



HIGHLAND CITY

HIGHLAND CITY COUNCIL MINUTES

Tuesday, May 5, 2020

Approved June 2, 2020

Meeting held electronically via Zoom

PRESIDING: Mayor Rod Mann (electronically)

COUNCIL MEMBERS

PRESENT: Timothy A. Ball (electronically), Brittney P. Bills (electronically), Kurt Ostler (electronically), Kim Rodela (electronically), Scott L. Smith

CITY STAFF PRESENT: City Administrator/Community Development Director Nathan Crane, Assistant City Administrator Erin Wells, Finance Director Gary LeCheminant (electronically), City Engineer Todd Trane (electronically), Planner & GIS Analyst Tara Tannahill, City Attorney Rob Patterson (electronically), City Recorder Stephannie Cottle, Police Chief Brian Gwilliam (electronically), Fire Chief Reed Thompson (electronically), Streets Superintendent Ty Christensen (electronically), Parks/Open Space Superintendent Josh Castleberry (electronically), Sewer/Cemetery Superintendent Trever Aston (electronically), Culinary Water Superintendent Van Bond (electronically), Pressurized Irrigation Water Superintendent Jeff Murdoch (electronically), Library Director Donna Cardon (electronically), Civic Events Coordinator Corrine Prestwich (electronically)

OTHERS: Jason Matheny, Travis Taylor, Caitlyn Erickson. Casey Chestnut, Benjamin Nelson

7:00 P.M. REGULAR SESSION *(Meeting held electronically)*

Call to Order – Mayor Rod Mann

Invocation – Mayor Rod Mann

Pledge of Allegiance – Council Member Scott L. Smith

The meeting was called to order by Mayor Rod Mann as a regular session at **7:15 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 Mayor Rod Mann and those in attendance were led in the Pledge of Allegiance by Council Member Scott L. Smith.

1. UNSCHEDULED PUBLIC APPEARANCES

Mayor Rod Mann announced that the number to call for unscheduled appearances was (253) 215-8782. He asked if any emails were sent to be read during this portion of the meeting. There were none.

2. PRESENTATIONS

- a. **Joint Municipal/Private Recreation Center - Tony Johns (CANCELLED)**
- b. **Youth Council Presentation - Sarah Ostler**

Sarah Ostler stated that on Thursday, May 7th they were planning a Kahoot Game for kids in 7th-12th grade which would be posted on the Highland Facebook page. Mayor Rod Mann asked what a Kahoot game was to which Sarah Ostler replied that it was a trivia game where people competed and got virtual prizes. Mayor Rod Mann asked if people had to sign up for it. Sarah Ostler replied that no, they could just join with the room code from the Facebook page. Mayor Rod Mann asked if it were just for children or if adults could participate. Sarah Ostler replied that she was sure the Mayor could participate but that it was for 7th-12th graders. Mayor Rod Mann stated that sometimes he acted like he was that age and maybe he could qualify.

3. CONSENT ITEMS

- a. **ACTION: APPROVAL TO REPLACE THE HEATER BOILERS AT CITY HALL** *Administrative*
The City Council will consider a request to replace the heater boilers at City Hall and authorize the Mayor or City Administrator and City Clerk to execute the necessary contract for the project. The Council will take appropriate action.
- b. **RESOLUTION: ANNEXATION OF 473 SQ FT LOCATED AT 10147 N 6960 W (ANNEX-20-02)** *Legislative*
The City Council will hold a public meeting to consider a request by Jason Matheny to annex approximately 473 square feet of property located approximately at 10147 N 6960 W. The City Council will take appropriate action.
- c. **ORDINANCE: APPROVAL OF THE CENTRAL TELECOM SERVICES, LLC (CENTRACOM) FRANCHISE AGREEMENT** *Administrative*
The Council will consider a request by Central Telecom, Services, LLC for a franchise agreement to allow work within City right of way. The Council will take appropriate action.
- d. **ACTION: A REQUEST BY CENTRAL UTAH WATER CONSERVANCY DISTRICT FOR A SITE PLAN AND CONDITIONAL USE PERMIT APPROVAL FOR A PUMP STATION FOR ALPINE CITY LOCATED**

APPROXIMATELY AT 4361 W 11000 N (SP-20-02 AND CU-20-01)

Administrative

The City Council will hold a public meeting to consider a request by Central Utah Water Conservancy District for approval of a site plan and conditional use permit for a pump house for Alpine City. The City Council will take appropriate action.

Council Member Scott L. Smith asked that items 3a, c and d be pulled off the consent agenda for further discussion.

Council Member Scott L. Smith MOVED to approve consent item 3b as listed on the agenda. Council Member Timothy A. Ball SECONDED the motion.

The vote was recorded as follows:

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| <i>Council Member Timothy A. Ball</i> | <i>Yes</i> |
| <i>Council Member Brittney P. Bills</i> | <i>Yes</i> |
| <i>Council Member Kurt Ostler</i> | <i>Yes</i> |
| <i>Council Member Kim Rodela</i> | <i>Yes</i> |
| <i>Council Member Scott L. Smith</i> | <i>Yes</i> |

The motion passed 5:0.

Item A:

Council Member Scott L. Smith requested more details about replacing the boilers and asked why there was not more than one bid. He stated that he was not sure if in a time of economic uncertainty \$35,000 should be spent to replace it.

City Administrator/Community Development Director Nathan Crane stated that Roberts Mechanical was working on the police station and they had a number of issues, so they did a part by part evaluation and the parts required were as much as replacing the entire boiler. He stated that they had asked the manufacturer about the boiler at City Hall because there had been a number of issues in the past. For example, that past winter it had pumped 60-degree air and was down for a number of weeks and that they had closed the library because of this. In trying to do some cost-savings, the contractor was asked if they would provide a discount to do both buildings. This was the same contractor that had done the air conditioners and had provided a \$2,000 discount for that. The lack of bids was because the boilers were all torn up at the justice center/police building and there was a contractor in the middle of the project. He stated that the boiler at City Hall was not broken but that it was on its last leg. They felt it was better to replace it based on the information from the manufacturer that it was on its last leg while it was not winter, and while they could get a discount.

Mayor Rod Mann stated that he could attest to how frigid it got last year. Council Member Scott L. Smith was concerned that the buildings were only 12 years old and that they were already having to replace the air conditioner system. He asked if anyone had looked into it and if they were going to have to replace them again in another ten years.

City Administrator/Community Development Director Nathan Crane explained that he had heard from previous staff that they had intended on getting higher end systems but that the budget had gotten out of control, so they went with the systems they had. The two boilers they had currently were using a stainless-steel rod instead of copper which would give them twice the life, so they were hoping to get about 20 years out of the new ones.

Council Member Scott L. Smith stated that there were no funds in the 2020 fiscal budget and asked if they were going to have to pull on previous reserves to pay for this. City Administrator/Community Development Director Nathan Crane replied yes. Council Member Scott L. Smith asked if this was true with the police station as well and commented that they were talking about \$60,000 out of reserves. City Administrator/Community Development Director Nathan Crane replied yes.

Council Member Scott L. Smith asked if this needed to be done in May or if it could be done later in the Fall with the same contractor. City Administrator/Community Development Director Nathan Crane replied that for the reasons he mentioned previously, they were getting a discount and they felt it was important to do it during the non-winter months. In his opinion since they were bringing it out of reserves it did not matter if they were doing it today or in September, it would still be the same cost. Mayor Rod Mann commented that it would be a little bit less if they did it now.

Council Member Scott L. Smith asked if they had had any other firms look at it to which City Administrator/Community Development Director Nathan Crane replied that no, they just had Roberts look at it since they were in the middle of the project and that they had had other people look at it as they had tried to repair it, but not for this particular project. Mayor Rod Mann commented that Roberts had done their air-conditioning and they were very reputable.

Council Member Kurt Ostler asked if they had done any of the work yet or if it was still just a proposal for the two boilers. City Administrator/Community Development Director Nathan Crane responded that as he had mentioned, the boiler in the police station was torn apart so using the emergency provision in the City code, they had allowed the contractor to go ahead and repair it and that this was just for the Highland City Hall boiler. Council Member Kurt Ostler asked how long their proposal was good for. He commented that it was shown as being good for 30 days and asked if there was a reason to not go out and get another bid from someone else since it was not an emergency. City Administrator/Community Development Director Nathan Crane stated that they could if the Council would like to, but AC Roberts was giving them a discount on each one to do it together. When they had done proposals before, AC Roberts was very reasonable and the cheapest bid they had received. For \$31,000 and saving on two City Administrator/Community Development Director Nathan Crane thought this was appropriate.

Council Member Kurt Ostler stated that they were saying they had 30 days to accept the proposal and still get the \$2,000 off. He asked if this was correct or if they had to make a decision that day to get the \$2,000 discount to which City Administrator/Community Development Director Nathan Crane replied that the proposal was good for 30 days. Council Member Kurt Ostler recommended that Staff obtain another bid so they could make sure they were being responsible. He commented that the bid they had from Roberts did not tell them what size the boiler was or the model number

and that he thought that Roberts price would come in fairly low. They had seen they were a quality company from their past work, but he thought it was reasonable to go get another bid and that they had time to do so. Council Member Scott L. Smith agreed.

Council Member Kurt Ostler MOVED to continue item 3a and instructed staff to get another bid and bring it back to the May 19, 2020 City Council meeting. Council Member Scott L. Smith SECONDED the motion.

The vote was recorded as follows:

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| <i>Council Member Timothy A. Ball</i> | <i>Yes</i> |
| <i>Council Member Brittney P. Bills</i> | <i>Yes</i> |
| <i>Council Member Kurt Ostler</i> | <i>Yes</i> |
| <i>Council Member Kim Rodela</i> | <i>Yes</i> |
| <i>Council Member Scott L. Smith</i> | <i>Yes</i> |

The motion passed 5:0.

Item C:

Council Member Timothy A. Ball had questions on item C. He stated that from what he understood, gubernatorial candidate Spencer Cox was the person who had started CentraCom and currently owned it. Mayor Rod Mann stated that this was not true. Council Member Timothy A. Ball asked for clarification about which part of that was not true to which Mayor Rod Mann replied all of it, and that CentraCom was started 47 years ago by Cox's great-grandfather, his father was president, his uncle was chair, but he was no longer a part of the company. Council Member Timothy A. Ball stated that Cox referenced it on his website and implied that he was a part of the company. Mayor Rod Mann stated that Cox was involved with it but it was now owned by a national company that bought it out from them so while Cox's father and uncle were still involved with the management, the company was actually owned by a much bigger firm. Council Member Timothy A. Ball stated that the implication on Cox's website stated otherwise and that he would look at it again, but he wanted to make sure that it was a pretty standard agreement to avoid any appearance of favoritism. Mayor Rod Mann stated that he thought it was standard and that when they put their address in, they put the Highland City name, but the street address was wrong.

Council Member Scott L. Smith stated that they had a presentation from Utopia, but the Central Telecom service agreement had just appeared on the consent agenda and he did not remember them coming and making any sort of presentation. Mayor Rod Mann stated that no, this was a franchise agreement to serve the City that allowed them to service businesses and/or residents in Highland. Council Member Scott L. Smith asked how this impacted the City if they were going to lay new fiber optics or if they were going to be digging up roads or sidewalks. He wanted to know what this agreement would allow them to do. He stated that they had a bad experience with their competitor that had dug up the pressurized irrigation system when they had come in to lay new cable. When they turned it on it exploded all over and they had denied that they had done it. If this agreement was going to impact citizens, he wanted to know more about CentraCom's plans and services. He thought it was great to have another competitor but that it could be pretty disruptive. City Administrator/Community Development Director Nathan Crane stated that the agreement allowed them to work in the right-of-way and they had these franchise agreements with

all of the utilities, and it was pretty standard to do these. CentraCom had not shared their plans with the City at the time, but it allowed them to work in the right-of-way. The City did not know what they would do in the right-of-way until they got individual permits at the time. Mayor Rod Mann asked for clarification about if they would have to get permits to work in the right-of-way, to which City Administrator/Community Development Director Nathan Crane replied yes. Council Member Scott L. Smith asked if any of that would come back in front of the Council, to which City Administrator/Community Development Director Nathan Crane replied no.

