



HIGHLAND CITY

HIGHLAND CITY COUNCIL MINUTES

Tuesday, June 19, 2018

Approved July 17, 2018

*Amended and Approved August 7, 2018

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

PRESIDING: Mayor Rod Mann

COUNCIL MEMBERS

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

CITY STAFF PRESENT: City Administrator/Community Development Director Nathan Crane, Assistant City Administrator Erin Wells, Finance Director Gary LeCheminant, Public Works O&M Director Justin Parduhn, Police Chief Brian Gwilliam, City Recorder Cindy Quick

OTHERS: Tim Ball, Natalie Ball, Joe Totorica, Elvira Totorica, Krista Seely & Family, Claudia Stillman, Tiffany Whiting, Roger Dixon, Deanne Dixon, Terri Kent, Carol Rice, Kim Berguson, Paula Forbes, Carolina Costa

7:00 P.M. REGULAR SESSION *(CITY COUNCIL CHAMBERS)*

Call to Order – Mayor Rod Mann

Invocation – Krista Seely

Pledge of Allegiance – Council Member Kurt Ostler

The meeting was called to order by Mayor Rod Mann as a regular session at **7:03 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 Krista Seely and those assembled were led in the Pledge of Allegiance by Council Member Kurt Ostler.

1. UNSCHEDULED PUBLIC APPEARANCES

Time has been set aside for the public to express their ideas, concerns, and comments. (Please limit comments to three minutes per person. Please state your name and address.)

Krista Seely, a resident, expressed her love of the library and introduced her children, who each shared their favorite thing about the library.

Paula Forbes, a resident, thanked the Council for supporting the library and urged them to continue that support as the library grows with the community. She believed that funding the library was a good use of tax money.

Terry Kent, a resident, reported serving on the first Library Board in Highland and made mention that she would love to be involved again. She said the library was a great place for people in the community to meet, enjoy story time, and teach children to love reading.

2. PUBLIC HEARING/ORDINANCE: REQUEST TO VACATE A PORTION OF AN INGRESS/EGRESS EASEMENT IN THE TIMP VIEW POINT B SUBDIVISION

City Council will consider the request from Northstar Builders, on behalf of Joe Totorica to vacate a portion of an ingress/egress easement in the Timp View Point B Subdivision. The Council will take appropriate action.

City Administrator Nathan Crane reported that this item needed to be continued to the July 17, 2018, City Council meeting because the applicant needed additional time to work through some joint access issues.

*Council Member Ed Dennis MOVED to continue the item.
Council Member Brian Braithwaite SECONDED the motion.*

The vote was recorded as follows:

<i>Council Member Brian Braithwaite</i>	<i>Yes</i>
<i>Council Member Ed Dennis</i>	<i>Yes</i>
<i>Council Member Tim Irwin</i>	<i>Yes</i>
<i>Council Member Kurt Ostler</i>	<i>Yes</i>
<i>Council Member Scott L. Smith</i>	<i>Yes</i>

The motion passed.

3. PUBLIC HEARING/RESOLUTION: ADOPTING THE FINAL HIGHLAND CITY BUDGET FOR FISCAL YEAR 2018-2019

City Council will consider adopting a resolution approving the Final Budget for Fiscal Year 2018-2019. The Council will take appropriate action.

Finance Director Gary LeCheminant oriented the Council with the Highland City budget for fiscal year 2018-2019. He reviewed changes made to Revenue and Expenses and provided a summary of the Enterprise Funds.

For the benefit of the public, Council Member Tim Irwin explained that there had been some significant changes to the Enterprise Funds and they were building up cash balances to pay for anticipated repair projects in the coming years. He requested that a statement be added to the budget stating the timeframe for these projects. Staff agreed to include the statement. City Administrator Nathan Crane noted that the Council had received a prioritized list of projects during an earlier meeting and staff would bring that back to the Council for detailed discussion in a later meeting. They would also be discussing utility rates and revenue in the near future.

City Administrator Nathan Crane continued the presentation by addressing a State Statute regarding a fee in lieu of taxes for the library revenue. He reported that staff had just scratched the surface of the statute and further research and discussion would be needed regarding Highland City's library revenue. What they had discovered was that the State Statute would require a reallocation of existing revenue to the library in the amount of roughly \$23,000. He clarified that the revenue was part of the motor vehicle rate fee that the City already collects. The fee to residents would not increase.

