

**ELK RIDGE
CITY COUNCIL MEETING
March 13, 2007**

TIME & PLACE
OF MEETING

This regular Meeting of the Elk Ridge City Council, was scheduled for **Tuesday, March 13, 2007, at 7:00 PM; this was preceded by a City Council Work Session at 6:00 PM.**

The meetings were held at the Elk Ridge City Hall, 80 East Park Drive, Elk Ridge, Utah.

Notice of the time, place and Agenda of the scheduled meetings was provided to the Payson Chronicle, 145 E Utah Ave, Payson, UT, and to the members of the Governing Body, on March 9, 2007.

6:00 PM -

CITY COUNCIL WORK SESSION AGENDA ITEMS:

ROLL CALL

Mayor: Dennis Dunn; *City Council:* Mary Rugg, Raymond Brown, Nelson Abbott & Mark Johnson (Absent: Alvin Harward); *Public:* Curtis Roberts (CPA), Craig Neeley & Brent Arns (Aqua Engineering), Scout: Will Towse, Jamie D. Towse, Weston Youd, Barbara Andersen; and the *City Recorder:* Janice Davis

CPA –
FINANCIAL
ADVISEMENT

Brief Summary:

Curtis Roberts was the head of the audit team from Jones Simkins (City Auditors) for years. He has a background in government accounting with the State Auditor's office as well as with Jones Simkins. Mr. Roberts has conducted training sessions for the Council in understanding government budgeting/accounting.

Recently, Mr. Curtis decided to further his career and take a position with another company. His new position will allow him the opportunity to assist in the financial reporting of certain smaller cities that he has serviced in the past. Accounting practices are becoming more stringent as far as freedom of the Auditors to act as financial advisors as well as conduct the annual audit; it is considered a "conflict of interest". Several years ago, Mr. Curtis warned the City that rules were tightening up and may require that the City seek financial assistance from an outside source.

Mr. Curtis has proposed that he be hired by Elk Ridge in the capacity of a Finance Director; as he explained it, he would assist current staff with the financial reporting on a quarterly basis, and help prepare for the annual audit.

A memo from the City Recorder indicates that she would welcome the opportunity to work with Mr. Roberts and to have him help in keeping the City's finances on track for the annual audit.

Proposal for Shared Finance Director; Curtis Roberts, CPA:

"Why needed?"

1. New auditing standards change what must be reported to the City Council
 - A. Any material audit adjustment is an indication of a significant deficiency
 - B. Standard setters expect you to be able to record transactions from "cradle to grave" (initiation of transaction to presentation in the financial statements)
 - C. Uncorrected deficiencies must be reported each year
2. Improved financial controls provide better financial information during the year
 - A. Frustration can exist when significant audit adjustments are made but not fully explained
 - B. Expand financial reporting from cash receipts and disbursements to financial analysis
 - C. Decrease the time between year-end and closing the year
 - D. Discuss potential impact of Council actions before those actions are taken
3. Meet the demands of a changing regulatory environment
 - A. State reporting requirements are becoming more complex (impact fees, etc.)
 - B. Shifting duties allows current City personnel to focus on key City functions
 - C. Accounting regulations aren't the only thing changing

Why me?

1. Knowledge matters
 - A. Over 14 years of experience, mostly with cities in Utah
 - B. More than just a working knowledge of State laws and regulations
 - C. Past performances is an indication of future results
 - D. You are hiring a specialist in government accounting
2. Flexibility for the City and for CVTD
 - A. Flexible for the City and for the CVTD
 - B. More responsive to specific City needs

Costs:

Quarterly service - \$10,000 plus travel costs

This includes preparation of financial statements and all related documents for the audit."

City Recorder: The City has consultants in Engineering, Legal Advice, Planning...the finances of a city, company, etc. determine the success of that entity; yet we do not have a consultant in the area of finance.

Mary Rugg: She felt the memo from the Recorder was “great” and she commented that she is Acquainted with Mr. Roberts and personally feels comfortable with him. She only knows a bit of what he does; “above all else, the person who handles this trusts you explicitly”.

