

MINUTES
HIGHLAND CITY COUNCIL MEETING

Tuesday, June 17, 2008

Highland City Council Chambers, 5378 West 10400 North, Highland, Utah 84003

PRESENT: Mayor Jay W. Franson, conducting
Councilmember Brian Braithwaite
Councilmember Brian Brunson
Councilmember Larry Mendenhall
Councilmember Kathryn Schramm
Councilmember Claudia Stillman

STAFF PRESENT: Barry Edwards, City Administrator
Gina Peterson, City Recorder
David Church, City Attorney
Matt Shipp, Public Works Director
Kip Botkin, Police Chief
Jody Bates, Administrative Assistant
Lonnie Crowell, Community Development Director

OTHERS: Nathan Lunstad, Josh Castleberry, Ryan Larson, Dustin Mitchell, Steven Mower, Jeremy Boren, Kenny Corsi, Terry Biggs, Colby York, Hadley Hutchings, Haylie Studebaker, Carly LeDuc, Van Bond, Kyle Christensen, Jill Stewart, Jone Varney, Chance Varney, Wade Lehmborg, Laurie Adams, Gary Boren, and Nancy Day, City Employees; Chris Dalley, Lone Peak Press; Tony Peckson, Kevin Pace, Andy Spencer, American Fork City; Justin Morris, Morris Electric; Logan Studebaker, Valaine Bond, Shay Clark, Peck Ormsby Construction; Brad Ritchie, Scott Ferguson, Scott Baird, Spencer Baird, Ben Dredge, Christine L. Christensen, Lisa Erickson, JRCA; Gordon Clark, JRCA; Ammon Jones, Glade Tuckett, Mike McKendrick, Kelly Sobotka, Errol Webb, and David Clements.

The meeting was called to order by Mayor Jay W. Franson as a regular session at 7:00 p.m., and notice of the time, place, and agenda had been provided the *Deseret Morning News*, *Daily Herald*, *Salt Lake Tribune*, and *Lone Peak Press* on June 12, 2008. The prayer was offered by Larry Mendenhall, and those assembled were led in the Pledge of Allegiance by Local Boy Scout Dalen Ferguson from Cedar Hills Troop 1190.

Approval of Council Minutes

There were no minutes for approval.

Appearances

Mayor Franson invited comments from the public regarding items not on the agenda. No one desired to speak.

CONSENT CALENDAR

The following item was **removed** from the consent calendar for discussion during scheduled items:
Approval of a Conditional Use Permit for American Fork City Pressurized Irrigation Pond and Relocation of Existing Utility Poles (Agenda Item 6.1)

The following item was **approved** by unanimous consent. Those voting aye: Brian W. Braithwaite, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman. The motion passed with a unanimous vote of 4:0.

Approval for Highland City Trails Bollards and Split Rail Fencing (Agenda Item 6.2)

ACTION ITEMS

Conditional Use Permit – American Fork City Pressurized Irrigation Pond and Relocation of Existing Utility Poles (Agenda Item 6.1)

American Fork City is requesting a Conditional Use Permit in the Public Utility zone to construct a pressurized irrigation (PI) pond within Highland City along with moving power poles associated with the pond. The PI pond is necessary for American Fork City's water system.

On May 27, 2008 the Planning Commission reviewed the application and recommended the City Council approve the Code Amendment, Zoning Map Amendment and General Plan Amendment. On June 3, 2008 the City Council approved the amendments, and on June 10, 2008 the Planning Commission held a public hearing on the conditional use and recommended approval with conditions.

American Fork City is proposing fencing and a 10 foot wide trail around the pond facility. In addition, American Fork will need to move the "Welcome to Highland" sign and reconstruct the sign and landscaping in a new location to facilitate the pond. The pond has been located in a manner that gives Highland flexibility on the future location of a road that will eventually connect SR-74 and 4800 West. It can be located north or south of the pond location.

Councilmember Brian Brunson arrived at 7:10 p.m.

MOTION: Larry Mendenhall moved to approve the Conditional Use Permit for American Fork City to construct a Pressurized Irrigation Pond and relocate power poles associated with the construction of the Pressurized Irrigation Pond at approximately 9650 North 5300 West subject to the following conditions:

1. **PLACEMENT OF POWER POLES & SIGNAGE.** That American Fork City coordinate with Highland City to consider repositioning the power pole or "Welcome to Highland" sign and associated landscaping so that the power pole is not the backdrop or distracts from the City sign; and
2. **LANDSCAPE & SIGNAGE.** That American Fork City re-landscape any vegetation that is removed within the currently landscaped area similar to existing and reconstruct the "Welcome to Highland" sign per Highland City, and that landscaping surrounding the relocated sign match the median landscaping along the Alpine Highway; and

3. POND LANDSCAPE & FENCING. That American Fork City landscape around the pond with a wall and trees as submitted by American Fork City and that the fencing that surrounds the pressurized irrigation pond be constructed of black architectural tube steel materials; and
4. DUST & MUD PREVENTION. That American Fork City adhere to the Highland City Dust and Mud Prevention Plan and ordinance with regard to dirt and debris on Highland City roads; and
5. CONSTRUCTION HOURS. That construction activity is limited to the hours of 6:00 a.m. until 11:00 p.m.
6. LIGHTING FOR STREET & POND AREA. That any new street lighting along SR-74 match the Highland City street light specifications for Alpine Highway consistent with existing improvements that have been actively pursued over the past several years. That lighting for the Highland City portion of the Pressurized Irrigation pond is consistent with what is done in American Fork City's portion of the pond and that the lighting is subdued in nature.
7. FUTURE TRANSPORTATION. That as MAG studies identify an East/West corridor in the vicinity of the lower American Fork Pressurized Irrigation reservoir, American Fork City and Highland City will work jointly toward a transportation solution that benefits both communities.
8. TREE REPLACEMENT. That American Fork City replaces any planted tree that does not survive within the first three years.

