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**ELK RIDGE
CITY COUNCIL MEETING
January 12, 2016**

TIME AND PLACE OF MEETING

This regularly scheduled Meeting of the Elk Ridge City Council, was scheduled for **Tuesday, January 12, 2016, at 7:00 PM**; this meeting was preceded by a **City Council Work Session Meeting 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 these Meetings, were provided to the Payson Chronicle, 145 E. Utah Ave, Payson, Utah, and to the members of the Governing Body, on 8th day of January, 2016.

ROLL CALL

Mayor: Hal Shelley

Council Members: Nelson Abbott, Brittany Thompson, Ty Ellis, Tricia Thomas (Dale Bigler absent)

Others: Melanie Hoover, *Deputy Recorder;* Royce Swensen, *Recorder*

Financial Director: Curtis Roberts

Deputy Sheriff: Cheri Rhodes

Public: Jake Clark, Josh Abbott, William Kent Aston, Jay Finch, Zac Finch, Landon Finch, Brian Burke, Sandra Burke, Paul Crook, Logan Boswell, Jim Chase, Trenton Tasker, Deborah Squires, Richard Dougan

CITY COUNCIL WORK SESSION

6:00 pm

1. PRESENTATION OF PLAQUES TO BRIAN BURKE AND PAUL SQUIRES.

Mayor Shelley presented Brian Burke with a plaque and extended his appreciation for his time on the City Council. He also presented a plaque to Deborah Squires for her husband Paul Squires, and extended his appreciation for his time on the City Council. Deborah reported that Paul is ill and was unable to attend the meeting tonight.

2. CITY CELEBRATION – DECISION OF DATE AND FINALIZE FORMAT.

Mayor Shelley has asked Tricia Thomas to oversee the city celebration. He would like a committee with a chair to oversee the celebration. In the past, there have been complications with the timing of the celebration as it falls on the same weekend as girl's camp which is the last weekend in June. He requested a review of the date change and the format of the celebration. Brittany Thompson feels moving the celebration to the 4th of July weekend would be a good idea depending on what the city wants to have happen with the celebration. Ty Ellis leans toward a small town celebration closer to the 4th of July weekend. Nelson Abbott stated he would like to keep this a small town celebration and wants the city to get back to this. He feels the date should be left when it is and have Tricia be in charge. Tricia Thomas will contact the stake presidency to see if they can change the stake girl's camp weekend so that it won't conflict with the celebration weekend. Mayor Shelley asked Tricia to start putting together a committee and to come back with some ideas on celebration events. The consensus is to come back to a family oriented small town celebration. He stated Royce Swensen can meet with Tricia to provide budget information to her. Nelson Abbott requested a member of the Fire Department to be on the committee.

3. INTERLOCAL AGREEMENT DISCUSSION.

Mayor Shelley referred to the agreement that was provided to council regarding annexation and development boundaries with Payson. He feels area locations are hard to define on the agreement. He feels this agreement may be an issue if some properties included in the agreement want to be annexed into the city. Nelson Abbott reported this agreement has been in place since 2005 and has recently resurfaced and stated this agreement is a starting point. The way this contract is written, it gives the city an opportunity to sit down with Payson to reaffirm, revise and clarify the annexation and development boundaries. This could provide a better tax base for the city. Ty Ellis would like to be

1 proactive in regards to this agreement. He feels this needs to be a part of the master plan discussion
2 and then re-visit this issue in March. Mayor Shelley agreed this can be revisited in late March.
3
4

5 4. CURTIS ROBERTS, FINANCIAL AND AUDIT PRESENTATION.

