HIGHLAND CITY COUNCIL MINUTES  
Tuesday, January 22, 2019  
Approved February 19, 2019

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

PRESIDING: Mayor Rod Mann

COUNCIL MEMBERS PRESENT: Brian Braithwaite, Ed Dennis, Tim Irwin, Kurt Ostler (via telephone), Scott L. Smith

CITY STAFF PRESENT: City Administrator/Community Development Director Nathan Crane, Assistant City Administrator Erin Wells, Finance Director Gary LeCheminant, City Engineer Todd Trane, Library Director Donna Cardon, City Attorney Tim Merrill, City Recorder Cindy Quick and Police Chief Brian Gwilliam

OTHERS: Brynn Mortensen, Ashlee Udall, Claudia Stillman, Roger Dixon, Ed Kilgore, Mark Henscheid, Jett Hanson, Peter Jacobsen, Doug Cortney, Laura Dawson, Wayne Tanaka, Helene Pockrus, Devirl Barfuss, Tyrell Gray

7:00 PM REGULAR SESSION (CITY COUNCIL CHAMBERS)
Call to Order – Mayor Rod Mann
Invocation – Roger Dixon
Pledge of Allegiance – Police Chief Brian Gwilliam

The meeting was called to order by Mayor Rod Mann as a regular session at 7:02 p.m. The meeting agenda was posted on the Utah State Public Meeting Website at least 24 hours prior to the meeting. The prayer was offered by Roger Dixon and those assembled were led in the Pledge of Allegiance by Police Chief Brian Gwilliam.

1. UNSCHEDULED PUBLIC APPEARANCES

Devirl Barfuss, a resident, addressed the budget amendments and asked why the Pressurized Irrigation impact fee fund was double that of the other impact fees.

City Engineer Todd Trane explained that the City had a lot of pressurized irrigation projects coming up. He invited Mr. Barfuss to meet with him to review the analysis. The City was required to review the impact fee analysis frequently and the fees would increase or decrease based on the needs of the City.

2. PRESENTATIONS

a. HOUSING AFFORDABILITY – Brynn Mortensen

Brynn Mortensen, Public Policy & Special Projects Manager with the Salt Lake Chamber, explained that she was representing the Broad Utah Business Industry. For the past few years, business owners had been approaching the Salt Lake Chamber stating that it was hard for their employees to find affordable housing. This problem exists across all kinds of housing: new, existing, and rentals of all sizes and in all locations. The Chamber commissioned a study which looked at the past, current, and future generation of homeowners. They found that for the first time in 40 years, there were more households than housing units. There were
54,000 fewer housing units than households. In Utah County, the median single-family home mortgage payment had increased 59% in the past five years. They predict that Utah’s housing prices would be equivalent to Seattle housing prices by 2024. The five factors driving pricing up were construction and labor costs, local zoning ordinances and the “not in my back yard” public sentiment, land costs and topography, population growth, and job growth.

Ms. Mortensen explained the purpose and function of the Housing Gap Coalition, which was to come up with solutions to the housing problem before it became a crisis. One possibility was for cities to gain funding through MAG to help them amend their transportation master plans. Another concern was the dwindling construction workforce. To address that concern, the Coalition had partnered with the Ken Garff Foundation and their Keys to Success program. The program would help educate high school aged youth in various career options, including construction, and it would offer local internships and apprenticeships. Rebuilding the workforce could help to address affordability challenges.

On the first of the month, the Coalition launched a statewide public awareness campaign regarding growth, housing, and smart planning. They also partnered with the Utah League of Cities and Towns and did a deep-dive study about the public sentiment around growth. They had over 2,000 respondents. They found that housing affordability was the number one issue in the nine fastest growing counties. Everyone wanted the community to stay the way it was when they moved in, but overall, they are open to smart planning if it had mixed uses, adequate transportation, and if it facilitates economic development.

Ms. Mortensen had spoken to fifty City Councils since July to share the information and she recognized that it was not a one-size-fits-all approach. They were asking each City to be proactive and explore ways that they could address their codes regarding development, zoning, transportation, and infrastructure. They also asked that the City Council sign a support resolution. The Council was welcome to change any wording that would make them feel more comfortable.

Ms. Mortensen concluded by saying that population was set to double in the next fifty years, and they needed to plan for it, so they did not lose the quality of life that they have. Utah can continue to be a place that people love.

Council Member Kurt Ostler stated that higher density does not always bring affordability. He asked Ms. Mortensen if they had noticed anything like that in their study. She responded that they were currently doing a follow-up study to address just that. The new study would also focus on how density affects prices and values of surrounding homes. Part of the problem was that even high-density units had higher prices because of the supply and demand problem. She noted that some communities were more expensive than others, but the City didn’t have control over that. She understood that City code could only address so much.

There was a brief discussion regarding transportation and Ms. Mortensen said that the City could update their transportation master plan to help address the concerns of congestion and public transportation availability in their community.

Council Member Brian Braithwaite noted that developers often point fingers at the City and complain about the codes and application process. However, many cities in Utah Valley had thousands of lots that were ready to be built and developers were not choosing them. The developers control what gets built and what does not. The City’s responsibility is to make sure that developers do their job right when they do develop. He asked if the study addressed what happens when developers do not do their job correctly. Ms. Mortensen did not have an answer to that, but she would take their feedback back to the Coalition. They had not considered lots that were not being developed. She noted that they were also working to create a similar support resolution for developers to sign, so that they were all working toward solutions together.
Council Member Scott L. Smith said that his family had lived in North Utah County since the 1850s and he missed the open fields, farms, and orchards. He believed that people consider open spaces as part of their quality of life. Highland wanted to maintain open spaces, less crowded schools, and less traffic congestion. He said that they were not opposed to people moving in; there was just a quality of life that would be sacrificed. He also believed that the growth projections may or may not happen. He felt they should focus on quality of life. Ms. Mortensen responded that they did encourage cities to consider open space and transportation when planning for the future. They want Utah communities to be a good place to live, work, and play. She referred the Council to their website, where they could find more information.

b. **FY 17/18 AUDIT PRESENTATION** – *Steve Rowley, Keddington & Christensen*

Steve Rowley, with Keddington & Christensen, presented the audit report for FY 2017-18 and explained the role of the Mayor, Council, staff, and auditors in the process. Mr. Rowley reported that no significant issues were found and the internal controls seemed to be adequate. He then passed out copies of the report to the Council, and Finance Director Gary LeCheminant noted that it had also been distributed electronically. He quickly went through the financial statements, and areas that were tested for budgetary compliance. He reported that staff was good to work with and were very open with the auditors. Highland had strong controls, even with limited staff.

