HEBER CITY CORPORATION
75 North Main Street
Heber City, UT

July 7, 2020

4:30 p.m. Work Meeting
6:00 p.m. Regular Meeting

TIME AND ORDER OF ITEMS ARE APPROXIMATE AND MAY BE CHANGED AS TIME PERMITS

I. WORK MEETING-4:30 P.M.

1. Presentations from Auditor Request for Proposals: (presentations – 20min; Q&A – 10 min)

a. Larson & Company 4:30 p.m.

b. Keddington & Christensen 5:00 p.m.

c. Squire & Company 5:30 p.m.

II. REGULAR MEETING-6:00 P.M.

1. Call to Order

2. Pledge of Allegiance (Mayor Potter)

3. Prayer/Thought by Invitation (Default: Council Member Hardman)

III. CONFLICT OF INTEREST DISCLOSURE:

IV. CONSENT AGENDA:

1. Approval of May 19, 2020 City Council Meeting Minutes and June 2, 2020 City Council Minutes (Cooke)

V. PUBLIC COMMENTS:

VI. ACTION ITEMS:

1. Update Regarding Heber City's Ongoing Response to COVID-19 (Brower)

2. Review of City's Investment Portfolio with Zions Bank (Bingham)

3. Updating City's Grant Program and Establishing Council's Priorities for Fiscal Year 2020-2021 Grant Cycle (Sophie McDonnel)

4. Request for Preliminary Plat Approval for The Springs at Coyote Ridge (Baron)

5. Discussion Regarding Coyote Ridge Street Lighting Concept (Mumford)

6. Consider Ordinance 2020-30 Amending Chapter 18.102 Affordable Housing (Kohler)

7. Discussion and Action Regarding the North Village Resort and Consideration to Amend the Annexation Policy Plan (Kahler)

8. Discuss Feedback from Short-term Rental Social Media Campaign (Baron)

9. Selection of External Auditing Firm (Bingham, Brower) *see work meeting materials

VII. COMMUNICATION ITEMS BY MAYOR, CITY COUNCIL AND STAFF: Staff Follow-Up Reports from City Council Requests

1. Staff Follow-Up Reports from City Council Requests

2. Clarification of Final Budget Amendment for Fiscal Year 2019-2020 (Brower)

3. Fiscal Year 2020-2021 COLA (Brower)

VIII. CLOSED EXECUTIVE SESSION:

1. Pending Litigation

IX. ADJOURNMENT

Ordinance 2006-05 allows Heber City Council Members to participate in meetings via telecommunications media.

In accordance with the Americans with Disabilities Act, those needing special accommodations during this meeting or who are non-English speaking should contact Trina Cooke at the Heber City Offices 435.657.7886 at least eight hours prior to the meeting.

Posted on July 01, 2020, in the Heber City Municipal Building located at 75 North Main, the Heber City Website at www.ci.heber.ut.us, and on the Utah Public Notice Website at http://pmn.utah.gov. Notice provided to the Wasatch Wave.

WORK MEETING

TAB 1

City Council Staff Report

MEETING DATE: Work Meeting 7/7/20
SUBJECT: Evaluation of External Auditor Firms
RESPONSIBLE: Matthew Brower & Wes Bingham
DEPARTMENT: City Manager's Office
STRATEGIC RELEVANCE: **Necessary Administrative Action**

SUMMARY

The City's contract with their external auditor expired on June 30, 2020. An RFP was issued by the City to qualified auditing firms netted 7 responses. An internal team reviewed the proposals and recommended that the City Council interview the top three firms.

RECOMMENDATION

Conduct interviews of the top three auditing firms and identify the top firm for entering into negotiations for a long term auditing service agreement.

BACKGROUND

Heber City is subject to an annual financial statement audit that is performed by an external audit firm. The external auditor expresses an opinion on whether the City's financial statements are free from material misstatement. They assess the City's financial statements, taken as a whole, at the end of each fiscal year. Financial Statements and financial statement audits are important matters of compliance and their results are key components in maintaining the City's credit rating and providing transparency for the City's stakeholders.

The auditing firm of Gilbert & Stewart has conducted the City's annual financial audit for the past five (5) years. Their contract with the City expires at the end of FY 19-20.

In anticipation of the expiration of the external audit agreement with Gilbert and Stewart, staff prepared and submitted a Request for Proposals (RFP) to qualified firms in early spring of 2020.

Seven (7) firms submitted responses to the City's RFP:

-Larson & Company
-Allred Jackson
-Gilbert & Stewart
-Keddington & Christensen, LLC
-Litz & Company

-Haynie & Company
-Squire & Company

Per Council's instructions, an internal team comprising of Mayor Potter, City Manager Matt Brower, Financial Manager Wes Bingham, City Treasurer Mindy Kohler and Accounting Technician Lynsee Sulser, reviewed the seven responses to the City's RFP and recommend three firms be interviewed by the City Council. The three firms are: Larson & Company, Keddington & Christensen and Squire & Company.

DISCUSSION

Interviews with the top three auditing firms have been arranged for the July 7, 2020 work meeting. The order of the firm interviews are as follows:

1) Larson & Company 4:30 to 5:00 p.m.
2) Keddington & Christensen 5:00 to 5:30 p.m.
3) Squire & Company 5:30 to 6:00 p.m.

Each firm will be allowed 20 minutes for a presentation followed by a 10 minute question and answer session. During the July 7, 2020 regular meeting, time will be set aside for Council members to discuss and rank each firm. Staff will look to negotiate a contract with the top ranked firm and seek Council approval of the contract at the July 21, 2020 regular council meeting.

To assist Council members in the ranking of auditing firms, staff has provided a Forced Ranking Form. Instructions for use of the Form can be found at the top of the attached Form.

FISCAL IMPACT

Dependent on selected firm and contract negotiations.

ALTERNATIVES

N/A

POTENTIAL MOTIONS

N/A

CONTRACT ACCOUNTABILITY

Department: City Manager's Office

Staff Member: Matthew Brower

EXHIBITS

1) **RFP for Auditing Services**
2) **Larson & Company Proposal**
3) **Keddington & Christensen Proposal**
4) **Squire & Company Proposal**
5) **Forced Ranking Form**

Exhibit 1

HEBER CITY

HEART OF THE WASATCH BACK

June 30, 2020

Dear Audit Firm:

Attached is a request for proposal for audit services for Heber City for the year ending June 30, 2020 and the succeeding four years. There will be a pre-bid meeting scheduled for Monday, May 18th at 1:00 P.M. via the remote meeting platform of GOTOMeeting. An invitation will be sent to interested individuals/companies if they will contact City Recorder Trina Cooke by noon on Monday May 18th.

Your proposal must be submitted to Wesley Bingham the Finance Manager of Heber City Corporation at 75 North Main Heber City, UT 84032 no later than 5:00 p.m. MDT on June 1st, 2020 as indicated on page 1 of the Request for Proposal (RFP). Selection of the Auditor will be made by June 16th, 2020.

To be considered in the bidding process, the proposing independent auditing firm must meet the following minimum criteria:

1. The firm must meet the *Government Auditing Standards'* continuing professional education, independence, peer review, and licensing requirements.

2. The firm must have had experience in governmental auditing. The experience must have been on an entity-wide basis, and an opinion must have been issued.

3. The firm must be able to meet the reporting deadlines described in the RFP.

We look forward to working with you in utilizing the excellent services the auditing profession has to offer.

Sincerely,

Heber City
Wesley Bingham
Finance Manager
435-657-7956
wbingham@heberut.gov

REQUEST FOR PROPOSAL (RFP)

Financial Audit for Heber City

PURPOSE OF REQUEST FOR PROPOSAL (RFP)

The purpose of this request for proposal (RFP) is to enter into a contract with a qualified independent auditing firm (Contractor) to provide audit services. It is anticipated that this RFP may result in a contract award to a single contractor.

This RFP is designed to provide interested offerors with sufficient basic information to submit proposals meeting minimum requirements, but is not intended to limit a proposal's content or exclude any relevant or essential data. Offerors are at liberty and are encouraged to expand upon the specifications to evidence service capability under any agreement.

BACKGROUND

Heber City (Entity), at 75 North Main Heber City, UT was incorporated in 1889 and currently utilizes the following funds: General, Airport Operations, Debt Service, Water, Sewer, Storm Water, Pressurized Irrigation, Capital Improvement Airport, multiple Capital improvement Project Funds, multiple Impact Fee Funds, Internal Service, Perpetual Care, General Fixed Assets, and General Long term governmental debt. Total revenue for all funds was $24,643,862 for the fiscal year ended June 30th 2020. The Entity uses Pelorus software for its accounting applications which is supported by Microsoft hardware.

The Entity is required by law *Utah Code* 51-21-201 to provide an annual audit of its financial statements by a Certified Public Accountant in accordance with generally accepted auditing standards.

This requirement includes: 1) a financial statement audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* 2) a State Compliance Audit, in accordance with the *State Compliance Audit Guide,* issued by the Office of the Utah State Auditor, and 3) a Single Audit in accordance with the Single Audit Act and OMB Circular A-133.

Prior year reports for the Entity can be found on the Office of the Utah State Auditor's website at: http://auditor.utah.gov/accountability/financial-reports-of-local-governments/.

SUBMITTING YOUR PROPOSAL

NOTICE: By submitting a proposal in response to this RFP, the proposer is acknowledging that the requirements, scope of work, and evaluation process outlined in the RFP are fair, equitable, not unduly restrictive, understood and agreed to. Any exceptions to the content of the RFP must be brought to the attention of the Entity prior to the closing date and time for submission of the proposal.

Proposals must be received by the submission deadline of June 1st, 2020 no later than 5:00 p.m. MDT. Proposals received after the deadline will be late and ineligible for consideration.

The preferred method of submitting your proposal is electronically in PDF format to: wbingham@heberut.gov. However, if you choose to submit hard copies, one original and three copies of your proposal must be submitted to the Entity at the address below:

Wesley Bingham, Finance Manager
Heber City Corporation, 75 North Main
Heber City, UT 84032
wbingham@heberut.gov

Selection of the Contractor will be made by June 16th, 2020, and all offers submitting proposals will be notified immediately as to the selection results.

LENGTH OF CONTRACT

The audit contract resulting from this RFP will cover the annual audits for each of the fiscal years ending June 30th, 2020 through June 30th, 2023, subject to an annual performance evaluation, budget appropriations, and the needs of the Entity.

The Entity reserves the right to review the contract on a regular basis regarding performance and cost analysis and may negotiate price and service elements during the term of the contract.

STANDARD CONTRACT TERMS AND CONDITIONS

Any contract resulting from this RFP will include but not be limited to the Standard Terms and Conditions (see Attachment A). Exceptions and or additions to the Standard Terms and Conditions are strongly discouraged.

Exceptions and additions to the Standard Terms and Conditions must be submitted with the proposal response. Exceptions, additions, service level agreements, etc. submitted after the date and time for receipt of proposals will not be considered. The Entity retains the right to refuse to negotiate on exceptions should the exceptions be excessive or not in the best interest of the Entity, or if the negotiations could result in excessive costs to the Entity or could adversely impact existing time constraints.

Wherever the following terms appear in this solicitation or reference is made to them, they shall be interpreted according to the section of *Utah Code* indicated: bidder, or quote as defined in 63G-6a-103(5); RFP, or Request for Proposals, as defined in 63G-6a-103(72). The procurement shall be conducted subject to the provisions of *Utah Code* 63G-6a-701-712.

DISCUSSIONS WITH OFFERORS (ORAL PRESENTATION)

An oral presentation by an offeror to clarify a proposal may be required at the sole discretion of the Entity. However, the Entity may award a contract based on the initial proposals received without discussion with the offeror. If oral presentations are required, they will be scheduled after the submission of proposals. Oral presentations will be made at the offeror expense.

PROTECTED INFORMATION

The Government Records Access and Management Act (GRAMA), *Utah Code*, Subsection 63G-2-305, provides in part that:

> *The following records are protected if properly classified by a government entity:*
>
> *(1) trade secrets as defined in Section 13-24-2 if the person submitting the trade secret has provided the governmental entity with the information specified in Section 63G-2-309 (Business Confidentiality Claims);*

(2) Commercial information or non-individual financial information obtained from a person if:

(a) Disclosure of the information could reasonably be expected to result in unfair competitive injury to the person submitting the information or would impair the ability of the governmental entity to obtain necessary information in the future;

(b) The person submitting the information has a greater interest in prohibiting access than the public in obtaining access; and

(c) The person submitting the information has provided the governmental entity with the information specified in Section 63G-2-309;

* * * * *

(6) records, the disclosure of which would impair governmental procurement proceedings or give an unfair advantage to any person proposing to enter into a contract or agreement with a governmental entity, except . . . that this Subsection (6) does not restrict the right of a person to see bids submitted to or by a governmental entity after bidding has closed;. . .

GRAMA provides that trade secrets, commercial information or non-individual financial information may be protected by submitting a Claim of Business Confidentiality.

To protect information under a Claim of Business Confidentiality, the offeror must:

1. Provide a written Claim of Business Confidentiality *at the time the information (proposal) is provided to the Entity*,

2. Include a concise statement of reasons supporting the Claim of Business Confidentiality (Subsection 63G-2-309(1)), and

3. Submit an electronic "redacted" (excluding protected information) copy of your proposal response. Copy must clearly be marked "Redacted Version."

A Claim of Business Confidentiality may be appropriate for information such as client lists and non-public financial statements. **Pricing and service elements may not be protected.** The Claim of Business Confidentiality must be submitted with your proposal on the form which may be accessed at:

http://www.purchasing.utah.gov/contract/documents/confidentialityclaimform.doc

An entire proposal cannot be identified as "PROTECTED", "CONFIDENTIAL" or "PROPRIETARY" and may be considered non-responsive if marked as such.

All materials submitted become the property of the Entity. Materials may be evaluated by anyone designated by the Entity as part of the proposal evaluation committee. Materials submitted may be returned only at the Entity's option.

DETAILED SCOPE OF WORK

A. AUDIT STANDARDS

The auditor shall perform a financial audit, a state compliance audit, and a single audit of the Entity for each fiscal year of the contract period in accordance with the following:

- Auditing standards generally accepted in the United States of America, as promulgated by the American Institute of Certified Public Accountants (AICPA);
- The *AICPA Audits of State and Local Governmental Units* audit and accounting guide;
- *Government Auditing Standards*, 2011 revision, published by the U.S. Government Accountability Office;
- For the state compliance audit – the *State Compliance Audit Guide,* issued by the Office of the Utah State Auditor;
- For the single audit – the Single Audit Act; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations* and related OMB A-133 Compliance Supplement (as applicable).

B. REPORTING REQUIREMENTS

1. Financial Report – The auditor shall audit the financial statements and records of the Entity and shall issue an auditor's opinion on those financial statements. Such financial statements shall be prepared in conformity with accounting principles generally accepted in the United States of America.

   The auditor will be involved in drafting, typing, and printing financial statements, and will assist management's efforts to obtain the Government Finance Officers Association's Certificate of Achievement of Excellence in Financial Reporting. In addition, the auditor will be involved in completing the Entity's Online Financial Survey on the Office of the Utah State Auditor's online reporting system, at https://reporting.auditor.utah.gov, within 180 days after the Entity's fiscal year end.

2. Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters – The auditor shall issue a report on internal control over financial reporting and on compliance and other matters in accordance with *Government Auditing Standards*.

3. Reports Required for the OMB Circular A-133 Audit – If OMB Circular A-133 is applicable, the auditor shall prepare all necessary audit reports and schedules required by OMB Circular A-133.

4. Report Required for State Compliance Audit – The auditor shall prepare and include a statement expressing positive assurance of compliance with State fiscal laws and other financial issues related to the expenditure of funds received from federal, state, or local governments identified in the *State Compliance Audit Guide,* issued by the Office of the Utah State Auditor *(This statement is in addition to the compliance opinion required as part of a single audit.)*

5. Management Letter – As appropriate, the auditor shall prepare a comprehensive management letter including the auditor's findings and recommendations relative to the

internal control over financial reporting, compliance with laws and regulations, as applicable, and adherence to generally accepted accounting principles.

The auditor shall request written responses from Entity officials for each recommendation and shall include such responses in the reports. If the Entity declines the opportunity to respond, the auditor shall so state in their report.

5. Reporting Deadlines – The audit must be completed and 8 copies of each of the reports must be submitted to the Entity by November 15th, The auditor must submit the complete reporting package to the Office of the Utah State Auditor's online reporting system, at reporting.auditor.utah.gov, within 180 days after the end of each fiscal year.

PROPOSAL REQUIREMENTS

Interested proposers should include the following information in their proposal to perform the audits.

A. Profile of the Independent Auditor

Provide general background information which includes:

1. The organization and size of the offeror, whether it is local, regional, national or international in operations.

2. The location of the office from which the work is to be done and the number of professional staff, by staff level, employed at that office.

3. A positive statement that the following mandatory criteria are satisfied:

   (a) An affirmation that the offeror is properly licensed for practice as a certified public accountant in the State of Utah.

   (b) An affirmation that the offeror meets the independence requirements of AICPA Rule 101 and the *Government Auditing Standards*.

   (c) An affirmation that the offeror meets the continuing professional education requirements contained in the *Government Auditing Standards*.

4. A copy of the offeror's most recent peer review report.

B. Offeror's Qualifications

1. Identify the audit partners, audit managers, field supervisors and other staff who will work on the audit, including staff from other than the local office. Résumés should be included which outline relevant experience and continuing professional education for the staff auditors up to the individual with final responsibility for the audit.

2. Describe the recent local office auditing experience similar to the type of audit requested.

3. If other auditors are to participate in the audit, those auditors should be required to provide similar information.

C. Offeror's Approach to the Audit

Submit a general audit work plan to accomplish the scope defined in these guidelines. The audit work plan should demonstrate the offeror's understanding of the audit requirements and the audit tests and procedures to be applied in completing the audit plan. The plan should detail the expected number of audit hours for the financial audit, single audit, and compliance audit separately on an annual basis for each fiscal year being audited. The single audit will likely be required each year. The plan should also identify the breakdown of total hours between staff, in-charges, and higher levels. The planned use of specialists, if any, should also be specified.

D. Time Requirements

Detail how the reporting deadline requirements of the audit will be met.

E. Comprehensive Not-To-Exceed Fee

Supply the billing rates, estimated number of billable hours, other billable expenses and a comprehensive "not-to-exceed" fee for the audit, inclusive of travel, per diem and all other out-of-pocket expenses. The not-to-exceed fee information requested above should be provided as a separate amount for **each fiscal year being audited**.

CONTRACTUAL ARRANGEMENTS

A. Document Retention – Workpapers and reports for the audit must be retained for a period of five years after the completion of the audit and made available for inspection by the Entity or government auditors, including the Office of the Utah State Auditor, if requested by them.

B. Compensation for Services – Payment for the audit will be made by the Entity upon receipt of the audit reports.

C. Availability of Staff – The Entity’s staff will be available to prepare schedules, trial balances, and provide documentation to assist the auditor as their schedules permit during the course of the audit.

EVALUATION OF PROPOSALS

The criteria listed below will be considered when making an evaluation of the proposals.

% OF SCORING WEIGHT	EVALUATION CRITERIA
Mandatory	Licensing, independence, CPE, peer review, and ability to meet audit deadlines.
20%	Technical Experience of the Firm – Considering governmental audit experience, as well as size and structure of the CPA firm.
20%	Qualifications of Staff
25%	Responsiveness of the proposal in clearly stating an understanding of the audit services to be performed: (1) Appropriateness and adequacy of proposed procedures. (2) Reasonableness of time estimates and total audit hours. (3) Appropriateness of assigned staff levels.
35%	Cost of the Audit

Right to Reject – The Entity reserves the right to reject any and all proposals submitted and to request additional information from all offerors. Any contract awarded will be made to the offeror who, based on evaluation of all responses (applying all criteria and oral interviews if necessary), is determined to be the best to perform the audit.

ADDITIONAL INFORMATION

The individual listed below may be contacted for information. However, before making contact we request you review the Entity's prior year financial statements and auditor's reports which can be found at: http://auditor.utah.gov/accountability/financial-reports-of-local-governments/ or http://ci.heber.ut.us/government/financeandbudget/index.html

Wesley Bingham, Finance Manager
Phone: (435) 657-7956
Email: wbingham@heberut.gov

ATTACHMENT A: HEBER CITY CORPORATION STANDARD TERMS AND CONDITIONS FOR PROFESSIONAL SERVICES

1. **AUTHORITY:** Provisions of this contract ("Contract") are pursuant to the authority set forth in the State of Utah and related statutes which permit the Entity to purchase certain specified services, and other approved purchases for the Entity.

2. **CONTRACT JURISDICTION, CHOICE OF LAW, AND VENUE:** The provisions of this Contract shall be governed by the laws of the State of Utah. The parties will submit to the jurisdiction of the courts of the State of Utah or other appropriate court for any dispute arising out of this Contract or the breach thereof. Venue shall be in Heber City in the Heber City Fourth District Court, Wasatch County.

3. **LAWS AND REGULATIONS:** The person or entity contracting with the Entity under this Contract ("Contractor") and any and all supplies, services, equipment, and construction furnished under this Contract will comply fully with all applicable Federal, and State, and local laws, codes, rules, regulations, and ordinances, including applicable licensure and certification requirements.

4. **RECORDS ADMINISTRATION:** The Contractor shall maintain, or supervise the maintenance of, all records necessary to properly account for the payments made to the Contractor for costs authorized by this Contract. These records shall be retained by the Contractor for at least five years after the Contract terminates, or until all engagements initiated within the five years, have been completed, whichever is later. The Contractor agrees to allow State and Federal auditors, and Entity staff, access to all the records to this Contract, for audit and inspection, and monitoring of services. Such access will be during normal business hours, or by appointment. Furthermore, the AICPA and the Office of the Utah State Auditor require all engagement documentation to be retained for at least five years after the report release date.

5. **TIME:** The Contractor shall complete the scope of services work in a manner to achieve any milestones, deadlines or timeline identified in the procurement documents related to this Contract and the attachments to this Contract. The full scope of services work shall be completed by any applicable deadline stated in the solicitation.

6. **TIME IS OF THE ESSENCE:** For all work and services under this Contract, time is of the essence and Contractor shall be liable for all damages to the Entity and anyone for whom the Entity may be liable, as a result of the failure to timely complete the scope of work required under this Contract.

7. **PAYMENT:**

   7.1 Payments are normally made within 30 days following the date the order is delivered or the date a correct invoice is received, whichever is later. After 60 days from the date a correct invoice is received by the appropriate Entity official, the Contractor may assess interest on overdue, undisputed account charges up to a maximum of the interest rate paid by the IRS on taxpayer refund claims, plus two percent, computed similarly as the requirements of Utah Code Section 15-6-3. The IRS interest rate is adjusted quarterly, and is applied on a per annum basis, on the invoice amount that is overdue.

   7.2 The contract total may be changed only by written amendment executed by authorized personnel of the parties. Unless otherwise stated in the Contract, all payments to the Contractor will be remitted by mail, electronic funds transfer, or the Entity's purchasing card (major credit card).

   7.3 The acceptance by the Contractor of final payment without a written protest filed with the Entity within 10 working days of receipt of final payment shall release the Entity from all claims and all liability to the Contractor for fees and costs of the performance of the services pursuant to this Contract.

8. **PROMPT PAYMENT DISCOUNT:** Offeror may quote a prompt payment discount based upon early payment; however, discounts offered for less than 30 days will not be considered in making the award. Contractor shall list Payment Discount Terms on invoices. The prompt payment discount will apply to payments made with purchasing cards and checks. The date from which discount time is calculated will be the date a correct invoice is received or receipt of shipment, whichever is later; except that if testing is performed, the date will be the date

of acceptance of the merchandise.

9. **CHANGES IN SCOPE:** Any changes in the scope of the services to be performed under this Contract shall be in the form of a written amendment to this Contract, mutually agreed to and signed by duly authorized representatives of both parties, specifying any such changes, fee adjustments, any adjustment in time of performance, or any other significant factors arising from the changes in the scope of services.

10. **DOCUMENT OWNERSHIP:** Contractor agrees that any work/services and all Deliverables prepared for Entity, to the extent to which it is eligible under copyright law in any county, shall be deemed a work made for hire, such that all right, title and interest in the work and Deliverables reside with the Entity. To the extent any work or Deliverable is deemed not to be, for any reason whatsoever, work made for hire, Contractor agrees to assign and hereby assigns all right, title, and interest, including but not limited to, copyright, patent, trademark, and trade secret, to such work and Deliverables, and all extensions and renewals thereof, to the Entity. Contractor further agrees to provide all assistance reasonably requested by Entity in the establishment, preservation and enforcement of its rights in such work and deliverables, or subsequent amendments or modifications to such work and deliverables, without any additional compensation to Contractor. Contractor agrees to waive, and hereby, to the extent permissible, waives, all rights relating to such work and deliverables, or subsequent amendments or modifications to such work and deliverables, including without limitation any and all rights of identification of authorship and any and all rights of approval, restriction or limitation on use.

11. **CERTIFY REGISTRATION AND USE OF EMPLOYMENT "STATUS VERIFICATION SYSTEM":** The Status Verification System, also referred to as "E-verify," only applies to contracts issued through a Request for Proposal process, and to sole sources that are included within a Request for Proposal. It does not apply to other types of procurement processes, including but not limited to Invitation to Bids or to Multiple Stage Bids.

    11.1 Status Verification System

    (1) Contractor certifies as to its own entity, under penalty of perjury, that the named Contractor has registered and is participating in the Status Verification System to verify the work eligibility status of the Contractor's new employees that are employed in the Entity in accordance with applicable immigration laws including Utah Code Ann. Section 63G-12-302.

    (2) The Contractor shall require that the following provision be placed in each subcontract at every tier: "The subcontractor shall certify to the main (prime or general) contractor by affidavit that the subcontractor has verified through the Status Verification System the employment status of each new employee of the respective subcontractor, all in accordance with applicable immigration laws including Utah Code Ann. Section 63G-12-302 and to comply with all applicable employee status verification laws. Such affidavit must be provided prior to the notice to proceed for the subcontractor to perform the work."

    (3) The Entity will not consider a proposal for award, nor will it make any award, where there has not been compliance with this Section.

    (4) Manually or electronically signing the Proposal is deemed the Contractor's certification of compliance with all provisions of this employment status verification certification required by all applicable status verification laws, including Utah Code Ann. Section 63G-12-302.

    11.2 Indemnity Clause for Status Verification System

    Contractor (includes, but is not limited to any Contractor or Consultant) shall protect, indemnify and hold harmless, the Entity and its officers, employees, agents, representatives and anyone that the Entity may be liable for, against any claim, damages or liability arising out of or resulting from violations of the above Status Verification System Section whether violated by employees, agents, or contractors of the following: (1) Contractor; (2) Contractor's subcontractor or subconsultant at any tier; and/or (c) any entity or person for whom the Contractor or Subcontractor may be liable.

12. **CONFLICT OF INTEREST:** Contractor represents that none of its officers or employees are officers or employees of the Entity, unless disclosure has been made in accordance with Section 67-16-8, Utah Code, as amended. Contractor also represents that it has no conflict of interest in performing the services for the Entity under this Contract, unless such conflict of interest has been disclosed to the Entity and approval to proceed, notwithstanding the conflict, has been obtained from the Entity in writing.

13. **CONTRACTOR AN INDEPENDENT CONTRACTOR:** The Contractor shall be an independent contractor, and as such, shall have no authorization, express or implied, to bind the Entity to any agreements, settlements, liability, or understanding whatsoever, and agrees not to perform any acts as agent for the Entity, except as herein

expressly set forth. Compensation stated herein shall be the total amount payable to the Contractor by the Entity. The Contractor shall be responsible for the payment of all income tax and Social Security amounts due as a result of payments received from the Entity for these Contract services. Persons employed by the Entity and acting under the direction of the Entity shall not be deemed to be employees or agents of the Contractor.

14. **INDEMNITY CLAUSE:** The Contractor agrees to indemnify, save harmless, and release the Entity, and all its officers, agents, volunteers, and employees from and against any and all claims, loss, damages, injury, liability, suits, and proceedings arising out of the performance of this Contract which are caused in whole or in part by the acts or negligence of (1) the Contractor, (2) the Contractor's officers, agents, volunteers, or employees, (3) the Contractor's subcontractors or subconsultants at any tier, or (4) anyone for whom Contractor may be liable but not for claims arising from the Entity's sole negligence. The parties agree that if there are any Limitations of the Contractor's Liability, including a limitation of liability for anyone for whom the Contractor is responsible, such Limitations of Liability will not apply to injuries to persons, including death, or to damages to property.

15. **EMPLOYMENT PRACTICES CLAUSE:** The Contractor agrees to abide by the provisions of Title VI and VII of the Civil Rights Act of 1964 (42 USC 2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age; and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. Also, the Contractor agrees to abide by Utah's Executive Order, dated December 13, 2006, which prohibits sexual harassment in the work place. Contractor also agrees to abide by any laws and policies of the State of Utah and of the Entity regarding any of the above mentioned prohibitions in this paragraph.

16. **PERFORMANCE EVALUATION:** The Entity or the Office of the Utah State Auditor may conduct a performance evaluation of the Contractor's services, including specific personnel of the Contractor. References in the Contract to Contractor shall include Contractor, Contractor's subcontractors, or subconsultants at any tier, if any. Results of any evaluation will be made available to the Contractor.

17. **WAIVERS:** No waiver by the Entity or Contractor of any default shall constitute a waiver of the same default at a later time or of a different default.

18. **SEPARABILITY CLAUSE:** A declaration by any court, or any other binding legal authority, that any provision of this Contract is illegal and void shall not affect the legality and enforceability of any other provision of this Contract, unless the provisions are mutually dependent.

19. **RENEGOTIATION OR MODIFICATIONS:** This Contract may be amended, modified, or supplemented only by written amendment to this Contract, executed by authorized persons of the parties hereto, and attached to the original signed copy of this Contract. Automatic renewals will not apply to this Contract.

20. **SUSPENSION/DEBARMENT:** The Contractor certifies that neither it nor its principals are presently or have ever been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (Contract), by any governmental department or agency in the United States, including any federal, state or local agency. If the Contractor cannot certify this statement, attach a written explanation for review by the Entity. The Contractor must notify the Entity within 30 days if suspended or debarred by any governmental entity during the Contract period.

21. **TERMINATION:**

21.1 This Contract may be terminated, with cause by either party, in advance of the specified termination date, upon written notice being given by the other party. In the event of a violation, the party in violation will be given 10 working days after notification to correct and cease the violations, after which this Contract may be terminated for cause. This Contract may be terminated without cause, in advance of the specified expiration date, by either party, upon 60 days prior written notice being given to the other party. On termination of this Contract, all accounts and payments will be processed according to the financial arrangements set forth herein for approved services rendered to date of termination.

21.2 In the event of such termination, the Contractor shall be compensated for services properly performed under this Contract up to the effective date of the notice of termination. The Contractor agrees that in the event of such

termination for cause or without cause, Contractor's sole remedy and monetary recovery from the Entity is limited to full payment for all work properly performed as authorized under this Contract up to the date of termination as well as any reasonable monies owed as a result of the Contractor having to terminate contracts necessarily and appropriately entered into by the Contractor pursuant to this Contract. Contractor further acknowledges that in the event of such termination, all work product, which includes but is not limited to all manuals, forms, contracts, schedules, reports, and any and all documents produced by Contractor under this Contract up to the date of termination are the property of the Entity and shall be promptly delivered to the Entity.

22. INSURANCE:

22.1 To protect against liability, loss and/or expense in connection with the performance of services described under this Contract, the Contractor shall obtain and maintain in force during the entire period of this Contract without interruption, at its own expense, insurance as listed below from insurance companies authorized to do business in the State of Utah. If the solicitation document has qualification requirements for the financial stability of the insurance company, these requirements must be met.

22.2 The following are minimum coverages that may be supplemented by additional requirements contained in the solicitation for this Contract or provided in an Attachment to this Contract:
(1) Worker's Compensation Insurance and Employers' Liability Insurance. Worker's compensation insurance shall cover full liability under the worker's compensation laws of the jurisdiction in which the service is performed at the statutory limits required by said jurisdiction.
(2) General Liability Insurance. Contractor must carry insurance with policy limits no less than one million per incident and three million in the aggregate. Contractor must provide proof of insurance to the Entity and must add the Entity as an additional insured with notice of cancellation.
(3) Professional liability insurance in the amount as described in the solicitation for this Contract, if applicable.
(4) Any other insurance described in the solicitation for this Contract, if applicable.

22.3 Any type of insurance or any increase of limits of liability not described in this Contract which the Contractor requires for its own protection or on account of any statute, rule, or regulation shall be its own responsibility, and shall be provided at Contractor's own expense.

22.4 The carrying of insurance required by this Contract shall not be interpreted as relieving the Contractor of any other responsibility or liability under this Contract or any applicable law, statute, rule, regulation, or order.

23. STANDARD OF CARE: The services of Contractor and its subcontractors and subconsultants at any tier, if any, shall be performed in accordance with the standard of care exercised by licensed members of their respective professions having substantial experience providing similar services which similarities include the type, magnitude and complexity of the services that are the subject of this Contract. The Contractor shall be liable to the Entity for claims, liabilities, additional burdens, penalties, damages or third party claims (i.e. another Contractor's claim against the Entity), to the extent caused by wrongful acts, errors or omissions that do not meet this standard of care.

24. REVIEWS, LIMITATIONS: The right of the Entity or the Office of the Utah State Auditor to perform plan checks, plan reviews, other reviews and/or comment upon the services of the Contractor, as well as any approval by the Entity or Office of the Utah State Auditor, shall not be construed as relieving the Contractor from its professional and legal responsibility for services required under this Contract. No review by the Entity or any entity/user, approval or acceptance, or payment for any of the services required under this Contract shall be construed to operate as a waiver by the Entity of any right under this Contract or of any cause of action arising out of the performance or nonperformance of this Contract, and the Contractor shall be and remain liable to the Entity in accordance with applicable law for all damages to the Entity caused by the wrongful acts, errors and/or omissions of the Contractor or its subcontractors or subconsultants at any tier, if any.

25. NONAPPROPRIATION OF FUNDS, REDUCTION OF FUNDS, OR CHANGES IN LAW:

25.1 Upon 30 days written notice delivered to the Contractor, this contract may be terminated in whole or in part at the sole discretion of the Entity, if the Entity reasonably determines that a change in Federal or State legislation or applicable laws materially affects the ability of either party to perform under the terms of the contract.

25.2 Upon 30 days written notice delivered to the Contractor, this contract may be terminated in whole or in part, or have the services and purchase obligations of the Entity proportionately reduced, at the sole discretion of the

Entity, if the Entity reasonably determines that a change in available funds affects the Entity's ability to pay under the contract. A change of available funds as used in this paragraph, includes, but is not limited to, a change in Federal, State, or local funding, whether as a result of a legislative act or by order of the President, the Governor, or the Entity's Chief Executive.

25.3 If a notice is delivered under paragraph 1 or 2 of this Section 25 "NONAPPROPRIATION OF FUNDS, REDUCTION OF FUNDS, OR CHANGES IN LAW," the Entity will reimburse the Contractor for products properly delivered or services properly performed up until the effective date of said notice. The Entity will not be liable for any performance, commitments, penalties, or liquidated damages that accrue after the effective date of said notice.

25.4 Notwithstanding any other paragraph or provision of this Section 25 "NONAPPROPRIATION OF FUNDS, REDUCTION OF FUNDS, OR CHANGES IN LAW," if the Entity in said notice to the Contractor indicates that the Contractor is to immediately cease from placing any orders or commitments with suppliers, subcontractor or other third parties, the Contractor shall immediately cease such orders or commitments upon receipt of said notice and the Entity shall not be liable for any such orders or commitments made after the receipt of said notice.

26. SALES TAX EXEMPTION: The Entity's sales and use tax exemption number is 12425022-002-STC. The tangible personal property or services being purchased are being paid from Entity funds and used in the exercise of that entity's essential functions. If the items being purchased are construction materials, they will be converted into real property by employees of this government entity, unless otherwise stated in the Contract.

27. PUBLIC INFORMATION: Contractor agrees that this Contract, related sales orders, and invoices shall be public documents, and shall be available for distribution. Contractor gives the Entity express permission to make copies of this Contract, related sales orders, and invoices in accordance with the State of Utah Government Records Access and Management Act (GRAMA). Except for sections identified in writing and expressly approved by the Entity, Contractor also agrees that the Contractor's response to the solicitation, if applicable, will be a public document, and copies may be given to the public under GRAMA laws. This permission to make copies as noted will take precedence over any statements of confidentiality, proprietary information, copyright information, or similar notation.

28. PATENTS, COPYRIGHTS, ETC.: The Contractor will release, indemnify and hold the Entity, its officers, agents and employees harmless from liability of any kind or nature, including the Contractor's use of any copyrighted or un-copyrighted composition, secret process, patented or un-patented invention, article or appliance furnished or used in the performance of this Contract.

29. ASSIGNMENT/SUBCONTRACT: Contractor will not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this Contract, in whole or in part, without the prior written approval of the Entity.

30. DEFAULT AND REMEDIES:

30.1 Any of the following events will constitute cause for the Entity to declare Contractor in default of this Contract:
(1) Nonperformance of contractual requirements; or
(2) A material breach of any term or condition of this Contract.

30.2 Should Contractor be in default under any of the provisions under Subsection 30.1 above, the Entity will issue a written notice of default providing a ten (10) day period in which Contractor will have an opportunity to cure. Time allowed for cure will not diminish or eliminate Contractor's liability for damages. If the default remains after Contractor has been provided the opportunity to cure, the Entity may do one or more of the following: (1) Exercise any remedy provided by law; (2) Terminate this Contract and any related contracts or portions thereof; (3) Impose liquidated damages, if liquidated damages are listed in the Contract; or (4) Suspend Contractor from receiving future solicitations[MS1].

31. FORCE MAJEURE: Neither party to this Contract will be held responsible for delay or default caused by fire, riot, acts of God and/or war which is beyond that party's reasonable control. The Entity may terminate this Contract after determining such delay or default will reasonably prevent successful performance of this Contract.

32. PROCUREMENT ETHICS: The Contractor understands that a person who is interested in any way in the sale of any supplies, services, construction, or insurance to the Entity is violating the law if the person gives or offers

to give any compensation, gratuity, contribution, loan or reward, or any promise thereof to any person acting as a procurement officer on behalf of the Entity, or who in any official capacity participates in the procurement of such supplies, services, construction, or insurance, whether it is given for their own use or for the use or benefit of any other person or organization (Utah Code Section 63G[MS2]-6a-2404).

33. CONFLICT OF TERMS: In order for any terms and conditions of the Contractor to apply to this Contract, they must be in writing and attached to this Contract. No other terms and conditions of the Contractor will apply to this Contract, including terms listed or referenced on a Contractor's website, terms listed in a Contractor quotation/sales order, etc. In the event of any conflict in the terms and conditions in the Contract, the order of precedence shall be: (1) Attachment A: Heber City Corporation Standard Terms and Conditions for Professional Services; (2) Entity Contract Signature Page(s); (3) Terms and Conditions of the Contractor, if any.

34. ENTIRE CONTRACT: This Contract including all attachments and documents incorporated hereunder, and the related Entity solicitation documents, if any, constitutes the entire Contract between the parties with respect to the subject matter, and supersedes any and all other prior and contemporaneous agreements and understandings between the parties, whether oral or written. The terms of this Contract shall supersede any additional or conflicting terms or provisions that may be set forth or printed on the Contractor's work plans, cost estimate forms, receiving tickets, invoices, or any other related standard forms or documents of the Contractor that may subsequently be used to implement, record, or invoice services hereunder from time to time, even if such standard forms or documents have been signed or initialed by a representative of the Entity. The parties agree that the terms of this Contract shall prevail in any dispute between the terms of this Contract and the terms printed on any such standard forms or documents, and such standard forms or documents shall not be considered written amendments of this Contract.

35. DISPUTE RESOLUTION: In the event of any dispute under this Contract prior to any filing in any judicial proceedings, the parties agree to participate in good faith in the mediation of the dispute. The Entity, after consultation with the Contractor, may appoint an expert or panel of experts to assist in the resolution of the dispute. If the Entity appoints such an expert or panel, Entity and Contractor agree to cooperate in good faith in providing information and documents to the expert or panel in an effort to resolve the dispute.

(Revision date: 05-07-2020)

Exhibit 2

HEBER CITY

PROPOSAL FOR AUDIT SERVICES

JON HADERLIE, CPA, AUDIT PARTNER
765 NORTH MAIN, SPANISH FORK, UT 84660
TEL: 801-798-3545 FAX: 801-798-3678
jhaderlie@larsco.com

Larson
CERTIFIED PUBLIC ACCOUNTANTS

May 18, 2020

Heber City
75 North Main
Heber City, Utah 84032

Wesley Bingham:

Thank you for giving us the opportunity to submit an audit services proposal for Heber City. We have great regard for your organization and look forward to the prospect of working alongside you to safeguard your public funds by entering an agreement for audit services.

Our Qualifications. Larson & Company, PC (a Utah corporation) has been auditing government entities since our inception in 1975, 45 years ago. We have since become known as one of the premiere providers of auditing services to government entities in the State of Utah, and in that time we have worked with over 50 government entities of various sizes. We understand you require professionals experienced in auditing municipal entities and possessing an understanding of the unique operating characteristics of a City in Utah. You also require experienced professionals who will be available as a resource to you year-round as questions or concerns may arise. Our specialists can offer proactive advice as a matter of course, including issues related to:

- application of GASB statements
- best practices related to Cities in Utah
- emerging regulatory issues, including transparency standards
- analyzing internal controls processes for possible weaknesses regarding fraud

You want your accounting professionals to be familiar with your organization, understand your mission, and remain accessible to discuss important issues facing Heber City in the future. Because of our knowledge of government regulations, our municipal clients are served by a knowledgeable, experienced staff for a reasonable fee with no surprises. In fact, some of our government clients have remained with Larson & Company for over 30 years.

A Winning Combination. Our government auditing experience with counties, cities, and small government entities allows us to deliver not only the services required in your RFP, but far more guidance and service than you would expect from an auditor. We can offer friendly service with a combination of quality and price that matches the value you seek.

We look forward to working with Heber City. If you have any questions or require additional information, please contact me at (801) 798-3545 or jhaderlie@larsco.com.

Sincerely,

Larson & Company, Certified Public Accountants

Jon Haderlie, CPA
Partner

Larson & Company
765 North Main, Spanish Fork, UT 84660
Main: (801) 798-3545 | Fax: (801) 798-3678
www.larsco.com

Member of
CPAmerica
Member Crowe Global

At Larson & Company, we believe our experience gives you the security to safeguard funding.

A. FIRM'S QUALIFICATIONS

Firm Organization and Locations Larson & Company is a privately owned, regional accounting firm comprised of 106 employees, including 33 CPAs, 13 partners, and 54 professional staff. We operate from four offices throughout Utah, including Salt Lake City, Spanish Fork, Moab, and St. George.

Audit Office Information

Your audit will be conducted from our Spanish Fork office, which employs a government staff of highly qualified individuals, utilizing additional staff from our Salt Lake office, if needed. All of our staff are full-time employees and many are licensed CPAs. We have a policy of being available to our clients whenever you need us, not just during the course of the audit. We expect questions throughout the year, so call us anytime. We typically do not bill for routine phone conversations, but we view these as ancillary services that add value to your audit, not additional time we can bill.

Exceeding Mandatory Criteria

The requirements for competent government auditors are strict. We pride ourselves on maintaining the highest standards of excellence within our profession. We not only meet the criteria in your RFP, we exceed it.

- Our firm is properly licensed for practice as certified public accountants in the state of Utah.
- Larson & Company meets all the requirements for independence and experience as promulgated by the AICPA Rule 101 and the *Government Auditing Standards*. We have heretofore not entered into any professional relationships or contracts with Heber City within the last five years, and we do not deem a conflict of interest relative to performing the audit to exist.
- The training received by our government audit personnel is of high caliber. Each CPA on staff is licensed to practice in the State of Utah. Each member of the audit team assigned to your audit has received extensive training in current government auditing standards and regulations and meets the continuing education requirements. We also meet the external quality control review requirements contained in the *Government Auditing Standards*.
- No disciplinary action has been taken against a member of our firm in the 45 year history of the firm.
- The most current quality control review report can be found at the end of this proposal. We have received a passing report with no letter of comments attached, indicating a clean quality control history. This external quality control review included a specific review of government engagements.
- The Office of the Utah State Auditor performed a review of our workpapers and issued a report in August of 2018. The results of that review is a "pass" as noted on their website.

B. STAFF QUALIFICATIONS

A big part of the value of our service is our people. We are committing a highly qualified team to lead your engagement, with over 35 years of combined service experience.

Staff Resumes

As a professional services firm, the skills of our people are a big part of the value of our services. You want to work with knowledgeable individuals and decision makers that can get the job done. You want to get to know your team and expect continuity in the relationship with your team. We do, too. The professionals we are commiting to Heber City are experienced and well trained in audit issues affecting government entities and intend to be there to assist you on a long-term basis.

Staffing Approach

We have included the resumes for our lead government audit partner, concurring audit partner, and senior staff auditor. All staff assigned to this audit are seasoned government specialists with the training and experience that will give Heber City the most qualified team to complete their audit in a timely, efficient manner. The training our audit staff receives complies with all government standards and requirements for continuing education. This ensures you have the most current information for your organization every year during your audit.

The key members of the engagement team consist of:

Jon Haderlie, CPA,
Lead Audit Partner

Russell Olsen, CPA,
Concurring Partner

Cody Powell,
Senior Auditor

JON HADERLIE, CPA

CONTACT INFORMATION:

jhaderlie@larsco.com

801-798-3545

765 North Main
Spanish Fork, UT
84660

www.larsco.com

LEAD AUDIT PARTNER

Jon is one of our most experienced government auditors and has worked with government entities of all sizes, including special service districts, cities and towns, counties, universities, territories, and charter schools. He is well known in the government community and his knowledge of government reporting requirements is unmatched in our organization. Jon is known for assisting his clients in understanding, identifying, and implementing internal controls necessary to maintaining a healthy organization. His approach is common sense, and he has the ability to connect with his clients on every level, from staff to management and governance. His expertise includes all accounting and auditing standards and regulations as specified by the AICPA, GASB, FASB, GAAS, and GAS. Jon is licensed to practice as a CPA in the State of Utah.

Jon's academic and professional accomplishments include the following:

- MBA, Utah State University, 2009
- Bachelor of Science, Accounting, Utah Valley University 2003
- Member, Utah Association of Certified Public
- Accountants (UACPA)
- Controller, private industry, 2004-2007
- AICPA Not-for-Profit Certification
- Committee Chair – NextGen CPAmerica
- Committee member – UACPA Local Governments
- Utah Association of Counties presenter on Internal Controls

Jon's Recent Government Continuing Education Courses Completed:

- UACPA Government Conference
- Utah State Auditor's Office Governmental Auditing Update
- Guide to Audits of Local Government
- Audits of States, Local Governments, and Non-Profit Organizations
- GASB 54: Fund Balance Reporting and Governmental Fund
- Staff Audit Training
- AICPA Not-for-Profit Certification
- Uniform Guidance

RUSSELL OLSEN, CPA

CONCURRING AUDIT PARTNER

Russell has specialized in preparing and presenting audits for an extensive array of government entities since 1996, when he joined the firm. The combination of his experience and expertise has made him aware of the specific needs of the clients he serves. Russell's friendly demeanor and approachability make him a client favorite, and he can frequently be found answering questions throughout the year, not just during the audit.

Russell's academic and professional accomplishments include the following:

- MBA (Accounting Emphasis) Utah State University, 2000
- Bachelor of Science, Business Management (Accounting Emphasis), Utah Valley University, 1998
- Shareholder and Executive Committee Member, Larson & Company
- Member, American Institute of Certified Public Accountants (AICPA)
- Member, Utah Association of Certified Public Accountants (UACPA)
- Member, Finance Committee, Spanish Fork City

CONTACT INFORMATION:

rolsen@larsco.com

801-798-3545

765 North Main
Spanish Fork, UT
84660

www.larsco.com

CODY POWELL

SENIOR AUDITOR

Cody has become one of our most in-demand employees since he joined the firm in 2013. He is proficient in testing and auditing government entities of all sizes and types, including counties, cities, special service districts, charter schools, and others. His audit proficiency has earned him a spot working on our largest government clients. Cody is known for quickly completing audit processes and his clients appreciate his easygoing personality.

Cody's academic and professional accomplishments include the following:

- Masters of Accountancy, Westminster College, 2013

Cody's Recent Government Continuing Education Courses Completed:

- UACPA Government Conference
- Utah State Auditor's Office Governmental Auditing Update
- Guide to Audits of Local Government
- Audits of States, Local Governments, and Non-Profit Organizations
- GASB 54: Fund Balance Reporting and Governmental Fund
- Staff Audit Training

CONTACT INFORMATION:

cpowell@larsco.com

801-798-3545

765 North Main
Spanish Fork, UT
84660

www.larsco.com

C. CLIENT REFERENCES

We think you will find our clients are exceptionally pleased with our services. Please contact any of these reference for more information.

The best and most valuable proof of our ability to deliver the services you require and deserve is evidenced by the fact that we continually serve over 50 governmental entities. The following four clients are those for whom we have performed financial statements audits and/or single audits over the last several years. We encourage you to contact these clients and ask about the quality of service provided by Larson & Company.

Heber Valley Special Service District
Dennis Gunn, Director
hvssd@aol.com
435-901-2257
Audit Partner: Jon Haderlie, CPA

Wasatch County
Barry Hallows, Deputy Auditor
bhallows@wasatch.utah.gov
435-657-3192
Audit Partner: Jon Haderlie, CPA

Price City
Lisa Richens, Finance Director
lisar@priceutah.net
435-636-3167
Audit Partner: Jon Haderlie, CPA

Mt. Pleasant City
David Oxman, Finance Director
dave.oxman@mtpleasantcity.com
435-462-2456
Audit Partner: Jon S Haderlie, CPA

Similar Engagements with Other Government Entities

We serve a wide range of governmental entities, including the following similar clients:

Other Governmental Clients:

American Samoa Government
Tooele County
Juab County
Midvale City
Nephi City
Santaquin City
Summit County Service Area #3
Park City Fire District
Utah Counties Indemnity Pool
Utah Association of Counties
Wasatch County Special Service District #9
Wasatch County Special Service Area #1

Implementation of new GASB Pronouncements

As new standards are implemented, we strive to educate and assist our clients in understanding the standard. We stand ready at any time to clarify how the standards apply to each specific client. With the recent implementation of GASB 68, we met individually with each client to explain the meaning and ramifications of implementation.

D. PROPOSED APPROACH

Larson & Company understands the nature of your organization. We can begin to work right away, and you will not have to spend time each year training our staff.

