

The Regular Meeting of the
Brian Head Town Council
Brian Head Town Hall - 56 North Highway 143
Brian Head, UT 84719
MONDAY, DECEMBER 10, 2018 @ 1:00 PM

AGENDA

- A. CALL TO ORDER**
- B. PLEDGE OF ALLEGIANCE**
- C. FIRST ANNUAL BRIAN HEAD PHOTO CONTEST WINNER ANNOUNCEMENT** Cecilia Johnson, Town Treasurer, will present the winner of the first annual Brian Head Town Photo Contest.
- D. DISCLOSURES**
- E. REPORTS / PUBLIC INPUT (Limited to three (3) minutes) Non-Agenda Items**
- F. APPROVAL OF THE MINUTES:** November 13, 2018 Town Council Minutes
- G. AGENDA ITEMS:**
 - 1. FISCAL YEAR 2018 TOWN AUDIT PRESENTATION.** Wayne Everett, Town Auditor. The Auditor will present the fiscal year 2018 town audit ending June 30, 2018.
 - 2. LOCAL CONSENT FOR OFF-PREMISE BEER LICENSES.** Nancy Leigh, Town Clerk. The Council will give local consent for off-premise beer licenses for Apple Annies Country Store and Brian Head General Store.
 - 3. RESOLUTION APPOINTING H.C. "DUTCH" DEUTSCHALNDER TO THE UTAH PATCHWORK PARKWAY COMMITTEE.** Bret Howser, Town Manager. The Council will appoint Dutch Deutschlander as the town's official representative to the Utah Patchwork Parkway Committee.
 - 4. BUSINESS BEAUTIFICATION PLAN DISCUSSION.** Bret Howser, Town Manager. The Council will hold a discussion on the potential make of a Business Beautification Program.
 - 5. CAPITAL IMPROVEMENT PROJECT LIST APPROVAL.** Cecilia Johnson, Town Treasurer. The Council will review and approve the one year and two to five-year capital project lists.
 - 6. GRADER PURCHASE DISCUSSION.** Aldo Biasi, Public Works Director. The Council will hold a discussion on the purchase of a grader.
 - 7. TOWN PLAYGROUND EQUIPMENT UPDATE.** Aldo Biasi, Public Works Director. The Council will review the update for the town's playground equipment replacement.
 - 8. 2019 TOWN COUNCIL MEETING SCHEDULE APPROVAL.** Nancy Leigh, Town Clerk. The Council will approve their meeting schedule for 2019.
 - 9. POTENTIAL FUTURE AGENDA ITEMS.** The Council will discuss potential future agenda items

H. ADJOURNMENT

Date: December 6, 2018

Available to Board Members as per Resolution No. 347 authorizes public bodies, including the Town, to establish written procedures governing the calling and holding of electronic meetings at which one or more members of the Council may participate by means of a telephonic or telecommunications conference. In compliance with the Americans with Disabilities Act, persons needing auxiliary communications aids and services for this meeting should call Brian Head Town Hall @ (435) 677-2029 at least three days in advance of the meeting.

CERTIFICATE OF POSTING

I hereby certify that I have posted copies of this agenda in three public and conspicuous places within the Town Limits of Brian Head; to wit, Town Hall, Post Office and The Mall on this 6th day of December 2018 and have posted such copy on the Utah Meeting Notice Website and have caused a copy of this notice to be delivered to the Daily Spectrum, a newspaper of general circulation.

Nancy Leigh, Town Clerk



Brian Head Public Safety Council Update



12/01/2018

Brian Head Marshal's Office:

Well it has been great to see the Brian Head Resort open so early and so far everything has been going well. No major incidents during the past month which is always a relief. The Deputies have been busy however but mainly helping and supporting the community with minor incidents.

The recent snowfall was a welcome sight, but it does bring with it a few issues. People were sliding off the highway in numerous areas, and we had a few crashes. The storm caused a fatal accident over on Highway 14 with which we assisted with traffic control. It is great how all law enforcement in our area just come together and help each other out during these difficult calls.

We have seen an increase once again in the recreational use of marijuana at the resort. Deputies are working hard to educate and stop any offenders as they find them. With the passing of "Prop. 2" there is a learning curve we are going to have to figure out as to what is legal and what is not. But we are determined to keep Brian Head a "Family Friendly" atmosphere and will stop and confiscate when possible. Most people we have contacted are daily users from Nevada and California. When we deal with them, they are not aggressive at all towards us and seem very chill. We will continue to work to keep Brian Head safe and enjoyable for all.

The illegal dumping continues to be a problem, but we are making some statements. We have been able to successfully identify offenders, and all have been responsive to extracting the illegal waste and hauling it off on their own. Watching them dive into the dumpsters is a pretty good lesson and we are in hopes the word is getting around that we don't want to submit our staff to the challenge and hazards of the dive.

Speaking of diving. Our "Dive Team" has been doing some diving this past month and have been working in the SUU Pool to recertify on dry suits and equipment failure drills. We are also training 3 new members who will be a great added addition when they complete the course. Deputy Danny Abbott, part time Deputy Zach Tuttle, and Firefighter Matt Gale have all been working with Deputy Jeff Morgan to reach their "Public Safety" dive certification. This training will continue over the next few months.



- Shifts and Numbers of Incidents
 - Day Shift = 24
 - Swing Shift = 15
 - Grave Shift = 4
- **Total Incidents for November = 43**

Types of Incidents

- Citizen/Motorist Assist – 5
- 911/Alarms – 3
- Fire – 3

- Fire Inspections – 7
- Medicals- 4
- Animal Problem – 1
- Theft – 1
- Illegal Dumping – 3
- Suspicious – 2
- Vehicle Accident – 6
- Drugs – 1
- Traffic Hazard – 3
- Pornography – 1
- Unsecure Premise – 1

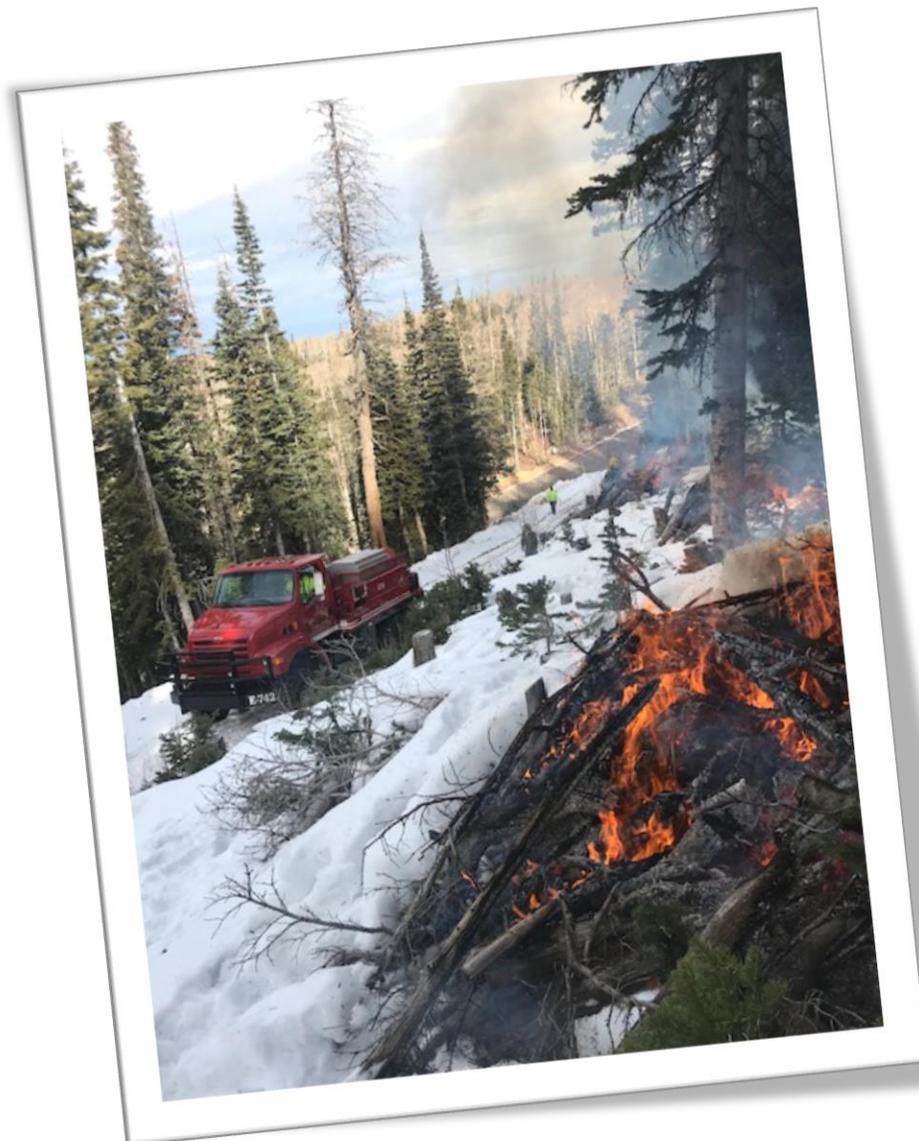
Brian Head Fire Department

Well thanks to Bob Goldhirsch, and the rest of the Volunteers, we pulled off another community Thanksgiving Dinner. This was the 4th annual dinner and it was a great success. We fed about 60 people and everybody seemed to leave “fat and happy”.



