PRESIDING: Mayor Rod Mann

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

CITY STAFF PRESENT: City Administrator/Community Development Director Nathan Crane, Assistant City Administrator Erin Wells, Finance Director Gary LeCheminant, City Engineer Todd Trane, Planner & GIS Analyst Tara Tannahill, City Attorney Tim Merrill, City Recorder Cindy Quick, Fire Chief Reed Thompson, and Police Chief Brian Gwilliam

OTHERS: Tyler Smith, Doyle Byers, Lori Summers, Brad Scott, Kathy Scott, Jennie Robbins, Debbie Ostler, Colleen Bennett, Craig Bennett, Allison Larson, Joe Larson, Troy Dyches, Pen Anderson, Zandra Anderson, Mike Bond, Payslie Jackson, Joe Jackson, David Lay, Blake Stevens, Barbara Stevens, Paul Burgon, Ladell Burgon, April Sullivan, Michael Cook, Pam Cook, Angela Contino, Tracy Contino, Doug Cortney, Lora Beth Brown, Sherry Kramer, Diane Bigler, Tina Grundmann, Tyrell Gray, Ken Hanna, Chris Evans, Lars Anderson, Susan Snell, Emily Strack, Peter Strack, Derek White, David John Redman, Pam S. Redman, Jamie Johnson, Wesley Warren, Mark Lay, Katrina Van Cott, Leslie Hill, Jeff Hill, Leah Higginbotham, Roy Martin, Christina Martin, Tim Ball, Julie Rockwell, Porter Rockwell, Colby Gibson, Natalie Ball

7:00 PM REGULAR SESSION (CITY COUNCIL CHAMBERS)

Call to Order – Mayor Rod Mann
Invocation – Lori Summers
Pledge of Allegiance – Council Member Tim Irwin

The meeting was called to order by Mayor Rod Mann as a regular session at 7:00 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 Lori Summers and those assembled were led in the Pledge of Allegiance by Council Member Tim Irwin.

1. UNSCHEDULED PUBLIC APPEARANCES

Derek White, resident, thanked the Mayor and Council Members for their service. He wanted to address the traffic surge across southern Highland caused by the Murdock connection between North County Boulevard and Alpine Highway. There were an expected 6,200 trips along that road, with numbers potentially rising to 8,500 per day. He explained that a lot of traffic would flow through Highland subdivisions, thereby significantly increasing traffic along 9600 North Canal Boulevard, and if connected, Madison Avenue. He listed several other roads that would be affected as well. He had asked residents to send in letters and emails, assuring his neighbors that their voices would be heard. In meeting with City officials for the first time, he was given assurance that his friends and neighbors would, in fact, be heard. However, during the next three follow-up meetings, the City’s
representatives showed that they had little to no concern for the traffic surge with which Mr. White had presented them. Rather, the residents’ emails and letters were dismissed. He then quoted specific comments from Council that were alarming. He asked the Council if they, the residents, had a voice. He formally asked to have a public hearing to discuss traffic issues. The majority of the audience showed support for Mr. White’s remarks by standing.

Alan Rencher noted that he had been critical in the past; however, tonight he wanted to thank the Council for its outreach regarding the public safety fee. He noted a situation in another town when a City Council chose not to increase budget for fire and police. As a consequence, his father’s home owner’s insurance went up 2000%, along with most of his neighbors. Mr. Rencher stated that the cost of not properly funding public safety in that city was tens of millions of dollars over the course of three or four years. Mr. Rencher voiced his support for the fee.

Mayor Mann asked to move Item 8 above Item 9 and have staff provide a presentation for all three options together. Members of Council agreed with his request.

Mayor Mann took the opportunity to commend City Engineer Todd Trane and staff for excellent work done over the last couple of weeks to remove trees in Bull River. Josh Castleberry had been working extra hours mowing lawns and today he was given a Highland Hero pin. Lastly, Mayor Mann mentioned that City Engineer Todd Trane and his family recently helped clear the debris basin as well.

Council Member Kurt Ostler complimented staff and recognized Lehi City for their generosity in bringing up their equipment to help with cleanup around the City. He said they were a good neighbor.

Council Member Scott L. Smith thanked City Engineer Todd Trane and staff. He was nervous about the sewer pipeline but noted that everything went well.

2. CONSENT ITEMS (5 minutes)
   Items on the consent agenda are of a routine nature or have been previously studied by the City Council. They are intended to be acted upon in one motion. Council Members may pull items from consent if they would like them considered separately.

   a. **ACTION: Approval of Meeting Minutes**
      Regular Meeting May 21, 2019

   b. **ACTION: Appointment of New Library Board Members**
      The City Council will consider ratifying the appointment of Briawna Hugh, Edgar Tooley, and the reappointment of Roger Dixon to serve on the Highland City Library Board for a term of three years from July 1, 2019 – June 30, 2022. The Council will take appropriate action.

   c. **ACTION: Beautification Committee Appointment**
      The City Council will consider ratifying the appointment of Cary Wise to serve as the Chair of the Beautification Committee. The Council will take appropriate action.

   d. **ACTION: Millhaven Development Final Plat Approval**
      The City Council will consider approving the final plat for Millhaven Development, approximately 12 acres of property located approximately at 10029 North 6300 West (FP-19-03) and subject to the five stipulations recommended by staff. The Council will take appropriate action.
Mayor Mann requested those appointed to stand. Edgar Tooley was present and then recognized. Mayor Mann thanked him for being willing to serve.

Council Member Ed Dennis MOVED to approve consent items a., b., c. and d. as listed on the agenda. Council Member Tim Irwin SECONDED the motion.

The vote was recorded as follows:

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<th>Council Member</th>
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<td>Brian Braithwaite</td>
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<td>Ed Dennis</td>
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<td>Tim Irwin</td>
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<td>Kurt Ostler</td>
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<td>Scott L. Smith</td>
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The motion passed 5:0.

3. ACTION: ACCEPTANCE OF OPEN SPACE IMPROVEMENT FUNDS FROM MERCER HOLLOW ESTATES SUBDIVISION RESIDENTS (30 minutes)

Planner & GIS Analyst Tara Tannahill oriented the City Council Members with the item, explaining that they would consider accepting the open space improvement funds donation from the Mercer Hollow Estates subdivision. Additionally, they would review funding the difference for the proposed landscaping project with proceeds from the sale of open space property. She presented an aerial map of the location and provided some background information regarding the history of open space.

In 2017 and 2018, the City Council approved a sale of open space property. Planner & GIS Analyst Tara Tannahill presented a landscaping plan and noted that the document also included cost estimates. By landscaping the area, the hope was that illegal dumping would decrease or stop. Residents were donating $70,000 in funds to go towards this landscaping project. Planner & GIS Analyst Tara Tannahill explained that the cost estimate the petitioners provided was outdated; therefore, Staff provided an updated estimate of $89,309 based on today’s market. She subsequently broke down the various components of the landscaping plan. Petitioners were requesting funds to make up the difference in cost. Staff would budget $20,000 in the 2019-2020 FY Budget and would have to bid the project according to City procurement procedures. Mayor Mann remarked that the amount of donations made by the residents was impressive.