Understanding of Scope of Work

We understand from your RFP document that the scope of your audit includes the following for each fiscal year of the contract period:

- Financial Report: Audited Financial Statements and Records of Heber City and the accompanying opinion on these statements in accordance with Yellow Book;
- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and other Matters in accordance with GAS;
- Reports Required for the Single Audit under the Uniform Guidance (if applicable), and Reporting Reqiured by the Office of the Utah State Auditor;
- Management Letter;
- All reports and bound copies with an electronic copy of each will be submitted to Heber City **before the requested deadline**.
- These shall all be performed in accordance with:
    - Auditing standards generally accepted in the United States of America, as promulgated by the American Institute of Certified Public Accountants (AICPA);
    - The *AICPA Audits of State and Local Governmental Units* audit and accounting guide;
    - *Government Auditing Standards*, 2011 revision, published by the U.S. Government Accountability Office;
    - The *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor;
    - The Single Audit Act; *Audits of States, Local Governments, and Non-Profit Organizations* under the uniform guidance (as applicable).

Specific Audit Approach

In order to understand our audit approach, it is necessary to understand the underlying philosophy of Larson & Company. Our mission statement is "Achievement Through Constant Improvement." Our founder, Dennis Larson, demonstrated to us that we are inherently happier when we are improving. Each employee is required to set goals each year that involve both business and personal aspirations. Our firm makes a constant effort to help provide everything necessary for our employees to achieve their goals. As we all strive to make improvements to our lives that we each have chosen for ourselves, we are happier. We abide by the idea that a happy employee is a productive employee. This philosophy of constant improvement carries over to our clients. We know that if we can assist you in achieving your goals, you will value our relationship, and both you and our firm will be rewarded.

When it comes to the accounting standard of professional skepticism, we believe there is a broad range within which to operate. We approach management and board of trustees in a non-adversarial way. Our process consists of testing and verification rather than challenge and confrontation. During the entire process, we understand that communication is key your success and the success of our firm. We have found that properly communicating with our clients adds value to the services we provide and ensures a lengthy, mutually beneficial, relationship.

E. PROJECT SCHEDULE

Larson & Company makes every effort to create as little disruption as possible in your day-to-day activities.

In order to achieve an efficient and effective audit, we will tailor our audit approach to fit the nature of your business and operations focusing on the likelihood of a material misstatement in the financial statements. In order to do so, it is essential for us to understand clients' needs and concerns. With this understanding, we will be better able to direct our emphasis to the areas of higher risk, focusing on the unique characteristics of your operating environment, the effectiveness of your internal control, and your financial statement amounts and disclosures.

Based on our understanding of the timetable and accounting department staffing, we propose the following tentative schedule for the audit of Heber City's financial statements:

Initial Meetings with Management – Upon award of contract

The goal of these initial meetings is to establish effective two-way communication between auditor and management. We will discuss our overall assessments and the scope of our audit testing. Additionally we will discuss both management's responsibilities as well as our own responsibilities. Input from the audit committee will be explored in developing our understanding of the risks facing Heber City and identifying the sources of evidence and information about specific transactions. We will also establish dates for the next phases of the audits.

Preliminary Audit Procedures – September/October 2020

During this planning phase, we will review and evaluate the internal controls of Heber City to determine the timing and extent of our testing. We will review activity to date, update our initial risk assessments, and discuss any concerns regarding our audit procedures. We will also communicate with staff to coordinate the preparation of work papers and confirmations.

Audit Fieldwork – September/October 2020

During the testing phase we will verify asset balances, determine the completeness of liabilities and conclude our detailed examination of your financial cycles. After our fieldwork and before the issuance of our report, we will request certain representations from management in a *management representation letter*. A draft of this letter will be made available at least one week in advance of our anticipated date of signing. We are available to explain any language in the letter that is not clear to governing officials.

Issue Audited Financial Statements – November 2020

The reporting phase will begin as soon as our testing is complete. Our auditors will compile preliminary draft reports for review after fieldwork ends. We will make our reports available to management and will be available to discuss any of our findings at this time. We will issue the audit reports and letters by Heber City's requested deadline to allow maanagement to have it to the Office of the Utah State Auditor prior to the deadline.

We will be available to meet with the audit committee during any of the above audit phases to discuss our progress. Should we encounter any significant adjustments or material weaknesses, we will discuss them with management and/or the audit committee, as appropriate, as soon as they come to our attention.

We find delays in the final report sometimes occurs as a result of not receiving timely information from third parties. We will be proactive in keeping you informed about issues remaining and may ask your assistance in receiving information from third parties to avoid delays in issuing our report.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the oversight agencies. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

Deliverables

A list of expected deliverables in connection with Heber City's annual audit include:

1. Financial Statement Audit Report
2. Single Audit Report (when applicable)
3. Government Auditing Standards Report
4. Report on Compliance and Internal Control required by Utah State Auditor
5. Communication with Those Charged with Governance

Communication Process

Great emphasis is placed on the personal relationships we have built with our clients. Partners and managers take pride in their ability to proactively assist clients and will reach out to Heber City to communicate any issues that might arise. You can feel confident in contacting the professionals at Larson & Company without the worry of incurring additional expense.

F: PROPOSED FEES

Larson & Company understands the pressures placed on organizations to manage costs and we believe you will find we provide an incomparable level of service at very competitive rates.

Our fee estimate is based on the complexity of the work required and considers our understanding of your present internal control and procedures together with an understanding that Heber City will provide us with substantial assistance, including account analysis, workpaper schedules, confirmations, documentation of internal and financial controls, etc. We have also assumed that the City will draft the financial statements.

The "not to exceed" fee for regular assurance services for the years ending June 30, 2020-2023, is estimated below.

These Financial Statement Audit fee and Single Audit fees (if applicable) are based on the estimated hours and our discounted governmental billing rates of various staff levels as follows:

Level	Rate	Estimated Hours
Partner	$300	10
Manager	$125	20
Staff	$110	47

Year	Financial Statement Audit	Single Audit (if applicable)	Financial Statement preparation (if requested)
2020	$10,650	$4,000	$3,000
2021	$10,950	$4,000	$3,000
2022	$11,280	$4,000	$3,000
2023	$11,620	$4,000	$3,000

The **Single Audit fees,** and **Financial Statement Preparation** are separated from the financial statement audit fees as they would **only apply** in years where required or requested.

We know you don't like fee surprises. Neither do we. We strive to be truthful, straightforward and up front in our fee discussions so there are no surprises.

Billing Issues Throughout the Year

We view our relationship with Heber City as long-term. Additionally, we are available to you, on an ongoing basis, to discuss matters of audit, compliance, financial reporting, or anything that concerns you. We view these routine consultations as ancillary services that add value to your audit and compliance needs, not additional time that we can bill.

Any significant matters, needing exhaustive research or resources will be discussed with you and agreed upon before the work is performed. This eliminates the surprise "nickel and dime" billing you may see from accounting firms with unusually low fee quotes. These services will be billed at our standard hourly rates disclosed above.

G: NON-DISCRIMINATION CLAUSE

Larson & Company does not discriminate against any individual because of race, religion, sex, color, age, handicap, or national origin, and these are not a factor in consideration for employment, selection of training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion, or separation.

H: OUR COMMITMENT TO YOU

We are committed to placing Larson & Company's financial assurance and consulting resources at your service. Our experience auditing municipalities and other governmental entities will assist you in meeting your compliance requirements.

Our goal is to provide you with practical, timely and affordable solutions to your financial and operational needs. Ultimately, our good name and reputation rest on how well our services work for organizations like yours. Please contact us if you have questions regarding this proposal. We look forward to working with you soon.

I: PEER REVIEW REPORT

A copy of Larson & Company's most recent peer review report may be downloaded from the AICPA using the following address: https://peerreview.aicpa.org/public_file_search.html. A copy has also been attached at the end of this document. No management letter was issued in conjunction with the report, indicating a clear record with no quality control issues.

J: CONTACT INFORMATION

Jon Haderlie, CPA
Lead Audit Partner
765 North Main
Spanish Fork, UT 84660
801-798-3545
jhaderlie@larsco.com

Larson
CERTIFIED PUBLIC ACCOUNTANTS

PEER REVIEW REPORT

Gregory, Sharer & Stuart, P.A.
Certified Public Accountants and Business Consultants

Report on the Firm's System of Quality Control

September 9, 2017

To the Partners of Larson & Company, P.C.
And the AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Larson & Company, P.C. (the firm), applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended April 30, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards* including compliance audits under the Single Audit Act; audits of employee benefit plans, and an examination of service organizations [SOC 1 engagements].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Larson & Company, P.C., applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended April 30, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies),* or *fail*. Larson & Company, P.C. has received a peer review rating of *pass*.

Gregory, Sharer & Stuart, P.A.

Gregory, Sharer & Stuart, P.A.

100 Second Avenue South, Suite 600 | St. Petersburg, Florida 33701-4336
(727) 821-6161 | Fax (727) 822-4573 | gsscpa.com | info@gsscpa.com

Exhibit 3

PROPOSAL TO PROVIDE
FINANCIAL AUDIT SERVICES

FOR

HEBER CITY CORPORATION

FOR THE YEARS ENDED

JUNE 30, 2020
THROUGH
JUNE 30, 2024

KCHM, LLC, dba Keddington & Christensen, LLC
1455 West 2200 South, Suite 201
Salt Lake City, Utah 84119
admin@kccpaoffice.com
(801) 590-2600

Firm Representative:
Steven M. Rowley, CPA – Audit Partner
Steve@KCcpaoffice.com
(435) 590-8034

K&C

Keddington & Christensen, LLC
Certified Public Accountants

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A. PROFILE OF THE INDEPENDENT AUDITOR

Organization and Size of Keddington & Christensen, LLC

Our firm, KCHM, LLC, dba Keddington & Christensen, LLC (K&C) is a local firm, formed in January 2012 upon the dissolution of the firm Jensen & Keddington, when the audit team decided to keep doing what we love! Our founding partners, Gary Keddington and Phyl Warnock, have over 30 years of experience in providing auditing, accounting, and other consulting services to governmental entities.

Our firm consists of 13 people. Seven of our staff, including all of our partners and managers, are licensed CPAs in the State of Utah.

Location and Office Size

We are located in Salt Lake City, just off of highway 201 and Redwood Road (1455 West 2200 South, Suite 201, Salt Lake City). We have only one office that all 13 of us operate from. The breakdown of our staff levels are:

- Four partners
- Two managers
- Four audit staff
- Three professional and support staff

Positive Statements

We affirm that:

a) We are properly licensed for practice as a certified public accountant in the State of Utah (license #8199214-2603)
b) We meet the independence requirements of AICPA Rule 101 and the *Government Auditing Standards,* 2018 revision.
c) We meet the continuing professional education requirements in the *Government Auditing Standards,* 2018 revision.

Peer Review Report

We undergo peer reviews, as required by our professional standards, every three years. Attached as **Appendix A** is a copy of our most recent peer review report. Firms may receive a rating of pass, pass with deficiency(ies), or fail. We are proud to state that in each of our peer reviews, we have received a rating of *pass.*

B. OFFEROR'S QUALIFICATIONS

1. Résumés and Qualifications

Steven Rowley, CPA will be the partner with final responsibility for the audit. In addition to Mr. Rowley, Marcus Arbuckle, CPA will be the concurring partner. Ben Bailey, CPA will be the manager on this engagement. Other staff members that anticipate playing a significant role in your engagement will include Dean Austin and Nathaniel Corry. The résumés for those partners, manager, and staff are included below.

Steven M. Rowley, CPA – Audit Partner

Mr. Rowley graduated with a bachelor's degree in Accounting (Magna Cum Laude) in 2008 from Southern Utah University. Mr. Rowley then earned a Master of Accountancy degree in April 2010 and a Master of Business Administration degree in December 2010 from Southern Utah University. Mr. Rowley joined Keddington & Christensen (formerly Jensen & Keddington) in December 2010. In 2014, Mr. Rowley was promoted to Audit Manager, and in January 2017 Mr. Rowley was promoted to Audit Partner. Mr. Rowley is licensed as a CPA in Utah.

B. OFFEROR'S QUALIFICATIONS (Continued)

1. Résumés and Qualifications (Continued)

Mr. Rowley prepares and presents in-house CPE trainings on upcoming Governmental Accounting Standards Board (GASB) pronouncements, and has presented at the Utah Government Finance Officer's Association (UGFOA) annual spring conference. Mr. Rowley is a member of the AICPA, UACPA, GFOA, and UGFOA.

The following is a list of the governmental audits over which Mr. Rowley has experience, all of which are current audit clients or within the last year:

- Logan City
- Bountiful City
- Syracuse City
- Highland City
- Cedar Hills City
- South Weber City
- Ely City, Nevada
- Utah Transit Authority
- Timber Lakes Water Special Service District
- Weber Basin Water Conservancy District
- North Pointe Solid Waste Special Service District
- Uintah Recreation District
- Central Valley Water Reclamation Facility
- Taylorsville-Bennion Improvement District
- Midvalley Improvement District
- South Valley Water Reclamation Facility
- Lone Peak Public Safety District
- South Davis Recreation District
- Wasatch Integrated Waste Management District
- Northern Utah Environmental Resources Agency

Mr. Rowley also works with the following governmental entities as a consultant to assist them with their accounting, budgeting, and year-end audit preparation and financial statement writing:

- Alta Town
- West Point City
- Grantsville City
- Gunnison City
- East Carbon City
- Centerfield City
- Gunnison Valley Police Department
- Salt Lake County Service Area #3
- North Sanpete Ambulance Service
- South Sanpete School District
- Morgan County School District

B. OFFEROR'S QUALIFICATIONS (Continued)

1. Résumés and Qualifications (Continued)

Marcus Arbuckle, CPA – Concurring Audit Partner
Mr. Arbuckle graduated with a degree in Accounting in 2004 from Utah Valley University and with a Master of Business Administration degree in 2007 from the University of Utah. Mr. Arbuckle joined Keddington & Christensen (formerly Jensen & Keddington) in 2007 and was promoted to partner in 2014. Mr. Arbuckle specializes in performing audit services to a variety of clients including municipalities and other governmental entities, non-profit entities, and commercial entities.

Mr. Arbuckle is a licensed CPA in the State of Utah. Prior to joining Keddington & Christensen Mr. Arbuckle was employed by South Jordan City for over two years. As a member of the South Jordan City Finance Department, Mr. Arbuckle worked closely with the Chief Accountant in assisting with the city's Comprehensive Annual Financial Report and was responsible for the report's statistical section. Mr. Arbuckle was responsible for tracking and recording the city's revenue through month-end and year-end journal entries. He was also a member of the city's budget committee established to forecast revenues and prepare budgets.

Below is a list of the governmental audits that Mr. Arbuckle is partner over. All are current clients within the last year:

- West Jordan City
- Brigham City
- South Ogden City
- West Bountiful City
- Woods Cross City
- Toquerville City
- Cottonwood Improvement District
- Uintah Transportation Special Service District
- Unified Fire Authority

Mr. Arbuckle also works with the following governmental entities as a consultant to assist them with their accounting, budgeting, and year-end audit preparation and financial statement writing:

- Centerville City
- West Point City
- Somerton City, Arizona
- Lander County, Nevada

Ben Bailey, CPA – Audit Manager
Mr. Arbuckle also works with the following governmental entities as a consultant to assist them with their accounting, budgeting, and year-end audit preparation and financial statement writing:

Mr. Bailey graduated with a bachelor's degree in Accounting (Cum Laude) in 2014 from Weber State University. Mr. Bailey then went on to earn a Master of Accounting degree in May 2015 from Weber State University. Mr. Bailey joined Keddington & Christensen in September 2015. In December 2017, he was promoted to Audit Manager. Mr. Bailey is a licensed CPA in the state of Utah.

B. OFFEROR'S QUALIFICATIONS (Continued)

1. Résumés and Qualifications (Continued)

The following is a list of some of the governmental audit and related engagements which Mr. Bailey has worked on or managed, all of which are within the last year:

- Syracuse City
- Brigham City
- Bountiful City
- West Jordan City
- West Valley City
- South Ogden City
- Ely City, NV
- West Bountiful
- Woods Cross City
- Highland City
- Unified Fire Service Area
- Northern Utah Environmental Resource Agency
- Wasatch Integrated Waste Management District
- Utah Transit Authority
- Uintah Transportation Special Service District
- Utah Telecommunications Open Infrastructure Agency
- Utah Infrastructure Agency
- South Davis Recreation District
- Midvalley Improvement District
- Metropolitan Water District of Salt Lake and Sandy

Mr. Bailey also works with the following governmental entities as a consultant to assist them with their accounting, budgeting, and year-end audit preparation and financial statement writing:

- West Point City
- Centerville City
- Somerton City, Arizona
- Lander County, Nevada

Dean Austin – Staff Auditor
Prior to his university education, Mr. Austin retired from the Air Force after serving our country for thirteen years. Mr. Austin graduated with a bachelor's degree in Accounting (Summa Cum Laude) in 2017 from Weber State University. Mr. Austin earn a Master of Accounting degree from the University of Utah in 2018 and joined Keddington & Christensen in May 2018. He is currently studying for the CPA exam.

The following is a list of governmental audits on which Mr. Austin has worked:

- Syracuse City
- Highland City
- South Weber City
- Ely City, Nevada

B. OFFEROR'S QUALIFICATIONS (Continued)

1. Résumés and Qualifications (Continued)

- Weber Basin Water Conservancy District
- Utah Transit Authority
- Granger-Hunter Improvement District
- Magna Water District
- Carbon Water Conservancy District
- Taylorsville-Bennion Improvement District
- Uintah Recreation District
- North Pointe Solid Waste Special Service District
- Utah Telecommunication Open Infrastructure Agency
- Utah Infrastructure Agency
- Lone Peak Public Safety District
- Wasatch Integrated Waste Management District

Mr. Austin also works with the following governmental entities as a consultant to assist them with their accounting, budgeting, and year-end audit preparation and financial statement writing:

- Grantsville City
- Salt Lake County Service Area #3
- Somerton City, Arizona
- Lander County, Nevada

Nathaniel Corry – Staff Auditor
Mr. Corry graduated with his bachelor's degree in Accounting from Southern Utah University in 2018. He went on to earn a Master of Accountancy degree from Southern Utah University in May 2019. Mr. Corry joined Keddington & Christensen in May 2019. He is currently studying for the CPA exam.

Below is a list of governmental audits on which Mr. Corry has worked:

- West Jordan City
- Lindon City
- Washington Terrace City
- South Ogden City
- Bountiful City
- Woods Cross City
- West Bountiful City
- Utah Telecommunication Open Infrastructure Agency
- Magna Water District
- Timber Lakes Water Special Service District
- Unified Fire Authority
- Lone Peak Public Safety District
- Northern Utah Environmental Resource Agency
- Wasatch Integrated Waste Management District

B. OFFEROR'S QUALIFICATIONS (Continued)

1. Résumés and Qualifications (Continued)

Mr. Corry also works with the following governmental entities as a consultant to assist them with their accounting, budgeting, and year-end audit preparation and financial statement writing:

- Gunnison City
- Centerville City
- Somerton City, Arizona
- Idaho State Department of Education

2. Recent Local Office Auditing Experience

GASB Reporting

Due to our extensive auditing and consulting experience, many of our clients request that we assist in the preparation of the their year-end financial statements. This includes clients that issue Comprehensive Annual Financial Reports (CAFR), like Heber City. In addition to our experience, we follow disclosure checklists to ensure that all required disclosures are included in the statements and related footnotes.

Utah State Compliance

We audit and consult for over 50 governmental entities in the State of Utah and each requires an audit on compliance with the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor. We are very experienced in performing the necessary tests. We also attend the annual CPA Roundtable where we discuss these requirements, the concerns we have with those tests, and best practices related to the *State Compliance Audit Guide.* In our role as consultants, we often assist our clients in fulfilling those same compliance requirements.

Single Audit

Several of our governmental clients require Single Audits each year. Our experience in performing Single Audits includes Airport Improvement Program (which Heber City receives), law enforcement grants, Housing and Urban Development grants, Federal Transportation grants, with many others in between. We also have extensive experience in program-specific audits that we currently assist the Idaho State Board of Education, and have previously worked with the Washington State and Utah State equivalents. We understand the importance of complying with federal funding requirements, and are very experienced in performing single audits and preparing the necessary reports.

Below is a list of our governmental clients for which we have provided audit services for in the last year:

Cities

- Brigham City (Single Audit – Airport Improvement Program, CAFR)
- Logan City (Single Audit, CAFR)
- West Valley City (Single Audit, CAFR)
- West Jordan City (Single Audit, CAFR)
- Ely City, Nevada (Single Audit)
- Bountiful City (CAFR)
- Cedar Hills (CAFR)

B. OFFEROR'S QUALIFICATIONS (Continued)

2. Recent Local Office Auditing Experience (Continued)

- Highland City (CAFR)
- Washington Terrance City (CAFR)
- Lindon City (CAFR)
- Syracuse City (CAFR)
- South Ogden City
- South Weber City
- West Bountiful City
- Woods Cross City

Interlocal entities, and Local and Special Service Districts

- Utah Transit Authority (Single Audit – 4 major programs, CAFR)
- Weber Basin Water Conservancy District (Single Audit)
- Carbon Water Conservancy District
- Central Valley Water Reclamation Facility
- Cottonwood Improvement District
- Granger-Hunter Improvement District
- Lone Peak Public Safety District
- Magna Water District
- Metropolitan Water District of Salt Lake and Sandy
- Midvalley Improvement District
- Mount Olympus Improvement District
- Taylorsville-Bennion Improvement District
- North Pointe Solid Waste Special Service District
- Northern Utah Environmental Resource Agency
- South Davis Recreation District
- South Valley Water Reclamation Facility
- Stansbury Service Agency
- Timber Lakes Water Special Service District
- Uintah Recreation District
- Unified Fire Authority
- Utah Infrastructure Agency
- Utah Telecommunications Open Infrastructure Agency
- Wasatch Integrated Waste Management District

3. Other Auditors

As you can see from our extensive governmental auditing experience, we will not be using other auditors, interns, or subcontractors in the performance of your audit.

C. OFFEROR'S APPROACH TO THE AUDIT

Scope and Objective

We will audit the basic financial statements of the City as of and for the year ending June 30, 2020, and the subsequent four years. Our audits will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the City and other procedures we consider necessary to enable us to express such an opinion.

We will provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards.*

We will complete the Single Audit in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), which supersedes OMB Circular A-133, and will issue our opinion and report thereon.

We will perform audit procedures on applicable state compliance requirements as described in the *State Compliance Audit Guide,* issued by the Office of the Utah State Auditor, and issue our opinion and report thereon.

Audit Procedures

Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions.

A successful audit provides the highest level of assurance on the reliability of the financial statements. Our audit approach also takes a businessperson's perspective to the examination of the financial statements. We pride ourselves on being available to our clients throughout the year so we can make helpful and profitable observations and suggestions to improve operating efficiencies and control structures.

Communication

During our audit, if we become aware of significant deficiencies or material weaknesses in the design or operation of the internal control structure, and ways that we believe management practices can be improved, we will communicate them to you in the form of a comprehensive written management letter at the conclusion of our audit. We will include in the audit report the responses to any findings or recommendations noted during the audit. If, during the course of our audit, we suspect illegal acts or observe indications of illegal acts, we will report these to you immediately.

C. OFFEROR'S APPROACH TO THE AUDIT (Continued)

Entrance Conference and Interim Work – We anticipate about two to three days on-site the first year and one to two days for the second year and beyond:

- Meet the City's accounting staff and management
- Gain an understanding of the City's internal controls
- Facility tours (when practical) to help us better understand the operations of the City and physically observe its more substantial assets
- Gather documents for our permanent file – debt documents, agreements/contracts with other entities, policy and procedure manuals, etc.
- Receive and import the City's previous few years' trial balances into our audit software
- Utah State Compliance – a majority of the state compliance testing may be performed before a trial balance is ever received to help maximize efficiency
- Receive prepared confirmations from City staff for significant cash, investment, and debt balances, as well as confirmations to grant-awarding agencies, in some cases
- Perform inventory observations and test counts, as necessary

Fieldwork – We anticipate approximately two weeks on-site for the first year. We generally can reduce the time on-site to one week for the second year and beyond, depending on the circumstances:

- Financial statement audit procedures
- Single Audit testing, including tests of controls and compliance required by the *Uniform Guidance.*
- Utah State Compliance – Finalizing areas related to the financial statements.

CAFR Preparation – This can take up to two weeks as any deficiencies are communicated and corrected. We do not need to be on-site for this step. Our review consists of the following:

- Comparing report balances and disclosures to audited expectations.
- Ensuring all appropriate disclosures are included.
- Coordinating with City staff on statistical section, letter of transmittal, and other schedules.

Once all work is completed to our satisfaction, we will issue our reports and opinions and prepare and provide copies of the CAFR.

Expected Number of Audit Hours

	Estimated Hours by Fiscal Year				
Audit Areas	2020	2021	2022	2023	2024
Financial Statement Audit	126	126	126	126	126
State Compliance Audit	12	12	12	12	12
Single Audit, when required	18	18	18	18	18
Total hours	156	156	156	156	156

C. OFFEROR'S APPROACH TO THE AUDIT (Continued)

	Estimated Hours by Staff Level			
Staff Levels	Financial Statement Audit	State Compliance Audit	Single Audit, when required	Total hours
Partner	26	2	3	31
Manager	30	2	5	37
Staff	70	8	10	88
Total hours	126	12	18	156

No Use of Specialists – As you can see from our extensive experience, we will not need the use of specialists in performance of the City's audit.

D. TIME REQUIREMENTS

Standard Timeframe

The following is a detail of how we anticipate accomplishing the audit and meeting the reporting deadline requirements. In order to complete the project in a timely manner the City must have the records ready for audit in a timely manner, and as indicated below:

June/August	Entrance conference and interim work, State Compliance testing
Mid-August/September 1st	City's trial balance and supporting records ready for audit
September	Fieldwork, including Single Audit testing
October	Coordinate the preparation of the financial statements
November	Final draft of report issued and ready – no later than November 15
November/December	Presentation of audit report to the City Council
No later than December 31st	Submit reporting package to Office of Utah State Auditor

If the accounting records are available before indicated in the above schedule, timing of the fieldwork and issuing of the report may also be accelerated. However, if accounting records are not ready, or if unexpected problems occur, timing of the above may require modification. In the event the above timing requires modification, we will discuss those concerns with you provide a new estimate of when the reports/opinions will be issued.

E. COMPREHENSIVE NOT-TO-EXCEED FEE

Our fees for the proposed services for Heber City Corporation will be $11,000 for the financial statement audit, $1,000 for the Utah State Compliance audit, and $1,500 for the Single Audit, as summarized below.

Staff Levels	Billing Rates per hour	Estimated Hours: Financial Statement Audit	Estimated Hours: State Compliance Audit	Total Hours	Extended
Partner	$ 125	26	2	28	$ 3,500
Manager	95	30	2	32	3,040
Staff	70	70	8	78	5,460
Totals		126	12	138	$ 12,000
	Travel, per diem, and other out-of-pocket expenses				*included*
	Total "not-to-exceed" audit fee, without Single Audit				**$ 12,000**
	Fee for Single Audit, when required				**$ 1,500**

	Comprehensive Not-To-Exceed Audit Fees by Fiscal Year				
Audit Areas	2020	2021	2022	2023	2024
Financial Statement Audit	$ 11,000	$ 11,000	$ 11,000	$ 11,000	$ 11,000
State Compliance Audit	1,000	1,000	1,000	1,000	1,000
Total, without Single Audit	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000
Single Audit (when required)	1,500	1,500	1,500	1,500	1,500
Total, with Single Audit	$ 13,500	$ 13,500	$ 13,500	$ 13,500	$ 13,500

Not-to-exceed fees by year are shown in the tables above. Included in our audit fee amount is all travel, per diem, and all other out-of-pocket expenses. Our fee amount is based on the current Finance Director and other key accounting personnel, the number of funds, the current auditing standards, the time requirements detailed in this proposal, and the accounting records being available to be audited prior to the scheduled audit fieldwork each year.

CONCLUSION

Thank you again for the opportunity to provide this proposal! If there are additional questions regarding our proposal, please don't hesitate to contact us:

Firm Representative:
Steven M. Rowley, CPA – Audit Partner
Steve@KCcpaoffice.com
(435) 590-8034

Keddington & Christensen, LLC
1455 West 2200 South, Suite 201
Salt Lake City, Utah 84119
Admin@KCcpaoffice.com
(801) 590-2600

APPENDIX A: PEER REVIEW REPORT

Deaton & Company, Chartered
Certified Public Accountants
215 North 9th, Suite A
Pocatello, ID 83201-5278
(208) 232-5825
Members of the Idaho Society of Certified Public Accountants
Members of the American Institute of Certified Public Accountants

Report on the Firm's System of Quality Control

October 7, 2019

To the Partners of Keddington & Christensen
and the Peer Review Committee of the Nevada Society
of Certified Public Accountants.

We have reviewed the system of quality control for the accounting and auditing practice of Keddington & Christensen (the firm) in effect for the year ended April 30, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

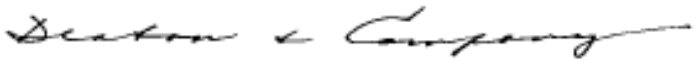
Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act; and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

APPENDIX A: PEER REVIEW REPORT (Continued)

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Keddington & Christensen in effect for the year ended April 30, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Keddington & Christensen has received a peer review rating of pass.



Deaton & Company, Chartered

Exhibit 4

HEBER CITY

PROPOSAL FOR AUDIT SERVICES
JUNE 1, 2020

SQUIRE
HIGHER PERSPECTIVE

1329 South 800 East • Orem, Utah 84097-7700 • (801) 225-6900

Prepared by:

Matthew Geddes, CPA

SQUIRE
HIGHER PERSPECTIVE

LETTER OF TRANSMITTAL

June 1, 2020

Heber City
Wesley Bingham, Finance Manager
75 North Main
Heber City, UT 84032

We are pleased that Heber City (the City) is considering Squire & Company, PC (Squire) to provide auditing services for the period ending June 30, 2020 and the succeeding four years.

Our responsibility as independent auditors is to issue our opinions (based on evidence obtained and an understanding of internal controls) on the City's financial statements and the City's compliance with applicable laws and funding requirements. The users of the City's financial statements rely on those statements to make informed decisions. They also expect that City resources are protected and trust that compliance requirements are satisfied.

Squire will provide the highest level of specialized expertise available and needed to perform quality audits for the City. Providing audit services for governments (including school districts) requires a unique understanding of governmental accounting and reporting and government auditing standards plus years of experience serving governments.

Following are highlights of items and interest about Squire:

- Squire is an active member of the AICPA Center for Audit Quality and a member of the AICPA Governmental Audit Quality Center.
- We provide financial audit services for many local governments throughout Utah. We currently audit the City of South Salt Lake, the City of Wendover, Salt Lake County, Kane County, and Carbon County, seventeen school districts, Mountainland Association of Governments, municipal golf courses, special service districts, local district, metropolitan water districts, commissions, and other local governments.
- We are actively involved in training and supporting local governments in implementing new accounting and reporting standards. We also provide assistance in evaluating, designing, and implementing internal controls.
- Our governmental audit teams are well trained, attend annual governmental training and updates, and have the capacity to audit the City in a timely manner.
- Supplemental consultation is available to you throughout the year at no additional fee.
- Auditing local governments is a passion, not a supplemental activity, for us at Squire.

We understand governmental accounting and reporting. We have extensive experience auditing local governments as well as auditing federal and state compliance. We will apply that knowledge, understanding, and experience in our audit of the City, efficiently and effectively. The result of our audit will be useful reports and valuable recommendations.

We assist our clients and others in the community in understanding and implementing new accounting and reporting standards through training programs, consultation, and committee assignments.
Our experience with similar governmental entities (in addition to the availability of our staff) allows us to give Heber City the professional service needed to comply with accounting, auditing, and reporting standards. We desire to be your valued resource.

Respectfully,

Squire & Company, PC

A. PROFILE OF THE FIRM

Since 1973, Squire & Company, PC, a locally owned and managed firm of certified public accountants situated in Orem, Utah, has provided a full range of professional services in auditing, accounting, and taxes, as well as information technology and management advisory services for a variety of industries and entities. Personnel consist of 60 certified public accountants. Our current professional and support staff is summarized as follows:

Squire - Personnel	Total Personnel	Government Personnel
Partners	24	3
Managers	25	3
Professional accountants	55	8
Interns and seasonal	8	0
Secretaries and administrators	18	2
Total personnel	130	16

We are freely accessible to City personnel throughout the year and will be able to respond quickly to requests.

Address: Squire & Company, PC
1329 South 800 East
Orem, Utah 84097

Telephone: (801) 225-6900
Facsimile: (801) 228-2118
Web: www.squire.com

Your contacts: Matthew Geddes, CPA, engagement partner
mattg@squire.com
(801) 494-6003

David R Brown, CPA, engagement quality control partner
daveb@squire.com
(801) 494-6029

All of the certified public accountants at Squire are currently licensed to practice in the State of Utah. In relation to the City, our firm meets the independence requirements of the American Institute of Certified Public Accountants and *Government Auditing Standards, 2011 Revision*.

We are freely accessible to your personnel throughout the year and will be able to respond quickly to requests.

The audit practice area at Squire has grown an average of ten percent in each of the past ten years. We have hired, and continue to hire, graduates with master of accountancy degrees from nearby universities. We currently have 25 full-time individuals working in the audit practice area. Although most of our audit partners and managers have been with us for more than ten years, two of our auditors has sought a new career elsewhere in the last three years. We attribute our low turnover rate to a good working environment and highly motivated teams. Where possible, we commit to assign the same individuals to the audit engagement over the next five years. We will also honor and requests for changes in personnel.

Also, Squire has been voted one of the best places to work in Utah. This recognition reflects our proactive compensation and benefits offered to our well-educated professionals.

Detailed in the chart below are local government client references:

Squire - Government Clients Similar to Heber City

Client	Location	Contact	Phone
Municipalities:			
City of South Salt Lake	South Salt Lake	Kyle Kershaw	801-464-6756
City of Wendover	Wendover	Lori Palafox	435-665-7771
Other Governments:			
Jordanelle Special Service District	Heber	Kierstan Smith	435-654-9233
Salt Lake County	Salt Lake	Shanell Beecher	385-768-7102
Summit County	Coalville	Michael Howard	435-336-3254
North Fork Special Service District	Sundance	Candace Strong	801-225-7263
Mountainland Association of Governments	Orem	Steve Johnson	801-229-3800
Park City School District	Park City	Todd Hauber	435-645-5600

Annual services provided for these entities include:

- Audit of basic financial statements
- Audit of federal programs as required by the Single Audit Act
- Audit of state programs as required by the *State Compliance Audit Guide*
- Assistance with preparation of Annual Financial Report
- Assistance with implementation of accounting and reporting standards

Squire also provides audit services for a variety of private commercial entities, some equal to or larger than (in size and complexity) to the governmental audit clients listed above.

We have assisted our governmental audit clients in the implementation of new accounting and reporting standards, from GASB Statement No. 1 through 95. We have also provided training and resources for many other governments throughout the state and nation to implement standards as they become effective.

We are familiar with auditing computer-based accounting systems. Where warranted, we use computer-aided audit tools and work with client information systems personnel to help us with the audit process.

Our firm information technology specialists will assist with audit planning, understanding the accounting system, and assessing risks, and tests of transactions. We use CCH ProSystem fx Engagement as a trial balance management tool which provides the ability to link balances to the financial statements and related notes.

Each of our auditors responsible for planning, directing, conducting, or reporting on government engagements have completed annually over 40 hours of continuing education and training with at least 12 of those hours in subjects directly related to the government environment and to government accounting and auditing.

Members of this governmental audit team have completed continuing educational training sponsored by the AICPA, UACPA, Utah State Auditor's Office, and GFOA as follows:

Audits of State and Local Governmental Units
Annual AICPA Government and Nonprofit Conference
Governmental Accounting and Auditing Update
Annual UACPA State and Local Government Conference
Auditing Under the Single Audit Act
Governmental Accounting and Auditing Certificate of Educational Achievement Program
State Auditor's Office Annual Government Auditing Update
Solving Complex Single Audit Issues for Governmental and Nonprofit Organizations
GFOA's Annual Governmental GAAP Update

The firm also subscribes to a comprehensive professional library which includes current GASB and AICPA pronouncements. We also subscribe to monthly newsletters and practice aids: *GAAFR Review* and *PPC Government Update*, as well as to the *Guide to Audits of Local Governments*, *Guide to Preparing Governmental Financial Statements*, and *Guide to Single Audits*.

Squire is an active member of the AICPA Center for Audit Quality and the AICPA Governmental Audit Quality Center (GAQC). The GAQC promotes the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services.

Squire & Company, PC has an appropriate internal control system in place and participates in an external quality control review program. Our established internal quality control system provides reasonable assurance that we have established, and are following, adequate audit policies and procedures and have adopted, and are following, applicable audit standards. Also, every three years, we undergo an external quality control review that determines that our internal quality control system is in place and operating effectively and established policies and procedures and applicable accounting standards are being followed in our audit work.

Since the 1980s, Squire has undergone periodic reviews of our accounting and auditing practice. Peer reviews are designed to improve the quality of accounting and auditing services provided by CPAs as well as providing public protection. Our most recent peer review report can be found in the AICPA public file at www.aicpa.org.

B. QUALIFICATIONS

The professionals directly assigned to work on this engagement include the following:

Matthew Geddes, CPA – Engagement Partner

Matt joined the firm in 2008 shortly after receiving a master of accountancy degree from Utah State University. He is involved in managing audits of for profit entities, local governments, and employee benefit plans. Matt's primary area of emphasis is providing audit and related services to local government entities. Matt volunteered to serve as a lead adopter to the AICPA's Single Audit Certificate and was among the first in the nation to be awarded a certificate which demonstrates his technical expertise in performing single audits in accordance with *Uniform Guidance*. He is a member of the Government Finance Officers Association (GFOA) and evaluates government's comprehensive annual financial reports (CAFRs) submitted to the GFOA's award programs. Matt is also a member of the American Institute of Certified Public Accountants and the Utah Association of Certified Public Accountants.

David R Brown, CPA - Engagement Quality Control Review Partner

Dave received a master of accountancy degree from Utah State University in December 1993; he also has an associate's degree from Snow College in computer information systems. He has twelve years of experience working in public accounting at Squire & Company, PC as well as four years of experience as a controller for a multi-state engineering firm. Dave has been an integral part of supervising audits, including school districts and other governmental entity audits. Dave understands accounting systems and accounting functions and assists clients in designing and implementing adequate internal controls.

Kyle Greene, CPA – Engagement Manager

Kyle joined the firm in 2010 after receiving his master of accountancy degree from Brigham Young University. Kyle is involved with managing audits of government, nonprofits, and for-profits entities. Kyle's primary area of emphasis is providing audit and related services to local government entities. Kyle is a member of the Government Finance Officers Association (GFOA) and has trained government personnel on new GASB pronouncements and *Uniform Guidance* as well as trained at the State and Local Conference sponsored by the UACPA.

Professional Accountants

Professionals (who have prior governmental accounting experience) will be assigned to perform certain tasks according to the degree of responsibility involved and the experience level necessary.

	College Degree	Years of Experience
Thomas Hezseltine, CPA	MAcc	5
Devan Bartholomew, CPA	MAcc	4

Other firm professionals will be available as needed to review audit documentation, assist with information technology issues, review and research accounting and audit matters, etc.

We do not anticipate using the services of any other audit firm in the audit.

C. APPROACH TO THE EXAMINATION

We will audit the financial statements of the City for the year ending June 30, 2020. Our audit will be conducted 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 and the provisions contained in the *State Compliance Audit Guide.*

We use practice aids developed to provide an efficient, technically sound audit approach for local governments. We will tailor our audit to address the risks associated with your individual audit; a risk assessment approach provides a method to identify higher-risk areas so that audit effort can be focused on those areas.

Our audit approach can be divided into the following broad steps:

1. Perform procedures regarding acceptance/continuance of the client relationship, evaluate compliance with ethical requirements (including independence), and establish an understanding with the client in an engagement letter.

2. Establish planning materiality for each opinion unit and perform risk assessment procedures to gather information about the government and its environment that may be relevant in identifying risks of material misstatement of the financial statements. In accordance with the AICPA Audit and Accounting Guide for State and Local Governments, multiple measures of materiality for an individual opinion unit will be used and a lower materiality level will be established for particular items.

3. Gather the information to understand and evaluate the design and implementation of the government's internal control system.

4. Synthesize the information gathered, identify risks (both overall and specific) that could result in material misstatement of the financial statements, and develop an overall audit strategy for each audit area (for example, substantive procedures or a combined approach of substantive procedures and tests of controls).

5. Assess the risks of material misstatement of the government's financial statements.

6. Develop and perform appropriate responses (further audit procedures) to the assessed risks of material misstatement of the financial statements considering the overall audit strategy and planning materiality. These audit procedures will include tests of transactions (revenues, receipts, disbursements, purchasing, payroll, adjustments, and inventories), summaries, estimates, and disclosures.

7. Evaluate audit findings and evidence.

8. Prepare required reports and communications.

We work as a team on our audit engagements and involve you in the process to ensure you are satisfied with our approach and the results of the audit. We communicate with management continually throughout the process to ensure the audit progresses efficiently and questions are resolved quickly. We do not plan to use the services of specialists in our audit.

The number of estimated hours by level is provided in Section D.

D. TIME REQUIREMENTS

Based upon our knowledge of the City, our review of the City's financial statements and budget, and our experience with similar engagements, we anticipate approximately 150 hours will be required to complete the audit for the period ending June 30, 2020. Our anticipated audit timing is detailed below.

Heber City Audit Calendar Year Ended June 30, 2020	Anticipated Date
Planning	July 2020
Understanding of controls and compliance: Understanding system and test Federal and state compliance tests	August 2020
Performance: Audit year-end accounts and balances Review results with management	October 2020
Reporting: Draft financial and other reports and schedules Deliver reports to Board	December 2020

Time for the year ending June 30, 2020 is detailed in the following chart.

Heber City
Audit Time Budget
Year Ended June 30, 2020

Audit Area	Hours		
	Partner	Professional	Secretary
Planning:			
Prepare files			
Single audit and state compliance:			
Identify and understand major federal and state programs			
Select test samples			
Understand entity and accounting system			
Preliminary analytical review, materiality, risk			
Engagement letter and meet with management			
Total audit planning	5	20	2
Audit Performance:			
Financial statement accounts:			
Cash and investments			
Taxes receivable and revenue			
Other assets and liabilities			
Capital assets, depreciation			
Accounts payable, expenses			
Payroll and related payables and benefits			
Long-term liabilities, net position			
State compliance audit			
Minutes and contracts			
Evaluate accounting estimates			
Identify and review related party transactions			
Confirmations and requests for representations			
Commitments, contingencies, and subsequent events			
Single audit and state compliance tests			
Total audit performance	20	60	6
Audit Conclusion:			
Evaluate audit differences			
Assist with draft of financial other reports			
Financial statement disclosure checklists			
Summarize deficiencies and findings			
Prepare single audit and state compliance reports			
Prepare federal data collection form			
Review audit files and approve issuance of auditor's reports			
Deliver reports to Board			
Total audit conclusion	15	20	2
Partner total	40		
Professional total		100	
Secretarial total			10
Overall audit hours	150		

E. FEES

Our not-to-exceed fees for the audit, single audit, and related services (assistance with preparing the annual financial report and state compliance audit) will be $25,000 for the year ending June 30, 2020.

We anticipate that we will provide audit services for the following four years. For those years, we will maintain our fee with an annual cost-of-living increase. Accordingly, our fees for the years ending June 30, 2021, 2022, 2023, and 2024 would be $26,500, $28,000, $29,500, and $31,000, respectively. Our proposal anticipates moderate growth and no substantial changes in the City, audit and accounting and reporting standards, or major federal and state awards. Our fee includes travel and other audit-related costs.

Other accounting services and consultation are available upon your written approval at our average rates or at a negotiated fee.

F. NON-DISCRIMINATION CLAUSE

We affirm that Squire does not discriminate against any individual because of race, religion, gender, color, age, disability, or national origin, and that these shall not be a factor in consideration for employment, selection for training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion, or separation.

G. PEER REVIEW

Our most recent quality control letter received at the conclusion of our most recent peer review (conducted July 2018) is attached. Additional information relating to our most recent peer review is located in the public file at www.aicpa.org.

WATSON COON RYAN
CERTIFIED PUBLIC ACCOUNTANTS

9250 EAST COSTILLA AVENUE, SUITE 450
GREENWOOD VILLAGE, COLORADO 80112
303-792-3020 (O) | 303-792-5153 (F)
WWW.WCRCPA.COM

Report on the Firm's System of Quality Control

July 13, 2018

To the Shareholders
Squire & Company, P.C.
and the Peer Review Committee of the Nevada Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Squire & Company, P.C. (the firm) in effect for the year ended December 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review

Required Selections and Considerations

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Squire & Company, P.C. in effect for the year ended December 31, 2017 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail.* Squire & Company, P.C. has received a peer review rating of *pass*.

Watson Coon Ryan LLC

Exhibit 5

Forced Ranking Form for Council: External Auditing Firm

How to Use Forced Ranking Form: Rank firms after each presentation (see numbered rows 1-3). For example: After the first presentation, enter the firms name on row one of column marked Highest Ranking #1. After the second presentation, place first and second choices on row two, columns #1 and #2. Repeat rankings after each presentation until all three Auditing Firms are entered on row three with the top ranked firm located in column #1 of row three. Do not use the shaded cells.

Row #	**1** **Highest Ranking**	**2**	**3** **Lowest Ranking**
1			
2			
3 Final			

Evaluator: _____ **Date:** _____

Notes:

1.

2.

3.

REGULAR MEETING

CONSENT AGENDA

MINUTES

HEBER CITY CORPORATION
75 North Main Street
Heber City, UT
City Council Meeting
May 19, 2020

5:00 p.m. Work Meeting
6:00 p.m. Regular Meeting

The Council of Heber City, Wasatch County, Utah, met in **Regular Meeting** remotely via personal computer device on May 19, 2020. Due to the Wasatch County Health Department's stay at home order, this meeting was held virtually.

I. WORK MEETING-5:00 P.M.

Present: Mayor Kelleen Potter
Council Member Heidi Franco (participating remotely)
Council Member Mike Johnston (participating remotely)
Council Member Rachel Kahler (participating remotely)
Council Member Ryan Stack (participating remotely)
Council Member Wayne Hardman

Staff Present: City Manager Matt Brower
City Attorney Mark Smedley
City Planning Director Tony Kohler
City Engineer Bart Mumford
Assistant City Engineer Russ Funk
City Planner Jamie Baron
Police Lieutenant Jeremy Nielson
City Recorder Trina Cooke

Also Present: Sorenson Property Annexation's representatives Mike Bradshaw and John Plunkett
Participating Remotely: Frank Fortino

Mayor Potter called the meeting to order at 5:00 p.m.

1. Discussion of Ordinance 2020-05 Amending the Home Occupation Code (Kohler) - 25 min

WM Item 1 Staff Report Home Occupation Code Amendment

City Planning Director Tony Kohler presented the information as attached in the staff report. He provided a summary of the proposed changes, the finding and conclusions of staff, and discussion points. He noted the Planning Commission and Staff both recommended the Code amendment. Mr. Kohler introduced Frank Fortino, owner-operator of a local pizza food truck who had requested the City Code amendment.

DRAFT

Mr. Fortino explained the request was in order to allow him to build a prep kitchen in his garage which was not permitted in the current code. Mr. Kohler noted this item was on the Work Meeting for Council discussion only and it would be presented for action on a future Council Meeting.

Council Member Kahler asked how the City could prevent people from running a food truck business from their driveway with the proposed Code amendment. Mr. Kohler referred to the section which stated "the vehicle/trailer shall not be parked upon the street right of way or between the street and the home". Council Member Johnston expressed his support for the Code amendment.

Council Member Stack expressed support as well and suggested the following inclusions:

- B.3 specify the resident be a full-time resident
- B.4 – he felt the City sign code should be updated before deferring to it in this section
- B16 – he felt 10pm was too late for operating hours
- Fire department review of the kitchen
- Limitations to delivery times
- Review of Salt Lake City's prohibited businesses

Discussion regarding specifications and restrictions for the Code amendment followed.

2. Main Street Banner Policy Discussion (Smedley) – 30 min

City Attorney Mark Smedley explained the City Code did not currently include parameters to mandate or restrict the banners hung from light poles along Main Street. He explained the purpose of the discussion was to establish whether the Council felt a policy was necessary and if so, obtain feedback and guidance from the Council for the policy. Council Member Stack explained his concern was the City's lack of policy allowed no restriction of content. He recommended a stricter guideline allowing the City, County and additional local governmental entities to restrict the content of the banners.

Council Member Johnston expressed agreement with Council Member Stack's concerns regarding the possibility of the banners becoming a political platform and a war of differing opinions. He wanted to avoid public debates. Mayor Potter suggested the city adopt an ordinance allowing the Council the ability to vote to approve banner content. Council Member Franco suggested the Council restrict banner content to City and local government sponsored events and holidays. She recommended not allowing individuals to sponsor banners. Council Member Kahler asked if the City could take more control and whether the banners could be used less commercially and focus on branding for the City. Discussion regarding how to specify or restrict banner content continued.

Mayor Potter suggested having City Attorney Mark Smedley find a range of policy options for the Council to consider. City Attorney Mark Smedley agreed to reach out to other cities who had vetted banner policies for comparisons and bring them back to Council for further discussion.

DRAFT

3. Scheduling Tours of Annexation Petitions Properties (Brower) - 5 min

WM Item 3 Staff Report

Mr. Brower stated the Open Space and Trails Committee had expressed interest in a tour of the proposed North Village area annexations and asked if the Council would be interested in the tour as well. Council consensus was to be included in the invitation for a tour once a date and time was established.

II. REGULAR MEETING-6:00 P.M.

1. Call to Order

Mayor Potter called the Regular Meeting to order at 6:00 p.m. and welcomed all those listening. She advised members of the public how to access a link located on the City website in order to provide public Comments during the Public Comment period on the agenda or for specific agenda items.

2. Pledge of Allegiance (Council Member Johnston)

Council Member Johnston led the Pledge of Allegiance.

3. Prayer/Thought by Invitation (Default: Council Member Stack)

Council Member Stack shared a prayer.

III. CONFLICT OF INTEREST DISCLOSURE:

IV. CONSENT AGENDA:

1. Approval of May 2, 2020 City Council Special Meeting Minutes (Cooke)

5.2.2020 Special Meeting DRAFT Minutes

Motion: Council Member Kahler moved to approve the Special Meeting Draft Minutes for the meeting held May 2, 2020. Council Member Stack seconded the motion. Voting Aye: Council Members Franco, Hardman, Johnston, Kahler and Stack. The motion passed unanimously.

V. PUBLIC COMMENTS:

Mayor Potter read a public comment submitted by Ron Crittenden regarding budget concerns based on the current economic uncertainty due to the Corona Virus/Covid-19 pandemic [attached at the end of these Minutes]. In response to the email, Mayor Potter informed those listening that City Manager Matt Brower had immediately reacted to the pandemic by asking all departments to cease all unnecessary expenditures and had been providing regular reports on projections and revenue status updates to the Council.

DRAFT

VI. ACTION ITEMS:

1. Update Regarding Heber City's Ongoing Response to COVID-19 (Brower)

Mr. Brower provided a PowerPoint presentation (as included in the recording) regarding the current state of the City during the COVID-19 pandemic. He noted Wasatch County remained at the Orange level risk. He provided the website http://coronavirus.wasatch.utah.gov/ for those seeking additional information.

