tax ordinance establishing the property tax rate is adopted before June 22.
 - b. The city treasurer is to certify the property tax rate to the county auditor before June 22.
12. Budgets for the general, debt service, capital improvements and proprietary funds are adopted on a basis consistent with GAAP.

Summary of Action Required for Budget Changes

The council may, by resolution, transfer unexpended appropriations from one department to another department within the same fund. The budget appropriation for any department may be reduced by resolution. Fund budgets may be increased by resolution after a public hearing.

E. Assets, Liabilities and Fund Balances/Net Position

The following are the City's significant policies regarding recognition and reporting of certain assets, liabilities and fund balances/net position:

Pooled Cash and Temporary Investments

Unrestricted and restricted cash balances of both funds are combined to form a pool of cash which is managed by the City treasurer. Utah state statutes allow for investments in the Utah Public Treasurer's Investment Fund and Utah Money Management Act (UMMA) approved financial institutions. The UMMA provides for a committee to evaluate financial institutions and provide a list of those qualified as depositories for public funds, including the amount they are authorized to maintain over and above insured amounts. The city treasurer invests unrestricted and restricted cash with the Utah Public Treasurer's Investment Fund and with local financial institutions. Investments in the pooled cash fund consist primarily of certificates of deposit, repurchase agreements and time deposits and are carried at cost which approximates market value. Interest income earned as a result of pooling is distributed to the appropriate funds based on month end balances of cash. The City considers all highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

Inventories

No significant inventories are maintained by the City. Therefore, none are reflected in these statements.

Restricted Assets

Certain resources set aside as reserves in accordance with council resolutions and state statutes are classified as restricted assets on the balance sheet because their use is limited.

Capital Assets

Capital assets, which include land, buildings, improvements other than buildings, leasehold improvements, furniture, fixtures and equipment, vehicles, infrastructure (roads, bridges, lighting and flood control and similar items) and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Capital acquisition and construction are reflected as expenditures in governmental funds. All purchased fixed assets are valued at cost or estimated historical cost. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Individual assets with a cost greater than \$5,000 with a useful life of at least one year are capitalized.

PERRY CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Infrastructure capital assets which are newly constructed are capitalized. When the City has sewer system, parks and public works construction costs, they are recorded as construction in progress. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Improvements to streets, storm drainage, land drain and sanitary sewer that have been received from developers are depreciated over their expected useful lives.

Capital assets are depreciated. Depreciation of buildings, improvements, infrastructure and equipment is computed using the straight-line method. Depreciation of all exhaustible capital assets is charged as an expense against operations for proprietary funds and is charged to the various functional expenses or business-type activities in the government-wide statement of activities. Fixed assets are reported on proprietary fund and government-wide statements of net position net of accumulated depreciation. Depreciation has been provided over the estimated useful lives. The estimated useful lives are as follows:

Buildings	10-40 years
Improvements.....	5-40 years
Equipment	5-20 years
Vehicles.....	5-10 years
Infrastructure	20-80 years

Long-Term Obligations

In the government-wide statements and proprietary fund statements, long-term debt is reported as a liability. Bond premiums and discounts, defeasance costs, (the difference between the carrying amount of the defeased debt and its reacquisition price in bond refundings), as well as issuance costs, are deferred and amortized over the life of the bonds.

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

Net Position/Fund Balances

The difference between assets and liabilities is *net position* on the government-wide statements and *fund balance* on the governmental fund statements. Net position is divided into invested in capital assets (net of related debt), restricted and unrestricted. Net position is reported as restricted when constraints are placed upon them by external parties or are imposed by constitutional provisions or enabling legislation.

In February 2009, GASB issued Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions. The statement is effective for years beginning after June 15, 2011. The statement applies only to fund financial statements and not to government-wide statements or proprietary fund statements. Proprietary fund equity is classified the same as in the government-wide statements. The fund balances may be classified as follows:

1. Nonspendable – Fund balances that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted fund balance – Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, by law through constitutional provisions or enabling legislation, or restrictions set by creditors, grantors or contributors.
3. Committed fund balance – Fund balances are reported as committed when the council formally designates the use of resources by ordinance or resolution for a specific purpose and cannot be used for any other purpose unless the City council likewise formally changes the use.

PERRY CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Assigned fund balance – Fund balances are reported as assigned when the City council or management intends to use funds for a specific purpose. Normally funds are assigned by the appropriation process of setting the budget. Additionally, funds in special revenue, debt service, and capital project funds are by their nature assigned to the purpose of those respective funds.
5. Unassigned fund balance – Fund balances in the general fund are reported as unassigned when they are neither restricted, committed, nor assigned. They may be used for any governmental purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City council has provided otherwise in its commitment or assignment actions.

F. Revenues and Expenditures

The following are the City’s significant policies related to recognition and reporting of certain revenues, expenditures and interfund activity:

Revenue Availability

Under the modified accrual basis of accounting, revenues are considered to be “available” when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The City considers property tax revenues to be available if they are collected within 60 days after the end of the current year. Grants and similar items are recognized as revenue when all eligibility requirements have been met. All other revenues, including sales taxes, are considered to be available if they are collected within 60 days after year-end.

Statement of Governmental Accounting Standards (SGAS) No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, defines a nonexchange transaction as one in which “a government either gives value to another party without directly receiving equal value in exchange or receives value from another party without directly giving equal value in exchange.”

Expenditure Recognition

In governmental funds, expenditures are generally recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures, and proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the City generally uses restricted resources first, then unrestricted resources.

G. Contributions

Certain proprietary fund types receive contributions for aid in construction from various sources. With the adoption of GASB No. 33, these contributions that were formerly credited directly to contributed capital accounts are now reflected as nonoperating revenue.

H. 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.

PERRY CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Compensated Absences

City policy provides for vested or accumulated vacation and compensated leave. The balance at June 30, 2015, was \$29,945 in the governmental funds and \$24,903 in the proprietary funds.

J. Subsequent Events

Management has evaluated subsequent events through December 29, 2015, the date the financial statements were available to be issued.

NOTE 2. DEPOSITS AND INVESTMENTS

Deposits and investments for the City are governed by the Utah Money Management Act (*Utah Code Annotated*, Title 51, Chapter 7, “the Act”) and by rules of the Utah Money Management Council (“Council”). Following are discussions of the City’s exposure to various risks related to its cash management activities.

A. Custodial Credit Risk

Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the City’s deposits may not be recovered. The City’s policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of City funds to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of Council.

The City’s deposits in the bank in excess of the insured amount are uninsured and are not collateralized, nor do state statutes require them to be. The City’s bank balance at June 30, 2015, was \$324,471. This balance exceeded the FDIC insurance limit of \$250,000 leaving \$74,471 uninsured.

Investments. Custodial credit risk for 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 does not have a formal policy for custodial credit risk of investments.

B. Credit Risk

Credit risk is the risk that the counterparty to an investment transaction will not fulfill its obligations. The City’s policy for limiting the credit risk of investments is to comply with the Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as “first-tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s Investor Services or Standard & Poors; bankers acceptances; obligations of the U.S. Treasury and U.S. government sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate securities rated “A” or higher by two nationally recognized statistical rating organizations; and shares in a money market fund as defined in the Act.

PERRY CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

The City is also authorized to invest in the Utah Public Treasurer’s Investment Fund (PTIF) managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the state of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants’ average daily balances. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares. Following are the City’s investments at June 30, 2015:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Quality Rating</u>
U.S. Treasury obligations held by trustee	\$ 696	N/A	N/A
Utah Public Treasurer's Investment Fund	<u>5,836,891</u>	< 1 Year	Not rated
	<u>\$ 5,837,587</u>		

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

C. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City manages its exposure to declines in fair value by investing mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. Maturities of the City’s investments are noted in the previous table.

D. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The City’s policy to limit this risk is to adhere to the rules of the Money Management Council and to invest most of its available funds in the PTIF.

Perry City Corporation
Cash Investments

Total cash and investments	
Deposits at 06/30/15	\$ 299,841
Investments	6,133,968
Cash on hand	<u>40</u>
	<u>\$6,433,849</u>
As reported in the financial statements:	
Cash and cash equivalents	\$4,652,481
Restricted cash and cash equivalents	<u>1,781,369</u>
	<u>\$6,433,850</u>

The PTIF is an external deposit and investment pool that governmental entities are able to pool the monies from several entities to improve investment efficiency and yield. These monies are invested primarily in money market securities and contain no withdrawal restrictions. As such, the monies invested in this fund are not insured and are subject to the same market risks as any similar investment in money market funds. The Fund investments must comply with the provisions of the Utah Money Management Act. The Fund is not SEC registered. The fair value of the City’s position in the fund is the same as the value of the fund shares.

PERRY CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 3. RECEIVABLES

Receivables at June 30, 2015, consist of the following:

	<u>Taxes</u>	<u>Governments</u>	<u>Accounts</u>	<u>Total</u>
Governmental activities:				
General fund	\$580,272	\$238,041	\$ 29,709	\$ 848,022
Special Improvement District	<u> -</u>	<u> -</u>	<u>321,315</u>	<u>321,315</u>
<i>Total governmental receivables</i>	<u>\$580,272</u>	<u>\$238,041</u>	<u>\$ 351,024</u>	<u>\$ 1,169,337</u>
Business-type activities:				
Utility fund, net of allowance \$4,595	\$ -	\$ -	\$ 63,480	\$ 63,480
Sewer fund, net of allowance \$4,571	<u> -</u>	<u> -</u>	<u>95,896</u>	<u>95,896</u>
<i>Total business-type receivables</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,376</u>	<u>\$ 159,376</u>

NOTE 4. DEFERRED INFLOWS / OUTFLOWS OF RESOURCES

The City implemented the provisions of GASB 63 for the year ended June 30, 2013. These provisions provide that deferred outflows or inflows of resources be reported separately on the financial statements. In prior years, the City had reported deferred revenue for property taxes due in November on the governmental fund financial statements and on the government-wide financial statements. The City also received a sewer grant from the State of Utah that was recorded as deferred revenue, and there was deferred revenue under the Debt Service Fund. Under GASB 63, these items are called unavailable revenue under the deferred inflows of resources heading.

For the year ended June 30, 2015 unavailable revenue in the governmental funds consist of \$580,272 for property taxes due in November that aren't considered available, and \$1,156,483 in the debt service fund. Due to the implementation of GASB 68, deferred inflows and outflows related to pension reporting are included in this category as well. Deferred inflows – pensions is \$31,655 and deferred outflows – pensions is \$49,266 for the year ended June 30, 2015.

Unavailable revenue in the business-type activities consists of \$1,772,770 of grant proceeds received that aren't earned yet. Deferred outflows – pensions is \$10,219 and deferred inflows – pensions is \$6,566 in the Utility fund in 2015. Deferred inflows – pensions for the Sewer fund is \$8,719 for the year ended June 30, 2015.

PERRY CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 5. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2015, was as follows:

In governmental activities during fiscal year 2015, the city completed work on a restroom at Dale Young Park for \$43,315 and re-roofed the Perry Park Bowery. The Police department also purchased some software.

In business-type activities, a water main on Highway 89 was replaced for \$133,000, and some additional money was spent on a chlorinator and a waterline extension. In addition, a drive box for the waste water treatment plant was installed for \$7,000.

Perry City Corporation
Capital Assets

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 363,847	\$ -	\$ -	\$ 363,847
<i>Total capital assets not being depreciated</i>	<u>363,847</u>	<u>-</u>	<u>-</u>	<u>363,847</u>
Capital assets being depreciated:				
Buildings	238,328	43,315	-	281,643
Improvements	935,058	7,200	-	942,258
Infrastructure	8,685,062	-	-	8,685,062
Furniture, machinery and equipment	182,498	16,661	-	199,159
Vehicles	<u>642,760</u>	<u>-</u>	<u>-</u>	<u>642,760</u>
<i>Capital assets being depreciated</i>	<u>10,683,706</u>	<u>67,176</u>	<u>-</u>	<u>10,750,882</u>
Less accumulated depreciation for:				
Buildings	39,532	6,578	-	46,110
Improvements	547,067	38,192	-	585,259
Infrastructure	2,388,723	173,701	-	2,562,424
Furniture, machinery and equipment	150,706	9,260	-	159,966
Vehicles	<u>418,697</u>	<u>44,353</u>	<u>-</u>	<u>463,050</u>
<i>Total accumulated depreciation</i>	<u>3,544,725</u>	<u>272,084</u>	<u>-</u>	<u>3,816,809</u>
<i>Total capital assets being depreciated, net</i>	<u>7,138,981</u>	<u>(204,908)</u>	<u>-</u>	<u>6,934,073</u>
<i>Governmental activities capital assets - net</i>	<u>\$ 7,502,828</u>	<u>\$ (204,908)</u>	<u>\$ -</u>	<u>\$ 7,297,920</u>

PERRY CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 5. CAPITAL ASSETS (Continued)

Perry City Corporation
Capital Assets

	Balance <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2015</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 394,738	\$ -	\$ -	\$ 394,738
<i>Total capital assets not being depreciated</i>	<u>394,738</u>	<u>-</u>	<u>-</u>	<u>394,738</u>
Capital assets being depreciated:				
Buildings	8,193,277	-	-	8,193,277
Improvements	26,754	-	-	26,754
Infrastructure	9,126,287	176,622	-	9,302,909
Furniture, machinery and equipment	1,578,799	7,053	-	1,585,852
Vehicles	239,999	-	-	239,999
<i>Capital assets being depreciated</i>	<u>19,165,116</u>	<u>183,675</u>	<u>-</u>	<u>19,348,791</u>
Less accumulated depreciation for:				
Buildings	730,072	204,957	-	935,029
Improvements	6,243	1,783	-	8,026
Infrastructure	3,019,252	173,346	-	3,192,598
Furniture, machinery and equipment	468,108	106,057	-	574,165
Vehicles	66,807	17,420	-	84,227
<i>Total accumulated depreciation</i>	<u>4,290,482</u>	<u>503,563</u>	<u>-</u>	<u>4,794,045</u>
<i>Total capital assets being depreciated, net</i>	<u>14,874,634</u>	<u>(319,888)</u>	<u>-</u>	<u>14,554,746</u>
<i>Business-type activities capital assets - net</i>	<u>\$ 15,269,372</u>	<u>\$ (319,888)</u>	<u>\$ -</u>	<u>\$ 14,949,484</u>

Depreciation expense for 2015 was charged to functions as follows:

Perry City Corporation
Capital Assets

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Administration	5,228	\$ -	\$ 5,228
Parks	39,744	-	39,744
Public safety	35,721	-	35,721
Streets	187,614	-	187,614
Sewer	-	413,053	413,053
Water	-	85,403	85,403
Storm drain	-	8,886	8,886
<i>Total depreciation expense</i>	<u>\$ 268,307</u>	<u>\$ 507,342</u>	<u>\$775,649</u>

PERRY CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 6. LONG-TERM DEBT

The changes in long-term debt for governmental and business-type activities during 2015 were as follows:

	Balance June 30, <u>2014</u>	<u>Additions</u>	<u>Retirements</u>	Balance June 30, <u>2015</u>	Due Within <u>One Year</u>
Governmental activities:					
Bonds payable	\$ 1,090,000	\$ -	\$(135,000)	\$ 955,000	142,000
Note payable	40,000	-	(10,000)	30,000	10,000
Compensated absences	<u>32,525</u>	<u>-</u>	<u>(2,580)</u>	<u>29,945</u>	<u>-</u>
<i>Total governmental activities</i>	<u>\$ 1,162,525</u>	<u>\$ -</u>	<u>\$(147,580)</u>	<u>\$ 1,014,945</u>	<u>\$ 152,000</u>
Business-type activities					
Water bonds payable	\$ 191,000	\$ -	\$ (36,000)	\$ 155,000	37,000
Sewer bond payable	10,270,000	-	(320,000)	9,950,000	340,000
Compensated absences	<u>24,840</u>	<u>63</u>	<u>-</u>	<u>24,903</u>	<u>-</u>
<i>Total business-type activities</i>	<u>\$10,485,840</u>	<u>\$ 63</u>	<u>\$(356,000)</u>	<u>\$ 10,129,903</u>	<u>\$ 377,000</u>

Annual requirements to amortize the long-term debt as of June 30, 2015, were as follows:

On August 11, 2005, the City issued special assessment bonds in the amount of \$1,965,000 at a variable rate of interest based on 70 percent of the one month LIBOR as computed each year on the anniversary date. These bonds were issued to retire the interim warrants used to finance improvements at Pointe Perry and will be repaid by the developer through refunds of assessed property taxes and sales taxes. The interest rate is 4.67 percent over the life of the bonds. The final payment is due on October 1, 2020. The following is a debt schedule over the period of the bonds:

2005 Special Assessment Bonds
Governmental

2005 Special Assessment Bonds	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Rate</u>
<u>Year</u>				
2016	\$ 142,000	\$ 44,599	\$ 186,599	4.67%
2017	148,000	37,967	185,967	4.67%
2018	155,000	31,056	186,056	4.67%
2019	162,000	23,817	185,817	4.67%
2020	170,000	16,252	186,252	4.67%
2021	<u>178,000</u>	<u>8,313</u>	<u>186,313</u>	4.67%
<i>Total principal and interest</i>	<u>\$ 955,000</u>	<u>\$ 162,004</u>	<u>\$ 1,117,004</u>	

PERRY CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 6. LONG-TERM DEBT (Continued)

In 1998, the City issued \$640,000 in revenue water bonds to finance additional water construction. The bonds are to be repaid from water sales from the utility fund. The bonds were dated January 1, 2000, and mature on January 1, 2019; the bonds bear interest at a rate of 2.56 percent. The following is a debt schedule over the period of the bonds.