Assistant City Administrator Erin Wells stated that one of the differences between CentraCom and Utopia was that Utopia asked the City to back them financially, whereas CentraCom had not and it was run strictly through the private sector. Council Member Scott L. Smith stated that before he voted on this, he would like to know more about their business plan for Highland. He asked if they would only serve businesses or if they would serve all the residents. He did not understand how it worked and did not think that they could just piggyback on someone else's cables. He asked if they would have to lay new cable. Assistant City Administrator Erin Wells replied that she did not know, and City Administrator/Community Development Director Nathan Crane stated that it could be a number of things; they did not know at that time.

Council Member Scott L. Smith had another question about the agreement and stated that there was a resident who had emailed in who did not oppose a specific agreement but opposed anything going on during the quarantine. Before they discussed this in Council, they had gone out and gotten a legal opinion from their attorney and he was curious why they got a legal opinion on an email a citizen had sent in that had to do with the issue before it was even discussed in Council. City Administrator/Community Development Director Nathan Crane replied that these were two different issues. The issue in front of them was a franchise agreement and the email they had received from the resident was specifically related to small cell development in Highland. It was the second email they had received for which they had a question from a Council member regarding its standing and whether or not it was accurate, and that was why they addressed the small cell concern but that this was a different issue than placing small cells. If anyone placed small cells aside from UDOT on any other public property not owned by the City, then they had to go through the Council's process. Council Member Scott L. Smith asked if CentraCom was going to use small cells, to which City Administrator/Community Development Director Nathan Crane replied that, again, they would not know and that this was just a franchise agreement allowing them to use property in the right-of-way. Council Member Scott L. Smith asked if there was a way for CentraCom to come and describe their services or what their plans were to which City Administrator/Community Development Director Nathan Crane replied that they could always ask. These were pretty routine agreements and they did not feel the need to do that; they had done 3 or 4 of these agreements last fall and had not previously asked for a presentation like that so they had just proceeded with this agreement.

Council Member Kurt Ostler MOVED to approve consent item 3c. Council Member Kim Rodela SECONDED the motion.

The vote was recorded as follows:

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| <i>Council Member Timothy A. Ball</i> | <i>Yes</i> |
| <i>Council Member Brittney P. Bills</i> | <i>Yes</i> |
| <i>Council Member Kurt Ostler</i> | <i>Yes</i> |

Council Member Kim Rodela *Yes*
Council Member Scott L. Smith *No*

The motion passed 4:1.

Item D:

Council Member Scott L. Smith stated he had read through the proposal carefully and would like more information from City Engineer Todd Trane. It seemed that it was a project entirely in Highland the was benefiting Alpine and he was not sure what the benefit for the citizens of Highland was going to be. There was a retention pond that a resident had asked about regarding what happened to the water in it, and they were told that it just seeps into the ground. Council Member Scott L. Smith mentioned that the water seeped into the ground near people’s homes with basements. His experience was that people’s basements got flooded. He was having a hard time understanding how this benefited Highland and he wanted to be good neighbors with Alpine but asked if there were alternatives and if there was any benefit to Highland.

City Engineer Todd Trane stated that this specific project did not benefit Highland City residents and that it was a request by Central Utah Water, not Alpine. The City currently had a Central Utah Water turnout at that exact location and Alpine had water rights they were trying to get and that was the closest place they could tie into Central Utah. The facility was being constructed by Central Utah, not Alpine so the request was not from Alpine City. Mayor Rod Mann clarified this water would come from a pipe, to which City Engineer Todd Trane replied yes, and that Highland had a connection there as well. Mayor Rod Mann asked if Highland water was gravity and if Alpine had to pump it up. City Engineer Todd Trane replied that it came in pressurized from Central Utah, but he did not know the hydraulics of how it worked, and the facility in Alpine would be at a higher elevation. At the current location, the water came into the Highland system at a pressure that they could use. He restated that this was not a request from Alpine; it was from Central Utah so they could supply Alpine with the water they owned.

Council Member Scott L. Smith asked why the pumphouse had to be in the location they had chosen and asked why it could not be closer to Alpine. He was told by CUP that if they were breached, they would blow boulders through his house. He asked why the pumphouse needed to be on the corner and why the retention pond needed to be right there because he thought it would cause problems. City Engineer Todd Trane stated that the pipe was already there, it was the location the pipe was brought to serve Highland City, so the pipe was already right at that location. From an aerial map the Central Utah facility that supplied Highland water could be seen and there was going to be a second facility built to supply Alpine their water. There was already a blow off there and it blew off a little amount when needed, but it puddled there on Highland City property. With the site plan, the City had asked Central Utah to berm the sides as a secondary precaution. He stated it was little water they blew off and to his knowledge they had never flooded the spruces. The Lehi irrigation ditch had breached there, and they had water everywhere but to his knowledge they had never flooded anyone with the facility that was there. Council Member Scott L. Smith stated that this did not answer his question and again asked why the pump station had to be there. City Engineer Todd Trane replied that that was where the Central Utah pipe was. He indicated that it came up County Boulevard and then cut across a subdivision and was brought up to supply

Highland water years ago. This was as far north as Central Utah had brought their pipe and since that was as far as they had gone, they were willing to give Alpine their turnout at that location and were unwilling to extend their pipe further north. Alpine was going to take water through the connection and Alpine City would continue a pipe north. It had to be in that location because that was as far north as CUP went.

Kaitlin Erickson, Project Manager from Central Utah Water, stated that everything City Engineer Todd Trane had said was exactly right. The reason they had to have it at that location was because the existing turnout for the pipeline was there and they already had facilities in that location; therefore, it made the most sense. The pressures during the summer when they were at peak flows were not high enough to get to Alpine City through just an extension of the pipeline, so that was why there was a need for a pump station. She commented that this pump station had the potential to benefit Highland in the future and that right now they were just extending a pipeline through the proposed pump station up to the Huey well in Alpine. The district had great interest in potentially extending that pipeline even further north and using it for groundwater recharge in the future which would benefit everyone in the area. It would put excess water during high flows after winter into the ground and help recharge all wells in the area. Central Utah's future outlook was to use that pumphouse to pump water up even higher for groundwater recharge, but at this stage of the process it would just be going to Alpine City. Council Member Scott L. Smith asked how noisy the pumps were and what provisions were going to be made to keep them quiet. Project Manager Kaitlin Erickson replied there was the potential to have four different pumps. There would be three smaller pumps initially within a range up to five horsepower. They had looked at a similar pump station in Pleasant Grove that had just started, and they were going to take a decibel reader out there to get the exact number. The Pleasant Grove pump station was next door to a couple houses, and they had never had a complaint. The proposed pump station would be even further from houses so she did not foresee a noise issue with residents, but exact numbers would be obtained.

Council Member Scott L. Smith stated that the pump station would be just east of a rather upscale neighborhood and asked what would be done to beautify the building. He asked for more details about the appearance. Project Manager Kaitlin Erickson stated that it would be a concrete structure with forms that looked like stone and that a rendering was sent to Highland City. There would be stone on the bottom, and it would be built back into the hill next to the gravel pit so only part of the structure would be visible. It would be colored nicely and would require a fence which would be black coated vinyl which was the best they could do. Council Member Scott L. Smith asked why they picked black vinyl, to which Project Manager Kaitlin Erickson replied that that was typically what they used for all water facilities.

Council Member Scott L. Smith asked how much water was blown off into the retention pond, which appeared to be next to the neighbors' fence line. Project Manager Kaitlin Erickson replied that not a lot of water would go into the retention pond and that it would really only be used if they needed to drain the pipeline which was a rare instance. There were other areas along the line that were drained so the amount needed to drain at that location was small. Kasey Chestnut, CUP, commented that Project Manager Kaitlin Erickson was correct and that the only consistent water in that detention basin would be a minimal amount that was drained from the pipes' cooling system. Council Member Scott L. Smith asked how often the pipes were drained, to which Project Manager

Kaitlin Erickson replied that she was unsure how often the raw pipes were drained but that drinking water was drained every several years. The pipe being discussed was a raw water pipe and was a smaller diameter than some of their larger pipes so she did not think it would be very often.

City Engineer Todd Trane displayed the proposed elevations and commented that Central Utah had a similar facility. He stated that he had just received a text from Fire Chief Reed Thompson stating that the decibel readings from years ago when it was put in were 60 decibels was fairly low, and he would anticipate similar numbers from this. A hum might be heard coming from the building, but it would not be anything distracting. There might be one home that could hear it on the northeast corner of the Spruce subdivision, but the rest would not. Council Member Scott L. Smith asked if the hum were 24/7, to which City Engineer Todd Trane replied that as long as they were pumping water, it would hum. To give an example, for Highland City when they took CUP water early, they had taken some before the spring runoff came in. It was basically April 15-25th they were taking CUP water through their connection and then once the high flows came out of the canyon, they shut that down and they wouldn't start using CUP water again until middle of July/August-October.

Kasey Chestnut, CUP, stated that they anticipated they would run 24/7 from about mid-April to mid-October. Council Member Scott L. Smith asked if Alpine would be using the water for culinary purposes. Project Manager Kaitlin Erickson replied that she thought it was all raw water and City Engineer Todd Trane interjected that it was all pressurized irrigation.

City Planner Tara Tannahill asked Project Manager Kaitlin Erickson if she knew anyone by the name of Benjamin because he was raising his hand. Project Manager Kaitlin Erickson replied that Benjamin Nelson was the property owner on the corner in the Spruces subdivision that was previously mentioned.

City Planner Tara Tannahill stated that this was technically not a public hearing and asked the Mayor if he would like to hear from Benjamin Nelson. Mayor Rod Mann replied sure, but he had three minutes or less.

Benjamin Nelson, resident, apologized and commented that he was under the impression that this was a public hearing. He had some curiosity and stated that he was wondering about all the acreage he had. When he purchased the home, he did not want anything to block views. While this did not necessarily block views, but it was something that was cumbersome to view. He appreciated the flat roof design and would like to look at other options where the building could be set back further from his property due to the fact of flooding worries. He felt that directly behind his property was not ideal and the aerial map showed a lot of unused property right in that same area. He would like to know if it was a possibility to move it back especially with the humming sound.

City Engineer Todd Trane stated that the concern was that this was private property being purchased by Central Utah from Spurlino, who was the property owner mining the Kilgore pit. They had plans in the future to develop that area so there would be a development back in that location one day. They were giving just as much as was needed to build this and by pushing it back it would ruin more developable property. They were unwilling to set that further back and wanted to stay as close to the property line as was possible. In the future there would be homes of

some kind back there. Benjamin Nelson stated he could ask his other questions to Project Manager Kaitlin Erickson through email. He stated that he was going to go through landscaping renovations and would like to know if berms were going along the back side of the property fence, and if he would be able to create some sort of drainage to those berms. He asked if he could slope his yards towards the berms. City Engineer Todd Trane stated that yes, the slope should go away from the home toward the property line. All homes needed to maintain their own drainage so he would be fine to drain to those berms and keep the drainage on the back part of his lot.

City Attorney Rob Patterson commented that this was a conditional use permit application, so it was an administrative decision. The Council shall approve with conditions to mitigate any detrimental impacts but the state code was clear that they could not require complete mitigation so if they owned the property or had the rights to build on that property, the conditions could only be reasonable. Otherwise it was a yes/no decision, not a discretionary one.