Council Member Scott L. Smith asked how much acreage was included with this plan, specifically. He wondered if the proceeds from any open space subdivision could be used in different subdivisions, thus making them available to other areas as well. Planner & GIS Analyst Tara Tannahill was unsure. Council Member Ed Dennis recalled that the Council approved the funds to be used in any open space area, including in other subdivisions. City Administrator Nathan Crane said this was his recollection as well. Council Member Ed Dennis explained that some of the spaces couldn’t use all of the funds. Mayor Mann agreed. Council Member Ed Dennis commended the residents for their efforts.

Lars Anderson, resident, explained that they had been working on this with staff for about a year and a half. The key component to the project was that the residents wanted to donate money and make this a City project. He noted there were power lines over the open space. Signs were posted stating not to dump in the area, and while dumping was reduced it still remained a common dump spot.

Council Member Kurt Ostler asked how many residents donated the money. A member of the audience explained that the donations hadn’t been made yet, only pledges. He wanted to give all residents a chance to donate what
they could and that the petitioner would cover the difference. Mr. Anderson explained that the estimate was old and the residents wanted some cooperation with the City.

Council Member Kurt Ostler clarified that the City would maintain grass with pressurized irrigation. Mr. Anderson said this was correct as the land was still owned by the City.

Council Member Brian Braithwaite said this was an awesome proposal. Mr. Anderson concurred. There was brief discussion regarding the language of the motion.

_Council Member Brian Braithwaite MOVED that the City Council accept the open space improvement funds from Mercer Hollow Estates residents and that the difference be covered by the open space funding available, contingent upon receiving $70,000 from the residents with the difference covered by the City._ Council Member Scott L. Smith SECONDED the motion.

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

The motion passed 5:0.

4. PUBLIC HEARING/RESOLUTION: ADOPTING FINAL AMENDMENTS TO THE HIGHLAND CITY 2018-2019 FISCAL YEAR BUDGET (20 minutes)

Finance Director Gary LeCheminant oriented the Council with final amendments to the Highland City 2018-2019 Fiscal Year budget. He explained that when the budget was approved on July 1, 2018, the General Fund revenue was $9 million and expenses were $8.9 million. Mid-year budget adjustments and final adjusted budget numbers were shown and described. The total revenue from taxes was going up, court fines had increased by $48,000, the interest income from the budget increased by $74,000, and the prior year carryover was down $375,000.

Finance Director Gary LeCheminant explained that on the expense side, building maintenance went from $54,000 to $60,000. The Planning budget was reduced by $70,000, most of which was attributed to the planned expenditure for the General Fund plan. Additionally, a truck was purchased for the City’s Building Inspector for $30,000. In the transfers to the Capital Fund, the City was over by 25% per the auditor’s assessment. Therefore, $150,000 was transferred from the last fiscal year from the General Fund to the Capital Fund to cover the costs of the salt shed and the maintenance building. The salary expenses in the General Fund were adjusted down by $33,000. Finance Director Gary LeCheminant then reviewed the following line items:

- Salary Expense Adjusted up by $32,000
- Sewer TSSD from $1.4 million to $1.25 million
- Depreciation Expense Adjusted up by $116,000
- Accena Group Adjusted up by $16,000
- Interest Income Adjusted up by $268,000
- Impact Fees Adjusted down by $100,000

The Council was provided an adjustment spreadsheet. General Fund Balances were subsequently presented as follows:

- Ending Balance FY 2018—$2,605,387
Finance Director Gary LeCheminant explained that with the potential 25% overage, there was a resolution being drafted to transfer the excess funds towards the salt storage or 6800 West projects next year.

Council Member Kurt Ostler asked if the City had an obligation to the east/west corridor. City Engineer Todd Trane answered in the negative, explaining that the corridor was grandfathered in 2009 when Utah County MAG went ahead and allocated that project and funded it by 100%. Until the bid went out, the City would not know how much the project would cost, exactly. However, MAG guaranteed that Highland City would not have a matching fund balance.

Council Member Brian Braithwaite asked if the City would have to pay for any fencing installed along the corridor. Finance Director Gary LeCheminant said at this point everything in the design had been included and would therefore be bid as such. The only items for which the City would pay were all of the utility improvements; currently, the plan was to match the costs of these improvements through the City’s enterprise funds. Mayor Mann asked how much construction would cost. Finance Director Gary LeCheminant said there was $300,000 in the budget but the bid might come back higher.

Mayor Mann opened the public hearing at 7:34 PM and called for any citizens who would like to speak on the item to come to the podium and state their name for the record.

Citizen Comments:

There were none.

Mayor Mann closed the public hearing at 7:34 PM.

Council Member Scott L. Smith MOVED that the City Council adopt Resolution R-2019-11 Amending the Fiscal Year 2018-2019 budget. Council Member Ed Dennis SECONDED the motion.

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

The motion passed 5:0.

5. PUBLIC HEARING/RESOLUTION: APPROVAL OF AN INTERFUND TRANSFER FROM THE PRESSURIZED IRRIGATION FUND TO THE GENERAL FUND FOR BUDGET FISCAL YEAR 2019-2020 (10 minutes)

Gary LeCheminant oriented the Council with a recommendation to adopt a resolution allowing a transfer of $108,000 from the Pressurized Irrigation Fund to the General Fund for fiscal year 2019-2020. He explained that
these subsidy transfers were allowed if the City provided public notice and met all of the necessary requirements. This would authorize the transfer to make the General Fund whole and reviewed the following:

- Amount of transfer—$108,000
- Exp. before transfer—$2,201,596
- Exp. after transfer—$2,309,596
- Percent of expenses—4.7%
- PI Customers—4,358
- Subsidy per month—$2.07

Council Member Tim Irwin stated that these transfers were confusing. Finance Director Gary LeCheminant explained that some of Staff’s salaries, including part of his own, were charged like general administrative expenses towards the enterprise funds. There was subsequent discussion on the matter and Council Member Brian Braithwaite said this practice came from the State Auditor. Finance Director Gary LeCheminant stated that most cities liked to leave as much money in the General Fund as possible and this was a way to do it.

Mayor Mann opened the public hearing at 7:40 PM and called for any citizens who would like to speak on the item to come to the podium and state their name for the record.

Citizen Comments:

There were none.

Mayor Mann closed the public hearing at 7:40 PM.

_Council Member Kurt Ostler MOVED that the City Council adopt the Resolution R-2019-12 authorizing the transfer of $108,000 from the Pressurized Irrigation Fund to the General Fund for the fiscal year 2019-2020 budget. Council Member Scott L. Smith SECONDED the motion._

The vote was recorded as follows:

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

The motion passed 5:0.