Council Member Ed Dennis was happy to see that they were in compliance with the reserve fund balance. Finance Director Gary LeCheminant said that the Council had adopted a resolution a few months ago that allowed him to transfer funds to bring the reserve fund balance into compliance.

Mr. Rowley directed the Council to the Management Discussion Analysis, which may help them as they analyze the report. The footnotes may also be helpful.

### 3. CONSENT ITEMS

Items on the consent agenda are of a routine nature or have been previously studied by the City Council. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

a. **ACTION:** Approval of Meeting Minutes

Regular City Council Meeting December 4, 2018, and January 8, 2019.

b. **ACTION/RESOLUTION:** Adopt the amendment to the Interlocal Cooperation Agreement with the Utah County Major Crimes Task Force (UCMC)

City Council will consider approving an amendment to the Interlocal Cooperation Agreement with Utah County Major Crimes Task Force (UCMC). The Council will take appropriate action.

Council Member Tim Irwin pulled consent item b. for further discussion.

*Council Member Ed Dennis MOVED to approve consent items a. with amendments to the December 4, 2018, minutes.*

*Council Member Tim Irwin SECONDED the motion.*

The vote was recorded as follows:

- Council Member Brian Braithwaite  
  Yes
- Council Member Ed Dennis  
  Yes
- Council Member Tim Irwin  
  Yes
- Council Member Kurt Ostler  
  Yes
- Council Member Scott L. Smith  
  Yes

The motion passed.
Council Member Tim Irwin asked if the proposed agreement belonged more in the Public Safety District than to each city. He also questioned if the Public Safety District Board had reviewed the document. Police Chief Brian Gwilliam reported that the agreement would be brought to the Board for approval on January 31st. The document needed to be signed by each City because Highland and Alpine fund a portion of the District. They had signed a similar agreement two years ago, but a lawsuit had been brought against the District and the cities that participated in it, so they decided to amend the agreement. The resolution states that in the event of a legal argument, the cities have to agree before they can take legal action.

City Attorney Tim Merrill added that the resolution would require cities to send notice of their potential action. A city could not settle without giving the other defendants two weeks’ prior notice of their intent.

Council Member Brian Braithwaite MOVED that the City Council approve the Interlocal Cooperation Agreement with the Utah County Major Crimes (UCMC) Task Force as presented and amended. Council Member Ed Dennis SECONDED the motion.

The vote was recorded as follows:
- Council Member Brian Braithwaite: Yes
- Council Member Ed Dennis: Yes
- Council Member Tim Irwin: No
- Council Member Kurt Ostler: Yes
- Council Member Scott L. Smith: Yes

The motion passed 4:1.

4. **ACTION/RESOLUTION: APPROVE A RESOLUTION TO CREATE A LIBRARY FUND**

Library Director Donna Cardon presented the resolution to create a Library Fund. Currently, the library was funded through a designated library tax through the General Fund. However, State Code requires that the funds for the library be in a separate Library Fund. This means that expenses and revenues would no longer be tracked through the General Fund.

Council Member Tim Irwin was supportive of the resolution.

Council Member Ed Dennis commented that this would set up a special revenue fund to track the money more closely, but it would be considered a governmental fund rather than an enterprise fund.

Council Member Scott L. Smith also expressed support for the fund.

There was a discussion regarding the rent and cross charges that were currently being charged to the library. Finance Director Gary LeCheminant explained why they had been doing the cross charges and stated that transfers from the General Fund to the Library Fund would need to have a zero balance.

Council Member Tim Irwin pointed out that the proposal was to create the Library Fund. The budgeting discussion was not part of the decision. Mayor Mann stated that the budgetary discussion should take place during Item 5.

Council Member Tim Irwin MOVED that the City Council approve resolution R-2019-03 for the creation of the Library Fund.

Council Member Ed Dennis SECONDED the motion.

The vote was recorded as follows:
- Council Member Brian Braithwaite: Yes
5. PUBLIC HEARING/ACTION: MID-YEAR BUDGET ADJUSTMENTS FOR FISCAL YEAR 2019

Finance Director Gary LeCheminant went over the mid-year budget adjustments for FY 2019. He explained that the adjustments were based on trends he was seeing in the budget thus far. The major impacts to the budget were from a decrease in building permits. The building permits had been decreasing for the last two or three years. There were also lower park impact fees and public safety impact fees.

Council Member Ed Dennis asked if Blackstone was under construction and if that would impact the budget. City Administrator Nathan Crane explained that staff had contacted the builders and they were behind schedule.

Finance Director LeCheminant addressed a few more adjustments, including the inclusion of the General Plan and Market Study. He then addressed the library fund, which would now be a separate fund. He stated that the fund balance cannot go negative, so they had to transfer out $77,000 to balance it to zero.

Council Member Ed Dennis disagreed and said that the negative fund balance was created because they were transferring the cross charges back to the General Fund as a revenue item. The General Fund was actually benefiting from the library without making the transfer. This transfer ($77,000) from the General Fund would offset the benefit to the General Fund for the cross charge revenue and offset the deficit in the Library Fund. There are offset entries in both funds which nets to zero. Finance Director LeCheminant explained that they do the same thing for the Enterprise Funds, except that they do not transfer money out of the General Fund into the Enterprise Funds.

Council Member Brian Braithwaite said that the important thing was to make it as transparent as possible, and the public needed to know how much the Library Board was receiving from the General Fund. The City was subsidizing the library, and that needed to be clear to the residents. He thought that the transfer was a good thing.

Council Member Scott L. Smith commented that the General Fund loses $24,000 from the motor vehicle tax, and asked if that was a fee-in-lieu of property tax. Staff answered affirmatively and there was subsequent discussion.