Brian Braithwaite seconded the motion.

Larry Mendenhall commented on the proposed plan and stated it will not be destructive to the view shed and will be beneficial to both communities.

MOTION TO AMEND: Brian Braithwaite moved to amend condition #8 regarding tree replacement as follows:

TREE REPLACEMENT. That American Fork City replaces any planted tree that does not survive within the first TWO years

Kathryn Schramm seconded the motion.

Andy Spencer from American Fork City expressed appreciation for the spirit of cooperation with American Fork and Highland.

Mayor Franson called for a vote on the amendment. Those voting aye: Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman. The motion passed with a unanimous vote.

AMENDED MOTION: Approve the Conditional Use Permit for American Fork City to construct a Pressurized Irrigation Pond and relocate power poles associated with the construction of the Pressurized Irrigation Pond at approximately 9650 North 5300 West subject to the following conditions:

1. PLACEMENT OF POWER POLES & SIGNAGE. That American Fork City coordinate with Highland City to consider repositioning the power pole or "Welcome to Highland" sign and associated landscaping so that the power pole is not the backdrop or distracts from the City sign; and
2. LANDSCAPE & SIGNAGE. That American Fork City re-landscape any vegetation that is removed within the currently landscaped area similar to existing and reconstruct the "Welcome to Highland" sign per Highland City, and that landscaping surrounding the relocated sign match the median landscaping along the Alpine Highway; and

3. **POND LANDSCAPE & FENCING.** That American Fork City landscape around the pond with a wall and trees as submitted by American Fork City and that the fencing that surrounds the pressurized irrigation pond be constructed of black architectural tube steel materials; and
4. **DUST & MUD PREVENTION.** That American Fork City adhere to the Highland City Dust and Mud Prevention Plan and ordinance with regard to dirt and debris on Highland City roads; and
5. **CONSTRUCTION HOURS.** That construction activity is limited to the hours of 6:00 a.m. until 11:00 p.m.
6. **LIGHTING FOR STREET & POND AREA.** That any new street lighting along SR-74 match the Highland City street light specifications for Alpine Highway consistent with existing improvements that have been actively pursued over the past several years. That lighting for the Highland City portion of the Pressurized Irrigation pond is consistent with what is done in American Fork City's portion of the pond and that the lighting is subdued in nature.
7. **FUTURE TRANSPORTATION.** That as MAG studies identify an East/West corridor in the vicinity of the lower American Fork Pressurized Irrigation reservoir, American Fork City and Highland City will work jointly toward a transportation solution that benefits both communities.
8. **TREE REPLACEMENT.** That American Fork City replaces any planted tree that does not survive within the first two years.

Those voting aye: Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman. The motion passed with a unanimous vote.

Ordinance 2008-12: An Ordinance Making Final Amendments to the Highland City Fiscal Year 2007-2008 Annual Budget (Agenda Item 8.1)

Annually at the time of budget approval for the new fiscal year, the City Council has the opportunity to make final adjustments to the current fiscal year budget which ends June 30, 2008. The adjustments will close out the budget and enable the new budget year to begin. Some revenue accounts as well as various expenditure accounts including transfers need to be adjusted to ensure the budgeted amounts agree with the actual revenues and expenditures. Because development varies and has slowed, some revenues need to be decreased. Other account expenditures need to be decreased or increased such as the library, snow removal, and the proposed geotech study. The net amendments to the City's General Fund total an increase of \$8,500. The total proposed adjustment for the entire budget, including Enterprise Funds and Capital Projects is an increase of \$561,348. A public hearing on the proposed amendments was held on June 3, 2008 and the City Council has been given the opportunity for in depth study of the amendments.

MOTION: Claudia Stillman moved to approve Ordinance 2008-12: An Ordinance making final amendments to the Highland City Fiscal Year 2007-2008 Annual Budget. Larry Mendenhall seconded the motion. Those voting aye: Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman. The motion passed with a unanimous vote.

Ordinance 2008-13: An Ordinance Enacting and Administering the Fiscal Year 2008-2009 Highland City Annual Budget (Agenda Item 8.2)

Resolution 10-2008: A Resolution Adopting the Fiscal Year 2008-2009 Certified Tax Rate (Agenda Item 8.2(a))

Mayor Franson indicated the City has been in the budget process for several months. He reviewed the schedule which has taken place including the presentation of tentative budgets and public hearings. The City Council was presented with the Fiscal Year 2008-2009 Tentative Budget at the first council meeting in May 2008 pursuant to the State Code. The City Council then held a work session to discuss the details of the budget on May 14, 2008. On May 20, 2008 the City Council was presented with a budget including revisions from the work session. A public hearing was held on the revised tentative budget June 3, 2008. This budget has been available for public inspection and is currently posted on the city's web site for public review.

As part of the budget discussions, each year Utah County provides the certified tax rate to the City. This rate needs to be adopted for the purpose of providing tax dollars to the General Fund. The tax rate provided by the County for FY2009 is .001565.

MOTION: Brian Brunson moved to approve Ordinance 2008-13: An ordinance enacting and administrating the Fiscal Year 2008-2009 Highland City Annual Budget. Larry Mendenhall seconded the motion.

MOTION TO AMEND: Brian Brunson moved to increase Account #10-50-70 – General Fund – Library, from \$150,000 to \$300,000 in the proposed FY2009 Budget with the following justifications:

- **To compensate for the loss of private donations due to the inability to meet requests contained in the proposed donation agreement, and**
- **To give the citizens of Highland the opportunity to have a functioning library at the time of opening with a wide selection of books.**

Claudia Stillman seconded the motion.

Kathryn Schramm asked for justification of this increase since she thought *the tax levy approved last August had already allocated \$200,000 for the library. Claudia Stillman indicated that the \$300,000 amendment would be solely for the opening day collection and is separate from the \$200,000 raised by the tax levy for the library operating budget.* Kathryn Schramm stated her feeling that the property tax rate should be discussed prior to these amendments because it could affect the overall outcome.