Question: In considering the cost proposal, will the City be saving any money by hiring him as a consultant? She understands the advantages; but she wants to know the advantages “dollar wise”.

Mr. Roberts: There may be some savings in that the audit could take less time with few er adjustments and with all reports ready to go; and he would be doing some of the reports that the Auditors have done in the past...but there may not be a significant savings, dollar -wise.

The City will be incurring these costs for assistance with financials in the future; the question is when? Planning for growth in the City and looking at the financial possibilities that are available is important... he feels this is a value of added service; and he feels it would be worth the cost.

Mary Rugg: So, there are long-tern savings.

City Recorder: Any advice from the City’s professionals , like the Impact fee study updates, is going to cost the City, but the information is invaluable.

Mr. Kidman (Jones Simkins) advised that the City wait to act on these new laws unt il after the spring session when the State Auditor’s office determines how they will react to the Cities and “non-compliance” issues. Is it simply a question of how the State will react; or is it a question of how firm do we want the City’s financial repo rting? This year, since the fiscal year is coming to a close, the City would probably be only looking at having Mr. Roberts come in for the year -end closing of the books. Since he is billing by the quarter, it may be slightly over \$2,500 for the year-end...possibly a bit more for the first time through.

Mr. Roberts: He stated that he could generate in-house financial projections for the utility departments; and he anticipates that the City could close its books by August/September and be ready for the Audit...with no audit adjustments. The City will know exactly where we stand at a much earlier date; usually the Audit presentation is later in the year. There is a letter typically generated by the City that is a part of the Audit Report called the MD&A (Man agement Discussion & Analysis) that would be done by Mr. Roberts.

Nelson Abbott: He wants to see someone that can advise the City in things like the early pay -off of the Water Bonds (Wells); someone that can make evaluations based on current circumstances and be a resource to the members of the Council, who do not have these skills. He wants to have someone that “knows how to look at the numbers and can tell”...trends can be projected and corrections can be made to prevent future problems.

City Recorder: The day-to-day jobs of the staff will not change much; it is just that we will be reporting to a Director other than the Auditors.

Nelson Abbott: “We have to have someone in place because the Auditors can’t do it.” (Referring to acting in the consulting capacity of a CPA)

Mr. Roberts: The standards are becoming more restrictive and this is one of the reasons he chose to leave the Firm; he wants more of a “working relationship” with his clients.

Mayor Dunn: He likes the idea of having him here in this capa city, because he is already acquainted with the City’s finances (Councilmember Rugg agreed).

*The City Recorder will contact Mr. Roberts with the Council’s decision.

IMPACT FEE
ANALYSIS &
RECOMMENDATIONS
- AQUA
ENGINEERING

Brent Arns & Craig Neeley (Aqua Engineering): Mr. Neeley was present to revie w the Impact Fee Analysis with the Council and those present.

Growth and changes in the plans for Capital Projects dictates that Impact Fees be reviewed on a regular basis. The City has had impact fee studies for wat er & sewer; however, has not had a Road Impact Fee Study. Aqua Engineering was authorized by the Council to address all three of these areas.

Review of the Study:

Demographics (Land use & population):

“A demographic study was performed to utilize the assigned land use designations and the zoning density values to calculate projected populations in undeveloped areas and to project where the major growth will occur in the City”. Tables were provided to illustrate various aspects of this study. Mr. Neeley discussed the tables with the Council.

Total ERC (Equivalent Residential Connections) at build -out = 2,240

Total build-out population = 9,860

Based on building permits, the average growth rate will be about 4.31% (Mountainland Assoc. of Gov. figures 2.81%)

Mr. Neeley feels that Elk Ridge will be built out in 30 -40 years.

With the population at build-out = 9,860, this would equal about 2,240 ERC's (current = 542)

*(Since this is only in a draft form at this point, there may be adjustments to the calculations.)

Water Impact Fee Analysis & Recommendations:

"As Elk Ridge City moves forward with plans to upgrade the Cloward Well to 1200 gpm and installing a new one million gallon storage tank (Fairway Tank), including a booster station and pumpline, the impact of growth will be less significant of the culinary water system. This culinary water impact fee revision will be calculated to include these current improvement projects plus additional future water projects recommended to accommodate the buildout population estimated to be reached in the year 1040." (The pressure rezoning required by the proposed placement of Fairway Tank will be included in this impact fee analysis.)