The Marshals have continued to be busy doing numerous fire inspections of nightly rentals. This is a great benefit to the town. We at least can have some sort of check on private residents to be sure they have some sense of fire prevention.

We finally had a small window to do some burning of slash in town. This is a crucial part of trying to keep vegetation under some control. The difficult part is always finding the right opportunity to burn these piles. We have to follow some policies given to us by "Air Quality". This means that we can only burn on days when our clearing index is 500 feet or greater. This is so that the smoke can hopefully rise enough to get above the homes and not cause anyone any undue health issues. We are still planning on burning within town but are just waiting for another window.



I had a great opportunity to take a little time to have some “Job Shadows”. Two students from Parowan High School asked they I show them a few things about firefighting. It was a great time show and teaching these two young people about the fire service. It is great to be part of a larger community and give back to our local schools.



Brian Head Public Safety is striving to make what is already a great relationship with the Resort and more particularly the Ski Patrol even better. This past month we had a chance to work alongside our local ski patrol and practice doing some "Chair Evac's." This is an awesome relationship and we want to continue to make it a seamless response to incidents. Patients can receive greater care if we are all on the same page when it comes to their care and treatment. Deputy Abbott has also spent some time taking our new "12 Lead" heart monitor in and giving them hands on training with it. Many of the ski patrol can now apply the heart monitor and read the findings the device presents. I am excited and confident that this relationship will continue to expand and that it will only make our citizens and guests experience in Brian Head that much greater.







Brian Head Town
Public Works Department Update
December 5, 2018

With the setting in of winter, public works has had a good outside work run. Staff was able to get caught back up after the early snow on projects that were assigned to us. We have begun our fire training again and were able to go out with Chief Benson and complete some controlled burns along Snowshoe. The following are updates for each of the department areas.

STREETS:

- With the early snow, the crack seal project for the Trails at Navajo has been pushed back. The cracks were unable to get dry enough to continue this fall. This project will be finished in the spring 2019.
- Shuttle route signs have been removed and replaced with up graded signs.
- Design for the 2019 Streets Project continued with a field trip with the engineer through the Trails at Navajo looking at the areas that need patching and calling them out specifically on the plans. This will help the project to run more efficient next year during construction.
- Snow plow operations have begun. The snow blower went down to Wheeler Machinery in May for some maintenance work on a seal that was leaking. As the mechanics dug in to this project more and more issues began to be uncovered. With the seal going out in the speed reducer, it had sent parts downstream through the hydraulic pumps and motors causing damage to these components. Part availability has been an issue in this unexpected / unbudgeted repair project and has caused delays in getting the blower back. The repair is still three to four weeks out since it is a major tear down of this machine. Total estimate cost is \$50,000.00. Staff is looking into ways to “stop the bleeding” on this machine. By purchasing a wing for the grader, we will be able to reduce some of the work load off the blower. Staff is also looking into other blower options to see if there is something better out there and what we can do to prevent this unexpected event from happening again.

SEWER

With the melting of the snow, the public works crew were able to make progress on the added manhole inspection project. A total of 97 manholes were inspected between the cleaning and inspection process. This project will continue this as weather allows.

CULINARY

- A PRV leak was repaired up in the Trails at Navajo. This happened on a weekend with operators being called in. Response time to onsite was under 40 min.
- With melting of the early snow, the public works crew made headway on meter and PRV maintenance.
- Engineering work is moving forward with the culinary projects for next year. A field trip with the engineer and Public Works staff was very positive and it should make for a more efficient project during construction.

TRAILS

- The light project along the walking trail has been completed.
- Safety signs along the walking trail have been installed
- Snow removal along the walking trail has begun with using the bucket on the skid loader and moving to the blower for heavier storms (Bret even took a hot lap in the blower). The skid loader has been used to clear the ramp with Rex taking a wild ride to the bottom due to the slick surface We will use the small Honda blower to open a path up the ramp. A spreader has been installed on the Ranger to help spread Ice melt along the trail.
- Shifting along the walking trail and ramp was backfilled by the public works crew and will continue to be monitored.
- Hydro seed has been applied along the areas of the walking trail that needed it. Amount reduced saving the town approx. \$13,000.00 in the project. The old railroad tie step trail leading down to town hall has been removed.

IN-HOUSE PROJECTS

Public works will continue with snow removal and inside projects. This will include the start of building signs for the walking trail, maintenance of snow removal equipment, GIS work and planning for the project season next year. If you have any questions or concerns, please do not hesitate to call.



STAFF REPORT TO THE TOWN COUNCIL

SUBJECT: Audit Report – FY 2018 Budget
AUTHOR: Cecilia Johnson, Town Treasurer
DEPARTMENT: Administration Department
DATE: December 10, 2018
TYPE OF ITEM: Informational

SUMMARY:

Wayne Everett, Brian Head Town Auditor, will present his annual audit report for FY ending June 30, 2018.

BACKGROUND:

This is an annual event and our Auditor will update the Town Council on the financial status of the Town.

ANALYSIS:

Not applicable.

DEPARTMENT REVIEW:

The staff has reviewed the audit and we look forward to the audit presentation.

FINANCIAL IMPLICATIONS:

It is not anticipated that the Town will have any significant financial implications from the FY 2018 audit.

BOARD/COMMISSION RECOMMENDATION:

Not applicable.

STAFF RECOMMENDATION:

This is an informational item only and requires no action from the Council. Please feel free to ask Mr. Everett any questions you may have.

PROPOSED MOTION:

Not applicable, since this is an informational item only.

Brian Head Town
ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2018

Brian Head Town
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June 30, 2018

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Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Town Council
Brian Head Town
Brian Head, UT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brian Head Town (the Town), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Town's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining

fund information of the Brian Head Town, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and pension schedules listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Brian Head Town's basic financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December November 21, 2018, on our consideration of the Brian Head Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Brian Head Town's internal control over financial reporting and compliance.

Hafen Buckner, Everett & Graff, PC

Hafen, Buckner, Everett, & Graff, PC

November 21, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Brian Head Town
Management's Discussion and Analysis
June 30, 2018

As management of Brian Head Town (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of financial activities of the Town for the fiscal year ended June 30, 2018.

FINANCIAL HIGHLIGHTS

- *Total net position for the Town as a whole increased by \$1,315,974
- *Total unrestricted net position for the Town as a whole increased by \$507,019
- *Total net position for governmental activities increased by \$582,719
- *Total net position for business-type activities increased by \$708,255

BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the Town. The basic financial statements comprise three components: (1) government wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statement of activities is presented on two pages. The first page reports the extent to which each function or program is self-supporting through fees and intergovernmental aid. The second page identifies the general revenues of the Town available to cover any remaining costs of the functions or programs.

Brian Head Town
Management's Discussion and Analysis
June 30, 2018

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds . These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the government fund balance sheet and the government fund statement of the revenues, expenditures, and changes in fund balances provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains two major governmental funds, the general fund and the capital projects fund.

The Town adopts an annual appropriated budget for all its funds. A budgetary comparison schedule has been provided to demonstrate legal compliance with the adopted budget for the general fund.