**6. PUBLIC HEARING/RESOLUTION: ADOPTING THE HIGHLAND CITY COMPREHENSIVE FEE SCHEDULE FOR FISCAL YEAR 2019-2020 (15 minutes)**

Finance Director Gary LeCheminant oriented the Council with a resolution for the City’s Comprehensive Fee Schedule for Fiscal Year 2019-2020. He noted the changes to the fee schedule and outlined the following:

- Cemetery plot, resident, from $1,045 to $1,076
- Cemetery plot, non-resident, from $1,458 to $1,502
- Garbage—1st Can from $9.35 to $9.40
- Garbage—Recycle Can from $4.45 to $5.10
- Library Non-Resident Fee from $40 to $70
• No changes in Planning and Zoning Fees

Finance Director Gary LeCheminant explained that the City had been subsidizing recycling cans per the Council’s approval. He noted that the schedule did not include a public safety fee or park fee, which would be discussed next. Mayor Mann asked if the room and field rental fees were included, to which Finance Director Gary LeCheminant answered in the affirmative.

Council Member Kurt Ostler asked when the contract for the City’s recycling service would be renewed. Assistant City Administrator Erin Wells said Staff planned to work on an RFP this fall.

Mayor Mann opened the public hearing at 7:44 PM and called for any citizens who would like to speak on the item to come to the podium and state their name for the record.

Citizen Comments:

There were none.

Mayor Mann closed the public hearing at 7:44 PM.

Council Member Brian Braithwaite MOVED that City Council approve Resolution R-2019-13 the Comprehensive Fee Schedule as changed for the fiscal year 2019-2020. Council Member Ed Dennis SECONDED the motion.

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

The motion passed 5:0.

Mayor Mann explained that the budget items would be presented and discussed together.

7. ACTION/ORDINANCE: ADOPTION OF A PUBLIC SAFETY FEE (20 minutes)

9. ACTION/RESOLUTION/ORDINANCE: CREATION OF A PARK FEE, REMOVAL OF THE OPEN SPACE FEE, AND REALLOCATION OF FUNDS (20 minutes)

City Administrator Nathan Crane oriented the Council with three options. He explained that they were aware of the request from LPPSD for increase to Highland City’s allocation of $701,000. The following information was subsequently reviewed:

• $701,000 – Increase to Highland City Portion of Lone Peak Fire & Police Budgets
  o Fire – Maintaining Level of Service
  o Cedar Hills exit
• Revenue loss
  o Fixed costs
  o Eight firefighters/EMT on duty at a time
  o Police – Recruitment and Retention
  o 401K match, increased base salary, Tier II change
Option 1: Item 7.
- $12.57 per month Public Safety Fee
  - Paid per home and billed on utility bills
  - $150.89 per year
  - Would be in the General Fund but tracked like B & C road money

Council Member Scott L. Smith said he thought the funds would be dedicated. City Administrator Nathan Crane confirmed this would be the case and that a special revenue fund would be established. Council Member Brian Braithwaite said there would be transparency on the matter, and City Administrator Nathan Crane said this was correct. He then presented Option 2, as follows:

Option 2: Item 8.
- Increase the certified tax rate
- Current
  - General Operations Rate—0.001090
  - Revenue—$1,757,778
  - Library Rate—0.000164
  - Revenue—$264,473
- Potential Increase
  - Added Public Safety Rate—0.000435
  - Revenue—$701,000
  - 35% increase
- Truth in Taxation Process
  - Noticing
  - Final decision would be made on August 6

COSTS would be as follows:
- Median Highland Home—$554,300
- Current
  - $382.30 per year ~ $31.86 per month
- Increased Rate
  - Additional $132.50 per year ~ $11.04 per month
  - Average Highland Home - $604,000
- Current
  - $416.58 per year ~ $34.71 per month
- Increased Rate
  - Additional $144.38 per year ~ $12.03 per month

Council Member Tim Irwin asked if there is there a range. Assistant City Administrator Erin Wells said this information was on the City’s website.

Option 3: Presented by Council Member Ed Dennis & Council Member Scott L. Smith
- $8 per month Park Fee for all utility accounts
- $8 per month Public Safety Fee for all utility accounts
- $20 per month Open Space Fee eliminated
- $116,500 General Fund Surplus used
- $138,500 by eliminating the transfer from General Fund to Open Space Fund
- $446,000 from $8 per month Public Safety Fee
• $116,500 from Previous Year’s Fund Balance
• Same amount of money spent on Parks and Open Space
• ½ sales tax was proposed for open space trails.

Option Summary is as follows:

1. Public Safety Fee (Item 7)
   • $12.57 per month for all utility accounts

2. Raise Property Tax Rate (Item 8)
   • $12.03 per month increase (Average Highland Home)

3. Public Safety Fee/ Parks Fee/ Open Space Fee Elimination (Item 9)
   • $16.00 per month increase for non-open space residents
   • $4.00 per month decrease for open space residents

Other Options / Considerations
• Budget Cuts
  o Over the past 10 years, inflation adjusted spending has decreased 1.6% and population has increased 31%
  o Any additional cuts mean a reduction in level of service
  o Unfunded needs: open space maintenance, playground and fleet replacement, general plan updated, cemetery fence, etc.
• Using Reserves
  o Ongoing Costs vs. One Time Revenue (Nathan explained this)
  o Lewis & Young General Fund Study (shows need for additional funding)
• Fully Vetting Options/ Public Communication

Assistant City Administrator Erin Wells explained that the lower side of the cost of a home in Highland was $300,000 home, which meant an increase of $71/year or $6/month. The high end of the cost of a home in Highland was a $1 million home, which meant an increase of $239/year or $20/month. Council Member Tim Irwin asked about homes that were not within this range. He said the language was misleading and felt a specific range was needed. There was further deliberation on the matter.

Council Discussion:

Council Member Scott L. Smith read a statement regarding Option 3. He said he was the only one on the Council who had ever lowered taxes. In 2010, he voted for a property tax decrease that was still in effect. He did not like raising taxes or fees. However, he supported public safety being fully staffed and he wanted the money to stay in the community because there was great accountability. He remarked that the City was well run, noting that there were almost 20,000 residents who lived there. Concerning the size of the City, everything ran smoothly. However, there were times when more revenue was needed in order to provide basic services. The citizens of Highland spoke loudly to have large lots and have a bedroom community. Therefore, some sacrifices were needed. In holding open houses, Council Member Scott L. Smith had been disappointed with the turnout. He described several scenarios in which slower response times impacted an emergency. He supported Option 3 and felt it was time to address the two-tier system.

Regarding open space, Council Member Scott L. Smith noted that the neighborhood concept was developed over 20 years ago. When he was on the Council previously, they had eliminated the open space ordinance because of
all the complaints submitted by residents. The developer sold smaller lots to use open space and the residents in those developments paid $240/year to help maintain it. From the beginning, they had been clear that all parks and trails were public as well. The Council felt it was good to surplus the land but received some pushback on the matter. He believed they could implement a City-wide park fee, have a smaller public safety fee, and use some of the City’s reserves to keep the fee to a minimum.