Review of Water Storage & Source Capacities:

Listed: Loafer Canyon Well, Cloward Well, Dugway Well & Oak Lane Well (no longer in service)

Covered: Distribution System & Existing Pressure zones

Water Rights:

Using the formula listed on Pages 6 & 7, the projected number of acre feet of water right needed in the year 2040 will be 2,055 (current = 497)

Source Capacity:

Using the formula listed on pages 8 & 9, the projected gallons per minute (gpm) necessary for the year 2040 will be 3,484 (current = 843).

"With the upgrade to the Cloward Well to 1200 gpm, the City will have adequate source capacity for approximately 1,250 connections, which is projected to be attained in 2028."...."To provide the required water source for the City's buildout capacity in 2040, a future well of 1350 gpm will be required to supply the necessary water source requirement stated by the State of Utah Drinking Water Code."

Water Storage Capacity:

Using formula on pages 10 & 11, the total projected storage capacity (in gallons) will be 2,730,880 by year 2040 (current = 782,704 gal.)

Table 6: Projects & Projected Costs:

Listing the projects as: Cloward Well, Fairway Tank, Fairway Booster Station & Pumpline, Pipe Upgrade, New Well, New Tank, Hillside Booster Station & Pumpline ...

The current cost for these projects = \$5,664,462

Construction Year Costs = \$7,399,296

IMPACT FEE CALCULATION:

Calculation on page 15 and Table 7:

Total Culinary Water Impact Fee per new ERC = \$4,640

(This may decrease with some adjustments to the Analysis.)

A total breakdown of all the projects and their costs were listed on separate pages.

Wastewater Collection System:

"The purpose of this Wastewater Collection System Impact Fee (Analysis) is to revise and update the Wastewater Master Plan Update completed by Aqua Engineering in 2006, which is a revision of the Wastewater Collection & Treatment Master Plan completed by Sunrise Engineering in 1988. As requested by Elk Ridge City, the necessary work required to complete this impact fee is to finalize the work completed last year by Aqua Engineering to include the Payson City trunk line contract and associated costs established to the transition for the change -over from a joint relationship with Salem City to a joint relationship with Payson City. Additional analysis is required due to the magnitude and increased pressure from large scale subdivisions to the south that have previously been included but not to the scale currently being purposed."

(There was a brief analysis of Payson City's Treatment Plant and Elk Ridge's future with them.

The Collection System was discussed with regards to Analysis, recommendations & upgrades.

Sewer System Projects listed: Elk Ridge New 15" Trunk Line, E. Goosenest 12" Trunk Line Upgrade, Cortez 10" Trunk Line Upgrade, Elk Ridge 10" Trunk Line Upgrade.

Current costs for these Projects = \$1,128,334

Construction Year Costs = \$1,434,824

IMPACT FEE CALCULATION:

Page 9: Total Wastewater Collection System Impact Fee per new ERC = \$860

(This would be in addition to the "Treatment Fee of \$1,700.)

Roadway Impact Fee Analysis & Recommendations:

“The purpose of this Essential Roadway Improvements Impact Fee is as follows:

- Improve accessibility options & response times for emergency & public safety vehicles through the completion of alternative routes.
- Improve traffic flow & accessibility through the completion of selected roads to their full widths.
- Improve pedestrian accessibility through the completion of sidewalks.
- Improve pedestrian safety through the completion of curb & gutter to provide a buffer from vehicular traffic.
- Provide full road improvements for access to city sponsored commercial development districts.

The projects identified herein are all designated as high priority transportation element or pedestrian enhancement improvements and as such, are slated for completion within seven years at the rate of one project per year.”

Projects listed: Loafer Canyon Dr. Curb & Gutter, Salem Hills Drive Completion, Salem Hills Drive (widen and curb/gutter), Goosenest Drive (widen & curb/gutter), Hillside Drive Completion, High Sierra Drive (widen and curb/gutter), Commercial Area Access Roads.