Library Director Donna Cardon addressed the library budget and explained that the General Fund had been subsidizing the library. When the library was part of the General Fund, it was easy to overlook. She explained that $44,000 of the amount was for rent, and a decision must be made about the $32,000 in cross charges. Either the General Fund could continue to subsidize the library fund all together, or they could stop subsidizing everything but the rent. The rent could be waived and the library budget could be charged for the remaining cross charges.

Council Member Tim Irwin wanted to be sure that they knew the exact costs of the library. The building was available, and the library was using it. He had no problem putting that into the library budget.
Council Member Braithwaite wondered if the $32,000 included administrative costs, and Finance Director Gary LeCheminant answered negatively. Council Member Braithwaite said that every department had some use of an individual’s time, including the Finance Director. Those cross charges should be used to cover some of those kinds of expenses. He was not in favor of taking rent out.

Council Member Tim Irwin felt that this should be part of the budget process for next year. He was in favor of taking rent out.

Council Member Scott L. Smith was concerned about rent, but it would be nice to figure out what the actual administrative costs were. He asked if staff could get a breakdown of expenses for the library, including phones and lighting.

Council Member Ed Dennis wanted to be sure that the overhead charges were consistent with other departments. There was a discussion regarding the differences between the library and other enterprise funds. Council Member Brian Braithwaite asked that the discussion take place later. Council Member Ed Dennis did not think that they should be treating the library different from any other city department. City Administrator Nathan Crane said that there was nothing particular about the way it was approached; staff was following the direction of the Council.

Library Director Donna Cardon continued her presentation by explaining how the Council’s decision would impact the library either way. If the General Fund continued to subsidize the library as they had in the past, there would be an increase to the expenses by $15,000. She listed a few things that she planned on using the money for, including updating laptops and increases to the summer reading programs.

Council Member Scott L. Smith said that he has worked with the American Fork Library for some time, and when there was an increase to the budget that money would sometimes go to the Friends of the Library. Then the Friends of the Library would purchase things like computers for the student lab. Libraries also receive a lot of donations. He felt that some items could come from the Foundation rather than the City budget.

Council Member Ed Dennis expressed concern with creating a deficit in the library budget. He thought they could “sharpen their pencils” and make sure that the budget could absorb the $32,000 shortfall. Council Member Scott L. Smith agreed.

Library Director Donna Cardon said that she planned to use the budget she was given, and then she discovered the cross charges.

Council Member Tim Irwin explained that they were not being critical, they just wanted to be sure that the library was funded based on the dedicated tax for the library. They were asking the library to live within the dedicated tax and donations from the Foundation.

Mayor Mann recommended that they look at the budget items requested by Library Director Donna Cardon, independent of anything else, and see if her requests were appropriate. He noted that whatever deficit was left, the Council should decide if they want to subsidize for that amount. It made sense to look at the cross charges to make sure they align with the way the City handles every other department, but that could be done as part of the discussion for next year’s budget.

City Administrator Nathan Crane said they could remove rent from the cross charges, leaving $32,000. He asked the Council if they felt that the library should cover those costs. Council Members Tim Irwin and Brian Braithwaite answered affirmatively and said to wait to make further changes until next year.
Council Member Scott L. Smith recommended tabling the library part of the budget discussion. City Administrator Nathan Crane agreed. The Council would continue the discussion regarding the library budget to a later date.

Library Director Donna Cardon said that she would trim her budget down and resubmit the request. The City would subsidize what the library needed to keep functioning for the rest of the year, and they would address the cross charges as part of the next year’s budget.

Mayor Mann opened the floor to public comments regarding the library budget.

Nathan Rygard, a resident, asked if the City Council could postpone all decisions regarding the library budget so that they could pass the changes simultaneously. Mayor Mann explained that they already passed the resolution to create the Library Fund. What goes in and out of that fund was a separate discussion.

Mr. Rygard asked if the City Council had been reimbursing the Library Fund all of this time, and Mayor Mann said that they had not. When the library had a surplus, those charges would come out of that surplus.

Council Member Scott L. Smith briefly explained the background of the cross charges. They were creating the Library fund now to be compliant with State Law. The cross charges needed to be carefully examined and considered.

Pamela Parmer, a resident of Cedar Hills, was present with her son, Lex Parmer, to voice their support for the library and its funding. Her son had attended many library programs and she believed that those programs had enhanced his love of reading. His reading level was higher than his grade.

Roger Dixon, with the Library Board, said that about a year ago it became apparent that there was a gap between the Council and the Library Board. At that time, they undertook a program which they called Building Bridges. He believed that some of the civil discussion they had tonight was a result of the successful implementation of that program. Last week, the Library Board approved the budget that the Library Director had just presented. The question of the fairness of the cross charges had come up in that meeting as well. He thanked the Council for having the discussion.

Claudia Stillman, the Fundraising Chair for the Library Board, also appreciated the discussion. She commended the Library Director for her great work and her innovative ideas. They wanted to fund all of the Director’s ideas. She briefly outlined other departments and their overhead charges compared to the library.

Wayne Tanaka, with Friends of the Library, said that they have many supporters and volunteers ready and willing to help the library success.

Doug Cortney, a resident, thanked the Council and staff for their consideration on the issue. He felt that their discussion had been very positive.

Finance Director Gary LeCheminant continued his presentation of the budget amendments.

Mayor Mann opened the public hearing at 9:12 PM and called for any citizens who would like to speak on the item to come to the podium and state their name for the record.

Citizen Comments:

There were none.

Mayor Mann closed the public hearing at 9:12 PM
Council Member Ed Dennis MOVED that the City Council approve the proposed mid-year budget adjustments for fiscal year 2019, excluding all adjustments relating to the library budget. The library budget discussion would be continued to the February 19, 2019 meeting.

Council Member Scott L. Smith SECONDED the motion.

The vote was recorded as follows:
- Council Member Brian Braithwaite: Yes
- Council Member Ed Dennis: Yes
- Council Member Tim Irwin: Yes
- Council Member Kurt Ostler: Yes
- Council Member Scott L. Smith: Yes

The motion passed.