Council Member Ed Dennis explained that in looking at the reserves, there were two action items in the audit in relation to the excess funds. Last year, the issue was resolved by transferring funds to the Capital Fund. In reviewing the past four years, the City had exceeded its statutory limit of reserves within the General Fund. He felt it was reasonable to put those funds towards public safety to go towards an increase in the 2019-2020 budget. If interested, the park fee would generate $138,500 that could be used for public safety within the General Fund. He noted that they were transferring $160,000 from the General Fund to the Open Space Fund. However, some of it was restricted to the County sales tax and had to be used for roads and trails. This left an extra $21,500 for future use in the General Fund for other trail maintenance and over $250,000 in additional funds. The impact of the park fee totaled an additional $4.20 for each resident. Council Member Ed Dennis favored Option 3.

Council Member Brian Braithwaite supported pursuing a revenue increase for parks and trails. However, he felt there were several issues with the perception of residents’ expectations. Staff had held open houses and spent a lot of time with residents. Staff put together a five year plan based on input given by the residents. We modified it brought it back and residents felt they could trust city council to handle the issue. We did this again this year when going through the public safety process. He said There shouldn’t be any question whether you want it or don’t want it and the reasons behind those opinions. He was concerned because We have spent zero time talking about these types of things. He asked What does manicured trail mean – we don’t know what that looks like and yet it is a critical detail. The due diligence needs to be gone through.

Council Member Brian Braithwaite explained that the proposal presented tonight for the parks and trails fee did not reflect information presented to the residents. He did not feel the fee made sense and that the public had sufficiently involved in the process. He suggested that they pass something in the near future instead passing it tonight. This would allow for more time to vet options.

Council Member Brian Braithwaite said the difference with public safety was that the fiscal year began now and would directly impact the next fiscal year. The 25% reserve amount accounted for three months of City revenue. The problem was that the City currently did not have money in the budget for this building and the funds they were setting aside were for major disasters. After about ten years, repairs would need to be made as it was at this point that things started falling apart. When that happened, the reserve money would need to go towards upkeep. He compared the City’s reserves to a home mortgage. The current proposal included pulling from savings every year, which was not an efficient revenue source because the funds would eventually run out. Council Member Brian Braithwaite said that in initially presenting this to the residents the proposal had an ongoing revenue source; therefore, that was what they should do. He stated that when it came to residents not feeling like they could trust City officials, their first course of action was to create referendums. If the City were to do something radically different than what it said it would do, there was the possibility of a referendum which could shut down the public safety fee and have a real impact.

Council Member Tim Irwin agreed with Council Member Brian Braithwaite that this topic should be discussed. He said there were two kinds of citizens in Highland; those that were near open space and those that were not. He felt that all of the citizens in the City should be paying for a resource that everyone could use. He agreed that the process of implementing fees and involving the public was important. A Citywide fee affected all other subdivisions that were not currently paying the fee, which caused trust issues. A fully vetted process that involved the public should take place. Council Member Tim Irwin believed there was an opportunity to use some of the
excess funds to offset the public safety fee. He disclosed that he lived in an open space development and again stressed the need for a fully vetted process for the parks and trails fee.

Council Member Ed Dennis stated that a two-tier system for the parks and trails fee had been an ongoing discussion for several years. There had been a few windows of opportunity to present a proposal to eliminate it. The fee would impact the entire City. He stated that residents gave money to the City, and therefore these funds belonged to them. These were surplus funds in excess of what was allowed by State law and the City needed to make sure it was a good steward of the money. He explained that the expectations of the maintenance for the open space had been determined in a budget process. The money that they were talking about with this item generated enough to fund open space maintenance exactly as the staff funded it. There was not hidden agenda to change the level of maintenance. He stated that the revenue within the City was not static; with the development center and several subdivisions coming in there would be more money generated in the next seven to eight years that the City could absorb and save. He said this was a window of opportunity with a minimal impact.

Council Member Kurt Ostler was concerned with transparency and trust. He stated that for the last six weeks the City had been pushing for a public safety fee, which included putting a video together that had been viewed by 2,800 individuals. He wanted to go through a more thoroughly vetted, public process for the parks and trails fee before deciding on the matter.

Council Member Scott L. Smith said the issue in open space neighborhoods was that they had been vetting this for ten years and still had not resolved anything. He stated that there had been pushback for not selling open space. He lived on the east side of Highland where there were three parks; his neighbors did not pay to subsidize those parks. He believed transparency was important, but the open houses had been poorly attended. He plead to address the issue and said the City no longer needed a tiered system.

Council Member Tim Irwin agreed; however, he pointed out that they had not invited non-open space people to present their views on this issue. He had heard from several people who were concerned over the fee. He said he would like this issue to be resolved by the end of the year.

Finance Director Gary LeCheminant said in 2008 they experienced a downturn and the City lost about $150,000 in revenue. If something similar were to occur, the City could lose even more revenue. Based on the City’s growth, he estimated that in another downturn they could lose around $240,000 to $250,000 per year which would add up over the span of a couple years or more. Council Member Ed Dennis inquired as to the basis of Finance Director Gary LeCheminant’s claim. There was subsequent deliberation on the matter.

**Mayor Mann called for public comment asking for any citizens who would like to speak on the item to come to the podium and state their name for the record.**

**Citizen Comments:**

**Doug Cortney** agreed with Council Member Brian Braithwaite’s comments.

Jerry Tettar, resident, said he paid $20/month and had been doing so for the past 17 to 18 years. He loved living in Highland, noting that his home backed Alpine Highway. When he bought his home, he was told that there would be grass, berms and trees in his area. However, this had never happened. Neighbors then got together about building a fence which was approved, and now he saw a fence instead of weeds. He stated that the weeds got mowed down two to three times a year. Mr. Tettar congratulated Council Member Ed Dennis and Council Member Scott L. Smith for trying to solve the problem which had been ongoing for a long time. He stated that this was a matter of fairness because the whole City benefitted from the parks.
Natalie Ball stated that fairness went both ways on this issue. There were people who had a larger yard and paid a fee to have it mowed. She also paid an open space fee and had a larger lot, which was a lot more expensive to maintain. In theory, the property taxes were higher in these instances. She said she understood that 75% of the residents were not in an open space neighborhood. She further discussed the expenses of living in a non-open space neighborhood versus an open space neighborhood. She agreed with Council Member Brian Braithwaite in that she would like the City to go ahead with a public safety fee so that the residents did not have to file a public safety referendum. She continued that many residents felt that their attendance did not matter, which was why open house attendances were low. She felt that the parks and trails fee needed more vetting and that it should be considered separate from the public safety fee.

Kelly Savatka said he did not live in open space neighborhood but was glad to pay a monthly fee for parks. He explained that the citizens had voted but were not being listened to by the City’s representatives. The citizens voted to be bedroom community and that they did not want retail in Highland. However, citizens did not understand that since they did not have retail, fees were needed in order to fund services. He reiterated his willingness to pay fees.