1998 Water Revenue Bonds
Proprietary

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Rate</u>
2016	\$ 37,000	\$ 3,968	\$ 40,968	2.56%
2017	38,000	3,020	41,020	2.56%
2018	39,000	2,048	41,048	2.56%
2019	41,000	1,050	42,050	2.56%
<i>Total principal and interest</i>	<u>\$ 155,000</u>	<u>\$ 10,086</u>	<u>\$ 165,086</u>	

In 2008, the City issued a bond for \$11,350,000 for construction of the City's wastewater treatment plant. The bonds are to be repaid from sewer service sales from the sewer fund. The bonds were dated December 2008, and mature on May 1, 2030; the bonds bear interest at a rate of 3.00 percent. The following is a debt schedule over the period of the bonds.

2008 Sewer Revenue Bond
Proprietary

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Rate</u>
2016	\$ 340,000	\$ 308,100	\$ 648,100	3.00%
2017	500,000	298,500	798,500	3.00%
2018	550,000	288,300	838,300	3.00%
2019	600,000	273,300	873,300	3.00%
2020	622,000	256,800	878,800	3.00%
2021-2025	3,399,000	1,001,850	4,400,850	3.00%
2026-2030	3,939,000	476,250	4,415,250	3.00%
<i>Total principal and interest</i>	<u>\$ 9,950,000</u>	<u>\$ 2,903,100</u>	<u>\$12,853,100</u>	

The manufactured home that was purchased for police and first responder training was financed by a note payable. Under terms of the note, the City still owes \$30,000, of which \$10,000 will be paid each year for four years with a zero percent interest rate. Payments are due on July 1 of each year.

The remaining long-term debt consists of compensated absences in the amount of \$54,848.

PERRY CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 7. RESTRICTIONS OF FUND BALANCE AND NET POSITION

Restricted for park impact fees – This represents the excess of park impact fee funds received over the amount spent.

Restricted for police impact fees – This represents the excess of police impact fee funds received over the amount spent.

Restricted for fire impact fees – This represents the excess of fire impact fee funds received over the amount spent.

Restricted for debt service – This represents funds set aside for the repayment of debt.

Restricted net position-proprietary funds – This represents the excess of water, sewer, and storm drain impact fees over the amount spent.

NOTE 8. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance and participate in a public entity risk pool – the Utah Government Trust. The City maintains comprehensive insurance coverage in aggregate amounts sufficient to protect against all reasonably foreseeable liability risks. Specific liability policies purchased include automobile, general liability, property bond (employee dishonesty), treasurer, public officials and officers, excess liability and workman’s compensation. As of June 30, 2015, there was no anticipation of unpaid claims. Therefore, a liability is not accrued.

NOTE 9. 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 multiple employer, cost sharing, public employee retirement system.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); and the Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple employer, cost sharing, public employee retirement system.

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. They 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 Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

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

PERRY CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 9. RETIREMENT PLANS (Continued)

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending on the employer
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 2.5%
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 all years	Up to 2.5%

* 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 URS 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 are as follows:

Utah Retirement Systems

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates
Contributory System			
111 - Local Governmental Division Tier 2	N/A	N/A	14.83%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	N/A	18.47%
Public Safety Retirement System			
23 - Other Division A Contributory Tier 1	N/A	12.29%	22.75%
43 - Other Division A Noncontributory Tier 1	N/A	N/A	34.04%
122 - Other Division A Contributory Tier 2	N/A	N/A	22.55%

PERRY CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 9. RETIREMENT PLANS (Continued)

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

At December 31, 2014, we reported a net pension asset of \$800 and a net pension liability of \$272,963.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	0.0368301%	\$0	\$159,925
Public Safety System	0.0898855%	\$0	\$113,038
Tier 2 Public Employees System	0.0029850%	\$90	\$0
Tier 2 Public Safety and Firefighter System	0.0479793%	\$710	\$0
Total Net Pension Asset/Liability		<u>\$800</u>	<u>\$272,963</u>

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

For the year ended December 31, 2014, we recognized pension expense of \$72,637. At December 31, 2014, we 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	\$23	\$16,103
Changes in assumptions	\$0	\$30,838
Net difference between projected and actual earnings on pension plan investments	\$6,336	\$0
Changes in proportion and differences between contributions and proportionate share of contributions	\$0	\$0
Contributions subsequent to the measurement date	\$66,696	\$0
Total	<u>\$73,055</u>	<u>\$46,941</u>

\$66,696 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (inflows) of Resources
2015	(\$11,241)
2016	(\$11,241)
2017	(\$11,241)
2018	(\$6,734)
2019	(\$18)
Thereafter	(\$107)

**PERRY CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 9. RETIREMENT PLANS (Continued)

Actuarial assumptions: The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 Percent
Salary increases	3.50 - 10.50 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table below.

Retired Member Mortality

Class of Member

Educators

Men EDUM (90%)
Women EDUF (100%)

Public Safety and Firefighters

Men RP 2000mWC (100%)
Women EDUF (120%)

Local Government, Public Employees

Men RP 2000mWC (100%)
Women EDUF (120%)

*EDUM=Constructed mortality table based on actual experience of male educators
EDUF=Construction mortality talbe based on actual experience of female educato
RP 2000mWC = RP 2000 Combined mortality table for males with white collar adj*

The actuarial assumptions used in the January 1, 2014, valuation were based on the results of an actuarial experience study for the five year period of January 1, 2008 – December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rages 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:

PERRY CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 9. RETIREMENT PLANS (Continued)

	<u>Expected Return Arithmetic Basis</u>		
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected portfolio real rate of return
Equity Securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		5.23%
	<u>Inflation</u>		2.75%
	<u>Expected arithmetic nominal return</u>		7.98%

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount Rate: The discount rate used to measure the total pension liability was 7.50 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.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
Proportionate share of	6.50%	7.50%	8.50%
Net pension (asset)/liability	\$671,442	\$272,163	(\$56,930)

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

**PERRY CITY, UTAH
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 9. RETIREMENT PLANS (Continued)

Defined Contribution System

As of December 31, 2014 (the plan year end for Utah Retirement Systems), contributions to defined contribution plans of the City were as follows:

	<u>Employee Paid Contributions</u>	<u>Employer Paid Contributions</u>
401(k) Plan	\$14,631	\$6,529
457 Plan	\$2,401	\$0
Roth IRA Plan	\$0	\$0
Traditional IRA Plan	\$0	\$0
HRA Plan	\$0	\$0

*The employer paid 401(k) contributions include the totals paid for employees enrolled in the Tier 2 Defined Contribution 401(k) Plan.

NOTE 10. PROPERTY TAX CALENDAR

Lien date	January 1
Budget officer of the entity prepares and files with the City council a tentative budget for the next fiscal year	1 st scheduled Council meeting in May
County auditor sends valuation certified tax rate and levy worksheets to each taxing entity	June 8
Taxing entity must adopt a proposed tax rate, certified the rate and levy, and submit it to the county auditor.....	Before June 22
Taxing entity adopts a final tax rate if there is no increase in the certified tax rate	June 22
Taxing entity adopts final budget if there is no increase in the certified tax rate	June 22
Copy of the budget is submitted to the state auditor within 30 days of adoption, payment and delinquency date.....	July 22

NOTE 11. BUDGET COMPLIANCE AND ACCOUNTABILITY

The general fund ended fiscal year 2015 with a positive unassigned fund balance of \$512,474. All departments and funds were within budget as of June 30, 2015.

PERRY CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 12. SEGMENT INFORMATION FOR THE UTILITY ENTERPRISE FUND

The City maintains two enterprise funds. The Sewer Fund provides sewer services and is the only segment in that fund. The Utility Fund provides water, garbage and storm drain. Segment information for the Utility Fund for the year ended June 30, 2015, was as follows:

	<u>Water</u>	<u>Garbage</u>	<u>Storm Drain</u>	<u>Total</u>
Operating revenues (expenses):				
Charges for services	\$ 337,527	\$ 229,592	\$ 70,667	\$ 637,786
Miscellaneous operating revenues	9,250	-	-	9,250
Operating expenses, excluding depreciation	(228,623)	(187,663)	(26,322)	(442,608)
Depreciation	<u>(85,403)</u>	<u>-</u>	<u>(8,886)</u>	<u>(94,289)</u>
<i>Operating income (expenses)</i>	32,751	41,929	35,459	110,139
Nonoperating revenues (expenses):				
Impact fees	63,708	-	50,447	114,155
Interest income	1,286	-	1,404	2,690
Interest expense	(4,429)	-	-	(4,429)
Misc nonoperating revenue	<u>1,455</u>	<u>-</u>	<u>-</u>	<u>1,455</u>
<i>Nonoperating revenues (expenses)</i>	<u>62,020</u>	<u>-</u>	<u>51,851</u>	<u>113,871</u>
<i>Change in Net Position</i>	94,771	41,929	87,310	224,010
Beginning Net Position	<u>2,400,339</u>	<u>382,637</u>	<u>1,351,178</u>	<u>4,134,154</u>
Prior Period Adjustment	<u>(21,655)</u>	<u>(17,490)</u>	<u>(2,499)</u>	<u>(41,644)</u>
Ending Net Position	<u>\$ 2,473,455</u>	<u>\$ 407,076</u>	<u>\$ 1,435,989</u>	<u>\$ 4,316,520</u>

NOTE 13. RECONCILIATION OF DUE TO/DUE FROM BALANCES

The following table provides a reconciliation of all due to/due from accounts between the City's funds:

	<u>General Fund</u>	<u>Utility Fund</u>	<u>Internal Service Fund</u>	<u>Total Due To</u>	<u>Total Due From</u>
Due from general fund	\$ -	\$ 150,176	\$ -	\$ -	\$ 150,176
Due from internal service fund	-	118,562	-	-	118,562
Due to utility fund	<u>150,176</u>	<u>-</u>	<u>118,562</u>	<u>268,738</u>	<u>-</u>
	<u>\$150,176</u>	<u>\$ 268,738</u>	<u>\$ 118,562</u>	<u>\$268,738</u>	<u>\$ 268,738</u>

These balances represent funds loaned from the utilities fund to the general, debt service and internal service funds to make up for shortfalls of allocated cash in these funds. These balances are expected to be repaid within the next year.

**PERRY CITY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 14. TRANSFERS

Transfers between funds for the year ending December 31 were as follows:

<u>Transferor Fund</u>	<u>Transferee Fund</u>	<u>Amount</u>
General Fund	Sewer enterprise fund	\$ <u>142,628</u>

NOTE 15. INTERLOCAL AGREEMENT

The City is one of 11 founding members of the Utah Telecommunications Open Infrastructure Network (UTOPIA), an interlocal cooperative agreement organized under the laws of the State of Utah. UTOPIA was created to design, finance, build, operate and maintain an open, wholesale, public and telecommunication infrastructure that delivers high-speed connections to every home and business in the member communities. UTOPIA is jointly owned by the members. No equity investment has been recorded by the City. As of June 30, 2015, UTOPIA had a net position deficit. UTOPIA began providing limited services during 2006, but it is still in a start-up phase in Perry.

The City is a pledging member who has pledged sales and use tax revenues to partially guarantee payment of UTOPIA's bonds. In return for the pledge, the City will be among the first cities to receive UTOPIA's services. In July, 2004, UTOPIA issued an \$85,000,000 revenue bond. The first four years of bond payments were made from a debt reserve fund. From that point on, until the bonds are due in July, 2026, net revenues from UTOPIA will reimburse the debt service for payments on the bond debt. In 2006, UTOPIA issued another bond for \$30,000,000. To the extent that there are insufficient net revenues to pay the debt service, the 11 pledged members are required to reimburse the UTOPIA debt service fund of any shortfall by their respective percentages up to a specific dollar amount. Any bonds or debt issued or incurred by UTOPIA will not constitute debt of the City.

On July 1, 2007, the City deposited \$32,716 into the UTOPIA Series 2004 Bond Debt Service Reserve Fund as required by its agreement with UTOPIA. These funds will remain on deposit until the sooner of the bonds being retired, or 20 years from July 1, 2007. To the extent that the initial projects operate profitably, UTOPIA has plans to issue a total of \$340,000,000 in bonds.

During the fiscal year 2010, the City was notified there was a debt service reserve fund shortfall due to "factors including, but not limited to, (i) market conditions that have caused greater basis risk on swap contracts than originally projected, (ii) continued negative impact of RUS damages, and (iii) insufficient operating revenues."

On December 1, 2011, UTOPIA refinanced their bonds and issued new pledge agreements. The City's maximum pledge under the amended agreement, beginning with the June 30, 2013 year end, is \$105,494, with a 2 percent annual increase through June 30, 2040. The City's portion of the shortfall paid for the year ending June 30, 2015, was \$110,059.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

PERRY CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts, Budgetary Basis	Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 565,439	\$ 565,439	\$ 664,461	\$ 99,022
Sales and use taxes	600,050	600,050	642,353	42,303
Franchise and energy taxes	425,591	425,591	248,744	(176,847)
Licenses and permits	89,400	89,400	116,888	27,488
Intergovernmental	207,440	212,345	216,316	3,971
Charges for services	8,260	8,260	12,172	3,912
Impact fees	41,500	41,500	63,937	22,437
Earnings on investments	16,800	16,800	18,800	2,000
Fines and forfeitures	41,300	41,300	36,927	(4,373)
Miscellaneous	<u>26,400</u>	<u>26,400</u>	<u>18,274</u>	<u>(8,126)</u>
<i>Total revenues</i>	<u>2,022,180</u>	<u>2,027,085</u>	<u>2,038,872</u>	<u>11,787</u>
Expenditures				
Current:				
Administration	628,409	639,046	565,121	73,925
Judicial	31,650	31,650	27,343	4,307
Public safety	653,600	664,453	610,135	54,318
Streets	369,498	369,498	308,118	61,380
Parks	159,311	159,311	145,280	14,031
Community development	<u>91,200</u>	<u>124,615</u>	<u>54,275</u>	<u>70,340</u>
<i>Total expenditures</i>	<u>1,933,668</u>	<u>1,988,573</u>	<u>1,710,272</u>	<u>278,301</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>88,512</u>	<u>38,512</u>	<u>328,600</u>	<u>290,088</u>
Other financing sources (uses)				
Transfers out	<u>(167,628)</u>	<u>(167,628)</u>	<u>(167,628)</u>	<u>-</u>
Total other financing sources (uses)	<u>(167,628)</u>	<u>(167,628)</u>	<u>(167,628)</u>	<u>-</u>
<i>Net change in fund balances</i>	(79,116)	(129,116)	160,972	160,972
Fund balances beginning	<u>588,089</u>	<u>588,089</u>	<u>588,089</u>	<u>-</u>
<i>Fund balances ending</i>	<u>\$ 508,973</u>	<u>\$ 458,973</u>	<u>\$ 749,061</u>	<u>\$ 749,061</u>

The accompanying notes are an integral part of these statements

PERRY CITY CORPORATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
DECEMBER 31, 2014
LAST 10 FISCAL YEARS*

	Noncontributory Retirement System	Public Safety Retirement System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Proportion of the net pension liability (asset)	0.0368301%	0.0898855%	0.0029850%	0.0479793%
Proportionate share of the net pension liability (asset)	\$ 159,925	\$ 113,038	\$ (90)	\$ (710)
Covered employee payroll	\$ 319,606	\$ 180,570	\$ 14,784	\$ 19,963
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	50.0%	62.6%	-0.6%	-3.6%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	90.5%	103.5%	120.5%

*In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history off their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10-year schedule will need to be built prospectively. The schedule above is only for the current year. Prior year numbers are available from your prior year note disclosure information.