6. ACTION: APPROVE BEAUTIFICATION COMMITTEE REQUEST TO BEGIN A COMMUNITY GARDEN

Ashlee Udall, Chair of the Beautification Committee, presented a request to begin a community garden. The community garden would help those residing in townhomes and other complexes. It would create a sense of community and allow people to grow vegetables and flowers, especially since the HOAs did not allow that. She identified the proposed location for the community garden, which could have about 12 growing beds. If someone wanted to participate, they could pledge to donate $1,000 and make a three-year commitment. The cost for the 12 garden beds, including dirt, water, and fencing, would be $7,000. She reported of grants and other funding options that were available.

Council Member Scott L. Smith believed that the Highland Foundation could donate to the cause.

Council Member Brian Braithwaite asked if she was requesting funding from the City, and Ms. Udall said that she was not at this time. She already had several interested parties.

There was a discussion about the water source, and City Engineer Todd Trane said that there was a Lehi Irrigation Pipe under the property that they would need to be aware of.

Council Members Brian Braithwaite and Scott L. Smith supported the proposal.

Council Member Ed Dennis suggested that she reconsider the solid fencing proposed. Ms. Udall showed the fencing that she wanted to use, which was normally used for garden fencing. It would be easy to assemble, and it would be attractive. Council Member Ed Dennis was concerned that it would not be large enough to keep animals out.

Mayor Mann opened the floor for public comment.

Wayne Tanaka, expressed his support for the proposal.

Helene Pockrus, a resident, shared an experience she had with a community garden. She felt it went well for the first year but after three years no one was interested anymore and it went into disrepair. She felt that participants should be charged money so that they had some motivation to continue working on the garden.

Mayor Mann commented that the proposal was to charge money for each grow box. Ms. Udall added that they were proposing a three-year contract for each grow box.
Council Member Brian Braithwaite MOVED that the City Council approve the creation of a Community Garden next to Toscana and the Fire Station managed by the Beautification Committee and that the proposed garden would have an initial time frame of three years and the City would provide support in getting the water and preparation for the garden.

Council Member Ed Dennis SECONDED the motion.

The vote was recorded as follows:

- Council Member Brian Braithwaite: Yes
- Council Member Ed Dennis: Yes
- Council Member Tim Irwin: Yes
- Council Member Kurt Ostler: Yes
- Council Member Scott L. Smith: Yes

The motion passed.

7. ACTION: APPROVE A REAL ESTATE PURCHASE CONTRACT WITH MILLHAVEN DEVELOPMENT LLC

City Administrator Nathan Crane explained that the Council authorized the disposal of 12 acres of property for development and staff solicited bids. They received two bids and staff was proposing to contract with Millhaven Development, LLC for that development. The property was located at approximately 10029 North 6300 West. The property was originally purchased for a park, so the proceeds of the sale would be used for capital park projects throughout the City. He briefly reviewed the two bids received.

Council Member Scott L. Smith asked if the cost of the park would be on top of the amount proposed by Millhaven. City Administrator Nathan Crane explained that the cost of the small two-acre park was not included in the overall bid, so that would be deducted from their overall purchase cost.

City Administrator Nathan Crane said that staff was recommending additional language in Section 5.1 of the contract to read, “this does not waive any impact fee, connection fee, or other fee charged at the time of building permit”.

The Council and staff had a discussion regarding water shares associated with the property. City Administrator Nathan Crane said that either offer would have had the City providing water shares. City Engineer Todd Trane explained that they had advertised the bid stating that they had water allocated to the property. There were 36 acre feet allocated to the property, with the Highland Conservancy shares being enclosed shares. He questioned whether the shares were part of the appraisal or not.

Council Member Scott L. Smith was concerned that both bids came in under the appraisal. City Administrator Nathan Crane said that they were not buying all 12 acres. They were proposing to purchase 9.6 acres for $1.9 million. The appraisal came in at $2.4 million for the 12 acres.

NOTE: Library Director Donna Cardon left the meeting at 9:47 p.m.

City Engineer Todd Trane said that the appraisal was essentially $200,000 per acre. Millhaven was proposing about $197,000 per acre. The Council felt that it was important for the information to be in the minutes so that the public understood what the property was selling for.

Council Member Tim Irwin was supportive of the sale, but he had heard many concerns from residents in Beacon Hills as to how that money would be allocated to other parks. Council Member Smith said that some of these funds could be used to finish Beacon Hills Park. Council Member Irwin said that the Beacon Hills park was well used, but there were things that still needed to be done to finish it.
Tyrell Gray, with Millhaven Development, LLC, said that the property allowed for 12 lots, but they were working on a design with 11 lots or fewer. That would reduce the need for water, and it would be a more fitting product for the area. In the development agreement, they would ensure that the park was built before the homes were completed. He noted that they did not have access to the appraisal for the property, but they gave a fair market offer.

Kristen Bradshaw, a resident, was opposed to the sale of the park property. She felt that one of the biggest problems in Highland was that there were all these parks and trails that were not being maintained because of the cost of upkeep. The City was proposing to use the funds from this sale to build a tournament-sized pickleball facility, which she was concerned they would not be able to maintain. She felt that the City was not being fiscally responsible.

Ed Kilgore, a resident, said that there was an open ditch at the east end of the subject property, and he hoped that it would be covered. He liked the presentation from Millhaven, and he appreciated that the park would be built first, prior to the homes being completed.

Council Member Brian Braithwaite said that part of the struggle in buying anything was that they could not guarantee what the price would be. He was not involved with the original purchase of the park, but it was clear now that a large park was not appropriate in this location. He felt that they were making the best of a bad situation. He clarified that they would not be going into debt to build the park. The intent of the pickleball portion was that it would pay for its own maintenance.

Council Member Scott L. Smith commented on the City’s efforts to have less debt.

Council Member Brian Braithwaite MOVED that the City Council approve the real estate purchase contract for the 9.6 acres with Millhaven Development, LLC for an amount of $1,915,000 and that this purchase does not waive any impact fee, connection fee, or other fee charged at the time of the building permit. Also, in Section 5.1 that the City agrees to provide all necessary culinary and pressurized dedication of water shares or rights.