Council Member Kurt Ostler stated that one of the issues with conditional use was safety and that there were two issues residents had brought up as a concern. One concern pertained to the flooding of the backyard and possibly their home and also that the noise could be a safety issue. The residents that had expressed concern both had bedrooms that backed up to that corner. He knew in the past they had had the Highland ditch flood twice onto the Eldredges' property, and that there was some concern that the ditch would flood back to the CUP pumphouse. City Attorney Rob Patterson stated that those were good things for the Council to consider. However, if they were allowed to put in pumps as a use, Council could not say pumps would only be allowed if there were zero noise as that would be an unreasonable condition. Therefore, it would be up to the engineers to discuss what would be a reasonable noise reduction goal. Council Member Kurt Ostler commented that 60 decibels were equivalent to a conversation, 90 was a lawnmower, and 120 was a loud rock concert. Since it was previously mentioned that the pumps would be at around 60, he wondered if that was an attainable and enforceable level. City Engineer Todd Trane referred to a document pulled up on the screen and stated that the existing building was Central Utah's discharge for Highland. When that was constructed the measurements taken at that site were 60 decibels, but they did not know what the measurements at the new building would be.

Kasey Chestnut, CUP, informed City Engineer Todd Trane that he was pointing at the Healey Well. City Engineer Todd Trane scrolled through documents until the right one was visible and pointed out Central Utah's connection for Highland. He stated that the 60-decibel reading was taken when that building was constructed. Kasey Chestnut, CUP, stated that they were going to take readings from the station in Pleasant Grove that week which was a similar pumphouse and compare them to the ambient noise at the Highland site.

Council Member Brittney P. Bills asked for clarification on if they could deny something based on how many decibels it was. City Attorney Rob Patterson replied that if the decibel levels were such that they were destructive to the neighbors then that might be a reason. However, he did not anticipate those levels being within that range and maybe there were some measures such as insulation or soundproofing that could be imposed, but they would have to look at cost which would affect the reasonability of such measures. City Engineer Todd Trane said to keep in mind that this was a solid concrete building that was partially buried, and there were these types of booster pumps around the City with homes around them. City Attorney Rob Patterson commented

that it would be unreasonable of the Council to impose stricter requirements on the new ones than the other ones around the City.

Council Member Kurt Ostler asked if having another connection would affect pressure at the other pumps. City Engineer Todd Trane replied that he was not sure about the pressure but the ability to pump more, yes. Highland had been fortunate to be the only connection at that location and had been able to take the full flow from Central Utah. Now that they were making a connection to Alpine, they would have to share that. Council Member Kurt Ostler asked if he was saying that there might be detriment to the citizens of Highland. City Engineer Todd Trane replied to the system, yes, but Alpine City and Central Utah had agreements in place on what water was theirs and Highland could not make a decision based on trying to stop that.

Council Member Kurt Ostler asked City Engineer Todd Trane to address the flooding that had occurred out of the ditch by the pumphouse. City Engineer Todd Trane stated that to his knowledge it had not occurred as long as he had been there. He knew it had been breached years ago but that it was a Lehi irrigation ditch not Highland and it was water that went to several residents in north Highland. Kasey Chestnut, CUP, asked if the ditch being discussed was the Lehi Irrigation Company ditch that ran through the property they were talking about, or if it was the ditch that ran behind the abandoned property. City Engineer Todd Trane replied that no, it was the ditch just north of the buildings that had since been reinforced to prevent it from happening again. This was why they were asking for berming to take place behind the homes, and why they were looking for a way to berm up the east side behind the Eldredge home to protect the homes.

Mayor Rod Mann stated that since this was a conditional use permit, they were limited on what they could allow at the time.

Council Member Kim Rodela MOVED to approve consent item 3d. A request by Central Utah Water Conservancy District for a site plan and conditional use permit approval for a pump station for Alpine City located approximately at 4361 West 11000 North, including the following stipulations:

- 1. Development of the site shall comply with the site plan April 2020 and received April 30, 2020.*
- 2. All signage shall require a separate permit and comply with the Development Code requirements.*
- 3. Final civil engineering plans shall be reviewed and approved by the City Engineer. The site shall meet all requirements of the City Engineer.*

Council Member Kurt Ostler SECONDED the motion.

The vote was recorded as follows:

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| <i>Council Member Timothy A. Ball</i> | <i>Yes</i> |
| <i>Council Member Brittney P. Bills</i> | <i>Yes</i> |
| <i>Council Member Kurt Ostler</i> | <i>Yes</i> |
| <i>Council Member Kim Rodela</i> | <i>Yes</i> |
| <i>Council Member Scott L. Smith</i> | <i>No</i> |

The motion passed 4:1.

4. ACTION: A REQUEST BY TRAVIS TAYLOR TO REVISE THE CONCEPT PLAN FOR BLACKSTONE/HIGHLAND VISTA
Administrative (15 minutes)

The City Council will consider a request by Travis Taylor from Westfield Companies to remove the stipulation requiring basements in all units at the Blackstone/Highland Vista Development located at the northwest corner of Town Center East and Parkway East. The Council will take appropriate action.

City Administrator/Community Development Director Nathan Crane stated this was a request by Travis Taylor to remove a conditional approval regarding the requirement of constructing basements at the Blackstone/Highland Vista Development. When the conditional use permit was approved in 2015 basements were required and the applicant had requested to eliminate this condition of approval due to requests from buyers to not have basements and adding additional flexibility that related to the timing of basements and installations of project utilities.

Travis Taylor stated that this was a request to have the flexibility to do basements or not. The project was divided into 50 units to the north of Parkway east and 30 units to the south side of Parkway east. All 50 north side units were underway except for the last two duplexes so everything to the north would have basements. Everything to the south was flexible as to how they would approach it. An issue they were having was that the sewer was built higher in that area so most of the units with basements on the north side had ejector pumps in their sewers to be able to make it up to the City sewer system. He stated that a letter had come in that talked about parking issues and a shortage of parking was a concern. He had counted parking stalls in the Toscana development and the ratio was around 2.4 parking stalls per unit. He stated that their project had 3.6 stalls per unit which would not be affected by the proposed change and the project would essentially look the same. The only difference would be that if you were standing in someone's backyard you would not be able to see the window well into the basement. They had had a lot of success and interest in the development. They got buyers that did not want a basement and they were just trying to be flexible.

Council Member Scott L. Smith had concerns about the parking in Towne Center and stated that the problem they were trying to avoid were the problems they had with Toscana where people felt like they had to park on the street because there was a tendency for people to fill their garages with storage. He was concerned that if people did not have basements, they would fill their garages with storage and park on the street. The high-density development in the middle of the City was a real problem with traffic. He thought there was an assumption that parking around the splash pad and City park could be used and he was unsure why they would eliminate basements. He commented that there was an argument that people did not like stairs so these should be one-story buildings not two.

Mayor Rod Mann stated that no matter where he had lived, he had managed to fill up his home and still needed part of the garage for storage. He thought the argument that the absence of a basement meant people would be more apt to use the garage for storage was irrelevant because people would fill space and need the garage for storage no matter what.

Council Member Kurt Ostler favored Council Member Scott L. Smith’s point-of-view and commented that this was a modification request. He said there were 30 units on the south side, 15 of which did not have adequate parking in front of their units. Even if their garages were full, they would not be able to park out front because there was no driveway. He stated that people might fill their garages but if there was a basement there was a likelihood that they at least had some storage. Therefore, he was not in favor of the proposal to modify this.

Council Member Kim Rodela asked if the original stipulation about basements was put in by the Council or the developer. City Administrator/Community Development Director Nathan Crane replied that it was proposed by the original developer and that the project had since changed hands. They felt that during the processing of the conditional use permit that the stipulations the developer was including in the project narrative should be included as stipulations. Council Member Kim Rodela asked if there were any other developments in that area that had that stipulation. City Administrator/Community Development Director Nathan Crane replied not that he was aware of.

Travis Taylor stated that the original applicant was doing three-story buildings and they had taken that down to a two-story building above the basement. Another change was that they had taken the parking ratio way up. The parking requirement would be 1.5 stalls for a one bedroom, two stalls for a two-bedroom, and 2.5 stalls for three-bedrooms and up. Toscana was a little below 2.5 and Blackstone was sitting at around 3.6. Another issue they had found was that there was a big difference between a rental community and a homeowner community, and they had quite a few of both. What they found was that the garages got filled up in the rental community more than the homeowner communities, and there was a greater need for parking in the rental communities.

Council Member Kurt Ostler commented that a lot of the rentals at Toscana had turned into rentals over the years, and since he had an office in the Towne Center he had seen the parking issues and was nervous that with Blackstone coming in that there wouldn’t be any parking available. Travis Taylor stated that all he could offer was 2.5 stalls per unit which was the typical parking setup. They were sitting at 3.6 and that some units to the south would have driveways.

Council Member Kurt Ostler MOVED that the City Council deny the request to eliminate the stipulation subject to the following findings: this causes a safety concern by not having parking. Council Member Scott L. Smith SECONDED the motion.

The vote was recorded as follows:

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|---|------------|
| <i>Council Member Timothy A. Ball</i> | <i>Yes</i> |
| <i>Council Member Brittney P. Bills</i> | <i>Yes</i> |
| <i>Council Member Kurt Ostler</i> | <i>Yes</i> |
| <i>Council Member Kim Rodela</i> | <i>Yes</i> |
| <i>Council Member Scott L. Smith</i> | <i>Yes</i> |

The motion passed 5:0.

5. ORDINANCE: AMENDING CHAPTER 3.08 PURCHASES AND ENCUMBRANCES *Legislative (10 minutes)*

The City Council will consider a request by Highland City Staff to amend Chapter 3.08 Purchases and Encumbrances related to the process for City purchases and encumbrances. The Council will take appropriate action.

City Administrator/Community Development Director Nathan Crane stated that Staff had been working on revising the procurement procedures for a couple different reasons. One, to make sure they had the right separation of duties and to update the municipal code to come in line with the current processes and procedures. Staff was proposing to amend the procurement policies to better outline in transparency how they did procurement. The major change to the ordinance included approval limits. It was being proposed to change the purchasing levels and to increase the level in which a competitive bid was required from \$50,000 to \$75,000. Over the last few years there had been capital projects, some were sole sourced, and by doing this it would allow them to complete these in a timely manner. A key part to this proposal was that all the capital project studies and anything that contracts were issued on would be included in the budget that was adopted by the Council every fiscal year. There would be a chart that showed the project and the estimated cost in the budget and as long as the cost was within what was projected they could proceed with that bid. They would come back and report to Council on what bids were issued and how they were awarded. For example, they had done a market study a couple years back that cost \$32,000 that was not included in the budget. However, if they had another one of these it would come back to the Council for approval prior to any solicitation. They would use discretion in the bid and RFP process to make sure they got the best price for the City. He stated that it clarified each step that needed to be taken in the procurement process in awarding a bid and how the bids were approved as a part of the budget.

Council Member Scott L. Smith requested clarification on the process. He said that up to this point anything over \$25,000 was brought to Council. However, he noted that City Administrator/Community Development Director Nathan Crane was saying that it could go up to \$75,000 if it was approved in the budget. He had read through it but was still unclear to him. City Administrator/Community Development Director Nathan Crane stated that anything under \$25,000 would require approval by the City Administrator and anything above would require Council approval and all those projects would be included in the proposed annual budget each year. The change would be that at \$75,000 the code required the competitive bid or request for the proposal process. Council Member Scott L. Smith was still unclear and asked if there was a proposal up to \$75,000 that got bid out that was already approved in the budget if it would have to come back to Council. City Administrator/Community Development Director Nathan Crane stated that if it were approved in the annual fiscal budget and if the bid were within 10% then the contract could be awarded without having to come back to Council. Council Member Scott L. Smith asked if it could be up to \$75,000 to which City Administrator/Community Development Director Nathan Crane replied that it could be any project.