Barry Edwards noted that this particular line item would require the amount to be taken from the General Fund surplus and stated most of the proposed amendments do not affect the General Fund like this one. He also clarified that this budget, including any amendments currently proposed by the City Council, does not require the City to go to a truth in taxation hearing. Nothing is being changed from last year based on the tax rate that is being collected.

Kathryn Schramm reiterated that the tax rate needs to be discussed prior to budget amendments being adopted. Mayor Franson stated Utah County issues a certified tax rate for the City that the City does not

control unless an increased rate is desired through a truth in taxation hearing. Kathryn Schramm noted the City can set a lower rate than the County issued.

Larry Mendenhall explained that for budgeting purposes the total number of dollars is the same for the coming fiscal year as this year. The County adjusts the Certified Tax Rate so the dollars that came in for the City's consumption are the same as last year plus new growth. He doesn't feel the tax rate is relevant to the discussion because the budget has been balanced based on the certified tax rate last year.

Mayor Franson called for a vote on the motion to amend Account #10-50-70. Those voting aye: Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, and Claudia Stillman. Those voting nay: Kathryn Schramm. The motion carried with a 4:1 vote.

MOTION TO AMEND: Claudia Stillman moved to increase Account #10-70-75 – General Fund - Highland Glen Park Improvements, from a zero balance to \$50,000 in the proposed FY2009 Budget with the following justifications:

- To improve a section of the park as proposed by the Mayor.
- Improvements to the Highland Glen Park will aid in the continued enjoyment and use of the park by its residents.

Brian Brunson seconded the motion.

Brian Brunson stated this park is long overdue for some funding and while this is a good first step he would like to eventually increase this amount.

Mayor Franson called for a vote on the motion to amend Account #10-70-75. Those voting aye: Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman. The motion passed with a unanimous vote.

MOTION TO AMEND: Larry Mendenhall moved to amend the proposed FY2009 Budget to increase Account #40-40-71 – Park Construction, from a zero balance to \$100,000 for the installation and upgrade of restrooms at various City parks as recommended by Staff. Brian Braithwaite seconded the motion.

Kathryn Schramm asked for clarification from Barry Edwards of where the increase would come from. Barry Edwards answered that the funds would be taken from the \$8,000,000 Park Bond.

Mayor Franson called for a vote on the motion to amend Account #40-40-71. Those voting aye: Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman. The motion passed with a unanimous vote.

MOTION TO AMEND: Brian Brunson moved to amend the proposed FY2009 budget to modify the following accounts:

<u>Account#</u>	<u>Description</u>	<u>Current Proposed</u>	<u>20% Increase</u>	<u>Total Proposed</u>
10-52-26	Planning/Zoning	\$3,000	\$600	\$3,600
10-58-25	Building Inspection	\$4,000	\$800	\$4,800
10-60-51	Streets & Roads	\$12,500	\$2,500	\$15,000
10-66-34	Engineering	\$8,500	\$1,700	\$10,200
10-70-34	Parks & Recreation	\$6,500	\$1,300	\$7,800

<u>Account#</u>	<u>Description</u>	<u>Current Proposed</u>	<u>20% Increase</u>	<u>Total Proposed</u>
10-71-25	Cemetery	\$1,000	\$200	\$1,200
52-40-28	Sewer	\$3,000	\$600	\$3,600
53-40-28	Pressurized Irrigation	\$5,000	\$1,000	\$6,000
54-40-31	Storm Sewer	\$7,500	\$1,500	\$9,000
55-40-28	Culinary Water	\$10,000	\$2,000	\$12,000
55-44-28	Construction	\$3,000	\$600	\$3,600
TOTALS		\$64,000	\$12,800	\$76,800

in the total amount of \$76,800 (\$12,800 or 20% increase) to consider the increasing cost of fuel. Claudia Stillman seconded the motion.

Kathryn Schramm asked how the increase would be covered. Barry Edwards indicated anything from the General Fund (Fund 10) would be taken from the General Fund surplus. The other *increases would come from each individual Enterprise Fund.*

Mayor Franson called for a vote on the motion to increase various accounts for fuel costs as detailed. Those voting aye: Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman. The motion passed with a unanimous vote.

MOTION TO AMEND: Larry Mendenhall moved to amend the proposed FY2009 budget to increase Account #53-40-74 – Water Share Assessments, from \$250,000 to \$310,000 to cover the assessments for both water shares owned and rented by Highland City. Brian Brunson seconded the motion. Those voting aye: Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman. The motion passed with a unanimous vote.

MOTION TO AMEND: Brian Braithwaite moved to amend the proposed FY2009 Budget to modify Accounts #10-60-75 – Streets & Roads from \$25,000 to \$22,500 and #10-60-49 – Streets & Roads from \$55,000 to \$57,500, to correct amounts that were placed in the wrong fund with no net increase. Kathryn Schramm seconded the motion. Those voting aye: Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman. The motion passed with a unanimous vote.

MOTION TO AMEND: Brian Brunson moved to amend the proposed FY2009 budget to decrease Account #40-40-75 – Park Equipment, from \$450,000 to \$375,000 to be in line with estimates quoted for Capital Equipment & Improvements needed to take over maintenance of some City parks. Those voting aye: Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman. The motion passed with a unanimous vote.

Kathryn Schramm asked if the new dump truck was included in Account #40-40-75 – Park Equipment. Barry Edwards replied no, the dump truck is budgeted in Account #41-40-81. He added that the Park Equipment account will be used to purchase items to complement the larger equipment such as bush mowers and weed-whackers.

MOTION TO AMEND: Brian Brunson moved to amend the proposed FY2009 Budget to increase Account #10-43-81 – Modular Building Lease, from a zero balance to \$6,500 as the trailer will be used through September due to timing for completion of the new City Hall. Claudia Stillman

seconded the motion. Those voting aye: **Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman.** The motion passed with a unanimous vote.