Council Member Kurt Ostler asked if they needed to establish a timeframe for the park. City Attorney Tim Merrill suggested a twelve-month timeframe. He also suggested including wording in Section 4.0 – Settlement and Closing to establish that. He suggested including an additional sentence that stated: Settlement and closing shall occur within one year of this agreement being executed or it shall automatically terminate.

Council Member Tim Irwin SECONDED the motion.

Council Member Ed Dennis questioned the twelve-month window, feeling that it was too lengthy. Mr. Gray said that he intended to build this year.

Tim Irwin MOVED the QUESTION

Council Member Brian Braithwaite MOVED that the City Council approve the real estate purchase contract for the 9.6 acres with Millhaven Development, LLC for an amount of $1,915,000 and that the purchase does not waive any impact fee, connection fee, or other fee charged at the time of the building permit. Also in Section 5.1 that the City agrees to provide all necessary culinary and pressurized dedication of water shares or rights. And that an additional sentence be included in section 4.0 Settlement and Closing after the sentence, ‘close within 30 days, or on a date upon which Buyer and Seller agree in writing. Settlement and closing shall occur within one year of this agreement being executed or it shall automatically terminate.’
Council Member Tim Irwin SECONDED the motion.

The vote was recorded as follows:
Council Member Brian Braithwaite  Yes
Council Member Ed Dennis  Yes
Council Member Tim Irwin  Yes
Council Member Kurt Ostler  Yes
Council Member Scott L. Smith  Yes

The motion passed.

8. ACTION/RESOLUTION: ADOPT A RESOLUTION FOR A MORATORIUM ON THE REMOVAL OF NEIGHBORHOOD OPTION TRAILS

City Council Member Brian Braithwaite presented the proposed resolution for a moratorium on the removal of neighborhood option trails. After the painful process with Wimbleton, he felt that this moratorium should be put in place so that the Council, Planning Commission, staff, and the residents could determine whether paved trails should be included as option trails. This would not include property that was designated as a trail but had not yet been improved.

Mayor Mann asked staff about the cost of maintaining trails per linear foot, and what it would take to catch up to be in a normal maintenance process. Staff said they could get that information.

Council Member Scott L. Smith was opposed to the moratorium. The Open Space Committee was formed in 2010, and there had been a lot of discussion regarding trails. In 2012, they had more trails planned in Highland than in St. George, but they did not have enough money to develop or maintain them. They decided to designate a small number of trails as neighborhood option trails. These trails did not connect into the trail system, and they were usually behind homes. With this moratorium, it seemed like they would be starting over.

Council Member Ed Dennis noted that he had a personal interest in this, because he resided in the Wimbleton Subdivision. He had a conversation with another Highland property owner, and he commented that the Wimbleton neighborhood looked “scruffy” because the open space was not maintained. He believed Highland was an upscale community and they should not have any neighborhoods that look “scruffy”. He restated that the Open Space Committee and City Council had been involved in this discussion for years, and the decision to allow neighborhood option trails was not reached quickly. He suggested putting trail counters on the neighborhood option trails to see if they were being used heavily. It made sense to allow neighborhood option trails so that the City could scale back on the number of trails they needed to maintain. He felt that a moratorium would discount all efforts done by the Open Space Committee and former members of the Council and Planning Commission.

Council Member Braithwaite was part of the City Council at that time and he went to the open space meetings. He did not think that a six-month moratorium would cause any issues at this time. He commented that trail maintenance was a citywide issue, and it was not unique to neighborhood option trails. There was also a misconception of what trails should look like. It was never the intent for the trails to be manicured with grass. They were to be dirt or asphalt trails with natural vegetation. However, whenever there is water next to dirt, there will be weeds. They needed to find a way to keep the weeds down.

Council Member Tim Irwin said that it would take a lot of staff time to look into this, and a lot of time had already been spent. He did not feel that a moratorium was necessary.
There was a brief discussion regarding the open space fee that was being charged to residents of open space communities. It seemed that this money was not being used to maintain the trails or parks.

Council Member Kurt Ostler thought it would be beneficial to have a discussion about neighborhood option trails again. Decisions were made ten years ago, and a lot could change in ten years.

_Council Member Brian Braithwaite MOVED that the City Council adopt a resolution for a moratorium on the removal of neighborhood option trails that include a paved trail._

_Council Member Kurt Ostler SECONDED the motion._

_The vote was recorded as follows:_

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<th>Council Member</th>
<th>Vote</th>
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<td>Brian Braithwaite</td>
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<td>Ed Dennis</td>
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<td>Scott L. Smith</td>
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_The motion failed._

9. ACTION: ADOPT THE INTERLOCAL AGREEMENT TO PARTICIPATE IN THE ETHICS COMMISSION

City Attorney Tim Merrill presented the interlocal agreement to participate in the Ethics Commission with nearby municipalities. The State Code allows cities to form an ethics commission and there was an existing commission that Highland could join. He explained the purpose and function of the commission.

Council Member Brian Braithwaite expressed concerns with some of the wording, which he had shared with City Attorney Tim Merrill earlier. He suggested using the wording in the State Code.

City Attorney Tim Merrill said that they could revise the agreement and ask the other cities to adopt it, or they could approach the other cities about amending the agreement after they entered into the commission. After some discussion, the Council decided to enter into the agreement and bring up their concerns to the commission after they had joined.

_Council Member Tim Irwin MOVED that the City Council approve the Interlocal Agreement forming an Ethics Commission._

_Council Member Ed Dennis SECONDED the motion._

_The vote was recorded as follows:_

<table>
<thead>
<tr>
<th>Council Member</th>
<th>Vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brian Braithwaite</td>
<td>Yes</td>
</tr>
<tr>
<td>Ed Dennis</td>
<td>Yes</td>
</tr>
<tr>
<td>Tim Irwin</td>
<td>Yes</td>
</tr>
<tr>
<td>Kurt Ostler</td>
<td>Yes</td>
</tr>
<tr>
<td>Scott L. Smith</td>
<td>Yes</td>
</tr>
</tbody>
</table>

_The motion passed._

10. MAYOR/COUNCIL AND STAFF DISCUSSION AND COMMUNICATION ITEMS

a. Open Space Encroachment

City Engineer Todd Trane explained that he had already approached the Council on the issue and he had drafted a letter that could be sent to the residents. He also had a map showing all known areas of
encroachment into open spaces. He received comments from the Council and revised the letter. He wanted direction from the Council about moving forward.

