

MINUTES OF A REGULAR CITY COUNCIL MEETING HELD DECEMBER 3, 2015
AT THE CIVIC CENTER, 83 WEST MAIN, HYRUM, UTAH.

CONVENED: 6:30 p.m.

CONDUCTING: Mayor Stephanie Miller

ROLL CALL: Councilmembers Scot M. Allgood, Jared L. Clawson, Martin L. Felix, Paul C. James, and Aaron Woolstenhulme were present.

CALL TO ORDER: There being five members present and five members representing a quorum, Mayor Miller called the meeting to order.

OTHERS PRESENT: City Administrator Ron Salvesen and eight citizens were present. City Recorder Stephanie Fricke recorded the minutes.

WELCOME: Mayor Miller welcomed everyone in attendance.

PLEDGE OF ALLEGIANCE: Councilmember James led the governing body and the citizens in the Pledge of Allegiance.

INVOCATION: Councilmember Allgood

APPROVAL OF MINUTES:

The minutes of a regular meeting on November 5, 2015 were approved as written.

ACTION Councilmember James made a motion to approve the minutes of a regular City Council Meeting on November 5, 2015 as written. Councilmember Allgood seconded the motion and Councilmembers Allgood, Clawson, Felix, James, and Woolstenhulme voted aye. The motion passed.

The minutes of a special meeting on November 12, 2015 were approved as written.

ACTION Councilmember James made a motion to approve the minutes of a special City Council Meeting on November 5, 2015 as written. Councilmember Clawson seconded the motion and Councilmembers Allgood, Clawson, Felix, James, and Woolstenhulme voted aye. The motion passed.

AGENDA ADOPTION: A copy of the notice and agenda for this meeting was faxed to The Herald Journal, posted on the Utah Public Notice Website, mailed to each member of the governing body, and posted at the Civic Center more than forty-eight hours

before meeting time.

ACTION

Councilmember Clawson made a motion to approve the agenda for December 3, 2015 as written. Councilmember Allgood seconded the motion and Councilmembers Allgood, Clawson, Felix, James, and Woolstenhulme voted aye. The motion passed.

9. PUBLIC HEARING:

A. To receive public comment to consider potential projects for which funding may be applied under the CDBG Small Cities Program for Program Year 2016. The expected amount of CDBG funds for this Program Year will be discussed along with the range of projects eligible under this program and a review of previously funded projects.

10. SCHEDULED DELEGATIONS:

A. Fred Burr, Wiggins and Associates - To present the 2014-2015 Audit Report.

B. Jay Stocking, Sierra Homes - To request Final Plat approval for Phase III of South Cache Subdivision consisting of six single family lots at approximately 60 South 500 West.

C. Ben Farnsworth, Neighborhood Nonprofit Housing - To request Final Plat approval for Mountain View Estates for a 210 lot single family subdivision consisting of 28 single family lots located at approximately 1300 East 600 South.

11. INTRODUCTION AND ADOPTION OF RESOLUTIONS AND AN ORDINANCE:

A. Resolution 15-19 - A resolution declaring certain Hyrum City equipment as surplus and ordering the sale or disposal thereof.

B. Resolution 15-20 - A resolution setting dog license fees and late fees.

C. Resolution 15-21 - A resolution amending and readopting Hyrum City's General Plan to remove Multi-Family Housing infill in certain zones; update statistical data to meet current census reports; update information on businesses, parks, committees, and events; and other numerous miscellaneous housekeeping items.

D. Ordinance 15-06 - An ordinance amending the Municipal Zoning Map and annexing certain real property and extending the Corporate Limits of Hyrum City, Utah (JBS Swift, LLC - 7.88 acres).

12. OTHER BUSINESS:

A. Impact and connection fees for Central Milling.

B. Update on Regional Sewer Plant.

C. Mayor and City Council reports.

13. ADJOURNMENT

PUBLIC COMMENT:

Mayor Miller said if a citizen has a question or would like to make a comment to please keep it under three minutes.

There being no public comment, Mayor Miller moved to the next agenda item.