MOTION TO AMEND: Brian Brunson moved to amend the proposed FY2009 Budget to increase Account #10-31-10 from \$1,306,088 to \$1,320,220; and Account #10-31-12 from \$210,000 to \$212,528 to reflect the Certified Tax Rate of .001565 submitted by Utah County. Larry Mendenhall seconded the motion.

Mayor Franson outlined the adjustment stating it would cover what Utah County projects for Highland City revenues from property taxes for the coming fiscal year.

Brian Braithwaite expressed concern that the Certified Tax Rate is an approximate and not accurate since it has gone up from last year. He said this infers that the property values in Highland have gone down which he does not believe has happened. He stated the net amount of tax revenue should be the same year after year. Based on the new tax rate, Highland City taxes will go up and he is not convinced that should be accepted.

Barry Edwards detailed the formula for which the County determines the Certified Tax Rate. The City uses the current tax rate to figure an estimate of revenues from property taxes for the proposed budget until the actual rate comes in. The formula generates pretty close to what the County says it will year after year. A city may see large increases only if it has a huge growth year which this year has not been. The rate is a reliable number based on factual data. He stated the City can adopt a lower tax rate, however it will mean less revenue.

Brian Braithwaite said the only reason he can see the rate would go up is because his property value went down. Barry Edwards stated that is not necessarily the case. There are many factors including the delinquency rate.

Mayor Franson noted the budget is a very fluid document in terms of anticipated revenues.

Claudia Stillman asked what percentage of a homeowner's total property tax goes to City revenues. Mr. Edwards answered it is a very small percentage which he guessed was approximately ten percent.

SUBSTITUTE MOTION: Kathryn Schramm moved to adopt Resolution 10-2008: A Resolution Setting the Certified Tax Rate for Fiscal Year 2008-2009 and setting the rate at the FY2008 rate of .001420.

Kathryn Schramm stated if the City Council accepts the Certified Tax Rate from the County they will be raising taxes again. She is aware the City's property tax revenues are smaller than what is paid to the school district, however if the City Council is careful with the taxpayers money they can show citizens they are fiscally responsible.

Mayor Franson requested a recess to allow staff time to detail figures relating to the current and proposed Certified Tax Rate.

The City Council meeting recessed at 7:49 p.m. The meeting reconvened at 8:07 p.m.

Mayor Franson requested Barry Edwards address the current and proposed Certified Tax Rates.

Barry Edwards noted the current Certified Tax Rate is .001420 which was a combination of a Library Tax Rate (based on the Truth in Taxation Hearing) and the General Fund rate. The proposed tax rate is .001565. If the proposed rate is bypassed and the City Council goes back to last year's rate it will represent a 10% reduction in amount of property tax collected from the General Fund and Library. In real numbers it would take away \$21,000 from the Library and \$130,000 from the General Fund.

Mayor Franson repeated the motion on the floor from Kathryn Schramm and asked for a second. **Brian Braithwaite seconded the motion.**

Kathryn Schramm reviewed minutes from August 15, 2007 when the Truth in Taxation hearing was held in conjunction with adoption of the FY2008 budget. She addressed the fact that \$21,000 would be taken away from the library and stated an amendment to the proposed library budget has already passed for a total of \$300,000.

Brian Braithwaite reiterated his feeling that the County's rate is incorrect based on the fact that he has never seen an assessed property value go down. He believes the City will end up collecting more money based on a higher mill rate and that it makes no sense to increase the rate to what the County provided. While adopting last year's rate may mean the overall budget has to be adjusted down, he has a gut feeling the money will come in and the budget can be adjusted up at that point.

Brian Brunson noted that Utah County just provided these figures to the City yesterday. He expressed concern with eliminating \$142,000 from the proposed budget by adopting last year's tax rate, particularly since the current General Fund surplus is the smallest it has been in some time. He stated it puts a great burden on the City to maintain the same revenues. He detailed issues with property owners challenging assessed values and how it may affect the City's portion of property taxes. He also addressed the delinquency rates for property taxes. Overall he feels that adopting last year's rate represents an insignificant amount to each homeowner of perhaps \$20 a year. He stated it would be detrimental and improper to make this adjustment at this late point.

Claudia Stillman noted there are many homes on the market, and the current economy increases the chance of more foreclosures and property tax delinquencies. She stated the City needs to maintain revenues in the budget so it can continue to provide adequate services.

Larry Mendenhall discussed the formula for the tax rate and stated the tax rate has to go up in order to give the City the same amount of revenue it got last year. He noted the Certified Tax Rate is simply a mechanism that the County uses to equalize the taxes and level the revenues so the City can depend on a level revenue amount year after year. He believes it is a disservice to the community to decrease the rate provided by the County.

Mayor Franson repeated the motion from Kathryn Schramm and seconded by Brian Braithwaite: To adopt Resolution 10-2008: A Resolution Setting the Certified Tax Rate for Fiscal Year 2008-2009 at last year's rate of .001420. He called for a vote on the motion: Those voting aye: Brian W. Braithwaite, and Kathryn Schramm. Those voting nay: Brian Brunson, Larry Mendenhall, and Claudia Stillman. **The motion failed with 2:3 vote.**

Mayor Franson called for a vote on the main motion to amend (increasing Account #10-31-10) made by Brian Brunson and seconded by Larry Mendenhall. Those voting aye: Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, and Claudia Stillman. Those voting nay: Kathryn Schramm. The motion carried with a 4:1 vote.

Mayor Franson asked for any more amendments to the budget and Brian Braithwaite suggested the City Council discuss adoption of the certified tax rate.

MOTION: Brian Brunson moved to adopt Resolution 10-2008: A Resolution Setting the Certified Tax Rate for Fiscal Year 2008-2009 as provided by the County at a rate of .001565. Claudia Stillman seconded the motion.