The accompanying notes are an integral part of these statements

**PERRY CITY CORPORATION
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
DECEMBER 31, 2014
LAST 10 FISCAL YEARS***

	Noncontributory System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Contractually required contribution	\$57,887	\$44,274	\$1,232	\$2,162
Contributions in relation to the contractually required contribution	(57,887)	(44,274)	(1,232)	(2,162)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
Covered employee payroll	\$319,606	\$180,570	\$14,784	\$19,963
Contributions as a percentage of covered employee payroll**	18.11%	24.52%	8.33%	10.83%

*Amounts presented were determined as of calendar year January 1 – December 31. Employers will be required to prospectively develop this table in future years to show 10-years of information. The schedule is only for the current year. Prior year numbers are available from your prior year note disclosure confirmation.

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

The accompanying notes are an integral part of these statements

**INDEPENDENT
AUDITORS'
REPORTS**



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*

To the Mayor and City Council
Perry City, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Perry City as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Perry City's basic financial statements, and have issued our report thereon dated December 29, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Perry City's internal control over financial reporting to determine the 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 Perry City's internal control. Accordingly, we do not express an opinion on the effectiveness of Perry 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Perry 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Christensen, Palmer & Ambrose P.C.

December 29, 2015



Independent Auditor's Report on Compliance and on
Internal Controls Over Compliance in Accordance With the
State of Utah Legal Compliance Audit Guide

To the Mayor and City Council
Perry City

REPORT ON COMPLIANCE

We have audited Perry City's compliance with the general program compliance requirements described in the *State of Utah Legal Compliance Audit Guide* for the year ended June 30, 2015.

The general compliance requirements applicable to Perry City are identified as follows:

- Budgetary Compliance
- Fund Balance
- Utah Retirement Systems Compliance
- Transfers from Utility Enterprise Funds
- Open and Public Meetings Act

Perry City did not receive any major assistance programs from the State of Utah during the year ended June 30, 2015.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of the City's management.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State of Utah Legal Compliance Audit Guide*. Those standards and the *State of Utah Legal Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the City and its major programs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion

In our opinion, Perry City complied, in all material respects, with the general compliance requirements identified above for the year ended June 30, 2015.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance 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 compliance requirement will not be prevented, or detected and corrected, on a timely basis.

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

Purpose of 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.

Christensen Palmer & Ambrose P.C.

Resolution 14416-01
~~Establishing an Additional Board Member for~~
~~The Administrative Control Board for~~
The Three Mile Creek ~~Range~~ Shooting Sports Complex Board

WHEREAS, Perry City (hereafter referred to as the "City") is a municipal corporation duly organized and existing under the laws of the state of Utah; and

WHEREAS, the Utah Code provides for and grants municipalities broad authority to provide for safety and preserve health, and promote prosperity, improve morals, peace and good order, comfort, convenience, and for the protection of property; and

WHEREAS, the City currently owns and operates the Three Mile Creek Range, which is a supervised shooting range (and sports park) operated for the benefit of its own residents and police department, as well as for the benefit of the residents and police departments of nearby communities and the general public; and

WHEREAS, the City Council, on November 14, 2013, by approving Resolution 13-17, created an Administrative Control Board to provide for the effective and efficient administration of the Three Mile Creek Range; and

WHEREAS, the City Council ~~has held an additional public meeting~~ approved Resolution 14-1 on January 30, 2014 ~~regarding adding an additional member to the Board to be a Financial Specialist, and now desires to adopt a Resolution establishing said~~ additional Financial Specialist member position as part of the Administrative Control Board for the Three Mile Creek Range; and

WHEREAS, the City Council now desires to amend the details of the Chairman position.

NOW THEREFORE, BE IT RESOLVED BY THE PERRY CITY COUNCIL:

Section 1. Paragraph "D" Amended.

The Council hereby enacts the following Resolution, to modify Paragraph "D" of Resolution 13-17 (with the remainder of said Resolution to remain the same), by ~~adding amending~~ Sub-Paragraph D(81), ~~and updating references to the number of Board positions~~, such that Paragraph "D" shall now read as follows:

- D. The following 8-member Administrative Control Board ("Board"), with a non-voting ninth member, will be responsible for overseeing all activity at the range/sports park:
- 1, Chairman, ~~responsible for all safety issues (Police Chief, Appointed by the Mayor, indefinite term);~~ The position of Chairman will be held by the Mayor or his/her designee.
 - 2, Current City Council Member/Mayor (Appointed by the Mayor, approved by the City Council; 2-year term commencing every even-numbered year in January or February).
 - 3, Former City Council Member/Mayor (Appointed by the City Council representative assigned to the Police Department, and approved by the City Council; 2-year term commencing every even-numbered year in January or
 - 4, ~~Lead~~ Chief Range Safety Officer, Range Training Preferred (Appointed by the ~~Chief of Police~~ Mayor, approved by the Board; 4 year term commencing every other even-numbered year in January or February — 2014, 2018, etc.).
 - 5, Business Representative, local business owner (Appointed by the Board, approved by the City

Council; 2-year term commencing in January Or February of 2014, and a 4-year term commencing every other even-numbered year in January or February — 2016, 2020, etc.).

6. A Perry Resident (Appointed by the City Council, approved by the Board; 4-year term commencing every other even-numbered year in January or February —2014, 2018, etc.),
- 7, A Perry Resident (Appointed by the Board, approved by the City Council; 2-year term commencing in January or February of 2014, and a 4-year term commencing every other even-numbered year in January or February — 2016, 2020, etc.),
- 8, Financial Specialist (Appointed by the Mayor, approved by the City Council; 2-year term commencing every even-numbered year in January or February),
- 9, A non-voting "Resident Land Owner"; must be a land owner from the area surrounding the Three Mile Creek Range (Appointed and approved by the City Council; 4-year term commencing every other even-numbered year in January Or February — 2014, 2018, etc),
10. Positions 1-5 May be filled on an interim basis by appointment by the Mayor and approval by the City Council (who shall retain their positions until regular appointments are made according to this paragraph). Position 9 is a non-voting member.

Section 2. Severability. If any section, part, or provision of this Resolution is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Resolution, and all sections, parts and provisions of this Resolution shall be severable.

Section 3. Effective Date ~~and implementation of This Resolution~~. This Resolution shall become effective immediately upon its passage, The Mayor and Council are authorized to further implement the intent of this Resolution.

PASSED AND ADOPTED by the City Council of Perry City, Utah, this ~~30th~~ 14th day of January, 2016~~4~~.

PERRY CITY

BY

Mayor Karen Cronin

Resolution ~~15-2316-01~~

Creation of the Three Mile Creek Shooting Sports Complex Advisory Board

WHEREAS, Perry City (hereafter sometimes referred to as “City” or “municipality”) is a municipal corporation duly incorporated and existing under the laws of Utah; and Title 10, Chapter 9a of the *Utah Code Annotated*, 1953, as amended, authorizes the City to regulate land use and development; and *Utah Code Annotated* §10-8-84 authorizes the City to provide for safety, preserve health, promote prosperity, peace, and good order; and

WHEREAS, Perry City is the owner of the Three Mile Creek Shooting Sports Complex; and

WHEREAS, the Three Mile Creek Shooting Sports Complex has grown from a gun range based on volunteer hours, equipment, and supplies and funding from within the police department budget to a point where it is now being moved from the Police Department to Community Development as a funded city recreational facility under the name of the Three Miles Creek Shooting Sports Complex to be managed by city team members with the help of coordinated volunteers and donations; and

WHEREAS, as such the purpose of having a board associated with the gun range has also changed, the Perry City Council now sets forth by resolution a repeal of Resolution 13-17 and Resolution 14-1 to create a Three Mile Creek Shooting Sports Complex Advisory Board

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF PERRY AS FOLLOWS:

Section 1. Creation of the Three Mile Creek Shooting Sports Complex Advisory Board.

1. The management and operation of the Three Mile Creek Shooting Sports Complex will no longer be under the management of the police department and shall now be managed administratively by **the Mayor and City Staff** as part of the Community Development Department.
2. An advisory board shall be established to provide an advisory and working support group to help accomplish the goals of the city as related to the Shooting Sports Complex. ~~At a minimum, the advisory board shall consist of the Mayor, the Three Mile Creek Shooting Sports Complex Manager, and a member of the City staff to record the meeting. Other members may be appointed by the Mayor with the consent of the City Council.~~ The board will consist of at least five members, which will include the Mayor or his/her designee as the board chair, the shooting sports complex manager or Chief Range Safety Officer, a member of City staff to record the meetings, and other members as appointed by the Mayor with the consent of the eCouncil.
3. Appointed members will serve a two year term, of which the term will begin the day of their appointment.

2.4. Honorary board members may be appointed by the ~~board chair~~ Mayor in an effort to assist in special projects, and serve on the board for a term less than two years however, they may not serve longer than the standard two year term without being re-appointed.

Section 2. Effective Date and Implementation of This Resolution. This Resolution shall become effective immediately upon its passage. The Mayor and Council are authorized to further implement the intent of this Resolution.

PASSED AND ADOPTED by the City Council of Perry City, Utah, this ____ day of ~~December~~ January 14, 20156.

PERRY CITY

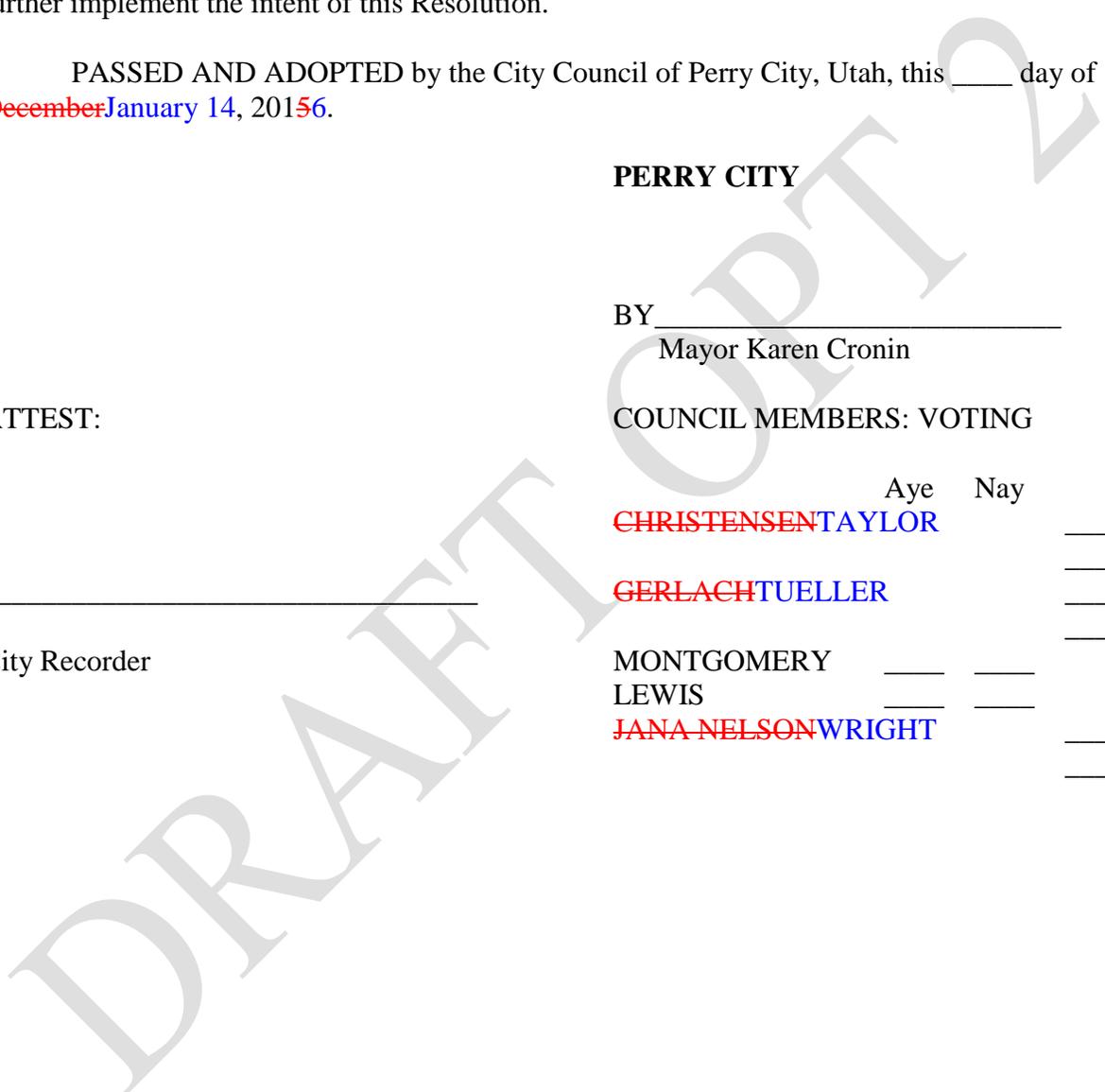
BY _____
Mayor Karen Cronin

ATTEST:

COUNCIL MEMBERS: VOTING

City Recorder

	Aye	Nay	
CHRISTENSEN TAYLOR	_____	_____	_____
GERLACH TUELLER	_____	_____	_____
MONTGOMERY	_____	_____	_____
LEWIS	_____	_____	_____
JANA-NELSON WRIGHT	_____	_____	_____



13 November 2015

Malone Molgard
Perry City Attorney
102 South 100 West
Brigham City, Utah 84302

re: Thorne: *Conservation Easement Agreement*

Dear Malone,

It was my understanding that I was to deliver to you the proposed *Conservation Easement Agreement* on Lot 2 of Chateau Estates.

Would you review this for Perry City? If you feel any revisions need to be made, please contact me.

My expectation is the *Conservation Easement Agreement* will be approved and recorded in 2015.

If you have any different understanding, please let me know.

Very truly yours,

MANN, HADFIELD & THORNE

By _____
Jeff R Thorne

JRT/dhn

Enclosure

CONSERVATION EASEMENT AGREEMENT

INTRODUCTION. This conservation easement agreement is made this _____ day of November, 2015 between **Jeff R Thorne**, Trustee of the Jeff R Thorne Inter Vivos Trust dated April 24, 2002, as GRANTOR of a conservation easement (hereafter referred to as the “Grantor”) and **Perry City**, a municipal corporation, organized pursuant to the laws of the State of Utah, as GRANTEE of the conservation easement (hereafter Perry City is referred to as the “Grantee”). This conservation easement agreement is entered under *Utah State Law* for the purpose of preserving the land in open space for a neighborhood park and preservation of historical orchard and agricultural purposes.

1. **The Subject Property.** This agreement creates a conservation easement in real estate legally described as:

**Tax I.D. Parcel No. 03-145-0051,
Lot 2, Chateau Estates Subdivision, Perry City Survey.**

The Subject Property is the site of an existing neighborhood park, maintained in lawn areas with shade trees, rose garden, open space and a small orchard. Orchards were the primary historical land use at this location on Chateau Drive in Perry, Utah (hereafter referred to as the “Property”) prior to the subdivision of the area.

2. **Grant of Conservation Easement.** In consideration of the sum of \$10.00 and other good and valuable consideration from Perry City, the Grantor hereby grants to the Grantee a conservation easement in the Subject Property for the purpose of maintaining and preserving the Property in open space for park purposes.