Lieutenant Jeremy Nelson provided an update of the police department's ongoing safety measures and City Attorney Mark Smedley provided an update of the Justice Court's proceedings during the ongoing pandemic.

Mr. Brower advised Council that the City offices had reopened to the public as of May 18, 2020. The offices were taking additional safety precautions such as the installation of health screens at customer service counters and disinfecting between customers. He added that the Business License department was working diligently to forward information to all local businesses. Mr. Brower explained the City was working closely with the Wasatch County Health Department. The Heber Market on Main kickoff was currently postponed to July, 2020 dependent upon the Governor's direction.

2. Consider Approval of Ordinance 2020-13 to Accept the Sorenson Property Annexations (aka Reinvestment Holdings Annexation and the West Jordanelle-Jordanelle Ridge Annexation) - continued (Kohler)

Item 2 Staff Report Sorenson

Item 2 MDA Redline Version

Item 2 MDA Clean Version

Item 2 Sorenson Exhibits with Updated Subdivision Document Submittal

Mayor Potter read several emails from the public as attached following these meeting minutes.

Mr. Brower described the innumerable efforts by the City and Staff to ensure the Sorenson Annexations were beneficial to the City. He read through the latest adjustments to the MDA (Master Development Agreement), made at the direction of Council, in order to finalize and approve the annexation.

City Planning Director Tony Kohler clarified the Council would be accepting the annexation by approving Ordinance 2020-13 which included the MDA as an exhibit.

DRAFT

Council Member Johnston expressed his support of the annexation and recognized the fact that the development would outlast both the sitting Council Members, and annexation representative Mr. Bradshaw. He explained his desire to ensure the City's and developer's expectations were aligned and discussion to clarify followed.

The following points for section 3.6 of the MDA were determined:

- The developer would comply with the current Moderate Income Housing Ordinance and Plan (2018-31).
- The language in section 3.6 ensured the developer would build the moderate-income housing units and not be permitted the fee in lieu option.
- The wording "or have obtained permits to build" would be removed from the section to read: "Developer must have built 144 affordable housing units that comply with the with the City ordinance before any additional building permits for market rate housing are approved".

Motion: Council Member Johnston moved to strike the words "or have obtained permits to build" and to include a sentence stating the fee in lieu was not permitted. Council Member Franco made the second. Voting Aye: Council Members Franco, Hardman, Johnston, Kahler and Stack. The motion passed unanimously.

Council Member Johnston felt the definition of Improved Open Space in section 1.2.34 should include: Irrigated landscaping, pavilions, playgrounds, bathrooms, paved parking lots. Council Member Franco felt the playground size should be established and asked to add drinking fountains to the list of amenities. Mr. Brower explained the list was intended as an example of what could be considered improved open space rather than to encompass everything that would constitute improved open space.

Motion: Council Member Johnston moved to include; bathrooms, irrigated landscaping, pavilions, playgrounds, drinking fountains and associated paved parking lots in the definition 1.2.34 Improved Open Space. Council Member Stack made the second. Voting Aye: Council Members Franco, Hardman, Johnston, Kahler and Stack. The motion passed unanimously.

Council Member Johnston felt the language in section 7. Open Space, Regional and Improved Public Parks and Trails Requirements should specify that the City had the discretion to own and maintain the acreage dedicated as neighborhood parks. Mr. Bradshaw agreed to the suggestion. Discussion continued regarding park specifications.

Motion: Council Member Johnston moved to add the language "The City will be given the first right of refusal to accept ownership and maintenance obligations of the parks" to section 7.1 Neighborhood Parks. Council Member Stack made the second.

DRAFT

Sorenson representative John Plunket suggested the language in 7.0 be modified to exclude neighborhood parks from the 60 total acres of improved open space dedicated to the City. Discussion continued regarding the specific language in the Parks section. Mr. Brower recommended that Mr. Plunket and City Attorney Mark Smedley leave the room to work out acceptable language to please both the Council and annexation petitioners.

In section 7.3 Regional Parks, it was determined to change the number of residential units constructed from 1,400 to 1,200 as the trigger for trailhead park construction as well as to include "access to public bathrooms" in the amenities.

Council Member Franco asked if they needed to have an agreement drafted between Ivory Homes and the Sorenson group for follow-through on the bridge from Coyote Lane. City Engineer Bart Mumford explained the obligation of the bridge was in Ivory homes agreement. Mr. Bradshaw explained they would need the bridge to be widened in order to move forward with development.

Discussion turned to public and private road standards. Council Member Johnston advocated for minimum asphalt in the mountainous areas. It was determined to keep the private roads at 24 feet wide as long as it still met fire code.

Discussion turned to the trails system. Mr. Bradshaw explained the map shown was just an overview of an existing trail to be added to and expanded upon.

The following adjustments were agreed upon for the Jordanelle Design Guidelines:

- Section 4.8 Storm Drainage; needed to include "per acre" after "0.1 cfs".
- Section 4.5 Mailboxes; cluster mailboxes would be a requirement for all units
- Section 5.6 Fencing; the language of the third paragraph would be modified to read: "Property owners *shall* only install fencing on their property" and to eliminate "open space" from the last sentence of the paragraph.
- Section 6.0 Landscaping; change the date range to read "November 1 - April 30"
- Section 6.0 Rear Yard Landscaping; deadline for landscaping should be "June 30" if Certificate of Occupancy is issued during the winter months.
- Section 7.0 Lighting and Miscellaneous Site Features; Council Member Johnston asked them to consider dark sky compliance.

Motion: Council Member Johnston moved to amend the design guidelines as discussed and agreed upon and for the developer and City to work together to implement dark sky compliant requirements to be adopted into the developers design guidelines. Motion failed for lack of a second.

City Attorney Mark Smedley reviewed the agreed upon amendments included in the MDA as just drafted by himself and Mr. Plunkett.

DRAFT

Motion: Council Member Johnston moved to accept the MDA for the upper Jordanelle Master Planned Community as amended that night, along with design guidelines and attached exhibits as reviewed and amended, and concurrently adopt Ordinance 2020-13 to approve the annexation consisting of approximately 8288 acres. Council Member Hardman made the second. Rollcall vote: Voting Aye: Council Members Franco, Hardman, Johnston, Stack, and Kahler.

3. Consider Approval of Ordinance 2020-21 to Amend the Zone Boundary from Residential (R-1) Zone and Residential (R-3) Zone to the R-3 Clustered Open Space Zone (COSZ) for The Springs at Coyote Ridge aka VXC Annexation, located Southeast of Coyote Lane - continued (Baron)

Item 3 Staff Report - Springs at Coyote Ridge Zone Change and Concept

*City Planner Jamie Baron asked to skip to agenda item four as he felt this item was somewhat contingent on the approval of the Annexation Addendum.

Returned to discussion of Agenda Item Four after discussion of Agenda Item Five.

Mr. Baron presented an image to reflect the area of the proposed zone change.

Motion: Council Member Hardman made the motion to approve Ordinance 2020-21. Council Member Stack made the second. Rollcall Vote: Voting Aye: Council Members Johnston, Stack, Kahler, Franco and Hardman. The motion passed unanimously.

4. Consider Ordinance 2020-23 Approval of the VXC Annexation Addendum (Coyote Ridge Open Space Agreement) - continued (Baron)

Item 4 Staff Report - VXC 1st Addendum

Mr. Baron presented the policy questions to be considered. Council Member Franco disapproved of the request for a five-foot setback on the south side of requested barn parcel. It was determined to address the policy questions in order.

- Density and Uses

Ivory Homes was requesting higher density for their development. Mr. Prince indicated Ivory homes had the higher density in their draft and felt it had been lost in the shuffle. He apologized it was not in the draft Council had previously viewed and apologized for the miscommunication. Mr. Prince then shared that Ivory was in the process of entering into contract to purchase the adjoining Boone property. Wasatch Back development representative Brett Walker asked for Council consideration based on the additional months of time the process has taken due to the City's request for the pond and park dedication. Discussion continued. Consensus of the Council was to not allow any additional increased density.

DRAFT

Motion: Council Member Johnston moved to allow 17 additional units in exchange for Ivory having acquired the Boone property, Ivory's contribution of nearly a quarter million dedicated to park improvements and to remove the Coyote Lane access from the cul-de-sac, dedicating 100 feet of corridor along the Highway through the Boone property. The motion failed for lack of a second.

Extensive discussion regarding density and the agreement continued.

Mr. Brower proposed the Council consider eliminating Ivory's $250,000 park contribution and the City assess an increased parks impact fee to the building permits in order to cover the cost of the park improvements.

Council Member Franco suggested delaying the park improvement payment from Ivory until 75% of their units were completed and reducing the fee to $150,000 in order for the City to be eligible to apply for matching grants.

Council Member Kahler expressed disapproval for both the proposed increased density and waiving the Park improvement payment obligation.

Discussion continued.

Motion: Council Member Stack moved to release Ivory of the nearly $250,000 obligation towards park improvements, grant no additional density, and for the City to increase the parks impact fee to raise the necessary funds to cover the cost of the park. Council Member Hardman made the second. Voting Aye: Council Members Harman, Franco, Stack and Johnston. Voting Nay: Council Member Kahler. The motion passed 4-1.

It was clarified that Ivory would still be granted an additional eight (8) units in return for obtaining the Boone property.

Policy Questions Continued:

- Road Stubs

Sixty-foot wide future road easement to be built with adjoining developments.

- Affordable Housing

Ivory would not be required to increase their affordable housing contribution based on the addition units allowed for acquisition of the Boone property.

- Park Timing

Mr. Brower pointed out the City would be paying for the park, therefore it would be the City's timeline to determine.

DRAFT

- Berming and Barn Parcel

Wasatch back was requesting to eliminate the berm requirement between the barn and trail and the highway due to limited space. It was determined the setback to the North needed to be a minimum twelve-feet. Council Member Johnston asked if it was entirely necessary to have driveway access from Highway 40. Mr. Lent informed Council the proposed barn was intended to be used for storage and they wanted a pull through drive, which would mainly exit to the east on the far side of Highway 40.

The final change presented was the addition of a twenty-foot wide trail easement connecting the park to the single-family lots as proposed by Council.

It was clarified that if the Boone property was obtained by Ivory, the cul-de-sac's currently proposed access from Coyote Lane would be relocated.

Motion: Council Member Johnston moved to accept the proposed amendment to the annexation agreement with Ivory Homes and Wasatch Back. Concerning the following items: Number one; the City would release Ivory Homes from their requirement to donate approximately $250,000 for improving the park. Number two; the road stub to the south would be granted to the City as a sixty-foot wide easement to be built at a future date. Number three; the City was not requesting any additional affordable housing bonus based on the additional units granted to Wasatch Back. Number four; there would be no timeline requirement for the City to improve the park. Number five; the City agreed to eliminate the berm requirement on the Wasatch Back portion of approximately 64 feet. Number six; the City would work with the applicant to craft a parcel for the barn lot granted for private use only; the setback to the South would be twelve feet minimum; the City would grant an easement for a dedicated trail corridor; and regarding the park, Wasatch Back would grant a twenty-foot trail easement to the knuckle of the road, to be constructed at the completion of the subdivision (and the City would work with Wasatch Back regarding the measurement of the setback of the corner lot in order to accommodate the width of the easement); and that in return for dedicating the 2.85 acres to the City for a public park, the City was granting 28 additional townhome units to Wasatch Back. Number seven; Ivory Homes would relocate the cul-de-sac from Coyote Lane if the Boone property was purchased. And to approve Ordinance 2020-23. Second: Council Member Hardman made the second. Rollcall vote: Voting Aye: Council Members Hardman, Johnston, Stack, Kahler and Franco

5. Consider Approval of CARES Act Grant Offer for the Heber Valley Airport (Biggs)

Item 5 - Staff Report - AP Grant

Heber Valley Airport Manager explained the aviation industry had been one of the hardest hit economically by the impacts of the Corona Virus/COVID-19 pandemic. The airport had been offered a grant through the CARES (Coronavirus Aid, Relief, and Economic Security) Act in the amount of $69,000. The City would not be required to repay the money but the grant needed to accepted formally by the City Council.

DRAFT

Motion: Council Member Kahler moved the City accept the Cares Act grant as presented. Council Member Franco made the second. Voting Aye: Council Members Franco, Hardman, Johnston, Kahler and Stack. The motion passed unanimously.

6. Consider 600 South 300 West Roundabout Approval (Mumford)

Item 6 Rd19 600S Rndabout 200518

City Engineer Bart Mumford reminded Council that they had directed Staff to provide a less expensive option for a roundabout. He presented a mini roundabout option and explained it was a smaller version of the more expensive, traditional roundabout. The one possible drawback that large trucks, buses or trailers would run it over. He indicated Staff needed Council to provide a decision regarding the installation of a traditional roundabout, mini roundabout or a four way stop for the intersection. Mr. Mumford clarified the cost of a mini roundabout would be approximately half of a traditional roundabout and the City would not bear the expense of undergrounding the Heber Light and Power powerline.

Consensus of the Council was in support of the mini roundabout.

Motion: Council Member Kahler moved to approve the funding for staff to proceed with the design and construction of the recommended mini roundabout. Council Member Hardman made the second. Voting Aye: Council Members Franco, Hardman, Johnston, Kahler and Stack. The motion passed unanimously.

7. Consider Approval of Ordinance 2020-14 Amending the Heber City Sign Ordinance (Kohler)

Item 7 Staff Report Amending Sign Regulations

Due to the late hour, it was determined to continue this agenda item to a future item.

8. Fiscal Year 2020-2021 Annual All Funds Tentative Budget Review (Brower, Bingham)

City Manager Matt Brower reviewed the timeline of the Budget Workshop meetings and upcoming Fiscal Year 2020-2021 Budget adoption. He explained the General Fund Budget changes as well as additional fund changes. He noted the Heber Sales Tax preliminary estimate was 104% above the previous year. Mr. Brower informed Council that if they agreed with the changes as presented, said changes would be incorporated into the final budget document. Council Agreed.

VII. COMMUNICATION ITEMS BY MAYOR, CITY COUNCIL AND STAFF: Staff Follow-Up Reports from City Council Requests

1. Staff Follow-Up Reports from City Council Requests

DRAFT

Discussion returned to the roundabout and consensus of the Council was to reconsider the roundabout. City Attorney Mark Smedley advised the Council they could not change the previous direction given by Council via the earlier motion. He indicated they would need to bring it back at the next meeting. Mr. Mumford noted they would need to do two designs and get two bids for both the mini and standard roundabouts. Mr. Brower stated he would direct Staff to include the roundabout in the upcoming Fiscal Year 2020-2021 budget.

Motion: Council Member Hardman moved to extend the meeting beyond 11:30 p.m. in order to finish their discussion. Council Member Franco made the second. Voting Aye: Council Members Franco, Hardman, Johnston, Kahler and Stack. The motion to extend the meeting passed unanimously.

Consensus of the Council was to return to the next meeting with both roundabout designs and bids.

Mr. Baron shared information regarding the policy question of whether the Council wanted to take action to void expiring plats. He advised Staff Recommended not taking action.

VIII. ADJOURNMENT

Motion: Council Member Stack made the motion to adjourn. Council Member Hardman made the second. The Meeting adjourned at 11:36 p.m.

_____

Trina Cooke, City Recorder

Following are the Public Comments received via email for the Public Comment section of the agenda as well as comments pertaining to specific agenda items:

V. PUBLIC COMMENTS:

From: Ronald Crittenden
Sent: Monday, May 18, 2020 3:52 PM
To: CC Public Comments <ccpublic@heberut.gov>
Cc: Heidi Franco <hfranco@Heberut.gov>; Wayne Hardman <whardman@Heberut.gov>; Ryan Stack <rstack@heberut.gov>; Rachel Kahler <rkahler@heberut.gov>; Mike Johnston <mjohnston@heberut.gov>; Kelleen Potter <kpotter@Heberut.gov>; Matt Brower

DRAFT

<mbrower@Heberut.gov>
Subject: (EXTERNAL) May 19 Heber City Council Meeting: Public Comments

General Public Discussion: As the city contemplates budgeting issues for the 2020-2021 year I hope and encourage that the city council and staff are not overlooking the present budget for 2019-2020, which is most assuredly experiencing a severe reduction due to COVID-19 reduced sales tax revenues. The reduced revenues need to be reflected into reductions in the current budget year. Given the high proportion of the city budget dedicated to personnel costs and given the fact that many of the city's citizens are facing reduced incomes (if not outright unemployment) the city staff needn't be insulated from some adjustments, even perhaps reductions in recent years increased staffing and very generous compensation increases. What's not done now could very drastically impact next year's budget pains.

Thanks for your consideration,

Ronald R. Crittenden

VI. ACTION ITEMS:

2. Consider Approval of Ordinance 2020-13 to Accept the Sorenson Property Annexations (aka Reinvestment Holdings Annexation and the West Jordanelle-Jordanelle Ridge Annexation) - continued (Kohler)

From: catherin dalton
Sent: Tuesday, May 19, 2020 5:42 PM
To: CC Public Comments <ccpublic@heberut.gov>
Subject: (EXTERNAL) Meeting tonight

I would like to express my thoughts about the Sorenson annexation tonight. I wish the development wasn't happening. But since it's inevitable, I'd prefer they pay both City and county taxes. I spoke to my council representative and had many of my questions answered. I feel good about most everything that has been decided. From everything I understand I have encouraged my council member to vote yes on the annexation whenever that comes up for vote.

Catherin Dalton

From: Kendall Crittenden
Sent: Tuesday, May 19, 2020 1:25 PM
To: CC Public Comments <ccpublic@heberut.gov>
Subject: (EXTERNAL) Sorenson annexation

DRAFT

I vote NO on the Sorenson annexation in its presentation configuration.

Kendall Crittenden

From: Cristina Aguirre <aguirre.cristina.m@gmail.com>
Sent: Tuesday, May 19, 2020 11:47 AM
To: CC Public Comments <ccpublic@heberut.gov>
Subject: (EXTERNAL) Sorenson annexation

My name is Cristina Aguirre. Heber City home owner.

I'd like to be heard on the Sorenson annexation.

1. If this annexation is approved, there should be NO exceptions. If they are to be annexed into Heber City, they should abide by ALL city council requirements now AND in the future. There should be NO zoning or development freezes.

2. I would like to see water-saving techniques, like Xenoscape, be required to this development based on their location.

3. So as not to put undue burden on our current services, they should build the following at their expense:

A. at least one fire/ems department

B. some sort of water and sewer processing plants

C. SCHOOLS!!! (We simply cannot support more taxes!)

Thank you for your time.

Cristina Aguirre

From: David Milliner <jdmilliner@att.net>
Sent: Monday, May 18, 2020 11:08 PM
To: CC Public Comments <ccpublic@heberut.gov>
Cc: PC Public Comments <pcpublic@heberut.gov>
Subject: (EXTERNAL) Objection to REI Holdings/Sorenson Legacy Foundation Annexation Petition

Heber City Council Members and Mayor:

DRAFT

With respect, I object on due process and open public meeting grounds to holding any vote on annexation of the 8,288.34 acres, and at least 6,347 housing units, proposed in the above-referenced annexation petition, or on any other development-related petition, so long as regular public meetings are not allowed. These types of decisions are simply too important and have too much immediate and lasting impacts on our community to be made without full and fair public education and input done in the normal and ordinary course of the public meeting process. As a result, I ask that you table this petition, and all other significant development-related petitions, until such time as regular public meetings can resume.

In this regard, I also wish to remind you of what I perceive as the sentiment of a majority of your constituents in favor of curbing the rapid (many would say "out-of-control") growth we've experienced in our community in recent years, and the desire to maintain insofar as possible, and for as long as possible, the open spaces and predominantly rural setting of the Heber Valley, which is what causes most of us want to live here. Not long ago, the Wasatch County Council found this out the hard way when its decision to rezone the North Fields area to allow smaller lot sizes was soundly repealed via a public referendum. With this in mind, I would also respectfully ask that you implement the following policies: (1) interface with Wasatch Count to determine whether annexation will impose lower housing densities on any areas that want to be annexed and developed, and go with the option that is likely to result in the lowest density for any proposed development; and (2) make sure you are extracting as much as legally possible in impact and other development fees and concessions from new developments and for building permits for new construction. We also just voted down a very expensive new school bond proposed by Wasatch County School District, which serves to remind us of the very significant impacts on existing residents of all this growth. To the fullest extent legally possible, please make sure that new growth is paying its own way, and don't approve any new projects until you're very sure that it is.

Respectfully,

David Milliner

Heber City

From: Ronald Crittenden
Sent: Monday, May 18, 2020 3:41 PM
To: CC Public Comments <ccpublic@heberut.gov>
Cc: Heidi Franco <hfranco@Heberut.gov>; Wayne Hardman <whardman@Heberut.gov>; Rachel Kahler <rkahler@heberut.gov>; Ryan Stack <rstack@heberut.gov>; Mike Johnston <mjohnston@heberut.gov>; kpotter@heberut.org; Matt Brower <mbrower@Heberut.gov>;

DRAFT

Mark Smedley <msmedley@Heberut.gov>
Subject: (EXTERNAL) Heber City Agenda Item #2- Ord. 2020-13 Sorenson Annexation

Agenda Item #2: Sorenson Annexation ADA. In response to some of my comments on the last city council meeting there was a reaction defending the use of ADA's as a tool "used often by other cities". The problem isn't the use of an ADA here, but rather the massive scope of exemptions within part of the ADA that is the isolated problem. I would challenge staff or council to point to any other ADA that doubles the size of a city population (and many times double the acreage) for a 30-40 =forever years development outlook, where the new land mass is allowed to be exempt from future city council's zoning and development considerations later deemed appropriate for the rest of the city (the current citizens). I would defer, for the moment, to current city legal counsel but I question the legality, or at a minimum the appropriateness, of exempting future city councils (newly elected to fulfill the current will of the citizens) from their fundamental rights to consider and vary zoning and development standards within the whole city.

Is the city council prepared, in the spirit of fairness and equal treatment, to extend this 30-40 + forever freeze on current zoning and development standards for ALL the property in the city? Otherwise then, going forward (as new tools considered for good operations of city services and land development are developed) there will be two standards in our city, one for Sorenson lands and one for the rest of us. What about the precedent being set to allow this for Sorenson (half the city) - won't/shouldn't all recent and new annexations into the city expect the same forever assurances and exemptions from future city actions? Who of the present council claim a crystal ball to the 40+ year future- to be willing to assure us that these locked in exemptions won't harm the city's best interests in the future?

Thanks for your consideration,

Ronald R. Crittenden

From: Rod Woolley
Sent: Sunday, May 17, 2020 10:22 AM
To: CC Public Comments <ccpublic@heberut.gov>
Subject: (EXTERNAL) Sorenson Property

I find it very irresponsible to consider adding this property to the city limits of Heber. Seem that every time more area is added there is a substantial increase in taxes.

It time to limit growth and keep this valley a rural area. That is why most of us move here. Keep the open spaces.

Sincerely

DRAFT

A concerned citizen.

DRAFT

TAB 2

HEBER CITY CORPORATION
75 North Main Street
Heber City, UT
City Council Meeting
June 2, 2020

5:00 p.m. Work Meeting
6:00 p.m. Regular Meeting

The Council of Heber City, Wasatch County, Utah, met in **Regular Meeting** on June 2, 2020, in the City Council Chambers and remotely in Heber City, Utah

I. WORK MEETING-5:00 P.M.

Present: Mayor Kelleen Potter
Council Member Heidi Franco (participating remotely)
Council Member Mike Johnston (participating remotely)
Council Member Rachel Kahler
Council Member Ryan Stack (participating remotely)
Council Member Wayne Hardman

Staff Present: City Manager Matt Brower
City Attorney Mark Smedley
City Planning Director Tony Kohler
City Engineer Bart Mumford
City Planner Jamie Baron
Parks and Cemetery Director Mark Rounds
Airport Manager Travis Biggs
Finance Manager Wes Bingham
Police Chief Dave Booth
City Recorder Trina Cooke

Also Present: Todd Cates, Paul Linford and Greg Carson.

Participating Remotely: Dan Cable, Mark Vlasic, Tracy Taylor, Greg Carson, Glen Lent, Ray Whitchurch, Mark Reese, Howard Saldorini, Craig Hall, Josh Cummings, and Brian Olsen.

Mayor Potter called the meeting to order at 5:10 p.m.

1. Review of Cemetery Expansion Plans (Brower, Rounds) – 30min

WM Item 1.1 Cemetery -Color Concept 1_Heber City Duke_4-17-2020

WM Item 1.2 Cemetery - Color Concept 2_Heber City Duke_4-17-2020

DRAFT

City Manager Matt Brower explained the consultant for the Cemetery Master Plan, Dan Cable, had returned to gain additional feedback and direction from Council.

Mr. Cable shared the current design concepts and reminded Council of the questions to consider:

- How much of the Duke property did Council want to dedicate for the Cemetery?
- How much of the East Parcel did they want to dedicate to the Cemetery?
- How many years did the City feel they would like to remain in the Cemetery Business? (current concept shown allowed for approximately 125 years of Cemetery inventory)
- Did the Council want to include a park in the plan?

Feedback from Council included:

- Council Member Franco felt they should not include a park or school or anything that could potentially disrupt funeral services. She would prefer to leave the east side of the canal reserved for burials or possibly residential.
- Council Member Johnston felt the cemetery expansion should extend to Mill Road as shown in concept 3.
    - He did not feel there should be any residential homes included.
    - He felt 125 years was long enough for the City to remain in the Cemetery business.
    - He Preferred the Cemetery not extend into the Duke property at all as it could be put to better use.
    - He felt there should be a mausoleum located in the unusable caliche ground area.
    - He did not care for moving the maintenance building to the front and center of the cemetery property and felt if should remain where it was and improved upon.
    - He felt the spoils yard should be moved further from the residential homes

Mr. Cable explained he caliche soil could be very difficult to dig in and a raised cremation garden would be a good use of the area. He explained the reason to separate the maintenance building from the office was to prevent disturbances to the families when making funeral arrangements in the office.

- Council Member Kahler asked to see a 25-foot buffer from the bypass road for the residents.
    - She did not want the Duke property used for residential or affordable housing and preferred to preserve it as open space.

It was noted there was a 25-foot buffer included in the concept plan.

Mayor Potter reminded Council that the original reasoning of the previous Council to include single-family homes in the design concept was as a funding mechanism to help pay for the City's purchase of the Duke property.

- Council Member Stack agreed with the eastern portion remaining as cemetery use
    - He agreed there were better uses for the Duke property such as improved open space or a park.

DRAFT

Consensus of the Council was as follows:

- to use the caliche area for an above ground mausoleum
- the spoils yard would be contained in covered bins and remain close the maintenance building with the office separated
- everything north of the bypass road would be greenbelt

Parks Master Plan consultant Mark Vlasic presented a park concept plan for the Duke property. Discussion of Council's ideas and preferences for a park followed.

- Council Member Hardman suggested reserving the east portion of the Duke property for potential cemetery use if needed. He felt it could be park greenway until then.
  - He agreed with expanding the Cemetery to Mill Road

- Council Member Kahler felt parking should be by 500 North and the area should be preserved as open space for potential Cemetery use in the future. She felt the open space could remain as a field rather installing grass to mow.
  - She liked the Cemetery expansion to Mill Road
  - She liked the Duke property remaining 100% park with no affordable housing

- Council Member Franco felt 125 years of Cemetery potential was enough.
  - She liked the open fields and parking as shown
  - She felt a larger pavilion for family reunions, with a 50-75 person capacity, would be nice

- Council Member Stack felt the proposal shown was exactly what the community needed as there was not a destination playground located anywhere in Heber.
  - He was not in favor of expanding the Cemetery to the Duke property

2. Consideration of Contract Extension for Red Ledges Bypass Portion (Todd Cates) – 30min

WM Item 4 Red Ledges MOU

Mayor Potter read a public comment submitted by email from Tracy Taylor. [attached]

Matt Brower reviewed the Red Ledges contractual obligations timeline and provided information regarding the status of each portion of the agreement.

Todd Cates, representing Red Ledges, provided information regarding the history of Red Ledges and the vision of the project. He shared information about the process, the number of homes completed and still being built. He felt the Bypass road would be a benefit to the City and Red Ledges but that it was not yet needed by the community. He recommended Red Ledges work with Mayor Potter, City Manager Matt Brower and City Attorney Mark Smedley in order to find a mutually agreeable timeline for the Bypass Road construction.

DRAFT

Council Member Kahler asked what the estimated cost would be for Red Ledges portion of the Bypass road. It would be approximately three million dollars.

Council Member Franco stated that at the time the MOU (Memorandum of Understanding) was drafted, she thought Red Ledges was comfortable with the timeline. She noted she was currently more concerned about the park in the agreement being completed and asked if Red Ledges would be able to proceed with the park. Mr. Cates agreed there was a need for the park and proposed Red Ledges begin the installation of the park in the spring 2021.

Council Members Hardman and Kahler agreed with allowing the postponement of the road if Red Ledges followed through with the completion of the park. Council Member Stack, agreed about the park and felt Red Ledges should complete the portion of the Bypass needed to access the park. He felt there should not be a hurry to complete a road portion that would be an incomplete road for the City to maintain. Council Member Johnston agreed.

II. REGULAR MEETING-6:00 P.M.

1. Call to Order

Mayor Potter called the Regular Meeting to order at 6:13 p.m. and welcomed everyone in attendance as well as those listening and participating remotely.

2. Pledge of Allegiance (Council Member Kahler)

3. Prayer/Thought by Invitation (Default: Mayor Potter)

III. CONFLICT OF INTEREST DISCLOSURE:

There was no conflict of interest disclosed.

IV. CONSENT AGENDA:

1. Approval of May 2, 2020 City Council Budget Meeting Part 1 Minutes; May 7, 2020 City Council Budget Meeting Part 2 Minutes; May 11, 2020 Combined City Council-Planning Commission Special Meeting Minutes (Cooke)

5.2.2020 Draft Minutes Budget Meeting Part 1

5.7.2020 Draft Minutes Budget Meeting Part 2

5.11.2020 Combined City Council-Planning Commission Meeting Draft Minutes

Motion: Council Member Kahler moved to approve the meeting minutes of all three meetings as presented. Council Member Hardman made the second. Voting Aye: Council Members Franco, Hardman, Johnston, Kahler and Stack. The motion passed unanimously.

DRAFT

V. PUBLIC COMMENTS:

There were no comments received.

VI. ACTION ITEMS:

1. Update Regarding Heber City's Ongoing Response to COVID-19 (Brower)

City Manager Matt Brower provided an update regarding the ongoing response of Heber City to the COVID-19 pandemic. He stated the governor had lowered the Wasatch County risk level from Orange to Yellow and provided a website to find additional information. He shared the April unemployment rate in Wasatch County was 17.5%. He added the City sales tax revenue had increased by 16% from the previous year.

Chief Booth shared an update of the Police Department's ongoing safety measure. In response to the national outcry due to the death of George Floyd, he shared that Heber City Officers all wore body cameras and went through diversity and de-escalation trainings. He noted there had been a few protesters at the Police Department the previous Saturday but they had left when the rain came.

Mayor Potter expressed her and Salt Lake Mayor Mendenhall's appreciation to the Heber Police Department for assisting with the riot situation in Salt Lake City the previous weekend.

City Attorney Mark Smedley shared the ongoing safety processes of the Justice Court.

2. Public Hearing to Garner Public Input for the Heber City Fiscal Year 2020-2021 All Funds Budget (Bingham)

Item 2 Staff Report Public Hearing for FY 2020-2021 All-Funds Budget

Item 2 Heber City 2020-2021 Final Budget

Item 2 PP FY 2020-2021 All Funds Tentative Budget

Finance Manager Wes Bingham shared an overview of the Fiscal Year 2020-2021 all funds budget. He noted it was a balanced budget. He added that the agenda item would not require action at that time but was holding the Public Hearing that evening as required by State Code. The budget would be presented for adoption at the following meeting in order to allow time for public input and feedback.

Mayor Potter opened the Public Hearing at 6:32 p.m.

She read an email regarding the County Transfer station and stated the issue would be forwarded to the County as they were responsible for the transfer station. [attached]

DRAFT

Heber City resident Tracy Taylor asked for a summarized version of the budget to be provided for the citizens of Heber City. Mr. Brower indicated there was a PowerPoint on the website, which provided an overview of the Fiscal Year 2020-2021 Budget. Council Member Kahler advised there was an overview of the budget she had drafted and posted to her Facebook page as well. Ms. Taylor asked for more Facebook postings in order to better provide the public with City information.

The Public Hearing was closed at 6:38 p.m.

Council Member Franco asked Mr. Brower to explain the percentage decrease and the COLA's (Cost of Living Adjustment) in the budget. Mr. Bingham shared the General Fund Budget had gone down year after year. The COLA was built into the budget at 1% but it would be contingent upon certain economic factors, specifically sales tax revenue increasing at a 7% growth over a three much period.

Mr. Brower shared the strategic decision to decrease the budget due to economic uncertainty caused by the pandemic.

3. Public Hearing for the North Village Annexation Located Along the Eastern Side of Highway 40, Between Potter Lane and Moulton Lane, Adjoining and Including the UVU Campus (Kohler)

Item 3.1 Staff Report NV Annexation PH

Item 3.2 Exhibit 5-6

Item 3.3 Exhibit 7

Item 3.4 Exhibit 8-9

Item 3.5 Exhibit 10-12

Item 3.6 Exhibit 13-14

City Planning Director Tony Kohler presented the annexation information and provided an anticipated timeline for the process as attached in the meeting materials. He noted the public hearing was a State Code process requirement, shared a map reflecting the location of the proposed annexation area and reviewed the remaining annexation process requirements. Mr. Kohler proceeded to share the North Village overlay zone map, development concept plans and project details.

Council Member Stack pointed out the number of ERU's the petitioner had listed as vested with the County had expired. Mr. Kohler explained the City was rewriting both the General Plan and the North Village Code.

DRAFT

Council Member Kahler asked if the affordable housing requirement was always in addition to the allowed density. She expressed concern with the City appearing to allow developers to triple density based on negotiated amenities for the City.

Mr. Kohler reviewed the list of recommended conditions for the Annexation.

Annexation representatives Greg Carson and Paul Linford provided a presentation for the Council including proposed design concepts and explained the proposed densities for the different areas. It was clarified the term "stacked flats" referred to apartments. Ray Whitchurch, explained the access from the Utah Valley University road would shift to an alternate road to be installed with the development. Mr. Whitchurch also explained the work being done in order to make the canal fireworthy and allow secondary access to the area. Mr. Carson reviewed the parking plan, open space, trails and passive areas in the concept plan.

Mayor Potter opened the Public Hearing for public comments at 7:10 p.m.

Heber City resident Tracy Taylor expressed her agreement with Council Members Kahler and Stack regarding the expired development agreement with the County and felt the City should not give density away. She reminded the Council of the annexation MOU (Memorandum of Understanding) with the County and hoped the City would uphold the agreement.

Mayor Potter read an email from County resident Michael Dixon [attached] whose property was within the proposed North Village annexation area.

County resident Howard Saldorini stated he was the owner of Moulton Lane. He felt it was irresponsible, greedy and disrespectful of the three annexation petitioners to pull existing residents, unwillingly, into the annexation. The petitioners had not approached nor attempted to contact him or the other residents for their feedback. He had been at his residence for 25 years and thought the big developers from Salt Lake City were coming to Heber and attempting to create grand new worlds. He stated he would not like to be annexed into the City limits.

County resident Mark Reese asked to correct the information in the Staff Report. He said Actium was a hard money lender who had acquired the property next to Mr. Reese by foreclosing on the developer. Mr. Reese stated Actium had then approached the adjoining property owners with a development proposal, which they had respectfully declined. Mr. Reese said Actium then sued the property owners, claiming the property boundaries were incorrect. He said Actium was run by attorneys and the approach was to try to intimidate the property owners. He felt that if the City approved the annexation it would potentially encourage the big developers to continue to intimidate property owners by suing for damages and many property owners did not have the means to defend a lawsuit. He indicated Mr. Linford had a good development plan but felt it would need a little work. Mr. Reese stated he would not like to be annexed until the proposal had been looked at more closely and the property owners and annexation petitioners could agree on more of the details.

DRAFT

Craig Hall, attorney for Actium Partners, took umbrage with the previous comments and clarified that Actium had a boundary line dispute with the title company rather than the property owners. He said Actium was not a petitioner but had not protested the annexation petition. He said they believed the annexation was in the best interest for their property.

Mr. Reese took exception to Mr. Hall's statement and explained Actium had included a $300,000 damage claim within their lawsuit.

Annexation petitioner Barbara Boss apologized to the landowners who did not wish to be included in the annexation. She said she had attended the Envision Heber 2050 General Plan meetings for the future development and land use of Heber City. She explained the people who had attended the meetings had expressed their preference to see higher density in the proposed annexation area in order to preserve other areas as open space.

Mayor Potter closed the Public Hearing at 7:27 p.m.

City Manager Matt Brower explained the Regular City Council Meeting needed to break in order to conduct a Closed Executive Session, which had been scheduled to begin at 7:00 p.m.

VIII. CLOSED EXECUTIVE SESSION

1. Litigation

Motion: Council Member Kahler made the motion to enter the scheduled Closed Executive Session. Council Member Hardman made the second. Rollcall Vote: Voting Aye: Council Members Franco, Hardman, Johnston, Kahler and Stack. The meeting entered Closed Executive Session at 7:29 p.m. for the purpose of discussing litigation.

Present:	Mayor Kelleen Potter
	Council Member Heidi Franco (participating remotely)
	Council Member Mike Johnston (participating remotely)
	Council Member Rachel Kahler
	Council Member Ryan Stack (participating remotely)
	Council Member Wayne Hardman
Staff Present:	City Manager Matt Brower
	City Attorney Mark Smedley
	Airport Manager Travis Biggs
Also Present:	Airport Counsel Peter Kirsch (participating remotely)
	Airport Counsel Steve Osit (participating remotely)

Motion: Council Member Kahler made the motion to return to the Regular Meeting. Council Member Hardman made the second. Rollcall Vote: Voting Aye: Council Members Franco, Hardman, Johnston, Kahler and Stack. The meeting returned from Closed Executive Session at 8:36 p.m.

DRAFT

4. Consider Approval of Ordinance 2020-26 to Vacate Lot 5 of the Heber Creeper Village Subdivision (Baron)

Item 4 Staff Report Heber Creeper Lot 5 Vacation

City Planner Jamie Baron briefly explained the request of the property owner to vacate a portion of their plat by ordinance, as required in order to be recorded with the County. The property owner wanted the option to potentially sell a portion for development.

Council Member Kahler expressed hesitation to approve the request without knowing the development intent, as the lot was a historic landmark of the City. She asked whether the property owner was available to provide additional information. Discussion followed regarding the intent of the property owner and the historic preservation of the original train depot property.

Mr. Baron indicated the request met all requirements of the City Code. He said the property owner had been there prior to the closed session but had not returned. It was determined to move forward with the agenda until the property owner could be reached for further discussion.

5. Reconsider Roundabout Approval for 600 South 300 West (Mumford)

Item 5 Staff Report 600 S 300 W Roundabout

Motion: Council Member Hardman made the motion to reconsider the approval of the roundabout approval for 600 South and 300 West. Council Member Kahler made the second. Voting Aye: Council Members Franco, Hardman, Johnston, Kahler and Stack. The motion passed unanimously.

City Engineer Bart Mumford provided a recap of the ongoing roundabout discussion. He reminded Council there was currently road construction and a four way stop at the proposed roundabout intersection. Council had previously been given an initial proposal for a traditional roundabout, which had been estimated to cost approximately $600,000. The Council had asked Staff to return to the drawing board and present alternate options in order to bring the cost down. Staff had returned with a proposal of a mini roundabout, which would eliminate the large expense of burying a Heber Light and Power transmission line, and cost approximately half the amount of the traditional roundabout.

Council had voted to approve the mini roundabout at the May 19, 2020, City Council Meeting. Upon further discussion at the end of said meeting, Council asked to revisit the roundabout options. Discussion followed regarding the safety of not burying the transmission line, the proposed difficulty of school busses and horse trailers navigating a mini roundabout, and the high cost of approving a traditional roundabout.

Council Member Kahler felt the Council needed to be mindful of the use of the road (i.e. school busses and horse trailers). She stated she understood the traditional roundabout was a lot of money but felt that if the Council failed to make the correct decision at that time, the City would pay for it for 30 years. She was asking the Council to spend the money now, for the right project.

DRAFT

Council Member Stack expressed his agreement with Council Member Kahler. He was concerned about the safety of the mini roundabout and power transmission line. He shared that he had spoken with residents and found all were in support of the roundabout at the proposed intersection. He felt the community deserved the traditional roundabout.

Mr. Mumford impressed upon Council that the current construction on 600 South needed to proceed and could not wait another two weeks.

Council Member Franco inquired whether the shift of money to pay for the roundabout would disrupt any of the upcoming capital improvement projects. Mr. Brower explained how the budget could be shifted in order to pay for the roundabout.

Council Member Hardman expressed that he still leaned in favor of the mini roundabout due to the expense. He was concerned about spending that much money during the current economic uncertainty. Discussion followed regarding moving the transmission line and whether Heber Light and Power would consider a payment plan to offset the cost for Heber City.

Motion: Council Member Kahler made the motion to move forward with roundabout construction for the traditional roundabout at a cost between $640,000 and $660,000. Council Member Stack made the second. Voting Aye: Council Members Franco, Hardman, Johnston, Kahler and Stack. The motion passed unanimously.

6. Consider Adoption of Pending Ordinance 2020-28 to Regulate Digital Signs (Baron)

Item 6 Staff Report 6.2.20 CC Report - Ord. 2020-28 Pending Ord Digital Signs

Council Member Kahler felt this item was a sensitive issue for business owners and thought the agenda item should be continued. She suggested the City make the information available to the public in order to allow the public time to submit their feedback. Council Member Johnston clarified the pending ordinance would not affect the existing business signs but rather new business signs.

City Planner Jamie Baron shared that the current City Code prohibited billboards and allowed for no more than 25% of a sign to be digital. He noted the community wished to preserve the rural feel of Heber and the Council had expressed interest in adopting dark sky standards. Mr. Baron clarified the pending ordinance would allow the City time to go through the process properly with the public while offering staff the time needed to compose a well thought out permanent ordinance. Council Member Stack indicated he would prefer to move forward with the pending ordinance adoption in order to protect the City.

Motion: Council Member Stack moved to approve Ordinance 2020-28 as presented. Council Member Hardman made the second. Rollcall Vote: Voting Aye: Council Members Johnston, Stack, Franco, and Hardman. Voting Nay: Council Member Kahler. The motion passed four to one.

DRAFT

Mr. Baron indicated the petitioner for agenda item four was now available for discussion. Mayor Potter directed the meeting back to agenda item four.

4. Consider Approval of Ordinance 2020-26 to Vacate Lot 5 of the Heber Creeper Village Subdivision (Baron)

City Planner Jamie Baron introduced property owner Josh Cummings and asked him to walk the Council through his plans for the property. Mr. Cummings explained it was a large lot and they intended to retain the building as-is and make it look good again. They felt they could potentially lease it to a local business owner. He said they might build some sort of multi-tenant structure on the back lot or possibly sell it outright. He advised Council they had wanted to have a plan in place that made financial sense prior to investing money into the existing building.

Council Member Kahler inquired why the lot vacation was necessary. Mr. Cummings said it was currently somewhat unsightly and felt a multi-tenant building would improve the look of the lot and benefit the Community. Brian Olsen, realtor representing Mr. Cummings, explained the price point would be more attainable if divided and if they were to restore the existing building and lease it, it would provide income to possibly improve the back lot.

Council Member Johnston clarified that by subdividing the lot, it would be easier to do something with both lots. Council Member Kahler explained her desire to preserve the historic train depot. Council Member Franco expressed her approval of Mr. Cumming plans.

Motion: Council Member Kahler made the motion to approve Ordinance 2020-26 and vacate lot five. Council Member Hardman made the second. Rollcall Vote: Voting Aye: Council Members Hardman, Kahler, Franco, Stack and Johnston.

7. Discussion Regarding the Recently Amended Heber City Code Title 9.22.020 Disturbing the Peace (Booth)

Mayor Potter noted there had been a large amount of social media backlash from the community regarding the recently updated "Disturbing the Peace" section of the City Code.

Chief of Police Dave Booth presented the proposed changes.

Council Member Kahler felt the Council needed to better define the restrictions. Lengthy discussion regarding the preferred language to clarify the Code followed.

Council Member Kahler felt the time restriction in section 9.22.020 for quiet hours should be returned to 10:00 p.m. to 7:00 p.m. rather than the recently adopted 7:00 p.m. to 7:00 a.m. Council Member Stack wanted to define heavy landscape equipment versus power tools or normal homeowner yard maintenance. Chief Booth explained the Police Department preferred the language to remain broad as it helped the officers, when responding to calls, to educate the public regarding reasonable noise levels. Chief Booth presented the section indicating exemptions to the noise restrictions. Council Member Franco felt the 10:00 p.m. noise curfew was too late.

DRAFT

City Engineer Bart Mumford shared that the contractors would all petition his department for exceptions to the early cut-off time if it remained at 7:00 p.m. and he would grant them all permission.

Discussion continued regarding the misinterpretation of the noise restriction on Sunday and clarification of the intent of the language in the Code.

Consensus of the Council was to:

a) remove additional restrictions from Sunday
b) return the quiet hours to 10:00 p.m. to 7:00 a.m. rather than 7:00 p.m. to 7:00 a.m. consistently in all sections
c) to keep the distance of 25 feet from the property line for the enforcement of quiet hours

Chief Booth shared an additional section D added to the Code in order to clarify lawn mowing was permitted.

Council Member Stack asked Chief Booth to put the information on the City and Police Facebook page to advise the Public they were permitted to mow their lawn on Sunday. Council Member Kahler asked the Facebook post to include the revised ordinance with clarification of the intent.

VII. COMMUNICATION ITEMS BY MAYOR, CITY COUNCIL AND STAFF: Staff Follow-Up Reports from City Council Requests

1. Staff Follow-Up Reports from City Council Requests

City Manager Matt Brower advised the Council that the City's contract with their external auditor was expiring. He recommended a panel to review proposals received from an RFP (request for proposals) in order to narrow down the applicants to the top three. From there, the top three submissions would present to Council for a final decision.

Mr. Brower shared that Friday, June 7th, had been chosen as the date for Council to tour the proposed North Village annexation areas. Council decided to meet for the tour at 8:00 a.m. on the designated morning

IX. ADJOURNMENT

Motion: Council Member Stack made the motion to adjourn. Council Member Franco made the second. The meeting adjourned at 10:20 p.m.

_____

Trina Cooke, City Recorder

DRAFT

New eComment for City Council Meeting

Tracy Taylor submitted a new eComment.

Meeting: City Council Meeting

Item: 2. Consideration of Contract Extension for Red Ledges Bypass Portion (Todd Cates) – 30min

eComment: As one of the citizens on an advisory board, asked to participate in this contract discussion with the City and Red Ledges, I do not believe there should be any extension of this contract. It had been extended numerous times in the past. Also the new council, during my debate with the candidates last year, said they would honor the agreements made before their election. I specifically mentioned this Red Ledges agreement as an example. All said they would.

View and Analyze eComments

This email was sent from https://granicusideas.com.

Unsubscribe from future mailings

From: Rebecca Hilly
Sent: Tuesday, June 2, 2020 1:16 PM
To: CC Public Comments <ccpublic@heberut.gov>
Subject: (EXTERNAL) Transfer station June drop off

I would like to suggest that in stead of offering 3 free pick up truck drop offs that there is an option for a maximum square footage allowance. It's my understanding that it doesn't matter if its a long bred or short bed or you can put in back of SUV. These options are very different especially if a load is stacked high which you couldn't do in a SUV or short vs long bed.

I don't have a pick up truck. I have a 2 horse bumper pull trailer that I could measure the square footage.

I understand that there was a lot of abuse and that is why the change was made.

I think a square footage or weight allotment would be a more accurate way of offering the free June drop off.

The way it is now is seems unfair and the long bed trucks owners are allowed to dump more than the short bed and SUV owners and that more thinking has to go into this policy.

Thanks,
Rebecca (Eaton) Hilly
New Heber Home Owner as of March 4th, 2020

2. Public Hearing to Garner Public Input for the Heber City Fiscal Year 2020-2021 All Funds Budget (Bingham)

From: Mike Dixon [mailto:]
Sent: Tuesday, June 02, 2020 3:52 PM
To: Trina Cooke <tcooke@Heberut.gov>
Subject: (EXTERNAL) Re: GoToMeeting Invitation - Council Meeting

Trina could you see that the City Council gets this. I'll try to watch the meeting. Thanks

On Tue, Jun 2, 2020, 15:50 Mike Dixon> wrote:

City Council Members,

My name is Michael Dixon, I own the property @ 3480 N. Hwy. 40 a 1acre parcel on a 14' wide private road parallel to Hwy.40 approximately 3 miles from Heber City. It is all rural land around me consisting of 1 to7 acre parcels.

I don't see any reason why I should be incorporated into Heber City. I don't need any services provided by Heber City. I don't understand why my property would be included with the North Village annexation. There is property between my property on Hwy.40 and Heber City that's not in the city limits including the North Fields across from me on Hwy. 40.

My other concerns are zoning.I like to target practice on my property, burn my leaves and play my music loud. That's not happening if I'm incorporated into the city Also I'm concerned about someone being able to build high density units around me like you see in Heber City. In September of 2017 I had to rally to prevent my neighbor behind me, Barbara Boss of trying to put in 85 units! Thankfully the Wasatch County Board Members agreed with me. Furthermore if I'm forced to hook up to City water I'd have to give up my irrigation share. If forced to hook up to sewer I'd have to pay for the lateral line. Finally I don't need to pay more taxes or utility bills. Congradulations on the Sorensen annexation that should help the City immensely.

Thank you for your consideration.