Council Member Kurt Ostler asked if it was projects over \$75,000. City Administrator/Community Development Director Nathan Crane replied that \$75,000 was the cutoff for what kind of procurement process was used and that the other portion of this was that all the projects would have been approved by Council so it was just a matter of when they were approved. He wanted it clear in the annual budget that all projects were identified and approved by Council at that time.

Council Member Scott L. Smith asked if Council would be informed on any of the bids to which City Administrator/Community Development Director Nathan Crane replied yes. He said there was another City that listed bids that had been approved.

Council Member Kurt Ostler asked why this change was being proposed and asked where there had been problems and why there needed to be a change. City Administrator/Community Development Director Nathan Crane replied that in some capital projects they had been unable to respond as quickly as they had needed to get something on an agenda. It also burdened the Staff to provide transparency up front of exactly what projects were being done at the beginning of the fiscal year and the estimated costs associated. This would not apply to something like road projects where they were unsure of what they were doing, it would only be for specific projects like a water line upgrade, design for a park, or rebuilding a tennis court.

Council Member Kurt Ostler stated he had two examples he needed clarification on. First, if they had money in the budget for a new boiler for City Hall, he wondered if Staff could approve the purchase without it coming to Council for review. City Administrator/Community Development Director Nathan Crane replied that that was correct if they had the appropriate other bids. He stated that in that case if it were preapproved in the budget then they would go out and solicit bids up front; however, the instance from that evening was different in that they had a contractor already on site. He stated that in Council Member Kurt Ostler's example, if it were approved as part of the budget they would go out, get three bids and award it to the lowest bidder. Council Member Kurt Ostler asked if they were required to get three bids. City Administrator/Community Development Director Nathan Crane replied it was required and referred to sections 308.050 and 308.060. Council Member Kurt Ostler asked City Administrator/Community Development Director Nathan Crane to share with him where it had been a problem for City Council to approve expenses. City Administrator/Community Development Director Nathan Crane said that they had had well projects where City Engineer Todd Trane had come to him and said they needed something done quickly, and going through the bid process would have been a delay to get it done. He emphasized that these decisions would not be without Council approval because they would have been approved in the budget passed at the beginning of the fiscal year. Council Member Kurt Ostler stated that he was confused because City Administrator/Community Development Director Nathan Crane had just said they needed to go out and get competitive bids but he had just given an example where they had to move fast so there were no bids and it didn't need to come back to Council. City Administrator/Community Development Director Nathan Crane asked what project Council Member Kurt Ostler would like to go through so he could outline it for him. Council Member Kurt Ostler said City Administrator/Community Development Director Nathan Crane brought up one that City Engineer Todd Trane would come in with a task that needed to be done fast and they did not go out and get the bid process. The two went back and forth about examples for clarity.

City Administrator/Community Development Director Nathan Crane stated that this was just a proposal that they had gotten from other cities that helped streamline the bid process. If Council were uncomfortable with it, they could change it back, but they felt that having the projects approved up front was better for residents and for the transparency standpoint. Council Member Kurt Ostler asked how this would help with the transparency for residents because it sounded like

the City got bids, awarded them, and then informed the City Council what the work was done versus being discussed in a public meeting. City Administrator/Community Development Director Nathan Crane stated that the difference was when projects were approved by Council. As it was currently, they approved a budget, the line item budget might have \$100,000 in well rehabilitation, on December 1 the project was defined, bids were sought, and then it was brought back to Council for bid approval. Under this proposal, projects were clearly identified in the annual budget and were specifically listed in a spreadsheet with estimates.

Council Member Scott L. Smith shared Council Member Kurt Ostler's concerns because when he looked at the budget it was a mass of facts, figures, and estimations, he was unsure that when they passed the budget they would be able to say they were going to complete capital projects within that year. He thought as stewards of the people's tax money the Council should have more input on these projects as they went along. He wanted to keep things the way they were. City Administrator/Community Development Director Nathan Crane suggested that they go back and change 308.070 1 and 2 and that City Attorney Rob Patterson could figure out the language that had to do with bids and purchases over a certain amount being brought back to the Council for approval.

Council Member Kurt Ostler stated that Council Member Scott L. Smith brought up a good point and that in his 2.5 years on the Council he had noticed that things approved in the budget might change six months down the road and didn't want projects to get ahead of Council. City Administrator/Community Development Director Nathan Crane stated that if Staff was that disconnected from Council then they probably were not doing their job.

City Attorney Rob Patterson commented that the City's code was unclear on certain parts of the procurement process and that there were some contradictory languages. He said that this just clarified all of that and recognized that the concern from the two Council Members was about items coming back to Council for discussion. He asked if there were any concerns about any other part of the proposal.

Council Member Kim Rodela stated that she had no concerns and requested those two parts be clarified.

Councilmember Kurt Ostler MOVED to continue item #5 concerning Chapter 3.08 Purchases and Encumbrances. Councilmember Scott L. Smith SECONDED the motion.

The vote was recorded as follows:

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|---|------------|
| <i>Council Member Timothy A. Ball</i> | <i>Yes</i> |
| <i>Council Member Brittney P. Bills</i> | <i>Yes</i> |
| <i>Council Member Kurt Ostler</i> | <i>Yes</i> |
| <i>Council Member Kim Rodela</i> | <i>Yes</i> |
| <i>Council Member Scott L. Smith</i> | <i>Yes</i> |

The motion passed 5:0.

6. DISCUSSION: UTAH STATE AUDITOR'S FRAUD RISK ASSESSMENT & POTENTIAL ACTIONS *Administrative (15 minutes)*

The Council will discuss implementation of the State Auditor's Fraud Risk Assessment and provide staff with direction. This item is being presented for discussion only, formal action will not be taken.

Finance Director Gary LeCheminant explained that the state auditor presented at the Government Finance Officers Association (GFOA) in St. George last April about lowering fraud risk for government entities in the state. The auditor came out with an alert in February and he had developed a Fraud Risk Assessment to help identify best practices for fraud detection in cities. They had recommendations but cities were not required to implement the recommendations. He stated that this was not a replacement for what their financial auditor came out with in July and October. Rather, it was an educational tool for all the entities to start thinking about how to lower fraud risk. He explained the difference between fraud risk and financial audit. Fraud risk was based on approval for purchasing whereas financial audit was based on if it was booked in the proper account. The questionnaire was point based and the higher number of points meant there was a lower fraud risk. There were nine best practice questions and the questionnaire was to be completed by the end of the fiscal year. He and City Administrator/Community Development Director Nathan Crane had to sign off on it and submit it to the state auditor to show how many points they had on all the procedures.

Finance Director Gary LeCheminant broke down the nine best practices from the questionnaire document as follows:

1. Separation of Duties was important and since they were such a small City it was hard to do. On the questionnaire there were 12 questions to answer regarding this and the response to all 12 had to be yes for the full 200 points.
2. Policies were worth five points.
3. Having a licensed CPA, CMA, CIE.
4. Having all employees and elected officials commit to in writing an Ethical Behavior statement
5. Requiring elected officials to participate in training on fraud risk
6. 40 hours of continuous education every year
7. Fraud Hotline: Many cities did not have one. (20 points)
8. Internal Audit Function: Many cities were too small to have one. (20 points)
9. Formal Audit Committee (20 points)

Finance Director Gary LeCheminant stated that they were at 55 points because they did not satisfy all of the conditions of the separation of duties, but they were working on that. He put forth some options for getting as many points as possible and reducing fraud risk for the City.

Option 1

- Update policies
- Implement ethical behavior statements
- Make sure all elected officials get the auditor training

- Setting up a fraud hotline with City Attorney Rob Patterson who could bring complaints to the audit committee
- Setting up a Formal Audit Committee: Some cities had this committee set up with their Mayor and two Councilmembers. Others had a finance director from another City, and some had it set up with the City Administrator and two Councilmembers.

Option 2

- Hire an outside CPA firm for independent review: Finance Director Gary LeCheminant had emailed two reputable firms and asked how much it would cost but they had not yet gotten back to him.
- Tighten policies: As a City, they could not internally audit themselves.

Option 3

- Do nothing right now: Report the questionnaire results to the state auditor and not move forward with any of the recommendations

Council Member Scott L. Smith stated that they had an auditing firm that came in every year and gave a report, and he asked if that had changed. Finance Director Gary LeCheminant stated that the financial auditor, Keddington & Christensen, would be checking to make sure that they did not mis-state their financial statements, but they would not do an in-depth look at internal controls to make sure policy was followed.

Council Member Scott L. Smith asked about hiring an outside CPA firm and if anyone knew how much that would cost. Finance Director Gary LeCheminant restated that he had sent an email asking for a quote but had not yet heard back. However, off the top of his head he knew that some firms charged between \$60-\$100/hour and that it could possibly cost \$8,000-\$10,000 based on those rates. Council Member Scott L. Smith asked if it would be quarterly or annually. Finance Director Gary LeCheminant replied that he thought they would probably be asked to sign a 1-year contract so they could try it for a year and see if they wanted to move in that direction. He stated that the financial auditor could not be the internal auditor because then they would be audited by themselves. Council Member Kurt Ostler asked about the auditing procedure that occurred in October.

Council Member Kim Rodela stated that it was financial versus fraud. She asked Finance Director Gary LeCheminant what he recommended they do to have enough points to be low risk. She said an outside CPA firm was the best plan and they could do a Council subcommittee, but she would not put a lot of trust in it. Finance Director Gary LeCheminant said that implementing the fraud hotline and an audit committee would be the first step and if someone put forth a complaint, they would take the step of hiring an outside firm to look at the books. Council Member Kim Rodela clarified that they would wait until it occurred and then bring in someone. Finance Director Gary LeCheminant confirmed that this would be the alternative.

Mayor Rod Mann asked about the internal auditor and if they would be looking for anomalies. Finance Director Gary LeCheminant said this was correct and noted they would be looking to see if the fund balance changed from one instance to another. Mayor Rod Mann commented that without an auditor they would be waiting for someone to be a whistleblower. Finance Director

Gary LeCheminant stated that the first line of defense was to hire honest people and do good background checks on employees.

Council Member Kim Rodela stated that she had been a whistleblower on fraud as an intern that had been going on for many, many years and if they had a CPA firm it would have been caught a lot sooner. She said this was tough because they cost a lot to hire. Finance Director Gary LeCheminant stated that they didn't need to make a decision at that moment and when the CPA firms got back to him with cost estimates they could make a decision but that there was no doubt that the more points they could get the lower their fraud risk would be. Mayor Rod Mann wondered if they could get to 335 points without a CPA firm to which Finance Director Gary LeCheminant replied this was correct.

Council Member Kurt Ostler commented that an outside CPA would be the best option. However, they needed to see what the costs would be and then discuss options from there. Council Member Scott L. Smith agreed.

7. DISCUSSION: FISCAL YEAR 2020-2021 BUDGET OVERVIEW *Administrative (15 minutes)*

The Council will discuss the 2020-2021 budget, including Enterprise Funds. This item is being presented for discussion only, formal action will not be taken.

City Administrator/Community Development Director Nathan Crane stated that they would be going over the general overview of the budget and where they were currently at. They asked the department heads to review each individual general fund budget. The superintendents would present the capital and maintenance projects and the enterprise fund budgets.

Council Member Scott L. Smith asked if they would get a copy of what was being presented. City Administrator/Community Development Director Nathan Crane replied that nothing was being changed from what had been previously sent out, but they could send another copy if necessary.

City Administrator/Community Development Director Nathan Crane stated that the General Fund was run on a very lean budget and most of the costs were associated with operations; most of budgets were personnel costs. When they started preparing the preliminary budget the Covid situation happened and they had understood this would impact the adoption of the preliminary budget. Usually the preliminary budget morphed into the final budget with minor changes but in this instance, it would be the opposite because they did not have information on revenue impacts. There had been a significant impact on sales tax and gas tax, planned building permit revenue, and some property tax collection may be delayed. It would be received eventually but it may be late.