The basic governmental fund financial statements can be found later in this report; see Table of Contents.

Proprietary funds . The Town maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses four enterprise funds to account for the operations of the water, sewer, solid waste, and snowmaking lease activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise funds are considered major funds of the Town.

The proprietary fund financial statements can be found later in this report; see Table of Contents.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are reported later in this report; see Table of Contents.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town.

Brian Head Town
Management's Discussion and Analysis
June 30, 2018

FINANCIAL ANALYSIS

Brian Head Town's Net Position

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
Current and other assets	\$ 3,525,336	3,563,237	3,821,667	3,376,945	7,347,003	6,940,182
Net capital assets	27,788,424	27,612,865	19,837,104	20,194,118	47,625,528	47,806,983
Deferred outflows of resources	307,698	322,765	183,741	191,446	491,439	514,211
Total assets and deferred outflows	\$ 31,621,458	31,498,867	23,842,512	23,762,509	55,463,971	55,261,375
Long-term debt outstanding	\$ 3,486,000	3,797,000	7,576,891	8,210,139	11,062,891	12,007,139
Other liabilities	2,172,509	2,359,780	581,699	646,852	2,754,208	3,006,632
Deferred inflows of resources	923,316	885,173	117,187	47,037	1,040,503	932,210
Total liabilities and deferred inflows	6,581,825	7,041,953	8,275,777	8,904,027	14,857,602	15,945,980
Net position:						
Net investment in capital assets	24,302,424	23,815,865	12,260,214	11,983,979	36,562,638	35,799,845
Restricted	467,609	523,843	751,796	674,401	1,219,405	1,198,244
Unrestricted	269,600	117,206	2,554,726	2,200,100	2,824,326	2,317,307
Total net position	\$ 25,039,633	24,456,914	15,566,736	14,858,481	40,606,369	39,315,395

As noted earlier, net position may serve over time as a useful indicator of financial position. Total assets and deferred outflows of resources exceeded total liabilities and deferred inflow of resources at the close of the year by \$40,606,369, an increase of \$1,290,974 from the previous year. This change is equivalent to the net income for the year, in private sector terms.

Total unrestricted net position at the end of the year is \$2,824,326 which represents an increase of \$507,019 from the previous year. Unrestricted net position are those resources available to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

The amount of current and other assets represent the amounts of cash and receivables on hand at the end of each year. Other liabilities are the amounts of current and other liabilities due, at year end, for goods and services acquired.

Changes in capital assets are the result of the difference, in the current year, of the cost of acquisition of capital assets and any depreciation charges on capital assets. Change in long-term debt is the difference in the amount of debt issued and that which has been paid during the year.

Brian Head Town
Management's Discussion and Analysis
June 30, 2018

FINANCIAL ANALYSIS (continued)

Brian Head Town's Change in Net Position

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
Program revenues:						
Charges for services	\$ 833,616	841,776	2,358,401	2,220,504	3,192,017	3,062,280
Operating grants and contributions	274,881	128,738	-	-	274,881	128,738
Capital grants and contributions	1,071	459	70,537	2,939	71,608	3,398
General revenues:						
Property taxes	1,275,049	1,157,385	-	-	1,275,049	1,157,385
Sales tax	148,790	159,009	-	-	148,790	159,009
Other taxes	590,655	668,702	-	-	590,655	668,702
Other revenues	217,375	85,769	30,570	18,280	247,945	104,049
Total revenues	3,341,436	3,041,838	2,459,508	2,241,724	5,800,944	5,283,563
Expenses:						
General government	805,620	852,271	-	-	805,620	852,271
Public safety	1,110,219	954,522	-	-	1,110,219	954,522
Highways and improvements	451,277	483,564	-	-	451,277	483,564
Parks and recreation	59,649	75,208	-	-	59,649	75,208
Interest on long-term debt	121,542	129,941	-	-	121,542	129,941
Operating expenses	-	-	1,936,664	1,805,901	1,936,664	1,805,901
Total expenses	2,548,307	2,495,506	1,936,664	1,805,901	4,484,970	4,301,407
Excess before transfers	793,129	546,332	522,845	435,823	1,315,974	982,156
Transfers in (out)	-	-	-	-	-	-
Change in net position	\$ 793,129	546,332	522,845	435,823	1,315,974	982,156

For the Town as a whole, total revenues increased by \$517,381 compared to the previous year, while total expenses increased by \$183,563. The total net change of \$1,315,974 is, in private sector terms, the net income for the year which is \$333,818 more than the previous year.

Governmental activities revenues of \$3,341,436 is an increase of \$299,598 from the previous year. Governmental activities expenses of \$2,548,307 is an increase of \$52,801 from the previous year. While general government expenses increased, all other expenses decreased.

Business-type activities revenue of \$2,459,508 is an increase of \$217,784 from the previous year. Service revenues increased by \$137,897 and other revenues increased by \$12,290. Business-type activities expenses of \$1,936,664 is an increase of \$130,763 from the previous year.

Brian Head Town
Management's Discussion and Analysis
June 30, 2018

BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS

Some of the more significant changes in fund balances and fund net position, and any restrictions on those amounts, is described below:

General Fund

The fund balance of \$1,287,933 reflects an increase of \$282,441 from the previous year. Total revenues increased by \$17,324. Tax revenues had a net decrease of \$12,193. Charges for services increased by \$35,021. Licenses and permits decreased by \$43,333. All other revenues had a net increase of \$37,830.

Total expenditures, excluding transfers out, decreased by \$125,427. General government expenditures decreased by \$99,383, public safety expenditures decreased by \$10,710, highways and public improvements expenditures decreased by \$987, and parks and recreation expenditures decreased by \$14,347.

Fund balance restricted for debt service amounts to \$156,540. Fund balance committed for wildlands fire was \$165,982. The unassigned fund balance was \$965,411.

Water Fund

The change in net position (net income) was \$473,253. The amount restricted for debt service is \$232,308. The amount restricted for capital projects is \$209,147. Unrestricted net position amounts to \$1,647,455.

Sewer Fund

The change in net position (net income) was \$121,387. The amounts restricted for debt service was \$12,700. Unrestricted net position amounts to \$845,502.

Solid Waste Fund

The change in net position (net loss) was \$72,862. There were no restrictions on net position. Unrestricted net position amounts to \$221,163.

Snowmaking Lease Fund

The change in net position (net income) was \$186,476. The amount restricted for debt service was \$297,640. Unrestricted net position amounts to -\$159,394.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenues for the current year, exclusive of transfers, were originally budgeted in the amount of \$2,4,13,474. This amount was amended in the final budget to \$2,428,928. Actual revenues, excluding transfers, amounted to \$2,502,594.

Expenditures for the current year, excluding transfers and budgeted increases in fund balance, were originally budgeted in the amount of \$2,121,231. This amount was amended in the final budget to \$2,186,815. Actual expenditures amounted to \$1,974,431.

Net transfers out for the year were originally budgeted in the amount of \$327,300, which was the final budget and equal to the actual transfers out. Transfers in were budgeted for \$8,667, which was equal to actual transfers in.

Brian Head Town
Management's Discussion and Analysis
June 30, 2018

CAPITAL ASSETS AND DEBT ADMINISTRATION

Brian Head Town's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
Net Capital Assets:						
Land and rights	\$ 20,781,265	20,781,265	3,203,176	3,203,176	23,984,441	23,984,441
Buildings	4,829,745	4,829,745	293,896	293,896	5,123,641	5,123,641
Improvements	4,377,950	3,918,161	-	-	4,377,950	3,918,161
Machinery and equipment	1,529,083	1,436,084	956,376	944,074	2,485,459	2,380,157
Water system	-	-	16,967,150	9,028,510	16,967,150	9,028,510
Sewer system	-	-	2,364,692	2,097,182	2,364,692	2,097,182
Snowmaking lease	-	-	4,064,374	4,064,374	4,064,374	4,064,374
Construction in progress	2,045,358	2,034,814	30,510	8,215,899	2,075,868	10,250,713
Total capital assets	33,563,401	33,000,069	27,880,174	27,847,112	61,443,575	60,847,181
Less accumulated depreciation	(5,774,977)	(5,387,203)	(8,043,070)	(7,652,994)	(13,818,047)	(13,040,197)
Net Capital Assets	\$ 27,788,424	27,612,865	19,837,104	20,194,118	47,625,528	47,806,983

The total amount of capital assets, net of depreciation, of \$47,625,528 is a decrease of \$181,455 from the previous year.