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HEBER CITY

Scott Burnett
Director of Fixed Income
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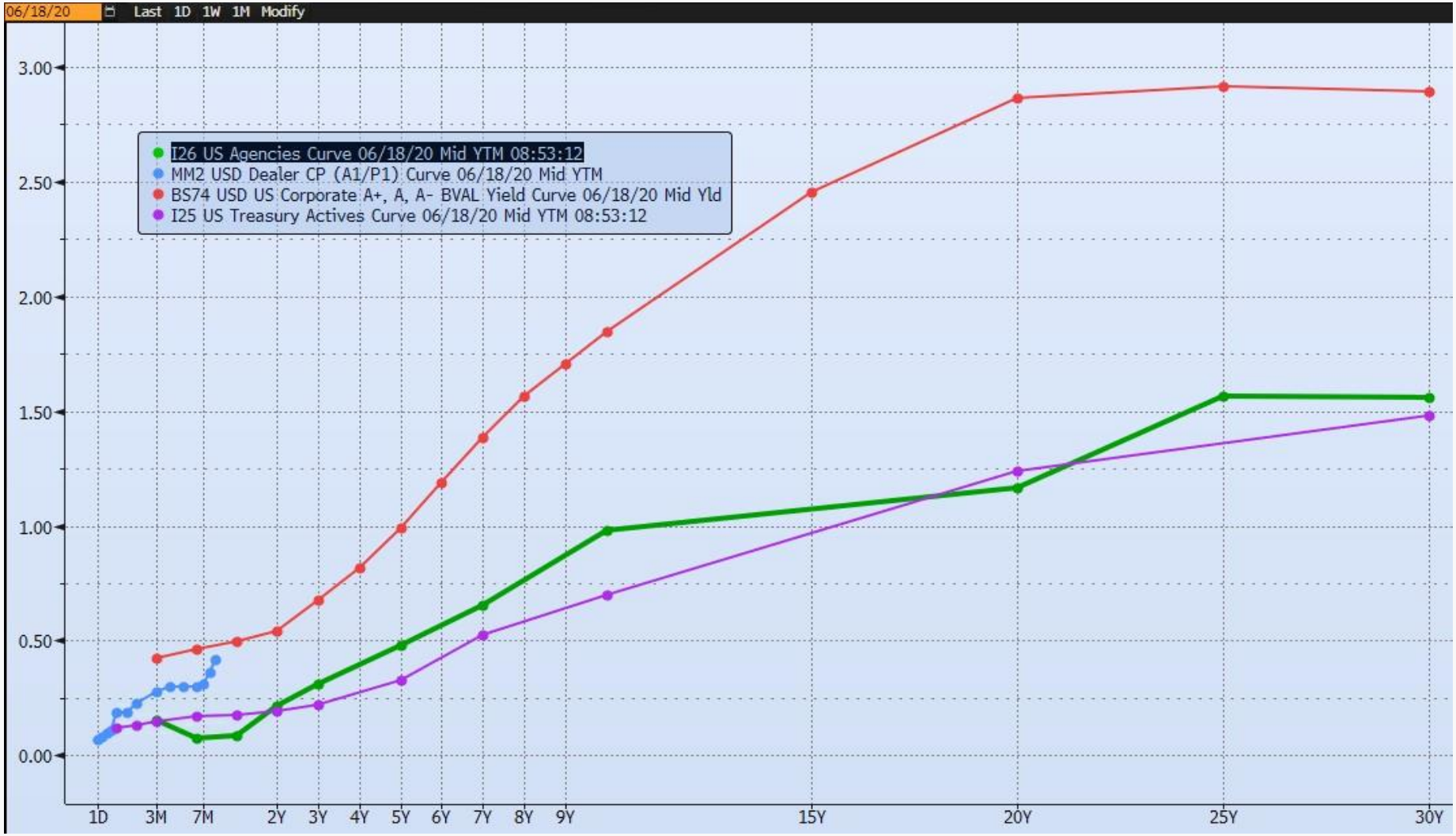
MARKET UPDATE

- **Next FED Meeting: 7-29-20**
  - Unemployment Rate: 13.3% 6-5-20
  - Underemployment rate: 21.2%
  - Change in non-farm payrolls +2,509,000
  - Labor force participation rate 60.8%

  - FED comments 6-10-2020: No rate hikes through 2022

- **Market Concerns:**
  - Coronavirus & Global Economic Slowdown
  - Restarting the Economy

YIELD CURVE



Source: Bloomberg LP

CURRENT ECONOMIC ENVIRONMENT

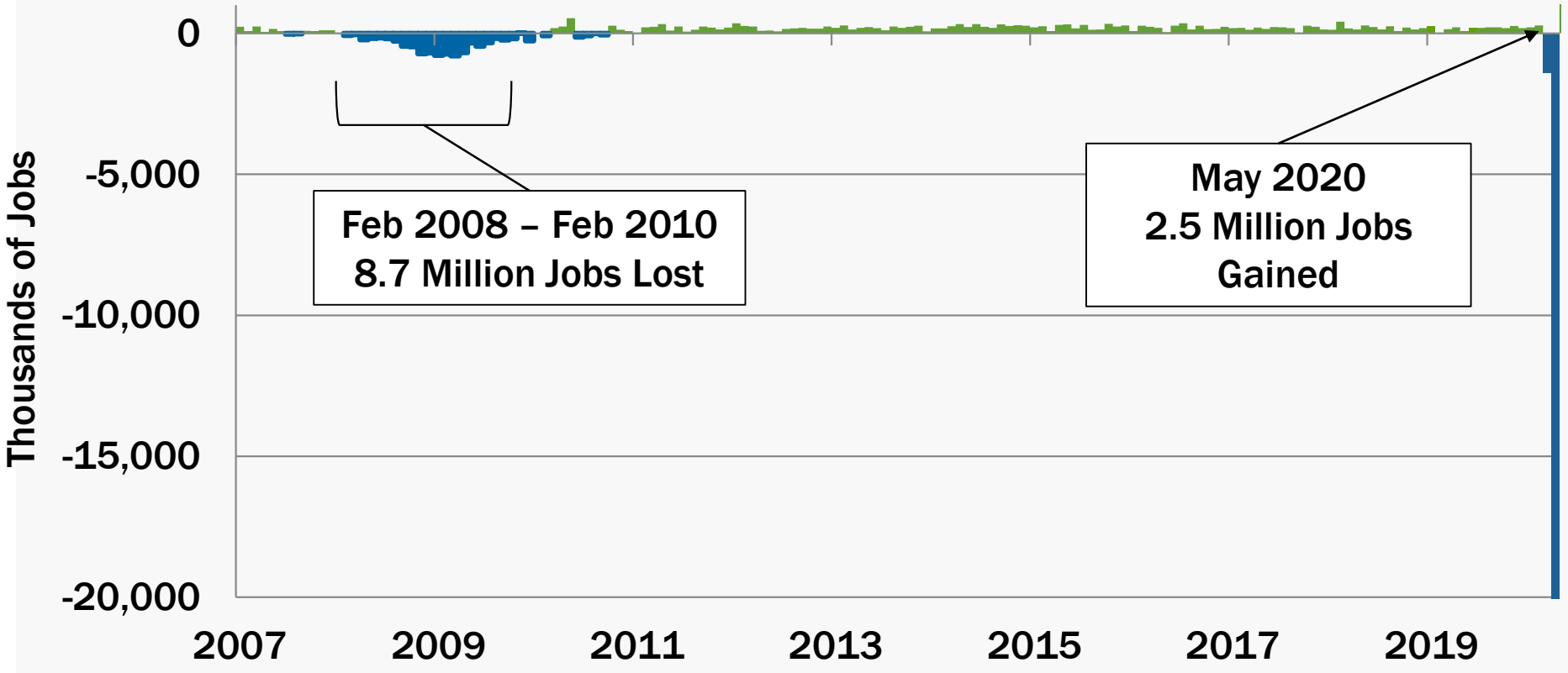
- COVID-19 has caused an unprecedented impact on the US economy
- Gross Domestic Product expected to fall as much as 30-40 percent in the second quarter
- The big question is how and when we will recover
- A dramatic downturn requires a dramatic response

MAY EMPLOYMENT NUMBERS

Indicator	Previous Month	Forecast	Actual
Total Nonfarm Payrolls	-20,687,000	-7,725,000	+2,509,000
Unemployment Rate	14.7%	19.8%	13.3%
Private Payrolls	-19,724,000	-6,500,000	+3,094,000
Manufacturing Payrolls	-1,324,000	-530,000	+225,000
Yearly Average Hourly Wage Growth	7.0%	7.0%	+7.8%
Labor Force Participation	60.2%	60.0%	60.8%

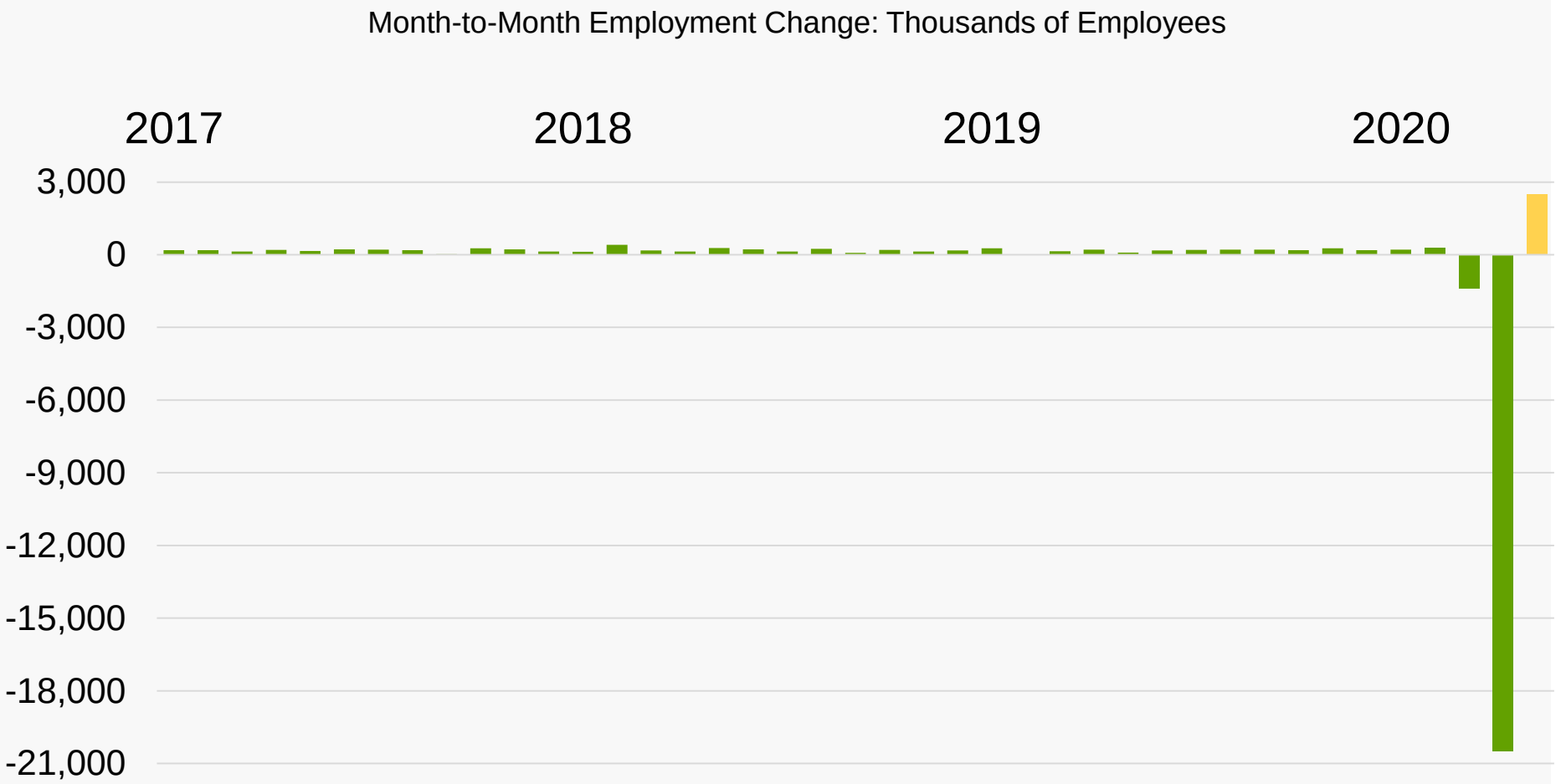
Sources: Wall Street Journal and Bureau of Labor Statistics

SURPRISING REVERSAL IN JOB TRENDS



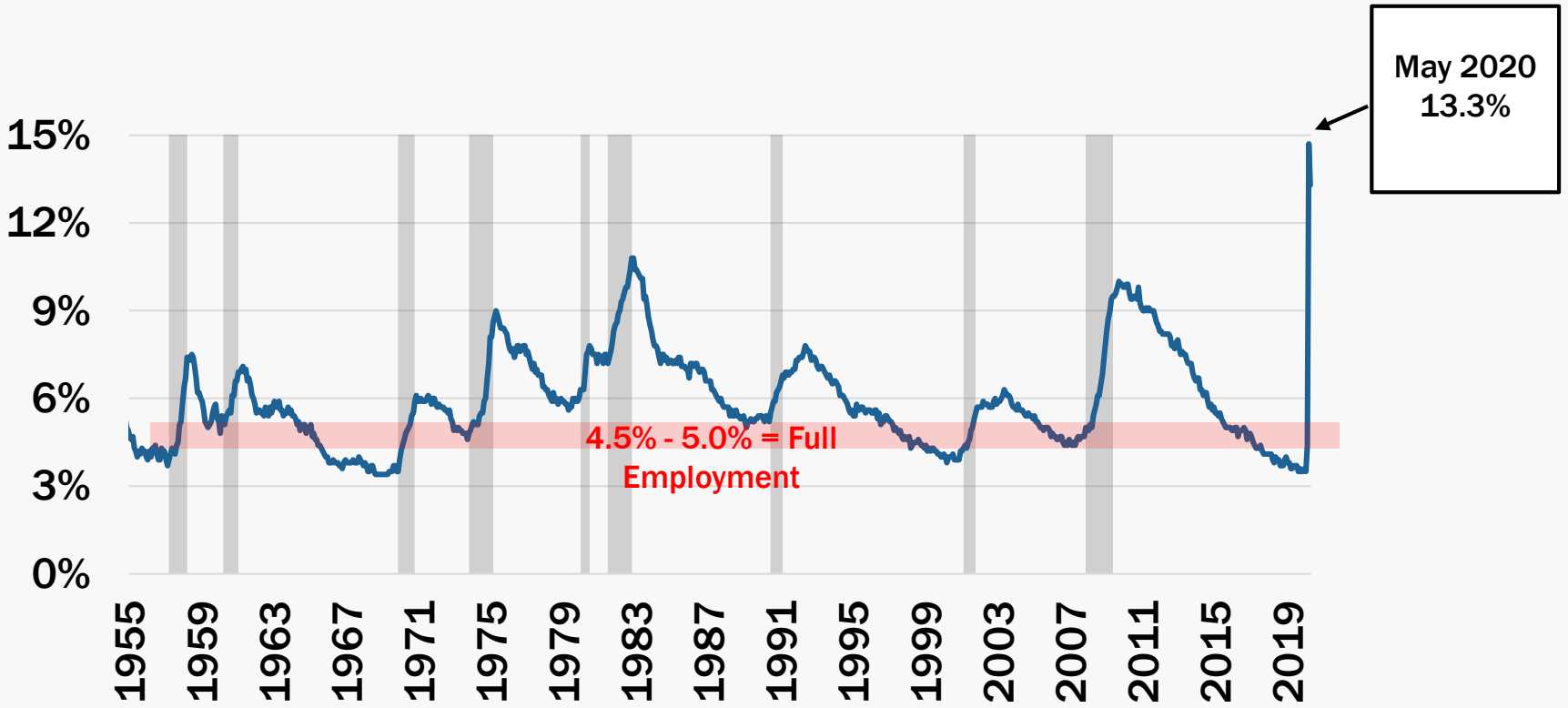
Source: Bureau of Labor Statistics

JOB GROWTH OF 2.5 MILLION IN MAY



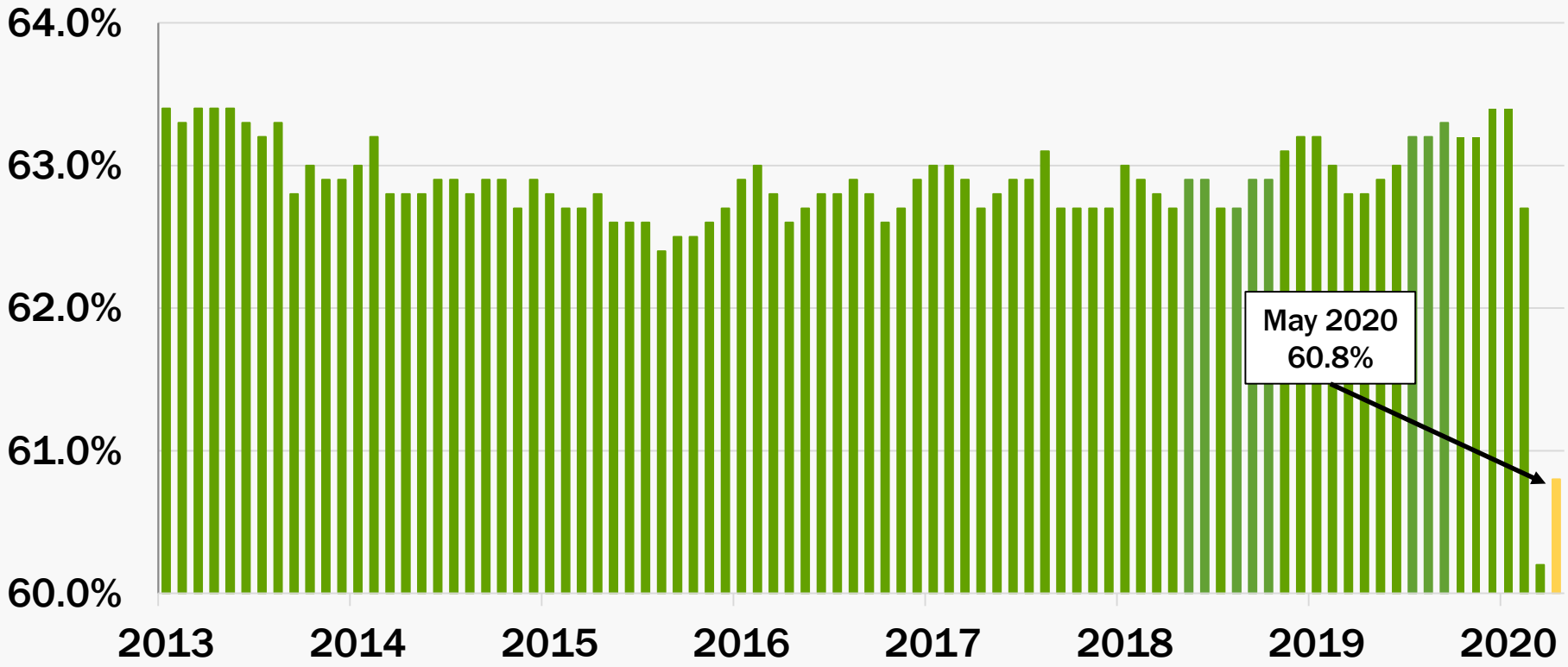
Source: Bureau of Labor Statistics

US UNEMPLOYMENT DROPPED BUT REMAINS HIGH



Source: U.S. Bureau of Labor Statistics

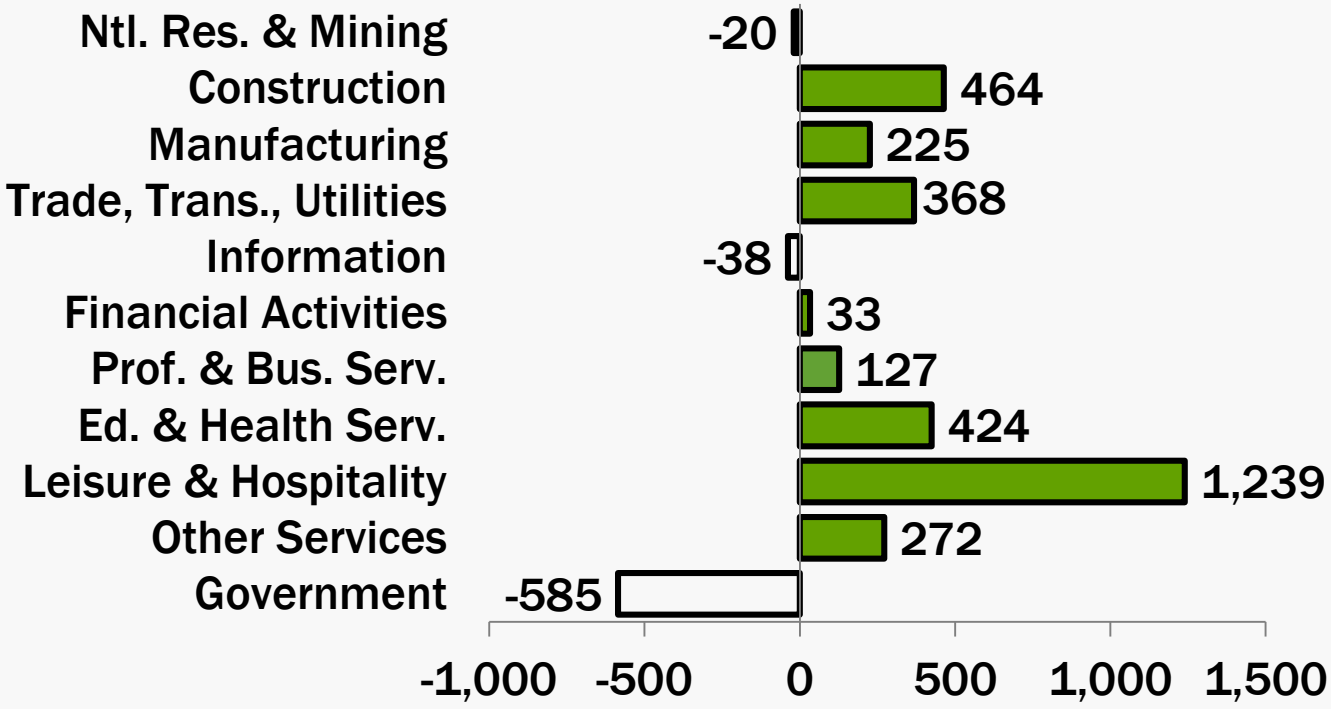
Labor Force Participation Increasing



Source: Bureau of Labor Statistics

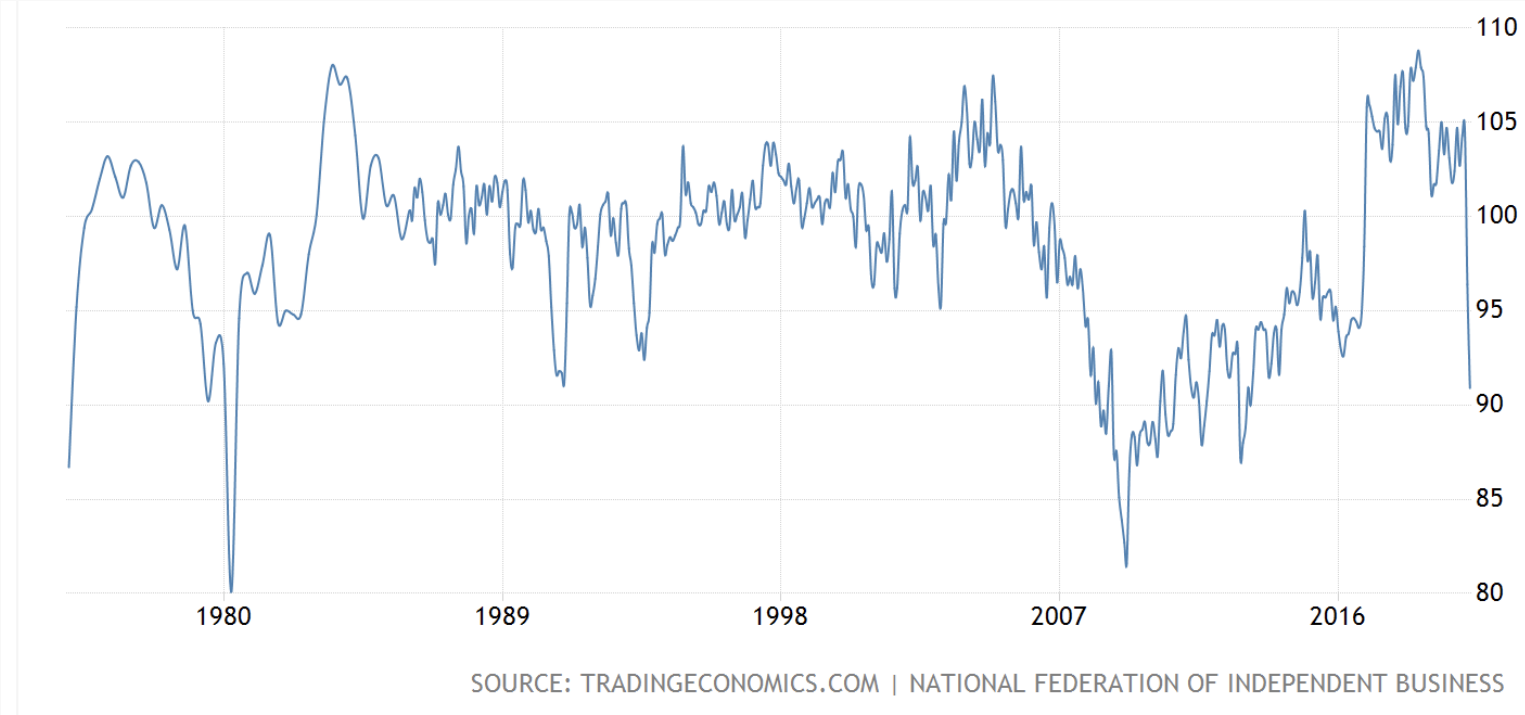
NATIONAL EMPLOYMENT CHANGE

Total Change in Number of Jobs by Industry (In Thousands): April 2020 to May 2020



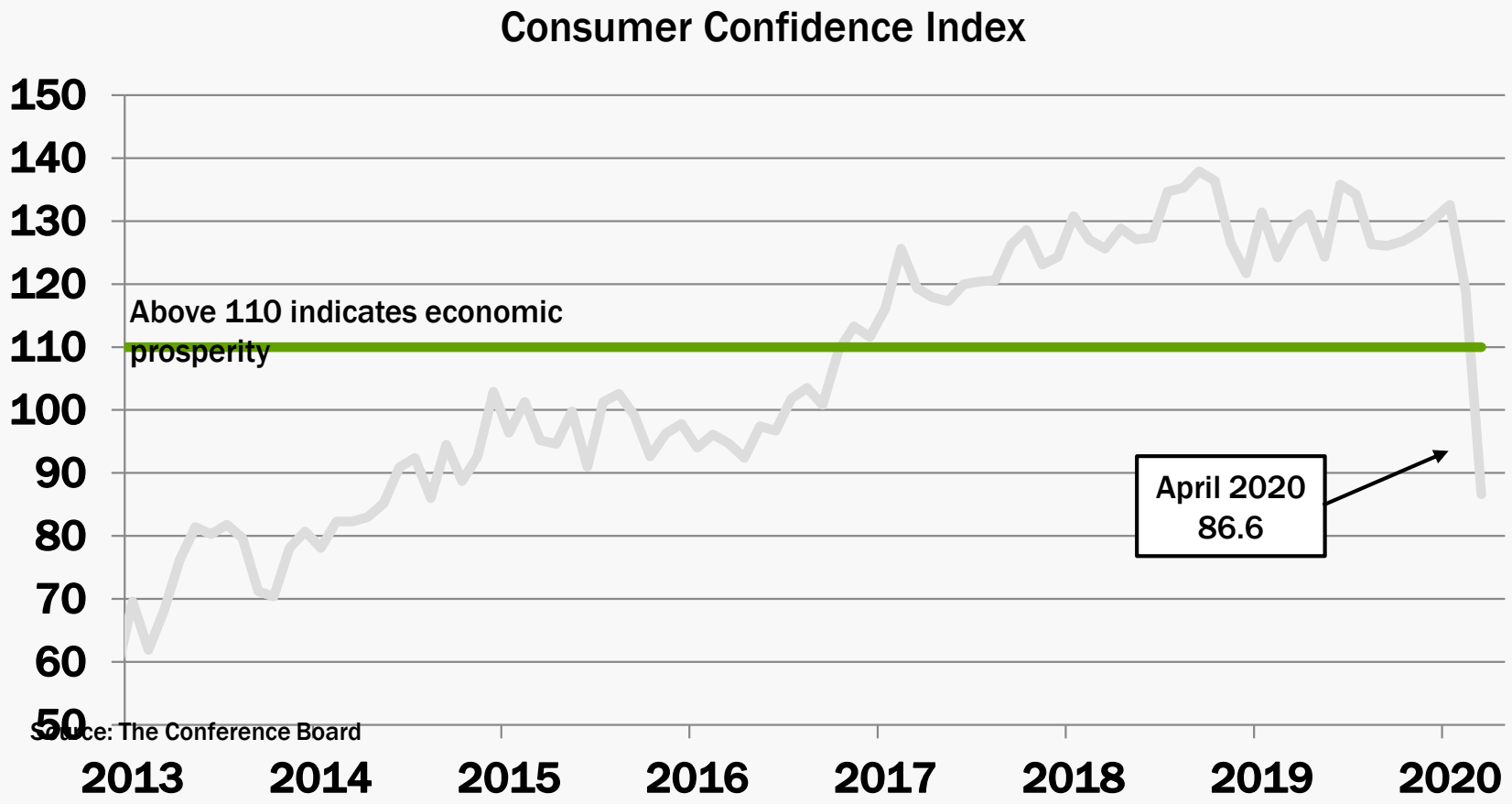
Source: Bureau of Labor Statistics

BUSINESS OPTIMISM DOWN

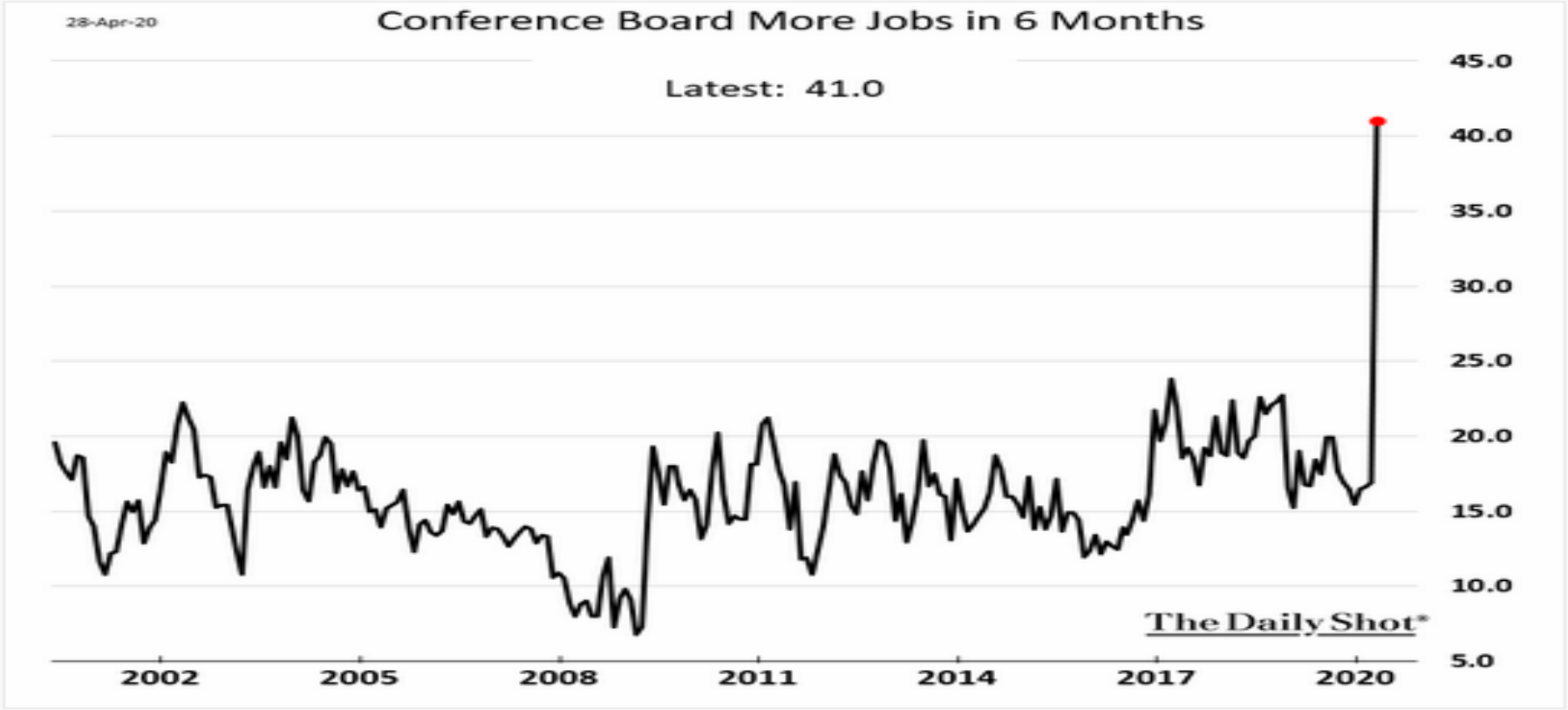


Source: Trading Economics, NFIB Small Business Optimism Index

CONSUMER CONFIDENCE PLUNGES

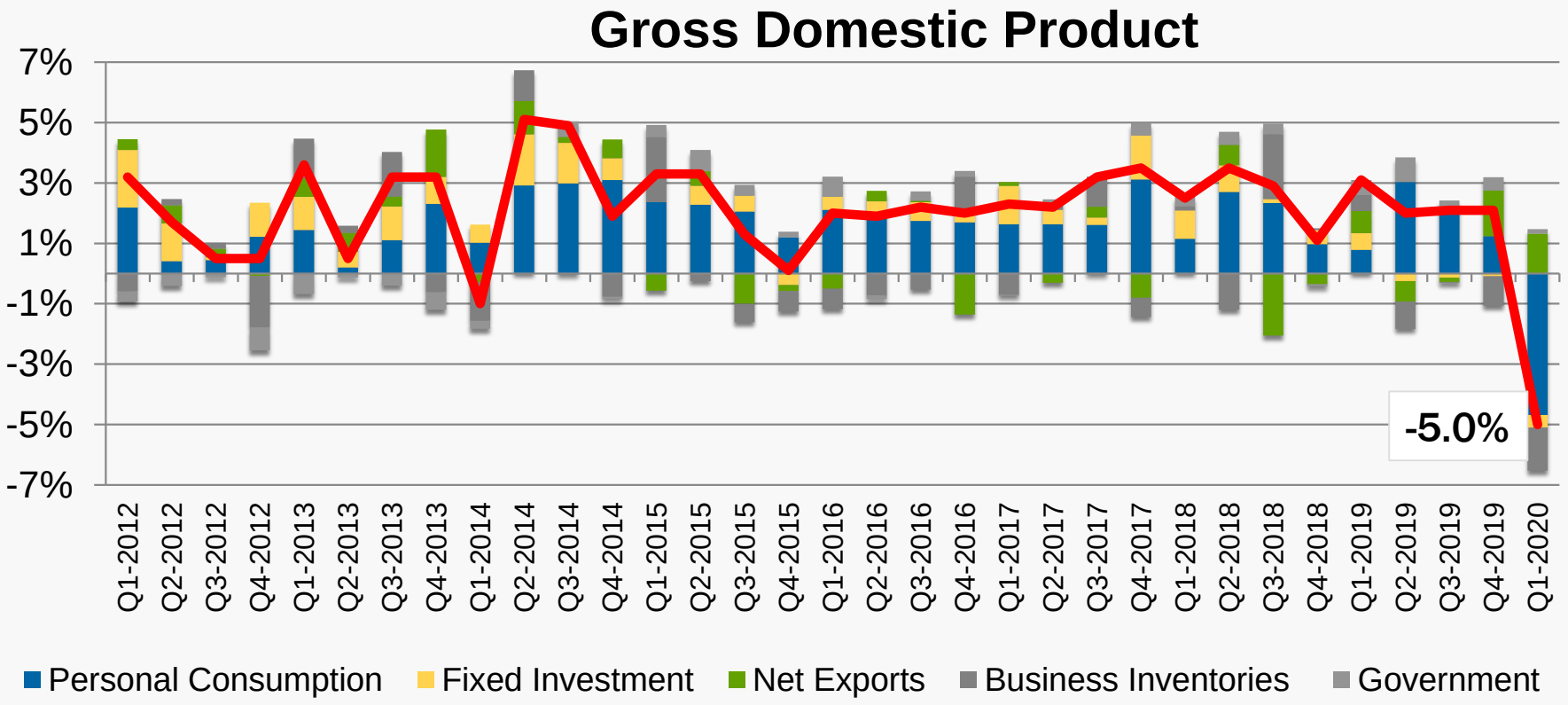


HOWEVER, CONSUMERS EXPECT CONDITIONS TO IMPROVE



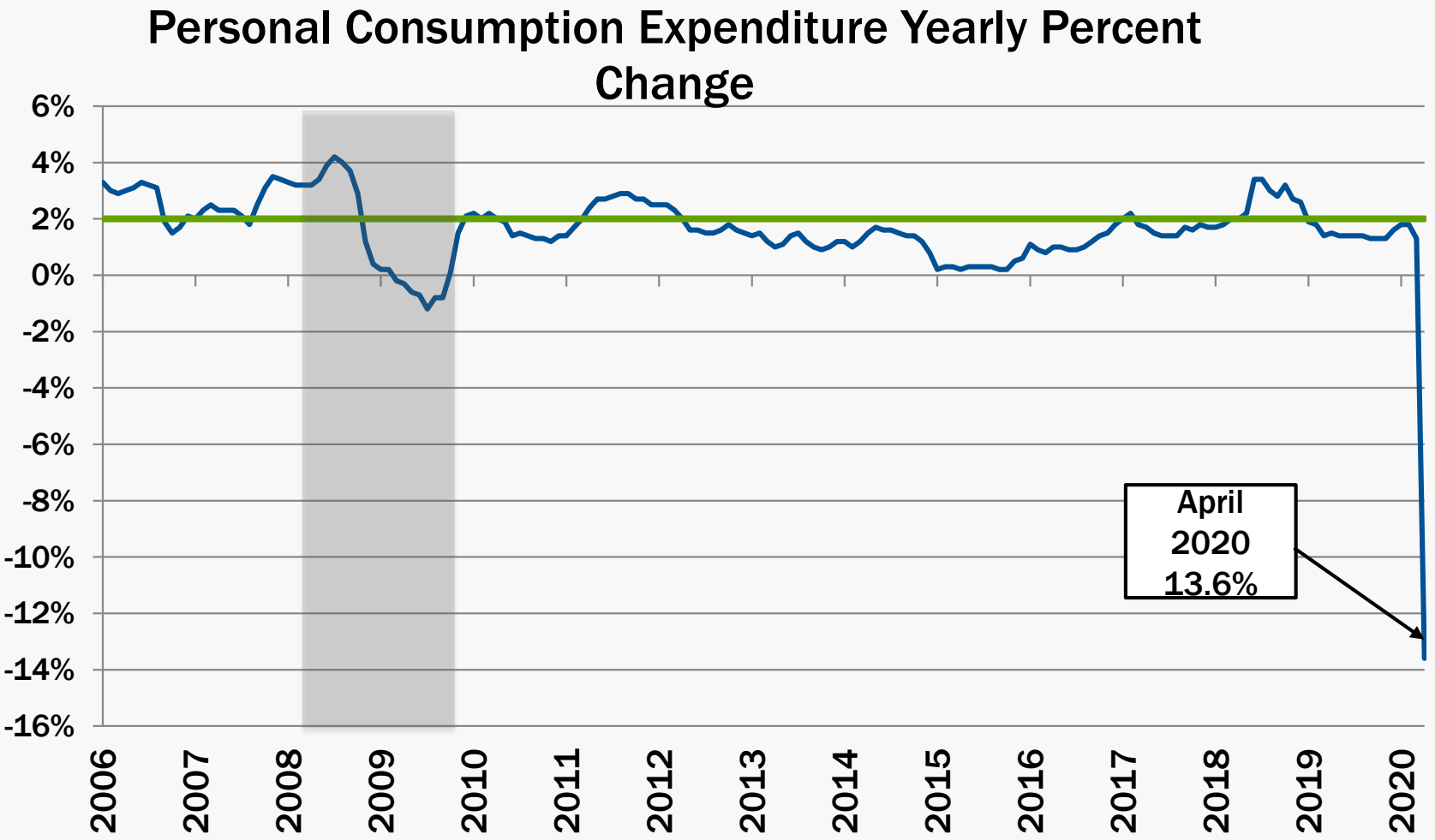
Source: Wall Street Journal

ECONOMIC GROWTH DROPPED IN THE FIRST QUARTER



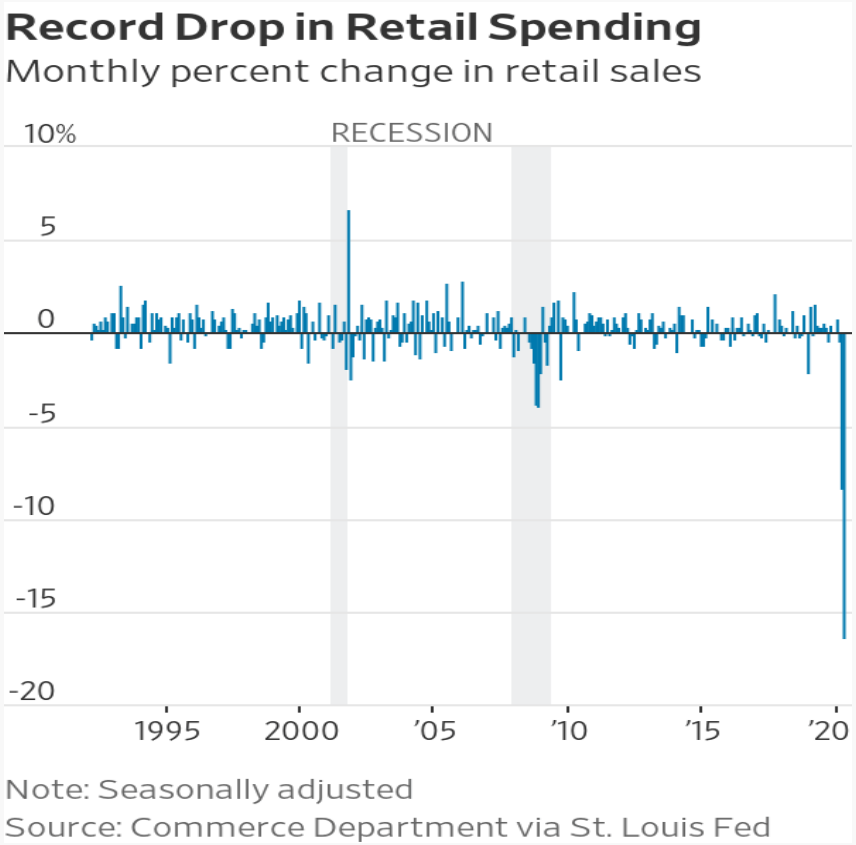
Source: Bureau of Economic Analysis

Largest Decline in Consumer Spending on Record



Source: Bureau of Economic Analysis

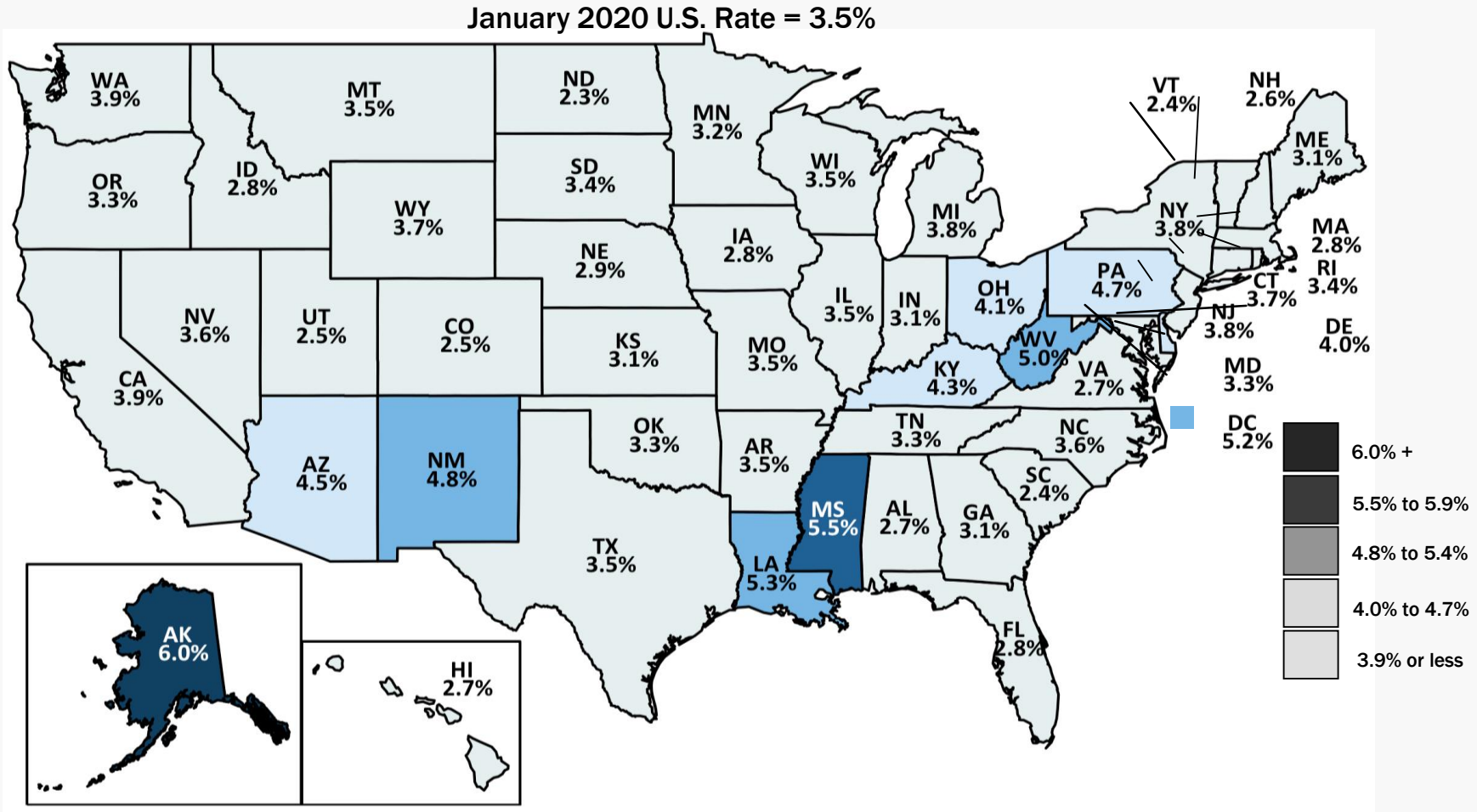
RETAIL SALES PLUMMET



Source: Wall Street Journal

Regional Economic Conditions

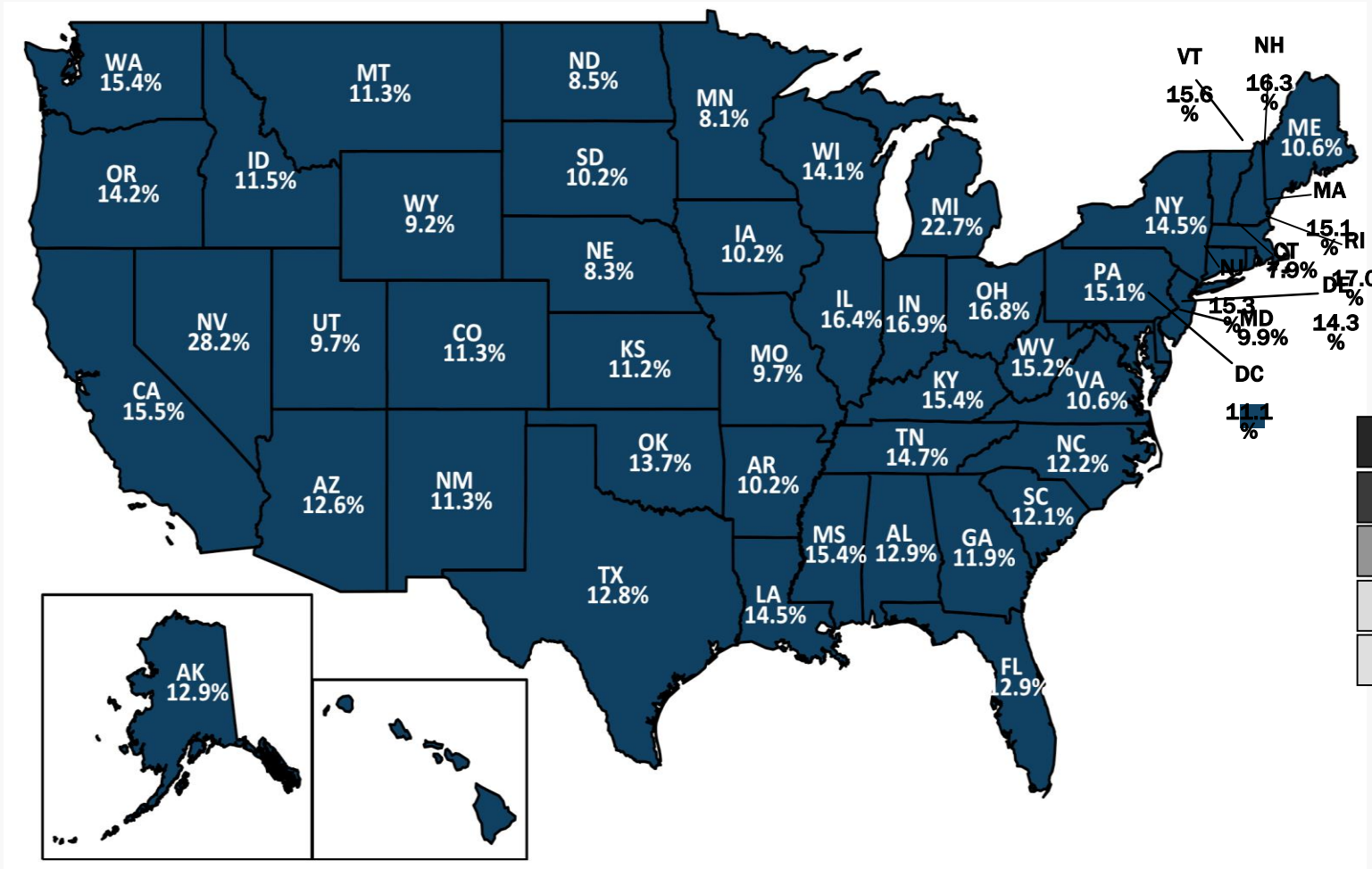
UNEMPLOYMENT RATES WERE LOW THROUGHOUT U.S.