Brian Braithwaite noted that Alpine City has a lower tax rate. He stated that does not mean Alpine's property values are increasing, but he believes that is what it infers. He reiterated there is something wrong with the formula and it doesn't make sense. He requested more information on the tax rate.

Mayor Franson called for a vote on the motion. Those voting aye: Brian Brunson, Larry Mendenhall, and Claudia Stillman. Those voting nay: Brian Braithwaite and Kathryn Schramm. The motion passed with a 3:2 vote.

Mayor Franson requested additional questions or amendments to the FY2009 Budget.

Kathryn Schramm asked if the proposed budget included the approved personnel salaries. Mayor Franson indicated the proposed budget provides funds for a Cost of Living Adjustment in the amount of 4.1% as well as merit pay increases. The merit increases are not guaranteed to the employee but can be approved by the City Administrator based on the personnel policies.

MOTION TO AMEND: Kathryn Schramm moved that the proposed FY2009 budget be amended to include a 3.2% Cost of Living Adjustment instead of the 4.1% Cost of Living . The motion died for lack of a second.

Mayor Franson answered a question that each employee could receive both a COLA increase (given July 1) as well as a Merit increase (given on the hire date anniversary with a maximum amount of 5%) based on employee performance. It was noted there is enough money in the budget to adjust certain salaries to bring lower salaries in line with a market survey; however, that would need to come before the City Council for approval.

When Kathryn Schramm brought up discrepancies in certain numbers of different budget copies, Mr. Edwards noted the City Council is approving the computer printout pages generated from Caselle which start on Page 14 of the budget, including the amendments that have been passed by the City Council this evening.

Mayor Franson repeated the main amended motion on the budget adoption and called for a vote. Approving Ordinance 2008-13: An ordinance enacting and administrating the Fiscal Year 2008-2009 Highland City Annual Budget with the following amendments:

- 1. Increase Account #10-50-70 – General Fund – Library, from \$150,000 to \$300,000;**

2. **Increase Account #10-70-75 – General Fund – Highland Glen Park Improvements, from a zero balance to \$50,000;**
3. **Increase Account #40-40-71 – Park Construction, from a zero balance to \$100,000;**
4. **Modify the following accounts in the total amount of \$76,800 (\$12,800 or 20% increase):**

<u>Account#</u>	<u>Description</u>	<u>Current Proposed</u>	<u>20% Increase</u>	<u>Total Proposed</u>
10-52-26	Planning/Zoning	\$3,000	\$600	\$3,600
10-58-25	Building Inspection	\$4,000	\$800	\$4,800
10-60-51	Streets & Roads	\$12,500	\$2,500	\$15,000
10-66-34	Engineering	\$8,500	\$1,700	\$10,200
10-70-34	Parks & Recreation	\$6,500	\$1,300	\$7,800
10-71-25	Cemetery	\$1,000	\$200	\$1,200
52-40-28	Sewer	\$3,000	\$600	\$3,600
53-40-28	Pressurized Irrigation	\$5,000	\$1,000	\$6,000
54-40-31	Storm Sewer	\$7,500	\$1,500	\$9,000
55-40-28	Culinary Water	\$10,000	\$2,000	\$12,000
55-44-28	Construction	\$3,000	\$600	\$3,600
TOTALS		\$64,000	\$12,800	\$76,800

5. **Increase Account #53-40-74 – Water Share Assessments, from \$250,000 to \$310,000;**
 6. **Modify Accounts #10-60-75 – Streets & Roads from \$25,000 to \$22,500 and #10-60-49 – Streets & Roads from \$55,000 to \$57,500;**
 7. **Decrease Account #40-40-75 – Park Equipment, from \$450,000 to \$375,000;**
 8. **Increase Account #10-43-81 – Modular Building Lease, from a zero balance to \$6,500;**
 9. **Increase Account #10-31-10 from \$1,306,088 to \$1,320,220; and Account #10-31-12 from \$210,000 to \$212,528 to reflect the Certified Tax Rate of .001565 submitted by Utah County**
- Those voting aye: Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman. The motion passed with a unanimous vote.**

Decision on a Request to Participate in the Construction of the Stice Acres Fence (Agenda Item 8.3)

The City was approached by the several residents in Stice Acres with a request to participate in the costs of their fencing along 10400 North. The residents complained of the park strip being over watered which caused standing water on their property. They felt the fencing would stop the water from running onto their property. Initially the residents met with the City Council to remove a condition from the plat approval that required a specific type of fence. The City Council asked staff to come back with recommendations on whether the City should participate or not; and how to solve the issue of water runoff.

Since the last City Council meeting the water in the park strip at Stice Acres has been turned off. This was done to determine the impact of watering. Staff determined that due to over watering by one of the residents on the far east property, water is still pooling in the yard. On the far west resident's property there is little evidence of pooling water. Where no landscaping exists, there is no water pooling. Staff has concluded that it appears water pooling can be controlled by working on the sprinkler system and timing. Staff is recommending that the sprinkler heads be changed to cut flow and watering patterns be changed to every other day. The heads will be changed where there is a potential problem of runoff. Staff feels this will eliminate the runoff. Costs to change the heads are approximately \$2,500. With these modifications staff recommends that the City Council not participate in the construction of the

fence. After the modifications have been made staff will evaluate the area to determine if problem is eliminated.

MOTION: Claudia Stillman moved that the City not participate in the construction of the residents fences along 10400 North at Stice Acres. Brian Brunson seconded the motion.

Claudia Stillman detailed staff findings and stated she does not feel it is the City's responsibility to participate in costs of the fencing.

Brian Braithwaite asked if staff has talked with the residents about the findings they have made. Barry Edwards indicated staff did speak with residents when the situation was being evaluated. During the time the water was turned off there was quite a bit of rain and there were still water problems. He stated it is staff's conclusion that the City can keep its water where it belongs through the use of different sprinkler heads.