3. **Condition of Easement.**

a. Duration. This conservation easement is granted for an initial period of twenty-one (21) years commencing on the date when it is filed with the Box Elder County Recorder. The conservation easement will continue and will be renewed on a yearly basis following the initial term, unless the Grantor, its heirs or assigns, in writing, terminates the easement by giving 30 days notice prior to the end of any calendar year for a renewal period. If during the initial twenty-one (21) year period, the Grantor (Jeff R Thorne, Trustee) should die or become severely handicapped or incapacitated, the Trust’s successor Trustee(s), heirs or assigns shall have the absolute right to cancel the conservation easement.

b. Restrictions on building of homes, residences, or structures or activities that would affect the conservation easement components of the property. The Grantor agrees that no construction of a home, residence or any other structure may be permitted

on the property, nor shall any commercial business or other profit-based activity be undertaken or permitted on the Subject Property which would change the Property from open space, park use and/or orchard and agriculture uses without prior written permission of the Grantee during the duration of the easement.

c. Restrictions on activities that would affect park and open spaces. The grantor agrees that no ground disturbing activities shall be undertaken or permitted to be undertaken on the Subject Property which would adversely affect the open space and park use without prior written permission of the Grantee. Nothing contained herein would prevent or prohibit the Grantor from altering the landscape which could include planting trees or gardens on the property. All fruit or produce grown on the property would belong to Grantor and may be used by Grantor to offset all expenses on the property including lawn maintenance and upkeep on the property.

d. Duty to maintain the Property. The Grantor agrees at all times to maintain the Property in a good and sound state and to maintain the subject Property and pay all expenses on said property, including the payment of all utility or irrigation expenses and all expenses associated with lawn care and maintenance without any charges or expenses being paid by or assessed to the Grantee.

e. Public access. The Grantor agrees to provide reasonable public access to neighborhood families and children to picnic, play and use the land for park purposes. Nothing in this agreement will grant to the public any right-of-way or other "easement use" in the property, except as provided in this agreement. During the winter months or during adverse weather conditions, the property will be closed to the public. Both the Grantor and the Grantee understand that no rest room facilities are on the property and none are contemplated to be constructed on the property. No culinary water, electricity, sewer or handicap or disability services are available to the public on the property.

f. Right to inspect. The Grantor agrees that the Grantee, its employees, agents and designees shall have the right to inspect the Property at all reasonable times, by giving twenty-four (24) hour advance notice, in order to ascertain whether the conditions of the easement agreement are being observed.

g. Anti-discrimination. The Grantor agrees to comply with Title VI of the Civil Rights Acts of 1964 (42 U.S.C. 200 (d)). These laws prohibit discrimination on the basis of race, religion, or national origin.

h. Easement shall run with the land; conditions on conveyance. This conservation easement shall run with the land and be binding on the Grantor and the Grantee during the duration of the conservation easement.

I. Casualty damage or destruction. In the event that the Property or any part

of it shall be damaged or destroyed by fire, flood, windstorm, earth movement, earthquake or other casualty of nature or man-made casualty, the Grantor shall notify the Grantee of such damage. If, in the opinion of the Grantor, the cost of the repair or landscape reconstruction expenses would be excessive, the Grantor may elect to terminate the easement.

j. Amendments. The parties may, by mutual written agreement, jointly amend this easement, provided the amendment shall be consistent with preservation purpose of this easement and shall not reduce its term of duration. Any such amendment shall not be effective unless it is executed in the same manner as this easement, refers expressly to this easement, and is filed with the Box Elder County Recorder.

k. Effective date; severability. This conservation easement shall become effective when the Grantor files it in the Office of the Recorder of Box Elder County, State of Utah, with a copy of the recorded instrument provided to the Grantee for its conservation easement file. If any part of this conservation easement agreement is held to be illegal by a court, the validity of the remaining parts shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the conservation agreement does not contain the particular part held to be invalid.

Dated this ____ day of November, 2015.

GRANTOR:

Jeff R Thorne, as Trustee of the *Jeff R Thorne Inter Vivos Trust dated April 24, 2002*

STATE OF UTAH)
 :SS
COUNTY OF BOX ELDER)

On the _____ day of November, 2015, personally appeared before me the undersigned, a Notary Public for the State of Utah, JEFF R THORNE, Trustee, to me personally known, who is the Trustee of the *Jeff R Thorne Inter Vivos Trust dated April 24, 2002* and signer of the foregoing instrument, who duly acknowledged to me that he executed the same as Trustee.

NOTARY PUBLIC

This conservation easement is accepted by the Grantee.

Dated this 30 day of ~~November~~ ^{December}, 2015

GRANTEE:

PERRY CITY, a Utah Municipal Corporation

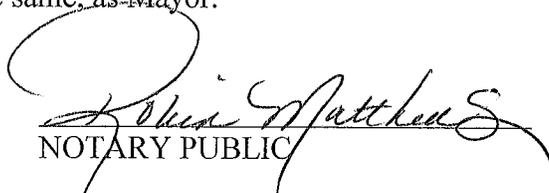
BY:



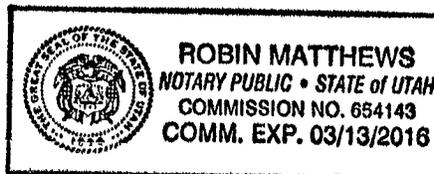
Karen Cronin, Mayor

STATE OF UTAH)
 :SS
COUNTY OF BOX ELDER)

On the 30th day of ~~November~~ ^{December}, 2015, personally appeared before me the undersigned, a Notary Public for the State of Utah, Karen Cronin, to me personally known, who is the Mayor of Perry City, a Utah Municipal Corporation, and signer of the foregoing instrument, who duly acknowledged to me that she executed the same, as Mayor.



NOTARY PUBLIC



1 PERRY CITY COUNCIL MEETING
2 PERRY CITY OFFICES
3 November 12, 2015

7:07 PM

4
5 OFFICIALS PRESENT: Mayor Karen Cronin presided and conducted the meeting.
6 Esther Montgomery, Todd Christensen, Peter Gerlach, Jana
7 Nelson, Brady Lewis

8
9 CITY STAFF PRESENT: Greg Westfall, City Administrator
10 Shanna Johnson, Chief Deputy Recorder
11 Malone Molgard, City Attorney
12

13 OTHERS PRESENT: Cody Hill, Lani Braithwaite, Nathan Tueller, Jason Gibbs, Kade Johnson,
14 Heber Clawson, Brycen Coburn, Michael Duke, Troy Sterner, Talon Peterson, Brian Carver,
15 Bryan Wilson, Austin Warr

16 **ITEM 1: CALL TO ORDER**

17 Mayor Cronin called the meeting to order.

18 **A. INVOCATION**

19 Council Member Gerlach offered the invocation.

20 **B. PLEDGE OF ALLEGIANCE**

21 Council Member Nelson led the audience in the Pledge of Allegiance.

22 **C. REVIEW AND ADOPT THE AGENDA**

23 **MOTION:** Council Member Gerlach made a motion to approve the agenda. Council
24 Member Lewis seconded the motion.

25 **ROLL CALL:** Council Member Christensen, Yes Council Member Nelson, Yes
26 Council Member Montgomery, Yes Council Member Lewis, Yes
27 Council Member Gerlach, Yes
28 **Motion Approved.** 5 Yes, 0 No.
29

30 **ITEM 2: PROCEDURAL ISSUES**

31 **A. CONFLICT OF INTEREST DECLARATION**

32 None.
33

34 **B. PASS OUT WARRANTS TO COUNCIL MEMBERS (AND POSSIBLE DISCUSSION)**

35 Shanna Johnson passed out the warrants.
36

37 **C. BUSINESS LICENSE(S)**

38 None.
39

40 **D. AWARDING OF LIFETIME PASSES**

1 Mayor Cronin awarded lifetime Three Mile Creek Shooting Sport Complex passes to the
2 following individuals who have provided volunteer service, product or equipment usage
3 since the inception of the gun range. She stated that Perry City currently has a policy in
4 place that if any individual or business donates monetary, material or labor of over \$2,500
5 they could receive a lifetime pass to the gun range. Mayor Cronin reported that there are
6 several individuals and businesses that have met this standard. Eric Halter, Jared Gallegos,
7 Jim Keller, Nucor Steel, Kelly Williams, Smith & Edwards, Geneva Rock, Adams & Smith
8 Construction, Bob Beebe, Staker Parsons, Marsh Construction, and Jerry Nelson all will be
9 receiving lifetime passes. She said that later in the meeting they will be looking at adopting
10 a new Resolution regarding the TMCSSC passes and there will be other individuals that
11 may receive passes at the next meeting. Mayor Cronin advised that with the combined
12 donations that the city has received so far, the gun range has received a half million dollars
13 of labor, material, or cash donations. She said the gun range has been very well supported.
14

15 **ITEM 3: PRESENTATIONS**

16 **A. BUSINESS LICENSE FEE MEDIUM SIZE RETAIL**

17 Mayor Cronin introduced a presentation by Lewis, Young, Robertson, and Burningham
18 (LYRB) on the business license study. Cody Hill with Lewis, Young, and Burningham stated
19 that they advise Cities, Counties, and Special Districts throughout the Utah. Mr. Hill stated
20 that in 2009 LYRB did a comprehensive business license study and it is included in the
21 study that he gave the Council Members. He said a few months ago they were asked to
22 look specifically at the impact the medium size retail has on the city.

23 Cody reported that they look at the different ways that a business can cause more cost for a
24 city. He said there are three different ways. There are regulatory, environment, and
25 administrative costs so if the cost of registering the business requires more time by city
26 staff or requires a large amount of calls to police, fire, and ambulance services there are
27 additional considerations. He said if a business requires a large amount of standards and
28 regulations such as a nursing home or a day care, they have higher standards and would
29 require more regulation. He said they looked at those three areas for how medium size
30 retail could incur higher costs than a regular standard business license. Cody reported at
31 the time this study was done, there was only 1 medium sized retail business in Perry City
32 which is Tractor Supply Company. He said for the purpose of the analysis, a medium sized
33 business is defined as a business that is occupying 10,000 to 4,999 square feet.
34

35 Council Member Christensen asked where Tractor Supply Company is as far as square
36 footage. Cody stated that it is 22,000 square feet and one of the 246 businesses registered
37 in Perry. He reported with the business regulatory and administrative costs they
38 interviewed the city staff here and at other cities to see if there were higher amounts of
39 time and processing required for medium sized business. He said the conclusion is that
40 they do not impose additional regulatory costs for Perry or other cities that they talked too.
41 Cody explained disproportionate services are required by medium sized businesses. They
42 require more calls from police, fire, and ambulance than other businesses. He said the
43 sample size is just one and so they looked at other cities to get a broader comparison and
44 Tractor Supply Company had not been here for a full year when the analysis was done.
45 They had only been here 9 months. Cody stated that they relied on data from other cities
46 and the impact it would have for a long period of time. Cody said that they estimated a
47 total of 18.6 calls for a year. He explained that all the service calls to businesses in the city
48 require 239 calls from the services. Cody said the number of calls to the medium sized

1 businesses in 8 months was 14, which is 5.9% of the total calls. [Other business types in
2 the area only make up 0.4% of the calls] therefore, there is a disproportion amount of
3 service required for medium size business. He explained that they used the data from the
4 2009 business license study and adjusted it to 2015 values by looking at the total budget
5 increase from 2009 to 2015, so the percentage in which the budget increased was used
6 when calculating the cost per call. He said they estimated the total cost of service for all
7 calls was \$7,388, which is the legal amount the city could impose on a mid-sized business.
8 He said that this analysis focused on the cost side not on the revenue side. Cody advised
9 that there are some additional considerations to review:

- 10 • While medium sized businesses do impose higher costs for city safety services, they
11 also contribute a disproportionate amount to the city revenue through sales tax,
12 franchise fees, and property tax.
- 13 • What other Cities around are charging for medium size businesses. Cody said
14 Ogden City is on the high end with a fee of \$328 and Corinne is on the low end with
15 a fee of \$25.

16
17 Council Member Christensen asked if the Brigham City fee drops from \$140 to \$80 after the
18 first year. Cody said yes, that usually in the first year a business will have more calls due to
19 alarm systems being calibrated, etc. He believes that is why this fee would be higher the
20 first year.

21
22 Council Member Christensen asked what top 3 reasons can be given when staff is asked
23 why Perry City's fee is higher than surrounding communities. Cody said that staff would
24 want to refer to the disproportionate costs associated with the use of emergency services
25 for medium size retail businesses. He said the study showed 5.9% of the emergency calls
26 were associated with medium size compared to other businesses that only accounted for
27 0.4% of the calls. He said that it is in the cities interest to apply the costs where they are
28 being utilized and this is done through the business license fee.

29
30 Cody advised that although \$7,388 can be charged according to the study, the
31 recommendation of LYRB is to charge a fee between \$700 and \$1200. Mayor Cronin stated
32 that this recommendation was discussed in the last meeting and the Council discussed
33 setting a fee even lower than this recommendation. Council Member Gerlach said this
34 study just sets forth what is legally justified, but does not mandate that the fee must be the
35 maximum amount. Council Member Lewis said a business will not blink twice at paying a
36 \$700 fee compared to a \$300 fee; it would not cause them to relocate. Shanna Johnson
37 advised this is very similar to the fee set for Wal-Mart in that the justified fee was much
38 higher than the suggested fee set by the City.

39
40 Mayor Cronin said that it is required to conduct a study prior to setting a fee. She said we
41 have fulfilled this legal requirement. She said it is also recommended by LYRB that we re-
42 evaluate the calls for service in 1 year due to the short amount of time the business has
43 been opened. Cody agreed stating that if calls change significantly, the fee may need to be
44 changed. Council Member Christensen asked if the fee could be changed without
45 conducting a new study. Mayor Cronin said yes. Shanna added that this could be changed
46 as long as it does not exceed the maximum amount identified in the study.

1 Mayor Cronin thanked Cody Hill and Lewis, Young, Robertson, and Burningham for their
2 work on the Business License study.

3

4 **B. PRE-DISASTER MITIGATION PLAN**

5 Bryan Wilson and Brian Carver of Bear River Association of Governments (BRAG)
6 presented an update to the Bear River Area and Perry City Pre-Disaster Mitigation Plan.
7 Mr. Wilson stated he is a Planning Intern at BRAG. He said he has been working on the
8 2015 update on the Pre-Disaster Mitigation Plan. Mr. Wilson said that Perry City has
9 adopted the plan twice, once in 2004 and once in 2009. He explained that the only thing
10 that is new to the plan is the new GIS analysis and it has become more accurate through the
11 new mapping. Mr. Wilson stated that they help communities to comply with the Hazard
12 Mitigation Act of 2000. He said that cities don't have to adopt it but there are a lot of
13 benefits. Mr. Wilson explained that if the city adopts the plan the city will have FEMA on
14 their side. He stated one of the main benefits adopting the Resolution is that you can gain
15 federal funding if there ever was a disaster. Mr. Wilson stated in the document he handed
16 out under Natural Hazards, Mapped, Analyzed, and Addressed in the Plan in the left column
17 all the natural disasters listed do apply to Perry City. He said through their mapping,
18 poorly drained soils is one of the issues that they haven't found through the analysis. Mr.
19 Wilson stated that on the right side the hazards are a little extreme, we don't see a lot of
20 those within this region. He said we do list Radon, Severe Weather, and Drought in every
21 jurisdiction within Utah. Mr. Wilson explained below that chart is the Potential Loss
22 Analysis chart. He explained the Residents and Property, Infrastructure, Critical Facilities,
23 Agricultural Amenities, and Environmental and Recreational Amenities a tie in together as
24 they looked at all the events that could happen and compared it with Perry's critical
25 facilities and Perry's building structures and they were able to calculate damage costs. He
26 said they are all found in the plan on their website. Mr. Wilson stated that in 2009 while he
27 was on his LDS Mission, he was able to work with FEMA side by side. He said there was a
28 massive flood that came through Kentucky while he was serving there and FEMA was
29 awesome with the disaster relief. Mr. Wilson stated that by adopting this plan, it would be
30 a benefit to the community.

31 Council Member Lewis asked if this was the same plan in 2004 and 2009. Mr. Wilson
32 stated that it was. He said that it is mainly growth numbers that changed with better
33 mapping. Mayor Cronin expressed her thanks to the BRAG Association for all their work.
34 Mr. Wilson stated that if the city adopted the plan and wanted to add additional strategies,
35 that could be done in the future.

36

37 **ITEM 4: PUBLIC HEARING AND/OR PUBLIC COMMENTS**

38 **A. PUBLIC HEARING REGARDING RESOLUTION 15-18 APPROVING A BUSINESS**
39 **LICENSE FEE FOR MEDIUM SIZE RETAIL**

40

41 **MOTION:** Council Member Nelson made a motion to open a Public Hearing regarding
42 Resolution 15-18 approving a Business License Fee for Medium Size Retail. Council
43 Member Montgomery seconded the motion.

44 **ROLL CALL:** Council Member Christensen, Yes Council Member Nelson, Yes
45 Council Member Montgomery, Yes Council Member Lewis, Yes
46 Council Member Gerlach, Yes

47 **Motion Approved.** 5 Yes, 0 No.

48

1 **Jason Gibbs:** asked the price of a business license fee for a small business compared to a
2 large business. Mayor Cronin advised that a small business license fee is \$30, a medium
3 size fee is looking like it may be \$500, and a large business license (for businesses larger
4 than 50,000 sq. ft.) is \$5,000. Mr. Gibbs asked if the renewal each year is the same. Mayor
5 Cronin said yes.

6
7 **Austin Warr:** asked if there is only one medium size business what is the benefit of setting
8 a fee for this type business. Mayor Cronin said that the small business fee of \$30 did not fit
9 and they would have fallen under the large business fee of \$5,000 which did not seem right,
10 therefore the City initiated a study to set an appropriate fee.