Grant Chandler, a Wimbleton resident, said he believed public safety personnel needed to get paid more and there was no shame in asking for these funds. He noted that he would be willing to pay even more than what was being asked. Mr. Chandler said he was most frustrated anytime he paid money for a service or project and nothing got accomplished, such as paying extra money for roads but still having bad roads. He agreed with Council Member Brian Braithwaite that the issue of the park fee was not discussed. He stressed the importance of identifying a solution and moving forward in solving these problems.

Colby Gibson stated that the Council Members were trying to make something happen that had not happened for over a decade. He felt Option 3 was the only option because otherwise nothing was going to change. He said they needed to take care of this issue quickly.

Tina Grundmann agreed with Council Member Brian Braithwaite’s comments. She said those who purchased the property knew about the fee; these resources come with shared expenses and responsibilities. She supported the public safety fee.

Mark Thompson said he lived in Highland his entire life and had worked on this issue for a long time. He believed that City needed to keep a fee associated with open space. However, passing it as is tonight would not be a good thing. He gave an overview of his history as an elected official in the City, noting that open space had been a pet project of Former Mayor Jess Adamson. He said the reality was that something needed to be done but additional funds were needed. He said a ditch was meant to be piped on the east line of the Wimbleton property, but that didn’t get done because the developer was sued. He added that with regards to the public safety fee, more revenue was needed to fund this area of the City. He concluded by encouraging the City’s officials to be careful with money.

Carrie Bushman mentioned that she had sent emails the Mayor and Council. She explained that most residents in the open space developments were told they would have beautiful landscaping; however, they were sold a bill of goods they did not get. She said the residents paid for land donated to the City. The entire City owned the open space, but only a percentage of the residents were paying for it. She explained that the idea of creating open space first occurred in 1920 in New York as a healthy way of creating community in a condensed area. Highland needed to assess its open space and determine how much was needed for the citizens to be healthy and happy. They also needed to assess how a fee would affect various households in the community.

Sherry Kramer, resident, said she was passionate about parks and open space which was why many Highland residents saved for years to be able to live there. She was in favor of a Citywide fee; however, agreed that more
analysis was needed to determine an appropriate amount. She felt that the parks and trails fee and public safety fee were separate issues. She wanted to see the Council decide on the public safety fee tonight and decide on the parks and trails fee in the near future. She thanked Council Member Ed Dennis and Council Member Scott L. Smith for thinking out of the box.

Wesley Warren stated that Option 3 was an innovative, great idea. He felt the issue of funding public safety needed to happen now. However, he also believed that any proposal needed vetting. The parks and trails issue wasn’t new but the fee was new. He stated that Option 3 wasn’t discussed during the open house but could have been popular during those meetings. He agreed with previous remarks about the public safety fee and parks and trails fee being separate issues. He believed that the City could gain a lot support for getting rid of the $20 fee for just the open space residents. Everyone in the City used the open space; therefore, he agreed that the fee should be paid by everyone. He concluded by stating he was happy to pay to live in Highland.

Kendal Bushman said his biggest concern was the slippery slope. Since this particular Council was elected, several taxes and fees were implemented: a road tax, a public safety fee, and a park fee. He stated that his fees had gone up approximately $700 per year. People needed to understand how much they would pay in property taxes in Highland. He concluded by stating that any new tax or fee needed to be voted upon by the public.

Natalie Ball preferred to have a fee as opposed to tax, because a fee could have a sunset date.

Colby Gibson stated that when he bought his first home he never would have questioned whether or not there was a fee that most of Highland City wasn’t paying. There were a lot of other people who were upset over this issue. Over time, if nothing was done lawsuits could start getting filed, thus costing the City even more money.

Carrie Bushman stated that the public safety fee was a little high. She asked that the Council research the fee more rather than making a decision tonight.

Wesley Warren explained that Alan Rencher had mentioned his father in Oklahoma and how one of the unintended consequences of not funding the public safety was affecting the home owner’s insurance. He thought this was a compelling aspect and he wondered if staff had any additional info on this specific point.

Council Member Brian Braithwaite said he would talk to Chief Thompson on the matter.

Mayor Mann closed public comment.

Council Discussion:

Council Member Brian Braithwaite said if the $8 open space fee only maintained the status quo then that would not fix the problem. The right solution needed to be vetted thoroughly. The fee had been discussed by open space residents but it had not been discussed with the majority of residents. It was mistake implementing the fee without gaining input from everyone.

Council Member Ed Dennis said the proposal for a parks and trails fee, as well as supplementing the public safety fee, was something that he proposed early on in the budget process. Therefore, this was not a new discussion within the current budget cycle. Several Council Members had expressed interest in the proposal, but unfortunately it did not gain any traction. He appreciated the fact that residents had expressed a need for further discussion. He suggested looking at Option 1 for the public safety fee, but felt strongly that the City should use some of the reserves to fund the fee given the fact that they were forecasting reserve funds in excess of the statutory limit. He said they could have a discussion about the parks and trails fee moving forward. They owed it to residents to use the money in an appropriate way and not to charge more than was needed.
Mayor Mann asked what uses were planned with the City’s excess reserve funds. Finance Director Gary LeChemminant said this depended upon final costs on a couple of projects. City Engineer Todd Trane noted that the general contracting for the salt storage building was done in-house to save money. The parks maintenance building was underfunded at this point, but staff did not know by how much.

Council Member Brian Braithwaite stated that the City paid $20,000 to $30,000 for a General Fund study, and per that study the City would run out of money in 2022 if they were to gradually withdraw funds from the reserves. He said this was particularly concerning since they were talking about pulling money from that account. Council Member Tim Irwin said the City was not discussing pulling money from the reserves. Rather, they were discussing using money in excess of the 25% statutory limit. There was further deliberation on the matter.

*Council Member Tim Irwin MOVED that City Council implement a Public Safety Fee of $10/month and utilize $150,000 from the excess over 25 percent from reserves and that there be a five-year sunset. Council Member Ed Dennis SECONDED the motion.*

**Council Discussion:**

Council Member Scott L. Smith stated that as a City they needed to move forward in finding a resolution on the open space fee. He agreed with Council Members Irwin and Dennis that the excess beyond the 25% ought to be used. He said the predictions of the study were overly conservative.

*Council Member Brian Braithwaite made a substitute motion and MOVED that the City Council approve a $12.57 per month Utility Fee as was proposed to residents and have a sunset of 2028 year budget. Council Member Kurt Ostler SECONDED the motion.*

**Further Council Discussion:**

Council Member Ed Dennis asked what the forecast fund balance was for the end of 2019 in the economic study. City Administrator Nathan Crane was unsure but could find it. Council Member Ed Dennis felt it went down fairly steep. However, they were seeing excess balance. He felt the forecast was overly pessimistic. City Administrator Nathan Crane reminded Council Member Dennis that the forecast did not include the increase requested. Council Member Ed Dennis disagreed with the model for residential cost. He felt it was more optimistic than what the forecast presented.

Tim MOVED the Question on Council Member Brian Braithwaite’s motion.

Mayor Mann said he preferred that the Council pass either Option 1 or 2 and assess the open space fee further. The City could change the fee next year based on the revenues generated this year. There was further deliberation on whether or not to use the excess funds to lower the fee, and the percentage of reserve to maintain moving forward.