Council Member Tim Irwin asked for clarification on the dedicated tax. Council Member Brian Braithwaite explained that several years ago, residents paid their vehicle tax as part of their property taxes, but that was changed to a flat fee based on the age of the vehicle. Part of that fee collected by the City should be going to the library. There was some discussion regarding the fee in lieu of tax.

Council Member Kurt Ostler suggested that they discuss the percentage of the property tax and dedicated taxes that were going toward the library at a later date.

Assistant City Administrator Erin Wells explained that changes had been made to the library fund due to some information staff recently received. She presented a summary sheet to the Council and noted she had removed the cross charges from the summary because they were a wash. She then reviewed the library fund for the current fiscal year and explained how the funds were split between the library and attorney's fees from the City. There was a deficit of \$14,000, which would roll over to the next fiscal year as a one-time expenditure. She then addressed the FY19 budget and noted that revenue from card fees could change if they were able to reach NUCLC by September, as intended. The budget also included \$23,000 for new material which would help the library pass certification next year. They had also budgeted for three staff computers.

Council Member Tim Irwin asked about security cameras and Assistant City Administrator Erin Wells responded that they budgeted some funds in the current year to install security cameras at the night book drop-off.

Council Member Scott L. Smith thought it was important to review the cross charges and keep them in perspective.

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:

Roger Dixon, a member of the Library Board, commented on the deficit in the library budget and requested that the City look into covering that deficit. He thought it was interesting that a deficit could carry over into the next fiscal year but surplus would not. He understood that was a City policy but felt it was something that should be reexamined.

Council Member Ed Dennis commented that the library funds were currently comingled with the General Fund and a separate City Library Fund needed to be set up. He also recommended that the deficit projected for 2018 be covered with the additional taxes for the Library, so it won't be carried over into the next fiscal year.

Claudia Stillman, a resident, commented of a reference for severance being paid to the departed Library Director but it was her understanding that it was really the cost of a settlement agreement.

Mayor Mann closed the public hearing at 7:47 PM

**The following amendments were approved by City Council on August 7, 2018.*

Mayor Mann took a moment to discuss the settlement and explain why such a generous offer was made. He noted that there had been concerns voiced that the City had something to hide regarding the case but they did not. He explained that there had been some claims made and an investigation was held but all of those claims were found to be without merit. There were recommendations to change some procedures and those procedures will be changed. He explained that he shared the final settlement agreement with the Council and

they unanimously accepted the agreement. After the report had been provided, there were still concerns from Board Members, Council Members and Library staff that the report was biased. There had been previous support from Council Members offering to pay attorney fees for the claims made by the previous Library Director, however, those fees were never paid and was only discovered after the report was provided. The City Council was unanimous in accepting the settlement and it was after this that Mayor Mann discovered that the previous Library Director had received financial support from Council Members for attorney's fees. That discovery after the investigation had taken place and having the previous Library Director come back and sue the city while she was employed, looked like years of potential problems going forward. Therefore, he and the Council agreed that it was better for a separation so as not to carry on a long extensive battle amongst the Council, Board and employees. Instead they chose to move on and put it behind them. They agreed to the settlement to avoid a lengthy legal battle. Mayor Mann reported that all of the case information was available to the public and he would be happy to review it with anyone who may have questions or concerns. He also noted having an issue with how the complaint was made, specifically with how broadly it was distributed. He wanted to be sure it was on the record that the complaint was without merit. He was sad to lose such a passionate librarian and sad about the whole situation. The city would do their best to move forward.

Council Member Scott L. Smith commented that there were some issues with the HR process and he asked what changes had been made to remedy those issues. Mayor Mann said that they were seeking alternative ways for employees that submit complaints with a supervisor. The library and the City were both small and needed a better system. The city hoped to have a proposal ready to present to the City Council in August. Council Member Scott L. Smith also said that there were issues with documentation that needed to be addressed.

Council Member Scott L. Smith asked why staff projected fewer building permits but an increase in building inspections for the upcoming fiscal year. City Administrator Nathan Crane explained that the City inspects home remodels, basement additions, solar panel installation, etc.

Council Member Scott L. Smith also noticed a decrease in the estimated revenue from cell towers and asked if there was a change in the contract. Finance Director Gary LeCheminant said that there had been no change in the contract, the decrease was an error.

Council Member Ed Dennis commented that the City had seen significant increases in sales tax income this year, but their projections for the next year were modest. He asked how much of that income they anticipated would be going to the homeless fee. Finance Director Gary LeCheminant estimated \$30,000 for the homeless fee.

Council Member Ed Dennis asked if the budget of \$1,000 was enough for the primary election next year, and City Administrator Nathan Crane said that the elections would take place in the following fiscal year.