Matt Shipp indicated staff has visited the area a couple of times a week to evaluate any problems and noticed more problems on the easterly lot of Stice Acres along 10400 North.

Resident Dave Clements addressed the City Council and stated he was made aware of what the City Council's decision might be. He expressed disappointment and stated the solution is a sore excuse for what he has been living with for two years. He has never seen city staff visit the area and noted that staff does not respond to his emails and phone calls. The water runs from natural sources and is trespassing onto his property. Now that the fence is in place it has solved the problem. He expressed frustration because he had a commitment from the City that they would participate.

Kathryn Schramm stated it is obvious from Mr. Clements comments that the problem goes beyond the type of sprinkler head and may involve the topography of the ground. She would rather see the City act in a better way by helping with the fencing solution that has seemed to fix the problem.

Brian Braithwaite asked how confident staff is that the reduction in water and changing the sprinkler heads solved the problem rather than the fence. Matt Shipp stated he is fairly sure it would solve the problem and when pressed for a number he suggested he was 80% sure. Barry Edwards agreed and stated the City will never be able to contain natural water and precipitation because this property naturally slopes down, however the pooling will not be from pressurized irrigation.

Brian Braithwaite commented it is sad that an expectation was set that the City would participate. He added the solution should be the most economical, right decision to get the problem fixed. He wants to ensure it will be resolved.

Brian Brunson outlined the two problems: 1) communication issues with staff, and 2) the issue of spending City money to fix a problem. He agrees there was a breakdown in communication, however setting that aside and dealing with the issue of participating in the fence construction is hard because of the issue of historical flows in the city.

Mayor Franson called for a vote on the motion. Those voting aye: Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, and Claudia Stillman. Those voting nay: Kathryn Schramm. The motion passed with a 4:1 vote.

Mayor Franson stated the City has made some significant improvements in the communication process and there may have been circumstances that led to confusions on what the City would assist with. He stated hopefully these new processes will prevent future problems.

Approval of the Spring Creek Park Layout (Agenda Item 8.4)

Highland City purchased approximately 12 acres of property located on Mountain View Drive west of Thorton Heights. This property was purchased using funds from the \$8,000,000 Park Bond. At the time of the purchase it was decided that this park would be developed and used as one of the needed athletic facilities in Highland since the City is in need of more baseball and soccer fields. Staff worked on conceptual layouts for the park and presented it to the City Council at a previous meeting. At the time of the meeting staff was instructed to meet with residents in the adjacent area to share the proposals and also to take input from residents on the park design. Approximately 30 residents attended the open house. The main concerns expressed were regarding parking and traffic. The residents proposed the use of the park be scaled back as an athletic facility to address some of these concerns. Staff developed a recommended conceptual layout that meets the needs of the City for athletic facilities, addresses the parking issue, and also gives a neighborhood park, which includes a playground area when not being used for athletic purposes. Staff would like to begin construction late summer or early fall to have the fields ready for use as soon as possible.

MOTION: Brian Braithwaite moved to approve the staff recommended “Alternative B” for the layout of the Spring Creek Park. Brian Brunson seconded the motion.

Brian Braithwaite made comments regarding the park and stated Alternative B provides the best utilization for the ground.

Resident Paul Schramm stated his property is directly adjacent to a portion of the proposed park. He noted at the open house most of the citizens surrounding the park preferred a different layout (Alternative C) that provided more parking yet reduced one athletic field. He noted the potential for the same problem with runoff that occurred in Stice Acres, particularly along the north and east boundary. Currently there are irrigation ditches along these boundaries and the water flow in that area goes from the east to the west, then south. City staff has ensured any flooding will be taken care of but he wanted to address the issue. Mr. Schramm noted that when Mr. Stice owned the property now developed as Stice Acres the reason he never had flooding was because of the irrigation ditch along 10400 North.

Kathryn Schramm stated she does not favor Alternative B because it is an athletic complex in the middle of a residential neighborhood. She read a section from the General Plan that indicates athletic complexes should be located along major roads to alleviate impact. She feels that section of the General Plan negates this area as being an athletic complex.

When asked how many parking stalls the staff recommendation included, Mr. Shipp estimated approximately 125 stalls.

Ms. Schramm said for added safety the neighbors requested a right-in/right out from the parking lot. It was noted this type of access will be accommodated but was not able to be updated on the plan prior to the meeting. Ms. Schramm also noted the neighbors will object to any lights in the park. She added that the residents of North Canterbury were able to choose how they wanted the park in that area developed.

Regardless of the layout of the park, Ms. Schramm stated she would like to see funding go toward piping the irrigation ditches in the area.

Resident Kelly Sobotka stated his property borders this property and he wants a park there. He is in favor of either park layout. He also noted he is aware there are irrigation issues.

Resident Mike McKendrick concurred with Mr. Sobotka's statements and stated this is not a true sports complex but something in between. The main concern he has is with lighting.

Playground structures were then discussed and it was noted the playground area is designed for 8 to 12 year olds, rather than a true "tot lot" structure. Mr. Shipp stated the City does not have much use of the tot lot structures because they are so quickly outgrown.

Brian Brunson stated these fields are a necessity in the City and considering budget concerns the City needs to get the best impact its dollar.

Mayor Franson called for a vote on the motion. Those voting aye: Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman. The motion passed with a unanimous vote.

Approval of an Ordinance amending Chapter 10, Definitions, in the Highland City Development Code Adding a Definition for "Attached Structure" (Agenda Item 8.5)

On May 27, 2008 after some discussion regarding concerns related to accessory structures the Planning Commission requested that staff draft an ordinance defining attached structures. Recent events have led to concerns regarding accessory structures. People are beginning to attach existing structures to their homes with rooflines and foundations to add additional square footage to their home so they may increase the number and/or square footage of accessory structures on their property.