*Council Member Brian Braithwaite made a substitute motion and MOVED that the City Council approve a $12.57 per month Utility Fee as was proposed to residents and have a sunset of 2028 budget year. Council Member Kurt Ostler SECONDED the motion.*

**The vote was recorded as follows:**

<table>
<thead>
<tr>
<th>Council Member</th>
<th>Vote</th>
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<tbody>
<tr>
<td>Brian Braithwaite</td>
<td>Yes</td>
</tr>
<tr>
<td>Ed Dennis</td>
<td>No</td>
</tr>
<tr>
<td>Tim Irwin</td>
<td>No</td>
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</tbody>
</table>
Mayor Mann asked for the Council to vote on the original motion by Council Member Tim Irwin—that the City Council should implement a public safety fee of $10 per month and utilize $150,000 from funds exceeding the 25% statutory limit, and that there be a five-year sunset. Council Member Ed Dennis SECONDED the motion.

Council Member Scott L. Smith made an additional substitute motion and MOVED that the City Council implement an $11.50 Public Safety Fee per month and utilize $60,000 from the excess reserves and that there be a sunset date of 2028 budget year. Council Member Kurt Ostler SECONDED the motion.

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

The motion passed 4:1.

Council Member Ed Dennis explained his no vote by stating that he felt there was room to lower the fee.

8. ACTION/RESOLUTION: ADOPTING THE CERTIFIED TAX RATE FOR FISCAL YEAR 2019-2020 (20 minutes)

Finance Director Gary LeCheminant oriented the City Council with the certified tax rate for fiscal year 2019-2020. The certified tax rate for Highland City would be set to 0.001254 of the assessed value of property. The rate would be assigned as follows:

- 0.001090 for Highland City General Operations with anticipated collections of $1,757,778.
- 0.000164 for the Highland City Library with anticipated collections of $264,473.

Mayor Mann clarified that these rates were basically the same as last year, plus growth. Finance Director Gary LeCheminant confirmed this to be the case. Council Member Brian Braithwaite explained that the certified rate fluctuated based on the value of the properties, so the City would always get the same amount of revenue.

Council Member Tim Irwin MOVED that the City Council adopt the Certified Tax Rate for the fiscal year 2019-2020 as 0.001254. Council Member Brian Braithwaite SECONDED the motion.

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

The motion passed 5:0.
10. PUBLIC HEARING/ACTION: ADOPTION OF FINAL HIGHLAND CITY
BUDGET FOR FISCAL YEAR 2019-2020 (20 minutes)

Finance Director Gary LeCheminant oriented the Council with the Final Highland City Budget for Fiscal Year 2019-2020. He presented the following numbers:

- 3% Potential Salary Merit Increase
  - $21,661
- Dental Premiums—0% increase
- Medical Premiums—4.9% increase
  - $6,838
- $200K from county ¼% sales tax
  - $100,000 to major road fund
  - $50,000 to Open Space trails
  - $50,000 to General Funds Parks Dept. for trails

Council Member Kurt Ostler asked if they were increasing the trail budget by $100,000, to which Finance Director Gary LeCheminant responded in the affirmative. He continued reviewing the following budget line items:

- Transfer $108,000 from PI for watering park grass and park strips
- $701,000 revenue increase from either a property tax increase or a fee for LPPSD
- $701,000 increase in LPPSD expenses
  - $5,600 for Admin
  - $535,900 for Fire
  - $159,300 for Police
- Bond Payments from $834,000 to $972,000
- Park and Public Safety Impact Fees
  - FY 2018—$472,000
  - FY 2019—$295,000
  - FY 2020—$301,000
- Building Permits
  - FY 2018—96 Permits
  - FY 2019—53 Permits
  - FY 2020—55 Permits

Final Numbers for General Fund Budget FY2020

- Total Revenue—$9,656,476
- Total Expenses—$9,655,824
- Net Revenue—$652
- Current Cash Balance—$2,038,389
- Forecasted FY 2019 Exp.—$8,954,996
- Avg. Exp. Per month—$746,000
- Cash Coverage—2.7 months
- FY19 Revenue Budget—$8,995,773
- FY19 Expense Budget—$8,995,773
- Net—0
- FY19 Revenue Forecast—$8,913,890
- FY19 Expense Forecast—$8,954,996
  - Net ($41,106)
FY20 Revenue Budget—$9,656,476
FY20 Expense Budget—$9,655,824
  o Net $652

LIBRARY FUND
  • Revenue—$358,621
  • Expense—$355,397
  • Indirect Overhead Charge—$8,838
  • Insurance Charge—$1,175
  • Part Time Staff—$131,013 (up $16,275 from current year budget)

SEWER FUND
  • Sewer Fund Budget FY 2020
    • Revenue—$2,272,690
    • Expense—$2,368,832
    • Current Cash Balance—$4,278,000
      o $449,000 is impact fee collections
  • Planned Projects:
    o Lift station capital projects
    o Pipe rehabilitation & replacement
    o American Fork lift station
    o Forcemain

PI FUND
  • Press. Irrigation Fund Budget FY 2020
    • Revenue—$2,470,194
    • Expense—$2,309,596
    • Current Cash Balance—$3,497,000
      o $656,000 is impact fee collections
      o Planned Projects (next 2-5 years):
        ▪ Upper and Lower Pond Expansions
        ▪ CUP/Murdock Canal Connections
        ▪ Zone Modifications (PRVs)
        ▪ Water meters

STORM SEWER
  • Storm Sewer Fund Budget FY 2020
    • Revenue $542,822
    • Expense $537,251
    • Current Cash Balance—$1,361,000
      o Planned Projects:
        ▪ Mercer Hollow Drainage Realignment and Lining
        ▪ Country French Detention Reconstruction

CULINARY WATER
  • Culinary Fund Budget FY 2020
    • Revenue $951,464
    • Expense $1,230,107
• Current Cash Balance – $2,924,000
  o Planned Projects:
    ▪ Major well maintenance
    ▪ Pipe for southeast area

UTILITY TRANSPORTATION FUND
• Transportation Fund Budget FY 2020
• Revenue—$1,027,000
• Expense—$1,019,155
  o 6400 West, 5870 West, 10500 North, 6000 West
  o Current Cash Balance – $786,000
  o Money collected from September to May and spent June to August.

Mayor Mann opened the public hearing at 9:48 PM and called for any citizens who would like to speak on the item to come to the podium and state their name for the record.

Citizen Comments:

There were no comments.

Mayor Mann closed the public hearing at 9:49 PM.

_Council Member Brian Braithwaite MOVED that the City Council adopt the Final Highland City Budget for fiscal year 2019-2020 with the adjustment in the Public Safety Fee being lowered and the difference coming from the reserve. Council Member Scott L. Smith SECONDED the motion._

_The vote was recorded as follows:_
_Council Member Brian Braithwaite Yes_
_Council Member Ed Dennis No_
_Council Member Tim Irwin Yes_
_Council Member Kurt Ostler Yes_
_Council Member Scott L. Smith Yes_

_The motion passed 4:1._

Council Member Ed Dennis explained the reason he voted no because he disagreed with the public safety fee, the use of excess reserves, and the method of funding.