Governmental activities capital assets, net of depreciation, of \$27,788,424 is an increase of \$175,558 from the previous year.

Business-type activities capital assets, net of depreciation, of \$19,837,104 is a decrease of \$357,013 from the previous year.

Additional information regarding capital assets may be found in the notes to financial statements.

Brian Head Town
Management's Discussion and Analysis
June 30, 2018

Brian Head Town's Outstanding Debt

	Current Year	Previous Year
Governmental activities:		
2007 Lease revenue refunding	\$ -	50,000
2007 GO Interconnect Bridge	190,000	255,000
2005B GO Refunding	1,090,000	1,245,000
2018 UDAF Petroleum Storage Tank	25,000	-
2011 Lease Revenue Bond	2,181,000	2,247,000
Total governmental	\$ 3,486,000	3,797,000
Business-type activities:		
1980 GO Water	\$ 708	9,434
2016 GO Refunding	357,000	534,000
2005A GO Snowmaking	575,000	845,000
2013 G.O Reservoir Bond	1,737,000	1,826,000
2009 USDA Water Revenue	4,907,183	4,995,705
Total business-type	\$ 7,576,891	8,210,139
Total outstanding debt	\$ 11,062,891	12,007,139

Additional information regarding the long-term liabilities may be found in the notes to financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

No significant economic changes that would affect the Town are expected for the next year. Budgets have been set on essentially the same factors as the current year being reported.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Brian Head Town's finances for all those with an interest in the Town's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Town Treasurer, Brian Head Town, P.O. Box 190068, 56 North Highway 143, Brian Head, UT 84719.

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BASIC FINANCIAL STATEMENTS

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Brian Head Town
STATEMENT OF NET POSITION
June 30, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,857,902	1,491,634	3,349,537
Accounts receivable, net	1,105,821	182,853	1,288,674
Total current assets	<u>2,963,724</u>	<u>1,674,487</u>	<u>4,638,211</u>
Non-current assets:			
Restricted cash and cash equivalents	466,527	899,770	1,366,297
Capital assets:			
Not being depreciated	22,826,623	3,233,687	26,060,309
Net of accumulated depreciation	4,961,801	16,603,418	21,565,219
Prepaid long-term water lease	-	1,247,260	1,247,260
Net pension asset	271	150	421
Total non-current assets	<u>28,255,222</u>	<u>21,984,284</u>	<u>50,239,506</u>
Total assets	<u>31,218,945</u>	<u>23,658,771</u>	<u>54,877,717</u>
Deferred outflows of resources - pensions	307,698	183,741	491,439
Total assets and deferred outflows of resources	<u>\$ 31,526,643</u>	<u>23,842,512</u>	<u>55,369,156</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 171,294	10,888	182,183
Customer/contractor deposits	90,252	11,051	101,303
Accrued interest payable	30,504	50,059	80,563
Unearned revenue	1,535,873	297,640	1,833,513
Revenue bonds due within one year	302,000	638,377	940,377
Total current liabilities	<u>2,129,924</u>	<u>1,008,016</u>	<u>3,137,939</u>
Non-current liabilities:			
Compensated absences	60,772	-	60,772
Revenue bonds due after one year	3,184,000	6,938,513	10,122,513
Net pension liability	283,813	212,061	495,874
Total non-current liabilities	<u>3,528,585</u>	<u>7,150,574</u>	<u>10,679,159</u>
Total liabilities	<u>5,658,509</u>	<u>8,158,590</u>	<u>13,817,099</u>
Deferred inflows of resources - property taxes	721,205	-	721,205
Deferred inflows of resources - pensions	202,111	117,187	319,298
Total liabilities and deferred inflows of resources	<u>6,581,825</u>	<u>8,275,777</u>	<u>14,857,602</u>
NET POSITION:			
Net investment in capital assets	24,302,424	12,260,214	36,562,638
Restricted for:			
Debt service	407,078	529,948	937,027
Capital projects	60,531	221,847	282,379
Unrestricted	174,785	2,554,726	2,729,511
Total net position	<u>24,944,818</u>	<u>15,566,736</u>	<u>40,511,554</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 31,526,643</u>	<u>23,842,512</u>	<u>55,369,156</u>

The notes to the financial statements are an integral part of this statement.

Brian Head Town
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue (To Next Page)
<u>FUNCTIONS/PROGRAMS:</u>					
Primary government:					
Governmental activities:					
General government	\$ 805,620	564,661	42,152	-	(198,806)
Public safety	1,110,219	124,419	168,163	1,071	(816,567)
Highways and public improvements	451,277	144,535	64,566	-	(242,175)
Parks, recreation and public property	59,649	-	-	-	(59,649)
Interest on long-term debt	121,542	-	-	-	(121,542)
Total governmental activities	2,548,307	833,616	274,881	1,071	(1,438,739)
Business-type activities:					
Water	1,104,797	1,341,775	-	59,324	296,302
Sewer	483,384	581,157	-	11,213	108,985
Solid waste	219,006	141,759	-	-	(77,247)
Snowmaking Lease	129,476	293,711	-	-	164,235
Total business-type activities	1,936,664	2,358,401	-	70,537	492,274
Total primary government	\$ 4,484,970	3,192,017	274,881	71,608	(946,465)

(continued on next page)

The notes to the financial statements are an integral part of this statement.

Brian Head Town
STATEMENT OF ACTIVITIES (continued)
For the Year Ended June 30, 2018

	Governmental Activities	Business-type Activities	Total
CHANGES IN NET POSITION:			
Net (expense) revenue (from previous page)	\$ (1,438,739)	492,274	(946,465)
General revenues:			
Property taxes	1,275,049	-	1,275,049
Sales tax	148,790	-	148,790
Other taxes	590,655	-	590,655
Unrestricted investment earnings	47,790	30,570	78,360
Sales of fixed assets	104,258	-	104,258
Miscellaneous	65,328	-	65,328
Total general revenues	<u>2,231,868</u>	<u>30,570</u>	<u>2,262,439</u>
Transfers in (out)	<u>(185,410)</u>	<u>185,410</u>	<u>-</u>
Change in net position	607,719	708,255	1,315,974
Net position - beginning	<u>24,456,914</u>	<u>14,858,481</u>	<u>39,315,395</u>
Net position - ending	<u>\$ 25,064,633</u>	<u>15,566,736</u>	<u>40,631,369</u>

The notes to the financial statements are an integral part of this statement.

Brian Head Town
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2018

	General Fund	Special Service District	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,263,479	-	-	689,238	1,952,717
Accounts receivable, net	84,263	-	-	-	84,263
Due from other governments	731,863	-	289,696	-	1,021,559
Restricted cash and cash equivalents	156,540	-	249,455	60,531	466,527
TOTAL ASSETS	\$ 2,236,145	-	539,151	749,769	3,525,065
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
Liabilities:					
Accounts payable	\$ 65,847	-	-	34,540	100,387
Accrued liabilities	70,907	-	-	-	70,907
Customer/contractor deposits	90,252	-	-	-	90,252
Unearned revenues	-	1,247,260	288,613	-	1,535,873
Total liabilities	227,007	1,247,260	288,613	34,540	1,797,420
Deferred inflows of resources:					
Property tax	721,205	-	-	-	721,205
Total deferred inflows of resources	721,205	-	-	-	721,205
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	948,212	1,247,260	288,613	34,540	2,518,625
FUND BALANCES:					
Restricted for:					
Debt service	156,540	-	250,538	-	407,078
Capital projects	-	-	-	60,531	60,531
Committed for:					
Wildlands fire	165,982	-	-	-	165,982
Redevelopment agency	-	-	-	270,422	270,422
Assigned for:					
Capital projects	-	-	-	384,276	384,276
Unassigned	965,411	(1,247,260)	-	-	(281,849)
TOTAL FUND BALANCES	1,287,933	(1,247,260)	250,538	715,230	1,006,441
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,236,145	-	539,151	749,769	3,525,065

The notes to the financial statements are an integral part of this statement.

