

**Heber City Corporation
City Council Meeting
June 20, 2013**

7:05 p.m.

REGULAR MEETING

The Council of Heber City, Wasatch County, Utah, met in **Regular Meeting** on June 20, 2013, in the City Council Chambers at 75 North Main Street, Heber City, Utah.

Present:

Mayor
Council Members

David R. Phillips
Robert Patterson
Alan McDonald
Benny Mergist
Jeffery Bradshaw
Erik Rowland

Also Present:

City Manager
City Recorder
Planning Director
Chief of Police

Mark K. Anderson
Michelle Kellogg
Anthony Kohler
David Booth

Others Present: Rodney Hopkins, Kelleen Potter, Anissa Wardell, Terry Martin, Mitch Martin, Todd Cates, Tracy Taylor, Julie Zicha, Lore Hagen, Jerry Duke, Heidi Franco, and others whose names were illegible.

Mayor Phillips opened the meeting and welcomed those in attendance.

Pledge of Allegiance: Mayor David Phillips

Prayer: Council Member Patterson

Minutes: June 6, 2013 Work and Regular Meetings

Council Member McDonald moved to approve the above listed minutes. Council Member Patterson seconded the motion. Voting Aye: Council Members Patterson, McDonald, Mergist, Bradshaw and Rowland.

OPEN PERIOD FOR PUBLIC COMMENT

Mayor Phillips opened the meeting to those in the audience who wished to address the Council on topics that would not be covered in the agenda.

Julie Zicha, with Four Seasons Fly Fishers, indicated this business was having a fly fishing event and would like to use Main Street Park. She requested leniency with regard to permit fees because the main purpose of the event was not to sell things but to build the community and work with kids. Zicha stated the \$130 application fee would be a hardship for the business since no revenue would be coming in. The event had been planned for August 10th. She noted there

would be some vendors and they would be required to get individual vendor licenses. Council Members McDonald, Mergist and Bradshaw agreed to waive the fee for the Four Seasons Fly Fishers event at the Main Street Park on August 10th. Anderson stated he needed to understand what the insurance needs would be for this event, and Zicha agreed to meet with Anderson and the Business Licensing Department.

Anissa Wardell stated she came tonight because of the budget hearing. She asked that some of the projects be given more thought. On a work meeting issue, she spoke about the southern bypass and asked the Council to give consideration to Highway 40. She felt a stop light may be needed in the future at the intersection of Airport Road and Highway 40 because there were certain times during the day, or times of the season when residents could not get out because of the traffic.

Lore Hagen, with Edge Homes, asked about the time frame for building permits because there had been a four week turn around period for permits in the last little while. Anderson stated at the last Council meeting it was approved to get more contract help so there would be no longer than a two week turn around period. He stated the Council could consider allocating more funds to professional services so it could benefit the Building Department.

ACTION ITEMS

Public Hearing – Resolution 2013-08 – A Resolution Adopting the 2013-2014 Operating Budget and Amendment of the 2012-13 Operating Budget to Allow for Additional Revenues and Expenses: Mayor Phillips turned the time over to Anderson who gave a PowerPoint presentation on the proposed budget (see PowerPoint presentation attached to minutes).

Anderson noted in the presentation that the \$219,000 in the budget for the airport runway and apron rehabilitation was to replace the lighting, apron, and runway. This would not change the airport configuration in any way, but only allowed for maintenance to the current airport.

Mayor Phillips opened the meeting to the public for comments on the budget.

Anissa Wardell stated she was not as concerned about the airport now that Anderson had explained the funds were only for maintenance. She was concerned about the continual donations to the railroad and also the donation to the Veteran's Memorial Project. She felt the Veteran's project was out of control, and hoped the plans could be looked at again.

Jerry Duke asked Anderson what areas the surplus funds went to. Anderson stated the General Fund lacked the funds to make the budget balance so the surplus funds filled the gap, but they weren't designated for any particular area of the budget.

With no further comments from the audience, Mayor Phillips closed the open part of the public hearing. Council Member McDonald read a prepared statement:

Budget 2013 - Public

One of the most important duties I fulfill as a member of your City Council is to present a proposed balanced budget to the citizens of this City. It is a task I take very seriously and even though the fiscal budget year doesn't begin until July, the Council begins discussions on this topic early in the year and we have been working on the proposal for the past four months.

As with all of our budgets, the 2014 budget preparation did not come easily. We are presented with many challenges now, and we face many challenges in the future.

The economy is improving very slowly. But, despite this slow economic growth, we still have issues in the City that need to be addressed sooner rather than later. For example operational expenses continue to grow, depreciation of infrastructure needs to be addressed and we need to address the by-pass road system. Because of inflation, the rate of growth of our expenses often exceeds the rate of growth of our revenues.

In the current budget, 66% of the revenues are used for employee salaries, wages, and benefit compensation. That leaves only 34% for the replacement of technology, fuel, insurance, operational costs, and maintenance.

With the increasing cost to run the City the Council must continue to keep in mind all options as we plan our budgets and create a 5-year plan for the City.