Source: Bureau of Labor Statistics

UNEMPLOYMENT RATES SKYROCKET

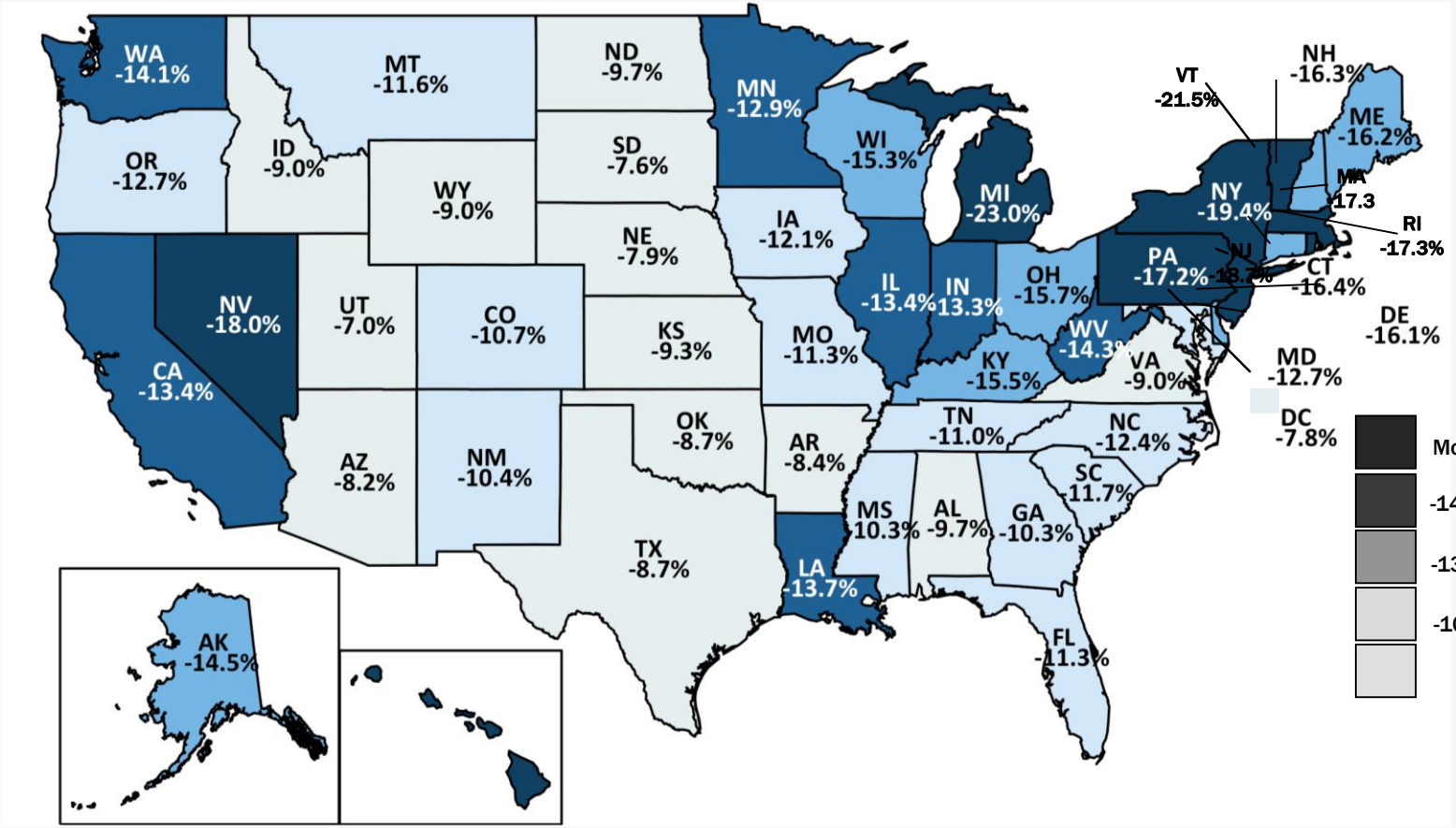
April 2020 U.S. Rate = 14.7%



Source: Bureau of Labor Statistics

UTAH JOB LOSS LOWEST IN THE NATION

Percent Change in Employment for States: April 2019 to April 2020
U.S. Rate = -12.9% UT Rate = -7.0%



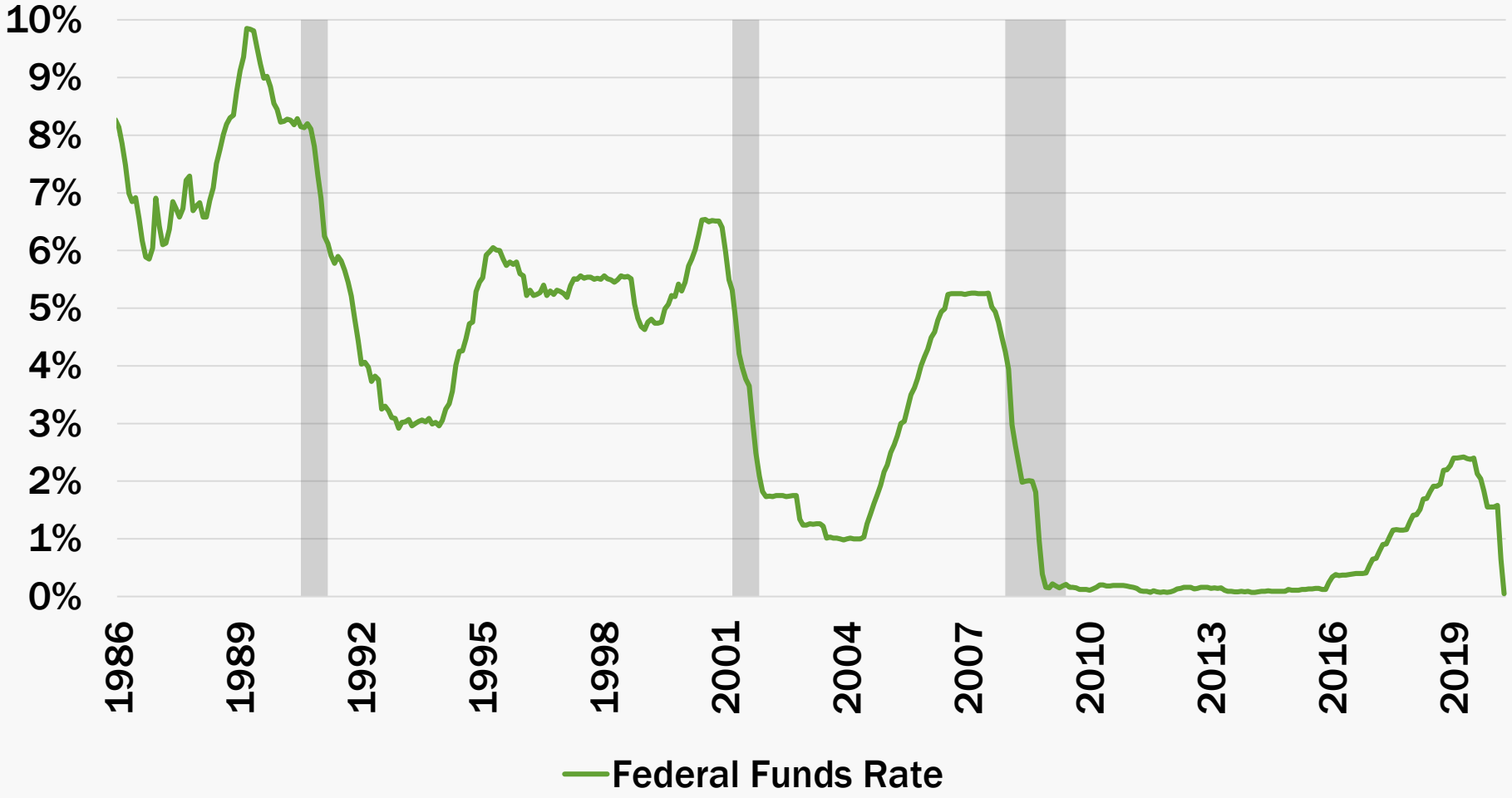
Source: Bureau of Labor Statistics

Unprecedented Impacts Merit An Unprecedented Response

UNPRECEDENTED FEDERAL STIMULUS

- The Federal Reserve continues to inject money into the economy
  - Cut Fed Funds Rate to near zero
  - Cut rate on the discount window and lowered reserve requirement ratio to banks
  - Expanded asset purchases, including treasury, mortgage-backed, municipal, and corporate bonds
  - Direct lending to distressed companies

The Federal Reserve Aggressively Cut Interest Rates

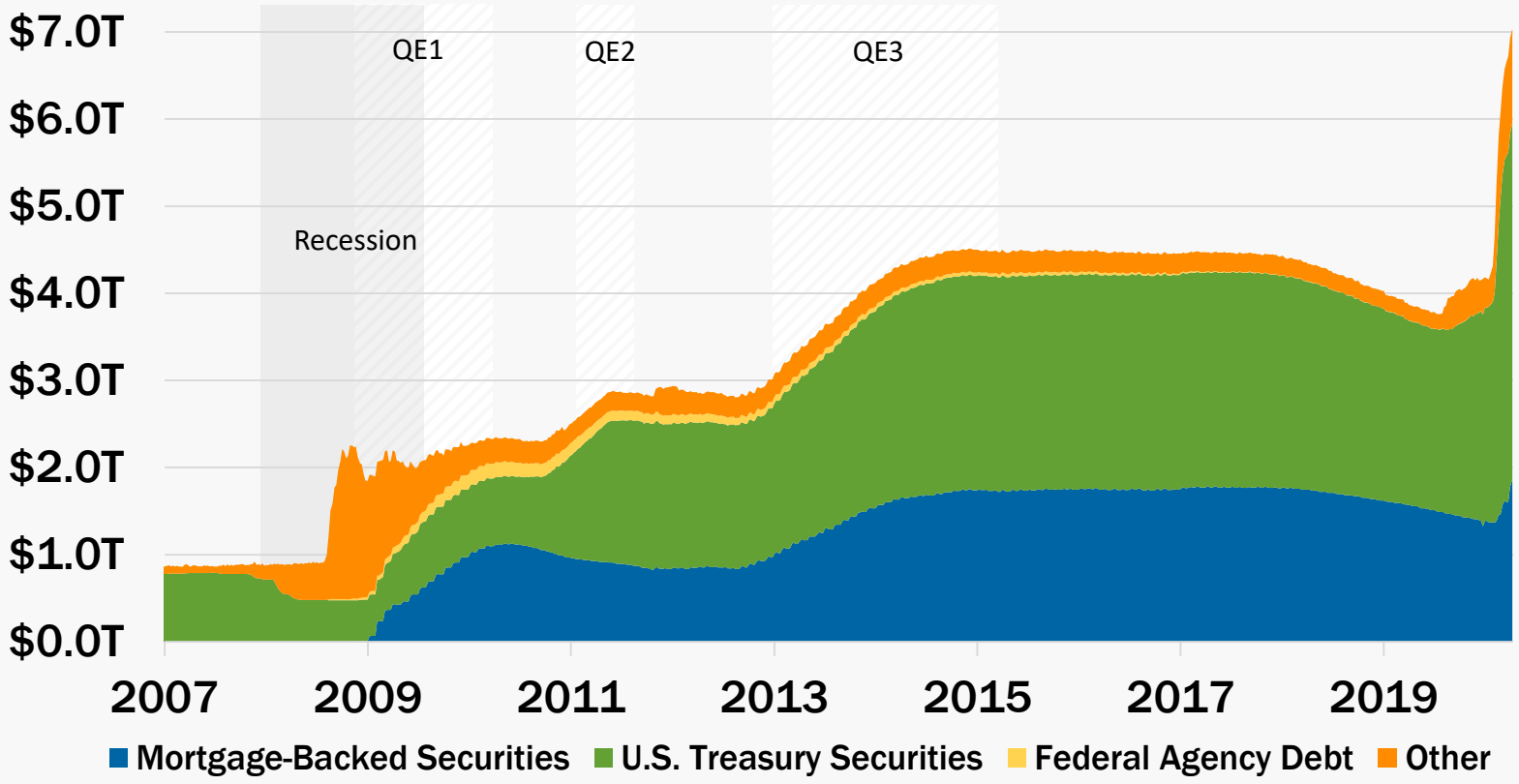


Source: Board of Governors of the Federal Reserve System

NEGATIVE INTEREST RATES? NOT LIKELY

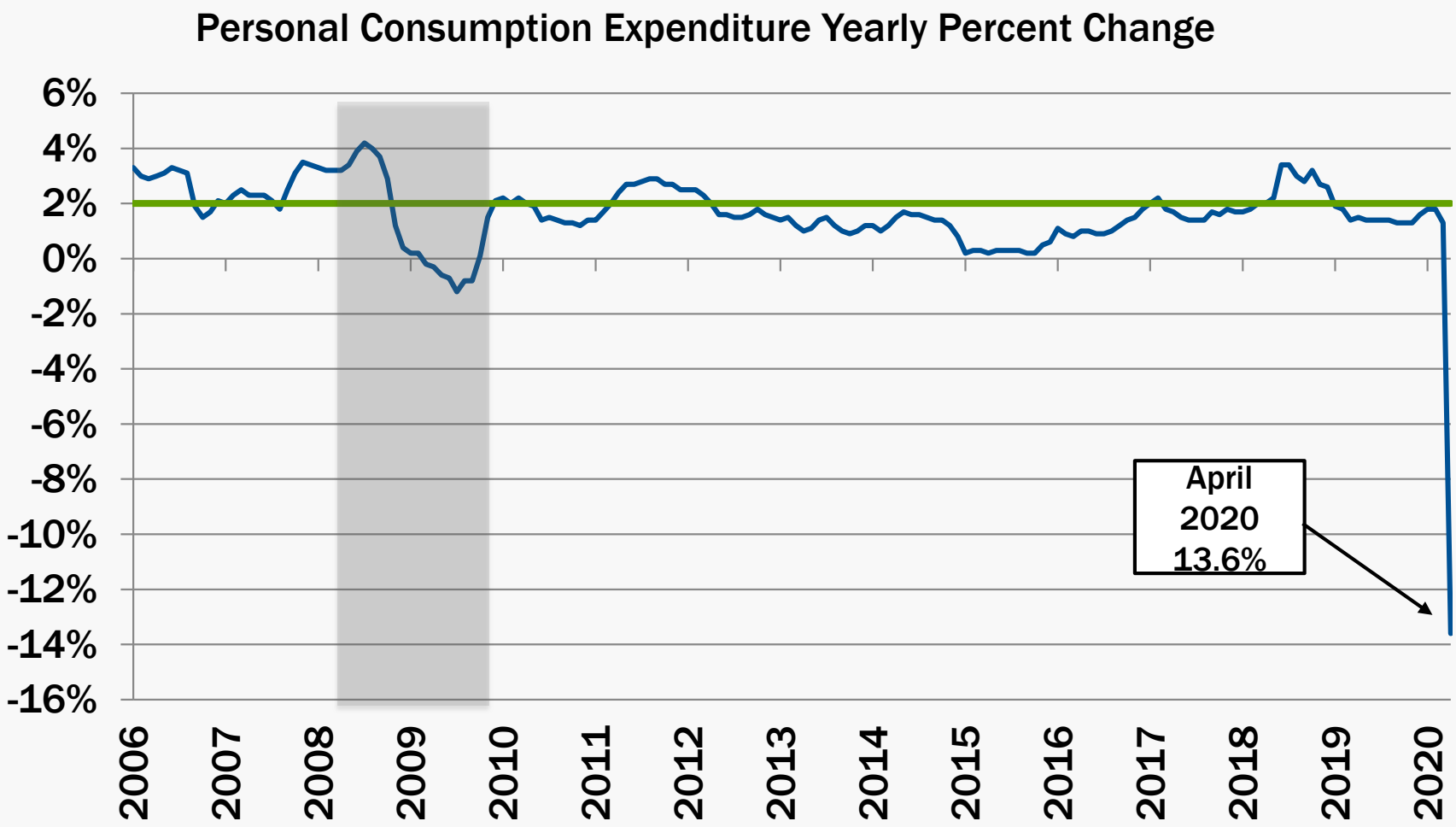
- "I know there are fans of the policy, but for now it's not something that we're considering. We think we have a good toolkit and that's the one that we will be using."
  - Jerome Powell – Fed Chair
- Effectiveness is doubtful – didn't work in Europe and Asia
- Create downward pressure on bank profitability, which limits credit expansion
- Increases complexity and distortions to the financial system

Fed Balance Sheet Growing



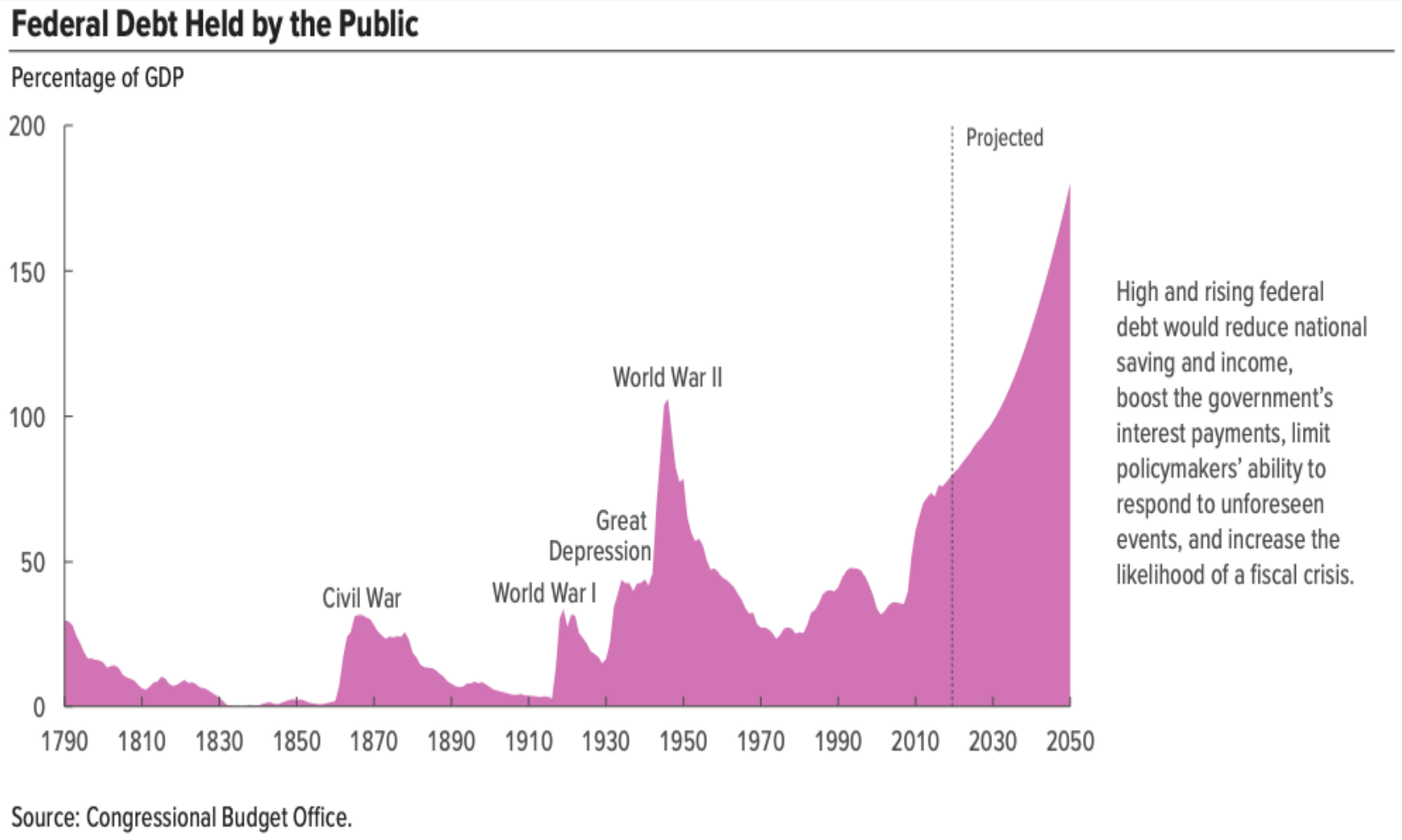
Source: Board of Governors of the Federal Reserve System

Drop in Consumer Spending = Deflation



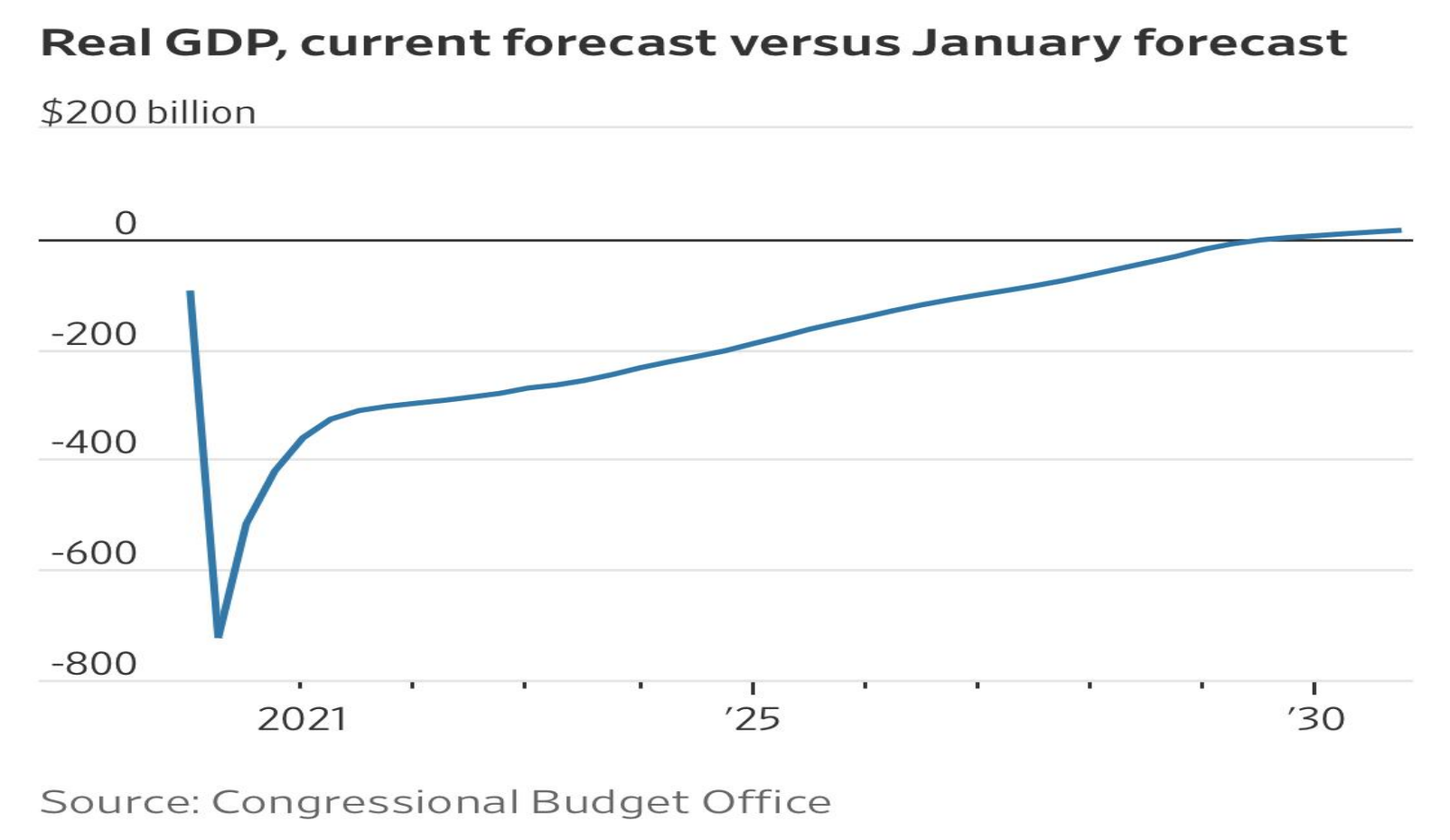
Source: Bureau of Economic Analysis

National Debt Projected to Reach All-Time High



What's Next?

GDP May Take a Decade to Recover

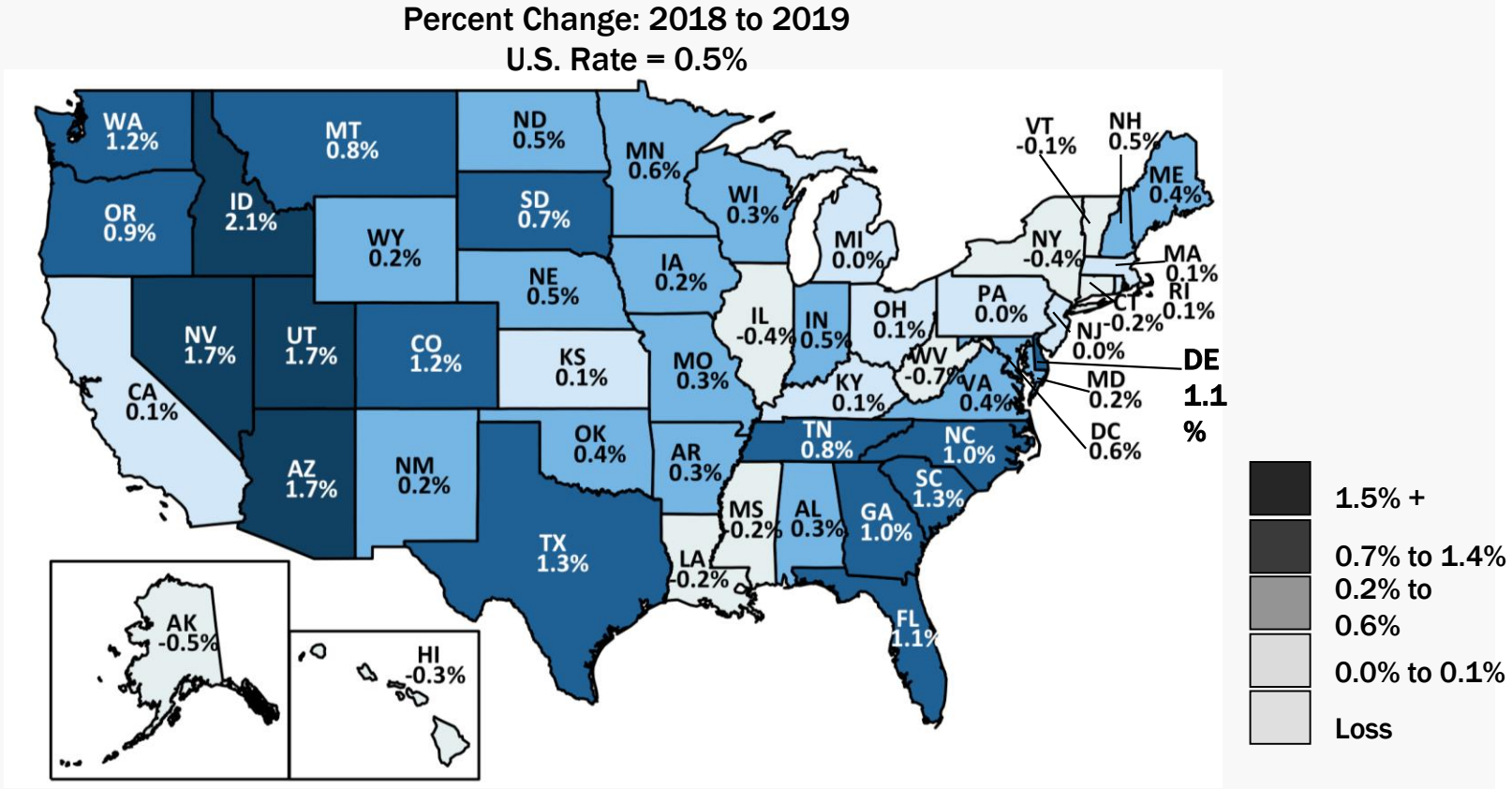


Source: Wall Street Journal

UTAH'S ECONOMIC CONDITIONS WERE SOLID LEADING INTO THE DOWNTURN

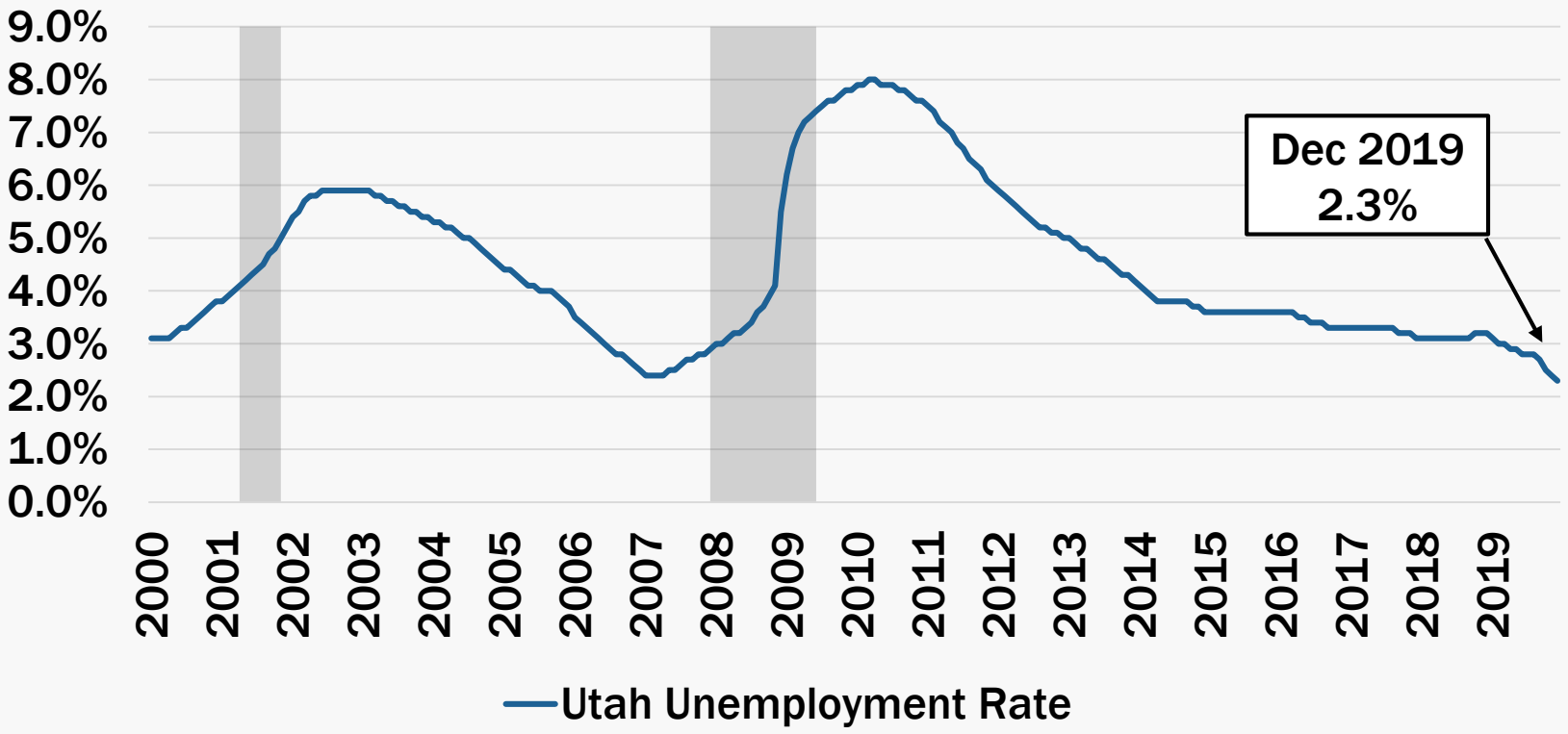
- Second highest population growth, driven by strong natural increase and net in-migration
- Lowest unemployment rate on record
- Low and falling poverty rate
- Strong growth in personal income and state-GDP

Utah Population 2nd Fastest Growing in U.S.



Source: U.S. Census Bureau

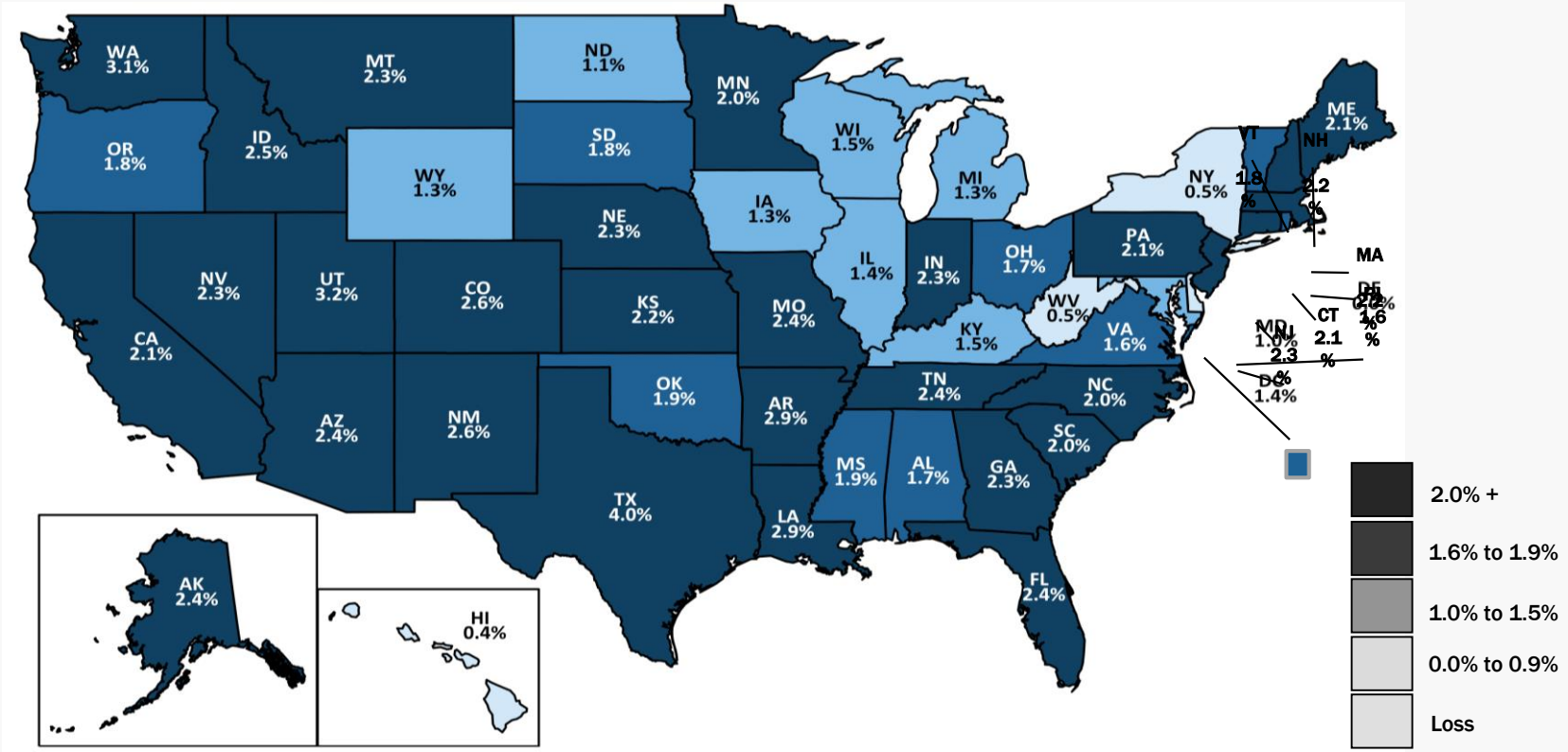
UTAH'S UNEMPLOYMENT RATE WAS THE LOWEST EVER LEADING INTO THE SLOWDOWN



Source: Bureau of Labor Statistics

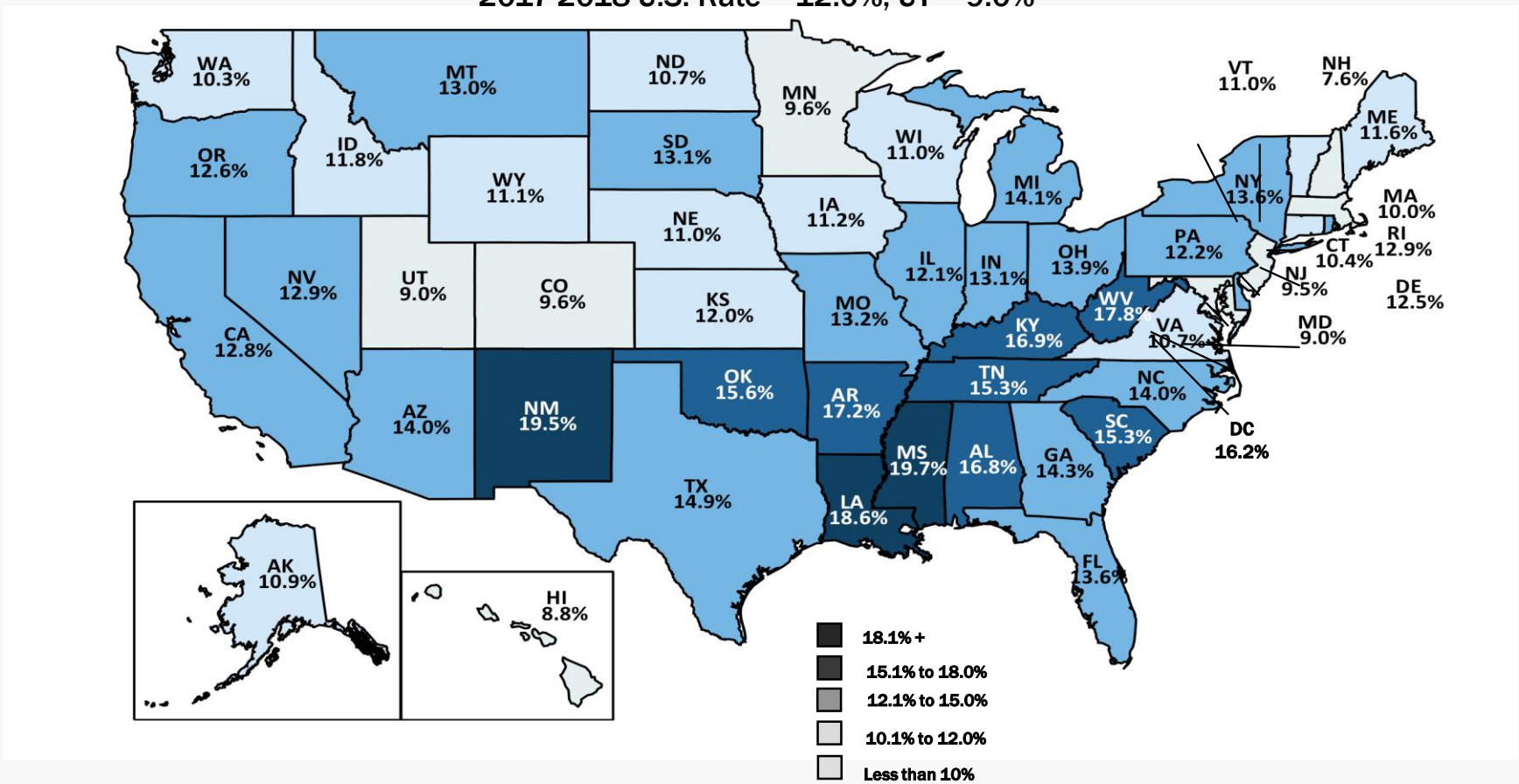
UTAH ECONOMY GREW 2ND FASTEST IN THE NATION

Percent Change in GDP: Q2 2019 – Q3 2019 Annualized
U.S. = 2.1%, UT = 3.2%



Source: Bureau of Economic Analysis

Utah has the 3rd Lowest Poverty Rate



Source: U.S. Census Bureau

WHAT'S NEXT?

- The contraction was dramatic and swift, and the recovery will be difficult and long
- Declines appear to have ceased and the economy is stabilizing
- Economic growth will be constrained through 2020 and 2021, especially in sectors particularly impacted by the pandemic
  - Travel and tourism
  - Leisure and hospitality
  - Eating and drinking establishments
  - Personal services

WHAT'S NEXT? (CONT)

- Continued federal support and state leadership is essential
- Improving the economy will be driven by the ability to treat the virus, to improve consumer confidence and mend broken supply chains
- The Utah and U.S. economies are fundamentally sound and will recover, but will look different than the pre-virus world

DISCLOSURES

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual.

No strategy assures success or protects against loss.

The economic forecasts set forth in the presentation may not develop as predicted and there can be no guarantee that strategies promoted will be.

Institutional Liquidity Management is provided to non-municipal customers through Zions Bancorporation, N.A.'s Wealth & Fiduciary Services Group, and municipal customers through Zions Capital Advisors, Inc. (ZCA), an SEC registered investment advisor and a non-bank subsidiary of Zions Bancorporation, N.A.

Not FDIC Insured	**Not Bank Guaranteed**	**May Lose Value**
Not Insured by any Federal Government Agency		**Not a Bank Deposit**

TAB 2

TAB 3

City Council Staff Report

MEETING DATE: July 7, 2020
SUBJECT: Grant Program Priorities
RESPONSIBLE: Sophie McDonnell
DEPARTMENT: City Manager's Office
STRATEGIC RELEVANCE: Community Vibrancy

SUMMARY

This action seeks Council approval on non-profit donation priorities to guide the development of a new grant application process.

RECOMMENDATION

Affirm main purpose of non-profit donations: to support non-profits whose work primarily benefits citizens of Heber City. Approve non-profit donation priorities of economic development, community engagement, and public health for FY 2020-2021.

BACKGROUND

Annually, the City donates between $50,000 - $60,000 to non-profits such as Heber Valley Tourism and Economic Development, Heber Valley Cowboy Poetry, Peoples Health Clinic, and others. In previous fiscal years, the application process for non-profits to receive City funding has been informal.

Heber City's intern has been assigned to build a grant application that will streamline and formalize the donation process for the City and add accountability for the non-profits receiving donations. The Council priorities determined today will guide the development of the grant application process.

The proposed grant process would invite applicants to fill out an online application by a set deadline. A review committee of three to four individuals would then score the applications from a rubric based on the determined grant priorities and present a list of recommended organizations and donation amounts to Council for approval.

DISCUSSION

Primary purpose of donations will remain from previous years:

- Work of non-profit organization should primarily benefit citizens of Heber City

Proposed non-profit donation priorities for FY 2020-2021:

- Economic development
- Community engagement
- Public health

FISCAL IMPACT

$50,000 that is included in the FY 2020-2021 budget.

POTENTIAL MOTIONS

Staff Recommended – Option 1:

"I move to approve non-profit donation priorities of non-profit work that primarily benefits citizens of Heber City in the areas of economic development, community engagement, and public health."

Alternative –

"I move to approve non-profit donation priorities of non-profit work that primarily benefits citizens of Heber City in only the areas of _____ and/or _____"

CONTRACT ACCOUNTABILITY

Department: City Manager's Office

Staff Member: Sophie McDonnell

EXHIBITS

N/A

TAB 4

City Council Staff Report

MEETING DATE:	July 7, 2020
SUBJECT:	Springs at Coyote Ridge Preliminary
RESPONSIBLE:	Jamie Baron
DEPARTMENT:	Planning Department
STRATEGIC RELEVANCE:	Necessary Administrative Action

HEBER CITY
HEART OF THE WASATCH BACK

SUMMARY

Wasatch Back LLC is seeking Preliminary Plat approval for the Springs at Coyote Ridge development, containing 107 residential units in the R-1, R-3, and R-3 COSZ zones. With the conditions outlined in the staff report, the application complies with the development code.

RECOMMENDATION

Staff is recommending the City Council grant preliminary plat approval with the conditions outlined in the conclusion of the staff report.

BACKGROUND

Wasatch Back Holdings' property came into the City limits with the VXC (Hutchinson) Annexation late 2019. During the Annexation, a 1.5 acre park was identified in the annexation area. This park was going to be developed on the northern property by Ivory homes. Following the Annexation approval, the City Council expressed the desire to place the park at the Spring on the property to the South, with a 3.0 acre area. The proposed park would have a fishing pond.

To accommodate the park area, the Council approved the zone change and VXC 1st Addendum to grant 99 market rate units and 8 affordable units, totaling 107 units. The plans indicate 109 units, however the addendum approved by the council permits 107 units, two units will need to be removed.

The project consists of 93 Town Homes, 6 R-3 Lots, 8 R-1 Lots, and 53.89% open space in the COSZ zoned areas, with a 2.87-acre public park.

DISCUSSION

PARKS, OPEN SPACE, AND TRAILS

A 2.87 acre park is being dedicated to the City. The City envisions this park to be a fishing pond. The plan also includes the 100' wide landscaping strip along Hwy 40.

The plan includes 5 trails and 2 bike routes as follows:

Trails

1. Hwy 40 Trail
2. Wasatch Canal Trail
3. New Collector Trail
4. Multi-Family Trail
5. Single Family to Park Trail

Bike Routes

1. Hwy 40 Bike Route
2. New Collector Road Bike Route

DENSITY

The Annexation Agreement allows for a maximum density of 4 units per acre overall, not including the required 10% affordable housing. The City Council entered into an addendum to the agreement to permit 6.14 u/acre of market rate units (99) and only require the original affordable housing.

Prior to the park discussion, Wasatch Back had 71 market rate units and 8 affordable units. The Council approved an additional 28 market rate units without the requirement for any additional affordable housing units. The 28 units were agreed to as 12u/acre, consistent with the R-3 COSZ zone, for the 2.3 additional acres of park dedication.

71 (market rate) + 8 (affordable) = 79 units prior to park discussion

2.3 acres X 12 u/a = 28 units (market rate)

79 (units prior to park discussion) + 28 (park dedication units) = 107 total units

The plans include a total of 109 units, however the Council waived the requirement of affordable housing on the additional units, bringing the total approved units to 107.

AFFORDABLE HOUSING

The plan indicates 8 affordable units, meeting the required 10% units on the units prior to the park discussion. The plan is for the units to be rentals. All affordable housing units will be deed restricted as affordable. The applicant has submitted the affordable housing plan to the Wasatch County Housing Authority and is awaiting acceptance from their board. The affordable housing agreement will be executed with the first final plat approval.

ENVISION HEBER TENANTS

Staff is recommending to incorporate the Envision Heber tenants that were part of the conditions of preliminary approval for Ivory's Coyote Ridge to promote a more harmonious development. The tenants include:

- Rural Streets
    - Incorporation of new street standards as approved in the addendum.
    - Rustic streetlights that use a wood pole rather than a traditional metal pole.
    - Tree lined streets.
- HOA
    - Rustic and high quality architecture.
    - Dark sky lighting fixtures.
    - Rustic fencing and materials.

PROCESS

Section 18.22 indicates that the City Council is the Land Use Authority for Preliminary Plat in the COSZ zone, followed by a recommendation by the Planning Commission.

CODE COMPLIANCE

Code compliance of the application is outlined below.

The application Complies with Sections 17.14, 17.20, 17.28 17.32, 17.40, 17.48, 18.72

The application Can Comply with the development code as follows:

- **18.22 Clustered Open Space Zone (COSZ) – Can Comply**
    - 18.22.070 Standards and Requirements
        - A landscaping plan is required for Final Plat approval.

FISCAL IMPACT

N/A

CONCLUSION

Wasatch Back is requesting Preliminary Plat approval for the Springs at Coyote Ridge Development, consisting of 107 mixed residential units. With the conditions outlined in the staff report, the application complies with the development code. Staff is recommending the council approve the Springs at Coyote Ridge Preliminary Plat with the following findings and conditions:

Findings

1. With the conditions outlined, the application complies with the development code.
2. The application complies with the General Plan.
3. The application complies with the VXC Annexation Agreement.
4. With the conditions outlined, the application complies with the VXC 1st Addendum.
5. The planning commission forwarded a positive recommendation on June 23, 2019.

Conditions

1. All conditions of the City Engineer shall be met.
2. All provisions of the VXC 1st addendum shall be met.
3. The total approved units is 107, with 99 market rate units and 8 affordable units.
4. All conditions of the VXC (Hutchinson) Annexation Agreement, not amended by the addendum, shall be met.
5. HOA and CCR requirements shall be submitted with the first final plat application to include the following:
    a. Dark sky compliant lighting for all homes and buildings.
    b. Street Trees installation and maintenance provisions.
    c. Consistent fencing along streets, with natural colors.
6. Applicant will work with staff to incorporate a rural street standard in the development with the final plat including:
    a. Rustic and dark sky compliant street lights.
    b. Street Trees.
7. All other code requirements shall be met.
8. Any additional conditions from the City Council: _____.

ALTERNATIVES

1. Approval
2. Continue
3. Denial

POTENTIAL MOTIONS

Staff Recommended Option – Approval

I move to **approve** the Springs at Coyote Ridge Preliminary Plat as presented, with the findings and conditions as presented in the conclusion above.

Alternative 2 – Continuance

I move to **continue** the Springs at Coyote Ridge Preliminary Plat to another meeting on [DATE], with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:

Alternative 3 – Denial

I move to **deny** the Springs at Coyote Ridge Preliminary Plat with the following findings.

ACCOUNTABILITY

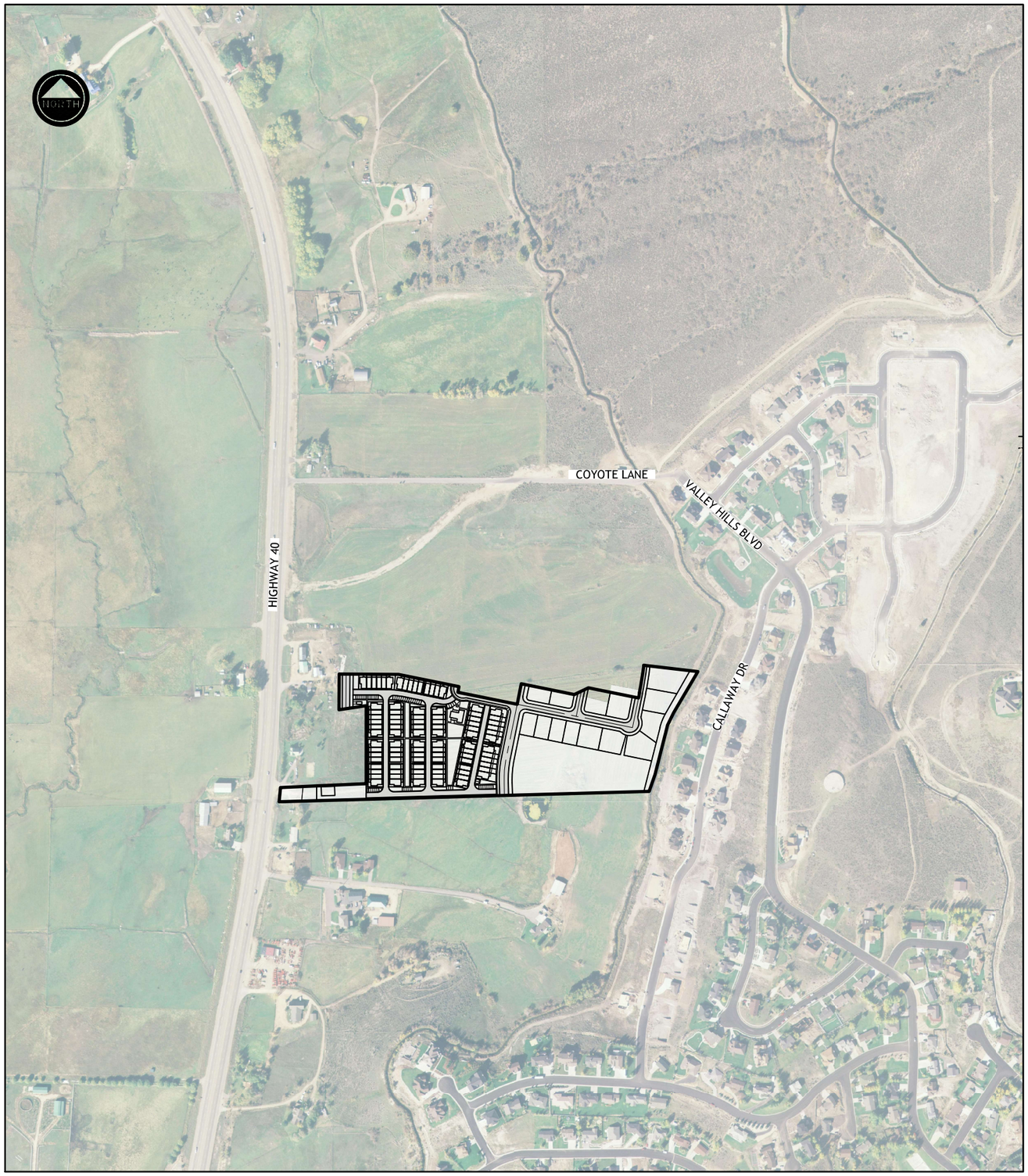
Department: Planning Department

Staff Member: Jamie Baron

EXHIBITS

1. Proposed Plans
2. Annexation Agreement
3. 1st Addendum to the Annexation Agreement

Exhibit 1



VICINITY MAP
1" = 250'

SPRINGS AT COYOTE RIDGE

HEBER CITY

PRELIMINARY PLANS

GEOTECHNICAL STUDY

A SITE SPECIFIC GEOTECHNICAL STUDY HAS BEEN PREPARED FOR THIS PROJECT BY IGES. THE REPORT IS DATED NOVEMBER 12, 2018, AND WAS PREPARED BY TORREY COPFER, PG AND JOSEPH SANTOS, SE. IT IS IDENTIFIED BY EPIC ENGINEERING PROJECT NUMBER 18-SM-3479. THE REQUIREMENTS OUTLINED IN THIS STUDY SHALL BE FOLLOWED ON THIS PROJECT.