Brian Head Town
**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**
For the Year Ended June 30, 2018

	General Fund	Special Service District	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes:					
Property	\$ 889,344	-	350,805	34,899	1,275,049
Sales	148,790	-	-	-	148,790
Other taxes	590,655	-	-	-	590,655
License and permits	279,061	-	-	-	279,061
Intergovernmental revenues	151,581	-	-	123,300	274,881
Charges for services	380,161	-	-	173,331	553,492
Fines and forfeitures	1,062	-	-	-	1,062
Impact fees	1,071	-	-	-	1,071
Interest	25,963	-	7,062	14,765	47,790
Miscellaneous revenue	34,907	30,421	-	-	65,328
Total revenues	2,502,594	30,421	357,867	346,295	3,237,178
EXPENDITURES:					
General government	639,944	-	-	77,310	717,254
Public safety	921,342	-	-	202,968	1,124,310
Highways and public improvements	369,086	-	-	276,600	645,686
Parks, recreation and public property	46,907	-	-	32,523	79,430
Debt service:					
Principal	-	-	220,000	116,000	336,000
Interest	-	-	65,557	57,331	122,888
Total expenditures	1,977,279	-	285,557	762,731	3,025,567
Excess (deficiency) of revenues over (under) expenditures	525,316	30,421	72,310	(416,436)	211,611
Other financing sources and (uses):					
Sale of fixed assets	75,758	-	-	28,500	104,258
Transfers in	8,667	-	-	377,300	385,967
Transfers out	(327,300)	-	(185,410)	(58,667)	(571,377)
Total other financing sources and (uses)	(242,875)	-	(185,410)	347,133	(81,152)
Net change in fund balances	282,441	30,421	(113,100)	(69,303)	130,459
Fund balances - beginning of year	1,005,492	(1,277,681)	363,638	784,532	875,981
Fund balance - end of year	\$ 1,287,933	(1,247,260)	250,538	715,230	1,006,441

The notes to the financial statements are an integral part of this statement.

Brian Head Town
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION**
 June 30, 2018

Total Fund Balance for Governmental Funds	<u>\$ 911,626</u>
Total net position reported for governmental activities in the statement is different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds:	
Capital assets, at cost	33,563,401
Less accumulated depreciation	<u>(5,774,977)</u>
Net capital assets	<u>27,788,424</u>
Net pension assets are not financial resources and, therefore, are not reported in the funds.	
	<u>271</u>
Deferred outflows of resources - pensions, a consumption of net position that applies to future periods, is not shown in the funds statements.	
	<u>307,698</u>
Long-term liabilities, for funds other than enterprise funds, are recorded in the government-wide statements, but not in the fund statements.	
General long-term debt	<u>(3,486,000)</u>
Interest accrued but not yet paid on long-term debt	<u>(30,504)</u>
Compensated absence liability	<u>(60,772)</u>
Net pension liability	<u>(283,813)</u>
Certain revenue is deferred in governmental funds, but not in the statement of net position because it qualifies for recognition under the economic resources measurement focus.	
Deferred inflows of resources - pensions	<u>(202,111)</u>
Total Net Position of Governmental Activities	<u><u>\$ 24,944,818</u></u>

The notes to the financial statements are an integral part of this statement.

Brian Head Town
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
For the Year Ended June 30, 2018

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 130,459</u>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with a material cost are capitalized and the cost so allocated over their estimated useful lives and reported as depreciation expenses.</p>	
Capital outlays	563,332
Depreciation expense	<u>(387,774)</u>
Net	<u>175,558</u>
<p>The Statement of Activities show pension benefits and pension expenses from the adoption of GASB 68 that are not shown in the fund statements.</p>	
	<u>(31,122)</u>
<p>Long-term debt proceeds are reported as financing sources in governmental funds. In the statement of net position, however, issuing debt increases long-term liabilities and do not affect the statement of activities.</p>	
Long-term debt proceeds	<u>25,000</u>
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
Long-term debt principal repayments	<u>336,000</u>
<p>Accrued interest and compensated absences are not reported as expenditures for the current period, while they are recorded in the statement of activities.</p>	
Change in accrued interest on long-term debt	<u>1,346</u>
Change in compensated absence liability	<u>(4,522)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 632,719</u></u>

The notes to the financial statements are an integral part of this statement.

Brian Head Town
STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2018

	Water Fund	Sewer Fund	Solid Waste Fund	Snow- making Lease	Total Proprietary Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:					
Assets:					
Current assets:					
Cash and cash equivalents	\$ 440,773	820,931	229,930	-	1,491,634
Accounts receivable, net	98,111	65,940	18,802	-	182,853
Total current assets	<u>538,884</u>	<u>886,871</u>	<u>248,733</u>	<u>-</u>	<u>1,674,487</u>
Non-current assets:					
Restricted cash and cash equivalents	441,456	12,700	-	445,614	899,770
Capital assets:					
Not being depreciated	2,989,610	19,077	-	225,000	3,233,687
Net of accumulated depreciation	13,708,833	1,350,510	66,132	1,477,943	16,603,418
Prepaid long-term water lease	1,247,260	-	-	-	1,247,260
Net pension assets	84	43	23	-	150
Total non-current assets	<u>18,387,243</u>	<u>1,382,330</u>	<u>66,155</u>	<u>2,148,557</u>	<u>21,984,284</u>
Total assets	<u>18,926,127</u>	<u>2,269,201</u>	<u>314,887</u>	<u>2,148,557</u>	<u>23,658,771</u>
Deferred outflows of resources - pensions	102,420	51,110	30,211	-	183,741
Total assets and deferred outflows of resources	<u>\$ 19,028,547</u>	<u>2,320,311</u>	<u>345,098</u>	<u>2,148,557</u>	<u>23,842,512</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:					
Liabilities:					
Current liabilities:					
Accounts payable	\$ 7,294	1,448	2,147	-	10,888
Accrued interest payable	38,558	-	1,773	9,728	50,059
Customer security deposits	11,051	-	-	-	11,051
Unearned revenue	-	-	-	297,640	297,640
Revenue bonds, current portion	358,377	-	-	280,000	638,377
Total current liabilities	<u>415,280</u>	<u>1,448</u>	<u>3,919</u>	<u>587,368</u>	<u>1,008,016</u>
Non-current liabilities:					
Revenue bonds, long-term	6,643,513	-	-	295,000	6,938,513
Net pension liability	119,081	58,161	34,819	-	212,061
Total non-current liabilities	<u>6,762,594</u>	<u>58,161</u>	<u>34,819</u>	<u>295,000</u>	<u>7,150,574</u>
Total liabilities	<u>7,177,874</u>	<u>59,609</u>	<u>38,738</u>	<u>882,368</u>	<u>8,158,590</u>
Deferred inflows of resources - pensions	65,209	32,913	19,065	-	117,187
Total liabilities and deferred inflows of resources	<u>7,243,083</u>	<u>92,522</u>	<u>57,803</u>	<u>882,368</u>	<u>8,275,777</u>
NET POSITION:					
Net investment in capital assets	9,696,552	1,369,587	66,132	1,127,943	12,260,214
Restricted for:					
Debt service	232,308	-	-	297,640	529,948
Capital projects	209,147	12,700	-	-	221,847
Unrestricted	1,647,455	845,502	221,163	(159,394)	2,554,726
Total net position	<u>11,785,463</u>	<u>2,227,789</u>	<u>287,295</u>	<u>1,266,189</u>	<u>15,566,736</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 19,028,547</u>	<u>2,320,311</u>	<u>345,098</u>	<u>2,148,557</u>	<u>23,842,512</u>

The notes to the financial statements are an integral part of this statement.