It is difficult to find the balance between fostering growth (which brings greater demand for service) and maintaining quality services to the citizens of Heber. As the City grows, we must anticipate the services that will be necessary to meet the increased demand.

As a Councilmember, I am always concerned about the City's ability to serve our citizens better, provide higher quality service, and make sure that everyone is treated fairly.

In addition to looking at the 2014 budget, the Council must also address future financial plans. These plans should include capital projects, continual increases in City employee benefits, and calculating the expenses of the operation and maintenance of the City.

Health insurance premiums will continue to increase, in part because of changes brought on by the Affordable Care Act. Because federal law now mandates that businesses with 50 or more employees provide health insurance to their employees, and the City would be included in this mandate, health insurance costs could rise over 25% in the next year, and the continued increase will be unknown each year thereafter.

With no State or Federal compensation for these increases, the City will have to come up with the money to cover these expenses.

Public safety is another great concern I have, especially considering the violence we are constantly barraged with on the news every day. It is important that we have a strong police force that is prepared to help protect our citizens and our community from such violence.

However, to maintain a strong police force and provide them with the tools necessary to do their jobs, we must invest in equipment and technology, and these things are expensive. Yet I feel these investments save lives and are therefore well worth the costs.

An aging infrastructure is also of great concern, not simply because things are old, but because some things create a public safety hazard if they are not replaced appropriately. Yet in other circumstances, rather than replacement, we need to focus on maintaining the existing equipment to keep it functioning properly for as long as possible. I feel a system must be put in place to ensure that regular routine maintenance occurs on City equipment and buildings as recommended by the manufacturer and staff. Maintaining our current equipment will extend its usable life and save the City money in the long run.

Some of the City's operations really do require a lot of maintenance, both in regard to finances and manpower. In the near future we may need to consider options we have not previously considered in order to survive the increase in costs.

We definitely need to be efficient and effective as a City, and getting to a balanced budget will require some hard decisions by the Council and department heads. I would like the City to enact a 5-year plan that would include the following objectives: determine reasonable and sustainable levels for salary and benefit increases, determine the funding requirements for capital projects and the funding methods the City will use to produce the additional funds. In short, we need to be more proactively planning for increased demand on City funds.

Thankfully we are not currently in dire straits financially, but planning now is necessary to help us keep out of financial trouble in the future. The budget for the coming year is in good shape, we are refining it now to match revenues. The good news to the public is that we did not impose increases in property taxes this year. The department heads have made some very reasonable requests and have been very thrifty with their department budgets, which I thank them for.

In February of this year, Senator Rand Paul cut a six-figure check to the U.S. Treasury. In total, Senator Paul has returned \$1.1 million to the federal government in unspent funds that his office was able to save by running more efficiently. To describe how he accomplished this, he stated, "We watch every purchase. We watch what computers we buy, what paper we buy, the ink cartridges. We treat the money like it's our money, or your money, and we look at every expenditure... We are frugal from top to bottom." This is the type of example I think all government employees and public servants should follow. As you can see from this example there is always room for improvement.

A challenge I would like to give to the City department heads is to see if they can come in 2% below their projected budgets. Coming in under budget would give the City some financial freedom to fund any unexpected expenses that may come up during the current budget year. I have a tremendous amount of respect for the great things our City employees accomplish. These talented people have a unique perspective; they witness the business of the City as it occurs on the front lines. They are most familiar with the policies and procedures that are efficient, and the areas that require the most improvement. I am certain that they will eagerly answer the call to reduce the burden our government imposes on our neighbors if we simply ask them.

I believe as stewards of your money, it is our obligation to take a deep look at everything we do and every dollar we spend. If we are wise stewards and live within our means, I see the future of Heber City as being bright and filled with the potential for great things.

Council Member Bradshaw stated he knew how budgets were put together and this City budget was done well, with revenues projected lower than anticipated and expenses at worse case scenarios. He thought the City Manager did a great job putting the budget together and was very conservative. Regarding the Veteran's Memorial, he stated things weren't always done from a fiscal perspective, and no memorials would be around if they were strictly done from a fiscal standpoint. Also, regarding the railroad, he noted no money was given to the railroad this year by the City. Council Member Bradshaw stated he felt good about the budget and would support it tonight.

Council Member Rowland stated he would like to add to the challenge by Council Member McDonald to the employees to cut the department budgets, by extending the challenge to the Council as well to discuss things together and make the City better together. Mayor Phillips commented that the Council worked diligently to decide on issues without raising taxes or negatively affecting the residents.

Council Member Patterson expressed his thanks to Anderson for his dedication and work on the budget. He was concerned about a new public safety building which was very necessary. He also expressed his appreciation in working with Mayor Phillips and other Council members.

Anderson discussed a few more items. It was discussed to increase funding for the building department, either \$30,000 for a part-time employee or for professional services to enhance the level of service. Council Members Rowland, McDonald and Bradshaw agreed. Council Member Bradshaw thought projected revenues should also be increased if there was such a demand. Anderson recommended increasing the professional services fund from \$10,000 to \$30,000. He

also discussed a place to hang banners at the City park and the request for funds to build a special needs playground.