SHEET INDEX

O-1	TITLE SHEET
--	PRELIMINARY PLAT
O-2	PRELIMINARY SITE PLAN
O-3	PRELIMINARY UTILITY PLAN
O-4	PRELIMINARY GRADING & DRAINAGE PLAN

LEGEND

- PROPOSED SANITARY SEWER
- EXISTING SANITARY SEWER
- SANITARY SEWER MANHOLE
- PROPOSED CULINARY WATER LINE
- EXISTING CULINARY WATER LINE
- CULINARY WATER FIXTURES
- PROPOSED FIRE HYDRANT
- EXISTING FIRE HYDRANT
- PROPOSED PRESSURIZED IRRIGATION
- EXISTING PRESSURIZED IRRIGATION
- SECONDARY WATER FIXTURES
- PROPOSED LIGHT POLE
- EXISTING OVERHEAD UTILITY
- RCP CL III STORM DRAIN
- EXISTING STORM DRAIN
- SD COMBOBOX, CB & CO
- PROPOSED UNDER DRAIN
- EXISTING UNDER DRAIN
- UNDER DRAIN CLEANOUT
- EXISTING MAJOR CONTOUR
- EXISTING MINOR CONTOUR
- PROPOSED MAJOR CONTOUR
- PROPOSED MINOR CONTOUR

EDM Partners
2815 East 3300 South, Salt Lake City, UT 84109
(801) 305-4670 www.edmpartners.com

OWNER:
Wasatch Back Holdings
7585 South Union Park Ave., Suite 200
Midvale, UT 84047
801-948-8800

NOTES:
1. All sanitary sewer improvements shall conform with the standards and specifications of Heber City.
2. All pressurized irrigation improvements shall conform with the standards and specifications of Heber City.
3. All culinary water improvements shall conform with the standards and specifications of Heber City.
4. All improvements in the public right of way shall conform with the standards and specifications of Heber City.
5. All private improvements shall conform to APWA standards and specifications.
6. Contractor to field locate and verify the horizontal and vertical location of all utilities prior to beginning work.
7. The project benchmark is a brass cap marking the North Quarter Corner of Section 29, Township 3 South, Range 5 East, SLB&M. Elevation = 5743.38
8. The design of The Springs at Coyote Ridge assumes that the offsite work associated with Coyote Ridge will be constructed prior to the first phase of The Springs at Coyote Ridge.

LICENSED PROFESSIONAL ENGINEER
No. 389011
NICHOLAS M. MINGO
06/03/20
STATE OF UTAH

Springs at Coyote Ridge
Title Sheet

PROJECT:
DRAWN BY: KMW
REVIEWED BY: NMM
REVISIONS:

No.	DATE	REMARKS

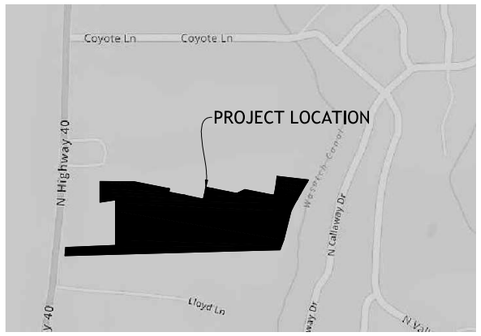
DATE: June 3, 2020

SHEET NUMBER: **O-1**

G:\Users\Peter\Dropbox\EDM\Projects\Coyote Ridge -Springs\Drawings\O - Title Sheet.dwg

THE SPRINGS AT COYOTE RIDGE

PART OF THE SOUTH HALF (S 1/2) OF SECTION 29,
TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN,
HEBER CITY, WASATCH COUNTY, STATE OF UTAH



VICINITY MAP
NOT TO SCALE

NORTH
SCALE: 1" = 40'
0 20 40 80 120

LEGEND

- RIGHT OF WAY
- SUBDIVISION BOUNDARY
- LOT LINE
- ROADWAY CENTERLINE
- PUBLIC UTILITY EASEMENT
- SECTION LINE
- MONUMENT REQUIRED TO BE SET
- FOUND SECTION MONUMENT
- EXISTING STREET MONUMENT
- CALCULATED SECTION CORNER

NARRATIVE:

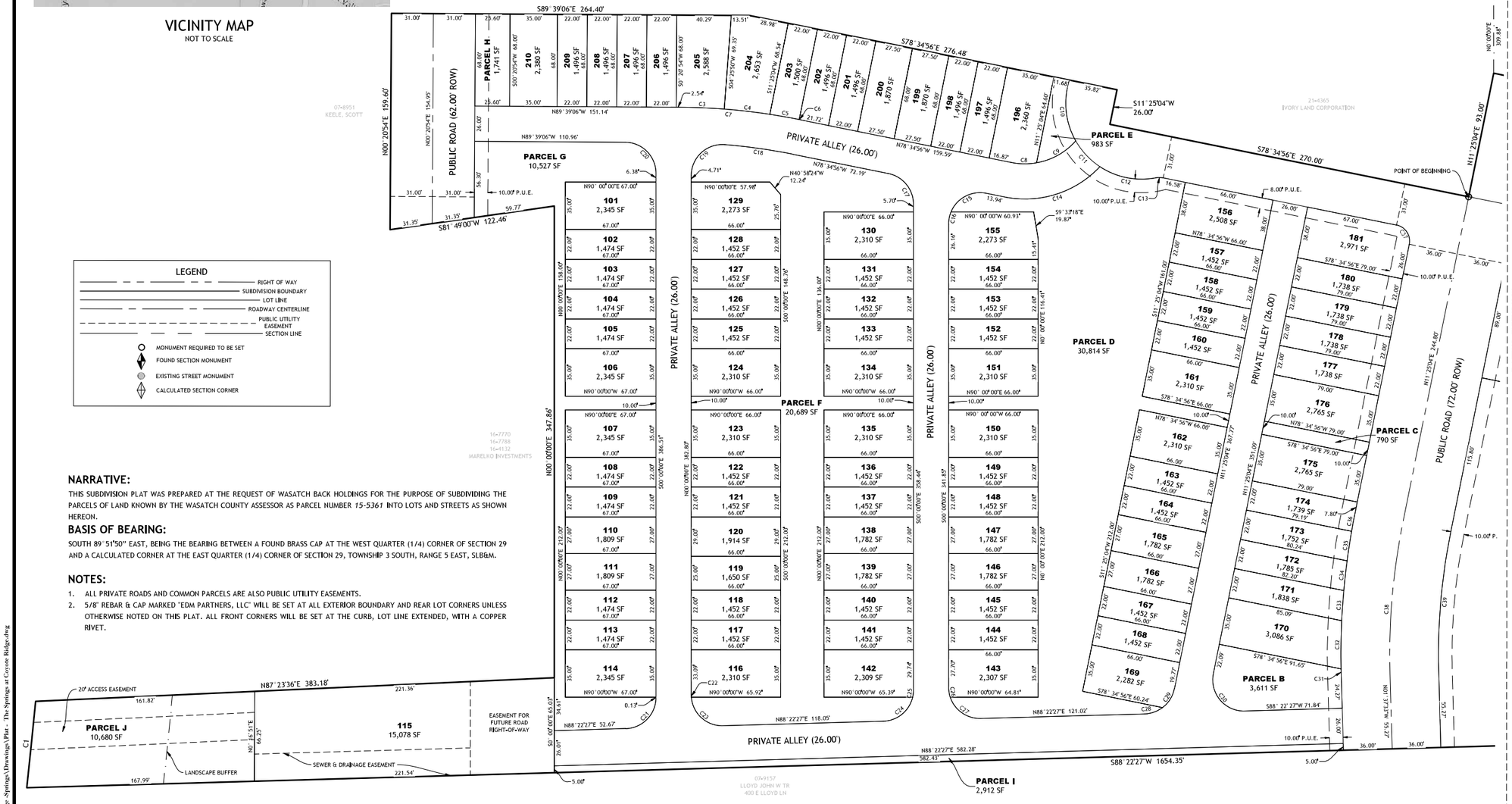
THIS SUBDIVISION PLAT WAS PREPARED AT THE REQUEST OF WASATCH BACK HOLDINGS FOR THE PURPOSE OF SUBDIVIDING THE PARCELS OF LAND KNOWN BY THE WASATCH COUNTY ASSESSOR AS PARCEL NUMBER *15-5361* INTO LOTS AND STREETS AS SHOWN HEREON.

BASIS OF BEARING:

SOUTH 89°51'50" EAST, BEING THE BEARING BETWEEN A FOUND BRASS CAP AT THE WEST QUARTER (1/4) CORNER OF SECTION 29 AND A CALCULATED CORNER AT THE EAST QUARTER (1/4) CORNER OF SECTION 29, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SLB&M.

NOTES:

1. ALL PRIVATE ROADS AND COMMON PARCELS ARE ALSO PUBLIC UTILITY EASEMENTS.
2. 5/8" REBAR & CAP MARKED "EDM PARTNERS, LLC" WILL BE SET AT ALL EXTERIOR BOUNDARY AND REAR LOT CORNERS UNLESS OTHERWISE NOTED ON THIS PLAT. ALL FRONT CORNERS WILL BE SET AT THE CURB, LOT LINE EXTENDED, WITH A COPPER RIVET.



SURVEYOR'S CERTIFICATE

I, TYLER E. JENKINS DO HEREBY CERTIFY THAT I AM A PROFESSIONAL LAND SURVEYOR AND THAT I HOLD CERTIFICATE NO. 4938730 AS PRESCRIBED UNDER THE LAWS OF THE STATE OF UTAH. I FURTHER CERTIFY THAT BY THE AUTHORITY OF THE OWNERS, I HAVE MADE A SURVEY OF THE TRACT OF LAND SHOWN ON THIS PLAT AND DESCRIBED BELOW, AND HAVE SUBDIVIDED SAID TRACT OF LAND INTO LOTS AND STREETS, HEREAFTER TO BE KNOWN AS:

THE SPRINGS AT COYOTE RIDGE

AND THAT THE SAME HAS BEEN CORRECTLY SURVEYED AND STAKED ON THE GROUND.

PROFESSIONAL LAND SURVEYOR
FOR REVIEW
4938730
TYLER E. JENKINS
STATE OF UTAH

BOUNDARY DESCRIPTION

THAT PORTION OF THE SOUTH HALF OF SECTION 29, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN; HEBER CITY, WASATCH COUNTY, UTAH DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT S89°51'50"E 2545.46 FEET ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 29 AND S00°00'00"E 309.88 FEET FROM THE WEST QUARTER (1/4) CORNER OF SECTION 29, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN; AND RUNNING THENCE S78°34'56"E 242.00 FEET; THENCE N64°32'52"E 70.00 FEET; THENCE S78°34'56"E 228.00 FEET; THENCE N11°25'04"E 23.69 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 1497.00 FEET, A DISTANCE OF 124.23 FEET, A CHORD DIRECTION OF N09°02'25"E AND A CHORD DISTANCE OF 124.19 FEET; THENCE S83°20'13"E 242.53 FEET; THENCE S30°21'14"W 212.63 FEET; THENCE S26°30'38"W 61.92 FEET; THENCE S14°13'15"W 227.82 FEET; THENCE S19°34'41"W 79.71 FEET; THENCE S88°22'27"W 1654.35 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 6950.49 FEET, A DISTANCE OF 64.00 FEET, A CHORD DIRECTION OF N05°54'30"E AND A CHORD DISTANCE OF 64.00 FEET; THENCE N87°23'36"E 383.18 FEET; THENCE N00°00'00"E 347.86 FEET; THENCE S81°49'00"W 122.46 FEET; THENCE N00°20'54"E 159.60 FEET; THENCE S89°39'06"E 264.40 FEET; THENCE S78°34'56"E 276.48 FEET; THENCE S11°25'04"W 26.00 FEET; THENCE S78°34'56"E 270.00 FEET; THENCE N11°25'04"E 93.00 FEET TO THE POINT OF BEGINNING.

CONTAINS 16.12 ACRES IN AREA, 110 LOTS AND 10 PARCELS

OWNER'S DEDICATION

I/WE, THE UNDERSIGNED OWNER(S) OF THE HEREIN DESCRIBED TRACT OF LAND, DO HEREBY SET APART AND SUBDIVIDE THE SAME INTO LOTS AND STREETS AS SHOWN HEREON TO BE HEREAFTER KNOWN AS:

THE SPRINGS AT COYOTE RIDGE

AND DO HEREBY DEDICATE FOR PERPETUAL USE OF THE PUBLIC ALL PARCELS OF LAND AND RIGHTS-OF-WAY AS SHOWN ON THIS PLAT AS INTENDED FOR PUBLIC USE AND DO HEREBY GRANT UNTO EACH PRIVATE UTILITY COMPANY AND PUBLIC UTILITY AGENCY PROVIDING UTILITY SERVICES TO THIS PROJECT, A PERPETUAL NON-EXCLUSIVE EASEMENT IN ALL AREAS SHOWN HEREON TO INSTALL, USE, KEEP, MAINTAIN, REPAIR AND REPLACE AS REQUIRED, UNDERGROUND UTILITY LINES, PIPES AND CONDUITS OF ALL TYPES AND APPURTENANCES THERETO SERVING THIS PROJECT.

_____
NAME: STEVE BROADBENT
WASATCH BACK HOLDINGS

LIMITED LIABILITY COMPANY ACKNOWLEDGEMENT

ON THE _____ DAY OF _____, 2020, STEVE BROADBENT PERSONALLY APPEARED BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC, IN AND FOR SAID COUNTY OF SALT LAKE IN THE STATE OF UTAH, WHO AFTER BEING DULY SWORN, ACKNOWLEDGED TO ME THAT HE IS THE PRESIDENT OF IVORY DEVELOPMENT LLC, AND THAT HE SIGNED THE OWNER'S DEDICATION FREELY AND VOLUNTARILY FOR AND IN BEHALF OF SAID LIMITED LIABILITY COMPANY FOR THE PURPOSES THEREIN MENTIONED.

_____ _____ _____
NOTARY PUBLIC COMMISSION NUMBER SIGNATURE

A NOTARY PUBLIC COMMISSIONED IN THE STATE OF UTAH. COMMISSION EXPIRES_____

THE SPRINGS AT COYOTE RIDGE

PART OF THE SOUTH HALF (S 1/2) OF SECTION 29,
TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN,
HEBER CITY, WASATCH COUNTY, STATE OF UTAH

SHEET 1 OF 2

DATE	REVISIONS	BY

HEBER CITY ENGINEER

I HEREBY ATTEST THAT THIS OFFICE HAS EXAMINED THIS PLAT AND IT IS CORRECT IN ACCORDANCE WITH INFORMATION ON FILE IN THIS OFFICE.

_____
HEBER CITY ENGINEER DATE

HEBER CITY APPROVAL

PRESENTED TO HEBER CITY THIS_____ DAY OF _____, 20____ AT WHICH TIME THIS SUBDIVISION WAS APPROVED AND ACCEPTED.

CITY RECORDER ATTEST: _____
MAYOR: _____

PLANNING COMMISSION

APPROVED THIS____ DAY OF_____, 20____, BY THE HEBER CITY PLANNING COMMISSION.

_____
PLANNING COMMISSION CHAIR

COUNTY SURVEYOR

APPROVED THIS____ DAY OF_____, 20____.

_____
WASATCH COUNTY SURVEYOR

DEVELOPER

WASATCH BACK HOLDINGS

7585 SOUTH UNION PARK AVE., SUITE 200
MIDVALE, UT 84047

EDM Partners LLC
2815 E. 3300 S., Salt Lake City, UT 84109
(801) 305-4670 www.edmpartners.com

RECORDED #_____
STATE OF UTAH, COUNTY OF WASATCH, RECORDED AND FILED AT THE REQUEST OF:_____
DATE:_____ TIME:_____ BOOK:_____ PAGE:_____
_____ _____
FEE WASATCH COUNTY RECORDER

C:\Users\jay\Dropbox\EDM Projects\Coyote Ridge - Springs\Drawings\Plat - The Springs at Coyote Ridge.dwg

THE SPRINGS AT COYOTE RIDGE

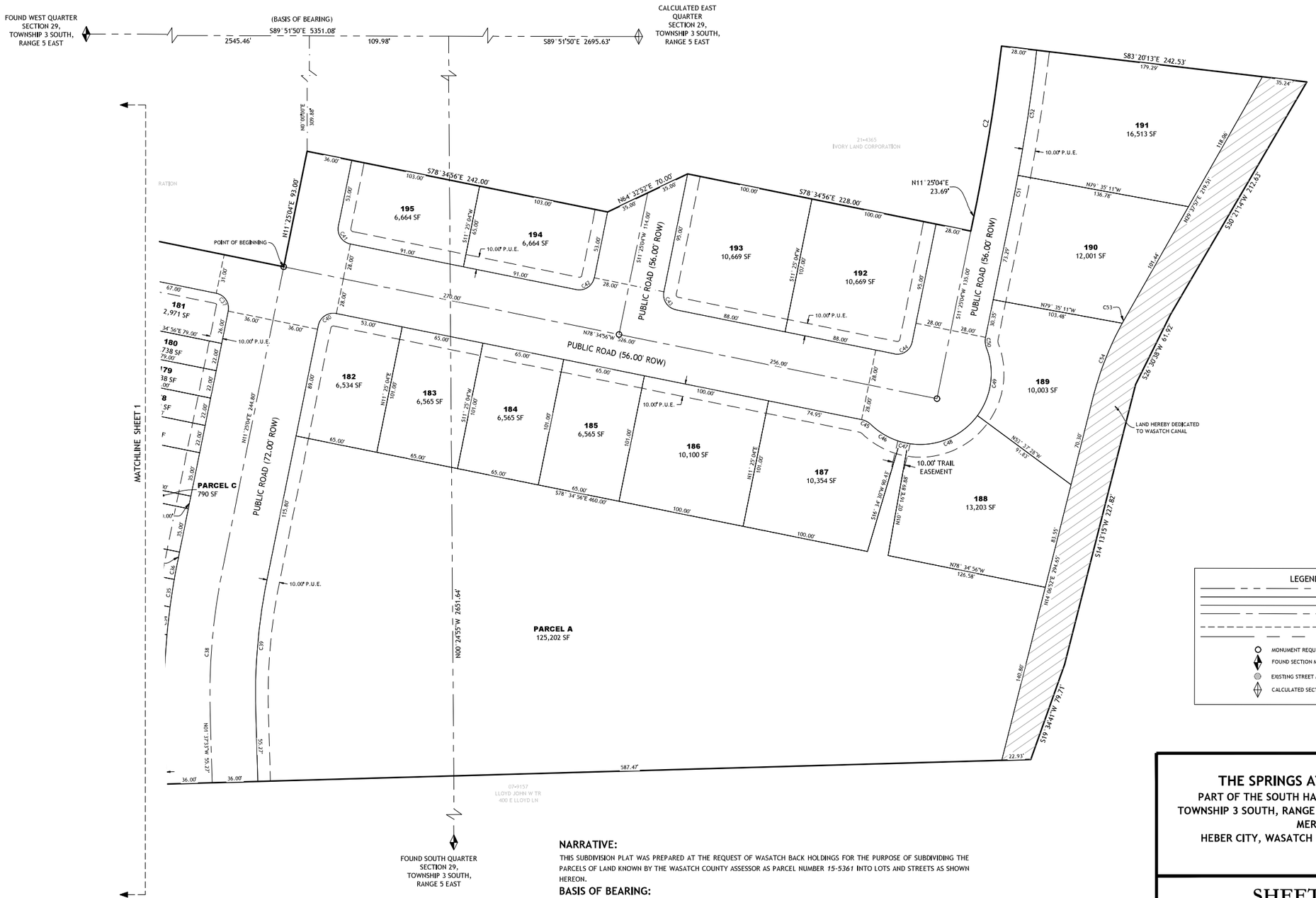
PART OF THE SOUTH HALF (S 1/2) OF SECTION 29,
TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN,
HEBER CITY, WASATCH COUNTY, STATE OF UTAH

NORTH

SCALE: 1" = 40'

0 20 40 80 120

CURVE TABLE				
CURVE	ARC LENGTH	RADIUS	CHORD DIRECTION	CHORD LENGTH
C1	64.00	6950.49	N5°54'30"E	64.00
C2	124.23	1497.00	N9°02'25"E	124.19
C3	32.85	461.00	N87°36'38"W	32.84
C4	33.93	461.00	N83°27'40"W	33.92
C5	22.01	461.00	N79°59'07"W	22.01
C6	0.28	461.00	N78°36'00"W	0.28
C7	89.06	461.00	N84°07'01"W	88.93
C8	18.55	50.00	N89°12'33"W	18.44
C9	33.80	50.00	S60°47'55"W	33.16
C10	46.39	56.00	S5°59'51"E	45.08
C11	26.32	56.00	S43°11'38"E	26.08
C12	42.92	56.00	S78°36'43"E	41.87
C13	5.76	15.00	S89°34'29"E	5.72
C14	77.12	76.00	N72°20'46"E	73.86
C15	31.63	23.00	N62°01'01"E	29.20
C16	9.08	23.00	N11°18'29"E	9.02
C17	31.54	23.00	N39°17'28"W	29.13
C18	50.40	435.00	N81°54'06"W	50.37
C19	38.05	23.00	S47°23'22"W	33.85
C20	35.99	23.00	N44°49'33"W	32.43
C21	35.48	23.00	N44°11'13"E	32.06
C22	1.91	23.00	N2°22'57"W	1.91
C23	34.87	23.00	S48°11'44"E	31.62
C24	30.17	23.00	N50°47'50"E	28.05
C25	5.31	23.00	S6°36'37"W	5.30
C26	7.43	23.00	N9°15'28"W	7.40
C27	29.35	23.00	N55°04'15"W	27.40
C28	14.25	23.00	N70°37'24"E	14.02
C29	16.64	23.00	S32°08'42"W	16.28
C30	41.36	23.00	N40°06'15"W	36.01
C31	4.76	531.00	S1°22'09"E	4.76
C32	35.62	531.00	S0°48'32"W	35.61
C33	22.19	531.00	S3°55'40"W	22.19
C34	22.09	531.00	S6°19'00"W	22.09
C35	22.03	531.00	S8°41'48"W	22.02
C36	14.20	531.00	S10°39'05"W	14.20
C37	18.85	12.00	S33°34'56"E	16.97
C38	112.69	495.00	N4°53'45"E	112.45
C41	18.85	12.00	N33°34'56"W	16.97
C42	18.85	12.00	S56°25'04"W	16.97
C43	18.85	12.00	N33°34'56"W	16.97
C44	18.85	12.00	S56°25'04"W	16.97
C45	8.53	15.00	S62°17'58"E	8.41
C46	26.79	56.00	S59°43'15"E	26.53
C48	62.22	56.00	N68°12'24"E	59.07
C49	56.22	56.00	N7°36'50"E	53.89
C50	8.53	15.00	N4°51'54"W	8.41
C51	26.73	1525.00	N10°54'56"E	26.73
C52	99.83	1525.00	N8°32'18"E	99.81
C53	4.44	251.46	S29°07'34"W	4.44
C54	63.66	251.46	S21°22'02"W	63.49



LEGEND

- RIGHT OF WAY
- SUBDIVISION BOUNDARY
- LOT LINE
- ROADWAY CENTERLINE
- PUBLIC UTILITY EASEMENT
- SECTION LINE
- MONUMENT REQUIRED TO BE SET
- FOUND SECTION MONUMENT
- EXISTING STREET MONUMENT
- CALCULATED SECTION CORNER

NARRATIVE:

THIS SUBDIVISION PLAT WAS PREPARED AT THE REQUEST OF WASATCH BACK HOLDINGS FOR THE PURPOSE OF SUBDIVIDING THE PARCELS OF LAND KNOWN BY THE WASATCH COUNTY ASSESSOR AS PARCEL NUMBER *15-5361* INTO LOTS AND STREETS AS SHOWN HEREON.

BASIS OF BEARING:

SOUTH 89°51'50" EAST, BEING THE BEARING BETWEEN A FOUND BRASS CAP AT THE WEST QUARTER (1/4) CORNER OF SECTION 29 AND A CALCULATED CORNER AT THE EAST QUARTER (1/4) CORNER OF SECTION 29, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SLB&M.

NOTES:

1. ALL PRIVATE ROADS AND COMMON PARCELS ARE ALSO PUBLIC UTILITY EASEMENTS.
2. 5/8" REBAR & CAP MARKED "EDM PARTNERS, LLC" WILL BE SET AT ALL EXTERIOR BOUNDARY AND REAR LOT CORNERS UNLESS OTHERWISE NOTED ON THIS PLAT. ALL FRONT CORNERS WILL BE SET AT THE CURB, LOT LINE EXTENDED, WITH A COPPER RIVET.

THE SPRINGS AT COYOTE RIDGE
PART OF THE SOUTH HALF (S 1/2) OF SECTION 29,
TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN,
HEBER CITY, WASATCH COUNTY, STATE OF UTAH

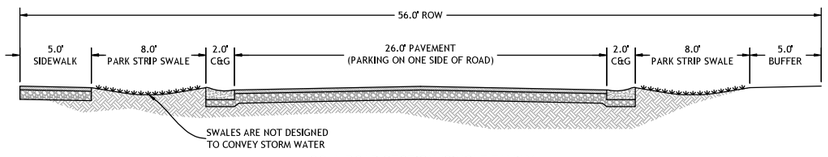
SHEET 2 OF 2

EDM Partners LLC
2815 E. 3300 S., Salt Lake City, UT 84109
(801) 305-4670 www.edmpartners.com

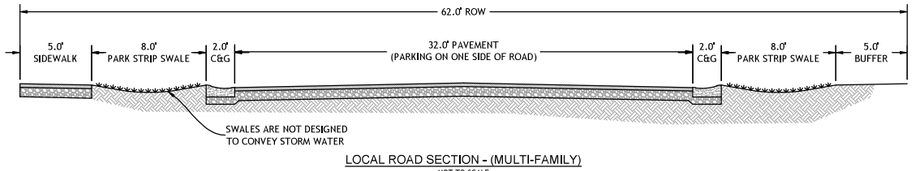
RECORDED #_____
STATE OF UTAH, COUNTY OF WASATCH, RECORDED AND FILED AT THE REQUEST OF:_____
DATE:_____ TIME:_____ BOOK:_____ PAGE:_____
_____ _____
FEE WASATCH COUNTY RECORDER

G:\Users\jay\Dropbox\EDM\Projects\Coyote Ridge - Springs\Drawings\Plat - The Springs at Coyote Ridge.dwg

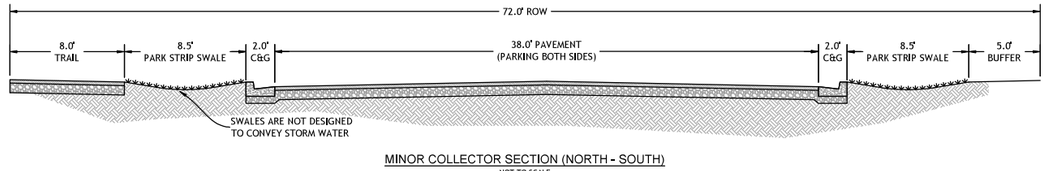
Springs at Coyote Ridge Project Summary	
Project Area (AC)	16.13
Townhomes	95
Cottage Lots	0
R-3 Lots	6
R-1 Lots	8
Market Rate Lots	101
Affordable Units	8
Total Lots	109
Market Rate Density (DU/AC)	6.26
Park Open Space (AC)	2.87
Towns Open Space (AC)	3.02
Total Open Space (AC)	5.89



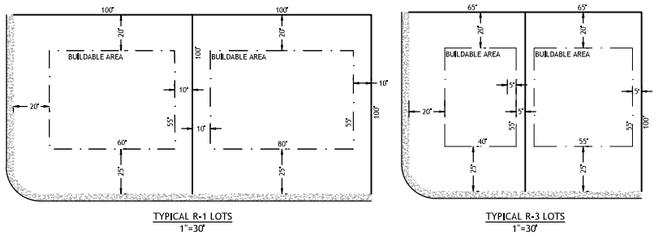
LOCAL ROAD SECTION (SINGLE FAMILY)
NOT TO SCALE



LOCAL ROAD SECTION - (MULTI-FAMILY)
NOT TO SCALE



MINOR COLLECTOR SECTION (NORTH - SOUTH)
NOT TO SCALE



TYPICAL R-1 LOTS
1"=30'

TYPICAL R-3 LOTS
1"=30'

EDM Partners
2815 East 3300 South, Salt Lake City, UT 84109
(801) 305-4670 www.edmpartners.com

NORTH

SCALE: 1" = 80'

0 40 80 160 240

OWNER:
Wasatch Back Holdings
7585 South Union Park Ave., Suite 200
Midvale, UT 84047
801-948-8800

NOTES:
1. All sanitary sewer improvements shall conform with the standards and specifications of Heber City.
2. All pressurized irrigation improvements shall conform with the standards and specifications of Heber City.
3. All culinary water improvements shall conform with the standards and specifications of Heber City.
4. All improvements in the public right of way shall conform with the standards and specifications of Heber City.
5. All private improvements shall conform to APWA standards and specifications.
6. Contractor to field locate and verify the horizontal and vertical location of all utilities prior to beginning work.
7. The project benchmark is a brass cap marking the North Quarter Corner of Section 29, Township 3 South, Range 5 East, SLB&M. Elevation = 5743.38
8. The design of The Springs at Coyote Ridge assumes that the offsite work associated with Coyote Ridge will be constructed prior to the first phase of The Springs at Coyote Ridge.

LEGEND

- PARK (OPEN SPACE)
- TOWN HOME PARCEL
- TYPICAL R-3 LOT
- TYPICAL R-1 LOT
- COSZ LOT
- TRAIL
- BIKE ROUTE

LICENSED PROFESSIONAL ENGINEER
No. 389811
NICHOLAS M. MINGO
06/03/20
STATE OF UTAH

Springs at Coyote Ridge

Site Plan

PROJECT:	
DRAWN BY:	KMW
REVIEWED BY:	NMM
REVISIONS:	
No. DATE	REMARKS

DATE: June 3, 2020

SHEET NUMBER: **O-2**

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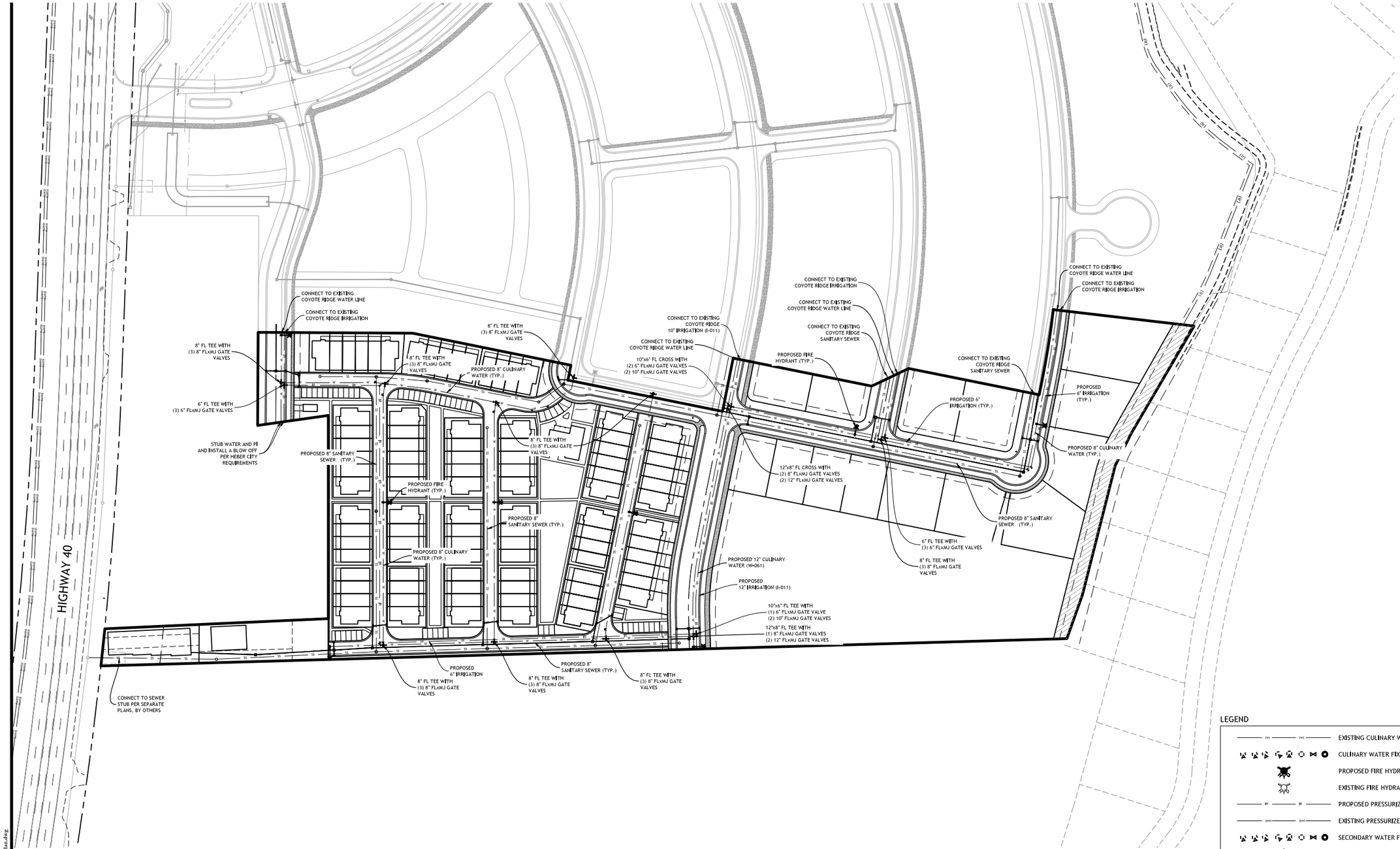

LEGEND

- EXISTING CULINARY WATER LINE
- CULINARY WATER FIXTURES
- PROPOSED FIRE HYDRANT
- EXISTING FIRE HYDRANT
- PROPOSED PRESSURIZED IRRIGATION
- EXISTING PRESSURIZED IRRIGATION
- SECONDARY WATER FIXTURES
- PROPOSED LIGHT POLE
- EXISTING OVERHEAD UTILITY
- RCP CL III STORM DRAIN
- EXISTING STORM DRAIN
- SD COMBOBOX, CB & CO
- PROPOSED UNDER DRAIN
- EXISTING UNDER DRAIN
- UNDER DRAIN CLEANOUT
- EXISTING MAJOR CONTOUR
- EXISTING MINOR CONTOUR
- PROPOSED MAJOR CONTOUR
- PROPOSED MINOR CONTOUR

EDM Partners
2815 East 3300 South, Salt Lake City, UT 84109
(801) 305-4670 www.edmpartners.com

NORTH

SCALE:1" = 80'

0 40 80 160 240

OWNER:
Wasatch Back Holdings
7585 South Union Park Ave., Suite 200
Midvale, UT 84047
801-948-8800

NOTES:

1. All sanitary sewer improvements shall conform with the standards and specifications of Heber City.
2. All pressurized irrigation improvements shall conform with the standards and specifications of Heber City.
3. All culinary water improvements shall conform with the standards and specifications of Heber City.
4. All improvements in the public right of way shall conform with the standards and specifications of Heber City.
5. All private improvements shall conform to APWA standards and specifications.
6. Contractor to field locate and verify the horizontal and vertical location of all utilities prior to beginning work.
7. The project benchmark is a brass cap marking the North Quarter Corner of Section 29, Township 3 South, Range 5 East, SLB&M. Elevation = 5743.38
8. The design of The Springs at Coyote Ridge assumes that the offsite work associated with Coyote Ridge will be constructed prior to the first phase of The Springs at Coyote Ridge. In the event that phasing does not support this time line, coordination between the two subdivisions for access and utilities will be required.

LICENSED PROFESSIONAL ENGINEER
No. 366041
NICHOLAS M. MINGO
06/03/20
STATE OF UTAH

Springs at Coyote Ridge

Utility Plan

PROJECT:	
DRAWN BY:	KMW
REVIEWED BY:	NMM
REVISIONS:	
No. DATE	REMARKS

DATE: June 3, 2020

SHEET NUMBER: O-3

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C:\Users\Peter\Dropbox\EDM\Projects\Coyote Ridge -Springs\Drawings\3 - Grading Plan.dwg

EDM Partners
2815 East 3300 South, Salt Lake City, UT 84109
(801) 305-4670 www.edmpartners.com

NORTH

SCALE:1" = 80'

0 40 80 160 240

OWNER:
Wasatch Back Holdings
7585 South Union Park Ave., Suite 200
Midvale, UT 84047
801-948-8800

NOTES:

1. The storm drain has been designed in accordance with Heber City Standards. The following notes describe the plan conveyance and retention for each basin:
   - 1.1. Basin 1: Conveyance to and retention to occur onsite.
   - 1.2. Basin 2: To be conveyed offsite to north retention basin of the Coyote Ridge Subdivision
   - 1.3. Basin 3: The open space parcel shall be graded to retain the onsite.

LICENSED PROFESSIONAL ENGINEER
No. 364911
NICHOLAS M. MINGO
06/03/20
STATE OF UTAH

Springs at Coyote Ridge

Grading and Drainage Plan

PROJECT:	
DRAWN BY:	KMW
REVIEWED BY:	NMM
REVISIONS:	
No. DATE	REMARKS

DATE: June 3, 2020

SHEET NUMBER: **O-4**

Exhibit 2

When recorded return to:
Ivory Development
Attn: Analise Quinn Wilson
978 East Woodoak Lane
Salt Lake City, Utah 84117

Ent 465988 Bk 1258 Pg 963-984
Date: 25-JUL-2019 2:06:16PM
Fee: $40.00 Check Filed By: TC
PEGGY FOY SULSER, Recorder
WASATCH COUNTY CORPORATION
For: PRINCE BRYON

VXC ANNEXATION AGREEMENT
AKA Hutchinson Annexation
AND
COVENANT RUNNING WITH THE LAND

THIS AGREEMENT ("Agreement") entered into this 4th day of June, 2019 ("Effective Date"), by and between Heber City ("City") and Hutchinson Enterprises, Inc. , and Wasatch Back Holdings, LLC (collectively, "Petitioner").

RECITALS

WHEREAS, Petitioner is the owner of approximately 68 acres of undeveloped land situated in unincorporated Wasatch County and contiguous to the current boundaries of the City, as such property is described and depicted on Exhibit A attached hereto ("Property"); and

WHEREAS, due to projected growth in the vicinity of the Property, Petitioner anticipate there will be pressure for the Property to be developed within the foreseeable future; and

WHEREAS, for the purposes of maximizing the development potential for the Property, and to advance sound urban planning in the area, Petitioner desires that the Property be included within the boundaries of a municipality prior to its development; and therefore has proposed annexation of the Property into the City; and

WHEREAS, the planning commission has reviewed the proposed annexation and has recommended approval of the proposed annexation with conditions.

NOW THEREFORE, for and in consideration of the premises, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **INCORPORATION OF RECITALS.** The foregoing recitals are material to this Agreement and are incorporated and made a part of this Agreement as though they were fully set forth herein.

2. **ANNEXATION.** As soon as is practicable after the Effective Date, City agrees to annex the Property into the City, in accordance with all the terms and provisions of this Agreement and the exhibits attached hereto, and to do all things necessary or appropriate to cause the Property to be validly annexed to the City. The City shall notify all entities or persons of such annexation and promptly record all ordinances, plats, and affidavits necessary to said annexation, in accordance with any and all statutory and ordinance requirements. A provisional Annexation Plat is attached as Exhibit B. Upon Annexation, the Property and the development

anticipated herein shall be subject to the City's ordinances, standards, and regulations, in effect as of the Effective Date, except for construction standards, fee schedules, and water rights which will be those in effect at the time of final plat approval.

3. **ZONING.** The Property to be annexed shall be zoned as depicted in Exhibit C. The zones depicted include R-3 Residential, R-3 Residential with the Clustered Open Space Zone (COSZ) and R-1 Residential. In lieu of developing pursuant to the requirements of the COSZ, Petitioner may instead choose to develop a traditional single-family subdivision as per the requirements of the underlying R-3 Residential Zone, or any combination of said zones. In the event that Petitioner elects to implement the COSZ overlay, all private open space designated therein shall remain open space in perpetuity. Additionally, all public and private open space within the COSZ overlay shall be counted toward the COSZ open space requirement, including but not limited to parks and privately owned areas outside of the public right of way.

4. **DENSITY.** Average residential density on the Petitioner's properties will not exceed 4 units per acre on average over the entire property. Individual areas may exceed 4 units per acre as long as the entire property does not exceed collectively 4 units per acre. Notwithstanding the preceding sentences, units dedicated to affordable housing shall be in addition to and not included in the calculation of the 4 units per acre average density.

5. **WATER RIGHTS.** Petitioner agrees to comply with City's Water Requirement for Development and Planning Policy in effect as of the Effective Date, a copy attached as Exhibit D. For the avoidance of doubt, Petitioner shall not be subject to any increases in water right ownership requirements beyond what is required in Exhibit D.

6. **PUBLIC IMPROVEMENTS.** At its own expense, Petitioner shall construct all public improvements ("System Improvements") required by the applicable zoning ordinance and included in the City's March 2018 Capital Facilities Plan in effect as of the date of this Agreement, which is attached as Exhibits E-I and incorporated herein ("Capital Facilities Master Plan"). Petitioner shall be entitled to reimbursement (either in cash or through impact fee credits) for the cost differential between "project improvements" and "system improvements" as defined in the Capital Facilities Master Plan. The cost of right-of-way shall be considered a developer contribution and not a reimbursable cost. The Capital Facilities Master Plan shows the master planned road system and right of way standards, including but not limited to Coyote Lane, which shall be aligned and dedicated to the City. Any and all exhibits referenced in this Agreement shall be included, made a part of, and incorporated into this Agreement. Any and all such requirements, expectations and policies of, or identified in said exhibits shall be individual requirements of this Agreement as if each were specifically articulated independently. The exact location of Coyote Lane and north-south collection road will be determined in conjunction with preliminary plat approval. Petitioner shall stub Coyote Lane to the adjacent property owned by Reinvestments Holdings LLC (more commonly known as the "Sorenson Property"). The master planned street system is attached as Exhibit E. The master planned parks and trail system is attached as Exhibit F. The master planned water system is attached as Exhibit G The master planned irrigation system is attached as Exhibit H. The master planned sewer system is attached as Exhibit I.

a. Petitioner shall, prior to requesting their first phase development preliminary approval or master plan approval within the annexation area, whichever request for such approvals occurs first, provide the following for the annexation area: 1) a Phase 1 Environmental Site Assessment, 2) a geotechnical study of area soils and groundwater, and 3) a traffic study showing local and regional impacts of the annexation area and mitigation measures.

b. Petitioner shall dedicate, as may be required by UDOT or the traffic study, additional street right of way for turn pockets along Coyote Lane and Highway 40. Petitioner agrees to give to Heber City all previous correspondence with UDOT or any traffic/engineering studies concerning the Highway 40 and Coyote Lane intersection.

c. Petitioner shall work with the Sorenson Property north of the property to construct and complete a new street connection and bridge to Valley Hills Boulevard. If a new street connection and bridge to Valley Hills Boulevard has not been established upon the sooner of forty percent (40%) of the total construction of residential units, or some other event designated in the traffic impact study required under Section 6(a) above, Petitioner shall construct and implement temporary improvements, with a time table agreed to by the parties, to widen and improve the existing Coyote Lane street and bridge connection to Valley Hills Boulevard, to mitigate traffic and safety concerns; i.e. widening, curb walls, signage, etc. Said temporary improvements will be completed before any additional final subdivision approvals are given or building permits issued on approved phases.

d. Petitioner shall provide an access easement and/or street frontage as an alternative to Highway 40 access for the Keele, Boone and Marelko LC #3 properties, connecting streets in the proposed development to aforementioned properties that are illustrated in Exhibit J.

e. Consistent with the North Village Code, Petitioner shall provide a minimum 100 foot wide landscaped open space corridor along the Highway 40 right of way as illustrated in Exhibit J.

f. Petitioner shall provide an access easement and pedestrian trail up to the Property boundary adjacent to the Cove at Valley Hills Park. In the event the City secures the property rights and administrative approvals necessary to connect the proposed development to the Cove at Valley Hills Park, as illustrated generally in Exhibit J, Petitioner shall contribute Fifteen Thousand Dollars ($15,000.00) towards the construction of the proposed bridge.

g. Petitioner shall provide and construct at least 3 road stubs (A, B, and D) connecting streets in the proposed development to adjoining properties as illustrated on Exhibit J, with precise locations to be determined at the time of development.

7. **SPRING.** Petitioner will preserve the existing spring and adjoining wetlands as open space, according to federal, state and city regulations and standards. At the City's option, Petitioner will dedicate the spring and adjoining wetlands, the boundary of which to be determined by Petition, to the City.

8. **CONTRIBUTION FOR IMPROVEMENTS.** City will reimburse Petitioner for all costs related to those System Improvements identified in the Capital Facilities Plan. Additionally, in the event that Petitioner installs System Improvements which will have the effect of benefiting another private property owner, the City shall make available its standard reimbursement agreement, attached as Exhibit K, allowing the Petitioner an opportunity to be reimbursed for a portion of the offsite costs from those properties benefiting from the improvement for a period of ten (10) years following completion of the System Improvements.

9. **UTILITIES.** City shall have the option of being the utility service provider for water, sewer, and irrigation to the Petitioners properties. If Petitioner desires to utilize North Village Special Service District Services, Petitioner shall provide the City a service analysis

showing a comparison of City and North District Special Service District services, how they would be provided, associated costs, and water rights needed. The City Council may, at its sole discretion, permit the North Village Special Service District to provide some or all of the utility services to the properties. Petitioner shall install all City utilities and infrastructure in accordance and consistent with the City's Facilities Master Plan at time of execution of the Effective Date of this Agreement, and the City Standard Specifications at the time of final plat approval.

10. **UTILITY CONNECTION**. The City will work in good faith with Petitioner to provide the access, easements, and other approvals necessary to facilitate Petitioner's connection to the City's culinary water line from Property, under the Wasatch Canal, through Cove Park, and into Valley Hills Blvd, if Petitioner is not able to gain access into Interstate 40. If the culinary water line is required to be installed in Interstate 40, the upsizing of the culinary water line shall be considered a system improvement.

11. **LOT WIDTHS AND SETBACKS**. The following specifications are to be applied to Lots to be developed on the Property, in Petitioner's discretion, and as may be logical in the design, feel and plan for Petitioner's improvement of the Property:

a. For lots in an R-1 zone, the minimum lot width shall be 90 feet. The setbacks in the R-1 zone shall be as follows:
   i. Front – 25 feet;
   ii. Rear – 20 feet;
   iii. Interior Side – 10/10 feet; and
   iv. Corner Side – 20 feet.

b. For lots in the R-3 zone, the minimum lot width is 65 feet. The setbacks in the R-3 zone shall be as follows:
   i. Front – 25 feet;
   ii. Rear – 20 feet;
   iii. Interior Side – 5/5 feet; and
   iv. Corner Side – 20 feet.

c. If the COZY overlay is applied, all setbacks shall comply with the COZY overlay ordinance.

12. **AFFORDABLE HOUSING**. Residential development shall comply with Chapter 18.102 Affordable Housing, which requires ten percent of all residential units to be affordable or a fee-in lieu be paid.

13. **FARMLAND.** Petitioner shall include a right to farm disclosure on any subdivision plat affecting the Property which disclosure shall acknowledge that the Property is in the vicinity of farmland and any future resident of the subdivision may be subject to the inconveniences or discomforts arising from agricultural activities. Further, if requested by adjacent landowners engaging in agricultural activities, Petitioner shall, at the time of installation of subdivision improvements, install privacy fencing along the property line separating the Property from the neighboring property.

14. **EFFECTIVE DATE.** Prior to the execution of this Agreement, the City shall take or cause to be taken all actions reasonably required or advisable to be taken preparatory to, but not including, final City Council legislative action, in connection with the amendment of City's code as necessary to facilitate the contemplated Annexation. However, the City agrees

that zoning changes, land use approvals and requirements, and other rights and obligations anticipated or created by this Agreement or related legislative action shall only be effective upon the execution of this Agreement. If this Agreement is not executed by one or both parties, any zoning changes, land use approvals and requirements, and other rights and obligations anticipated or created by this Agreement or related legislative action shall be null and void.

15. **BINDING EFFECT.** The provisions contained herein shall be deemed to run with the Property, and a copy of this Agreement or a notice thereof must, within ten (10) days after the last party executes this Agreement, be recorded in the office of the Wasatch County Recorder. This Agreement shall be binding upon Petitioner and the City, and their respective successors and assigns. In the event of a breach of any provision of this Agreement by any transferee of a portion of the Property, which breach results in the loss or termination of any of the rights granted hereunder with respect to such portion of the Property, the rights of Petitioner or any transferees of Petitioner as to the remaining portion of the Property shall not be adversely affected.

16. **DEFAULT.** In the event either party fails to perform its obligations hereunder or to comply with the terms hereof, and such failure remains uncured for sixty (60) days after receiving written notice of default, then the non-defaulting party may pursue such remedies as may be available hereunder; provided that (i) if such failure cannot reasonably be cured within such 60-day period and (ii) the defaulting party shall have commenced to cure such failure within such 60-day period and thereafter uses reasonable efforts to cure the same, such 60-day period shall be extended for so long as it shall require the defaulting party in the exercise of reasonable efforts to cure such failure, but in no event to exceed 120 days in the aggregate. Termination of this Agreement shall not be a remedy of either party for a default under this Agreement.

17. **ASSIGNMENT.** Petitioner shall be entitled to sell or transfer any portion of the Property at any time to one or more persons or entities. Once title to all or a portion of the Property has been transferred to an assignee, Petitioner shall have no further obligations or liability hereunder with respect to the assigned Property and the City will look to the assignee for performance hereunder with respect to the assigned Property, and any default with respect to the assignee shall not impact or hinder development or other activities with respect to the remainder of the Property.

18. **MISCELLANEOUS.**

(a) Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance is invalid or unenforceable to any extent, the remainder of this Agreement will not be affected thereby, and the remaining provisions of this Agreement shall continue in full force and effect so long as the remainder of the Agreement substantially provides the relative benefits and burdens bargained for by the parties in this Agreement.