6 Curtis Roberts, City Financial Advisor, introduced himself to new council members. He presented
7 the city's financial statement for the 2015 fiscal year. He reported the city operates on separate funds:
8 water, sewer, storm drain, roads, and public safety. The General Fund increased by approximately
9 \$50,000.00 and the non-major funds increased by almost \$300,000.00. The General Funds operates
10 the basic functions of the city where there is not a specific user fee designed to recover all the costs.
11 The non-major funds is where the city has been setting aside funds for future capital projects. He then
12 referred to pages 59-60 of the financial statement for a breakdown of the non-major funds. He then
13 referred to page 18 to the operation income loss. He stated that net income and cash flow do not equal
14 each other. He referred to the sewer fund of -\$2,385.00 and stated there is a sewer rate issue that
15 needs to be addressed. The water fund is even worse at -\$54,372.00. The water fund should be a
16 positive number plus should be generating a return on assets in the amount of \$100,000.00-
17 \$200,000.00 minimum operating income. This is significant because back in 1999 he presented to the
18 city a corrective action plan in the water department. In 2002, a water structure rate was put in place
19 and guaranteed to last 10 years and it lasted 13 years. There has not been a water rate increase since
20 that time. Since 2002, the city has almost doubled in size, has drilled two wells, and has built a water
21 tank. This was all absorbed within the water rate structure. About three years ago, he warned the city
22 that the water rate needs to be re-analyzed and has done so every year since then. The city is hitting
23 the point that the water rate has to be analyzed. The rate structure needs to be created to replace assets
24 and cover inflation. It's critical to keep cash reserves up so the city and residents can benefit when the
25 economy goes down. The auditors provided pages 1-3 of the financial statement referring to their
26 opinion that this financial statement if fair. On page 71, the auditors provided an additional letter in
27 regards to internal control and compliance stating that the city has no weaknesses. There was not one
28 adjustment that the auditors proposed within the financial statements. Everything presented complies
29 with state law, complies with federal law and complies with what the city has asked to happen. He
30 suggested reviewing page 4-8, specifically the paragraphs titled Financial Highlights, Government-
31 Wide Financial Analysis, Governmental Activities, Business-Type Activities and Financial Analysis
32 of the City's Funds. This is a brief overview of the city's funds. The city is in a great position. He
33 referred to page 40-46 in regards to financial statements of the retirement plans and the city's share of
34 the new pension liability.
35

36 Mayor Shelley closed the City Council Work Session at 7:05 pm.

37
38 **ELK RIDGE**
39 **CITY COUNCIL MEETING**
40 **January 12, 2016**
41

42 **TIME AND PLACE OF MEETING**

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44 **Tuesday, January 12, 2016, at 7:00 PM**; this meeting was preceded by a **City Council Work**
45 **Session Meeting at 6:00 PM**. The meetings were held at the Elk Ridge City Hall, 80 East Park
46 Drive, Elk Ridge, Utah.

47 Notice of the time, place and Agenda of these Meetings, were provided to the Payson
48 Chronicle, 145 E. Utah Ave, Payson, Utah, and to the members of the Governing Body, on the 8th
49 day of January, 2016.
50

51 **ROLL CALL**

52 *Mayor: Hal Shelley*

53 *Council Members: Nelson Abbott, Brittany Thompson, Ty Ellis, Tricia Thomas (Dale Bigler absent)*

54 *Others: Melanie Hoover, Deputy Recorder; Royce Swensen, Recorder*

55 *Financial Director: Curtis Roberts*

1 Deputy Sheriff: Cheri Rhodes
2 Public: Jake Clark, Josh Abbott, William Kent Aston, Jay Finch, Zac Finch, Landon Finch, Brian Burke,
3 Sandra Burke, Paul Crook, Logan Boswell, Jim Chase, Trenton Tasker, Deborah Squires, Richard Dougan
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5 **OPENING REMARKS** An invocation was offered by Ty Ellis and Kent Aston led those present in the Pledge of
6 Allegiance, for those who wished to participate.
7

8 **PLEDGE OF ALLEGIANCE**
9

10 **AGENDA TIME FRAME**

11 **BRITTANY THOMPSON MOVED, NELSON ABBOTT SECOND, TO ADJUST THE START**
12 **TIME OF THE CITY COUNCIL MEETING TO 7:10 PM.**

13 **VOTE: AYE (4) NAY (0) (DALE BIGLER ABSENT)**
14

15 1. CITY CELEBRATION – DECISION OF DATE AND FINALIZE FORMAT.
16 **NO ACTION TAKEN AT THIS TIME.**
17

18 2. PELORUS ACCOUNTING SYSTEM – RATIFY POLL VOTE.
19 Mayor Shelley reported this new system will be more effective and at a lower cost than the system
20 currently used.

21 **VOTE: AYE (3) NAY (0) (DALE BIGLER ABSENT)**
22 **NOT ELIGIBLE (2)**
23

24 **NELSON ABBOTT (AYE)**
25 **BRITTANY THOMPSON (AYE)**
26 **MAYOR SHELLEY (AYE)**
27 **TRICIA THOMAS (NOT ELIGIBLE)**
28 **TY ELLIS (NOT ELIGIBLE)**

29 3. ACCEPTANCE OF FINANCIAL.
30 Brittany Thompson asked if the acceptance could be tabled to have time to review the document. Curtis
31 Roberts responded the numbers are solid and has been subject to a third party audit. All expenditures
32 have already been approved and this request is for an acceptance that the city has received it. This is
33 more of a formality that the financial statements have been prepared, audited and presented. Nelson
34 Abbott suggested if necessary, take the numbers of the financial statement and compare them to the
35 budget.