Staff drafted a definition of attached structures which was reviewed by the Planning Commission on June 10, 2008. Following the Planning Commission staff made changes to the definition which they felt would further clarify the issue. The definition proposed by staff is as follows:

Dwelling, One-Family or Single-Family: A detached residence designed for or occupied by one family.

(a) The main dwelling on a property shall include a connecting roofline and connecting foundation, at least two common walls, and uninhibited interior access within the structure. Attached structures also include covered decks and patios.

(b) Any above ground dwelling construction that does not meet this criteria shall be considered an accessory structure.

MOTION: Larry Mendenhall moved to adopt an Ordinance Amending Chapter 10, Definitions, in the Highland City Development Code Adding a Definition for "Attached Structures/Main Dwellings" as recommended by Staff.

Larry Mendenhall stated this has been an open ended issue for some time and he believes it is consistent with good planning practices.

Much discussion took place regarding clarification, allowing residents to have proper use of their property and other requirements that the change would impose.

SUBSTITUTE MOTION: Brian Brunson moved to continue the item until the next meeting to allow time for further review. Brian Braithwaite seconded the motion. Those voting aye: Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman. The motion passed with a unanimous vote.

Final Plat Approval - Waterford Estates Subdivision (Agenda Item 8.6)

Lone Peak Development is requesting final plat approval for a seven lot subdivision known as Waterford Estates. This is a 12 acre parcel in the R-1-40 zone located at 5830 West 11750 North. The proposed density is 0.579 units per acre. Lot sizes range from 20,000 and 57,040 square feet, and meet the minimum frontage requirements of 130 feet. The Planning Commission recommended approval subject to conditions.

MOTION: Brian Braithwaite moved to approve the Waterford Estates Subdivision Final Plat subject to the following conditions:

1. **SEWER DEED RESTRICTION.** That a deed restriction be placed on Lots 5, 6, and 7 and a note be added to the final plat stating: *“notice is hereby given that the purchaser/owner of Lots 5, 6, and 7 shall be required to use a TEMPORARY sewer septic system approved by the City Engineer and shall be required to connect to the main sewer trunk line within one year of City Engineer’s approval that the trunk line is operational, even in such case that a grinder pump is used”*;
2. **IMPROVEMENTS.** That the DEVELOPER shall be responsible to install all of the improvements with this development to the south property line as well as all improvements along Westfield Road including the Parkway Detail, and
3. **EASEMENT.** That Lot 1 include a City Parkway Landscape and Public Access Easement 29 feet from the curb consistent with existing conditions along 11800 North as per requirements of the Development Code and General Plan; and
4. **ANIMAL NOTATATION ON PLAT.** That a note be included on the Final Plat stating *“Property owners adjacent to this subdivision have existing large animal rights which may include horses, cows and goats. These rights are protected by both the Municipal and Development Codes of Highland City. There are noises, smells and other events associated with these animals that can occur all hours throughout the day and night, and prospective buyers of property in this subdivision should be aware of this prior to purchasing property”*; and
5. **PLAT CHANGES.** That the applicant remove any linework or plat drawing referencing any adjacent property or right-of-way that does not belong to the parcel in question and will not be recorded as part of this subdivision plat.

Brian Brunson seconded the motion. Those voting aye: Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman. The motion passed with a unanimous vote.

Approval of a Change Order Request for the Highland City Hall (Agenda Item 8.8)

During the building process of the Highland Justice Center and the Highland City Hall there were changes made making it necessary to adjust the contract amount. Original proposed value engineering items were priced at \$497,000. During the building process it became necessary to make changes not recommended in the value engineering, changes by owner request or by changes due to clarification and unknown items.

MOTION: Claudia Stillman moved to approve the change order for the Highland City Hall in the amount of \$160,322.00. Kathryn Schramm seconded the motion.

Brian Braithwaite asked detailed questions related to specific items in the change order. These questions were answered by the architect Gordon Clark from JRCA.

Mayor Franson called for a vote on the motion. Those voting aye: Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman. The motion passed with a unanimous vote.

Approval of the Furniture, Fixtures and Equipment Budget for Highland City Hall (Agenda Item 8.9)

Due to timing issues and the ordering process this item needed to be moved forward in order to maintain the timeline of moving into the new City Hall upon completion. The construction standard outlines that the general contractor constructs the building and the owner provides the furnishings. These items will be used throughout the building and includes items such as tables, chairs, desks, filing cabinets, and bookshelves. This will complete furnishings in the City Hall with the exception of the lounge furniture and window coverings. The total amount currently needed is \$222,101.92

MOTION: Kathryn Schramm moved to approve the Furnishing, Fixtures and Equipment Budget for the Highland City Hall as presented, not to exceed \$222,200. Brian Braithwaite seconded.

Brian Brunson applauded staff for the fiscal impact statement that modifications are being considered to reduce certain costs.

Mayor Franson called for a vote on the motion. Those voting aye: Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman. The motion passed with a unanimous vote.

Approval of an Ordinance Adding “Article 3.52 Natural Resource Extraction Zone Overlay” to the Highland City Development Code (Agenda Item 8.7)

Highland City has the need for a Natural Resource Extraction Zone for the purpose of crushing rock as part of removing a large gravel deposit on City property along SR-92. Currently there are three existing water tanks that were acquired during the acquisition of the Highland Water Company which are no longer needed. This proposal does not affect or incorporate the Westroc gravel operation but would be established entirely on City owned property that would be monitored and maintained by the City. The final intended use of the property is to construct a ground water recharge pond facility. A new zone is

not required for the removal of the gravel or for a ground water recharge pond facility; however, the City would not be able to utilize a rock crusher to process gravel without creating the new zone.

As drafted, the overlay zone requires a Conditional Use Permit with a public hearing rather than the usual General Plan amendment and rezone.