11
12 **MOTION:** Council Member Christensen made a motion to close the public hearing for
13 Resolution 15-18. Council Member Montgomery seconded the motion.

14 **ROLL CALL:** Council Member Christensen, Yes Council Member Nelson, Yes
15 Council Member Montgomery, Yes Council Member Lewis, Yes
16 Council Member Gerlach, Yes

17 **Motion Approved.** 5 Yes, 0 No.
18

19 **B. PUBLIC COMMENTS**

20 **Travis Coburn:** said he lives on 900 west. He noticed that on the agenda there is a
21 discussion item regarding improvements to lots in the City Center Subdivision. He said that
22 he has one concern regarding the lots that border 900 west and wants to ensure that the
23 lots are set up so when the road is widened and put in there is not a conflict.

24
25 **ITEM 5: ACTION ITEMS**

26 **A. APPROVAL OF THE WARRANTS**

27 Council Member Christensen asked about the development fees and if they are passed on to
28 the developer. Mayor Cronin stated yes.

29 **MOTION:** Council Member Christensen made a motion to approve the warrants. Council
30 Member Nelson seconded the motion.

31 **ROLL CALL:** Council Member Christensen, Yes Council Member Nelson, Yes
32 Council Member Montgomery, Yes Council Member Lewis, Yes
33 Council Member Gerlach, Yes

34 **Motion Approved.** 5 Yes, 0 No.
35

36 **B. APPOINTMENT OF PERRY CITY EXPERT TO THE WASTEWATER TREATMENT
37 PLANT BUDGET REVIEW BOARD**

38 Mayor Cronin stated we had a budget that was presented by the Sewer Facility Board back
39 in April and Perry City responded to that. She said Perry City had some concerns regarding
40 some of the budget items. Mayor Cronin explained that Perry City did not fully fund what
41 they asked for and returned a budget Perry City felt was adequate. She stated that Willard
42 City also returned a budget that Willard City thought was fair and adequate and the two
43 budgets are not the same. Mayor Cronin advised the interlocal agreement says if there is
44 ever a concern and the budgets don't match, that Perry City and Willard City should
45 appoint an expert from each city to represent each respective city and then each city would
46 need to agree on one person who would be jointly appointed.

1 Mayor Cronin put forth the name of Greg Westfall to serve as the Perry City Expert on the
2 Wastewater Treatment Plant Budget Review Board. She advised that he would work
3 closely with Shanna Johnson regarding this matter.

4 **MOTION:** Council Member Montgomery made a motion to approve the appointment of
5 Greg Westfall as the Perry City Expert to serve on the Wastewater Treatment Plant Budget
6 Review Board. Council Member Lewis seconded the motion.

7 **ROLL CALL:** Council Member Christensen, Yes Council Member Nelson, Yes
8 Council Member Montgomery, Yes Council Member Lewis, Yes
9 Council Member Gerlach, Yes

10 **Motion Approved.** 5 Yes, 0 No.

11
12 **C. RESOLUTION 15-18 APPROVING A BUSINESS LICENSE FEE FOR MEDIUM SIZE**
13 **RETAIL.**

14 Mayor Cronin stated that Greg Westfall handed out a document that detailed the square
15 footage of what we would consider a Medium Sized Retail Business.

16
17 **MOTION:** Council Member Lewis made a motion to approve Resolution 15-18 approving a
18 Business License Fee for Medium Size Retail. Council Member Nelson seconded the motion.

19 **ROLL CALL:** Council Member Christensen, Yes Council Member Nelson, Yes
20 Council Member Montgomery, Yes Council Member Lewis, Yes
21 Council Member Gerlach, Yes

22 **Motion Approved.** 5 Yes, 0 No.

23
24 **D. RESOLUTION 15-19 TO APPROVE A PRE-DISASTER MITIGATION PLAN**

25
26 **MOTION:** Council Member Lewis made a motion to approve Resolution 15-19 to approve a
27 Pre-Disaster Mitigation Plan. Council Member Gerlach seconded the motion.

28 **ROLL CALL:** Council Member Christensen, Yes Council Member Nelson, Yes
29 Council Member Montgomery, Yes Council Member Lewis, Yes
30 Council Member Gerlach, Yes

31 **Motion Approved.** 5 Yes, 0 No.

32
33 **E. RESOLUTION 15-20 TO APPROVE A 2016 CITY COUNCIL MEETING SCHEDULE**

34
35 **MOTION:** Council Member Lewis made a motion to approve Resolution 15-20 to approve a
36 2016 City Council Meeting Schedule. Council Member Montgomery seconded the motion.

37 **ROLL CALL:** Council Member Christensen, Yes Council Member Nelson, Yes
38 Council Member Montgomery, Yes Council Member Lewis, Yes
39 Council Member Gerlach, Yes

40 **Motion Approved.** 5 Yes, 0 No.

41
42
43

F. RESOLUTION 15-21 APPROVING AWARD PASSES TO THE THREE MILE CREEK SHOOTING SPORTS COMPLEX

Mayor Cronin stated that some of the items that were changed in the Resolution was she has been approving daily and season passes and giving those out just to add another level. She has suggested that they have that seconded and that they must be approved by the City Administrator or the Chief Range Safety Officer. Mayor Cronin stated that the lifetime passes are good for people to use during the public shooting hours and what they have done is added “C” Being a Perry City Elected Official or the spouse of a Perry City Elected Official during the years the TMCSSC is in operation,” and D “A person or entity that has made a substantial positive impact regarding the TMCSSC as recommended by the Mayor and the Chief Range Safety Officer and/or the City Administrator, and approved by the city council.” Mayor Cronin stated that a new item added is Honorary Range Safety Officer Lifetime Pass. She said this is for individuals who are Range Safety Officers, have been trained and yearly recertified on the policies and procedures of the TMCSSC, and have made an extraordinary contribution to the TMCSSC. Extraordinary is being proposed at \$20,000 in donations or 250 hours as a Range Safety Officer of volunteer service accumulated in up to ten year window. She stated item C is a person or entity that has made an extraordinary positive impact at the TMCSSC not covered to a dollar amount or hours. Mayor Cronin stated that the persons who were covered under Item C would be recommended by the Mayor and the Chief Range Safety Officer and/or the City Administrator, and approved by the city council. She said the policy has been worked by the Chief Range Safety Officer, Mayor, and the City Administrator. Council Member Lewis asked how often the Honorary Range Safety Officers needed to be certified. Mayor Cronin stated that they would need to be certified every year.

MOTION: Council Member Gerlach made a motion to approve Resolution 15-21 Approving Award Passes to the Three Mile Creek Shooting Sports Complex. Council Member Montgomery seconded the motion.

ROLL CALL: Council Member Christensen, Yes Council Member Nelson, Yes
Council Member Montgomery, Yes Council Member Lewis, Yes
Council Member Gerlach, Yes
Motion Approved. 5 Yes, 0 No.

G. RESOLUTION 15-22 FIRE INSPECTION REQUIREMENT FOR BUSINESSES WITH VISITING CLIENTELE

Mayor Cronin stated that this came about at the suggestion of the City’s Fire Marshall that that the city has access to through its contract with Brigham City. She said this is one of the services the city has covered in the contract. She said the Fire Marshall mentioned that most cities require a periodic rotation for a fire inspection for businesses that have visiting clientele. Mayor Cronin advised that this would be covered under Perry City’s fire contract. She said any new business that has visiting clientele would be required to get a fire inspection as part of their application for a new business license. She stated in Section 2 the city, from time to time, would do a rotation with businesses that have visiting clientele. Mayor Cronin stated that the businesses would have 90 days to get the initial report done and if it was a successful inspection then the business would be the end of it. If there were any concerns noted by the Fire Marshall, the business would have to comply in that 90 days, or the city would go off what the Fire Marshall recommended time frame for the

1 business completed the noted items. She said Section 3 addresses if the business does not
2 comply and get the inspections done, then there could be a penalty of \$50 a day or as
3 severe as a revocation of their business license. Mayor Cronin stated that new businesses
4 within the last couple of months have had fire inspections as part of their application
5 process. Council Member Christensen stated that he sent some questions in today
6 regarding piano lessons. He said that the city really doesn't enforce piano licenses, some
7 get them and some don't, they have visiting clientele so would they have to get a fire
8 inspection. Mayor Cronin stated that they would because they do have visiting clientele.
9 She said the city may not rotate them in as often. She said part of it is a liability issue.
10 Mayor Cronin explained as they talked with Mike Young the Fire Marshall he stated if the
11 City is not pro-active with these kinds of things there could be a liability suit. She advised
12 that we have 52 businesses with visiting clientele, and the city did 2 fire inspections a
13 month that would rotate businesses in about every 2 or 3 years. Council Member
14 Montgomery asked how the City will track that. Mayor Cronin stated that Staff has a spread
15 sheet that would track things. Council Member Lewis asked what the process was.

16
17 Greg Westfall explained that businesses have standard paperwork that is filled out for
18 their business which gives the information on how to contact the Fire Marshall to set up a
19 date for inspection. He said when a business turns in its business license application then it
20 would also turn in the report from the Fire Marshall. Council Member Lewis stated that the
21 city is retroactively auditing the businesses that have not had an inspection. Greg Westfall
22 stated that is correct. He said the Fire Marshall has suggested that all businesses get
23 inspected periodically. Council Member Christensen expressed concern that 3/4 of the
24 businesses in Perry will go underground or not get a city license because there are too
25 many hoops. Mayor Cronin stated if they get a city license and there is a problem, then the
26 city may be liable, so this is a way to limit the city's liability. She said if someone has a
27 business and the city does not know about it and they have a problem then the liability falls
28 upon the citizen. Council Member Christensen asked if there is a way to set a thresh hold,
29 for example if they are a business of 3 employees with 50 visits per month. Greg Westfall
30 stated that the recommendation from the Fire Marshall is if any business that has any
31 visiting clientele, the minute that one individual walks in the door there is liability attached
32 to that. Mayor Cronin stated that if someone is going to have a Perry City business license
33 then that license has some liability to Perry. She said we are going to have to follow the
34 recommendation from the Fire Marshall in order to limit Perry's liability. Council Member
35 Christensen asked if the Fire Marshall adjusts the type of inspection for the type of
36 business. Greg Westfall stated that he does. Council Member Lewis asked if there was a
37 way to remedy this by having the business owner take on the responsibility of getting the
38 inspection. Greg Westfall stated that the business owner would come before the council
39 and explain why their business does not have visiting clientele if that was the way it was
40 set up. Mayor Cronin stated that if the business owner says they don't have visiting
41 clientele then the city is not liable.

42
43 **MOTION:** Council Member Lewis made a motion to approve Resolution 15-22 Fire
44 Inspection Requirement for Businesses with Visiting Clientele. Council Member Nelson
45 seconded the motion.

46 **ROLL CALL:** Council Member Christensen, No Council Member Nelson, Yes
47 Council Member Montgomery, Yes Council Member Lewis, Yes

1 Council Member Gerlach, Yes
2 **Motion Approved.** 4 Yes, 1 No.
3
4

5 **ITEM 6: DISCUSSION**

6 **A. ACCOUNTING CONTRACT RENEWAL**

7 Mayor Cronin advised that the Accounting Contract for Davis & Bott was renewed for Fiscal
8 Year 2015 for the same amount they had previously and will allow for a 2 ½ % increase for
9 inflation every year thereafter. She said that Davis & Bott put in the contract that anytime
10 they felt a project was out of the scope that would require additional billing; it had to be
11 noted in writing prior to the work being done. Mayor Cronin stated that the contract
12 renewal was within budget. She said this contract is renewable every year. Mayor Cronin
13 advised that in May if we desire to look elsewhere for Accounting Services the city has to
14 give Davis & Bott a 30 day notice. If anywhere in the contract time things are not working
15 out, we can end the contract with a 30 day notice.
16

17 **B. MEETING PROTOCOL**

18 Mayor Cronin stated that she and the City Staff are looking to update the meeting protocol.
19 Greg Westfall explained in our code it is listed that we follow the Roberts Rules of order but
20 we do not follow this in its entirety, therefore, it would be better to update the meeting
21 protocol in the Municipal Code to reflect the meeting protocol we do practice. Greg stated
22 that we have a 23 page city code to add to the Roberts Rules in order to be compliant with
23 our meeting protocol. Greg stated in the 23 pages that the city adopted there are multiple
24 pages of state code that are referenced. He said the difficulty in referencing state code is if
25 the state changes their code, then the city is out of compliance and would have to go in and
26 redo the code. Greg stated that some of the things that are in there are ethical rules, taking
27 of minutes, votes to approve the minutes, closed meetings or executive sessions, oath of
28 office etc. He said these are things that we do not need to copy. They are already in the
29 state statute. Greg advised that we could eliminate 60-70 % of the 23 pages just in state
30 code references. He said those are the type of recommendations they would like to make.
31 He said there are some good things in the 23 pages we have. He stated state law allows you
32 to hold electronic meetings but requires if it is allowed the cities have to write their policies
33 and how they are worded. He recommends keeping that. He felt that they could turn the 23
34 pages into 4 or 5 pages.
35

36 Greg asked the council if they were amenable to the staff taking it on and giving our
37 suggestions and recommendations in order and bringing it back to the council for adoption.
38 Greg stated that they will have more recommendations as they go forward. Mayor Cronin
39 stated that we either need to comply or change. She said one thing that David Church said
40 was that the Chairman sets the agenda and if a council member wants to put something on
41 we have to have 2 or 3 council members. Greg stated he has also recommended that for
42 our Planning Commission in getting things on its agenda. Council Member Christensen
43 stated that we like a simplified form of Roberts Rules. He said it helps maintain order and
44 how the meeting should proceed. Mayor Cronin stated that we want it more relaxed we
45 just need to define it. Malone Molgard stated that we want to do it so we have order. He
46 said that if they don't need Roberts Rules, you need to have it in there how you want the
47 meeting to be ran. Council Member Christensen said one thing he would recommend
48 would be some wording that you could fall back on as Chairman of the meeting. When there

1 is a public disturbance in the audience ask for order, this is not a public speaking moment.
2 Mayor Cronin stated that the feeling she gets is that everybody will be ok if we move away
3 from Roberts Rules. She said she and Greg will work on the wording and simplify it down.
4

5 **C. QUARTERLY FINANCIAL REPORT**

6 Shanna Johnson gave a financial update for the month of September 2015. She reported
7 that 25% of the fiscal year has elapsed and 17% of General Fund revenues have been
8 collected, 24% of Utility Fund Revenues have been collected, and the sewer fund has
9 received 20% of planned revenues. Shanna advised that the Sewer Fund is awaiting some
10 additional reimbursements from Willard and the State for operation and maintenance
11 expenses. She reported that the City has collected 32% of Non-Operating revenues, which
12 consist of impact fees. She said we are doing very well with permits, in the past 12 months
13 the City has issued 39 permits as compared to 12 permits the prior year. She reviewed
14 expenses, stating that the General Fund has spent 30.4% of its budget. She reported that
15 the Utility fund has spent 22.8% of the planned budget, and the sewer fund has spent
16 17.4% of its budget. Shanna advised that she just received 7 pages of journal entries that
17 are Fiscal Year 2015 year-end adjustments, the entries include revenues and expenditures
18 that belong to the previous year. This will reduce the amount of revenues and
19 expenditures currently included in this report.

20 Shanna said there are a few areas that are show higher than expected due to 1 time
21 expense i.e. fire always shows high because we have a contract payment with Brigham City
22 for \$19,000 which makes up the majority of that budget. She said this will balance as the
23 year moves forward. Shanna stated in Community Development we have a SID Bond
24 payment that was just transferred over and this budget will also balance out with time.
25 She said the Gun Range is a little high but the season just ended in October and will not
26 reopen until the spring. Council Member Christensen stated that he didn't recall seeing the
27 SID payment in the warrants. Shanna stated that payment goes through a wire transfer and
28 is a regular bond payment and so it doesn't come through on the warrant for approval.
29

30 Shanna advised that sales tax has been coming in better than plan for the first two months
31 of this fiscal year. In September it came in 6.73% better than the previous year and in
32 October 3.63% better than the previous year. She said we are trending at receiving
33 \$870,000; we planned to receive \$865,000. She said if we collect the \$870,000, we will be
34 \$22,000 better than the previous year. Shanna stated deliverables and adjustments needed
35 for the financial statement are just about wrapped up and soon the financial statement will
36 be sent to the auditor. Council Member Christensen asked how Caselle was working.
37 Shanna stated that it is working well. Council Member Christensen asked if the additional
38 modules are working out ok. Shanna stated that they are working well and would like to
39 get additional modules as we can.
40

41 **D. SUBDIVISION PROCEDURE**

42 Mayor Cronin stated as we have worked over a couple of issues this summer and found if
43 there were some procedures in place we could have avoided some of the concerns we have
44 had to deal with. Greg Westfall explained that he is working on Subdivision Procedures,

1 which will allow rules for new development in the City. This will be presented at the next
2 City Council Meeting. Greg stated that the first item is escrows and how those are set up
3 with the developers. Greg Westfall stated that an escrow is a guarantee set up by the
4 developer putting enough money in an account to finish the project so the city is not left to
5 finish the project. Greg said that the state law lets the developer do one of two things by
6 state law. They can start the project once it is approved without an escrow but they can't
7 sell anything until the entire project is completed, or they put the escrow up front with is a
8 recommended dollar amount by our engineer based on the policies. Once that is done they
9 can go forward and sell lots. Greg stated that their thoughts are that the developer would
10 need to declare up front if they choose to do the build out or the escrow. He said another
11 issue is whether they can switch in the middle of the project. He said these are some of the
12 things we need to address in the subdivision policy. Greg stated another thing the city
13 would like to address is a certain number of draws from the escrow for the project.