Council Member Scott L. Smith asked if he was talking about delinquent taxes or people just not paying their property taxes. City Administrator/Community Development Director Nathan Crane replied that this was in regard to delinquent taxes. They usually had an 85-90% tax collection rate which was expected to change. He stated that the Utah League of Cities and Towns produced a study analyzing sales tax based on information in which they had assumed a 50/50 split vs. local option and the state shared option. Highland was at 75% state and 25% local. He said that on May 11th the Utah State Tax Commission agreed to provide preliminary sales tax data for May which

would be the March reporting. March reporting shut down on March 12th and 13th so it would give an indication, but it would not be everything. Between ULCT and some preliminary sales tax data that would come forward, they would be better prepared on the 19th to talk about revenue projections. They had decided to take a very conservative approach to revenue projections because it was easier to add expenditures than to subtract them in the future. The question for Council was how much of their reserves should they use and for how long. He commented that it took them over five years to recover from the last recession. A preliminary budget was required for the State on May 19, a work session was planned on June 9th, and a final budget was required by June 22. The ULCT study assumed 50/50 but Highland was at 75/25 and based on analysis of the study they had about \$100,000 less than what the ULCT was projecting. He commented that for this budget they would need to analyze quarterly and stay flexible to adapt to new information that came in.

City Administrator/Community Development Director Nathan Crane referred to a slide about fund balance which was broken into cash and fund balance. Fund balance was similar to retained earnings in a company and then there was the cash balance. The goal was to maintain three months of operating expenses which was about \$700,000 a month. He stated that if the projections were accurate it would take about five years to get from where they were that day to 5%, but that they didn't want to get to 5% because they had other things to plan for like other disasters.

Council Member Scott L. Smith asked if they had an emergency would they have to pay from reserves. He also wanted to know if the City had insurance. City Administrator/Community Development Director Nathan Crane replied that yes, they had insurance through the trust but that sometimes insurance funding delayed the need to repair things. If they had issues that came up that were not budgeted, then they would have to use the reserves for those. Council Member Scott L. Smith asked if reserves could be compensated in the future from insurance. City Administrator/Community Development Director Nathan Crane replied yes, but there were emergencies that came up that needed to be addressed and they would have to pay up front.

City Administrator/Community Development Director Nathan Crane stated that they were planning to review Enterprise funds and update the utility rate study. Some of the goals were to have 90 days of operating cash on hand. He stated that it was important to note that the utility rate studies did not include the Boyer projects. The development of Boyer itself would pay for their own portion of the project but there was extra capacity the City was building that the City would be responsible for. There was not funding for the projects and they would be reimbursed by impact fees. They did have to pay upfront and they had to cover their costs associated with water line/lift station upgrades. There was a debt service ratio with the PI fund that they had to cover for their bonding. Staff looked at capital projects planned for 2021 and they looked at the cash they had and subtracted the estimated project costs. He referred to a figure and commented that PI was really low.

Mayor Mann asked about the PI project scheduled to expand at the mouth of the canyon. City Administrator/Community Development Director Nathan Crane stated that additional fees would be collected for that project. City Engineer Todd Trane stated that they would be spending \$8 million on projects that year which was more than they had spent in years. For this reason, they had been heavy on cash in their accounts because they had been waiting for these projects to come

up. Mayor Rod Mann asked if that figure included the Boyer project. City Engineer Todd Trane replied that each superintendent was on the call to explain the projects that were going to be done that year.

Council Member Scott L. Smith asked if all the projects slated to be done that year had been completed. City Engineer Todd Trane replied that they had thought about that but with the bid prices they had coming back it was a good time to spend their money. They had been concerned about prices they received in the fall but with the few projects they had working the bids were coming in under budget. Hopefully doing them now would save the City some money and the projects were slated for this year because they needed to be done.

City Administrator/Community Development Director Nathan Crane stated that if anything was not in the approved budget, Staff made sure Council approved additional expenditures through direct action or as part of midyear and final budget adjustments. In fiscal year 17/18 there was a deficit of around \$48,000 and additional expenditures of \$178,000 that were approved by Council, there were capital IT and building maintenance costs. Building maintenance had been an issue for the past three years, there were some legal costs, and there was an increase in engineering review/plan review/hiring engineer and professional services.

Finance Director Gary LeCheminant commented that in 16/17 the cemetery revenue was in the general fund and in 17/18 they set up the cemetery reserve fund, so they lost \$150,000 in revenue. Also, in 16/17 some of the impact fees were moved to the general fund before they were moved to the debt service fund and in 17/18 that \$200,000 went straight into the debt service fund; in essence there was \$300,000 less revenue.

Council Member Scott L. Smith commented that, for new Councilmembers, in those years when they had revenues against expenses, they actually had surpluses above the 25% and a lot of the expenditures came after budget approval.

City Administrator/Community Development Director Nathan Crane stated that in 18/19 they had \$185,000 deficit, \$278,000 in additional expenditures from a library fund, building maintenance, legal costs, and a market analysis requested by Council. \$105,000 of that was for mountain rich park, replacing a truck out of general fund, and lost revenue in building permits because they took a dive. He commented that through Staff taking a conservative approach to revenues, it allowed them to minimize impact on reserves. Money was spent on needs not wants.

City Administrator/Community Development Director Nathan Crane discussed the Council budget 10-41. He said that this was for salary wages, professional services, Council appropriations and miscellaneous supplies and expenses.

City Administrator/Community Development Director Nathan Crane discussed the Court budget and stated that there were a number of changes. Some of the State laws had changed requiring additional public defenders and that fines and revenues had changed with the State. He stated that they had a joint justice court with Alpine which was why there was revenue in the Court budget. He stated that most of the costs came out of revenue, so it was a stable budget that did not have a

lot of annual changes. They had gone through it with the judge and the court clerk and the cost for public defenders had gone up in accordance with State requirements.

City Administrator/Community Development Director Nathan Crane discussed the Administration budget 10-43. He stated that some things they might be unaware of were professional organizations and memberships. He went back to 10-41 and stated that MAG, ULCT, and Lone Peak Business alliance came out of 10-41-21 and that in 10-43-21 the professional organizations were the ones that related to Utah City Managers Association and the Planning Association. He commented on office supplies. A few years back each individual budget had an office supplies section, but they decided to take them out of the individual budgets and place them into a single account. He stated that personnel recruitment was related to any advertisement or testing. There was continuing education and building maintenance expenses, utilities, and IT costs related to computer replacement.

City Administrator/Community Development Director Nathan Crane discussed 10-45 which was the auditor budget which they had to pay every year.

Finance Director Gary LeCheminant discussed the finance budget 10-46 which was \$167,900 that year as well as the next year so the budget was flat. The budget for treasurer was \$51,500 and next year it would be \$48,600 and was dropping because the new treasurer was not going to be paid as much as the old treasurer. Most of the costs in finance and treasury were salaries and benefits, there were some continuing education and reimbursement costs, but it was mostly salaries and benefits.

Council Member Scott L. Smith asked if some of the things being discussed were going to be delayed or cut from the budget due to the uncertainty of current events. He referenced the 2010 recession and stated that at that time they went through the budget with a fine-tooth comb and cut little things. He mentioned they might have to go through and do the same thing that year.

City Administrator/Community Development Director Nathan Crane replied that they had worked on 5-10% cuts on the budgets in preparation of that scenario. They had found \$100,000 but most of it was in equipment replacement funds and not big item expenditures. Most of the budgets were already flat or less than they were the previous year. They knew it would be a challenge, but his preference was that once they knew revenue that department heads would propose cuts and they would go from there and the Council could set priorities for funding and give direction.

Council Member Kim Rodela stated that the budget also lacked any additional merit for current Staff which had been a practice in the past.

City Administrator/Community Development Director Nathan Crane discussed the Planning and Zoning budget 10-52. There was a decrease in that budget because there were special projects taken out.

Library Director Donna Cardon discussed the Library budget 22-43. The library was funded through property tax not sales tax and they did not expect their revenue to drop as much as other areas. They were expecting a drop in revenue from fees and fines because they were not charging

fees and fines over the summer while the library was partially closed. They expected an increase in non-resident fees over the previous years. There would be a \$10,000 decrease in full time wages and salary because the library had been paying 25% of Assistant City Administrator Erin Wells's salary as Library Director Donna Cardon transitioned into her job and part-time salary would not change. The equipment budget would drop because they had carry-over from the previous year, and they were expecting a decrease in IT software and office supplies. The budget overall had decreased but it would not impact the day to day functions of the library.

City Engineer Todd Trane discussed the Building budget. There were hundreds of line projects in the Enterprise fund and he had not asked the superintendents to go through line by line he asked them to highlight the big items they had coming up. The non-essentials had already been removed and they were sticking with necessities. The budget overall had decreased because of forecasted revenues. He stated that the building inspection budget 10-58 was about \$4,000 less.

City Engineer Todd Trane discussed the Engineering budget. It had been reduced by \$6,000. They already ran a lean budget in engineering, most of it was his salary and the engineering needs throughout the City.

Streets Superintendent Ty Christensen discussed the Street budget 10-60. He reviewed completed projects from 2019. They rehabbed 6000 West, 6400 West, 5870 West, and 10500 North. He discussed upcoming projects for the summer. Highland Boulevard would get an overlay, 118 North would get repaved, 9600 North would get repaved along with a sewer project going in. The trail maintenance plan for that year was just getting started and staff had a meeting with some contractors coming up. They planned to fix cracks and resurface some of the trails. There were a couple of 1999 snow plans in terrible shape that needed to be replaced, one of the beds was completely rusted through and they were making do with them but they needed to find funds for new ones in the future. There was a loader that was 17 years old and was getting to the point where it was needing a lot of maintenance. They were looking into backhoes and leasing on equipment.

Council Member Scott L. Smith asked if they had replaced two snowplows in 2017. City Administrator/Community Development Director Nathan Crane replied yes, they currently had six but the ones they had replaced were the worst plows they had at the time. The two 1999 plows they had now were the oldest they had. They also had two 2002 plows and the two new ones from 2017.

Council Member Scott L. Smith asked if they anticipated a drop in the cost of new equipment because of the current economic climate. City Administrator/Community Development Director Nathan Crane replied that no, he did not anticipate it with this kind of equipment, but they could look into it. They had not reached out yet because it was not currently in the budget, they just wanted to make Council aware.

Council Member Kurt Ostler asked if snowplow equipment was only used during the winter. City Administrator/Community Development Director Nathan Crane replied that no, they were 10-wheel trucks that could be used to haul material but most of the wear and tear they received was in the winter months.

Council Member Scott L. Smith asked for clarification on what street equipment replacement was the most pressing to which City Administrator/Community Development Director Nathan Crane replied that the two snowplows were probably the most pressing followed by the loader. Mayor Rod Mann asked what the rough cost of replacing those would be. City Administrator/Community Development Director Nathan Crane replied that the two new snowplows purchased in 2017 cost \$400,000 between the two of them. Mayor Rod Mann asked how much it would be for the loader to which Streets Superintendent Ty Christensen replied \$167,600 and that they could lease at \$21,000 a year.

Council Member Brittney P. Bills asked if they bought the snowplows new to which City Administrator/Community Development Director Nathan Crane replied yes. Council Member Brittney P. Bills asked how many miles could be put on a snowplow to which City Administrator/Community Development Director Nathan Crane replied quite a bit. However, it was not the mileage that hurt it it was the year to year use with the salt.

Parks/Open Space Superintendent Josh Castleberry discussed the Parks and Rec budget 10-70 and Open Space budget 20-43. He stated they were using both budgets to cover trail maintenance. They had \$100,000 going into trail maintenance and wanted to get the seal coat and a lot of crack sealing done. They were working on a price for spraying all of the natural open space and it was going to take a while to get rid of the thorns. Their unfunded needs were building maintenance and equipment replacement. The large mower and some small mowers would need to be replaced because they were ten years or older.