Brian Head Town
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - PROPRIETARY FUND
For the Year Ended June 30, 2018

	Water Fund	Sewer Fund	Solid Waste Fund	Snow- making Lease	Total Proprietary Funds
Operating income:					
Charges for sales and service	\$ 1,325,475	579,057	141,759	293,711	2,340,001
Connection fees	16,300	2,100	-	-	18,400
Total operating income	1,341,775	581,157	141,759	293,711	2,358,401
Operating expenses:					
Personnel services	348,369	180,535	112,352	-	641,257
Utilities	126,544	899	-	-	127,443
Repair and maintenance	119,301	26,765	21,645	-	167,710
Other supplies and expenses	24,417	23,801	24,321	-	72,539
Water leases	58,738	-	-	-	58,738
Payments to Parowan City	-	156,618	-	-	156,618
Administrative charges	56,811	38,442	15,954	-	111,207
Bad debt expense	(32,284)	5,559	(614)	-	(27,338)
Depreciation expense	192,353	50,765	45,348	101,609	390,076
Total operating expense	894,250	483,384	219,006	101,609	1,698,250
Net operating income (loss)	447,524	97,772	(77,247)	192,101	660,151
Non-operating income (expense):					
Impact fees	59,324	11,213	-	-	70,537
Interest income	8,460	12,402	4,385	5,324	30,570
Interest on long-term debt	(210,547)	-	-	(27,867)	(238,413)
Total non-operating income (expense)	(142,763)	23,615	4,385	(22,543)	(137,306)
Income (loss) before transfers	304,761	121,387	(72,862)	169,558	522,845
Transfers in	185,410	-	-	16,918	202,328
Transfers out	(16,918)	-	-	-	(16,918)
Change in net position	473,253	121,387	(72,862)	186,476	708,255
Net position - beginning	11,312,210	2,106,402	360,157	1,079,712	14,858,481
Net position - ending	\$ 11,785,463	2,227,789	287,295	1,266,189	15,566,736

The notes to the financial statements are an integral part of this statement.

Brian Head Town
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2018

	Water Fund	Sewer Fund	Solid Waste Fund	Snow- making Lease	Total Proprietary Funds
Cash flows from operating activities:					
Cash received from customers - service	\$ 1,370,567	571,769	140,373	293,711	2,376,419
Cash paid to suppliers	(348,271)	(245,096)	(60,393)	-	(653,760)
Cash paid to employees	(347,577)	(180,011)	(112,209)	-	(639,798)
Net cash provided (used) in operating activities	674,718	146,662	(32,230)	293,711	1,082,861
Cash flows from noncapital financing activities:					
Customer deposit increase (decrease)	7,151	-	-	-	7,151
Net transfers in (out)	168,492	-	-	16,918	185,410
Net cash provided (used) in noncapital financing activities	175,643	-	-	16,918	192,561
Cash flows from capital and related financing activities:					
Cash from impact fees	59,324	11,213	-	-	70,537
Cash payments for capital assets	(23,736)	(9,327)	-	-	(33,062)
Cash payments for long-term debt principal	(363,248)	-	-	(270,000)	(633,248)
Cash payments for long-term debt interest	(208,611)	-	-	(35,868)	(244,478)
Net cash provided (used) in capital and related financing activities	(536,271)	1,886	-	(305,868)	(840,252)
Cash flows from investing activities:					
Cash received from interest earned	8,460	12,402	4,385	5,324	30,570
Net cash provided (used) in investing activities	8,460	12,402	4,385	5,324	30,570
Net increase (decrease) in cash	322,551	160,950	(27,845)	10,085	465,740
Cash balance, beginning	559,678	672,681	257,776	435,529	1,925,664
Cash balance, ending	\$ 882,228	833,631	229,930	445,614	2,391,404
Cash reported on the statement of net position:					
Cash and cash equivalents	\$ 440,773	820,931	229,930	-	1,491,634
Non-current restricted cash	441,456	12,700	-	445,614	899,770
Total cash and cash equivalents	\$ 882,228	833,631	229,930	445,614	2,391,404

The notes to the financial statements are an integral part of this statement.

Brian Head Town
STATEMENT OF CASH FLOWS (continued)
For the Year Ended June 30, 2018

Reconciliation of Operating Income to Net Cash Provided (Used) in Operating Activities:

	Water Fund	Sewer Fund	Solid Waste Fund	Snow- making Lease	Total Proprietary Funds
Net operating income (expense)	\$ 447,524	97,772	(77,247)	192,101	660,151
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities:					
Depreciation and amortization	192,353	50,765	45,348	101,609	288,466
Changes in assets and liabilities:					
(Increase) decrease in receivables	(3,491)	(3,828)	(2,000)	-	(9,320)
(Increase) decrease in prepaid items	30,421	-	-	-	30,421
(Increase) decrease in net pension assets	(46)	(24)	(13)	-	(83)
(Increase) decrease in deferred outflows	4,265	2,191	1,249	-	7,705
Increase (decrease) in payables	7,119	1,429	1,527	-	10,074
Increase (decrease) in accrued liabilities	(8,018)	(4,002)	(2,437)	-	(14,457)
Increase (decrease) in net pension liability	(34,238)	(17,591)	(10,027)	-	(61,856)
Increase (decrease) in deferred inflows	38,829	19,950	11,371	-	70,150
Net cash provided (used) in operating activities	\$ 674,718	146,662	(32,230)	293,711	1,082,861

The notes to the financial statements are an integral part of this statement.

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1-A. Reporting entity

Primary Government: Brian Head Town (the Town), a municipal corporation located in Iron County, Utah, operates under a Council-Manager form of government and provides the following services: General and Administrative, Public Safety-Police and Fire, Highways and Streets, Sanitation, Culture and Recreation, Public Improvements, Planning and Zoning, Water and Sewer Services. The accompanying financial statements present the Town and its component units.

Blended Component Units: The financial activity for the following entities is blended in this report. These are entities for which the Town is considered to be financially accountable because of the significance of their operational or financial relationships with the Town and the governing body being the same as that of the Town. The Municipal Building Authority of Brian Head Town was formed to further the purposes of the Town by acquiring and improving properties and financing the cost of such activities. The Brian Head Special Service District was formed to acquire water rights. No separate financial report is issued by the these entities.

1-B. Government-wide and fund financial statements

Government-wide Financial Statements

The government-wide financial statements, consisting of the statement of net assets and the statement of changes in net assets report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expenses are not allocated. All expenses are included in the applicable function. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privilege provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, if any, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statement.

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

1-C. Measurement focus, basis of accounting and financial statement presentation

The financial statements of the Town are prepared in accordance with generally accepted accounting principles (GAAP).

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, generally including the reclassification of internal activity (between or within funds). However, internal eliminations do not include utility services provided to Town departments or payments to the general fund by other funds for providing administrative and billing services for such funds. Reimbursements are reported as reductions to expenses. Proprietary and any fiduciary fund financial statements are also reported using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when the grantor eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments, if any, receivable within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating income and expense reported in proprietary fund financial statements include those revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services, including administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Policy regarding use of restricted resources

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities. *Restricted assets, non-current* reports assets restricted for acquisition or construction of non-current assets, or are restricted for liquidation of long-term debt.

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

1-D. Fund types and major funds

Governmental funds

The Town reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *special service district fund* accounts for resources accumulated and payments made for the acquisition of water rights which have been leased to the Town.

The *debt service fund* accounts for resources accumulated and payments made for principal and interest on general obligation bonds.

Proprietary funds

The Town reports the following major proprietary funds:

The *water fund* is used to account for the activities of the culinary water distribution system.

The *sewer fund* accounts for the activities of the Town's sewer collection operations.

The *solid waste fund* accounts for the activities of the Town's sanitation and solid waste collection operations.

The *snowmaking lease fund* accounts for the activities of the Town's leasing of snowmaking equipment to the ski resort operations.

1-E. Assets, Liabilities, and Net Position or Equity

1-E-1. Deposit and Investments

Investments are reported at fair value. Deposits are reported at cost, which approximates fair value. Investments of the Town are accounts at the Utah Public Treasurers Investments Fund. Additional information is contained in Note 3.

1-E-2. Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

1-E-3. Receivables and Payables

Accounts receivable other than property taxes and intergovernmental receivables are from customers primarily for utility services. Property tax and intergovernmental receivables are considered collectible. Special assessments receivable are reported at the remaining amount of the initial assessment. An uncollectible allowance is provided that is based upon an analysis of the aging of the accounts.

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

1-E-3. *Receivables and Payables (continued)*

During the course of operations, there may be transactions occur between funds that are representative of lending/borrowing arrangements outstanding at year-end. These are reported as either *due to or due from other funds*.

Property taxes are assessed and collected for the Town by Iron County and remitted to the Town shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1, and are delinquent after November 30. All dates are in the year of levy.