Current Year Cost = \$985,792

Construction Year Cost = \$985,792

IMPACT FEE CALCULATION:

Page 7: Total Impact Fee Cost per new ERC: \$615

(Funding for Projects: Bonds, Government Agency Loans or Government Agency Grants)

Comments:

Mayor Dunn: Road Impact Fees are “different creatures”; they come off line when the project is completed. It is difficult to identify the areas of concern. Some of these projects may come about through the development process rather than through the City.

The Council needs to review this rough draft and give suggestions and voice concerns.

Raymond Brown: Asked Elk Ridge Dr.: As it comes to the intersection with Goosenest Drive and south...will that section be widened? It is the main entrance to Elk Ridge and should be considered for widening.

Mr. Neeley: The Planning Commission will be involved with the Road Impact Fee portion, since it is a “land use” issue.

**After discussion, it was decided to have all three analyses in the same public hearing on the same night...on 4-24-07.*

Nelson Abbott: Sidewalks are factored into the completion of Salem Hills Drive; he is not sure how he feels about sidewalks in the middle of a street that would not have them on either end. If it is not contiguous, is this as necessary cost in developing the middle section of the road?

(Mr. Neeley feels that the recommendations are flexible enough to be able to work through some of these problems.)

Mark Johnson: Should widening the “dugway” (E. Park Drive) be considered for the list of road improvements?

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ROLL CALL

Mayor: Dennis Dunn; *City Council:* Mary Rugg, Raymond Brown, Nelson Abbott & Mark Johnson (Absent: Alvin Harward); *Public:* Scout Will Towse, Jamie D. Towse, Weston Youd, Barbara Andersen, Joann Bigler, John Henry, Tracy ?, -Jed Shuler; and the *City Recorder:* Janice Davis

OPENING
REMARKS &
PLEDGE OF
ALLEGIANCE

Opening Remarks (prayer) were offered by Nelson Abbott, after which the Pledge of Allegiance was led by Scout Will Towse, for those wishing to participate.

AGENDA TIME
FRAME

MOTION WAS MADE BY MARK JOHNSON AND SECONDED BY RAYMOND BROWN TO APPROVE THE AGENDA TIME FRAME; ADJUSTING THE START TIME TO 7:50 PM
VOTE: YES (4) NO (0) ABSENT (1) ALVIN HARWARD

PUBLIC FORUM

Jed Shuler: There was a request to clarify certain regulations governing Impact Fees; when are they due for payment? *(At the time of building permit.)*
Joann Bigler: (Discussion of future development & annexation.)

HANSEN/
THORNOCK
SUBDIVISION –
EXTENSION

This proposed subdivision has gone forward as two lots, located on the corner of Hillside Drive & Salem Hills Drive. The owners of the south lot are unwilling to go forward at this time with the development of their lot. Mr. John Henry would like to go on with only the lot on the corner. He will return to the Planning Commission for re-approvals and will come back to the Council through the regular process. He is requesting to maintain the water right allocation for this one lot. *(The Council agreed to honor this water right allocation for the corner lot.)*
There will still be a sump at the corner.

CITY WELL –
LOAFER CANYON
("DEAD WELL")

(Possible abandonment of well)
This well was drilled (test well) in 1990. It was never a producing well. There is a request to officially abandon the well, since one cannot build within 100' of an existing well (wellhead protection). Past Councils have discussed this action; but it has not been done. Mayor Dunn has had Aqua Engineering begin the application for the abandonment of this well; he is not sure where it is in the process.

**Mayor Dunn to check on this.*

MOTION WAS MADE BY MARY RUGG AND SECONDED BY NELSON ABBOTT TO ABANDON THE LOAFER CANYON WELL LOCATED JUST SOUTH OF THE INTERSECTION OF E. PARK DR. & LOAFER CANYON RD. ("DEAD WELL")
VOTE: YES (4) NO (0) ABSENT (1) ALVIN HARWARD

**The City is to take action on accomplishing this.*

CITY-OWNED
PROPERTY –
LOAFER CANYON

Jed Shuler: The City owns property located behind the Dennis Shuler Subdivision (2 lots) on Loafer Canyon Rd. The property is between these two lots and E. Park Drive (dugway). Jed Shuler is the owner of one of the lots and Mr. Youd owns the other. They would like to purchase the City-owned property to add to their lots. As they see it, there is nothing the City could do with the land; it is not big enough to build on.