Council Member Kurt Ostler asked if they were fully staffed. Parks/Open Space Superintendent Josh Castleberry replied that he still needed to bring some people on and that they had 15 seasonal employees running and would like to have up to 25. Council Member Kurt Ostler asked how many part-time employees they had last year to which Parks/Open Space Superintendent Josh Castleberry replied they wanted 25 but only had 25 for two weeks at the most.

Council Member Kurt Ostler asked if the spraying were something that needed to be outsourced or if they could do it in house. Parks/Open Space Superintendent Josh Castleberry replied that he would like to see the costs that came in from the bids and that they might be able to do it in house. A lot of it would be related to timing and temperatures because the puncture weed started to grow when the heat came. The chemical had a restriction and could not be sprayed over 84 degrees, otherwise it volatilized so it would be tricky to get a competitive bid. Council Member Kurt Ostler asked for clarification on spraying Roundup at certain temperatures. Parks/Open Space Superintendent Josh Castleberry stated that they were held accountable to the label and that Roundup was different. Certain weeds covered under the broadleaf category were held to a certain temperature and if it were sprayed past this temperature it would be a waste of chemical.

City Administrator/Community Development Director Nathan Crane stated they were going to wait for the bids but that they might have to pull it in-house regardless based on the bids. Their intent was not to kill everything in the corridors just the broadleaf weeds and keep the natural grasses because the puncture weeds thrived when there was just dirt. Council Member Kurt Ostler was concerned about a total kill-off of natural vegetation. Parks/Open Space Superintendent Josh

Castleberry replied that this was not what they were trying to do but that some people might be upset at some of the other plants that would be affected; they were going to do their best to specifically target the weeds. Council Member Kurt Ostler asked if they knew when the bids would be coming back. City Administrator/Community Development Director Nathan Crane replied that they were trying to get some bids from people that they knew and had not publicly put out a bid for this.

Culinary Water Superintendent Van Bond discussed the Culinary Water budget 55-40. The project they were about to complete was the Well #2 pump house reconstruction and they were in the process of replacing a building built in 1958. They updated electronics and made it more user friendly. They also updated it so they could add chlorination when the time arose and would not have to retrofit later. Upcoming projects were Knight Avenue, a 12-inch line for the Boyer project which had already gone out to bid and had a preconstruction meeting. Another project was Well House #3, where they would do the same thing. They had done at Well House #2 a complete reconstruction of the building and updating for future chlorination. Current unfunded needs included old infrastructure that was beginning to fail so they would need funding for water lines and fire hydrant replacement.

City Administrator/Community Development Director Nathan Crane asked that Culinary Water Superintendent Van Bond discuss what was being done on SR-92. Culinary Water Superintendent Van Bond replied that SR-92 was the last six or seven country club homes. The line that they thought was a two-inch galvanized line was actually a 1 ¼ in. line that had been deteriorating over the past few years that they were working to replace. City Administrator/Community Development Director Nathan Crane stated that these kinds of things were what would fall under the failing infrastructure and that it would be money better spent to just replace these things than to keep going in and making spot repairs. Mayor Rod Mann asked if there were any estimates for the years going forward so they could put it in the rate study. City Administrator/Community Development Director Nathan Crane replied that he had no idea and that they were fortunate because their water system was newer than most compared to other cities. Staff could start putting estimates together to put into the rate studies.

Culinary Water Superintendent Van Bond commented that the current infrastructure was 62 years old in the oldest parts and that it was still within its user life, but it was getting to the end of it. Mayor Rod Mann pointed out that the 12-inch pipe for the Boyer project was not in the rate study they had done a few years ago because they had excluded the development of that property. City Administrator/Community Development Director Nathan Crane stated that anything that had to do with the Boyer property as far as culinary, PI, or sewer were not included which was why some of the funds were so low. He stated they were replacing a four-inch line at 6800 West which was a fairly old line but because they were doing the road project they were going to go ahead and replace that line. Mayor Rod Mann summarized the rate study that had been done and stated that there was pressure to exclude things to keep the rate down. Unfortunately, they were now going to have to pay for it over a shorter period of time. As they went into the next rate study, they needed to remember that they had to pay the bill sometime and it was better to be prepared than not.

Council Member Kurt Ostler asked if there would be impact fees on the Boyer project to which City Administrator/Community Development Director Nathan Crane replied yes, a portion, but it

depended on the project. Some had a larger portion that was the City's portion of the project but anything that had to do with the Boyer growth they could charge an impact fee.

Council Member Kurt Ostler asked about culinary water and commented that the budget seemed to really go up. City Administrator/Community Development Director Nathan Crane clarified that the budget had only changed \$2.00 from the previous year and that Council Member Kurt Ostler was looking at YTD figures. Council Member Kurt Ostler asked why the power had gone up so much. City Administrator/Community Development Director Nathan Crane replied it depended on how often and which wells were being run and they were currently running pumps and wells tight because Well #2 had been under construction and they were currently under budget on power. City Administrator/Community Development Director Nathan Crane commented that the Enterprise funds were their own fund not a general fund.

Sewer/Cemetery Superintendent Trever Aston discussed the Sewer budget 52-40. Completed projects in 2019 were the Pheasant Hollow pipe lining and the planned projects for the current year were the Canal Boulevard offsite, 9600 sewer upgrade that went along with the Boyer project, a preconstruction was done that day on the Hidden Oaks pipe lining project, the Victor View lift station elimination, disconnecting sewer line that were running with Cedar Hills that they were paying Cedar Hills and American Fork for, and the Pheasant Hollow lift station upgrade which was also coming through with the Boyer project. An unfunded need was a camera truck. Currently a 1990 series Aries push camera that could not take video was being used. A couple camera systems were being looking into that could also be used in the storm drain and they could help fund this through the disconnect with Cedar Hills that would save \$35,000 a year out of the sewer budget. City Engineer Todd Trane stated that \$35,000 was the amount of the bill to Cedar Hills but that they would have costs associated with the pump station. Sewer/Cemetery Superintendent Trever Aston responded that they had currently cut the prior lining projects out of the lift station which would accommodate that and the water use studies from the areas they were going to disconnect showed they were putting more into it than they were getting. He did not expect an increase at the lift station.

City Engineer Todd Trane questioned whether or not the new camera system would be a camera truck. Sewer/Cemetery Superintendent Trever Aston replied that no, it was not a truck it was a camera that could be mounted that gave a 1,000-foot capacity to capture video.

City Administrator/Community Development Director Nathan Crane stated that American Fork was looking for them to do the disconnection. City Engineer Todd Trane responded that American Fork had requested that they do it but had not pushed it hard because Highland was trying to get the lining projects done first.

Council Member Kurt Ostler asked where they would be disconnecting from. City Engineer Todd Trane replied that the Cedar Hills line was in North County Boulevard and where they would disconnect was right at Cedar Hills Drive. Sewer/Cemetery Superintendent Trever Aston stated it was the intersection of Cedar Hills Drive and Knight Avenue and that he estimated it would cost hundreds of dollars to do the disconnection. City Engineer Todd Trane stated that they had been back and forth with American Fork on the issue because they disagreed about where it was located.

Sewer/Cemetery Superintendent Trever Aston had pulled manholes and verified the location and they just needed to go through with American Fork and Cedar Hills to eliminate those agreements. Council Member Kurt Ostler asked if any of the Boyer project would be going down North County Boulevard. City Engineer Todd Trane replied that no, everything would flow to the southwest and would go to their lift station. Sewer/Cemetery Superintendent Trever Aston commented that the lift station would be updated by the Boyer project.

Council Member Kurt Ostler asked if there was a way to eliminate the Pheasant Hollow lift station because lift stations had been a problem for them. City Engineer Todd Trane replied that he wished they could, but the alternative would be to run an expensive line through American Fork which was just not feasible. There were lift stations throughout the City that were absolutely necessary, and this was one of them.

Pressurized Irrigation Water Superintendent Jeff Murdoch discussed the Pressurized Irrigation budget 53-40. The 11800 North Well Rehabilitation was nearing completion; they were in the testing phases to see what kind of pumping capacity they had. Planned projects for the next year were the PI Main for Boyer which ran east/west to supply the lower zone with needed extra water. The Lower Pond Expansion at the Kidney Pond in the Canterbury area was currently a five-acre pond that would be doubled in capacity which increased the amount of water pulled from the Murdock Canal. The Murdock Canal connection in the southwest area of the Boyer project was where they would utilize a connection point where they had previously been watering a hay field which was being developed. Therefore, Highland was working with Provo water users to connect onto that for an extra water source.

Council Member Kurt Ostler asked about meters and if they had applied for matching funds. City Engineer Todd Trane replied that the application process for funds was due in October and they had planned to spend \$500,000 on meters over the next three years. They had to show in the application that funds were available; the application could not be submitted unless the funds were ready to go or had a funding source. Now that a funding source was shown in the budget they could apply for the matching funds. Council Member Kurt Ostler asked if Council Members had received meters to see how they worked. City Engineer Todd Trane replied that they had put meters on several homes not just Council Members' homes as a test, but every home that currently came into the City had a meter so it was just the older part of the City they were asking for matching funds for. The current price tag was \$4.5 million, and they did not have that kind of money. They anticipated getting the funding and that project in combination with their own funds.

Streets Superintendent Ty Christensen discussed the Storm Drain budget. 2019/2020 completed projects included the replacement of three sumps in areas that currently were not up-to-date and the Country French detention basin reconstruction. Planned projects were continuing to replace problematic sumps in the older area of town and the realignment of the Mercer Hollow drainage between Boulder Hollow Road and 11800. Current unfunded needs were cameras which could also be used in the storm drains. Currently they had to have TSSD come in and camera storm drains for them so they could identify issues.

Council Member Kurt Ostler asked about the issue in Tonya Colledge's area. City Engineer Todd Trane replied that that was a project they had to push off because they did not get a bid in time

before the spring runoff which they needed to wait for and would get into it at the beginning of the summer. Council Member Kurt Ostler asked if the neighbors were aware of this. City Engineer Todd Trane replied yes, they had had a neighborhood meeting wherein design changes were discussed. Updates on the schedule would be given later.

Council Member Kurt Ostler stated that he had seen, coming out of a Comcast box, cable line going down into a storm drain going across the road and coming out the other side. He asked if that was something, they had to get City approval for or if it was something, they were just trying to get done really fast. City Engineer Todd Trane said he would like to know where that was because it should not be a permanent thing. Council Member Kurt Ostler replied it was by his house next to his apple trees. Streets Superintendent Ty Christensen stated they would check into that and look at it the next morning. City Engineer Todd Trane stated they did not want their sewer drains to be used as conduits.

City Recorder Stephannie Cottle discussed the Recorder budget 10-47 which was basically status quo. The election was down that year, so the only budget was \$1000 in case they needed to feed election judges, the rest was administrative to allow her to function as an employee. City Administrator/Community Development Director Nathan Crane stated that if the Council chose to do the referendum and have that on the ballot it would be about \$36,000 to \$37,000. Assistant City Administrator Erin Wells stated that they were actually estimating about \$5,000. \$2,000 would be ballot printing cost and around \$3,000 for voter information pamphlets that they would be required to produce because it was a referendum. The \$3,000 for voter pamphlets would be required no matter what year but it would be \$2,000 cheaper to do it during a normal municipal year. Council Member Kurt Ostler asked if there was an option to do it this fall and that he thought it had to be in 2021. Assistant City Administrator Erin Wells stated that City Council could declare a special municipal election that year and that they would piggyback on the county election. The question could be on the ballot, but it would \$2,000 more expensive to do it that year than if they waited for the 2021 municipal election.