Kohler explained the sign holder proposed for Main Street Park. He recommended that two 3x5 banners be hung at a time. It was approved and Anderson said the funding would come from the City Manager's discretionary fund.

Council Members Patterson, Bradshaw and Rowland preferred that the special needs playground be funded by the School District.

Council Member McDonald moved to amend 2012-2013 budget for the revenue and expense adjustments outlined in Anderson's staff memo. Council Member Rowland made the second.

Voting Aye: Council Members Patterson, McDonald, Mergist, Bradshaw and Rowland.

Council Member Bradshaw moved to approved 2013-2014 budget including increasing the Building Department professional services fund to \$30,000. Council Member Patterson made the second.

Voting Aye: Council Members Patterson, Mergist, Bradshaw and Rowland. Voting Nay: Council Member McDonald.

Parker Sharp and Brigham Lease – Request Approval for Eagle Projects and Funding Assistance to Build Planter Boxes at the Community Garden:

Council Member Rowland recused himself since he was the Boy Scout leader of Parker Sharp. Annie McMullen talked about the Community Garden. Last year there were six gardeners, but this year there were not as many. She stated the scouts seeking the Eagle Project help weren't here because Parker Sharp was at work and Brigham Lease was attending scout camp. They wanted to build additional garden boxes. She passed out a handout of a proposed layout for the future growth of the Community Garden.

Mayor Phillips asked why there was a need for additional boxes since the demand was down. McMullen indicated she had surgery and didn't get the word out this year like she had last year. Council Member Mergist suggested that the Council donate \$1,500 for supplies to build the boxes.

Council Member Mergist moved to provide \$1,500 to purchase materials to build raised boxes in the Community Garden. Council Member Bradshaw made the second.

Voting Aye: Council Members Patterson, McDonald, Mergist and Bradshaw. Council Member Rowland was excused.

Resolution 2013-07 – A Resolution Adopting Fireworks and Open Fire Restrictions in Heber City:

Mayor Phillips stated last year the Council hurriedly passed a fireworks ordinance, so this year the Council looked at the ordinance carefully to make sure it was sound. Anderson stated Park City had recently adopted fireworks restrictions, and staff thought these restrictions were consistent with State restrictions. Council Member McDonald indicated he spoke with the County fire marshall who said he was waiting another week before enacting any restrictions. Council Member McDonald also thought Smedley should look at the proposed restrictions to see

if they could be enforced. He commented that he did not want to pass restrictions at this time. Council Member Rowland asked if the City could have a standing ordinance that would mirror whatever restrictions the County passed. Anderson did not know the answer to that question. Council Member Bradshaw also thought the Council should wait on this resolution.

Todd Cates stated that from Red Ledges' perspective, he would support the ban because the foothills were very dry. The Red Ledges staff set up their fireworks show on green grass and wet down the area and then had professionals set them off. But anyone coming up to the area with a bottle rocket, etc. concerned him. Council Member Mergist stated he felt it would be easier to lift the restriction than implement the restriction. Council Member Rowland felt the residents in his neighborhood in the foothills had no complaints with the restrictions and were in favor of congregating at the park to set off fireworks.

Mayor Phillips asked for a motion. Council Member Mergist moved to approve Resolution 2013-07, adopting fireworks and open fire restrictions in Heber City. Council Member Bradshaw made the second.

Voting Aye: Council Members Mergist, Bradshaw and Rowland. Voting Nay: Council Members Patterson and McDonald.

Todd Cates/Red Ledges, Approve Request to Discharge Fireworks on July 5th, 2013:

Council Member Patterson moved to approve Red Ledges' request to discharge fireworks on July 5, 2013. Council Member Rowland seconded the motion. Cates noted Red Ledges had an exception to have this show.

Voting Aye: Council Members Patterson, McDonald, Mergist, Bradshaw and Rowland

Approve Sale of .57 Acres of Land Located at 345 West Airport Road to Millstream Properties, LLC:

Council Member Rowland moved to approve the sale of .57 acres of land located at 345 W. Airport Road to Millstream Group. Council Member Patterson seconded the motion. Anderson suggested that the City only offer a Special Warranty Deed and no title insurance. Council Member Rowland amended his motion to include that the City would only offer a Special Warranty Deed and no title insurance.

Voting Aye: Council Members Patterson, McDonald, Mergist, Bradshaw and Rowland.

It was noted the purchase price was \$100,000 for that parcel.

Council Member Patterson moved to go into Closed Session to discuss the purchase or sale of real estate. Council Member McDonald seconded the motion. Voting Aye: Council Members Patterson, McDonald, Mergist, Bradshaw and Rowland.

Council Member Mergist moved to adjourn from Closed Session. Council Member Patterson made the second. Voting Aye: Council Members Patterson, McDonald, Mergist, Bradshaw and Rowland.

With no further business, the meeting was adjourned.

Michelle Kellogg, City Recorder