



HIGHLAND CITY COUNCIL BRIEF

Tuesday, June 18, 2019

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

7:00 PM REGULAR SESSION (CITY COUNCIL CHAMBERS)

Call to Order – Mayor Rod Mann

Invocation – Council Member Ed Dennis

Pledge of Allegiance – Council Member Tim Irwin

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.)

Derek White voiced concern with the amount of traffic that will be going through their neighborhood due to the connection of Canal Blvd. He asked Council to hold a public hearing regarding the issue. Around fifty-five people were in attendance and the majority of those attending showed support by standing when asked if they agreed with his concerns voiced.

Alan Rencher thanked the Council Members for their outreach regarding the Public Safety Fee. He was in support of the increase and commended the Mayor and Council for their efforts to notify the residents of the issue.

Mayor Mann offered his thanks and praise to Todd Trane and Josh Castleberry for their extra hours and efforts on behalf of the community regarding diverting of bull river to avoid potential flooding

Council Member Kurt Ostler also complimented staff and recognized the cooperation of Lehi City who offered assistance with large equipment. He felt that showed they were a good neighbor

Council Member Scott L. Smith also thanked City Engineer Todd Trane and staff regarding the sewer pipeline project. He felt it went better than expected and was grateful with how smooth it turned out.

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 – PASSED 5:0 (as amended)

Regular Meeting May 21, 2019

Next step: Approved minutes will become part of the permanent record.

b. ACTION: Appointment of New Library Board Members – PASSED 5:0

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.

Next step: Briawna Hugh and Edgar Tooley will begin serving on the Library Board July 1, 2019.

c. ACTION: Beautification Committee Appointment – PASSED 5:0

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.

Next step: Cary Wise will begin serving as the Chair on the Beautification Committee.

d. ACTION: Millhaven Development Final Plat Approval - PASSED 5:0

The City Council will consider approving the final plat for Millhaven Development, approximately 12 acres of property located approximately at 10029 N 6300 W (FP-19-03) and subject to the five stipulations recommended by staff. The Council will take appropriate action.

Next step: Staff will work with the applicant through the design and engineering process.

3. ACTION: ACCEPTANCE OF OPEN SPACE IMPROVEMENT FUNDS FROM MERCER HOLLOW ESTATES SUBDIVISION RESIDENTS (30 minutes) - PASSED 5:0

The City Council will consider accepting the open space improvement funds donation from the Mercer Hollow Estates subdivision and fund the difference for the proposed landscaping project with proceeds from the sale of open space property. The Council will take appropriate action.

Next step: Once the donation is received, staff will work with the applicant through the design and engineering process to install landscaping in the area.

4. PUBLIC HEARING/RESOLUTION: ADOPTING FINAL AMENDMENTS TO THE HIGHLAND CITY 2018-2019 FISCAL YEAR BUDGET (20 minutes) - PASSED 5:0

The City Council will consider adopting final amendments to the Highland City 2018-2019 Fiscal Year budget. The Council will take appropriate action.

Next step: Staff will make modifications to the budget as approved by Council for fiscal year 2018-2019.

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) - PASSED 5:0

The City Council will consider recommendation from the Finance Director to adopt a resolution allowing a transfer of \$108,000 from the Pressurized Irrigation Fund to the General Fund for fiscal year 2019-2020. The Council will take appropriate action.

Next step: Staff will transfer \$108,000 from Pressurized Irrigation Fund to the General Fund for fiscal year 2019-2020.

6. PUBLIC HEARING/RESOLUTION: ADOPTING THE HIGHLAND CITY COMPREHENSIVE FEE SCHEDULE FOR FISCAL YEAR 2019-2020 (15 minutes) - PASSED 5:0

The City Council will consider adopting the resolution for the City's Comprehensive Fee Schedule for Fiscal Year 2019-2020. The Council will take appropriate action.

Next step: Staff will update the Comprehensive Fee Schedule. Fees will become effective on July 1, 2019.

7. ACTION/ORDINANCE: ADOPTION OF A PUBLIC SAFETY FEE (20 minutes) - PASSED 4:1

The City Council will consider whether or not to approve a new ordinance creating a Public Safety Fee. The Council will take appropriate action.

Next Step: Staff will implement a Public Safety Fee of \$11.50. The fee will become effective on July 1, 2019 and will have a sunset date of budget year 2028. This fee is expected to generate \$641,000. The remaining \$60,000 will be pulled from the City's reserves.

8. ACTION/RESOLUTION: ADOPTING THE CERTIFIED TAX RATE FOR FISCAL YEAR 2019-2020 (20 minutes) - PASSED 5:0

The City Council will consider adopting the certified tax rate for fiscal year 2019-2020. The Council will take appropriate action.

Next step: the adopted certified tax rate will be updated on the Utah County tax rate website and will be put in place for the fiscal year 2019-2020.

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

The City Council should determine whether or not to approve the alternative proposal for funding the \$701,000 Public Safety budget increase. The Council will take appropriate action.

Next step: staff will bring back more information to Council for discussions regarding the implementation of a city wide park fee.