1-E-4. *Restricted Assets*

In accordance with certain revenue bond covenants, resources may be required to be set aside for the repayment of such bonds, and, on occasion, for the repair and maintenance of the assets acquired with the bond proceeds. These resources are classified as restricted assets on the balance sheet because of their limited use. Most capital grant agreements mandate that grant proceeds be spent only on capital assets. Unspent resources of this nature are also classified as restricted. The limited use resources described above involve a reported restriction of both cash and net assets.

Unspent proceeds of bonds issued to finance capital assets are also reported as restricted cash.

1-E-5. *Inventories and Prepaid items*

Inventories in governmental funds are not reported. These consist of immaterial amounts of expendable supplies for consumption. Such supplies are acquired as needed. Proprietary fund inventories, where material, are stated at the lower of cost or market, using the first-in, first-out basis.

Prepaid items record payments to vendors that benefit future reporting and are reported on the consumption basis. Both inventories and prepayments are similarly reported in government-wide and fund financial statements.

1-E-6. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows of resources related to pensions as required by GASB 68.

In addition to liabilities, the statement of net position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. Property taxes to be collected in November were unavailable in the current fiscal year. Accordingly, these property taxes are deferred and will be recognized as an inflow of resources in the period that the amounts become available. Additionally, the Town reports deferred inflows of resources related to pensions as required by GASB 68.

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

1-E-7. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

1-E-8. Capital Assets

Capital assets includes property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual significant cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure is depreciated.

The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend the assets' life is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of capital assets is computed using the straight-line method over their estimated useful lives.

Property, plant, and equipment of the primary government, as well as the component units (if any), is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40-50
Improvements, roads	15
Water distribution system	50
Sewer distribution system	50
Snowmaking system	40
Machinery and equipment	3-20

1-E-9. Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt, are deferred and amortized over the terms of the respective bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

1-E-10. *Compensated Absences*

The Town has a policy allowing compensated absence benefits to permanent employees for both sick and vacation leave. Provision is made in the financial statements for unused leave liability.

1-E-11. *Fund Equity*

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use, it is the Town's policy to use committed resources first, followed by assigned resources and then unassigned resources as they are needed.

Equity is classified in the government-wide financial statements as net position and is displayed in three components:

Net investment in capital assets - Represents capital assets, net of accumulated depreciation and reduced by the outstanding balances of any long-term debt attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - Net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Equity is classified in governmental fund financial statements as fund balance and is further classified as follows:

Nonspendable - Cannot be spent because it is either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

Restricted - Fund balance with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Committed - Can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, the Town Council. A resolution, ordinance or vote by the Town Council is required to establish, modify or rescind a fund balance commitment.

Assigned - Constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. The Town Manager is authorized to assign amounts to a specific purpose in accordance with the Town's budget policy.

Unassigned - Residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund.

Proprietary fund equity is classified the same as in the government-wide statements.

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

1-F. *Estimates*

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2-A. Budgetary data

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and Town Council on or before June 22 for the following fiscal year beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the Town Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the Town's budgetary control (the level at which the Town's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Utah State law prohibits the Town from creating a deficit fund balance by making expenditures in excess of amounts budgeted. Any deficit so created must be made up in the following fiscal year. Deficits arising from emergencies, however, may be retired over five years. The maximum amount held in the general fund may not exceed 75% of the total estimated revenues of the fund for the succeeding year.

Once adopted, budget amendments which increase total expenditures must be approved by the Town Council following a public hearing. With the consent of the Mayor, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

2-B. Deficit fund balance

The Brian Head Special Service District reported a deficit fund balance. The purpose of the District is to acquire water rights. The rights acquired have been leased to the Town for a fifty year period. The deficit occurs because the Town prepaid the lease to enable purchase of the rights and the District reports no fixed assets as it is a governmental fund. The prepaid lease will be amortized to income over the period of the lease which will eliminate the deficit over the fifty years.

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE 3 - DETAILED NOTES

3-A. Deposits and investments

Cash and investments as of June 30, 2018 consist of the following:

	Fair Value
Deposits:	
Cash on hand	\$ 450
Demand deposits - checking	174,806
Investments:	
Deposits - PTIF	4,635,393
Total deposits and investments	\$ 4,810,648

Cash and investments listed above are classified in the accompanying government-wide statement of net position as follows:

Cash and cash equivalents (current)	\$ 3,506,077
Restricted cash and cash equivalents (non-current)	1,304,572
Total cash and cash equivalents	\$ 4,810,648

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The Town follows the requirements of the Utah Money Management Act (*Utah code, Section 51, chapter 7*) in handling its depositor and investment transactions. The Act requires the depositing of Town funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Deposits

Custodial Credit Risk

For deposits, this is the risk that in the event of bank failure, the Town's deposits may not be returned to the Town. The Town's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the Town to be in a qualified depository, as defined in the paragraph above. As of June 30, 2018, none of the Town's demand deposits were exposed to custodial risk.

Investments

The Money Management Act defines the types of securities authorized as appropriate investment for the Town and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

3-A. Deposits and investments (continued)

Investments (continued)

Statutes authorize the Town to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as “first tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s Investor Services or Standard & Poor’s, bankers’ acceptances; obligations of the United States Treasury including bills, notes, and bonds; bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurer’s Investment Fund.

The Utah State Treasurer’s Office operates the Public Treasurer’s Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, Utah Code Annotated, 1953, as amended. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gain or losses on investments. Financial statements for the PTIF funds can be obtained by contacting the Utah State Treasurer’s office.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses - net of administration fees, of the PTIF are allocated based upon the participant’s average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

Fair value of investments

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows: Level 1--Quoted prices for identical investments in active markets; Level 2--Observable inputs other than quoted market prices; and, Level 3--Unobservable inputs. At June 30, 2018, the Town had \$4,635,393 invested in the PTIF, which uses a Level 2 fair value measurement.

As of June 30, 2018 the government had the following investment and maturities:

Fair Value	Investment Maturities (in Years)			
	Less than 1	1-5	6-10	More than 10
State of Utah Public Treasurer's Investment Fund	\$ 4,635,393	4,635,393	-	-
Total Fair Value	\$ 4,635,393	4,635,393	-	-

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town's policy-for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town's policy for reducing exposure to credit risk is to comply with the State's Money Management Act.

At June 30, 2018 the Town had the following investments and quality ratings:

	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
State of Utah Public Treasurer's Investment Fund	\$4,635,393	-	-	-	4,635,393
Total Fair Value	\$4,635,393	-	-	-	4,635,393

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

3-B. Receivables

The allowance policy is described in Note 1-E-3. Receivables as of year-end for the Town's funds are shown below:

	Governmental Activities	Business-type Activities	Total
Shuttle fees, licenses	\$ 71,435	-	71,435
Water	-	115,723	115,723
Sewer	-	77,777	77,777
Solid waste	-	22,177	22,177
Taxes and other	1,045,258	-	1,045,258
Total accounts receivable	1,116,693	215,677	1,332,371
Less allowance for uncollectibles	(10,872)	(32,825)	(43,697)
Net accounts receivable	\$ 1,105,821	182,853	1,288,674

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

3-C. Capital Assets

Capital asset activity for the governmental activities was as follows:

Governmental activities	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land and rights	\$ 19,260,216	-	-	19,260,216
Water rights	1,521,049	-	-	1,521,049
Construction in progress	2,034,814	470,333	459,789	2,045,358
Total capital assets, not being depreciated	22,816,079	470,333	459,789	22,826,623
Capital assets, being depreciated:				
Buildings	4,829,745	-	-	4,829,745
Improvements other than buildings	3,918,161	459,789	-	4,377,950
Machinery and equipment	1,436,084	92,999	-	1,529,083
Total capital assets, being depreciated	10,183,990	552,789	-	10,736,778
Less accumulated depreciation for:				
Buildings	1,185,334	120,744	-	1,306,078
Improvements other than buildings	3,195,803	117,088	-	3,312,891
Machinery and equipment	1,006,066	149,942	-	1,156,008
Total accumulated depreciation	5,387,203	387,774	-	5,774,977
Total capital assets being depreciated, net	4,796,786	165,015	-	4,961,801
Governmental activities capital assets, net	\$ 27,612,865	635,348	459,789	27,788,424