14
15 Mayor Cronin stated that the engineer has to send someone to the project to verify what
16 percentage of the project is done. She said every time they want a draw the city has to
17 send someone out to verify the percentage and that is what costs the city money. Council
18 Member Christensen asked what the reserve percentage was with the final project. Greg
19 stated that it is 10% of the project and that stays for a year. He said once the draws are
20 requested that will define how many days the city staff will have to process that escrow
21 draw. He explained conditional acceptance is when the project is done and that starts the
22 one year warranty period. Greg advised that they want to define what conditional
23 acceptance is and it will be issued when 100% of the development is complete. This will be
24 determined by the City Engineer. Mayor Cronin stated the issue is that some of the
25 developers want to start the conditional acceptance early in the process which means the
26 roads start in July and maybe the sewer doesn't start until December and they have a one
27 year. She said it makes it a logistic nightmare for the city to track. Mayor Cronin explained
28 in talking with the City Engineer he suggested that the one year warranty should start after
29 the project is complete. Greg stated all communication from the developer should go
30 through city staff first and not the City Engineer. Mayor Cronin stated this is where it is
31 really starting to cost the city. She said that developers feel they can go straight to the City
32 Engineer and we are being charged hours. Mayor Cronin stated that the City Engineer is
33 the City's Engineer and if the developer wants an Engineer then they need to go to their
34 own engineer. Greg continued to say that all official meetings between the city and the
35 developer will be recorded and put in the file. Greg said that the City Staff will keep an
36 activity log for each subdivision that will track those meetings. He stated that these are the
37 recommendations that we are making. Council Member Christensen stated that in 2008-
38 2009 we lost a lot of escrow money due to the change in the economy. He said that we had
39 money in banks that then filed bankruptcy, but a lot of those times those assets were
40 transferred to sister institutions. Council Member Christensen stated that we have
41 subdivisions in the 2250/ 2450 south area that never got the light poles and never got stuff
42 put in because that money disappeared. He said that he is curious to know if some of those
43 funds were moved to another financial group and to see if we have access to get that money
44 back.

45
46 **E. IMPROVEMENTS TO LOTS IN THE CITY CENTER SUBDIVISION**

47 Mayor Cronin stated that Planning Commissioner Travis Coburn noted that we need to
48 make sure that the frontage allows for road widening at some point. Greg Westfall

1 reviewed a new plan for improvements in the City Center Subdivision. Greg stated that it
2 just went through the Planning Commission for Concept/Preliminary approval which it
3 received. He said we are still working towards final approval and will take into
4 consideration some of the comments. Greg explained that the city will have to do a few
5 things. The extent of work has not been determined as we work towards final with the
6 Planning Commission then that will be decided. He said that right next to the Three Mile
7 Creek Elementary School there is an approach up into the property. Greg stated with the
8 proposal that we put together that does not need to be there. He said the city will need to
9 take it out and extend the curb, gutter, and sidewalk, which would be a cost to the city.
10 Greg advised as we work towards final approval with the Planning Commission the
11 decision will have to be made. He said that Jones & Associates is working on an estimate of
12 how much it would cost to improve the lots. Greg said these are the type of items that we
13 will have to come back to the council and getting approval for the expenditure of those
14 funds so that we can get those lots to a improved condition so that the city can start selling
15 lots. Greg explained that selling it as an improved subdivision versus an unimproved
16 subdivision makes the lots more sellable and more valuable. Commissioner Coburn stated
17 that this was the consensus of the commissioners. They liked getting rid of the road and
18 changing the lot sizes.
19

20 **ITEM 7: MINUTES & COUNCIL MAYOR REPORTS (INCLUDING COUNCIL**
21 **ASSIGNMENTS)**
22

23 **A. APPROVAL OF CONSENT ITEMS**

24 • **September 3, 2015 City Council Meeting**

25 Council Member Lewis asked that the word “residents” on page 2, line 13 be changed to
26 “residence”.

27 **MOTION:** Council Member Montgomery made a motion to approve the minutes for the
28 September 3, 2015 City Council Meeting as amended. Council Member Lewis seconded the
29 motion.

30 **Motion Passed.** All Council Members were in favor.
31

32 • **October 1, 2015 City Council Meeting**

33 Council Member Montgomery stated that she forwarded some grammatical corrections
34 to Shanna to be included in the minutes.

35 **MOTION:** Council Member Montgomery made a motion to approve the meeting minutes
36 for the October 1, 2015 City Council Meeting with grammatical corrections. Council
37 Member Gerlach seconded the motion.

38 **Motion Passed.** All Council Members were in favor.
39

40 **B. TODD CHRISTENSEN:** gave a Utopia update. He said that there have been Utopia trucks
41 in the city. Council Member Christensen stated that they brought the redundant connection
42 in from UDOT; they have some gear in the hut at Perry Park, they have stabilized that and
43 have power in that. He said he has talked to some of them and they are going around town
44 to verify what they have in the ground. Council Member Christensen stated that Utopia has
45 canceled all the board meetings since August, but have one scheduled for December.
46

47 **C. PETER GERLACH:** advised of a concern he has received regarding a city owned parcel
48 referred to the narrow neck of land that has some woodchips, a bad fence, stickers and

1 weeds covering the sidewalk so people are walking down the street instead of the sidewalk.
2 Mayor Cronin stated that we can get the weeds and stickers cleaned up before it snows. She
3 said regarding the woodchips the plan is to store those and then in the spring offer the chips
4 to our citizens for their gardens.
5

6
7 **D. JANA NELSON:** Nothing reported.
8

9 **E. ESTHER MONTGOMERY:** reported that the Holiday movie will be December 5, 2015 at
10 9:00am and 11:00am and the City will be showing the “Minions” movie.
11

12 **F. BRADY LEWIS:** Nothing reported.
13

14 **G. MAYOR CRONIN:** stated that we are still in touch with the gentleman who is going to do
15 the communications tower and that project that is currently at the Planning Commission.
16 She said there were some concerns with it being in a residential area. Mayor Cronin advised
17 that however we have to deal with the application based on the code that is in place, if the
18 Planning Commission want to change the code they can but we have to adhere to the code
19 that is in place now. Mayor Cronin stated that shortly after the state match it was requested
20 by the Chief to take the Gun Range activities and move them out of the police department.
21 She said it has come to a point where the gun range is a city recreational facility. Mayor
22 Cronin said that it has been moved over to Community Development. She said we still have
23 a Chief Range Safety Officer, but Three Mile Creek Shooting Sports Complex is no longer
24 run through the police department.
25

26 **H. STAFF COMMENTS:** None.
27

28 **I. ITEMS FOR NEXT NEWSLETTER**

- 29 • Holiday Movie
- 30

31 **ITEM 8: EXECUTIVE SESSION**

32 **MOTION:** Council Member Christensen moved to close the Public Meeting and open an
33 Executive Session to discuss character and fitness of an individual and potential litigation.
34 Council Member Montgomery seconded the motion.

35 **ROLL CALL:** Council Member Christensen, Yes Council Member Nelson, Yes
36 Council Member Montgomery, Yes Council Member Lewis, Yes
37 Council Member Gerlach, Yes
38 **Motion Approved.** 5 Yes, 0 No.
39

40 The Regular Public meeting closed at approximately 8:52pm.
41

42 **MOTION:** Council Member Christensen moved to close the Executive Session and return to
43 the Public Meeting. Council Member Montgomery seconded the motion.

44 **ROLL CALL:** Council Member Christensen, Yes Council Member Nelson, Yes
45 Council Member Montgomery, Yes Council Member Lewis, Yes
46 Council Member Gerlach, Yes
47 **Motion Approved.** 5 Yes, 0 No.

1
2 The Regular Public meeting reopened at approximately 9:20pm.

3
4 **ITEM 9: ACTION ITEM**

5 **A. REQUEST FOR PROPOSAL (RFP) PROCESS FOR CONTRACTED SERVICES**

6
7 **MOTION:** Council Member Christensen made a motion to approve opening an RFP for
8 Cleaning Services and City Attorney Services. Council Member Montgomery seconded the
9 motion.

10 **ROLL CALL:** Council Member Christensen, Yes Council Member Nelson, Yes
11 Council Member Montgomery, Yes Council Member Lewis, Yes
12 Council Member Gerlach, Yes
13 **Motion Approved.** 5 Yes, 0 No.

14
15 **ITEM 10: ADJOURNMENT**

16
17 **MOTION:** Council Member Christensen made a motion to adjourn the council meeting.
18 Council Member Montgomery seconded the motion.
19 **Motion Approved.** All Council Members were in favor.

20
21 The meeting adjourned at 9:22pm.

22
23
24 _____
25 Susan Obray, City Recorder

Karen Cronin, Mayor

26
27
28
29
30 _____
31 Shanna Johnson, Chief Deputy Recorder

1 PERRY CITY COUNCIL MEETING
2 PERRY CITY OFFICES
3 December 3, 2015

7:00 PM

4
5 OFFICIALS PRESENT: Mayor Karen Cronin presided and conducted the meeting.
6 Esther Montgomery, Todd Christensen, Peter Gerlach, Brady
7 Lewis

8 OFFICIALS EXCUSED: Jana Nelson

9
10 CITY STAFF PRESENT: Greg Westfall, City Administrator
11 Shanna Johnson, Chief Deputy Recorder
12 Malone Molgard, City Attorney
13 Shawn Blauer, Police Officer
14

15 OTHERS PRESENT: Lani Braithwaite, Boyd Montgomery, David Ahlstrom, Annette
16 Ahlstrom, Toby Wright, Devin Miles, Brett Jones (City Engineer)

17 **ITEM 1: CALL TO ORDER**

18 Mayor Cronin called the meeting to order.

19 **A. INVOCATION**

20 Council Member Christensen offered the invocation.

21 **B. PLEDGE OF ALLEGIANCE**

22 Council Member Lewis led the audience in the Pledge of Allegiance.

23 **C. REVIEW AND ADOPT THE AGENDA**

24 **MOTION:** Council Member Gerlach made a motion to approve the agenda. Council
25 Member Montgomery seconded the motion.

26 **ROLL CALL:** Council Member Christensen, Yes Council Member Montgomery, Yes
27 Council Member Lewis, Yes Council Member Gerlach, Yes
28 **Motion Approved.** 4 Yes, 0 No.
29

30 **ITEM 2: PROCEDURAL ISSUES**

31 **A. CONFLICT OF INTEREST DECLARATION**

32 None.
33

34 **B. PASS OUT WARRANTS TO COUNCIL MEMBERS (AND POSSIBLE DISCUSSION)**

35 Shanna Johnson passed out the warrants.
36

37 **C. BUSINESS LICENSE(S)**

38 None.
39

40 **ITEM 3: PRESENTATIONS**

1 **A. AWARDING OF LIFETIME PASSES**

2 Mayor Cronin awarded lifetime Range Safety Officer passes to the Three Mile Creek
3 Shooting Sport Complex to the following individuals (per Resolution 15-21):

- 4
5 Eric Halter
6 Jared Gallegos
7 Jim Keller
8 Mike Vause
9 Dale Weese

10
11 Mayor Cronin awarded lifetime passes to the Three Mile Creek Shooting Sports Complex to
12 be used during regular operating hours to the following individuals (per Resolution 15-21):

- 13
14 Todd Christensen
15 Roxanne Christensen
16 Peter Gerlach
17 Kris Gerlach
18 Jana Nelson
19 Reese Nelson
20 Esther Montgomery
21 Ryan Montgomery
22 Brady Lewis
23 Jamie Lewis
24 Karen Cronin
25 Mark Cronin
26 Boyd Malan
27 Trudy Malan
28 Marci Parker
29 Patrick Parker
30 Debbie Nelson (Jerry Nelson was awarded a pass in the last meeting)

31
32 Mayor Cronin asked for approval (no action required) from the Council for the awarded
33 passes. All Council Members present approved the awarded passes.

34
35 She said that required signatures will be obtained on the certifications and they will then
36 be sent out to the recipients.

37
38 **RECOGNITION OF EXITING COUNCIL MEMBERS**

39 Mayor Cronin recognized the outgoing Council Members and presented them with a
40 certificate and a picture of George Washington titled "Prayer at Valley Forge". She
41 reviewed the exiting Council Members as Peter Gerlach, Todd Christensen, and Jana Nelson.
42 She explained that Jana Nelson was not able to attend the meeting as she recently had
43 surgery on her knee. Mayor Cronin said that a lot of time and thought goes into the action
44 items reviewed in Council Meetings. She expressed appreciation for the opportunity to
45 work with the Council Members, stating that they have taught her a lot and she thanked
46 them for their hard work.

47 The Council, staff, and public presented gave a round of applause.

48

1 **ITEM 4: PUBLIC HEARING AND/OR PUBLIC COMMENTS**

2
3 **A. PUBLIC COMMENTS**

4 **Boyd Montgomery:** requested a culvert be installed onto his property located at 1200
5 West so that water no longer drains onto his property. He said he provided a bid from a
6 potential vendor to the City for the work. He said that he is having a hard time getting
7 Codey Illum to call him back regarding a building permit. He said that he is looking to
8 invest \$80,000 into a development on his property that will increase tax revenue to the
9 City.

10 He reported at the end of 1200 West there should be an end of pavement sign He sated it is
11 a safety issue.

12 He requested an answer to his letter from Mayor Cronin within the next week.

13 He asked what the weight limit is on 1200 West and how long a building permit is good for.

14
15 **Dave Ahlstrom:** expressed concerns with the empty lot at 2450 South and 900 West near
16 the park as it is filled with sticker weeds, and a compost pile. He said that it has become too
17 insufferable to bear. He said that it is the right of the people to alter the City's plan as it
18 interferes with their safety and happiness. He said that the children are deprived of
19 walking sidewalks without filling their shoes with stickers. He petitioned to make their
20 neighborhood beautiful again. He said appropriate uses of the land may include:

- 21 • Planting grass (for ease of maintenance)
- 22 • Winding sidewalks through the grass area
- 23 • Couple of park benches
- 24 • Volleyball pit
- 25 • Exercise station
- 26 • Vinyl slats against back fencing

27 He said that the neighborhood pledges to volunteer to prep this area for the work on
28 community pride day. He provided a signed letter from neighbors all willing to help in the
29 effort to try to turn the area into a nicer place.

30 He said that this land is residential and if a private business tried to use it for compost the
31 City would not approve it. He said that the fence that was installed is an eye sore and
32 dangerous on the North West corner as there is a pipe sticking out. He said that sticker
33 weeds block the gutter in the summer and they are now shriveled and dried up.

34
35 **Annette Ahlstrom:** also expressed frustrations with the lot at 2450 South and 900 West.
36 She presented some pictures of the lot at 2450 South and 900 West and some pictures of
37 areas in her son's subdivision that demonstrate what they would like to see the lot to look
38 like. She said when she walked her neighborhood and talked to people about the lot, they
39 all expressed that they were frustrated. She said the kids hate that they cannot walk on the
40 sidewalk and they hate that their bikes are broken all the time with flat tires. She said the
41 parents are tired of picking stickers out of stroller tires. She said there are hornets that
42 build nests in the fence. There are no caps on the fence as it is just scraps pieced together
43 and it looks tacky. She said that this area is zoned residential; it is not a dump or
44 somewhere to store equipment. She said that this is their neighborhood and should be
45 somewhere that they can be proud, a beautiful place to live. She said that many of the
46 people she talked to were scout leaders and would love to volunteer the scouts to work on
47 the area as a project. She said that the kids loved to hang out in the lot prior to the City

1 using this for a dump and storage area. She said that the kids would use the space if it was
2 a grassy area and it would be a benefit to the neighborhood. She said that the area was
3 very stinky and it is a fire hazard. She said that it is going to keep getting worse. She asked
4 that the Council seriously consider their concerns and come up with another way to use the
5 space. She said that City Ordinance requires that landowners keep the sidewalks in front of
6 their property clear and free of snow and debris, in order to be compliant with Perry City
7 Ordinance she suggested the City hire someone to keep the area clear of snow and debris.