Council Member Ed Dennis addressed the library deficit and suggested that the city use General Fund money to cover the deficit in the current year keeping the library budget neutral. Council Member Tim Irwin agreed. There was a discussion regarding the library budget and deficit. Council Member Brian Braithwaite suggested that they use the funds from the Reserve Fund. The Council agreed to have an in-depth conversation about the library budget at a later date. Finance Director Gary LeCheminant reminded the Council that they intended to create a separate library fund and that would resolve many of their concerns.

Council Member Ed Dennis asked why the Parks and Recreation budget had increased almost 10% and Operations and Maintenance Director Justin Parduhn said that this was due to increased wages for seasonal employees, trail maintenance and the tree pruning project.

Council Member Ed Dennis asked about the total revenue and expenditures and why there was such a wide difference. Finance Director Gary LeCheminant responded that he was waiting for three months' worth of sales tax.

Council Member Kurt Ostler asked about the increase in cemetery salaries and Assistant City Administrator Erin Wells said that the salaries for herself and the City Recorder were being allocated partially through the cemetery fund. The 3% annual perpetual care increase was also included in the cemetery budget.

Council Member Kurt Ostler asked if the City had a buyback policy for cemetery lots and Assistant City Administrator Erin Wells confirmed that the City would buyback lots at the current market price.

Council Member Kurt Ostler asked if they would be reviewing the road fee and City Administrator Nathan Crane said that staff would have a report ready for the July 17, 2018 meeting.

Council Member Ed Dennis MOVED that the City Council accept the 2018-2019 Highland City budget with the modification in the library budget to allocate \$14,081.36 to fees in lieu of property tax to the library so that there is not a deficit in the library budget, as well as, an increase in the projected revenue from cell towers of \$4,000.

Council Member Scott L. Smith SECONDED the motion.

The vote was recorded as follows:

<i>Council Member Brian Braithwaite</i>	<i>Yes</i>
<i>Council Member Ed Dennis</i>	<i>Yes</i>
<i>Council Member Tim Irwin</i>	<i>Yes</i>
<i>Council Member Kurt Ostler</i>	<i>Yes</i>
<i>Council Member Scott L. Smith</i>	<i>Yes</i>

The motion passed.

4. PUBLIC HEARING/RESOLUTION: AMENDING THE FISCAL YEAR 2017-2018 CITY BUDGET

City Council will consider adopting a resolution amending the Fiscal Year 2017-2018 City Budget. The Council will take appropriate action.

Finance Director Gary LeCheminant oriented the Council with the amendments to the current fiscal year budget. He stated that 337 accounts would be amended, and he addressed the major changes.

City Administrator Nathan Crane presented a list of prioritized projects for which they could use capital funds so that they didn't exceed the 25% limitation in the reserve fund. The list included building maintenance projects at the Fire Station, City Hall and the Library; the library legal settlement costs, roads projects and IT projects. Other options included additional funds for the Murdock Connector, additional funds for the park and salt storage buildings, vehicle replacement, additional road projects and saving funds for the General Plan update and the Economic Development Study.

Council Member Scott L. Smith liked the idea of funding the Economic Development Study because he felt that it was critical.

Mayor Mann opened the public hearing at 8:34 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:

Natalie Ball, a resident, suggested that the city use the surplus funds to provide pavilions in the parks.

Mayor Mann closed the public hearing at 8:35 PM

Council Member Brian Braithwaite explained that the city was trying to put together a prioritized list of capital projects so they knew where to put any extra money. They could include parks projects on that list.

Council Member Tim Irwin felt that Natalie Ball brought up a good point and thought it would be nice for the residents to see those funds being used on something tangible. The funds gained from the sale of property were supposed to be put back into the subdivision. Including parks improvements on the list would be a good idea.

Council Member Ed Dennis agreed that park improvements would be a good use of capital funds. He was most in favor of putting the funds toward roads, capital buildings, the General Plan update and the Economic Development Study.

Council Member Scott L. Smith briefly reported regarding the potential pickle ball courts in City parks. Through some research, they discovered that some organizations would donate between \$10,000 and \$100,000 toward pickleball courts if the City were to match the funds. He suggested that may also be an option for parks and pavilions.

Council Member Kurt Ostler inquired upon the estimated costs for the Murdock Connector and City Administrator Nathan Crane said that the costs were unknown.

NOTE: Police Chief Brian Gwilliam left the meeting 8:42 pm.