This property was given to the City by Dennis Shuler. The purpose is not known.

Jed Shuler: The purpose of the land may have been for the purpose of widening the dugway...he is not sure.

**Mayor Dunn to check with Gary Bowen (Mayor Pro-tempore at the time of the deal).*

**Mayor Dunn to also obtain a fair market value for the land.*

Mary Rugg: Will the drainage channel continue? This could be a condition of sale.

Mayor Dunn: Allen Anderson is addressing the drainage problem on his side of the road. There is a flooding problem at times on the west side of the canyon.

Mr. Youd: He wants to maintain weed control to avoid fire hazard.

FINANCIAL
ADVISOR

Action on proposal by Curtis Roberts as Financial Director:

MOTION WAS MADE BY MARY RUGG AND SECONDED BY MARK JOHNSON TO APPROVE THE PROPOSAL FROM MR. CURTIS ROBERTS TO BE THE FINANCE DIRECTOR FOR ELK RIDGE CITY; EFFECTIVE AS OF THIS MOTION
VOTE (POLL): RAYMOND BROWN-AYE, MARK JOHNSON-AYE, MARY RUGG-AYE (3)
NELSON ABBOTT-NAY ABSENT (1) ALVIN HARWARD

Passes 3-1

SCHEDULE PUBLIC HEARINGS

Collection of Park Impact Fees, Bid Amounts & Hearings Examiner:

MOTION WAS MADE BY RAYMOND BROWN AND SECONDED BY NELSON ABBOTT TO SCHEDULE THREE PUBLIC HEARINGS: THE FIRST PUBLIC HEARING ON A CODE AMENDMENT REGARDING THE COLLECTION OF PARK IMPACT FEES FOR MARCH 27, 2007, AT 6:20 PM; THE SECONDE PUBLIC HEARING, ON A CODE AMENDMENT REGARDING BID AMOUNTS FOR CITY PROJECTS, FOR MARCH 27, 2007, AT 6:25 PM; AND THE THIRD PUBLIC HEARING, ON A CITY CODE AMENDMENT REGARDING A HEARINGS EXAMINER, ON MARCH 27, 2007, AT 6:30 PM
VOTE: YES (4) NO (0) ABSENT (1) ALVIN HARWARD

Impact Fee Analysis & Recommendations:

MOTION WAS MADE BY RAYMOND BROWN AND SECONDED BY MARK JOH NSON TO SCHEDULE A PUBLIC HEARING TO CONSIDER THE IMPACT FEE ANALYSIS AND RECOMMENDATIONS, AS PRESENTED BY AQU A ENGINEERING, FOR APRIL 24, 2007, AT 6:00 PM
VOTE: YES (4) NO (0) ABSENT (1) ALVIN HARWARD

2006/2007 AMENDED BUDGET DISCUSSION

City Recorder: Presented a draft of the current budget. She explained the format of the budget worksheet. The Council is to consider their various areas of responsibility and to make any amendments to the current budget. Councilmember Brown was asked to consider when he would like to include the installation of curb & gutter on Loafer Canyon Rd. (*Probably next fiscal year*).

- Councilmember Harward suggested allowing \$30,000 for auto -read meters.
- The Fire Dept. Grants need to be updated for the budget and the associated expenditures.
- Impact Fees (Park) in the amount of \$10,000 will be added to landscape the rock wall.
- Money is set aside for additional fire hydrants; these need to be installed.

BURKE CLOWARD ROAD DEED

A piece of property was deeded to the City by Mr. Cloward to ext end Salem Hills Drive at the north end; however, the topography will not allow this plan to be completed. Mr. Cloward needs this land back to complete his subdivision project. There is a concern that there is already construction at this site.
**Mayor Dunn to check the construction site in the area.*

MOTION WAS MADE BY MARY RUGG AND SECONDED BY NELSON ABBOTT TO DEED THIS LAND BACK TO BURKE CLOWARD
VOTE: YES (4) NO (0) ABSENT (1) ALVIN HARWARD

ABOR DAY GRANT

Mary Rugg: Elk Ridge is applying for the \$250 grant. The proposed project would be to plant 11 trees within the City Park. One of these trees would be used to finish off a border along the perimeter of the ball field. 8 of the trees would be planted along a new fence and would enhance a future walking path. The remaining 2 trees would be planted in the playground area. \$1,530 will come from City funds.