Assistant City Administrator Erin Wells discussed the Community Events budget 10-72 which encompassed more than just Fling but Civic Events Coordinator Corrine Prestwich was on the line if there were any Fling or other event specific related questions. \$4,000 to \$5,000 would be saved in salaries because an event assistant was not being hired. 10-72-55 was the Fling expense and it was at \$66,000. There was an offsetting revenue account 10-38-95 which was at \$50,000. In the past City Council had budgeted between \$16,000 to \$20,000 for expenses over revenue and that year it was \$16,000 expenses over revenue. The expense would be lower than \$66,000 that year, but revenues would also be lower, so they knew they had to keep a difference between that.

Council Member Scott L. Smith asked if they knew what they were doing with the Fling and why they should even have one. Civic Events Coordinator Corrine Prestwich replied that they were looking at alternative events that would be scaled down but still be a way to bring the community together like service projects that could be done at a distance or a firework show. If recovery were at a point where they could do small get-togethers, they would still like to have ways to get the community together. Assistant City Administrator Erin Wells stated that they had discussed spreading events out over the summer, but they were in planning stages right now because it was

hard to know where the State would be at with everything. Council Member Scott L. Smith commented that there would be an expected uptake in the winter not the fall.

Assistant City Administrator Erin Wells discussed Community Events. 10-72-59 was titled Cultural Events which was the City's contribution to the Highland Arts Council of \$3,000 a year. Additionally, 10-72-63 (Community Enrichment) was every other event that was not the Fling including the Arbor Day essay contest, Easter egg hunt, hooked on fishing, pumpkin walk, and the Christmas events.

Assistant City Administrator Erin Wells discussed the Garbage budget 10-73. The only significant change was the 10-73-50 account titled Garbage Republic. Council Member Scott L. Smith asked if they would have to raise fees to which Assistant City Administrator Erin Wells said yes. The fee schedule would be brought to Council as part of the budget process.

Assistant City Administrator Erin Wells discussed the Cemetery Perpetual Care Fund budget 21-30 which was revenue and 21-43 which were expenses. This fund was separate from the general fund and the hope was that they could accumulate funds now before they ran out of lots to sell to help pay for cemetery maintenance after they stopped selling lots. This was not anticipated for quite a while, but they wanted to be ahead of the situation. When the Cemetery Perpetual Care Fund was created, the Council had set up a distribution formula where the General Fund paid for a portion of the ongoing maintenance and a portion of the capital cost of the cemetery. The cemetery paid for the remainder of the transfer from the General Fund to the cemetery fund was what was shown. 21-90-90 was a transfer to the General Fund. While they were technically transferring from the General Fund, revenues from the Perpetual Care Fund were going right back into the General Fund. There were some changes in salary and wages which was really just noise from the recorder change and the changes in allocation as to how much of her time was actually being spent in the cemetery. 21-43-74 was the capital outlay. Council had decided to replace the fence by the highway because it was an eye sore and dangerous, and \$50,000 was spent on that with no planned expenses there for next year.

City Administrator/Community Development Director Nathan Crane discussed the Lone Peak Public Safety budget 10-57-31 and 10-54. The preliminary budget had already been presented once but would be updated and presented to the board next Wednesday.

Council Member Scott L. Smith commented that the Police Department requested \$100,000 and the Fire Department requested \$200,000 and asked where that money would come from in a year where revenues were flat. City Administrator/Community Development Director replied that the Police Department wanted a 3% increase from the previous year and that emergency fire was down almost \$1.85 million. There was an increase in dispatch fees of about \$12,000 which caused administrative expenses. They had asked the Chiefs to prepare 5% and 10% decreases in budgets. They would have numbers next week and will share that with Council.

Fire Chief Reed Thompson stated that revenue was up on ambulance service that year.

City Administrator/Community Development Director Nathan Crane stated that he would be happy to meet with anyone on the budget.

Council Member Kurt Ostler asked about some discretionary items on the budget to which City Administrator/Community Development Director Nathan Crane replied he would email him about it.

8. MAYOR/COUNCIL AND STAFF COMMUNICATION ITEMS

a. Discussion Items

- Victor View Lift Station Bypass Project – City Engineer Todd Trane

City Engineer Todd Trane stated that they were going through the design process for the removal of the lift station. He explained how the sewer alignment would be setup. He gave two options for bridges: 1) either a utility bridge which be strictly to get the sewer line across the ravine which received a \$150,000 bid, or 2) a dual use pedestrian bridge with utilities underneath which would cost an additional \$40,000. This was always meant to be a trail and from an overall view of area. This would be a nice pedestrian access to Canterbury North and the Murdock canal. This would also provide access to maintain the manholes. Trucks would not be driven across the pedestrian bridge, but trails would allow for access to the manholes.

Council Member Kurt Ostler stated that he had lived there for 25 years and had never seen a trail plan for that area and asked if that was the original intent. City Engineer Todd Trane replied that that was what he was guessing. Council Member Kurt Ostler commented that the plan was to have a trail in the ravine going down to the dry creek which was determined not to be feasible at the time. City Engineer Todd Trane asked if it was the Council's recommendation that they just move forward with the utility bridge. Mayor Rod Mann stated he would give Council time to think to determine the interest of the residents and that making a decision at that time would be premature. City Engineer Todd Trane stated that it was brought up because they had a large chunk of money that had come to Highland City and that they were going to do a large maintenance plan on trails. This was money that was not coming out of the General Fund; rather, it was money marked specifically for trails and they could do this as a project in the future. Mayor Rod Mann stated that if they were going to put pipes across without a bridge kids would climb on them, thereby creating safety issues. Council Member Kim Rodela agreed.

Council Member Brittney P. Bills stated she was terrified of bridges and recused herself from bridge related issues.

Council Member Kurt Ostler asked for clarification on the location of the trail. City Engineer Todd Trane stated it was a parcel owned by Lehi City. Council Member Kurt Ostler stated that the problem would be that where the easement was shown on the map was not the actual location of the line.

Council Member Scott L. Smith commented that if they put in a utility bridge kids were going to use it as pedestrian bridge. He was concerned that a problem would occur when they tried to take out people's landscaping to make a trail that they did not know was going to be there. He did not think the trail idea was a bad idea but that no matter what kind of bridge they put in it would be used as a pedestrian bridge.

Fire Chief Reed Thompson commented that there was an urban interface issue in that wash area for the fire department to get back there and the trail would provide them access to get back there to put fires out. Council Member Kurt Ostler commented that this was a steep ravine. Fire Chief Reed Thompson commented that he would call it a box canyon. Mayor Rod Mann asked if there was a bridge there and if they could run a hose and fight fires right from the bridge. Fire Chief Reed Thompson replied that they could put a progressive hose lay down the trail and onto the bridge. Council Member Kurt Ostler stated that they had allowed the neighbor on the Highland City parcel in Canterbury to landscape and take the trail out and asked if they had gained any rights through that. City Engineer Todd Trane responded that he would double check and send it out to Council. He did not believe so and that they had not sold the property because there was a water line. Council Member Scott L. Smith asked if there were maintenance agreements to which City Engineer Todd Trane replied yes.

- Canal Boulevard Update – City Engineer Todd Trane

Bids on the Canal Boulevard project had come back and now that they were public, they added names to the companies. Dry Creek Structures submitted the lowest bid at \$5 million and was therefore awarded the bid. They were currently working on contract documents and the estimated start date was June. Council Member Kurt Ostler asked about the estimated completion date. City Engineer Todd Trane replied that they wanted it paved by October 15. Council Member Kurt Ostler asked if the bid included stoplights, etc. City Engineer Todd Trane stated it included both intersections with signals, the bridge over the river, and the Murdock canal trail.

- Paperless Billing – Mayor Rod Mann

Mayor Rod Mann stated that they were looking at ways to save money and one way was to convert customers to paperless billing. The City paid \$0.73 per household per bill and newsletter. Currently there were 1177 residents on paperless and 3629 on paper billing. If they could convert everyone to paperless billing, they would save around \$32,000 a year. He did not anticipate it was possible but that they might be able to get half or two-thirds which would still save them \$20,000 a year. They were looking at having paperless billing as a default when people signed up for utility services and would have to request for a paper copy. Council Member Timothy A. Ball asked if they could do that with current customers, to which Mayor Rod Mann replied that he would ask Staff to look into that. Council Member Kim Rodela stated that when she received paper bills for her utilities she had to pay extra and asked if they could charge for paper copies to which Mayor Rod Mann replied that yes, they could. Council Member Kim Rodela commented that paper bills were old school.

Council Member Scott L. Smith commented that there were a number of people who did not like paying their bills online. Mayor Rod Mann commented that he was reticent to charge because the people that currently had paper bills tended to be older and on fixed incomes. Council Member Kurt Ostler commented that he paid most of his bills online, but he still liked to have a paper copy to look at. He did not like when money got automatically taken out of his account. Mayor Rod Mann replied that Xpress Bill Pay allowed for the choice of manually or automatic bill pay and that the bill was just received electronically. Council Member Kim Rodela stated that electronic billing did not mean that the bill had to be paid online it just meant that the bill was received online

instead of a paper format so it could be paid however the resident preferred. Council Member Kurt Ostler asked if people who received electronic bills received the newsletter. Assistant City Administrator Erin Wells responded that the newsletter was attached to the e-bill. Council Member Kim Rodela commented that there was \$8,000 in the budget to print off the newsletter and that she was from a generation where the less mail the better.

b. Future Meetings

- May 19, City Council Meeting, 7:00 pm, City Hall
- May 26, Planning Commission Meeting, 7:00 pm, City Hall
- June 2, City Council Meeting, 7:00 pm, City Hall
- June 16, City Council Meeting, 7:00 pm, City Hall
- June 23, Planning Commission Meeting, 7:00 pm, City Hall

ADJOURNMENT

Mayor Rod Mann called for a motion to adjourn.

Council Member Scott L. Smith MOVED to adjourn the meeting and Council Member Timothy A. Ball SECONDED the motion. All voted in favor and the motion passed unanimously.

The meeting adjourned at 11:25 PM.

I, Stephannie Cottle, City Recorder of Highland City, hereby certify that the foregoing minutes represent a true, accurate and complete record of the meeting held on May 5, 2020. This document constitutes the official minutes for the Highland City Council Meeting.