PUBLIC HEARING:

TO RECEIVE PUBLIC COMMENT TO CONSIDER POTENTIAL PROJECTS FOR WHICH FUNDING MAY BE APPLIED UNDER THE CDBG SMALL CITIES PROGRAM FOR PROGRAM YEAR 2016. THE EXPECTED AMOUNT OF CDBG FUNDS FOR THIS PROGRAM YEAR WILL BE DISCUSSED ALONG WITH THE RANGE OF PROJECTS ELIGIBLE UNDER THIS PROGRAM AND A REVIEW OF PREVIOUSLY FUNDED PROJECTS.

Mayor Miller said Hyrum City will now open its 1st Public Hearing for the 2016 Community Development Block Grant Small Cities program. The purpose of this hearing is to gain citizen input regarding community needs and potential CDBG projects.

Approximately \$650,000 is expected to be available in the Bear River Region for CDBG projects, \$400,000 of which will be available through competitive grants for projects that meet U.S. Department of Housing and Urban Development national objectives to benefit low and moderate income individuals. All eligible activities that can be accomplished under this program are identified in the CDBG Application Policies and Procedures Manual in the City Office and interested parties can review it at any time. Projects may include local infrastructure projects such as water system improvements, construction of a fire station, or purchase of playground equipment; or projects that improve the availability and quality of housing for low- and moderate-income individuals and families such as purchasing land for subsidized housing, or rehabilitation of homes and apartments. Hyrum City applied for these funds in 2014 to replace the roof and renovate the kitchen in the Senior Center. Hyrum City has also acted as sponsor for non-profit organization applicants in the past such as The Family Place and Neighborhood Nonprofit Housing Corporation. Hyrum City will list eligible activities in the City Capital Improvement List, which is also available for public review upon request.

We would like to ask that representatives of the public and non-profit organizations that are in attendance specifically for this hearing please sign the attendance roll, including your

name, address, and telephone number. If you have questions or comments, we would like to invite you to share them. Please identify yourself by name before you speak. The City Recorder will include your name in the minutes and we would like to specifically respond to your questions and suggestions during the hearing.

ACTION

Councilmember James made a motion to open the public hearing at 6:35 p.m. to receive public comment regarding consideration of potential projects for which funding may be applied under the Community Development Block Grant Program (CDBG) CDBG Small Cities Program for Program Year 2016. The expected amount of CDBG funds for this Program Year will be discussed along with the range of projects eligible under this program and a review of previously funded projects. Councilmember Clawson seconded the motion and Councilmembers Allgood, Clawson, Felix, James, and Woolstenhulme voted aye. The motion passed.

Mayor Miller said Hyrum City has been asked to sponsor two CDBG Grant Applications for the 2016 year. Bear River Head Start has is requesting \$30,000 for installation of playground equipment at its Hyrum location. Wapiti Bluff Estates a Planned Unit Development in Hyrum is submitting an application for \$150,000 for utility upgrades to fix sewer line in its housing community.

Jane Despain with Bear River Head Start said Bear River Head Start is asking Hyrum City to sponsor a CDBG grant for it to apply for funding for new playground equipment to replace the current equipment. All of Bear River Head Start visitors are low and moderate income families. She hopes the City Council will help support its center.

Mayor Miller said Wapiti Bluff Estates spokesperson could not be in attendance tonight and asked her to speak for them. Wapiti Bluff Estates is a Planned Unit Development (PUD) located at the mouth of Blacksmith Fork Canyon in Hyrum. When Wapiti Bluff Estates was built the utility lines and improvements were not built to city standards since it was approved by the Hyrum City Council as a PUD. The homeowners in this development pay monthly home owner association (HOA) dues for maintenance of roads, playground, utility lines, etc. However, the HOA Fees are high in this PUD to cover general day to day maintenance. The home owners in this PUD are lower income families and are hoping for a CDBG Grant to cover the costs of replacing inadequate installation of sewer lines due to grade and location of lines.

Mayor Miller asked for further public comment, there being none she called for a motion to close the public hearing.

ACTION **Councilmember Allgood made a motion to close the public hearing at 6:41 p.m. Councilmember Felix seconded the motion and Councilmembers Allgood, Clawson, Felix, James, and Woolstenhulme voted aye. The motion passed.**

SCHEDULED DELEGATIONS:

FRED BURR, WIGGINS AND ASSOCIATES - TO PRESENT THE 2014-2015 AUDIT REPORT.