Council Member Brian Braithwaite said that the cases of encroachment varied in intensity. There were some situations where people needed to immediately stop what they were doing because it would cause problems for other residents, however, some situations were less severe.

City Engineer Todd Trane asked if the Council wanted staff to decide which residents would receive letters and which would not. The generic letter would not cover every situation but it would cover most of them.

Council Member Scott L. Smith said they should handle each one on a case-by-case basis. He was not in favor of sending out a generic letter.

City Engineer Todd Trane said that his biggest concern was stopping the encroachments immediately. Some residents are doing things that were creating a safety hazard. He suggested sending a generic letter asking everyone to stop what they were doing now and await further instruction.

Mayor Mann suggested that staff identify the situations that were serious and send a more aggressive letter to those property owners. Or they could send a generic letter to everyone saying that this was a problem that the City was looking into, and staff would be sending separate letters to those that had already encroached. Council Member Braithwaite thought it would be good to put everyone on notification, so they are aware that there was a problem. Some people may not know that they are encroaching.

City Engineer Todd Trane said that he would revise the letter and email it to the Council for feedback and approval.

11. FUTURE MEETINGS
   a. Future Meetings
      • January 29, Planning Commission Meeting, 7:00 pm, City Hall
      • February 5, City Council Meeting, 7:00 pm, City Hall

ADJOURNMENT

Mayor Rod Mann called for a motion to adjourn.

*Council Member Ed Dennis MOVED to adjourn the meeting and Council Member Tim Irwin SECONDED the motion. All voted yes and the motion passed unanimously.*

*The meeting adjourned at 10:56 PM.*

I, Cindy Quick, City Recorder of Highland City, hereby certify that the foregoing minutes represent a true, accurate and complete record of the meeting held on January 22, 2019. This document constitutes the official minutes for the Highland City Council Meeting.

Cindy Quick, CMC
City Recorder
Welcome to the Highland City Council Meeting
January 22, 2019

7:00 PM REGULAR SESSION
Call to Order – Mayor Rod Mann
Invocation – Council Member Kurt Ostler
Pledge of Allegiance – Council Member Brian Braithwaite

UNSCHEDULED PUBLIC APPEARANCES
Time set aside for the public to express their ideas and comments on non agenda items. Please limit comments to three (3) minutes and state your name and address.

PRESENTATIONS
• Item 2a. – Housing Affordability – Bryn Mortensen
• Item 2b. – FY 17/18 Audit Presentation – Steve Rowley, Keedington & Christensen

CONSENT ITEMS
• Item 3a. – Approval of Meeting Minutes
  • December 4, 2018
  • January 8, 2019
• Item 3b. – Adopt the amendment to the Interlocal Cooperation Agreement with the Utah County Major Crimes Task Force (UCMC)

APPROVE A RESOLUTION TO CREATE A LIBRARY FUND
Item 4 – Action / Resolution
Presented by – Donna Cardon, Library Director
Library Fund

• The Library is funded through designated property tax
• State code 9-7-401 requires the creation of a separate Library fund
• The Library revenues and expenses will no longer be part of the General Fund.

Cross Charges

• The General Fund has been subsidizing the library by covering the cross charges.
• To continue this, funds will have to be transferred from the General Fund into the Library Fund to cover these charges.
• The cross charges=$77,336
  – Rent: $44,707
  – Other: $32,629

Options

1. The General Fund continues to subsidize the total cross charges of $77,336.
2. The Rent cross charge ($44,707) is removed and the General Fund stops subsidizing the remaining cross charges of $32,629.

Impact to the Library

• Option #1: Cross Charges and Subsidy Continue
  – $15,750 increase in expenses
    • Replace copier
      – 10 years old
    • Purchase laptops for coding and other science/technology classes
    • Improve the summer reading and other programs
      – Keep up with population growth and encourage greater participation
    • Purchase more e-books
      – Increasing trend. This will allow exclusive access to Highland card holders
    • Purchase needed basic supplies

• Option #2: Rent eliminated and Library covers cross charges
  – $32,629 increase in expenses
    • Planned purchases of equipment and expanded programs would be canceled or delayed
    • Book budget cut by 6%
    • Elimination of one staff position or elimination of plans to bring staff closer to market level wages

Impact on the Library

MID-YEAR BUDGET ADJUSTMENTS FOR FISCAL YEAR 2019

Item 5 - Public Hearing/Action
Presented by - Gary LeCheminant, Finance Director
General Fund

- Revenue from $9.00 M to $9.23 M
- Expenses from $8.98 M to $9.23 M
- Factors Impacting Revenue
  - Building Permits
    - Original Budget Estimated 85 permits
    - Mid-Year Budget Estimates 65 permits
  - Building Permit Reduction Impact
    - Decreased Revenue from
      - Building Permit Fees ($50,000)
      - Park Impact Fees ($87,530)
      - PSD Impact Fees (22,332)
    - Impact Fee Decrease Causes
      - Bond Payment Increase of $55,000
  - Other Revenue Reductions
    - Lack of development applications
      - Civil Review Fee ($10,000)
      - Miscellaneous Revenue ($15,000)
  - Factors Impacting Expenses
    - Council Approved
      - Update General Plan $75,000
      - Econ Dev./ Mkt. Study $32,500
    - Miscellaneous
      - Legal Fees $10,000
      - Bldg. Maintenance $18,000

General Fund

- Library – Was in Gen. Fund now a Separate Fund
- One Fund Effect
  - Tax & Other Revenue offset by Expense
  - Indirect Revenue Account 10-39-11 offset by library cross charges in accounts 10-50-6X
  - Net effect basically zero on Gen. Fund
- Library – Separate Fund Impact
  - Library Fund cannot have a negative fund balance
  - Cross Charges drive the fund to a negative balance
  - Transfer of $77,000 from Gen. Fund covers Cross Charges
  - Gen. Fund loses $77,000 in revenue
  - Gen. Fund loses $24,000 from Motor Vehicle Tax
General Fund