The Planning Commission held a public hearing on May 13, 2008 and recommended Council approval of an amended proposal subject to certain minor conditions including that the City Council require a park be installed in the Natural Resource Extraction Zone at the end of the five year extraction period.

MOTION: Claudia Stillman moved to adopt an Ordinance “Adding Article 3.52 Natural Resource Extraction Zone Overlay to the Highland City Development Code” per the recommendations of the Planning Commission and Staff. Larry Mendenhall seconded the motion.

Brian Braithwaite stated he does not understand the need for the overlay zone. The City will not be extracting minerals but will be pulling rock out of the quarry. He would like citizens to be made aware of the proposal since the City spent a great deal of money to stop another gravel pit from coming in by allowing construction of the View Pointe subdivision above. He expressed concerns that staff is now talking about an additional gravel pit.

SUBSTITUTE MOTION: Brian Braithwaite moved to continue the item. Kathryn Schramm seconded the motion. Those voting aye: Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman. The motion passed with a unanimous vote.

Brian Brunson echoed Brian Braithwaite’s concerns and asked staff to address the need for this use at a future meeting. He also requested that staff provide a value on the gravel.

Brian Braithwaite noted this amendment is being done under the auspices that it is needed for ground water recharge, but the City’s desires for ground water recharge can be accomplished without applying a new zone. He asked staff to be prepared to help the City Council understand why this is needed.

Kathryn Schramm asked staff to also address if the City would be hauling gravel out of the canyon or if it would be picked up it up.

Approval of a Purchase Agreement between Utah County and Highland City for 2.825 acres of Property (Agenda Item 8.10)

This agreement will accomplish two purposes, 1) it will help provide for the widening of 4800 West and 2) it will allow the Alpine Country Club the ability to redesign the golf course due to the widening of 4800 West. Entering into the agreement will allow Utah County to use matching funds for the road. This item was added to an amended agenda due to a deadline for matching funds by the end of the fiscal year.

MOTION: Brian Brunson moved to continue the item. The motion died for lack of a second.

MOTION: Brian Braithwaite moved to approve a purchase agreement between Utah County and Highland City for 2.85 acres of property along 4800 West in the amount of \$706,250 (\$250,000 per acre). Claudia Stillman seconded the motion.

Brian Braithwaite stated this arrangement has value to the City from an open space standpoint and will also allow for the widening of 4800 West with minimal impact to the golf course.

Brian Brunson expressed concern with the short amount of time the City Council and staff have had to view this proposal as well as the effect this would have on the master plan for the park. He asked why the funding deadline was so crucial.

Barry Edwards noted that the State Legislature put a time limit on how long the “corridor preservation” funding mechanism could be used before funds slated for this use expire.

Brian Brunson clarified that Utah County will acquire the property and then trade it to the Golf Course to enable the use of matching funds. He requested a deed restriction be put in place that protects the intended use of the property for the purpose of golf course expansion.

MOTION TO AMEND: Brian Brunson moved to amend the motion to require the purchase agreement include a deed restriction that clarifies the sale is intended for golf course property and if sale falls through the property will revert back to the City. Larry Mendenhall seconded the motion. Those voting aye: Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman. The motion passed with a unanimous vote.

AMENDED MOTION: Approval of a purchase agreement between Utah County and Highland City for 2.85 acres of property along 4800 West in the amount of \$706,250 (\$250,000 per acre) and that the purchase agreement include a deed restriction that clarifies the sale is intended for golf course property and if sale falls through the property will revert back to the City. Those voting aye: Brian W. Braithwaite, Brian Brunson, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman. The motion passed with a unanimous vote.

FUTURE BUSINESS

Due to the late hour, Mayor Franson requested the City Council review the following future business items and address any questions to staff prior to the July 15, 2008 meeting on which they may be included.

- Sign Ordinance
- Development Code Amendment – Basement Apartments

ADJOURN TO A CLOSED EXECUTIVE SESSION

MOTION: Brian Brunson moved to adjourn to a closed executive session for the purpose of discussing the purchase, exchange, or lease of real property, pursuant to Section 52-4-205(1) of the Utah Code, Annotated. Kathryn Schramm seconded the motion. Those voting aye: Brian Braithwaite, Brian Brunson, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman. The motion passed with a unanimous vote.

The meeting adjourned at 10:17 p.m.

EXECUTIVE SESSION – Purchase, Exchange, or Lease of Real Property

An executive session was held at 10:19 p.m. for the purpose of discussing the purchase, exchange, or lease of real property, pursuant to Section 52-4-205(1) of the Utah Code, Annotated. Those in attendance were: Mayor Jay Franson, Councilmembers Brian Braithwaite, Brian Brunson, Larry Mendenhall, Kathryn Schramm, and Claudia Stillman; staff members Barry Edwards, Gina Peterson, David Church, Lonnie Crowell, Matt Shipp, and Jody Bates.

The closed executive session adjourned at 10:49 p.m.

FUTURE BUSINESS (continued)

Agreement – S & M Farms Property Purchase

S & M Farms has indicated a willingness to sell property to the City for a park. A purchase agreement was discussed in closed session so property negotiations could take place.

Mayor Franson indicated the City Council will consider the agreement with some very minor modifications.

Dan Van Woerkom was present representing the property owners of S & M Farms.

Brian Brunson asked the timing of the subdivision plat recordation on the S & M Farms parcel. Mr. Van Woerkom stated the first one-third of the property would be considered the first phase and it was the intent of his client to file for plat recordation immediately upon the agreement approval.

Mr. Church stated he would meet with Mr. Van Woerkom and review additional language that would be needed in the agreement. He requested the City Council advise him of any other concerns prior to bringing the item back for final approval.

ADJOURNMENT

Brian Braithwaite moved to adjourn. Claudia Stillman seconded. The meeting adjourned at 10:54 p.m.

Gina Peterson, City Recorder

Date Approved: August 5, 2008