11. MAYOR/COUNCIL AND STAFF DISCUSSION AND COMMUNICATION ITEMS

Mayor Mann reported that he recently met with a community group in American Fork as well as representatives from the park service. There were currently discussions about the indoor agency building to be built west of the LDS stake center on SR92. The group wanted to propose an additional outlet in case North County Boulevard plugged up. At the meeting, City Engineer Todd Trane made several points about how this would help provide better services in the area. City Engineer Todd Trane presented an aerial map of the County to the Council and discussed the proposal. There was further discussion on the matter.

Council Member Brian Braithwaite asked for an update with potential flooding. City Engineer Todd Trane said staff had been watching flows out of American Fork canyon for the past three to four weeks. Highland City and
American Fork City staff were taking turns monitoring the area, and would continue to do so for the next couple of weeks. Flooding should no longer be a threat by the first part of July. He hiked up Silver Lake and reported that it was still frozen and snowy. He reported that the City was using 100% of what was coming out of the canyon from last year; all of that storage water will be replaced this year.

12. FUTURE MEETINGS
   a. Future Meetings
      • June 25, Planning Commission Meeting, 7:00 pm, City Hall
      • July 2, City Council Meeting, 7:00 pm, City Hall

There was a quick discussion about whether or not the Council would meet on July 2nd. Mayor Mann also asked about the Candidate Open House to which City Administrator Nathan Crane responded that it would be on July 18th. He further explained that they were planning to create a voter information pamphlet based on responses to common questions from residents.

13. CLOSED SESSION
    The Highland City Council may temporarily recess the City Council meeting to convene in a closed session to discuss the purchase, exchange, or lease of real property, as provided by Utah Code Annotated §52-4-205

Mayor Mann stated that the Closed Session had been cancelled.

ADJOURNMENT

Council Member Council Member Scott L. Smith MOVED to adjourn the regular meeting and Council Member Brian Braithwaite SECONDED the motion. All voted in favor and the motion passed unanimously.

The meeting adjourned at 10:00 PM.

I, Cindy Quick, City Recorder of Highland City, hereby certify that the foregoing minutes represent a true, accurate and complete record of the meeting held on June 18, 2019. This document constitutes the official minutes for the Highland City Council Meeting.

Cindy Quick, MMC
City Recorder
Welcome to the Highland City Council Meeting
June 18, 2019

7:00 PM REGULAR SESSION
Call to Order – Mayor Rod Mann
Invocation – Council Member Ed Dennis
Pledge of Allegiance – Council Member Tim Irwin

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.

CONSENT ITEMS (5 MINUTES)
• Item 2a. – Approval of Meeting Minutes from May 21, 2019
• Item 2b. – Appointment of New Library Board Members
• Item 2c. – Beautification Committee Appointment
• Item 2d. – Millhaven Development Final Plat Approval

ACCEPTANCE OF OPEN SPACE IMPROVEMENT FUNDS FROM MERCER HOLLOW ESTATES SUBDIVISION RESIDENTS (30 MINUTES)

Vicinity Map
Background

- City Council began selling property in 2014.
  - $369,805 funds have been collected and $89,929 still to be collected
- June 4, 2019 Council voted to utilize the funds collected from the sell of open space for a project in the same subdivision.
- September 2017 & May 2018, City Council approved disposal of open space property in Highland Hills and Mercer Hollow Subdivision
  - $28,860.24 funds collected

Petition Request

- Site is currently being utilized for illegal dumping.

Cost Estimate

- Petitioners gathered $70,000 in funds to donate to the city for the project.
- The estimate provided is outdated and staff has provided updated estimates:
  - SOD= $6,632 Increase
  - Trees= $2,700 Increase
  - Irrigation system= $10,000 increase
- Total estimated project total: $89,309
  - The City will need to pay the difference with the funds collected from the sell of open space property.

Fiscal Impact

- Cost Estimate is $89,309
  - Applicant is providing $70,000 in donations.
  - Staff will budget $20,000 in FY 19/20 Budget.
- Will need to bid the project in accordance with City procurement procedures.

Gen. Fund Summary

- Approved Budget
  - Revenue---$9,000,342
  - Expense---$8,981,116
- Mid-Year Budget
  - Revenue---$9,226,461
  - Expense---$9,210,107
- Final Adjusted
  - Revenue---$8,995,773
  - Expense---$8,995,773

ADOPTING FINAL AMENDMENTS TO THE HIGHLAND CITY 2018-2019 FISCAL YEAR BUDGET (20 MINUTES)
**Budget Adjustments FY 2019**

- General Fund Revenue
- Total Taxes from $5.46M to $5.50M
- Court Fines from $154K to $202K
- Interest Income from $19K to $93K
- Prior Year Carryover from $458K to $83K

**Budget Adjustments FY 2019**

- General Fund Expenses
- Bldg. Maint. From $54K to $60K
- Planning from $75K to $5K
- New Truck Bldg. Inspect. +$30K
- Transfers Out to Cap. Funds. - $145K
- Salary Expense Adj. Down $33K

**Budget Adjustments FY 2019**

- Other Funds
- Salary Exp. Adj. up by $32K
- Sewer TSSD from $1.4M to $1.25M
- Depr. Exp Adj. up by $116K
- Accena Group Adj. up by $16K
- Interest Income Adj. up by $268K
- Impact Fees Adj. down by $100K

**Fund Balance - General Fund**

- Ending Balance FY 2018---$2,605,387
- Est. Net Loss FY 18/19 = $83,000
- Est. Ending FY 18/19 Fund Balance is: $2,522,387
- Estimated FY 18/19 Revenue $8,995,773
  -25% = $2,248,943
- Amount over 25% = $273,444

**Adjustments to Address Fund Balance**

- Park Maintenance Building
- Salt Shed
- Highland’s Contribution to 6800 W.