(b) Construction of Agreement. This Agreement shall be construed as if collectively drafted. The rights and obligations of the parties set forth in this Agreement do not create any rights in or obligations to any other persons or entities except as expressly stated herein. Time is expressly made of the essence with respect to the performance of each and every obligation of this Agreement. Nothing in this Agreement shall be construed to create any partnership, joint venture, or fiduciary relationship between the parties.

(c) Amendment. This Agreement may be amended only in a writing executed by the parties. No amendment, change, or modification of any provision contained in this Agreement

shall be effective unless fully set forth in a writing signed by both City and Petitioner. Notwithstanding any conflicting preference or precedent established by statute, common law or in equity, the parties waive all defenses to the enforcement of this provision, together with the right to claim that this Agreement was amended, changed or modified in any way by reason of the parties' course of dealing, industry standard, promise, representation, statement, reliance, passage of time, or other theory.

(d) Non-Liability of City Officials and Employees. No officer, representative, agent, or employee of the City shall be personally liable to Petitioner, or any successor in interest or assignee of Petitioner, in the event of any default or breach by the City, or for any amount which may become due Petitioner, or their successors or assignees, or for any obligation arising under the terms of this Agreement.

(e) Force Majeure. Any prevention, delay, or stoppage of the performance of any obligation under this Agreement that is due to strikes; labor disputes; inability to obtain labor, materials, equipment or reasonable substitutes therefor; acts of nature; governmental restrictions, regulations or controls; judicial orders; enemy or hostile government actions; wars; terrorist attacks; civil commotions; fires or other casualties; or other causes beyond the control of the party obligated to perform hereunder shall excuse performance of the obligation by that party for a period equal to the duration of that prevention, delay or stoppage. Any party seeking relief under the provisions of this paragraph shall notify the other party in writing of a force majeure event within thirty (30) days following occurrence of the claimed force majeure event.

(f) Entire Agreement. This Agreement, together with the Exhibits attached hereto, documents referenced herein, and all regulatory approvals given by the City for the Property, contain the entire agreement of the parties with respect to the subject matter hereof and supersede any other prior promises, representations, warranties, inducements, or understandings among the Parties.

(g) Notice. All notices, requests and demands to be made hereunder to the Parties hereto shall be made in writing to the addresses set forth below and shall be given by any of the following means: (a) personal service; (b) certified or registered mail, postage prepaid, return receipt requested; or (c) courier or delivery service. Any notice, demand or request sent pursuant to this Agreement shall be deemed received three (3) days following deposit in the mail.

If to the City, to: Heber City, Utah
Mayor Kelleen Potter
75 North Main St.
Heber City, UT 84032

If to Petitioner, to: Hutchinson Enterprises, Inc.

_____
_____
_____

If to Petitioner, to: Wasatch Back Holdings, LLC.
Glen Lent
Managing Member
_____

With copy to: Ivory Development, LLC
978 East Woodoak Lane
Salt Lake City, Utah 84117

Attn: Analise Quinn Wilson

Any party may change its address for notice under this Agreement by giving written notice thereof to the other parties.

IN WITNESS WHEREOF, the City and Petitioner have executed this Agreement by and through their respective duly authorized representatives as of the day and year first herein above written.

HEBER CITY, UTAH

HEBER CITY CORPORATE Seal WASATCH COUNTY, UTAH

By: Kelleen Potter

Name (Print): Kelleen Potter

Its: Mayor

STATE OF UTAH)
:ss
COUNTY OF WASATCH)

On June 26th, 2019 personally appeared before me, a Notary Public, Kelleen Potter and Trina Cooke, the Mayor and City Recorder, respectively, of HEBER CITY, UTAH personally known or proved to me to be the persons whose name is subscribed to the above instrument who acknowledged to me that they executed the above instrument on behalf of HEBER CITY, UTAH.

Alicia J. Fairbourne
Notary Public

ALICIA J. FAIRBOURNE
Notary Public State of Utah
My Commission Expires on:
September 8, 2020
Comm. Number: 690702

SEAL

HUTCHINSON ENTERPRISES, INC.

By: Ray J. Hutchinson

Name (Print): Ray J. Hutchinson

Its: Vice President

STATE OF UTAH)
:ss
COUNTY OF SALT LAKE)

On June 26, 2019 personally appeared before me, a Notary Public, Ray Hutchinson, the Vice President of Hutchinson Enterprises Inc., personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged to me that he executed the above instrument on behalf of Hutchinson Enterprises, Inc.

Trina N Cooke
Notary Public

TRINA N. COOKE
NOTARY PUBLIC • STATE OF UTAH
COMMISSION# 701803
COMM. EXP. 08-21-2022

SEAL

WASATCH BACK HOLDINGS, LLC

By: Glen K Lent

Name (Print): Glen K Lent

Its: Managing member

STATE OF UTAH)
:ss
COUNTY OF SALT LAKE)

TRINA N. COOKE
NOTARY PUBLIC • STATE OF UTAH
COMMISSION# 701803
COMM. EXP. 08-21-2022

On June 16, 2019 personally appeared before me, a Notary Public, Glen K Lent, the Managing Member of Wasatch Back Holdings, LLC, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged to me that he executed the above instrument on behalf of Hutchinson Enterprises, Inc.

HEBER CITY CORPORATE Seal WASATCH COUNTY UTAH

Trina N Cooke
Notary Public

SEAL

Exhibit A: Legal Description

PARCEL NUMBERS

00-0020-8846
00-0007-8969
00-0007-8951
00-0007-9264
00-0016-4132
00-0016-7788
00-0016-7770
00-0015-5361
00-0007-8977
00-0020-3228
00-0020-2898
00-0020-2897
00-0020-3057
00-0020-3229
00-0020-2019

ANNEXATION DESCRIPTION

BEGINNING AT A POINT ON THE EAST LINE OF THE NORTHWEST QUARTER OF SECTION 29, SAID POINT OF BEGINNING BEING S00°24'55"E 1682.68 FEET ALONG SAID EAST LINE FROM THE NORTH QUARTER CORNER OF SECTION 29, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN; AND RUNNING THENCE ALONG SAID EAST LINE S00°24'55"E 410.40 FEET; THENCE N89°35'23"E 529.97 FEET; THENCE S48°55'23"W 75.24 FEET; THENCE S31°39'37"E 599.94 FEET; THENCE S00°24'35"E 23.74 FEET; THENCE S13°20'03"W 231.00 FEET THE WESTERLY BOUNDARY LINE OF THE COVE AT VALLEY HILLS FINAL PLAT; THENCE ALONG SAID WESTERLY LINE THE FOLLOWING THREE COURSES: (1) S18°55'11"W 131.17 FEET; (2) S17°56'57"W 307.00 FEET; (3) S15°18'57"W 199.30 FEET; THENCE N72°24'22"W 87.87 FEET; THENCE N19°34'41"E 11.98 FEET; THENCE S88°22'27"W 1654.35 FEET TO THE EASTERLY RIGHT OF WAY LINE OF STATE HIGHWAY 40; THENCE ALONG SAID EASTERLY RIGHT OF WAY LINE ALONG A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 6950.49 FEET, A DISTANCE OF 489.79 FEET, A CHORD DIRECTION OF N04°09'12"E AND A CHORD DISTANCE OF 489.69 FEET AND N02°08'05"E 1336.33 FEET; THENCE LEAVING SAID EASTERLY RIGHT OF WAY LINE N89°32'18"E 1100.00 FEET TO THE POINT OF BEGINNING.

CONTAINS 68.13 ACRES IN AREA

Exhibit B: Annexation Plat

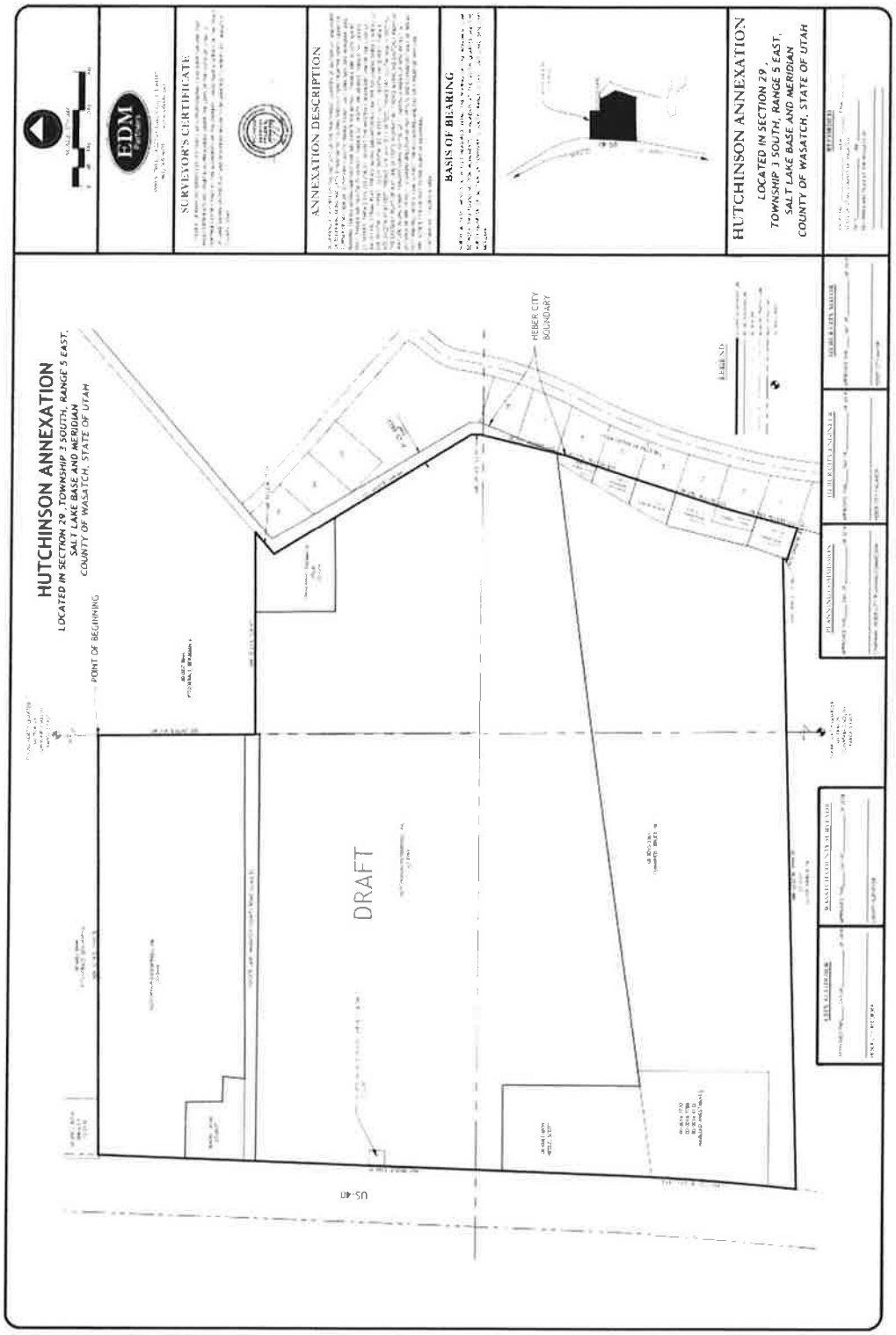


Exhibit C: Zoning

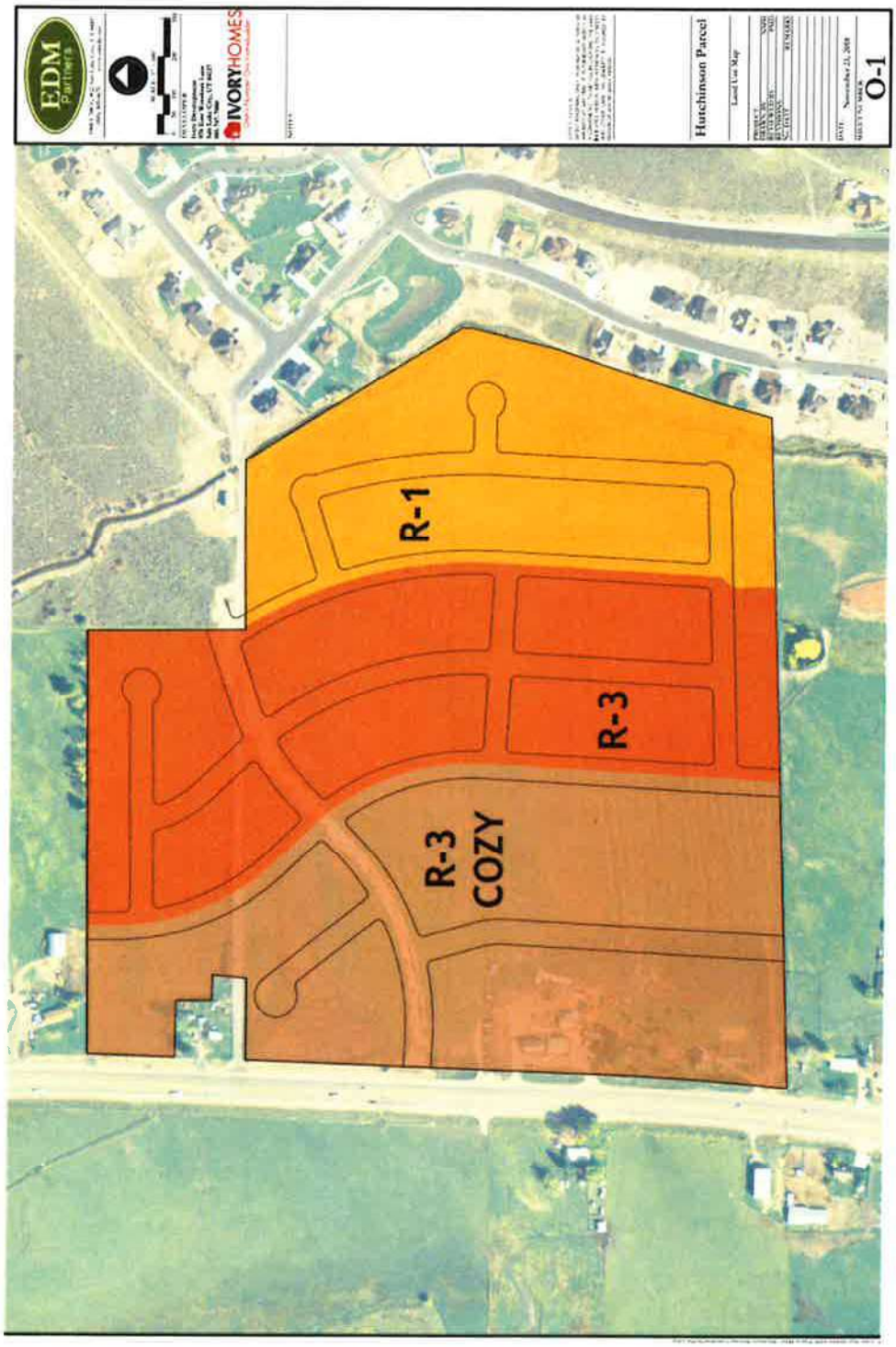


Exhibit D: Water Requirements for Development and Planning Policy

Water Requirements for Development and Planning Policy In addition to all other State Law requirements, water rights shall be required in an amount equivalent to the estimated indoor and outdoor water usage for residential and non-residential lots as determined by the Heber City Engineer, and allowed by Title 10-9a-508 of the Utah State Code. All development applications where the City is the water service provider shall be subject to this Water Rights Policy.

A. In all Heber City zones, with regard to verification of water for development, any development applications must comply with the following. Prior to appearing before the Planning Commission for preliminary approval, any new residential or mixed use and commercial subdivisions, or projects qualifying as or requiring the subdivision process, will be required to meet with the Heber City Engineer and do the following:

1. Provide a tabulation of water rights and ownership.
2. Provide water requirements for all indoor and outdoor use in the development.
3. Provide a concept plan of how water will be physically delivered to the development.

B. The Heber City Engineer will review the availability of water rights, and water right requirements pursuant to this policy, and prepare a report of said requirements to the Planning Commission and City Council on the water plan, prior to the development applying for preliminary approval from the Planning Commission. Such report shall become a requirement of the proposed application if and when the development, or its phases, are approved. Conditions, restrictions and limitations set forth in this report shall be considered conditions of development approval and shall be adopted by the Planning Commission and City Council as conditions, restrictions and limitations of the proposed application. Such report will complete the application per U.C.A. 10-9a-509.5 and evaluate the following:

1. The amount and type of water rights needed for total proposed ERU's for 100% of all phases; and verify ownership of a minimum 60% of the water right requirements; and verify letter(s) of agreement from verified water share owners for the remaining approximate 40% of needed water rights.

    a. Ownership requirements of the minimum 60% shall additionally be defined to include one hundred percent (100%) of all commercial ERU's identified in the application and one hundred percent (100%) of all residential ERU's proposed in the first phase of development, if multiple phases are proposed. These additional requirements could be more than the total 60% requirement but in no case less than 60%.

2. The number of lots proposed, the amount and type of open space proposed, the amount of hard surface in the application, and all other relevant information.

3. Conversion tables, based on current state engineer approved change applications, to determine the likely amount of water provided by each different type of water right.

a. The decisions of the state engineer shall be the final determining factor in reaching the actual amount of water represented by each share or water right.

C. No proposed development shall be approved until the developer has dedicated adequate water rights as set forth below.

1. Prior to receiving final approval by the City Council for any development, or Planning Commission for commercial building approvals, all owned water rights required in the water report for the proposed development shall be placed in escrow by the developer.

For the purposes of this policy, "placed in to escrow" can include but not be limited to the following:

a. placed in escrow with a title company;
b. placed in escrow with Heber City; or
c. verification of water right certificates placed in escrow with the financial entity securing financing for the project, upon condition that said entity provide the City with written verification of the water shares being held. Said verification shall be at the discretion of the City Engineer.

2. Immediately following final approval by City Council, and prior to beginning construction of improvements of any proposed development or phase, all water rights necessary for the approved development shall be transferred by the developer, or escrow agent to the City or entity providing culinary and/or secondary irrigation water service to the development

3. Adjustments may be made to the initial estimated water right quantities, once a development phase or project has finalized construction drawings, and received final Council approval. Any adjusted amounts shall also be approved by the Heber City Engineer, noted in the project water report, and included in the water rights required to be transferred to the City for said approved phase or project.

D. Timpanogos Irrigation Class D (M&I) water shares, or any other water rights involving supplemental CUP M&I water, proposed by a developer and accepted by Heber City Engineer, may be used for indoor and outdoor use under the following conditions:

1. Users of supplemental water shall be billed and required to pay their respective monthly or annual assessment proportionate to the additional cost of said water.

2. Upon transfer of water rights to the City, and prior to plat recordation, Developer will provide gap funding sufficient to insure Heber City incurs no additional cost for the supplemental water until the initial users are in place.

3. Developer and/or subsequent lot owners will pay any and all costs related to water rights, administration of service, and delivery, for all supplemental and other water rights transferred to the City for a development.

4. City supplemental water users shall not be subsidized by non-supplemental users, nor by other City funding.

Exhibit E: Master Planned Streets

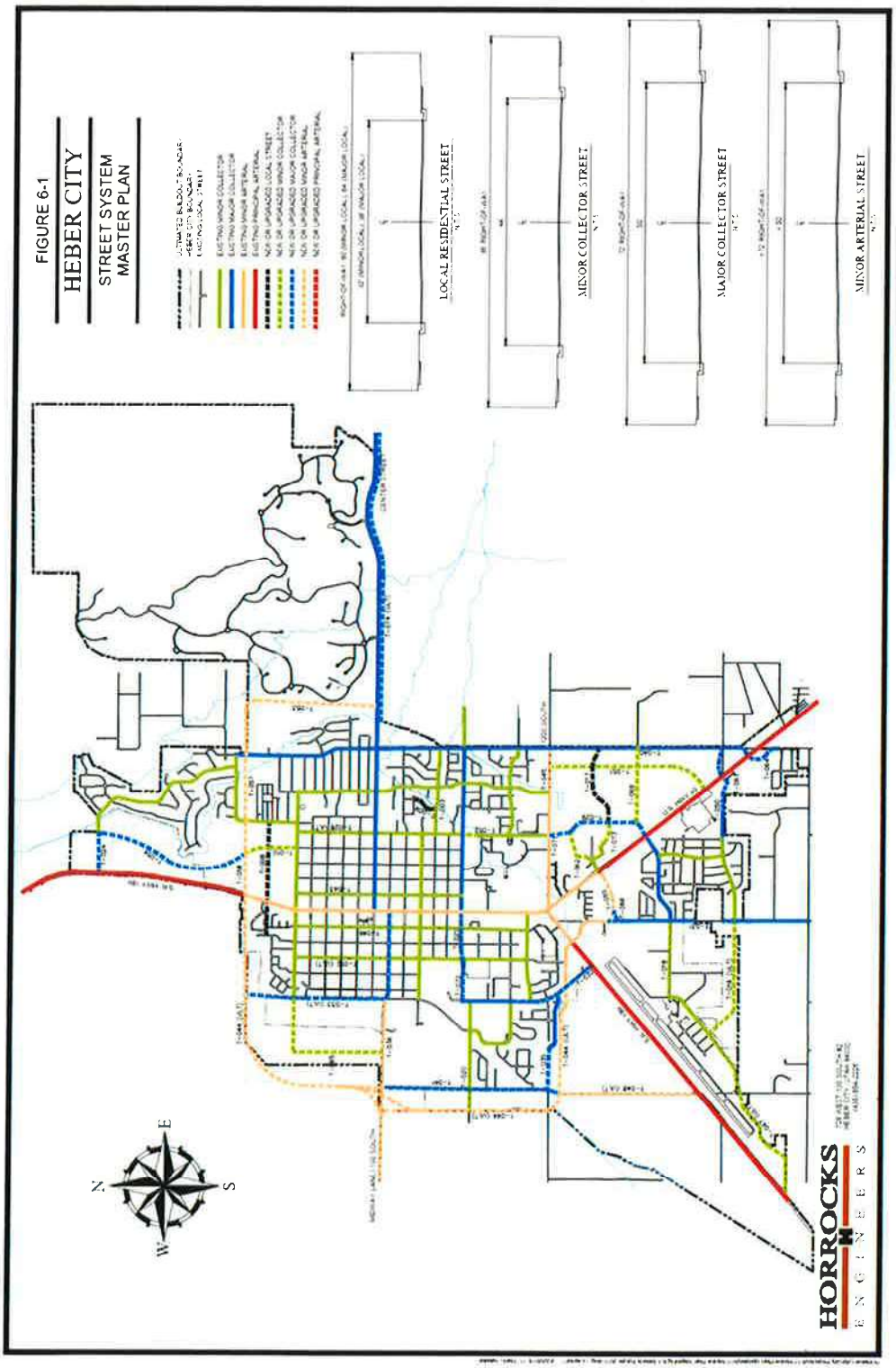


Exhibit F: Master Planned Trails

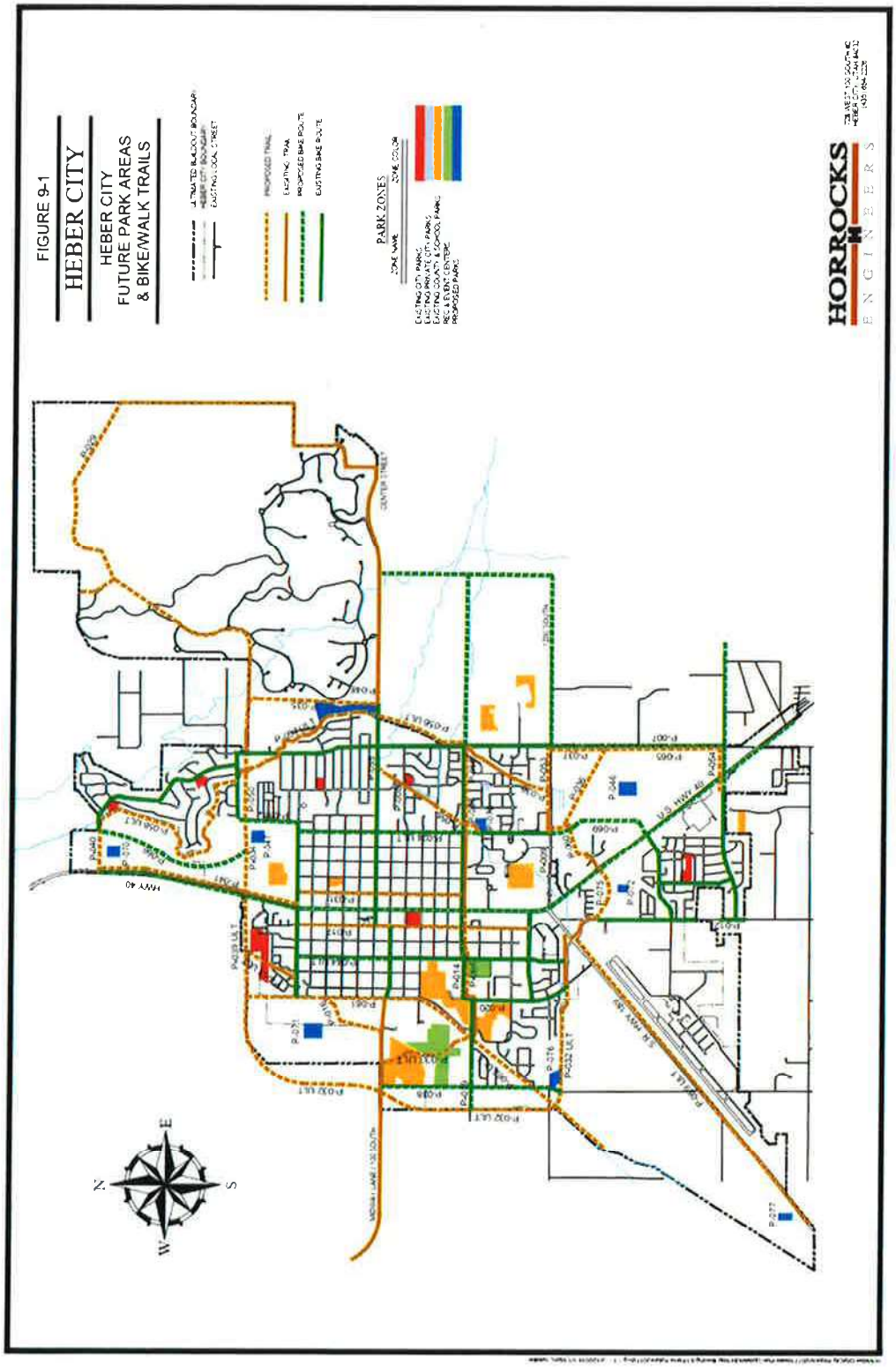


Exhibit G: Master Planned Culinary Water System

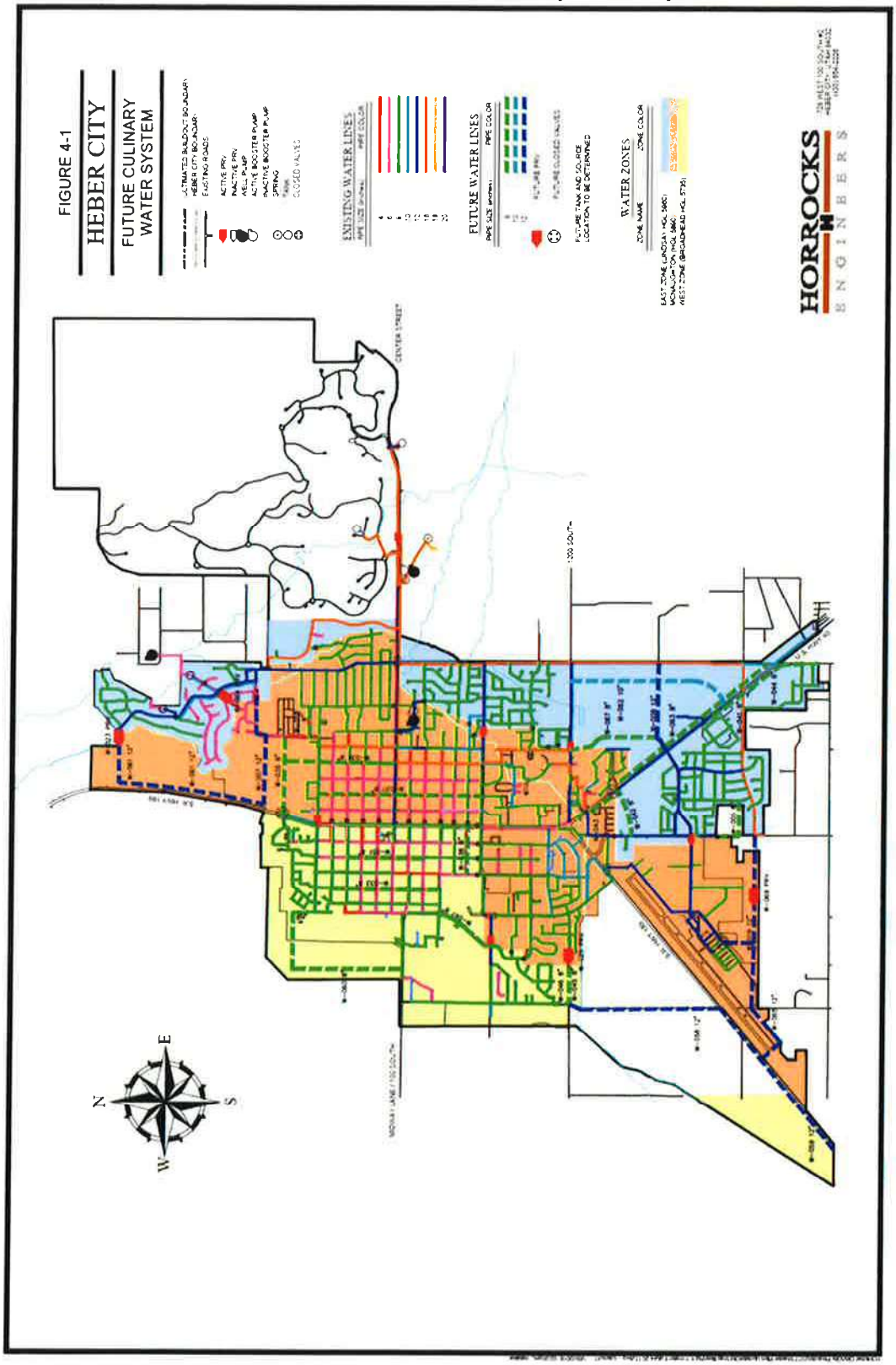


Exhibit H: Master Planned Irrigation System

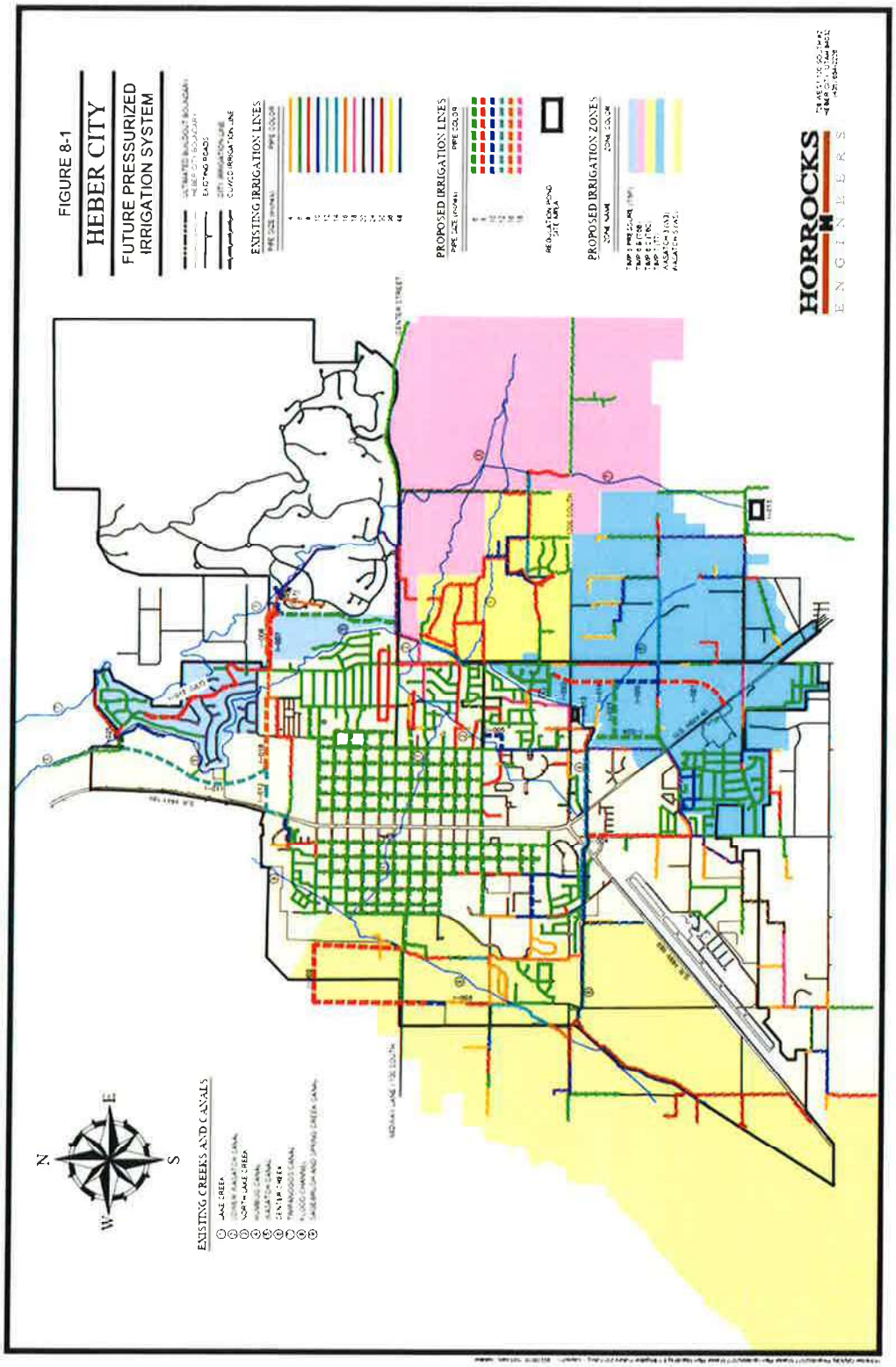


Exhibit I: Master Planned Sewer System

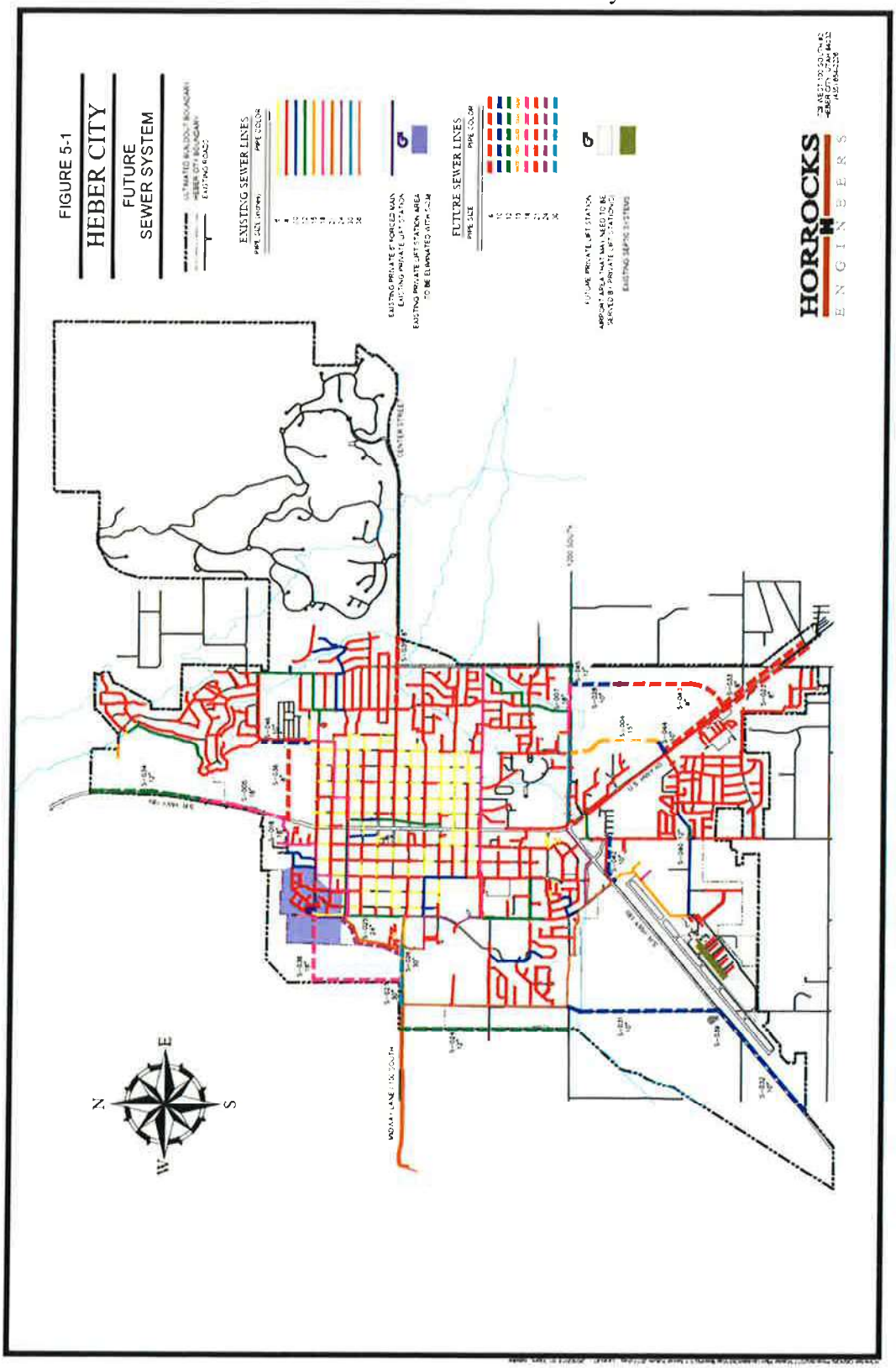


Exhibit J: Development Features

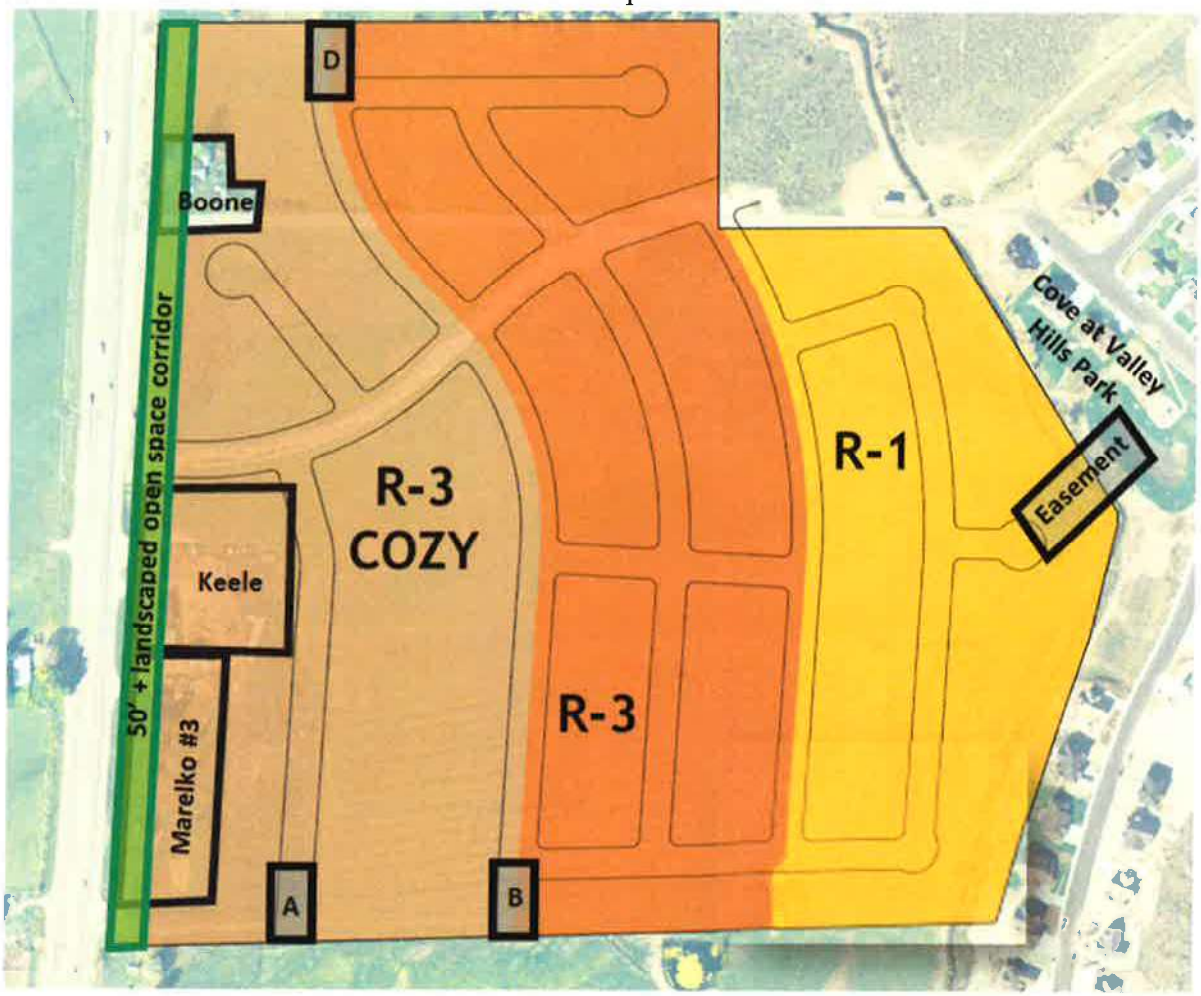


Exhibit K: Master Reimbursement Agreement

Heber City Corporation
Reimbursement Agreement Request
For "Off-Site" Essential Public Facilities

THIS AGREEMENT is entered into this _____ day of _____, 2019, by and between Heber City, and _____ hereinafter referred to as "Developer".

The Parties hereby agree as follows:

1. The City acknowledges that the "off-site"_____
   (Improvement Description)
   located at _____
   (Address/Location)
   has been installed by Developer of the _____ Subdivision to City Standards and accepted by the City on _____, 2019.
2. The purpose of this agreement is to facilitate in part the development and reimbursement of the Developer's actual construction costs incrementally, on a per unit basis as listed below, as "off site" service connections are permitted to said improvements.
3. Developer understands that reimbursement shall be based on the frontage footage, or other designated unit, of the properties connecting to the improvements.
4. Agreement will remain in effect for the period of 10 years from date of acceptance. Upon expiration of said ten years, this Agreement shall become null and void regardless of whether any or all reimbursement has occurred.
5. Developer understands that the City will make reasonable attempts to receive payment of said reimbursement from future property owners connecting onto the improvements. However, both parties acknowledge and affirmatively indicate that the City shall not be responsible to collect said reimbursements, nor shall the City be in any way liable for said amounts.
6. Developer further indemnifies and agrees to hold the City harmless from any claim, action or responsibility whatsoever to recover any such reimbursements.

Attached hereto is a copy of the plat which shows the location of the above improvements, and a copy of the paid receipts, canceled checks, and/or the contractor's invoice to appropriately document the construction costs.

REIMBURSEMENT AMOUNT(S)

		Improvement Units:	Authorized Reimbursement Amount: (Price is for one side of street only)
(a)	Water Line:	_____feet	$_____foot
(b)	Sewer Line:	_____feet	$_____foot
(c)	Irrigation Line:	_____feet	$_____foot
(d)	Storm Drain:	_____feet	$_____foot

HEBER CITY:

BY: _____
Kelleen Potter, Mayor

ATTEST:

_____
Trina Cooke, Recorder

DEVELOPER:

COMPANY: _____ BY: _____

ADDRESS: _____ _____
(Printed Name)

_____

PHONE: _____

FAX: _____

STATE OF _____)
: ss.
COUNTY OF _____)

On the _____ day of _____, 2019, personally appeared before me _____, the landowner of the property described in the above document and duly acknowledged to me that they executed the same.

_____
NOTARY PUBLIC

Exhibit 3

WHEN RECORDED RETURN TO
Heber City Attorney
75 North Main Street
Heber City, Utah 84032

Affects Parcel Nos.: **See Exhibit A**

FIRST AMENDMENT TO VXC ANNEXATION AGREEMENT

(AKA HUTCHINSON ANNEXATION)

AND COVENANT RUNNING WITH THE LAND

This *First Amendment to VXC Annexation Agreement (aka Hutchinson Annexation) and Covenant Running with the Land* ("**Amendment**") is made as of the date set forth below by and among Heber City, a municipal corporation and political subdivision of the State of Utah ("**City**"), Ivory Land Corporation, a Utah corporation ("**Ivory**"), and Wasatch Back Holdings, LLC, a Utah limited liability company ("**Wasatch Back**").

RECITALS

A. On or about June 4, 2019, City, Wasatch Back, and Hutchinson Enterprises, Inc. ("**Hutchinson**") entered into that certain *VXC Annexation Agreement (aka Hutchinson Annexation) and Covenant Running with the Land* ("**Annexation Agreement**").

B. The Annexation Agreement refers to Hutchinson and Wasatch Back, collectively, as "**Petitioner**."

C. The Annexation Agreement was recorded in the real property records of Wasatch County, Utah, on or about July 25, 2019, as Entry No. 465988.

D. The real property located in Wasatch County, Utah, which is encumbered by the Annexation Agreement ("**Property**") is identified with particularity on **Exhibit A**, hereto.

E. Pursuant to Section 15 of the Annexation Agreement, the provisions thereof run with the land. Ivory is Hutchinson's successor-in-interest with respect to a portion of the Property and has assumed the rights, obligations, and duties of Hutchinson under the Annexation Agreement.

F. Pursuant to Section 18(c) of the Annexation Agreement, the Annexation Agreement may be amended by a writing signed by the City and the parties comprising Petitioner.

G. The City, Wasatch Back, and Ivory (as successor-in-interest to Hutchinson) now wish to modify the terms of the Annexation Agreement on the terms and conditions set forth herein.

AMENDMENT

In consideration of the mutual promises set forth below, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City, Ivory, and Wasatch Back hereby agree as follows:

1. Recitals Incorporated. The foregoing Recitals are hereby incorporated and made part of the parties' agreement.

2. Spring and Coyote Park. Any requirement in the Annexation Agreement that the parties comprising the Petitioner to dedicate any portion of the Property containing a spring, or to construct a park on any portion of the Property will be amended as set forth in this Section.

a. Dedication of Real Property. In connection with the recordation of the applicable subdivision plat, Wasatch Back (or its successor-in-interest) will dedicate to the City that portion of land in the southeast corner of the Property, as depicted on **Exhibit B** hereto ("**Coyote Park Parcel**"). Thereafter, the City shall own and maintain the Coyote Park Parcel. Except as set forth in this paragraph, there will be no other obligation for the parties comprising the Petitioner to dedicate any other parcels to the City for park or open space purposes. The dedication of the Coyote Park Parcel will satisfy: (i) Wasatch Back's open space requirements under the COSZ ordinance, and (ii) the park requirement P-070 referenced in the Heber City Master Plan 2018 to 2040 (Master Plan). Ivory shall be responsible to satisfy any other open space requirements arising under the COSZ ordinance requirements on the portion of the Property owned by Ivory. Said park shall be a minimum area of 2.85 acres.

b. Improvement of Coyote Park Parcel. Other than the obligations set forth in this Amendment, Ivory and Wasatch Back shall have no obligation to contribute to, or participate in, any improvements on the Coyote Park Parcel. The Petitioners shall grant the City reasonable access to allow for construction activities related to the Coyote Park Parcel, provided, however, that such construction activities shall not interfere with the residential development of the remaining portions of the Property.

3. Trails.

a. Hwy 40 Trail. Wasatch Back and Ivory shall both install the required landscaping along Hwy 40 and pay a fee in lieu, commensurate with the phasing of the project, to the City for the construction of the trail. In addition, Ivory shall install a berm to serve as a buffer to Highway 40. Wasatch Back shall not be required to build a berm and may use the property for access from Highway 40. The landscaping along Hwy 40 shall include water-wise landscaping features, such as trees, shrubs, grasses, native vegetation, water conserving irrigation systems. The amount of said fee for the trail shall be determined by a bid or estimate process.. Said landscaping shall primarily incorporate native vegetation. Said construction shall be subject to City Engineer's approval. Ivory shall construct said berm commensurate with its phasing of the Project. The City would then progressively construct said trail and trail system as the level of connectivity develops.

b. Wasatch Back and Ivory shall donate their respective lands required to accommodate the trails as outlined in Exhibit "E" via plat recordings. Ivory shall not be responsible for the constructions or development of any trails offsite that are on the Sorenson Property. These trails shall be a portion of two internal trail loops that connect with the Sorenson property to include and complete the section of trail located on the west side of the canal.

c. Wasatch Back shall provide a trail easement to accommodate a 6 foot pedestrian trail from the most eastern street knuckle of the single family homes to the future park. The trail shall be constructed by Wasatch Back, commensurate with the development of the adjacent lots.

d. Wasatch Back and Ivory's trail system should connect with each other, such that their respective trails systems would be continuous with each other, and the above mentioned two internal trail loops, and connect any and all stub-ins or dead-ends of the Highway 40 buffer trails.

4. Zoning. Notwithstanding anything in the Annexation Agreement to the contrary, including Section 3 of the Annexation Agreement, this First Amendment shall be conditioned

upon the Property being zoned as set forth on **Exhibit D** to this Amendment. The modification from the previously approved zoning for the Property adjusts the line of delineation between R-3 Zone and the R-3 COSZ Overlay.

a. COSZ Setbacks. The setback on the Property between portions of the Property designated as within the Clustered Open Space Zone ("COSZ") and the properties adjacent to the Coyote Ridge Subdivision shall be thirty (30) feet. This thirty (30) foot setback shall not apply to the borders of the COSZ zone within the Property and the "Barn Parcel"

b. Barn Parcel. Wasatch Back Holdings will be permitted a parcel between the 100 foot highway buffer and the 60 foot future road way easement identified as Road Stub "A" on Exhibit J of the Annexation Agreement. Said parcel shall be either developed as a barn style building, for the private use of Wasatch Back, or incorporated into and consistent with future adjacent development(s). The setbacks for said parcel shall be as follows:

   i. 20 feet from the highway buffer and future roadway easement.
   ii. 5 feet on the north side.
   iii. 12 feet on the south side.

5. Density. Section 4 of the Annexation Agreement is hereby amended to allow the average, overall residential density on the entire Property of up to 4.55 units per acre. As part of and included therein, Wasatch Back will be permitted 12 units per acre, as allowed in the COSZ, for the dedication of the additional 2.35 acres of park space, totaling 28 additional units for a density of 6.14 units per acre. Ivory will be permitted 4 unites per acres on the base density. The preceding average residential density limitations shall not include the required affordable housing units. Units dedicated to affordable housing shall be in addition to and not included in the calculation of the average densities, with the affordable units not to exceed the required 10% of the total allowed density.