*Stephannie Cottle
City Recorder*

Welcome to the Highland
City Council Meeting

May 5, 2020




7:00 PM REGULAR SESSION

Call to Order – Mayor Rod Mann
Invocation – Mayor Rod Mann
Pledge of Allegiance – Council Member Scott L. Smith



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 (5 MINUTES)

2a. Joint Municipal/Private Owned Recreational Center – *Tony Johns*
2b. Youth Council Presentation – *Youth Council Representative*

CONSENT ITEMS (5 minutes)

- Item 3a. – Approval to Replace the Heater Boilers at City Hall *Administrative*
- Item 3b. – Annexation of 473 Sq. Ft. located at 10147 N 6960 W (Annex 20-02) *Legislative*
- Item 3c. – Approval of the Central Telecom Services, LLC (Centracom) Franchise Agreement *Administrative*
- Item 3d. – A Request by Central Utah Water Conservancy District for a Site Plan and Conditional Use Permit approval for a Pump Station for Alpine City located at approximately 4361 W 11000 N (SP-20-02 and CU-20-01) *Administrative*



A REQUEST BY TRAVIS TAYLOR TO REVISE THE CONCEPT PLAN FOR BLACKSTONE / HIGHLAND VISTA ADMINISTRATIVE (15 MINUTES)

Item 4 – Action
Presented by – Nathan Crane, AICP, City Administrator / Community Development Director



**AMENDING CHAPTER 3.08
PURCHASES AND ENCUMBRANCES**
LEGISLATIVE (10 MINUTES)

Item 5 - Ordinance
Presented by - Nathan Crane, AICP, City Administrator /
Community Development Director



**UTAH STATE AUDITOR'S FRAUD RISK
ASSESSMENT & POTENTIAL ACTIONS**
ADMINISTRATIVE (15 MINUTES)

Item 6 - Discussion
Presented by - Gary LeCheminant, Finance Director



**FRAUD RISK ASSESSMENT
FY 2020**

Presented by - Gary LeCheminant, Finance Director

Auditor Alert 2020 Fraud Risk

- State Auditor developed a Fraud Risk Assessment
- Identifies best practices for fraud detection
- Not required but recommended
- Not a replacement of internal control assessment done by financial auditors
- Educational tool for entities

Fraud vs. Financial Audit

- Financial Audit
 - Not looking for fraud
 - Concern is if internal controls are sufficient so that financial statements are correct, what are we doing
- Fraud Risk
 - Concern is about policies and following those policies that lessen the chance of fraud

Fraud Risk Assessment

- Points based questionnaire
- Higher number of points, less fraud risk
- Nine best practices questions
- Get points if doing that practice
- Basic Separation of Duties has a subset of 12 additional questions

Fraud Risk Assessment

- Requirements for fiscal year 2020
 - Assessment must be completed and presented to City Council by June 30, 2020
 - City Administrator and Finance Director must certify the results
 - Submitted to State Auditor within 6 months after year end

Assessment Questions & Points

1. Separation of Duties (200)
2. Policies (5 each)
 - a) Conflict of Interest
 - b) Procurement Policy
 - c) Ethical Behavior Policy
 - d) Reporting Fraud Policy
 - e) Travel Policy
 - f) Credit Card Policy
 - g) Asset Use Policy
 - h) IT security Policy
 - i) Cash Receipting Policy

Assessment Questions & Points Continued (20 each)

3. Licensed CPA, CMA
4. Ethical Behavior Statement
5. Elected Official State Auditor Training
6. 40 Training Hours
7. Fraud Hotline
8. Internal Audit Function
9. Formal Audit Committee

Current Status

- -55 points (Very High Risk)
1. Missing some elements of separation of duties
 5. Someone other than clerk (Finance Director) reconcile bank accounts
 6. Someone other than clerk review all general ledger accounts
 2. Most policies in place. May need some refining
 3. Good
 4. through 9 not fulfilled

Option 1 – Internal Adjustments

1. Make some internal changes and changes to duties to achieve requirements
2. Tighten policies as needed
4. Implement Ethical Behavior Statement
5. Elected Officials Complete Auditor Training
 - Supposed to be doing this anyway
7. Fraud Hotline
 - Rob Patterson, City Attorney
9. Formal Audit Committee: Mayor & 2 Council
 - If Rob receives a report, this committee will do some initial investigation and if they want to pursue the matter will need to hire outside CPA firm

Option 2 – Engage Outside CPA Firm

1. Hire CPA Firm if want an independent review
2. Tighten policies as needed
4. Implement Ethical Behavior Statement
5. Elected Officials Complete Auditor Training
7. Fraud Hotline
 - CPA Firm
8. Internal Audit
 - CPA Firm - once a quarter
9. Formal Audit Committee: Mayor & 2 Council
 - CPA firm will report once a quarter to this committee on their audit findings
 - If fraud report is ever received, CPA firm will investigate and report to this committee

Option 3 – Do Nothing

- Recommendation, not requirement
- Staff frequently consults with our auditor on internal control type issues

Major Implications

1. Internal Adjustments
 - Staff duty adjustments
 - More Council training
 - New Council sub committee
 - -335 points (Low Risk)
2. Hire Outside CPA Firm
 - More Council training
 - New Council sub committee
 - \$X,000 (fill this in prior to the meeting)
 - -355 points (Low Risk)
3. Do Nothing
 - If fraud does occur, City looks even worse for not implementing some recommended best practices



FISCAL YEAR 2020-2021 BUDGET OVERVIEW (15 MINUTES)

Item 7 – Discussion

Presented by – Gary LeCheminant, Finance Director & Highland City Department Heads

Overview

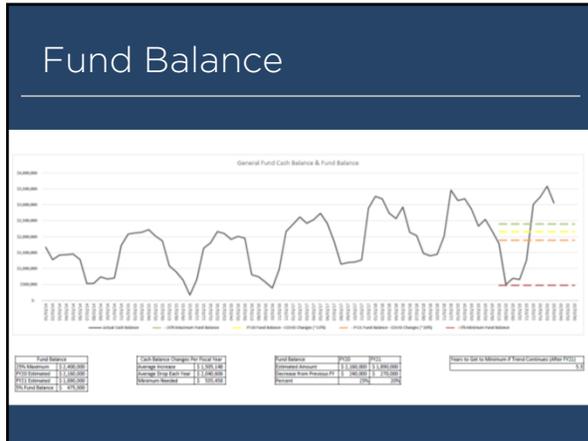
- General Overview
 - Big Picture
- General Fund
 - Department Heads
- Enterprise Funds
 - Superintendents present capital and maintenance projects

Budget Overview

- Lean Budget/Prior Cuts
- Preliminary Budget
 - Shift work to Final Budget
 - Priority Spending
- Revenue Impacts of COVID19
 - Sales Tax, Gas Tax, Building Permit Revenue, Property Tax Collection
 - ULCT
 - May 11 – Preliminary Sales Tax Data
- Conservative Approach
 - Easier to add than subtract
- Reserves – How much do we use for how long?
- Calendar
 - LPPSD
 - Preliminary May 19th
 - Final by June 22
 - June 9 Work Session

ULCT Study

- 50/50 split vs 75/25
- Current Fiscal Year
 - \$100,000 less than ULCT projected
- Next Fiscal Year
 - \$36,506 less than ULCT
- Key Date May 11 – Sales Tax
 - (March)
 - Test Assumptions
- June 20th
 - (April)
 - Test Assumptions
- Flexible – Ever changing – Best guess



Enterprise Funds

- 90 days of operating cash
- All projects Cash
- Did not include Boyer projects
- PI Debt Service Ratio
- 2020-2021 Capital Projects Only
 - Cash minus estimated cost

| Sewer | Storm Drain | Culinary | PI |
|----------------|-----------------|----------------|-----------|
| \$1,542,585.00 | \$ 1,122,580.00 | \$1,576,664.00 | \$143,241 |

FY Deficits

- All additional expenses approved by the Council
- FY 17/18 - (\$47,877)
 - Additional Expenditures: \$178,549
 - Building Maintenance, Capital IT, Legal Costs, Fire, Engineering, etc.
- FY 18/19 - (\$185,580)
 - Additional Expenditures: \$278,817
 - Library Fund, Building Maintenance, Legal Costs, Market Analysis, Mountain Ridge Park, Replacement Truck
- Conservative approach has allowed us to minimize the impact on reserves

Departments

- Council - Nathan
- Court - Nathan
- Administrative - Nathan
- Finance - Gary
- Recorder - Erin
- Treasurer - Gary
- Library - Donna
- Planning and Zoning - Nathan
- Building - Todd
- Streets and Roads - Ty
- Engineer - Todd
- Parks - Josh

Departments/Enterprise Funds

- Cemetery - Erin
- Community Events - Erin
- Garbage - Erin
- Open Space - Josh
- Sewer - Trever
- Culinary Water - Van
- Pressurized Irrigation - Jeff
- Storm - Todd/Ty
- LPPSD - Nathan

Parks and Open Space

- \$100,000 - Trail Maintenance
 - Crack seal is currently underway and seal coats will take place in June
 - Currently bidding spray of all natural open space trail corridors

Current Unfunded Needs

- Park Maintenance Building
- Parks Equipment Replacement

Streets

- Completed Projects
 - 2019 Road Rehab and Preservation Projects
 - 6000 West, 6400 West, 5870 West, etc.
 - Planned Projects this Summer
 - 2020 Road Rehab and Preservation Projects
 - Highland Blvd, 11800 North, 9600 North, ect.
 - Trail Maintenance Plan
- Current Unfunded Needs
- Snow Plow Replacement
 - Street Equipment Replacement

Conclusions

- General Fund
 - Cut to accommodate reduced revenues
 - Additional revenue is needed to maintain level of service



ENTERPRISE FUNDS

Culinary Water

- Completed Projects
 - Well House #2 Reconstruction
 - Planned Projects Next Fiscal Year
 - Knight Ave. 12" Line for Boyer
 - Well House #3 Reconstruction
 - Chlorination
- Current Unfunded Needs
- Failing Infrastructure Replacement

Sanitary Sewer

- Completed Projects
 - Pheasant Hollow Pipe Lining
 - Planned Projects Next Fiscal Year
 - Canal Blvd. Offsite Sewer Force Main (Not Planned for in Rate Study)
 - 9600 North Sewer Upgrade
 - Hidden Oaks Pipe Lining
 - Victor View Lift Station Replacement
 - Disconnect Sewer from Cedar Hills
 - Pheasant Hollow Lift Station Upgrades
- Current Unfunded Needs
- Camera System for Sewer Pipe

Pressurized Irrigation

- Completed Projects
 - 11800 North Well Rehabilitation
- Planned Projects Next Fiscal Year
 - Pressure Irrigation Main for Boyer (Not planned for in the Utility Rate Study)
 - Meters
 - Lower Pond Expansion
 - CUP Connection for Boyer Development

Storm Sewer

- Completed Projects
 - Sump Replacements
 - Country French Detention Reconstruction
- Planned Projects Next Fiscal Year
 - Sump Replacements
 - Mercer Hollow Drainage Realignment and Lining

Current Unfunded Needs

- Camera System for Storm Drain Pipe



MAYOR/COUNCIL AND STAFF COMMUNICATION ITEMS

Item 8a. - Discussion Items

- Victor View Lift Station Bypass Project - City Engineer Todd Trane
- Canal Blvd Update - City Engineer Todd Trane
- Paperless Billing - Mayor Rod Mann



VICTOR VIEW UTILITY BRIDGE

Utility Bridge



Pedestrian Bridge w/ Utilities




SEWER ALIGNMENT

20' WIDE - LEHI CITY PARCEL

HIGHLAND CITY PARCEL



CANAL BOULEVARD

Utah Department of Transportation
Abstract of Bids

Project Number: S-LC49(165) PIN: 14088
 Project Name: *Alpine Hwy to No. County Blv, Connector Road Delivery Method: Design Bid Build
 Concept: Metropolitan Planning Organization Bid Opening Date and Time: 04/28/2020 2:00 PM
 County: Utah County

Engineer's Estimate: \$6,050,043.90
 (Base) P Section:

| Company | Contract Amount (Base \$P) | % of Engineer's Estimate |
|---|----------------------------|--------------------------|
| DRY CREEK STRUCTURES LLC | \$ 5,367,461.70 | 88.72% |
| KNIFE RIVER CORPORATION-MOUNTAIN WEST | \$ 6,031,627.36 | 99.70% |
| STAKER & PARSON COS DBA STAKER PAVING & | \$ 5,999,524.27 | 99.16% |
| WOLLAM CONSTRUCTION COMPANY INC | \$ 6,243,004.50 | 103.19% |
| LANDMARK EXCAVATING INC | \$ 6,302,598.70 | 104.17% |
| GENEVA ROCK PRODUCTS, INC. | \$ 6,626,665.10 | 109.53% |
| COP CONSTRUCTION LLC | \$ 6,689,794.00 | 110.57% |



MAYOR/COUNCIL AND STAFF COMMUNICATION ITEMS

Item 8b. - Future Meetings

- May 19, City Council Meeting, 7:00 pm, City Hall
- May 26, Planning Commission Meeting, 7:00 pm, City Hall
- June 2, City Council Meeting, 7:00 pm, City Hall
- June 16, City Council Meeting, 7:00 pm, City Hall
- June 23, Planning Commission Meeting, 7:00 pm, City Hall