- Total Impact on General Fund Budget
- Original Budget
  - Used $195K of previous year’s funds
- Mid-Year Budget
  - Uses $458K of previous year’s funds
- Net Effect
  - Increase of $263K or previous year’s funds

Other Funds

- Building Permit Reduction Effect
- Impact Fees Reduced in
  - Road ($56,855)
  - Sewer ($42,500)
  - PI ($114,840)
  - Storm Permit Fees ($15,000)
  - Culinary Connection Fee ($10,760)

Enterprise Funds

- PI Fund—increase revenue $395K for $$ received for water shares to various developments
- Sewer fund salary and benefits expense decrease by $49,000
- PI fund salary and benefits expense increase by $49,000

Introduction

- Ashlee Udall, Beautification Committee Chair would like to start a Community Garden
- Gravel area between Tuscano and Fire Station
- 12 growing boxes with fencing
- Individuals from surrounding communities would “rent” box for growing season
- Fire Department concerns
  - Restroom use & parking at station
  - Could be managed

Utilities

- Connections available at Fire Department on southwest and northwest corners
  - Would require some excavation, digging, and trenching
- Privately owned ditch underneath property that would have to be accessed in case of an emergency
Finances

• Potential Donations
• 501(c)3
  – Highland Foundation
• $7,000 estimated in upfront costs
• $40 rent per grow box per season
  – $480 per year

Community Garden

Beautification Committee
Ashlee Udall - Chair

Utah County Parcel Map

Aerial View

Street View
Item 7 – Action
Presented by – Nathan Crane, AICP
City Administrator / Community Development Director

APPROVE A REAL ESTATE PURCHASE CONTRACT WITH MILLHAVEN DEVELOPMENT, LLC

Background
- 12 acres located at 10029 N 6300 W
- November 2018 authorized the disposal of the property
- Development
  - Up to 12 Lots
  - 2.34 acre park

Development Plan
November 1, 2018

Offer Summary

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Purchase Price</th>
<th>Park Size (Acres)</th>
<th>Number of Lots</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Gifford</td>
<td>$1,350,000</td>
<td>1.69 acres</td>
<td>12</td>
<td>Includes the cost of the park. Subdivision to include 12 lots with the park in the center of the subdivision.</td>
</tr>
<tr>
<td>Millhaven Homes</td>
<td>$1,915,000</td>
<td>2.34 acres</td>
<td>11</td>
<td>Excludes the cost of the park. Subdivision to be consistent with the City prepared concept plan.</td>
</tr>
</tbody>
</table>
REPC

- Developed in accordance with City prepared plan
  - 11 lots and a 2.34 acre park
- Closing 30 days of a approved final plat for recordation
- $10,000 earnest money deposit
- PI water shares provided by the City
- Section 5.1
  - “This does not waive any impact fee, connection fee, or other fee charged at time of building permit.”

Park Costs

- City or developer will build the park
- Park cost excluded from the purchase price if built by developer
- City Council to set budget for park
- Working on cost estimates now
  - 30 Days Developer cost and final plan
- Construction begin in conjunction with the development of the lots;

Questions

ADOPT A RESOLUTION FOR A MORATORIUM ON THE REMOVAL OF NEIGHBORHOOD OPTION TRAILS

Item 8 – Action/Resolution
Presented by – Brian Braithwaite, Council member

ADOPT AN INTERLOCAL AGREEMENT TO PARTICIPATE IN THE ETHICS COMMISSION

Item 9 – Action
Presented by – Tim Merrill, City Attorney

MAYOR/COUNCIL AND STAFF DISCUSSION COMMUNICATION ITEMS

- Item 10a. – Open Space Encroachment – Todd Trane, City Engineer
FUTURE MEETINGS

• Item 11a. – Future Meetings
  • January 29 – Planning Commission Meeting, 7:00 pm
  • February 5 – City Council Meeting, 7:00 pm
HIGHLAND
January 22, 2019
LANDMARK STUDY
UTAH HOUSING UNIT VS. UTAH HOUSEHOLD GROWTH

Source: U.S. Census Bureau and Ivory-Boyer Construction Database
## HOUSING PRICE INDEX % CHANGE

### 1991 – 3Q 2017

<table>
<thead>
<tr>
<th>State</th>
<th>1991</th>
<th>3Q 2017</th>
</tr>
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<tbody>
<tr>
<td>Colorado</td>
<td>327.3</td>
<td>303.2</td>
</tr>
<tr>
<td>Oregon</td>
<td>279.4</td>
<td>276.1</td>
</tr>
<tr>
<td>Montana</td>
<td>276.1</td>
<td>238.0</td>
</tr>
<tr>
<td>Washington</td>
<td>238.0</td>
<td>231.0</td>
</tr>
<tr>
<td>Wyoming</td>
<td>231.0</td>
<td>213.3</td>
</tr>
<tr>
<td>North Dakota</td>
<td>213.3</td>
<td>199.0</td>
</tr>
<tr>
<td>Arizona</td>
<td>199.0</td>
<td>186.8</td>
</tr>
<tr>
<td>Idaho</td>
<td>186.8</td>
<td>182.9</td>
</tr>
<tr>
<td>Florida</td>
<td>182.9</td>
<td>176.4</td>
</tr>
<tr>
<td>South Dakota</td>
<td>176.4</td>
<td>175.6</td>
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<tr>
<td>Texas</td>
<td>175.6</td>
<td>175.3</td>
</tr>
<tr>
<td>Louisiana</td>
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<td>172.4</td>
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<tr>
<td>Massachusetts</td>
<td>172.4</td>
<td>167.2</td>
</tr>
<tr>
<td>Minnesota</td>
<td>167.2</td>
<td>157.5</td>
</tr>
<tr>
<td>California</td>
<td>157.5</td>
<td>151.8</td>
</tr>
<tr>
<td>Alaska</td>
<td>151.8</td>
<td>151.6</td>
</tr>
<tr>
<td>Hawaii</td>
<td>151.6</td>
<td>149.0</td>
</tr>
<tr>
<td>Virginia</td>
<td>149.0</td>
<td>148.7</td>
</tr>
<tr>
<td>USA Avg.</td>
<td>148.7</td>
<td>71.7</td>
</tr>
</tbody>
</table>

Source: Federal Housing Finance Agency
Uncheck Housing Prices
By 2044, Utah Housing Prices could be Equivalent
to Today’s Seattle Prices
WHAT’S DRIVING UP HOUSING COSTS?