**APPROVAL OF AN INTERFUND TRANSFER FROM THE PRESSURIZED IRRIGATION FUND TO THE GENERAL FUND FOR BUDGET FY 19/20**

(10 MINUTES)

Item 5 - Public Hearing / Resolution
Presented by - Gary LeCheminant, Finance Director
PI Interfund Transfer

- Amount of transfer---$108,000
- Exp. before transfer---$2,201,596
- Exp. after transfer---$2,309,596
- Percent of expenses---4.7%
- PI Customers---4,358
- Subsidy per month---$2.07

ADOPTING THE HIGHLAND CITY COMPREHENSIVE FEE SCHEDULE FOR FISCAL YEAR 2019-2020 (15 MINUTES)

Item 6 - Public Hearing / Resolution
Presented by - Gary LeCheminant, Finance Director

Fee Schedule Changes

- Cemetery plot, resident, from $1,045 to $1,076
- Cemetery plot, non-resident, from $1,458 to $1,502
- Garbage—1st Can from $9.35 to $9.40
- Garbage—Recycle Can from $4.45 to $5.10

Fee Schedule Changes

- Library Non-Resident Fee from $40 to $70
- No changes in Planning & Zoning Fees

ITEMS 7, 8, AND 9
Public Safety Funding

Overview

- -$701,000 – Increase to Highland City Portion of Lone Peak Fire & Police Budgets
  - Fire – Maintaining Level of Service
    - Revenue loss
    - Fixed costs
  - 8 firefighters/EMT on duty at a time
  - Police – Recruitment and Retention
    - 401K match, increased base salary, Tier II change
Option 1 (Item 7)
• $12.57 per month Public Safety Fee
  – Per home on utility bills
  – $150.89 per year
• Would be in the General Fund but tracked like B & C road money

Option 2 (Item 8)
• Increase the certified tax rate
  • Current
    – General Operations Rate - 0.001090
      • Revenue - $1,757,778
    – Library Rate – 0.000164
      • Revenue - $264,473

Option 2 (Item 8)
• Potential Increase
  – Added Public Safety Rate – 0.000435
    • Revenue - $701,000
  – 35% increase
• Truth in Taxation Process
  – Noticing
  – Final decision August 6

Option 2 (Item 8)
• Median Highland Home - $554,300
  – Current
    • $382.30 per year ~ $31.86 per month
  – Increased Rate
    • Additional $132.50 per year ~ $11.04 per month
• Average Highland Home - $604,000
  – Current
    • $416.58 per year ~ $34.71 per month
  – Increased Rate
    • Additional $144.38 per year ~ $12.03 per month

Option 3 (Item 9)
• Councilmember Dennis and Smith
  1. $8 per month Park Fee for all utility accounts
  2. $8 per month Public Safety Fee for all utility accounts
  3. $20 per month Open Space Fee eliminated
  4. $116,500 General Fund Surplus used

Option 3 (Item 9)
• Same amount of money spent on Parks and Open Space
  • $701,000
    – $138,500 by eliminating the transfer from General Fund to Open Space Fund
    – $446,000 from $8 per month Public Safety Fee
    – $116,500 from Previous Year’s Fund Balance
Option Summary - Residents

1. Public Safety Fee (Item 7)
   - $12.57 per month for all utility accounts

2. Raise Property Tax Rate (Item 8)
   - $12.03 per month increase (Average Highland Home)

3. Public Safety Fee/ Parks Fee/ Open Space Fee Elimination (Item 9)
   - $16.00 per month increase for non-open space residents
   - $4.00 per month decrease for open space residents

Other Options/ Considerations

• Budget Cuts
  - Over the past 10 years, inflation adjusted spending has decreased 1.6% and population has increased 31%
  - Any additional cuts mean a reduction in level of service
  - Unfunded needs: open space maintenance, playground and fleet replacement, general plan updated, cemetery fence, etc.

• Using Reserves
  - Ongoing Costs vs. One Time Revenue
  - Lewis & Young General Fund Study
  - Fully Vetting Options/ Public Communication

ADOPTION OF THE FINAL HIGHLAND CITY BUDGET FOR FISCAL YEAR 2019-2020 (20 MINUTES)

General Fund Budget Assumptions

• 3% Potential Salary Merit Increase
  →$21,661
• Dental Premiums—0% increase
• Medical Premiums—4.9% increase
  →$6,838

General Fund Budget Assumptions

• $200K from county ¼% sales tax
  →$100K to major road fund
  →$50K to Open Space trails
  →$50K to General Funds Parks Dept. for trails

• Transfer $108K from PI for watering park grass and park strips
• $701K revenue increase from either a property tax increase or a fee for LPPSD
• $701K increase in LPPSD expenses
  →$5.6K for Admin
  →$535.9K for Fire
  →$159.3K for Police
General Fund Budget Assumptions

- Bond Payments from $834K to $972K
- Park and Public Safety Impact Fees
  - FY 2018----$472K
  - FY 2019----$295K
  - FY 2020----$301K
- Building Permits
  - FY 2018---96 Permits
  - FY 2019---53 Permits
  - FY 2020----55 Permits

General Fund Budget FY 2020

- Total Revenue $9,656,476
- Total Expenses $9,655,824
- Net Revenue $652
- Current Cash Balance--$2,038,389
- Forecasted FY 2019 Exp. $8,954,996
- Avg. Exp. Per month $746,000
- Cash Coverage—2.7 months

GF Budget Comparison

- FY19 Revenue Budget – $8,995,773
- FY19 Expense Budget – $8,995,773
- Net 0
- FY19 Revenue Forecast – $8,913,890
- FY19 Expense Forecast – $8,954,996
  – Net ($41,106)
- FY20 Revenue Budget – $9,656,476
- FY20 Expense Budget – $9,655,824
  – Net $652

Special Revenue and Enterprise Funds

Library Fund

- Revenue--$358,621
- Expense--$355,397
- Indirect Overhead Charge--$8,838
- Insurance Charge--$1,175
- Part Time Staff--$131,013 (up $16,275 from current year budget)

Sanitary Sewer

- Sewer Fund Budget FY 2020
- Revenue $2,272,690
- Expense $2,368,832
- Current Cash Balance – $4,278,000
  –$449,000 is impact fee collections
  –Planned Projects:
    - Lift station capital projects
    - Pipe rehabilitation & replacement
    - AF lift station
    - Forcemain
Pressurized Irrigation

- Press. Irrigation Fund Budget FY 2020
- Revenue $2,470,194
- Expense $2,309,596
- Current Cash Balance – $3,497,000
  – $656,000 is impact fee collections
  – Planned Projects (next 2-5 years):
    • Upper and Lower Pond Expansions
    • CUP/Murdock Canal Connections
    • Zone Modifications (PRVs)
    • Water meters

Storm Sewer

- Storm Sewer Fund Budget FY 2020
- Revenue $542,822
- Expense $537,251
- Current Cash Balance – $1,361,000
  – Planned Projects:
    • Mercer Hollow Drainage Realignment and Lining
    • Country French Detention Reconstruction

Culinary Water

- Culinary Fund Budget FY 2020
- Revenue $951,464
- Expense $1,230,107
- Current Cash Balance – $2,924,000
  – Planned Projects:
    • Major well maintenance
    • Pipe for southeast area

Utility Transportation Fund

- Transportation Fund Budget FY 2020
- Revenue $1,027,000
- Expense $1,019,155
  – 6400 West, 5870 West, 10500 North, 6000 West
- Current Cash Balance – $786,000
  – Money collected from September to May and spent June to August.

Future Meetings

- Item 12a. – Future Meetings
  • June 28, Planning Commission Meeting, 7:00 pm
  • July 2, City Council Meeting, 7:00 pm
CITY COUNCIL CLOSED SESSION

The Highland City Council may temporarily recess the City Council meeting to convene in a closed session to discuss the purchase, exchange, or lease of real property, as provided by Utah Code Annotated §52-4-205.