Fred Burr, Wiggins & Company, presented the 2014-2015 audit report. He reviewed revenues and expenses for the general fund and the enterprise funds.

The total net position of Hyrum City increased by \$853,771 totaling \$34,246,184. The governmental net position increased by \$810,972 and the business-type net position increased by \$42,799.

The total net position of governmental and business type activities is \$34,246,184 and is made up of \$24,204,053 in capital assets net of related debt, such as, land, infrastructure and equipment, and \$10,042,131 in other net position. The \$10,042,131 in other net assets is made up of \$689,525 which is restricted for capital projects; \$554,655 is restricted for debt service items related to the library, sewer system and water project; and \$45,606 is restricted for library purposes, and the remaining \$8,752,345 is unrestricted.

Total long-term liabilities for the City decreased by \$586,120. The long-term debt for governmental activities decreased by \$188,338, due mainly to a \$96,000 decrease in bonded debt and \$65,878 reduction in the net unfunded pension liability. The business type activities long-term debt decreased by \$397,782 with a decrease in bonded debt of \$366,000, \$86,336 decrease in net unfunded pension liability and a \$54,554 increase in obligations for uncompensated absences.

The results of the audit process it disclosed no instances on noncompliance which are required to be reported in accordance with the State Compliance Audit Guide, however, there were three other matters.

OTHER MATTERS:

1. REVIEW OF JOURNAL ENTRIES - Found many journal entries did not have the required accompanying supporting documentation to help the reviewer understand why the entry was being made. Most of the documentation was located, but it was not with the entry when the reviewer approved it. We also proposed audit adjustments to accounts that had incorrect journal entries posted to them. This is a continuing finding.

RECOMMENDATION: City policy be followed and the required supporting documentation accompanies each journal entry for submission for approval. The reviewer should be familiar with the City's accounts to determine the entries are appropriate. The preparer and reviewer should review the accounts after the entries are posted to see that they were corrected as intended.

RESPONSE: The City Treasurer will provide additional documentation and include it with the journal entries. The City Treasurer and City Administrator will take more time to review the journal entries with the City Treasurer and the City Administrator.

2. CASH DISBURSEMENTS - Found a few disbursements where the documentation was missing and could not be located.

RECOMMENDATION: Cash disbursement documentation be attached to check copy and filed in an orderly manner and in a secure location so that it can be easily referenced in the event of future concerns or needs.

RESPONSE: These documents will be filed by the City Staff. They will be in a secure location monitored by the City Treasurer. The City Treasurer will ensure that all cash disbursement documentation is attached and filed correctly.

3. PURCHASE ORDERS - Many purchase orders are not prepared or approved on the date of the order. Most are dated at the date of the invoice or later. This is an ongoing finding.

RECOMMENDATION: The City provide training to City staff for the purchasing policy. The levels where purchase orders are required should be adequate to protect the City without causing undue paperwork for the staff involved.

RESPONSE: The Mayor, City Administrator, and City Treasurer will review the purchase order policy. The Mayor, City Administrator, and City Treasurer will meet with each department head and review the purchase order policy.

ACTION Councilmember Allgood made a motion to approve the 2014-2015 Audit Report. Councilmember Clawson seconded the motion and Councilmembers Allgood, Clawson, Felix, and James voted aye.

JAY STOCKING, SIERRA HOMES - TO REQUEST FINAL PLAT APPROVAL FOR PHASE III OF SOUTH CACHE SUBDIVISION CONSISTING OF SIX SINGLE FAMILY LOTS AT APPROXIMATELY 60 SOUTH 500 WEST.

Mayor Miller said Sierra Homes is requesting final plat approval for Phase III of South Cache Subdivision consisting of six single family lots at approximately 60 South 500 West. The City Engineer has reviewed the final plat and is recommending approval.

Matt Hansen with Sierra Homes said Jay Stocking was unable to attend tonight's meeting and asked him to represent Sierra Homes. Sierra Homes is hoping to start construction this spring.

ACTION Councilmember James made a motion to approve the final plat approval for Phase III of South Cache Subdivision consisting of six single family lots at approximately 60 South 500 West. Councilmember Allgood seconded the motion and Councilmembers Allgood, Clawson, Felix, James, and Woolstenhulme voted aye.