10. PUBLIC HEARING/ACTION: ADOPTION OF FINAL HIGHLAND CITY BUDGET FOR FISCAL YEAR 2019-2020 (20 minutes) - PASSED 4:1

The City Council will consider adopting the Final Highland City Budget for Fiscal Year 2019-2020. The Council will take appropriate action.

Next step: The final budget for fiscal year 2018-2019 will be amended based on the changes made by City Council and posted to the State Auditors website and the City website. Staff will move forward with the budget as passed by City Council.

11. MAYOR/COUNCIL AND STAFF DISCUSSION AND COMMUNICATION ITEMS

Mayor Rod Mann reported regarding a meeting with American Fork and the Park Service. The Parks Service is building a facility on the south side of SR 92 across from Spruce Drive. The Mayor is working with them to propose a connection on the east end of Country Club Drive to SR92 as part of the project.

City Engineer Todd Trane reported on the monitoring of water flows coming from the canyon. He noted if we could make it past the first week in July, he felt the flooding potential would be over.

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

Mayor Mann announced a Candidate Open House scheduled for July 18, 2019 from 6:00 pm – 8:00 pm. Look for more information to come.

13. CLOSED SESSION - CANCELLED

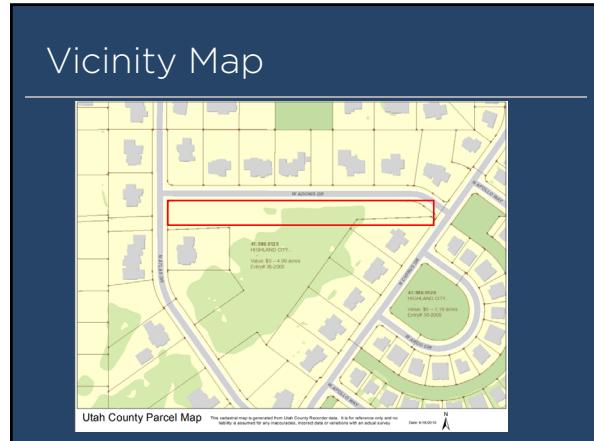
The Highland City Council may temporarily recess the City Council meeting to convene in a closed session to discuss the purchase, exchange, or lease of real property, as provided by Utah Code Annotated §52-4-205

ADJOURNMENT

COUNCIL VOTING REPORT - JUNE 18, 2019

		APPROVE CONSENT ITEMS A - D		ACCEPT OPEN SPACE IMPROVEMENT FUNDS FROM MERCER HOLLOW ESTATES SUBDIVISION RESIDENTS		ADOPT FINAL AMENDMENTS TO THE HIGHLAND CITY 2018- 2019 FISCAL YEAR BUDGET		APPROVE INTERFUND TRANSFER FROM THE PRESSURIZED IRRIGATION FUND TO THE GENERAL FUND FOR BUDGET FISCAL YEAR 2019-2020		ADOPT HIGHLAND CITY COMPREHENSIVE FEE SCHEDULE FOR FISCAL YEAR 2019-2020		ADOPTION OF A PUBLIC SAFETY FEE OF \$12.57 PER MONTH WITH A SUNSET DAY OF 2028 BUDGET YEAR		ADOPTION OF A PUBLIC SAFETY FEE OF \$11.50 PER MONTH AND UTILIZE \$60,000 FROM EXCESS RESERVES WITH A SUNSET DATE OF 2028 BUDGET YEAR	
First Name	Last Name	2a, b, c, d	3	4	5	6	7	8	9	10	11	12	13	14	
Brian	Braithwaite	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Ed	Dennis	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Tim	Irwin	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Kurt	Ostler	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Scott	Smith	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Total Voters		5	5	5	5	5	5	5	5	5	5	5	5	5	
Pass/Fail		Pass	Pass	Pass	Pass	Pass	Fail	Pass	Pass	Pass	Pass	Pass	Pass	Pass	

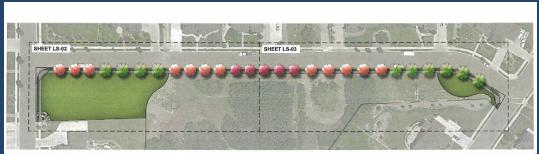
		ADOPTION OF THE CERTIFIED TAX RATE FOR FISCAL YEAR 2019-2020	ADOPTION OF THE FINAL HIGHLAND CITY BUDGET FOR FISCAL YEAR 2019-2020 WITH AN ADJUSTMENT IN PUBLIC SAFETY FEE AND THE DIFFERENCE COMING FROM THE RESERVES
First Name	Last Name	8	10
Brian	Braithwaite	Yes	Yes
Ed	Dennis	Yes	No
Tim	Irwin	Yes	Yes
Kurt	Ostler	Yes	Yes
Scott	Smith	Yes	Yes
Total Voters		5	5
Pass/Fail		Pass	Pass



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.



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

Item 4 - Public Hearing / Resolution
Presented by - Gary LeCheminant, Finance Director

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

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
 - Cedar Hills' exit
 - 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)

Item 10 – Public Hearing / Action
Presented by - Gary LeCheminant, Finance Director

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

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

- 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
 - Force main

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.



MAYOR/COUNCIL AND STAFF DISCUSSION COMMUNICATION ITEMS



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