8
9 **Lani Braithwaite:** thanked those who have served on the Council for their time and
10 announced that after 18 years of writing for the Box Elder News Journal this will be her last
11 meeting serving as a reporter for Perry City.

12
13 **ITEM 5: ACTION ITEMS**

14 **A. APPROVAL OF THE WARRANTS**

15 Council Member Christensen asked if the Lewis, Young, Robertson, and Burningham
16 payment was for the Pointe Perry Area. Shanna Johnson said yes, it is for the
17 administration of the Pointe Perry Community Development Area and Special
18 Improvement District bond.

19
20 Council Member Lewis asked what the warrant for Spillman was for. Shanna advised that
21 Spillman is a Police program that the Police use to submit all their reports through. Shanna
22 advised that the total of the bill was \$16,600 a portion of the software was paid last year
23 and this is the balance of the bill.

24
25 **MOTION:** Council Member Christensen made a motion to approve the warrants. Council
26 Member Gerlach seconded the motion.

27 **ROLL CALL:** Council Member Christensen, Yes Council Member Montgomery, Yes
28 Council Member Lewis, Yes Council Member Gerlach, Yes

29 **Motion Approved.** 4 Yes, 0 No.
30

31 **B. CREATION OF A PART-TIME GUN RANGE MANAGER POSITION**

32 Mayor Cronin said that there has been a request to move the duties of the gun range from
33 the Police Department. She said that as staff we have talked about where the most logical
34 place for this to go is and most recreations type facilities go under the Community
35 Development department therefore the duties of the gun range have been moved from
36 Police and now fall under the Community Development department. She said as part of
37 this change we need to put in place a position for a Part-Time Gun Range Manager. Mayor
38 Cronin advised that a job description has been created. One of the qualifications is that the
39 individual selected for this position will be required to have the NRA Gun Range Officer
40 certification so that they can train Range Safety Officers. She said in addition to this
41 requirement the selected individual will be required to have 3 or more years experience as
42 a Range Safety Officer. Mayor Cronin said the other qualifications are pretty standard. She
43 said that we have projected budget for the position at 10 hours per week for 52 weeks.
44 Council Member Christensen asked if this would be a part-time position or if it should be
45 set as a seasonal position. Mayor Cronin said that there are a lot of things that can be done
46 during off season, i.e. grants. She said that hours will fluctuate and be more limited during
47 the off season. Council Member Christensen asked if grant writing is listed in the
48 qualifications. Shanna said it is. Council Member Lewis asked how many hours per year.

1 Mayor Cronin said 520. Council Member Lewis asked if the 10 hours per week will be
2 listed in the job description. Mayor Cronin said no but it would be listed in the job posting.
3 Council Member Lewis asked how the job will be posted. Mayor Cronin said it will be
4 posted like all positions. Shanna said it will be listed in the newspaper and posted with the
5 Division of Workforce Services. Council Member Lewis asked who was doing these duties
6 previously. Mayor Cronin said that some of the duties were performed by the police chief,
7 some were performed by the Chief Range Safety Officers, and some jobs were handled by
8 staff. Council Member Lewis asked what the pay range will be. Mayor Cronin said the pay
9 range will be between \$10.50 to \$13.00 per hour. Council Member Christensen asked what
10 the expectation is for the individual and will they be able to hold a full-time job. She said
11 that the schedule will be flexible and some of the hours could be completed even on
12 Saturdays. She said this may also be a good position for someone who is retired. Shanna
13 said that most of the work will be during the operating hour of the range, which is Friday,
14 Saturday, and Sunday. Mayor Cronin said that this is a position she talked to the Chief of
15 Police about back in June and offered him to be able to hire someone if needed. He did not
16 choose to do this at the time. Now that this has been moved to the Community
17 Development area, it is needed. Council Member Christensen said he understands that we
18 are trying to stay cost neutral with the position. He asked if this funding out of the
19 Community Development department and is there budget available. Mayor Cronin said
20 that we are trying to fund this position by fees from use of the range. She said that we will
21 be talking about the budget for this position a little later in the meeting. Council Member
22 Lewis asked if 3 or more years experience as a Range Safety Officer and 3-5 years of
23 management experience is necessary. Mayor Cronin said that last year there were 72
24 volunteer Range Safety Officers and this individual will be supervising these volunteers so
25 she believes 3-5 years experience is appropriate. She said that 3 years would be the
26 minimum. Council Member Lewis asked if we can broaden the requirement for experience
27 with Microsoft Office as he does not even have much experience with this. Mayor Cronin
28 said this is listed as this is the main software the City office uses. Council Member Lewis
29 said that this item and the next two items are all gun range related and all 3 are very large
30 overhauls. He feels like we can use more discussion prior to taking action, especially
31 between Council Members, other Board Members, and new Council Members coming in.
32 He said he would really like them to be part of the discussion as they will help to manage
33 the changes.

34 **MOTION:** Council Member Lewis made a motion to table Item 5B Creation of a Part-Time
35 Gun Range Manager Position. Council Member Christensen seconded the motion.

36 **DISCUSSION:** Mayor Cronin said that right now is when we are applying for a lot of the
37 grants, which is how we keep this position cost neutral. She said that she can see tabling
38 some of the items, but the position shouldn't be in question. Council Member Montgomery
39 said she did not see a reason for delaying the position. Mayor Cronin said that we have the
40 funding and need for the position now.

41 **ROLL CALL:** Council Member Christensen, Yes Council Member Montgomery, No
42 Council Member Lewis, Yes Council Member Gerlach, No
43 Mayor Cronin, No

44 (Mayor voted due to tie vote)

45 **Motion Failed.** 2 Yes, 3 No.

46

1 **MOTION:** Council Member Montgomery made a motion to approve the Creation of a Part-
2 Time Gun Range Manager Position. Council Member Gerlach seconded the motion.

3 **ROLL CALL:** Council Member Christensen, No Council Member Montgomery, Yes
4 Council Member Lewis, No Council Member Gerlach, Yes
5 Mayor Cronin, Yes
6 (Mayor voted due to tie vote)
7 **Motion Approved.** 3 Yes, 2 No.
8

9 **C. AMEND GUN RANGE POLICIES**

10 Mayor Cronin explained that we just went through the policy in depth last August and the
11 only thing being amended is changing out the wording for duties that used to go to the
12 Chief of Police putting these duties under the Shooting Sports Complex Manager. Council
13 Member Lewis asked where these are in the document. Mayor Cronin reviewed the
14 changes as follows:

- 15 • At the front of the document it refers to the different positions of the management
16 team, adding the Shooting Sports Complex Manager.
- 17 • On page 6 it talks about who has a key to the range and adds the Shooting Sports
18 Complex Manager, and leaves the Chief Range Safety Officer, and the Perry Police
19 Department.
- 20 • On page 6 it changes the person to call if a key is needed from the Chief of Police to
21 the Shooting Sports Complex Manager.
- 22 • On page 11 it talks about the closure of the range. It used to state the Mayor and
23 Chief of Police, it now reads the Mayor and the Shooting Sports Complex Manager.
24 Council Member Christensen recommended keeping the Chief of Police as able to
25 close the range for emergency situations. Mayor Cronin said that the Chief of Police
26 has this authority any way. Greg Westfall said ultimately the Chief of Police is over
27 the safety of the City and if he deems it necessary for a public safety issue he could
28 close the range. Mayor Cronin said we can add the Chief of Police.
- 29 • Mayor Cronin said the other change is under the cash handling policy so that if there
30 is a discrepancy with the cash box, they would contact the Shooting Sports Complex
31 Manager instead of the Chief of Police.

32 Council Member Christensen asked if it would make sense to include the treasurer
33 on these discrepancies. Greg Westfall said a lot of this is already resolved at this
34 level. Shanna Johnson explained that when the cash box comes in Robin Matthews
35 counts the cash and enters this into cash receipting. Jolene Eddington, the City
36 Treasurer then balances this with cash receipting. The report from cash receipting
37 and the logs from the gun range are then given to Shanna to verify that these match
38 and if there is a discrepancy she would then notify the Shooting Sports Complex
39 Manager to work with the volunteer to resolve this.
40

41 Council Member Lewis asked if in the future these changes can be highlighted in the
42 document. Greg Westfall asked if he prefers the changes be highlighted or tracked. Council
43 Member Christensen said tracking the changes would be best. Shanna advised that once to
44 activate the track changes on word the changes will change each time you open the
45 document and you must mark the document final each time to remove the tracking. She
46 said that people who are not comfortable with word can find this cumbersome.
47

1 **MOTION:** Council Member Montgomery made a motion to approve the amendments to the
2 Gun Range Policies with the change as suggested to add the Chief of Police as authorized to
3 close the gun range for safety issues. Council Member Gerlach seconded the motion.

4 **ROLL CALL:** Council Member Christensen, Yes Council Member Montgomery, Yes
5 Council Member Lewis, Yes Council Member Gerlach, Yes
6 **Motion Approved.** 4 Yes, 0 No.

7
8 **D. RESOLUTION 15-23 THREE MILE CREEK SHOOTING SPORTS COMPLEX ADVISORY**
9 **BOARD**

10 Mayor Cronin said that this Resolution was drafted to create an advisory board to assist the
11 City in achieving its goals for the gun range. She likened this to the Utah State University
12 (USU) Advisory Board. She stated the USU Advisory Board is made up of 12 people who are
13 community members that help the Dean to research issues and assist him in projects such
14 as fund raising. She said this is more of a support group and helps to achieve the
15 organizations goals. Council Member Gerlach asked how this is different than the gun
16 range board that we have had. She said that the current board is restrictive in its members.
17 There are 9 members and the members had to meet certain criteria. She said the board can
18 have the same members but they will not be held to these specific criteria. Greg Westfall
19 said that currently if a member of the NRA that would be a great asset to the board wanted
20 to join the board, we would not be able to add them as they do not meet any of the criteria
21 set out for the current board. Council Member Gerlach asked if the people who are
22 currently on the gun range board would automatically be placed on the new advisory board
23 or would the current board be dissolve. Mayor Cronin said that this Resolution would
24 repeal the current board; however the current board members are set to rotate every other
25 year. Mayor Cronin said that current members may be automatically placed on the board or
26 they may not. We need to create the board and get the Shooting Sports Complex Manager
27 hired and then decide if that is appropriate. Council Member Gerlach said that the concept
28 makes sense to him but he has been contacted by someone who is concerned that the
29 changes may shut out people who have volunteered in the past. He said he is not sure if
30 there concern is valid or not. He said that the concept makes sense and the flexibility
31 makes sense, but he also wants to make sure we are not accidentally stepping on people
32 who have volunteered in the past. Greg Westfall explained that the proposed Resolution
33 states that board members will be appointed by the Mayor with the consent of the Council,
34 so the Mayor will bring a list to the Council for their consent or approval. Council Member
35 Lewis asked how the current board members are chosen now. Mayor Cronin said that the
36 current board positions are pretty detailed as to who can serve in that role. She said some
37 are to be picked by the Mayor and some were to be picked by the Police. Council Member
38 Christensen said that is not so bad, when the board was created about 4 years ago we listed
39 specifics because we needed certain skill sets to help represent the board. He stated that
40 may not serve its purpose anymore, but he is not sure that is the case and that we no longer
41 need the current board. Council Member Montgomery stated she believes there will be the
42 same sort of collaboration. She explained when appointments take place for the Planning
43 Commission and other boards there is an interview and their qualification are taken into
44 account. Members are selected based on those who meet criteria that the City is looking for
45 at that time. Council Member Montgomery said that she believes this is a great launching
46 platform for this advisory board, but suggested including a 2 year term limits for members,
47 and specifying the number of board members to serve on the board. She said this could be

1 5-10 members, etc. Council Member Gerlach advised that one of the problems with
 2 specifying the size and term is that if someone from the NRA comes and wants to
 3 participate in the Board for 6 months and we have hit the maximum number of members
 4 and set a 2 year term. This could discourage participation. Council Member Montgomery
 5 suggested setting a minimum of 5 members. Council Member Christensen asked who the 3
 6 members identified in the current Resolution would be. Mayor Cronin explained that this
 7 would be the Mayor, the Shooting Sports Complex Manager and a member of City Staff to
 8 record the meeting. Council Member Lewis asked if the member of staff would be on the
 9 board or just there to record the meeting. Mayor Cronin said that they would be on the
 10 board. She said that this could be the Deputy Recorder, the Recorder or even the City
 11 Administrator. Council Member Lewis asked if this person could switch out to be any of
 12 those individuals at any time. Mayor Cronin stated it would probably be the same person
 13 for whatever length of time is identified. Shanna said that if the person was absent another
 14 recorder could attend and record the meeting. Council Member Lewis said his concern is
 15 that on day one we are looking at only 3 people serving on the board. Mayor Cronin said
 16 that this sets up the board and then next time additional members would be appointed.
 17 Greg said he would look at it differently there would only be 2 members and therefore no
 18 action could be taken until additional members are identified. He said this is just an
 19 advisory board and they will only be issuing suggestions and recommendations. These
 20 suggestions will come back to the staff and Mayor in an effort to help in the management of
 21 the Three Mile Creek Shooting Sports Complex. Council Member Lewis asked what the
 22 rush is on this action item. Mayor Cronin indicated that there was no rush. She stated that
 23 in January several of the board members will be rotating therefore it would be a good time
 24 to make a change to the structure of the board. Council Member Lewis asked whose terms
 25 were up. Mayor Cronin and Greg Westfall were unsure at that time who in specific. Mayor
 26 Cronin said that some rotate on odd years and others on even years. Council Member
 27 Lewis said we should still be left with at least half of the current board. Mayor Cronin said
 28 yes and she foresees that these board members would continue on the advisory board.
 29 Council Member Lewis asked what the current board thinks about the suggested change to
 30 the board structure. Mayor Cronin stated there has not been a board meeting since August
 31 of 2015. Council Member Gerlach asked why. Mayor Cronin said that these meetings are
 32 called by the Chief of Police and he has not called a meeting to order since August. Greg
 33 Westfall said that the suggested change will help in this effort as the staff could call
 34 meetings. Council Member Lewis said we currently have staff on the board so this does not
 35 change anything. He said he is unsure what we are gaining with this change other than to
 36 let a bunch of people go. Mayor Cronin responded that we are not letting anybody go.
 37 Council Member Lewis disagreed because we are repealing the current board. Council
 38 Member Montgomery stated that is just a formality. Council Member Lewis also expressed
 39 discomfort with the fact that the current board has not given any input in regards to the
 40 changes.

41 **MOTION:** Council Member Lewis made a motion to table Resolution 15-23 until additional
 42 discussion can take place between the Council and current Three Mile Creek Gun Range
 43 Board. Council Member Christensen seconded the motion.

44 **DISCUSSION:** Council Member Christensen said supports tabling this with a different point
 45 of view than expressed by Council Member Lewis. He agrees more with Council Member
 46 Montgomery's suggestions and would like to see some provisions for honorary or special
 47 assignees to the board for short amounts of time i.e. a NRA Member for 6 months. He
 48 would like to set term limits, identify requirements of the board members, and define at

1 least a bi-monthly schedule. Council Member Lewis said he does not want his motion to
2 sound negative, he likes where this is going, but he thinks there is a lot of points to still go
3 over. Mayor Cronin said she agrees with a lot of the suggestions made, but one thing she
4 has learned as she has worked with Gary Crane on other boards and he often says to get the
5 board set up, then put the bi-laws in place. She said this gets the ground work and
6 foundation in place, instead of trying to build the whole house in one day. Council Member
7 Christensen said that his final thought would be that he feels the Three Mile Creek Shooting
8 Sports Complex Manager should be hired and be able to help us to set this board up. Greg
9 said the proposed advisory board is modeled on successful boards across Utah, such as the
10 USU Board. He said that this is the type of board that allows the Council to have some
11 direction. Boards serve at the pleasure of the City Councils and the Mayor and a lot of times
12 this perception gets skewed. He said an advisory board helps to prevent this from
13 happening. Council Member Montgomery said she hopes a lot of the suggestions made
14 tonight will come back to the City Council next month in a draft form and at that time the
15 City can complete the implementation of the advisory board.