BEN FARNSWORTH, NEIGHBORHOOD NONPROFIT HOUSING - TO REQUEST FINAL PLAT APPROVAL FOR MOUNTAIN VIEW ESTATES FOR A 210 LOT SINGLE FAMILY SUBDIVISION CONSISTING OF 28 SINGLE FAMILY LOTS LOCATED AT APPROXIMATELY 1300 EAST 600 SOUTH.

Mayor Miller said Neighborhood Nonprofit Housing is requesting final plat approval for Mountain View Estates for a 210 lot single family subdivision consisting of 28 single family lots located at approximately 1300 East 600 South. The City Engineer has reviewed the final plat and is recommending approval.

Councilmember Clawson asked if an agreement had been reached with the owners of Elk Mountain property for an access road to be built accessing the Neighborhood Nonprofit Housing's property.

Ben Farnsworth with Neighborhood Nonprofit Housing said he has been trying to contact a partner of Elk Mountain and has been unsuccessful since he is serving a full time mission. He has recently found out that Ron Hales is a partner of Elk Mountain and they have arranged a meeting with him for next week.

City Administrator Ron Salvesen said he spoke with Ron Hales last week and encouraged him to work with the Neighborhood Nonprofit Housing.

ACTION Councilmember James made a motion to approve the final plat approval for Mountain View Estates consisting of 28 single family lots located at approximately 1300 East 600 South with the condition that the Neighborhood Nonprofit Housing obtain a right-of-way and access through Elk Mountain Development. Councilmember Allgood seconded the motion and Councilmembers Allgood, Clawson, Felix, James, and Woolstenhulme voted aye.

INTRODUCTION AND APPROVAL OF A RESOLUTIONS AND AN ORDINANCE:

RESOLUTION 15-19 - A RESOLUTION DECLARING CERTAIN HYRUM CITY EQUIPMENT AS SURPLUS AND ORDERING THE SALE OR DISPOSAL THEREOF.

ACTION Councilmember Woolstenhulme made a motion to approve Resolution 15-19 declaring certain Hyrum City Equipment as surplus and ordering the sale or disposal thereof. Councilmember Clawson seconded the motion and Councilmembers Allgood, Clawson, Felix, James, and Woolstenhulme voted aye. The motion passed.

RESOLUTION 15-20 - A RESOLUTION SETTING DOG LICENSE FEES AND LATE FEES.

ACTION Councilmember James made a motion to approve Resolution 15-20 setting dog license fees and late fees. Councilmember Allgood seconded the motion and Councilmembers Allgood, Clawson, Felix, James, and Woolstenhulme voted aye. The motion passed.

RESOLUTION 15-21 - A RESOLUTION AMENDING AND READOPTING HYRUM CITY'S GENERAL PLAN TO REMOVE MULTI-FAMILY HOUSING INFILL IN CERTAIN ZONES; UPDATE STATISTICAL DATA TO MEET CURRENT CENSUS REPORTS; UPDATE INFORMATION ON BUSINESSES, PARKS, COMMITTEES, AND EVENTS; AND OTHER NUMEROUS MISCELLANEOUS HOUSEKEEPING ITEMS.

Councilmember Felix recommended the City Council review and update the General Plan every three years. The City Council agreed that it needs to be reviewed and reflect Hyrum City's vision for the future.

ACTION Councilmember James made a motion to approve Resolution 15-21 amending and readopting Hyrum City's General Plan to remove Multi-Family Housing infill in

certain zones; update statistical data to meet current census reports; update information on businesses, parks, committees, and events; and other numerous miscellaneous housekeeping items. Councilmember Allgood seconded the motion and Councilmembers Allgood, Clawson, Felix, James, and Woolstenhulme vote aye. The motion passed.

ORDINANCE 15-06 - AN ORDINANCE AMENDING THE MUNICIPAL ZONING MAP AND ANNEXING CERTAIN REAL PROPERTY AND EXTENDING THE CORPORATE LIMITS OF HYRUM CITY, UTAH (JBS SWIFT, LLC - 7.88 ACRES).

Mayor Miller said Ordinance 15-06 will finalize the annexation of JBS Swift, LLC. This annexation was started in January 2015 and is ready for final approval. JBS paid Hyrum City \$82,740 rather than submitting 23.64 acre feet of water shares that is required by the City upon annexation. This meets the City's requirement of three acre-feet of water per gross acre of ground being annexed.