• Housing shortage

• Construction & labor costs

• Local zoning ordinances & NIMBYism

• Land costs & topography of Wasatch Front Counties

• Demographic & economic growth
POSSIBLE SOLUTIONS

Transportation and Land Use Connection (TLC)

Photo: Dominic Valente, The Daily Herald
POSSIBLE SOLUTIONS

Keys to Success program for construction and labor
“Build to Success”
POSSIBLE SOLUTIONS

Awareness campaign

Photo: KSL.com
RESEARCH KEY TAKEAWAYS

#1 most important issue in high growth areas

“I want my community to stay the way it was when I chose to live here.”

Transportation options, mixed-use, & clear planning help the medicine go down
MESSAGING

- Facilitates economic growth
- Addresses skyrocketing trends
- Supports different life stages
- Provides options for children & grandchildren
REFRAMING THE WAY PEOPLE FEEL ABOUT GROWTH

Paid Advertising
- Crossroads
  - Reframe growth

Public Relations
- Growing Together
  - Preserving communities

Social Media
- Self Interests
  - What’s in it for me?
CALL TO ACTION | What is Highland’s role?

• Break Down the Silos

• Update & Use General Plans
  • Moderate Income Plan

• Be Innovative in Redevelopment

• Provide a Variety of Housing Types & Options

• Sign Support Resolution
WORK TOGETHER & PLAN TOGETHER
FOR MORE INFORMATION OR TO BECOME INVOLVED

For more information or to read the full report, visit SLChamber.com/HousingGapCoalition

Follow us on Twitter @UtahHousingGap

For sponsorship or membership information, contact Brynn Mortensen bmortensen@slchamber.com 801-706-9853
<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Original Budget</th>
<th>Proposed Adjustments</th>
<th>Difference</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>22-43-11 Salaries/Wages</td>
<td>$72,600.00</td>
<td>$72,600.00</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>22-43-12 Overtime</td>
<td>$0.00</td>
<td>$0.00</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>22-43-13 Employee Benefits</td>
<td>$50,900.00</td>
<td>$50,900.00</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>22-43-14 Salaries/Wages Part-Time</td>
<td>$119,215.00</td>
<td>$119,215.00</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>22-43-21 Equipment</td>
<td>$5,000.00</td>
<td>$16,300.00</td>
<td>$(11,300.00)</td>
<td>The extra would be spent on a copier (5500) a laptop cart with 9 laptops (5000)</td>
</tr>
<tr>
<td>22-43-22 Library Board Expenses</td>
<td>$0.00</td>
<td>$50.00</td>
<td>$(50.00)</td>
<td>The extra would purchase copies of e-audiobooks on Overdrive to be exclusively available to</td>
</tr>
<tr>
<td>22-43-23 Books &amp; Materials</td>
<td>$21,298.00</td>
<td>$23,298.00</td>
<td>$(2,000.00)</td>
<td>Highland patrons.</td>
</tr>
<tr>
<td>22-43-24 Mileage Reimbursement</td>
<td>$0.00</td>
<td>$0.00</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>22-43-25 Insurance &amp; Bonds</td>
<td>$0.00</td>
<td>$0.00</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>22-43-27 Postage</td>
<td>$1,000.00</td>
<td>$1,000.00</td>
<td>0</td>
<td>This covers shipping cost for Interlibraryloan books, and will be partially reimbursed by fees.</td>
</tr>
<tr>
<td>22-43-28 IT Software</td>
<td>$14,900.00</td>
<td>$14,900.00</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>22-43-29 Printing</td>
<td>$250.00</td>
<td>$250.00</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>22-43-30 Programming</td>
<td>$3,500.00</td>
<td>$8,500.00</td>
<td>$(5,000.00)</td>
<td>We had already expended nearly 70% of this budget. The extra would enable the continuation of our regular story times, our new after school STEM programs, plans for an improved summer reading program, and would help support a large family program planned for March called the <em>Fairytale Ball and Tournament</em>.</td>
</tr>
<tr>
<td>22-43-31 Phone Reimbursement</td>
<td>$3,000.00</td>
<td>$1,000.00</td>
<td>$2,000.00</td>
<td>This was over budgeted.</td>
</tr>
<tr>
<td>22-43-32 Uniforms and Employee Misc</td>
<td>$1,600.00</td>
<td>$2,500.00</td>
<td>$(900.00)</td>
<td>This item was overspent because we paid for candidates to fly to interviews from this account</td>
</tr>
<tr>
<td>22-43-33 Continuing Education</td>
<td>$5,200.00</td>
<td>$1,500.00</td>
<td>$3,700.00</td>
<td>The Library Director has decided to not attend the ALA midwinter conference this month so will not need the full budgeted amount. She will attend the Summer ALA meeting, and will send some of the staff to the ULA conference in May.</td>
</tr>
<tr>
<td>22-43-34 Office Supplies</td>
<td>$1,500.00</td>
<td>$2,500.00</td>
<td>$(1,000.00)</td>
<td>We spent more than expected in this category because of the cost of processing the extra books we purchased for the NUCLC certification.</td>
</tr>
<tr>
<td>22-43-35 Grant Expenditures</td>
<td>$8,200.00</td>
<td>$8,200.00</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>22-43-70 Capital Outlay</td>
<td>$3,600.00</td>
<td>$4,800.00</td>
<td>$(1,200.00)</td>
<td>Extra would be spent to buy wooden ends for the shelves that were added and rearranged over Christmas.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$312,063.00</strong></td>
<td><strong>$327,813.00</strong></td>
<td><strong>$(15,750.00)</strong></td>
<td>More closely matches the revenue projections.</td>
</tr>
</tbody>
</table>