Council Member Kurt Ostler said he wasn't sure if the General Plan update or the Economic Development Study were the best use of funding. There were only a few places left to develop and if they were not going to develop retail then they should not put money into the study.

There was a discussion regarding open space funds and how much had been collected from property sales so far. A discussion regarding how properties were being funded also ensued. City Administrator Nathan Crane suggested that they address the property selling process at a later date.

Council Member Brian Braithwaite brought the discussion back to the General Plan and said that it was a key element to the City and economic development tied into the plan. He suggested putting money into the General Plan would be a great option. There was a discussion regarding where the funds would be transferred to for the General Plan update and Economic Development Study.

Council Member Tim Irwin MOVED that the City Council approve resolution R-2018-18 amending the fiscal year 2017-2018 Highland City budget.

Council Member Scott L. Smith SECONDED the motion.

The vote was recorded as follows:

<i>Council Member Brian Braithwaite</i>	<i>Yes</i>
<i>Council Member Ed Dennis</i>	<i>Yes</i>
<i>Council Member Tim Irwin</i>	<i>Yes</i>
<i>Council Member Kurt Ostler</i>	<i>Yes</i>
<i>Council Member Scott L. Smith</i>	<i>Yes</i>

The motion passed.

5. ACTION/RESOLUTION: ADOPT THE CERTIFIED TAX RATE FOR FISCAL YEAR 2018-2019

City Council will consider a resolution to adopt the certified tax rate for fiscal year 2018-2019. The Council will take appropriate action.

Finance Director Gary LeCheminant oriented the Council with the certified tax rate for fiscal year 2018-2019. The General Operations rate decreased from 0.001241 to 0.001152, and the library rate decreased from 0.000187 to 0.000174. These decreases were a result of growth in the City.

Council Member Brian Braithwaite MOVED that the City Council approve resolution R-2018-17 adopting the certified tax rate.

Council Member Ed SECONDED the motion.

The vote was recorded as follows:

<i>Council Member Brian Braithwaite</i>	<i>Yes</i>
<i>Council Member Ed Dennis</i>	<i>Yes</i>
<i>Council Member Tim Irwin</i>	<i>Yes</i>
<i>Council Member Kurt Ostler</i>	<i>Yes</i>
<i>Council Member Scott L. Smith</i>	<i>Yes</i>

The motion passed.

6. ACTION/RESOLUTION: PUBLIC ENTITY RESOLUTION FOR PUBLIC TREASURERS' INVESTMENT FUND (PTIF) SIGNATORIES

City Council will consider adopting a resolution authorizing three individuals from Highland City to make changes to the City's PTIF accounts. The Council will take appropriate action.

Finance Director Gary LeCheminant stated that the item was discussed at the previous City Council meeting, however, the Council had requested more information before adopting the resolution. He reported that no one individual could change account numbers; two people would have to verify a change.

Council Member Brian Braithwaite said he was comfortable with the information.

Council Member Ed Dennis MOVED that the City Council adopt resolution R-2018-14 authorizing Finance Director, Treasurer and City Administrator from Highland City to make changes to the City's PTIF accounts.

Council Member Tim Irwin SECONDED the motion.

The vote was recorded as follows:

<i>Council Member Brian Braithwaite</i>	<i>Yes</i>
<i>Council Member Ed Dennis</i>	<i>Yes</i>
<i>Council Member Tim Irwin</i>	<i>Yes</i>
<i>Council Member Kurt Ostler</i>	<i>Yes</i>
<i>Council Member Scott L. Smith</i>	<i>Yes</i>

The motion passed.

7. FUTURE MEETINGS/UPCOMING EVENTS

a. Future Meetings

- June 26 – Planning Commission Meeting, 7:00 pm
- July 17 – City Council Meeting, 7:00 pm

b. Upcoming Events

- June 21 – Summer Fun at Town Center, 2:00 – 11:15 pm

Council Member Kurt Ostler asked about the upcoming Planning Commission meeting for the Patterson project and City Administrator Nathan Crane responded that he did not have any concerns.

Council Member Scott L. Smith brought up the pickleball courts again and said that he had commitments for fund matching, if the City wanted to pursue that option. He had asked the organization to come back to the City with cost estimates and designs and he would like to present those to the Council. The organization had suggested 24 courts. There was a brief discussion regarding potential locations for the pickleball courts.

ADJOURNMENT

Mayor Rod Mann called for a motion to adjourn.

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

The meeting adjourned at 9:04 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 19, 2018. This document constitutes the official minutes for the Highland City Council Meeting.



Cindy Quick, CMC
City Recorder