ACTION

Councilmember James made a motion to adopt Ordinance 15-06 amending the Municipal Zoning Map and annexing certain real property and extending the Corporate Limits of Hyrum City, Utah (JBS Swift, LLC - 7.88 acres) with the following amendment to page 4 under 4.C. delete the last statement of the paragraph, "Councilmember Allgood seconded the motion." Councilmember Felix seconded the motion and Councilmembers Allgood, Clawson, Felix, James, and Woolstenhulme voted aye. The motion passed.

OTHER BUSINESS:

IMPACT AND CONNECTION FEES FOR CENTRAL MILLING.

City Administrator Ron Salvesen said Central Milling has asked for a reduction in impact fees and/or connection fees for its new facility that will be built in the Blacksmith Fork Industrial Park. Central Milling is implementing water conservation processes and equipment. It is hoping to recycle the water three to four times at its facility to reduce water consumption. Any assistance the City would be willing to give Central Milling would help them with its construction costs.

Councilmember James said he would prefer reducing the water impact fee since Central Milling will be recycling water to reduce consumption rather than reducing the connection fees since connection fees are actual costs to the City. However, he would decrease the connection fees for water and sewer by

eliminating City employee labor costs for the connections.

ACTION

Councilmember James made a motion for Hyrum City to reduce Central Milling's water impact fee by 33%, and for the City to decrease the connection fees for water and sewer by eliminating City employee labor costs for the connections. Councilmember Felix seconded the motion and Councilmembers Allgood, Clawson, Felix, James, and Woolstenhulme voted aye. The motion passed.

UPDATE ON REGIONAL SEWER PLANT.

Mayor Miller said a conference call was held with the appraiser on the sewer plant. Nibley, Providence, and Hyrum officials reviewed the appraisal and asked questions to the appraiser. The appraisal was \$8,419,000 for the sewer plant.

Councilmember James said he is concerned about Hyrum City not asking enough for the sewer plant. Hyrum City and its residents stuck out their necks to build and pay for this sewer plant. It was a huge risk. He thinks doing a Regional Sewer Plant would be a good thing if there was a guarantee of reduced rates by a minimum of 25% not just \$3.00 or \$4.00 a month. The reduction in rates has to be far greater than the risk to the City by losing control of the plant.

Councilmember Woolstenhulme said he is concerned about the negative impact a regional sewer plant would have on Hyrum City's image more than he is worried about saving a few dollars on his sewer bill. Hyrum City is a great place to live but perception of Hyrum City is not what it should be considering its amenities, and lower utility rates.

Councilmember Clawson said he has the same concern as Councilmember Woolstenhulme. Is the savings on rates enough to offset the negative impact it could have on Hyrum City's image. His biggest concern though is losing control and the other two cities banning together and having the majority vote. It is in Hyrum City and he would prefer Hyrum City keep majority control of the sewer plant.

Councilmember Felix said there is no way of knowing what is going to happen over the next few years and the restrictions that could be placed by the State. It could be extremely costly to Hyrum City and its residents if it has to bare all of the improvement costs on its own.

Councilmember Allgood said he hopes the Cities can work together

and come up with an agreement and form a regional sewer plant.

Mayor Miller said she will continue to work with Providence and Nibley.

MAYOR AND CITY COUNCIL REPORT.

Councilmember Felix said this was his last City Council Meeting and he has enjoyed working for the citizens in Hyrum and will miss everyone.

Councilmember James said Hyrum Holidays at Hardware Ranch is December 5, 2015. Hyrum Ski Night at Beaver Mountain is January 5, 2016.

Councilmember Allgood said he is still trying to get a speaker for the Patriotic Program. This is his last meeting also and he has appreciated the opportunity to serve the City.

Councilmember Clawson said he attended a Library Board Meeting and it is considering changing its opening hours to 10:00 to better meet citizens' needs.

Mayor Miller reminded the City Council of the Hyrum City Christmas Party on December 15 at 6:30 at Bluebird.

ADJOURNMENT:

**ACTION There being no further business before the City
 Council, the Council Meeting adjourned at 8:10 p.m.**

Stephanie Miller
Mayor

ATTEST:

Stephanie Fricke
City Recorder

Approved: January 7, 2016
 As written