Boone Property. In the event that Ivory is able to acquire the Boone Property, the City would allow Ivory an additional 8 units of residential development, to be used anywhere on Ivory's Property, without requiring additional open space. The said 8 units shall be in addition to and not included in the calculation of the average densities outlined in Section 5.

6. Affordable Housing. All affordable housing built within on the Property shall be subject to Section 18.102 of the Heber Valley land use code and approved by the Wasatch County

Affordable Housing Authority. The affordable housing requirement shall be applied to the base density of 4.0 units per acre. The additional densities granted to Wasatch Back and Ivory for the park space and acquisition of the Boone Property will not increase the required affordable housing above and beyond the original base density.

7. Adjoining Roads. Section 6(g) of the Annexation Agreement is hereby amended to provide that Wasatch Back will construct the road stub identified as "B" on Exhibit J to the Annexation Agreement and provide a 60 foot wide public road easement in lieu of the construction of the road stub identified as "A" on Exhibit J of the Annexation Agreement, for the connectivity of future adjacent developments. Said easement shall be located as far east as possible to align with the North and Lloyd property boundary. Ivory will construct the road stub identified as "D" on Exhibit J to the Annexation Agreement.

8. Connections to Coyote Lane. In the event that Ivory acquires the Boone property, the cul-de-sac on Coyote Lane shall be removed and access relocated to the north/south collector road.

9. Road Standards. The road standards applicable to the Property shall be those described on **Exhibit C**. In the event this section conflicts with any other regulation, ordinance, or standard, this section shall control.

Vested Rights. The parties intend that the Annexation Agreement will provide the parties comprising Petitioner the right to develop and use the Property in accordance with the rights, standards, terms and conditions set forth in the laws and ordinances of Heber City as of the effective date of the Annexation Agreement ("**Vested Laws**").Further, notwithstanding the right to develop under the Vested Laws, the parties comprising Petitioner may, at such parties' discretion, elect to develop the Property (or any portion thereof) pursuant to any future amendments or modifications to the Vested Laws in effect when an application for such development is submitted to the City

11. Effective Date. This Amendment shall be effective on the date when all parties have executed this Agreement.

12. Scope of Amendment. Except as expressly modified or changed in this Amendment, the terms and conditions of the Annexation Agreement remain in full force and effect. However, in the event of a conflict between the terms of the Annexation Agreement and this Amendment, this Amendment will control.

[*End of Amendment. Signature Pages Follow.*]

Wherefore, the parties have executed the foregoing Amendment.

CITY
Heber City, a municipal corporation and political subdivision

By: _____

Name: _____

Title: _____

Date: _____

Attest: _____

City Recorder

STATE OF UTAH)

SS.

COUNTY OF WASATCH)

The foregoing instrument was acknowledged before me this _____ day of _____, 2020, by _____, as _____ of Heber City.

Seal:

_____

Notary Public

IVORY
Ivory Land Corporation, a Utah corporation

By: _____

Name: _____

Title: _____

Date: _____

STATE OF UTAH)

SS.

COUNTY OF WASATCH)

The foregoing instrument was acknowledged before me this _____ day of _____, 2020, by _____, as _____ of Ivory Land Corporation.

Seal:

_____

Notary Public

WASATCH BACK

Wasatch Back Holdings, LLC, a Utah limited liability company

By: _____

Name: _____

Title: _____

Date: _____

STATE OF UTAH)

SS.

COUNTY OF WASATCH)

The foregoing instrument was acknowledged before me this _____ day of _____, 2020, by _____, as _____ of Wasatch Back Holdings, LLC.

Seal:

_____

Notary Public

EXHIBIT A

(Legal Description and Parcel Numbers)

EXHIBIT B

(Coyote Park Parcel)

EXHIBIT C

(Road Standards)

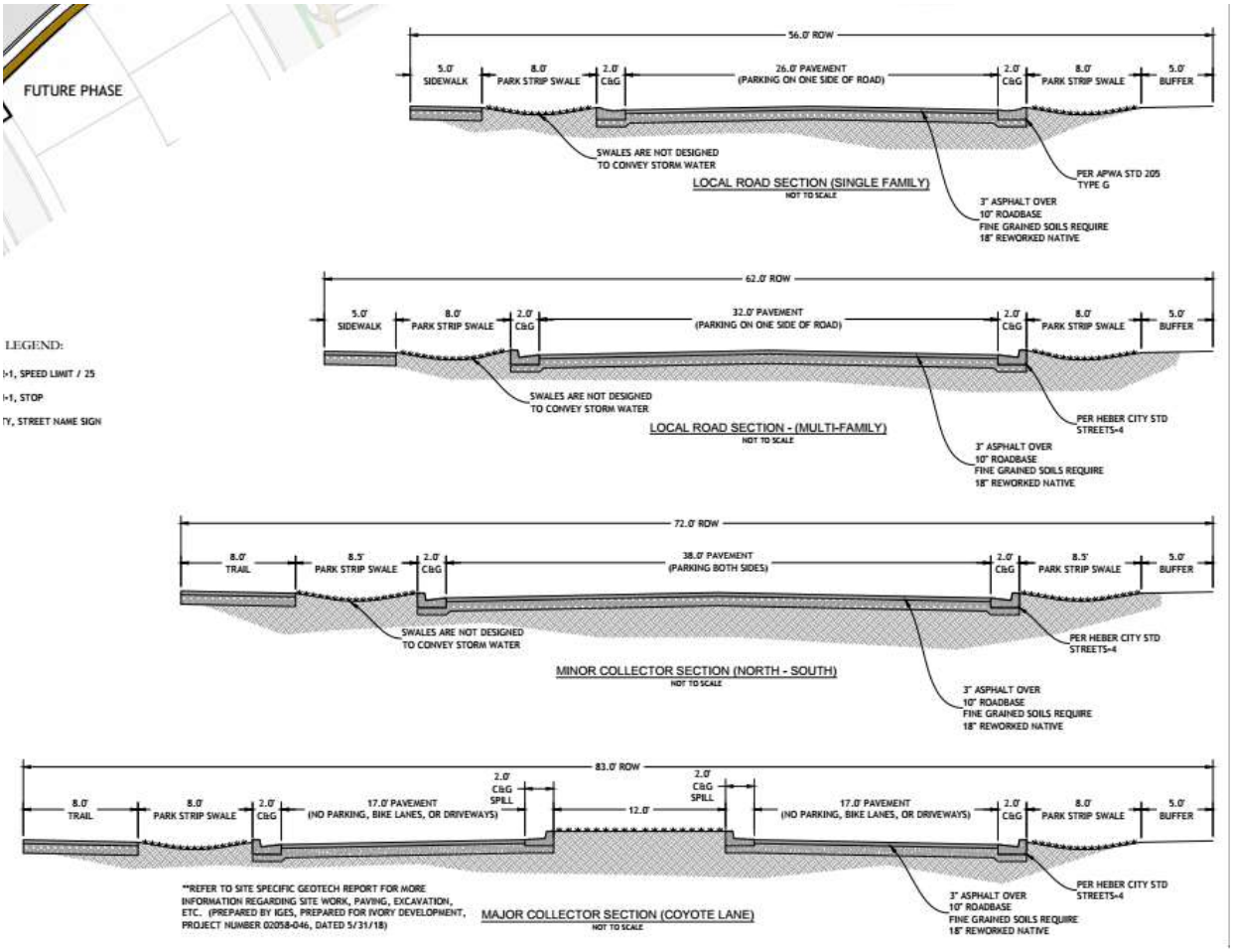
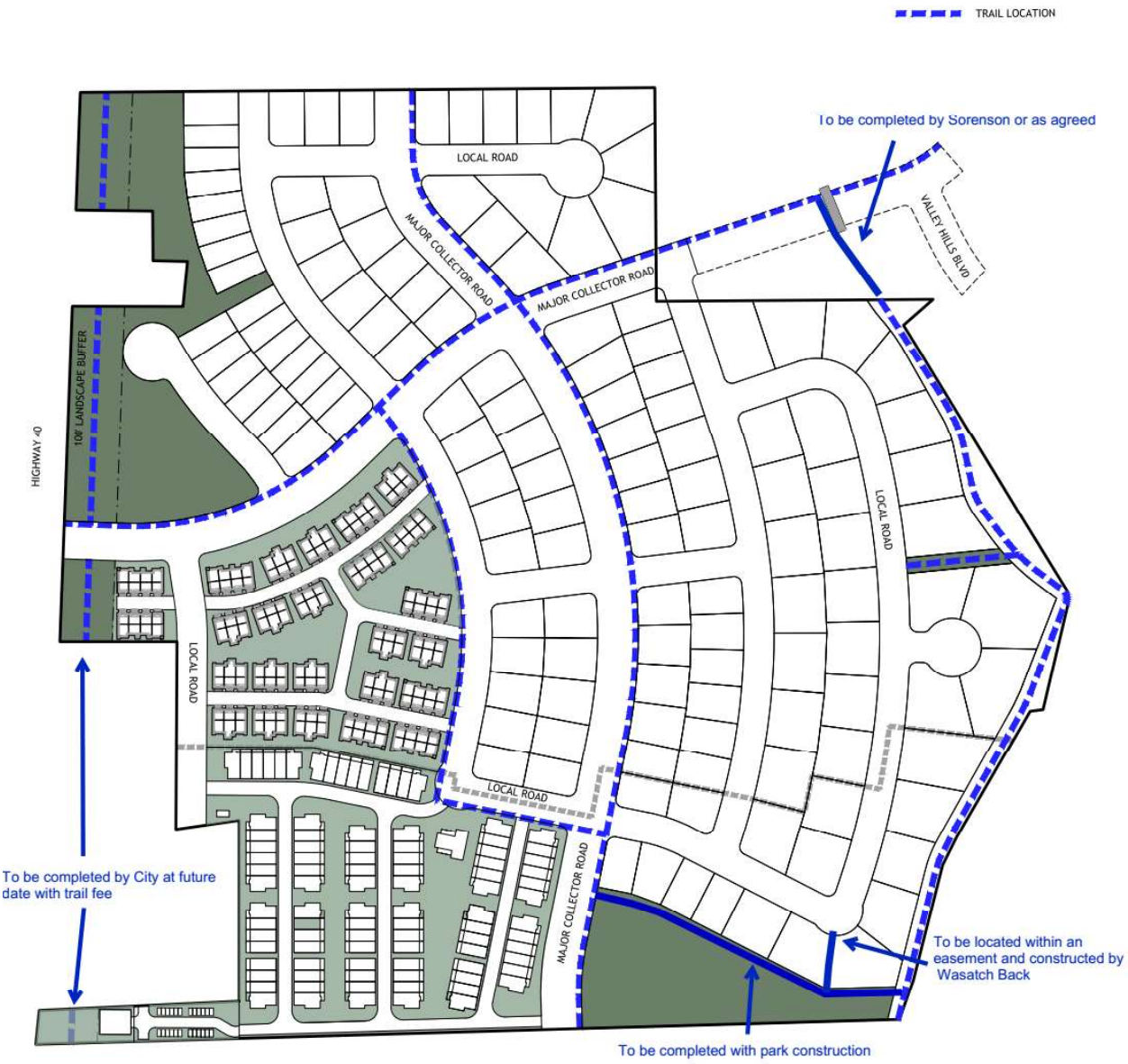


EXHIBIT D

(Zoning of the Property)

EXHIBIT E

(Trails Exhibit)



TAB 5

City Council Staff Report

MEETING DATE: July 7, 2020
SUBJECT: Coyote Ridge - Street Lighting Concept
RESPONSIBLE: Bart Mumford, City Engineer
DEPARTMENT: Engineering **FILE NO:** 20008
STRATEGIC RELEVANCE:
Principles: Vision. Goals: Community Vibrancy.

SUMMARY

This is an informational item for the Council to view the location of street lighting anticipated in the Coyote Ridge and the Coyote Ridge Springs subdivisions.

RECOMMENDATION

Discuss and provide staff with input on the street lighting concept plan in the Coyote Ridge subdivisions.

BACKGROUND

The Council discussed Heber City's street lighting standards at the June 16, 2020 Council meeting. At that meeting one of the requests was that staff bring back a concept plan of the street light locations for the Coyote Ridge subdivisions.

DISCUSSION

Based on Council comments made at the June 16, 2020 meeting, staff has attached a concept plan for street light locations in the Coyote Ridge subdivisions.

In this plan, any additional intermediate lighting has been eliminated and lights have generally placed only at intersections, cul-de-sacs, the park, and trails. Two lights have been located at each intersection on Coyote Lane due to the width the road and the landscaped median, to insure adequate light is available. Final construction drawings would generally follow this plan unless adjustments needed to be made to accommodate utilities, signs, fire hydrants, street realignments, etc.

FISCAL IMPACT

N/A

CONCLUSION

The attached concept plan provides minimal street lighting at key locations to facilitate emergency services and some traffic safety. It also preserves the environment and minimizes up-lighting that would disturb residents at higher elevations through the use of the City's dark sky compliant fixtures.

Staff will return at a later date with updates to the City's construction standards, proposed light fixtures for the North Village area, and costs to replace existing City street light fixtures.

75 N. Main St. ● Heber City, Utah 84032● (435) 654-0757 ● ci.heber.ut.us

POTENTIAL MOTIONS

Staff Recommended Option - Approval

"I move to approve staff proceeding with the proposed concept for street lighting"

Alternative 1 - CONTINUANCE

"I move to Continue this item to ___Date___ , with direction to the applicant and/or Staff on information and/or changes needed to render a decision, as follows: …

ACCOUNTABILITY

Department: Engineering

Staff Member: Bart Mumford.

EXHIBITS / ATTACHMENTS

A. Exhibit A - Coyote Ridge - Street Light Concept Plan
B. Exhibit B - Coyote Ridge Springs - Street Light Concept Plan

18034SR CoyoteR CC Light Stds 200707.docx

COYOTE RIDGE - STREET LIGHT CONCEPT

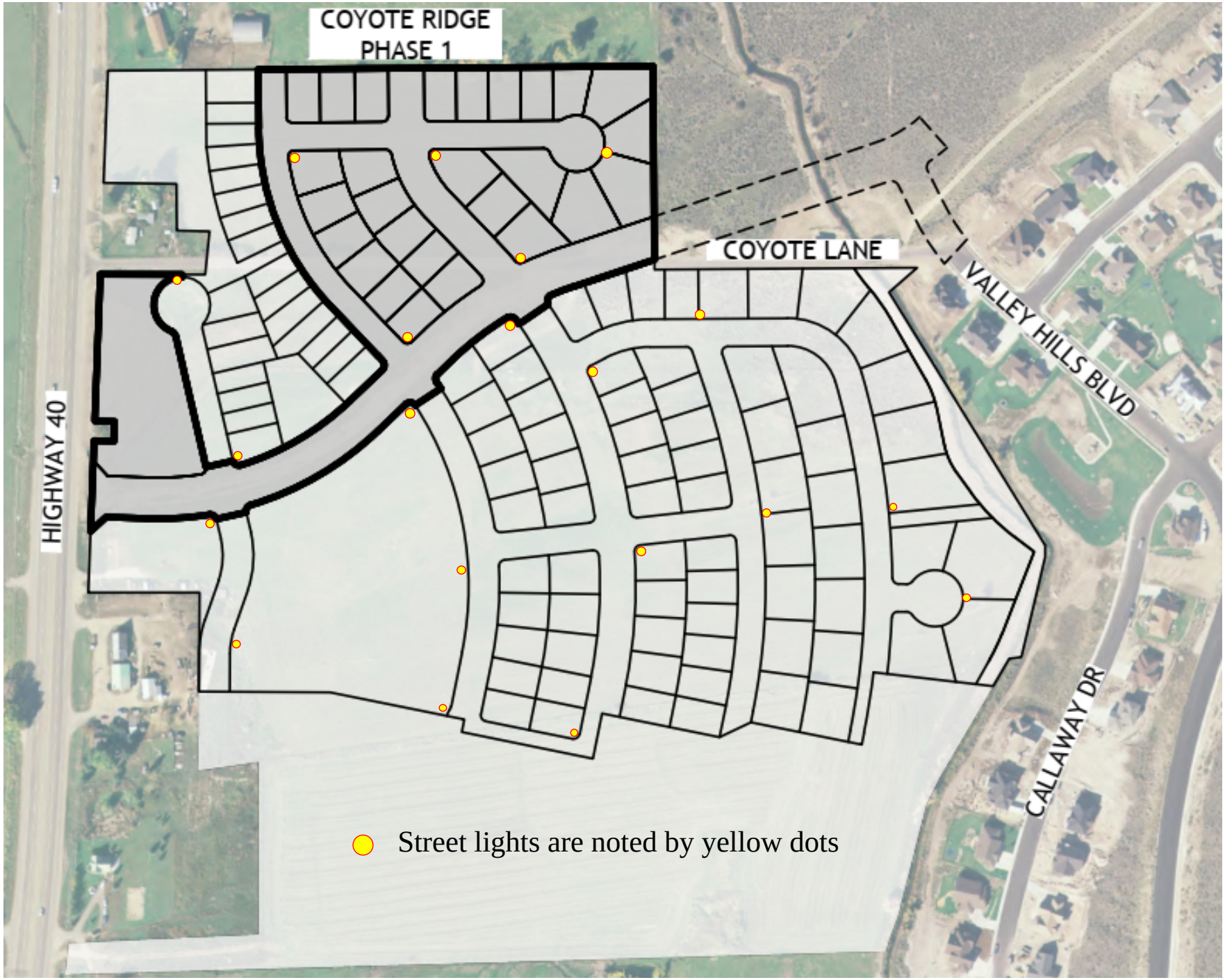
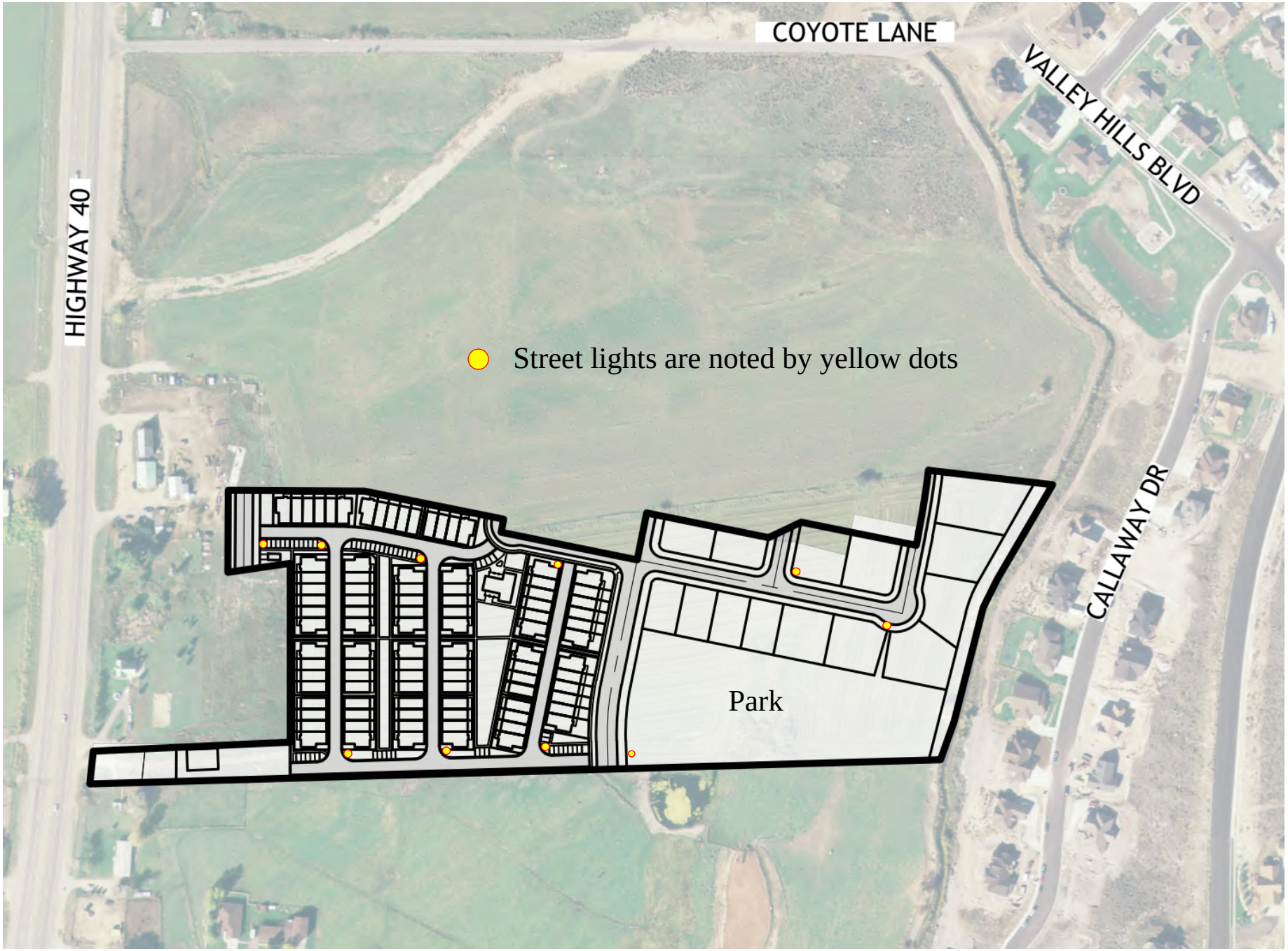


EXHIBIT B - COYOTE RIDGE SPRINGS - STREET LIGHT CONCEPT



TAB 6

City Council Staff Report

MEETING DATE:	July 7, 2020
SUBJECT:	Ordinance 2020-30 Amending the Affordable Housing Ordinance
RESPONSIBLE:	Anthony L. Kohler
DEPARTMENT:	Planning Department
STRATEGIC RELEVANCE:	Council Requested Legislative Item

SUMMARY

The policy questions include the following:

- Should the Council amend the Affordable Housing Ordinance to:
  - Allow "Other Exceptions" to the ordinance as may be approved by Council?
  - Require a rental to owner proportionality of affordable units to market rate units?
  - Add a clarification to the ordinance regarding the fee-in-lieu formula?
  - Add an EAU Equivalent chart?

RECOMMENDATION

Staff recommends approval of the proposed ordinance. Staff will present a summary of the proposed amendment to the City Council on July 7 as a discussion item only. Time permitting, staff is seeking Council input on the proposed amendment.

BACKGROUND

The City Council asked the Planning Commission to review the Affordable Housing Ordinance (see Exhibit 1) and provide a recommendation on amending the regulation. The Council had concern about the fee-in-lieu amount being too low and wanting a certain proportion of constructed affordable units to be owner occupied and not just rental units.

On June 9, the Planning Commission discussed some changes for the proposed amendment. The Planning Commission held a public hearing on the proposed amendment on June 23, 2020. No public comments were received on the proposed amendment; the Planning Commission unanimously recommended approval of the proposed amendment with no debate on June 23, 2020.

DISCUSSION

The following table summarizes the recommendation of the Planning Commission.

Amendment Summary
Other Exceptions. Permit other exceptions as may be approved by the City Council (see Section 18.102.050 B.). This allows the Council to make certain exceptions to development requirements as may be necessary to balance development costs and affordable housing requirements.
Rental-Owner Occupied Proportionality. Add a requirement for the affordable housing types to match the proportionality of owner occupied to rental units (see Section 18.102.060).
Fee-in-Lieu Clarification. Clarify the fee-in-lieu calculation is calculated over the value of all real estate (see Section 18.102.080).
EAU Equivalent. Use an EAU (Equivalent Affordable Unit) Chart to require an equivalent of 10% affordable units, which permits developers to do smaller or larger affordable units to match market demand (see Section 18.102.110 H. and Section 18.102.060 E.)

FISCAL IMPACT

N/A. No change is recommended to the fee-in-lieu; rather, language has been added to clarify how the fee-in-lieu is calculated.

CONCLUSION

The Planning Commission's recommendation clarifies how the fee-in-lieu is calculated and determined the current fee-in-lieu formula is sufficient. The proposal addresses the Council's concern about the fee-in-lieu amount and proportionality of rental to owner occupied units.

ALTERNATIVES

N/A

POTENTIAL MOTIONS

DISCUSSION ONLY

ACCOUNTABILITY

Department: Planning Department
Staff Member: Anthony L. Kohler

EXHIBITS

Exhibit 1: 18.102 Redline/Strikeout Affordable Housing Amendment

Exhibit 2: June 9, 2020 Planning Commission Minutes
Exhibit 3: June 23, 2020 Planning Commission Minutes

Exhibit 1: 18.102 Redline/Strikeout Affordable Housing Amendment

Black text = existing ordinance text
Red underlined text = new text
~~Red strikeout text~~ = deleted text

18.102.010 Findings
18.102.020 Purpose
18.102.030 Applicability
18.102.040 Requirements
18.102.050 Incentives
18.102.060 Standards For Construction On Onsite Affordable Units
18.102.070 Affordable Housing Development Agreement
18.102.080 Fee-In-Lieu
18.102.090 Severability
18.102.100 Enforcement
18.102.110 Definitions

18.102.010 Findings

A. Heber City has adopted a Moderate Income Housing Element of the General Plan as required by Utah State Code, which looks at the estimated existing supply, the estimated five year need, a survey and evaluation of zoning's effect on affordable housing, and a description of Heber's programs to encourage an adequate supply of affordable housing;
B. The Moderate Income Housing Element of the General Plan shows that there is a continuing shortage of affordable housing in the City, which is detrimental to the public health, safety and welfare, as it contributes to overcrowded and substandard conditions for lower-income families, and the inability of industry to find and retain a quality labor supply;
C. A Nexus Study performed for the valley, an exhibit to the Moderate Income Housing Element of the General Plan, shows that new development which does not include or provide for affordable housing serves to aggravate the current affordable housing shortage, by reducing the supply of residential land available for affordable housing development, and creating larger numbers of service oriented, low-paying jobs, creating a greater demand for affordable housing by increasing the numbers of lower wage earners;
D. A requirement for ten percent (10%) of all new residential units being created as affordable housing units is strongly recommended to implement the Goals and Policies of the Moderate Income Housing Element of the General Plan;
E. A Needs Assessment performed for the valley, an exhibit to the Moderate Income Housing Element of the General Plan, shows that a Fee-in-Lieu may be assessed as an alternative to providing onsite affordable housing; and
F. Costs for implementing the requirement to contribute to affordable housing can be offset by allowing reasonable development incentives.

18.102.020 Purpose

The purposes of this Ordinance are to:

A. Ensure that all development provides a range of housing opportunities for all identifiable economic segments of the population, including households of low and moderate income;
B. Focus affordable housing efforts on monitoring the need and providing opportunity for low to moderate income families to obtain housing that meets their needs and not focus merely on building low income units;
C. Provide a variety of housing types for our elderly or senior citizens including assisted care, independent care, and targeted senior retirement communities;
D. Recognize the need for special target groups for affordable housing, namely: families in crisis; handicapped and other special need groups;
E. Allow alternatives to onsite construction in order to provide a special use deemed necessary and appropriate to accomplish the purposes of affordable housing.

18.102.030 Applicability

A. This ordinance applies to all residential development that contains 10 units or more residential units.
B. This ordinance does not apply to:
    1. Any development who, after having performed an impact study which has been reviewed and approved by the City Council, at the expense of the development, can show there is no rational nexus or rough proportionality between the requirements of this ordinance and the impacts of the development. If such impact study is to be performed, it must be completed and approved prior to receipt of preliminary approval of such development; and
    2. Federal, State, or Local Governmental Agencies and Non-Profit Housing agencies constructing price restricted affordable housing.

18.102.040 Requirements

All developments that contain 10 units or more residential units shall:

A. Provide at least ten percent (10%) of the total number of residential units ~~Equivalent Residential Units (ERUs)~~ proposed for the development as affordable housing units as defined by this ordinance within the development; or
B. Pay a Fee-in-Lieu as calculated per Section 18.102.080; or
C. Implement alternatives to the construction of new affordable housing units contained within the development, where the proposed alternative supports specific housing policies and goals as identified within the Heber City Moderate Income Housing Plan and assists the City in meeting those goals. Acceptable alternatives shall be of equal or greater value to the required Fee-in-Lieu for the development and may include the following:
    1. Acquisition and rehabilitation of affordable housing units;
    2. Construction of affordable housing units off-site;
    3. Conversion of existing market-rate units to affordable units;
    4. Construction of special needs projects or shelters;
    5. Dedication of land for future development;
    6. Affordable renter occupied housing for those earning 60% or less of Area Median Income (AMI);
    7. Elderly or senior citizens, including assisted care and independent care and targeted senior retirement communities (55 years plus); or
    8. Families in crisis and the disabled.

18.102.050 Incentives

A. At the request of a petitioner for a development which is required to provide affordable housing, a Fee-in-Lieu, or other acceptable alternatives, the City Council may permit one or more of the following incentives. The granted incentives should be proportionate to the costs incurred by providing the affordable housing. The approved development incentives for the development shall be noted in a Development Agreement.
    1. A density bonus of up to 10% (ten percent), rounded up to the nearest whole number.
    2. The minimum lot width, lot area, and open space required within a development may be reduced by a proportionate amount to accommodate bonus density units.
B. The City Council may make other reasonable exceptions to the standards of the zoning and subdivision ordinances, determined on a case by case basis.
C. See Section 18.102.060 ~~C~~. D. for additional incentives for onsite construction.

18.102.060 Standards For Construction On Onsite Affordable Units

A. Affordable housing units should be built within the development project site to allow for a blending of such units with market rate units.
B. The proportion of Market Rate Rental Units to Market Rate Owner Occupied Units should be roughly proportionate to the proportion of Affordable Owner Occupied Units to Affordable Rental Units. See formula and example below.

Table 1: Formula for Proportion of Rental Units to Owner Occupied Units

Market Rate Units		Affordable Units
# Market Rate Rental Units / # Market Rate Owner Occupied Units	=	# Affordable Owner Occupied Units / # Affordable Rental Units
Market Proportion		Affordable Proportion

Table 2: Example for Proportion of Rental Units to Owner Occupied Units

Market Rate Units		Affordable Units
25 apartments / 75 single family dwellings	=	3 apartments / 7 single family dwellings
25% rental, 75% owner		30% rental, 70% owner*

C. The design of affordable units shall be reasonably consistent or compatible with the design of the development in terms of appearance, materials and finished quality.
D. Additional incentives for onsite construction include the following:
    1. Affordable units may utilize attached housing within a single-family detached dwelling subdivision, provided the developer demonstrates the proposed buildings are compatible in height, size and yard requirements as surrounding lots, and the negative impacts for substantial differences in those features are mitigated with fence and landscape screening, architectural treatments and site planning as

demonstrated by submitted site plan, landscaping plan and building elevations. Attached housing within a single family detached dwelling subdivision shall be designed for owner occupancy.

2. For affordable detached single family lots, lot size may be reduced by up to 60 percent under that required by the zoning ordinance.
3. Affordable units may have the following setbacks:
    1. Front Setbacks may be reduced to 20 feet from the front property line, and reduced to 10 feet for alley loaded units.
    2. Side setbacks may be reduced by 30 percent.
    3. Rear setbacks may be reduced by 30 percent.
4. The minimum square footage for a building containing an affordable unit may be reduced by 40 percent.
5. Building permit fees, to the extent permitted by law, may be waived for the affordable units.

E. Each provided affordable dwelling shall be equal to one EAU or its equivalent as defined by Section 18.102.110 H. ~~be designed for a family of four, unless current housing studies demonstrate a targeted need for smaller or larger units, as recommended by the Wasatch County Housing Authority.~~ For an example of how the number of provided affordable dwellings may differ within a development based on the definition of an EAU, see Table 3 below.

Table 3: Example of EAU Affordable Housing Equivalent for a 10 Unit Residential Development	
Total Permitted Residential Units	10
Required Affordable Units; or	(10% of permitted) One, 1500 sf unit
EAU Alternative A (0.33 EAU); or	Three, 500 sf units
EAU Alternative B (0.5 EAU); or	Two, 1,000 sf units
EAU Alternative C (0.75 EAU and 0.33 EAU)	One, 1,500 sf unit and One, 500 sf unit
Total Market Rate and Affordable Units	11 to 13, depending on affordable unit size

F. The affordable housing units should be built concurrently with market-rate units.
G. Affordable housing units should provide a mix of number of bedrooms in the affordable dwelling units in response to ~~affordable housing demands identified by the Wasatch County Housing Authority.~~ market conditions as expressed by Census data, a housing market study and/or Heber City's Moderate Income Housing Plan.
H. Affordable rental units and affordable owner occupied units shall be deed restricted and affordable to the designated income group in perpetuity. Actual rents and prices to be charged and later increases shall be determined in an Affordable Housing Agreement to be entered into prior to receiving final approval on any project.

18.102.070 Affordable Housing Development Agreement

An Affordable Housing Plan shall be required for all residential developments to which are subject to this ordinance. This plan shall be incorporated into a Development Agreement. The Affordable Housing Development Plan shall contain, at a minimum, the following information concerning the development, and shall be submitted no later than preliminary approval:

A. A calculation of the number of units permitted by the underlying zone.
B. The need and request for specific incentives offered by this Chapter.
C. A written appraisal by an MAI Certified Appraiser, who is either 1) mutually agreed upon between the petitioner for development and Heber City, or 2) hired by the city and paid for by the petitioner for development, estimating the retail value of the developed residential component of the project. The city may require, in lieu of the appraisal,

submittal of a copy of the development appraisal used for financing approval of the development.

D. For construction of affordable housing units, include the following:
    1. The total number of units proposed in the project;
    2. The average selling price of a unit for each of the phases of the development;
    3. The number of affordable units proposed;
    4. The square footage, calculated ~~ERU's~~ EAU's, and numbers of bedrooms,
    5. The proposed location of the units;
    6. The schedule for production of dwelling units, both affordable and market rate;
    7. Production cost associated with dwelling construction;
    8. Appraisals for units;
    9. Providing copies of plans for such units;
    10. Security posted or to be posted prior to recording of final plat, for building of units, if construction of such units will not take place at the same time as the market rate units in a proportionate manner.
E. A calculation of the amount of the Fee-in-Lieu.
F. Letter of Recommendation from the Wasatch County Housing Authority.
G. Proposed payment method and timing of the Fee-in-Lieu. The fee shall normally be paid in cash prior to recording of the subdivision plat, or prior to issuance of a building permit for multifamily residential developments or if a plat is not required. All lot contributions shall occur simultaneously with the recording of the subdivision plat. A multi-phased development may pay the Fee-in-Lieu as each phase is developed. The city may consider accepting the Fee-in-Lieu in payments provided:
    1. At least 50% of the Fee-in-Lieu is paid as cash prior to recording of the subdivision plat or prior to issuance of a building permit for multifamily residential developments or if a plat is not required; and
    2. Any remaining amount of the Fee-in-Lieu shall be paid upon completion or issuance of a Certificate of Occupancy (for multifamily, apartments, PUDS, etc.), or upon subdivision acceptance by Heber City.
H. Prior to the recording of a subdivision plat, or prior to the issuance of a building permit for multifamily residential developments or if a plat is not required, the applicant shall have entered into a Development Agreement with Heber City. The Development Agreement shall set forth the commitments and obligations of Heber City and the applicant, including, as necessary, Fee-in-Lieu payment plan, construction details, lot dedications if applicable, etc., and approved bonus density units and incentives.
I. If a developer intends to build his required amount of affordable housing units at a time which is not concurrent with the building of the market rate units, and a later construction schedule is agreed upon as part of the development approval process (not to exceed one year), a bond or other financial assurance equal to 110% of the current Fee-in-Lieu, shall be placed with Heber City to ensure the building of the affordable housing units within the time agreed upon or one year from final approval, whichever is sooner.

18.102.080 Fee-In-Lieu

The Fee-in-Lieu amount is determined by the subsidy needed to make a market rate unit affordable to a low-income household. This subsidy shall be based upon a determination of the average subsidy that would be required to make a typical new starter home consisting of three Bedrooms/two baths affordable to a family earning 80% of the median gross income of the metropolitan statistical area for households of the same size. To ensure proportionality to each development, the Fee-in-Lieu is determined as follows:

A. For developments with detached single-family (SFD) lots, the Fee-in-Lieu shall be calculated as 6% (six percent) of ~~the value of~~ ~~the subdivision lots~~ the total real estate value as determined by a written appraisal by an MAI Certified Appraiser.

1. Fee-In Lieu Formula for SFD Lots
    - Total Real Estate Value x 6% = **Fee In Lieu**

2. Example Fee-In-Lieu Calculation for Development with 10 SFD Lots, with each Lot valued at $150,000 (actual value determined by an appraiser).
    - (10 Lots x $150,000) x 6% = **$90,000**

B. For ~~all other residential~~ developments with attached or rental occupied units, the Fee-in-Lieu shall be calculated as 3% (three percent) of ~~the value of the development~~ the total real estate value and the total building value as determined by a written appraisal by an MAI Certified Appraiser.

1. Fee-In Lieu Formula for Attached & Rental Occupied Units
    - Total Real Estate Value & Total Building Value x 3% = **Fee In Lieu**

2. Example Fee-In-Lieu Calculation for Condominium Development with 10 Units, with each Condo Unit valued at $300,000 (actual value determined by an appraiser).
    - (10 Condos x $300,000) x 3% = **$90,000**

C. The Fee-In-Lieu for developments with a mixture of SFD and attached and/or rental dwellings shall be calculated as 6% (six percent) of the total real estate value of the SFD units plus 3% (three percent) of the total real estate value & total building value of the rental occupied units.

1. Fee-In Lieu Formula for Single-Family Dwellings & Rental Occupied Units

Total Single-Family Dwelling Real Estate Value x 6%
\+ Total Rental Occupied Real Estate Value & Total Building Value x 3%
= **TOTAL Fee-In-Lieu**

2. Example Fee-In-Lieu Calculation for mixed single-family dwelling and rental dwelling development.

(10 Lots x $150,000) x 6% = **$90,000**
\+ (10 Condos x $300,000) x 3% = **$90,000**
= **TOTAL Fee-In-Lieu = $180,000**

D. The Fee-in-Lieu shall be adjusted to current market conditions for developments that have not recorded or have not been constructed within 2 years of approval. It is the responsibility of the developer to submit an updated appraisal of the development value to determine the updated Fee-in-Lieu.

E. Heber City and/or the Wasatch County Housing Authority reserves the right to obtain and utilize a second opinion from an Appraiser or Qualified Real Estate Professional to determine the development value used to calculate the Fee-in-Lieu.

F. All Fees-in-Lieu shall be deposited in a Housing Trust Fund. Said fund shall be administered by the Wasatch County Housing Authority and shall be used for the purpose of providing funding assistance for the provision of affordable housing of both for rent and for sale units, the alternatives approved under Section 18.102.040 C. of this ordinance, and reasonable costs of administration consistent with the policies and programs of the Wasatch County Housing Authority.
G. Affordable Housing Alternatives shall be of a value not less the amount that would have been paid as the Fee-in-Lieu. Title to all dedicated lots shall be unencumbered, including being clear of all taxes and liens, all such being paid and cleared. All dedicated lots shall be buildable, being of sufficient size and shape to accommodate at least the minimum sized home permitted by the zoning ordinance, plus accommodate required parking spaces and setbacks.

18.102.090 Severability

If any of the provisions of this ordinance or the application thereof to any person or circumstances is held invalid, the remainder of this ordinance and the application of the provision to other persons not similarly situated or to other circumstances shall not be affected thereby.

18.102.100 Enforcement

A. The provisions of this ordinance shall apply to all developers for which are required to provide affordable housing, and their agents, successors and assigns, unless an impact study performed has been performed and approved.
B. The City may institute any appropriate legal actions or proceedings necessary to ensure compliance with this ordinance, including but not limited to actions to revoke, deny or suspend a permit or development approval.
C. It shall be a class "B" misdemeanor for any individual or entity to sell or rent a restricted affordable housing unit for a sum in excess of the affordable housing rate set forth in the affordable housing agreement governing that unit. Excess proceeds of an unlawful sale or unlawful rental shall be forfeited shall be paid to the Wasatch County Housing Authority Trust Fund.
D. The city may withhold the issuance of permits or other permissible regulatory authority in the enforcement of this ordinance.

18.102.110 Definitions

The following words shall have the described meaning when used in this ordinance. If any words are used in this ordinance are not defined herein, the definitions contained in Chapter 18.08 shall control. In the event of a conflict between Chapter 18.08 and this section, this section shall control. If there is no definition contained in either this section or Chapter 18.08 the ordinary meaning contained in the dictionary shall be the meaning intended, unless a contrary meaning is apparent from the context of the word.

A. "Affordable" means housing that costs no more than thirty percent (30%) of a household's income.
B. "Affordable Housing" means housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income of the metropolitan statistical area for households of the same size. Such housing cannot cost more than 30% of a household's income.

C. "Affordable Housing Agreement" means a legally binding agreement between a Developer and Heber City and the Wasatch County Housing Authority which ensures that the requirements of this ordinance are satisfied.
D. "Allowable Housing Expense" means the total monthly or annual recurring expenses required of a household to obtain shelter. These expenses include loan principal and interest, property and mortgage insurance, property taxes, homeowner's association dues, etc. unit only, this amount would include the cost of obtaining basic public utility services.
E. "Affordable Housing Unit" means a dwelling unit that will be offered for rent or sale exclusively to, and which shall be affordable to, lower-income households as required by this ordinance.
F. "Base Residential Units" means the number of lots or equivalent residential units associated with each development from which are calculated the number of affordable units to be provided or the amount of the fee-in-lieu to be paid.
G. "Conversion" means the change of status of a dwelling unit from a purchased unit to a rental unit or vice versa.
H. "Equivalent ~~Residential~~ Affordable Unit (aka ~~ERU~~ EAU)" means, for the purposes of the Affordable Housing Ordinance, ~~one residential ERU is equivalent to one dwelling unit~~. the following:

Equivalent Affordable Units (EAUs)	
Unit Type	**EAU**
Studio or 1 bedroom residential unit up to 500 sf	0.33
1 or 2 bedroom residential unit over 500 sf and up to 1,000 sf	0.50
Residential units over 1,000 sf and under 1,500 sf	0.75
Residential unit over 1,500 sf	1

I. "Financial Assistance" means assistance to include, but not be limited to, the subsidization of fees, infrastructure, land costs, or construction costs, the use of Community Development Block Grant (CDBG) Funds, down payment assistance, interest buy-downs, or the provision of other direct financial aid or other monetary compensation, by Heber City or the Wasatch County Housing Authority.
J. "Low Income" means eighty percent (80%) or less of median family income for Wasatch County.
K. "Market Rate Unit" means a dwelling unit where the rental rate or sales price is not restricted by requirements imposed by local, state or federal affordable housing programs.
L. "Moderate Income" means 81 % to 120% of median family income for Wasatch County.
M. "Qualified Applicants" means applicants for Low-Income units must make 80% or less than median family income for Wasatch County. Applicants for Moderate-Income units must make between 81% and 120% of median family income for Wasatch County. If all other requirements are equal, first preference shall be given to public service employees employed within Wasatch County, including municipal, county, school district, state and federal employees. Second preference shall be given to applicants who have been residents of Wasatch County for at least one year prior to application. Third preference shall be given to applicants who reside elsewhere, but are employed full-time in Wasatch

County. Fourth preference shall be given to applicants who neither work nor live in Wasatch County.

III. Discuss proposed Affordable Housing Ordinance amendment (Kohler)

Mr. Kohler explained the City Council believed there were problems with the Affordable Housing. After meeting with Council Members some changes were discussed such as; to permit other exceptions to development standards approved by City Council. Adjusting Affordable Housing Standards would allow for more affordable housing. The City Council may make other reasonable exceptions to the standards of the zoning and subdivision ordinances, determined on a case by case basis. Also, City Council does not want to have a subdivision of all owner occupied units and then have the developer give ten rental units on the perimeter.

The first adjustment would be adding a requirement for the provided housing types to match the proportionality of owner occupied to rental units. In other words, a developer who had 100 ownership units would need ten rental units, making the affordable rental units match the proportionality. The City would give flexibility to the acquired units, a developer could build two or three smaller units rather than one larger unit for more affordability. The developer would be given that flexibility to decide which worked best with the development. Commissioner Gunn liked the proposal.

Mr. Kohler continued the next adjustment would be to clarify the fee-in-lieu calculation if calculated over the value of the entire subdivision, rather than just the affordable lots. Mr. Kohler explained the correct fee-in-lieu calculation. The number of lots in a sub vision (ten), the appraised value in each lot in the subdivision (150,000), total value of lots would be 1.5 million dollars. Six percent of 1.5 million would be equal to 90,000 dollars. The fee-in-lieu for a ten lot subdivision would be 90,000 dollars if the developer did not want to build an affordable unit in the ten unit section of the project. Commissioner Gunn asked for a formula rather than using dollar amounts, because real estate values could fluctuate. Commissioner Richards suggested the verbiage to read six percent of the total real estate value, and then add an example but to make sure it would be clear that the example was just an example.

Mr. Kohler stated the next adjustment would use the Equivalent Residential Units (ERU) Chart to require an equivalent of ten percent affordable units, but permit developers through an ERU calculation to do smaller or larger units to match market demand. Mr. Kohler explained the developer would receive a bonus density for the affordable housing portion. One ERU bonus density per ten market place units. The ERU could either be one 1500 square foot unit, or three 400 square foot units giving the developers would have an option.

Commissioner Slagowski asked how the ERU's were calculated. Mr. Kohler explained, he had used the County's explanation of an EUR which was a studio or a one bedroom residential unit up to 500 square feet would be worth one-third of an ERU, which would be one-third of 1500 square feet. A one or two bedroom unit up to 1000 square feet would be one-half of an ERU, and up to 1500 square feet would be 75% of an ERU and so-forth.

Commissioner Gunn reminded Staff the sewer and culinary water for a Residential Unit would be one ERU regardless, which could cause some confusion with fees. Language was discussed to eliminate confusion.

Mr. Kohler moved on to market conditions as expressed by Census data, a housing market study and/or Heber City's Moderate Income Housing Plan. In other words, the Affordable Housing

should represent a mixture of housing which was reflective in the community, complying with State Code.

Commissioners liked the changes.

III. Public Hearing to consider proposed amendment to Chapter 18.102 Affordable Housing (Kohler)

The Public Hearing comments can be emailed to PCPublic@heberut.gov. The emailed comments relative to the Public Hearing will be read aloud during the open comment portion of the Public Hearing. The emailed comments will be included as part of the permanent public records for this meeting.

Mr. Kohler began, the City Council had requested the amendment to the Affordable Housing Ordinance and the amendment was presented to the Planning Commission two weeks ago. The basic summary of the changes included, allowing the City Council to make other exceptions as may be approved by the City Council. The exceptions included; when developers would need an exception to the ordinance to comply with the ordinance.

Another change was to add a requirement for the provided housing types that would be affordable to match the proportionality of owner occupied homes to rental units. The third change would be to clarify the fee-in-lieu calculation is calculated over the value of the real estate of the development, not just the affordable units. The last change would be to use an Equivalent Affordable Unit (EAU) Chart to require an equivalent of ten percent affordable units, but permit developers through an EAU calculation to build smaller or larger units to match market demand. The reasonable exceptions on a case by case were shown from the Staff Report.

Mr. Kohler continued with the proportionality of the rental units to the owner occupied units and stated it would be similar or roughly proportionate to the affordable owner units to rental occupied units. Mr. Kohler explained he had made the chart clearer since the last time the item was discussed. The formula was shown in the first table with the second table showing an example. Due to rounding and not being able to do a half of a dwelling, a rough proportionate was used. Mr. Kohler discussed his example in the Staff Report.

Mr. Kohler continued, the Planning Commission had asked to use a different term than ERU, so the term was changed to Equivalent Affordable Unit (EAU), meaning if a developer has ten market rate units, with one affordable unit, the one affordable unit would be an EAU. The one affordable unit could be designed as a 1500 square foot home or it could be a 500 square foot unit where the calculation would then be from three 500 square foot units.

Mr. Kohler continued with the next change which was the fee-in-lieu clarification. The Planning Commission had asked for a formula. The fee-in-lieu formula would be the total real estate value, determined by an appraiser, times six percent of the total real estate value. However, multi-family and attached housing products calculation would be different. The fee-in-lieu for multi-family and attached housing would be the total real estate value and total building value times three percent. Mr. Kohler continued to discuss the example in the Staff Report.

Chairman Rawlings stated the fee-in-lieu would increase for Affordable Housing and wanted to know if there was a determination of the difference. Mr. Kohler confirmed the new formula could increase the fee-in-lieu amount by the value of the lots, the more valuable the lots were, the more the City would receive for fees. However, because the City had not received many subdivision applications in the last year there could not be a determination of the difference. The goal was to clarify what the formula meant and clarity for how it worked so developers could not misunderstand or misinterpret the meaning and calculate the wrong fee-in-lieu amount. The

proposed calculation would make the overall developments more fair to all developers in the city.

Chairman Rawlings asked if developers would be able to participate in the amendment to the Affordable Housing. Mr. Kohler responded affirmatively and gave examples of possible developer participation already for the City.

Chairman Rawlings opened the Public Hearing and explained the process of participation. There were no Public Hearing comments. Chairman Rawlings closed the Public Hearing but would allow any comments sent in or emailed into the Chambers until the end of the discussion of the Agenda Item.

Commissioner Ostergaard stated he supported Affordable Housing and whatever the City could implement to assist the developers to build more Affordable Housing but still cover City's costs. Commissioner Ostergaard believed it was important to provide housing and subsidize for housing so children could stay in Heber Valley if they wanted.

Commissioner Gunn commented he liked the EAU as it provided an avenue for extra units and smaller units. Individuals may not need a three or four bedroom apartment but they could possibly need a cheaper one bedroom apartment, so this was a good plan.

MOTION: Commissioner Gunn moved to approve the amendment, chapter 18.102 Heber City Code and Affordable Housing Ordinance as presented with the findings and information discussed in the Staff Report.

18.102.010 Findings:

A. Heber City has adopted a Moderate Income Housing Element of the General Plan as required by Utah State Code, which looks at the estimated existing supply, the estimated five year need, a survey and evaluation of zoning's effect on affordable housing, and a description of Heber's programs to encourage an adequate supply of affordable housing;

B. The Moderate Income Housing Element of the General Plan shows that there is a continuing shortage of affordable housing in the City, which is detrimental to the public health, safety and welfare, as it contributes to overcrowded and substandard conditions for lower-income families, and the inability of industry to find and retain a quality labor supply;

C. A Nexus Study performed for the valley, an exhibit to the Moderate Income Housing Element of the General Plan, shows that new development which does not include or provide for affordable housing serves to aggravate the current affordable housing shortage, by reducing the supply of residential land available for affordable housing development, and creating larger numbers of service oriented, low-paying jobs, creating a greater demand for affordable housing by increasing the numbers of lower wage earners;

D. A requirement for ten percent (10%) of all new residential units being created as affordable housing units is strongly recommended to implement the Goals and Policies of the Moderate Income Housing Element of the General Plan;

E. A Needs Assessment performed for the valley, an exhibit to the Moderate Income Housing Element of the General Plan, shows that a Fee-in-Lieu may be assessed as an alternative to providing onsite affordable housing; and

F. Costs for implementing the requirement to contribute to affordable housing can be offset by allowing reasonable development incentives.

Commissioner Covarrubias made a second to the motion. Voting Aye: Chairman Rawlings and Commissioners Ostergaard, Slagowski Gunn, and Covarrubias. The motion passed unanimously.