16 **ROLL CALL:** Council Member Christensen, Yes Council Member Montgomery, Yes
17 Council Member Lewis, Yes Council Member Gerlach, Yes
18 **Motion Approved.** 4 Yes, 0 No.

19
20 **E. RESOLUTION 15-24 SUBDIVISION PROCEDURES**

21 Greg Westfall said in the previous meeting we discussed the reasons for putting in place
22 Subdivision Procedures. He said as you review Resolution 15-24 you will see that the first
23 2 items are designed to address issues with developers might finish only 20 feet of
24 sidewalk request an escrow draw, then the next week do the same thing. He said this gets
25 cumbersome and our fees do not cover this type of request. We have tried to put together a
26 procedure that will be not only responsible to the developer, but also to the tax payer and
27 the City's time. He said currently we have a code that requires conditional acceptance at
28 the end of a development and that is when the 1 year warranty period starts. He said
29 unfortunately our code is a bit ambiguous as to what defines conditional acceptance. Item
30 3 listed in the proposed Resolution identifies what is required for conditional acceptance.
31 Greg explained that this provides up front clarification to the developer and the City. He
32 explained the need for item 4 stating that we get a fee up front from the developer that is to
33 cover all City work associated with the development. He said sometimes the developers
34 believe this opens up a free and unlimited line of contact to our engineer, which is actually
35 an hourly charge to the City. He said item 4 requires that the City coordinates all
36 communication between the City and the Engineer. Brett Jones said that they have
37 informally put this in place. If a developer calls him, he refers them back to the City. Greg
38 said item 4 formalizes this and gives Brett some back up when he refers developers back to
39 the City. Greg said that item 5 notifies the developer that all meetings regarding their
40 development will be recorded in an effort to document the meeting and avoid any
41 confusion regarding what transpired after the fact. Council Member Christensen asked if
42 this would be an audio recording. Mayor Cronin confirmed that it would be an audio
43 recording and said these will not be transcribed. Mayor Cronin said there are a few other
44 items the City would like to include in the subdivision procedures, but they are researching
45 to ensure that these items are legal. Council Member Christensen said that item 5 will take
46 some work to implement including letting developers know that they are being recorded
47 and a filing system for the recordings.

1 **MOTION:** Council Member Montgomery made a motion to approve Resolution 15-24
2 Subdivision Procedures. Council Member Christensen seconded the motion.

3 **ROLL CALL:** Council Member Christensen, Yes Council Member Montgomery, Yes
4 Council Member Lewis, Yes Council Member Gerlach, Yes

5 **Motion Approved.** 4 Yes, 0 No.
6

7 Council Member Christensen asked now that this is passed will a copy of the Resolution be
8 given to the developer when we receive their application. Greg said yes. Council Member
9 Christensen asked when these procedures will be on the Municipal Code online. Greg said
10 that this is a Resolution therefore will not be placed in the code at this time. He said that we
11 passed it as a Resolution so that it could be enacted immediately. He said that there will be
12 follow-up and some additional items that they will put into ordinance format and bring
13 back to the Council for approval. Upon that approve the procedures will be added to the
14 City Code.
15

16 **F. APPROVAL OF VALLEY VIEW LOOP WATER LINE (IMPACT FEE) PROJECT**

17 Mayor Cronin stated that the City Engineer, Brett Jones is in attendance to explain the
18 project. She advised that this project was approved on our impact fee project list last year.
19 Brett said that he is here tonight to get approval to begin talking with property owners and
20 get as much land deeded as possible, in exchange for their access to a free waterline. He
21 said that this is a new waterline therefore impact fee eligible. Brett explained that this
22 water line will be located in the Maple Hills Subdivision, which is in a higher pressure zone
23 than the rest of the City. It gets its pressure from a water tank above the subdivision and
24 there is a pressure reduction station below the subdivision so that pressure does not get
25 too high as gravity flows. Brett stated the idea would be to install a new waterline
26 connection above that pressure relief valve, which as a side benefit will improve pressure
27 for the North East section of the City. He said the waterline is needed for future
28 development and in order to loop the water system together. There are also plans for a
29 future additional reservoir in the area, although this is probably a long way into the future
30 due to cost. He said that the main thing is that this is a fully funded impact fee project due
31 to the new infrastructure, but there are some added benefits to the existing system. He
32 explained the entire area adjacent to the new line is fed currently by a waterline located at
33 Highway 89. He said currently if there is a water problem the area would be out of water.
34 This provides a second redundant feed of water to the area. Brett advised there is a lower
35 connection project that has been approved by the Council in the past, but the City plans to
36 work on this connection first as it provides better pressure to the North East section of
37 Perry.
38

39 **MOTION:** Council Member Christensen made a motion to approve the Valley View Loop
40 Water Line Project. Council Member Gerlach seconded the motion.

41 **ROLL CALL:** Council Member Christensen, Yes Council Member Montgomery, Yes
42 Council Member Lewis, Yes Council Member Gerlach, Yes

43 **Motion Approved.** 4 Yes, 0 No.
44

45 **ITEM 6: DISCUSSION**

46 **A. CDBG GRANT PROCESS**

47 Shanna Johnson reported that Greg Westfall and she attended the CDBG Training last
48 month. She said there were some changes to income levels on the Low to Moderate Income

1 Survey and she met with Brian Carver (who is checking with representatives from CDBG)
2 to see if our survey from last year still qualifies. She reported that our survey was
3 conducted right when the income levels changed therefore we may have to resurvey the
4 area. Shanna reviewed items that would need to be completed if the City plans to apply for
5 the grant funding:

- 6 • The City would need to conduct a Public Hearing in a format specified by CDBG.
7 Shanna explained this includes noticing in a specific way and gathering input from
8 the public on suggested projects. She said that the only place that projects can be
9 completed are in areas that meets the low to moderate income level as defined by
10 HUD and if the project area is small the entire area must meet this requirement.
- 11 • The City will need to accept the CDBG Thresholds and General Policies, and
- 12 • The City will need to approve and provide to CDBG a Capital Improvements Project
13 List.

14 Shanna advised that the deliverable must be submitted along with the application by
15 January 29, 2016. Council Member Christensen asked if we are still focused on the three
16 areas along 900 West and 2700 South. Shanna said that the City would like to look at these
17 areas as that is where our low to moderate income area is suspected to be, but before we
18 begin to focus on a project we do need to gather input first.

19 20 **B. FY2015 FINANCIAL REPORT AND AUDIT UPDATE**

21 Shanna Johnson advised that this is our last meeting of the year and she is sure that the
22 Council is wondering why there is not an audit report. She stated due to new reporting
23 requirements for retirement and it causing the preparation of the financial report and audit
24 to take slightly longer than usual. She said that we are confident that the Financial
25 Statement and Audit will be completed and submitted by December 31st as required by
26 State Law, but the Audit report will not be presented until the first meeting in January.
27 Council Member Christensen asked if this is allowed. Shanna replied yes, the State requires
28 that the audit and financials be submitted to them by December 31st and although cities do
29 put the audited financials on the agenda for Council acceptance, the Council really can't
30 approve or disapprove the audit results. The results from the audit are what they are.
31 Shanna stated she talked with our auditor and asked if we needed to have a special meeting
32 for Council acceptance and the auditor advised that the acceptance is ceremonial and this
33 could be done the first meeting in January. She said the main compliance item is getting
34 this submitted to the State Auditor by December 31, 2015.

35
36 Shanna reported that she has completed the Fiscal Year 2015 year end journal entries and
37 adjustments for retirement and all funds look healthy.

38 39 **C. CITY CENTER SUBDIVISION IMPROVEMENTS**

40 Greg Westfall said we have talked about City Center Subdivision a couple times. He said
41 that this is an approved subdivision, but the original plan was not feasible so some
42 adjustments were made to the plans and the subdivision has been before Planning
43 Commission and they have given concept and preliminary approval. He said that this will
44 go back before the Planning Commission in January and then to the Council for final
45 approval. He said that the rough estimate for lot sales based on the new subdivision plans
46 is that the City will have 5 lots to sale at approximately \$12,000 in expenses to improve

1 each lot or \$60,000. He said that with the sale of 1 lot we should hopefully be able to
 2 recoup these costs. He said the other added value to the City is that if we do the
 3 improvements we the City will be the ones digging in the street as opposed to each
 4 individual homeowner doing the work, cutting the street, making connects, etc. He said his
 5 suggestion is to present these lots for sale as improved lots, which will come with a cost,
 6 but also a higher return in value. Council Member Christensen asked if the City would sale
 7 the lots on our own or hire a realtor. Greg said the City has the option to do either but his
 8 suggestion is to hire a realtor. Council Member Lewis asked when the lots would be ready
 9 for sale. Greg replied that final approval of the subdivision will take place in January or
 10 February. Brett said that there will be some concrete work so you will not want to do this
 11 until May. Council Member Lewis said that we could have these on the market by summer.
 12 Greg confirmed this. Mayor Cronin said she would like to have them sold by the end of the
 13 fiscal year.

14

15 **D. POSSIBLE BUDGET AMENDMENTS**

16 Mayor Cronin said she asked Shanna Johnson to put together areas where the City has
 17 projected increased or reduced costs and where we have additional revenues. Mayor
 18 Cronin reviewed the below table with the Council:

19

	<u>Increased Costs</u>	<u>Reduced Budgets</u>	<u>New Revenues</u>	<u>Balance</u>
POLICE Department				
Spillman Reporting Software	\$9,161.00			
Incentive Pay	\$4,825.00			
PT Police Officer	\$16,410.00			
Reduced Equipment Budget		(\$3,000.00)		
Reduced Phone Budget		(\$2,000.00)		
Reduced Tech & Prof		(\$500.00)		
Reduced Training Budget		(\$1,300.00)		
Reduced Fleet Budget		(\$6,000.00)		
Totals	\$30,396.00	(\$12,800.00)		\$17,596.00
Three Mile Creek Range				
Shooting Sports Complex Manager	\$2,076.00			
2015 Gun Range Revenues Better Than Planned			(\$1,393.36)	
Totals	\$2,076.00		(\$1,393.36)	\$682.64

20

ROUGH DRAFT – NOT APPROVED

	Increased Cost	Reduced Budgets	New Revenues	<u>Balance</u>
City Center Subdivision Improvements	\$60,000.00			
Planned Revenue from Sale of 1st lot in City Center Subdivision in FY2015			(\$50,000.00)	
Totals	\$60,000.00	\$0.00	(\$50,000.00)	\$10,000.00
Projected addtl FY2016 Sales Tax			(\$19,378.00)	\$8,900.64

Budget Trend Oct 2015	
Projected Revenues w/o Fund Balance	\$ (1,904,368.00)
Projected Expenses	\$ 1,874,262.00
Balance	\$ (30,106.00)

1
2 Mayor Cronin explained that the Police had planned to pay for the Spillman Software with
3 grant monies, but we were not able to get this funding so we are now looking at how we
4 can cover the expense. She stated that nationally and within Utah Police officers are at a
5 premium and larger agencies are recruiting officers from smaller agencies. She said that
6 we do know of a couple officers who are interviewing with other agencies the incentive
7 money listed within the proposed budget changes would be monies that we may be able to
8 put out there to try and help keep some of the officers that may get offers from other
9 departments. She said she also included monies to hire a part-time officer to help with
10 scheduling. She said that she talked with the Chief about the department's budget needs
11 and they discussed that the priority is the Spillman Software and the other items are nice to
12 have. Chief Weese identified budget items that he felt he could cut and these items are
13 identified on the chart as reduced budget items. She advised that you can see that even
14 with the reduced budget items we are still about \$17,000 short in the Police area.

15
16 Mayor Cronin reviewed budget changes in the Three Mile Creek Shooting Complex area.
17 She reviewed the costs planned for this fiscal year for the new Shooting Sports Complex
18 Manager and the increased revenues at the gun range and stated that there is still \$682 that
19 would need to be collected to cover the added expense. Mayor Cronin said that looking out
20 at next season we feel that we will be able to cover this with revenues from gun range use.

21
22 Mayor Cronin reviewed the expenses and planned revenues from the City Center
23 Subdivision. She said that we are confident that if we can get the improvements in we can
24 sale at least one lot to help offset the costs, leaving a budget item of \$10,000.

25
26 Mayor Cronin reported we are trending higher than planned sales tax revenues and when
27 you take into account all budget presented budget changes we are still about \$8,900 short.

1 She said that is where we are looking whether or not it is good idea to hire an additional
2 part-time officer at this time.

3
4 Mayor Cronin review the total General Fund budget trend which shows that we are
5 trending to receive less revenue than planned, but we are also spending less than planned.
6 If both items keep on the same trend we will end the year under budget and with \$30,000
7 in revenues over expenditures. She said so in answer to the City Center Subdivision we did
8 not plan to spend funds on this subdivision but we feel that we will have budget to cover
9 this.

10
11 Shanna Johnson added that these are projections and if the City decides to change the
12 budget there will be further discussion and the City will go through a formal amendment
13 conducting the required public hearings with proper noticing.

14
15 Council Member Christensen cautioned cutting police training unless it was a training they
16 missed and no longer need funding for. Shanna Johnson said that we talked with Chief
17 Weese and he advised that he was comfortable with all the presented changes.

18
19 Greg Westfall said that if anyone is not comfortable with the City Center Subdivision
20 improvements going forward to please contact him.

21
22 **ITEM 7: MINUTES & COUNCIL MAYOR REPORTS (INCLUDING COUNCIL**
23 **ASSIGNMENTS)**

24
25 **A. APPROVAL OF CONSENT ITEMS**

- 26 • **November 12, 2015 City Council Meeting – Tabled**

27
28 **B. TODD CHRISTENSEN:** said he has been glad to serve the City for many years. He said
29 he started his role in City Government in 2005 when he ran for City Council. He said it has
30 been a good run and he has asked the Mayor and offered to continue to serve on the Utopia
31 Board after his term as a City Council Member ends in January. He said that he would like
32 to see something come out of that. He suggested additional improvements on 900 West as it
33 is just a safety hazard. He said that the street is narrow and hoped that we can look at
34 purchasing land to widen the road. Mayor Cronin said that monies were budgeted this year
35 to start working on this. She said it is on the radar and would be a great CDBG project if it
36 qualifies and if not it will need to be future City project.

37
38 **C. PETER GERLACH:** Nothing reported.

39
40 **D. JANA NELSON:** Absent.

41
42 **E. ESTHER MONTGOMERY:** reported that the Holiday movie will be Saturday, December
43 5, 2015 at 9:00am and 11:00am. The City will be showing the “Minions” movie and Santa
44 Claus will be there. Mayor Cronin thanked Council Member Montgomery for coordinating
45 the movie.

46
47 **F. BRADY LEWIS:** Nothing reported.

1 **G. MAYOR CRONIN:** said as we roll over to a new year and have a transition of Council
2 Members she wanted to thank the Council Members for their help in assisting her with the
3 duties delegated to them. She said as we bring out a new Council there will be some
4 changes and as of January 1st the slate will be clean and she will be looking at how and
5 where the duties will be delegated.
6

7 **H. STAFF COMMENTS:** Greg Westfall and Shanna Johnson expressed their appreciation for
8 the exiting Council Member and thanked them for serving.
9

10 **I. ITEMS FOR NEXT NEWSLETTER**

- 11 • None.
12

13 **ITEM 8: EXECUTIVE SESSION**

14 **MOTION:** Council Member Montgomery moved to close the Public Meeting and open an
15 Executive Session to discuss character and fitness of an individual and potential litigation.
16 Council Member Lewis seconded the motion.

17 **ROLL CALL:** Council Member Christensen, Yes Council Member Montgomery, Yes
18 Council Member Lewis, Yes Council Member Gerlach, Yes

19 **Motion Approved.** 4 Yes, 0 No.
20

21 The Regular Public meeting closed at approximately 8:41pm.
22

23 **MOTION:** Council Member Christensen moved to close the Executive Session and return to
24 the Public Meeting. Council Member Gerlach seconded the motion.

25 **ROLL CALL:** Council Member Christensen, Yes Council Member Montgomery, Yes
26 Council Member Lewis, Yes Council Member Gerlach, Yes

27 **Motion Approved.** 4 Yes, 0 No.
28

29 The Regular Public meeting reopened at approximately 9:15pm.
30

31 **ITEM 9: ADJOURNMENT**
32

33 **MOTION:** Council Member Gerlach made a motion to adjourn the council meeting. Council
34 Member Christensen seconded the motion.

35 **Motion Approved.** All Council Members were in favor.
36

37 The meeting adjourned at 9:16pm.
38
39

40 _____
41 Susan Obray, City Recorder

Karen Cronin, Mayor

42
43
44
45

1 _____
2 Shanna Johnson, Chief Deputy Recorder