36 **NELSON ABBOTT MOVED, TY ELLIS SECOND, TO ACCEPT THE ELK RIDGE CITY**
37 **FINANCIAL STATEMENTS ENDING FISCAL YEAR JUNE 30, 2015.**

38 **VOTE: AYE (4) NAY (0) (DALE BIGLER ABSENT)**
39

40 4. CURTIS ROBERTS TRAINING.
41 Curtis Roberts presented council with a handout titled Types of Funds which defines and describes types
42 of governmental and types of proprietary funds. Governmental Funds include: General Fund, Special
43 Revenue Fund, Capital Project Fund and Debt Service Fund. He explained how governmental funds are
44 funded through taxes. Proprietary Funds include: Enterprise Fund and Internal Service Fund. He
45 explained how enterprise funds are assessed and collected by fees. He explained how to properly move
46 dollars from fund to fund if necessary. He explained how impact fees are collected and spent. He
47 explained how the capital projects fund is savings for future projects within the city. He explained
48 assigned and unassigned fund balances listed on page 13 of the financial statement (discussed in the
49 work session). As part of the budget process and in order to comply with state law, he asked the council
50 to remember to include the statement “we authorize the finance director (with specific dollars and
51 funds)” to be made in the approval and/or adoption of budgets. He explained government finances and

1 how the funding operates and that the city cannot mortgage assets but use tax revenues/funds as
2 collateral. He asked council if they want to save for projects or if they want to finance projects through
3 bonds. Debt has currently been paid off to avoid interest charges. He explained how the city collects
4 sales tax. He explained how he analyzes and averages trends to determine water rates and how long they
5 will last. He explained how the building permit revenue and impact fees are not constant and are one
6 time collected funds and the city should not rely on these funds. He explained how impact fees can only
7 be spent within the specific impact fee funds. He explained how tax increases have to go through the
8 public hearing process. He explained how rate increases can be made and decided through council vote
9 only but highly recommends holding a public hearing for public input. He stated the city's financial
10 statement is public information and posted publically through the state. He explained how City Council
11 is a governing board. Council sets policies and budgets, etc. Then there is a management board. When a
12 governing board steps into the management board, the more frustrated management will feel. The
13 approval of monthly check registers and payroll is just a practice the city has followed. He proposed
14 council to stay focused on governance process and approve monthly financials instead of detailed
15 expenses. Once the budget is approved, that is authorization to spend. If items are over budget, then
16 request for expenditures goes back to council for approval.

- 17
18 5. CHECK REGISTER/PAYROLL APPROVAL FOR NOVEMBER 2015 AND DECEMBER 2015.
19 Nelson Abbott questioned checks issued to the Utah County Auditor. Royce Swensen responded it is for
20 the contracted Sheriff services.

21 **NELSON ABBOTT MOVED, TY ELLIS SECOND, TO APPROVE THE CHECK**
22 **REGISTER/PAYROLL FOR NOVEMBER 2015 AND DECEMBER 2015.**

23 **VOTE: AYE (4) NAY (0) (DALE BIGLER ABSENT)**

- 24
25 6. APPROVAL OF MINUTES FROM SEPTEMBER 8, OCTOBER 27, NOVEMBER 10, 2015.
26 Brittany Thompson requested a correction on the Oct 27 minutes, page 2, line 24. Nelson Abbott
27 requested a correction on the Sept 8 minutes, page 7, line 31.

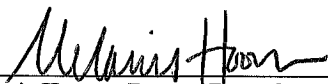
28 **BRITTANY THOMPSON MOVED, NELSON ABBOTT SECOND, TO APPROVE THE CITY**
29 **COUNCIL MEETING MINUTES FOR SEPTEMBER 8, OCTOBER 27, NOVEMBER 10, 2015.**

30 **VOTE: AYE (4) NAY (0) (DALE BIGLER ABSENT)**

- 31
32 7. CLOSED SESSION IF NECESSARY.
33 Mayor Shelley, City Council and Royce Swensen went into closed session.

34 ADJOURNMENT

35
36 Mayor Shelley adjourned this meeting at 9:10 pm.

37
38 
39 _____
40 Melanie Hoover, Deputy Recorder
41