MOTION WAS MADE BY MARY RUGG AND SECONDED BY NELSON ABBOTT TO ACCEPT THE ARBOR DAY PROJECT, AS PRESENTED
VOTE (POLL): RAYMOND BROWN-AYE, MARK JOHNSON-AYE, MARY RUGG-AYE, NELSON ABBOTT-AYE NO (0) ABSENT (1) ALVIN HARWARD

TIERED ENGINEERING INSPECTION FEES

Mayor Dunn: Presented a sample tiered structure for the rates for engineering inspections on subdivisions. Mayor Dunn was to consult with Crai g Neeley (Aqua Engineering) to determine the cut-off points for the tiers. It was decided to use the amount of the cost breakdown for the improvements, rather than the size of the subdivision (number of lots) because there may be a need for more inspections due to location and topography of the land, rather than how many lots there would be. The following was the result:

- \$0.00 - \$1,000,000 @ 6%
- \$1,000,001 - \$2,000,000 @ 5%
- \$2,000,001 - \$3,000,000 @ 4%
- \$3,000,001 - \$4,000,000 @ 3.5%
- \$4,000,001 - \$5,000,000 @ 3%

Administration Fee to the City would be figured at .05 of the Inspection Bond
The Council agreed.

MOTION WAS MADE BY MARK JOHNSON AND SECONDED BY RAYMOND BROWN TO SEND THE PROPOSED TIERED RATE STRUCTURE TO THE PLANNING COMMISSION TO AMEND THE CODE

VOTE: YES (4) NO (0) ABSENT (1) ALVIN HARWARD

DEVELOPMENT
BONDING

Mayor Dunn: The current process allowed by the City Code to allow developers to bond for improvements is not adequate for all circumstances, particularly larger amounts; example The Elk Ridge Meadows PUD. The wording is restrictive. It is proposed to change this to allow "Performance Guarantee" in the form of: Cash Escrow Acct., Irrevocable Letter of Credit or a Bond Letter (new); this is in addition to the Durability Retainer and the Inspections Bond, which would still be required to be in an Escrow Acct. The bond would be available to the City "upon demand".

The Council agreed.

MOTION WAS MADE BY RAYMOND BROWN AND SECONDED BY NELSON ABBOTT TO SEND THIS PROPOSED CHANGE TO THE CURRENT CODE TO THE PLANNING COMMISSION

VOTE: YES (4) NO (0) ABSENT (1) ALVIN HARWARD

PER DIEM

Mayor Dunn: Provided additional information regarding employee per diem, as provided by a government web site. This is a table that gives per diem for the various states in the country. Mrs. Frandson arranges trips for employees and also indicated that this is a "flat" amount. The Council still held to the original proposal to split the per diem and not pay for meals provided by any given conference.

MINUTES

City Council Minutes of 2-13-07:

MOTION WAS MADE BY MARY RUGG AND SECONDED BY MARK JOHNSON TO APPROVE THE CITY COUNCIL MINUTES OF 2-13-07

VOTE: YES (4) NO (0) ABSENT (1) ALVIN HARWARD

EXPENDITURES:

General: None

Check Registers for January & February, 2007:

MOTION WAS MADE BY NELSON ABBOTT AND SECONDED BY RAYMOND BROWN TO APPROVE THE FINANCE REPORTS (CHECK REGISTERS) FOR JANUARY AND FEBRUARY, 2007

VOTE (POLL): RAYMOND BROWN-AYE, MARK JOHNSON-AYE, MARY RUGG-AYE, NELSON ABBOTT-AYE NO (0) ABSENT (1) ALVIN HARWARD

ADJOURNMENT

At 8:30 PM, Mayor Dunn adjourned the Council Meeting.

City Recorder