Depreciation expense was charged to functions/programs of the primary government governmental activities was follows:

Governmental activities:	
General government	\$ 84,082
Public safety	166,469
Highways and public improvements	123,268
Parks, recreation and public property	13,954
Total	\$ 387,774

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

3-C. Capital Assets (continued)

Capital asset activity for the business-type activities was as follows:

Business-type activities	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land and rights	\$ 3,203,176	-	-	3,203,176
Construction in progress	8,215,899	20,760	8,206,149	30,510
Total capital assets, not being depreciated	11,419,075	20,760	8,206,149	3,233,687
Capital assets, being depreciated:				
Water system	9,028,510	7,938,640	-	16,967,150
Sewer system	2,097,182	267,509	-	2,364,692
Snowmaking system	4,064,374	-	-	4,064,374
Buildings	293,896	-	-	293,896
Machinery and equipment	944,074	12,302	-	956,376
Total capital assets, being depreciated	16,428,037	8,218,451	-	24,646,488
Less accumulated depreciation for:				
Water system	3,195,566	180,570	-	3,376,137
Sewer system	1,068,748	41,944	-	1,110,692
Snowmaking system	2,484,822	101,609	-	2,586,432
Buildings	130,783	5,878	-	136,661
Machinery and equipment	773,074	60,074	-	833,149
Total accumulated depreciation	7,652,994	390,076	-	8,043,070
Total capital assets being depreciated, net	8,775,042	7,828,375	-	16,603,418
Business-type activities capital assets, net	\$ 20,194,118	7,849,136	8,206,149	19,837,104

Depreciation expense was charged to functions/programs of the primary government business-type activities was follows:

Business-type activities:	
Water system	\$ 192,353
Sewer system	50,765
Solid waste	45,348
Snowmaking lease	101,609
Total	\$ 390,076

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

3-D. Long-term debt

Long-term debt activity for the governmental activities was as follows:

	Original Principal	%	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2007 Lease revenue refunding							
Matures 10/1/2017	\$ 391,000	4.08	\$ 50,000	-	50,000	-	-
2007 GO Interconnect Bridge							
Matures 9/1/2022	900,000	6.29	255,000	-	65,000	190,000	70,000
2005B GO Refunding							
Matures 3/15/2024	2,280,000	3.95	1,245,000	-	155,000	1,090,000	165,000
2018 UDAF Petroleum Storage Tank							
Matures 8/1/2028	25,000	-	-	25,000	-	25,000	-
2011 Lease Revenue Bond							
Matures 4/1/2042	2,553,000	2.50	2,247,000	-	66,000	2,181,000	67,000
Total governmental activity long-term liabilities			\$ 3,797,000	25,000	336,000	3,486,000	302,000

The Town leases facilities from the Municipal Building Authority (MBA). The annual lease payment is approximately the amount of the debt service requirements. See Note 4-C for additional information regarding the MBA leases.

Bond debt service requirements to maturity for governmental activities are as follows:

	Principal	Interest	Total
2019	\$ 302,000	108,156	410,156
2020	319,004	95,037	414,041
2021	301,004	82,493	383,497
2022	263,004	72,063	335,067
2023	269,004	62,930	331,934
2024-2028	604,984	216,775	821,759
2029-2033	453,000	156,300	609,300
2034-2038	514,000	96,675	610,675
2038-2042	460,000	29,200	489,200
Total	\$ 3,486,000	919,628	4,405,628

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

3-D. Long-term debt

Long-term debt activity for the business-type activities was as follows:

	Original Principal	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
1980 GO Water							
Matures 1/30/2019	\$ 99,216	5.00	\$ 9,434	-	8,726	708	708
2016 GO Refunding							
Matures 8/1/2019	706,000	1.874	534,000	-	177,000	357,000	176,000
2005A GO Snowmaking							
Matures 9/1/2019	3,230,000	4.50	845,000	-	270,000	575,000	280,000
2013 G.O Reservoir Bond							
Matures 9/1/2034	2,000,000	1.50	1,826,000	-	89,000	1,737,000	90,000
2009 USDA Water Revenue							
Matures 10/10/2049	5,569,000	3.50	4,995,705	-	88,521	4,907,183	91,670
Total governmental activity							
 long-term liabilities			\$ 8,210,139	-	633,248	7,576,891	638,377

The general obligation bonds are backed by the full faith and credit of the Town, including its taxing capability.

Revenue bonds are issued where the Town pledges income derived from the acquired or constructed assets to pay the debt service.

Bond debt service requirements to maturity for business-type activities are as follows:

	Principal	Interest	Total
2019	\$ 638,377	223,856	862,233
2020	662,930	201,140	864,070
2021	191,307	186,978	378,285
2022	196,803	182,087	378,890
2023	201,424	177,041	378,465
2024-2028	1,087,103	804,217	1,891,320
2029-2033	1,239,015	653,530	1,892,545
2034-2038	1,060,296	483,679	1,543,975
2038-2043	990,027	319,773	1,309,800
2044-2048	1,179,065	130,735	1,309,800
2049	130,543	1,345	131,888
Total	\$ 7,576,891	3,364,380	10,941,271

Other long-term liabilities:

	Beginning	Increase (Decrease)	Ending
Compensated absences:			
Governmental	\$ 56,250	4,522	60,772
Total	\$ 56,250	4,522	60,772
Net pension liability:			
Governmental	\$ 404,762	(120,949)	283,813
Business-type	332,540	(120,479)	212,061
Total	\$ 737,302	(241,428)	495,874

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

3-E. Operating Leases

The Town entered into three agreements with Wheeler Machinery Co. to lease certain items of equipment. Equipment operating leases have been negotiated for an additional period on a backhoe, two loaders, and a grader. For the year 2018, the total minimum lease payment is \$128,296. In addition to the regular lease payments, the Town is responsible for maintenance costs of the equipment.

3-F. Interfund transfers

From time to time, transfers are made between funds where required by statute or budget. The following is a reconciliation of the operating transfers made between funds:

	Transfers In	Transfers Out
General Fund	\$ 8,667	327,300
Debt Service Fund	-	185,410
Redevelopment Agency Fund	-	58,667
Capital Projects Fund	377,300	-
Water Fund	185,410	16,918
Snowmaking Lease Fund	16,918	-
Total	\$ 588,295	588,295

NOTE 4 - OTHER INFORMATION

4-A. Risk management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Town participates in the Utah Local Government Trust, a public agency insurance mutual, which provides coverage for property damage and general liability. The Town is subject to a minimal deductible for claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Amounts of settlements have not exceeded insurance coverage in any of the past three fiscal years.

4-B. Municipal Building Authority Leases

Town Hall Lease Arrangement

On October 1, 1997, the Municipal Building Authority of The Town of Brian Head, Utah (the Authority) entered into a lease arrangement with Brian Head Town for the acquisition and remodel of a new town hall. In order to acquire and construct a new town hall, the Authority issued a lease revenue bond issue in the amount of \$560,000. The remaining liability on this bond is disclosed in Note 3-E Long-term debt.

Public Safety Building Lease Arrangement

On June 30, 2011, the Municipal Building Authority of The Town of Brian Head, Utah (the Authority) entered into a lease arrangement with Brian Head Town for a public safety building. Pursuant to the lease arrangement, the Authority constructed the facility. In order to construct the facility, the Authority issued a lease revenue bond in the amount of \$2,553,000. The remaining liability on this bond is disclosed in Note 3-E Long-term debt.

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

4-B. Municipal Building Authority Leases (continued)

General Terms of Leases

The initial term of the leases commence as of the date of delivery of the Lease Revenue Bonds and terminates on the bond anniversary date thereafter. The lease term may be continued, solely at the option of Brian Head Town, beyond the termination of the original term for an additional year, and for 12 consecutive additional renewal terms thereafter each of one year in duration except that the final renewal term will coincide with the final payment on the bonds. The Town makes an election to continue the lease for the next renewal term by budgeting sufficient Town funds to pay the base and reasonably estimated additional rentals due during the next renewal term.

The Town and the Authority acknowledge and agree that the obligation of the Town to pay base rentals and additional rentals constitutes a current expense of the Town payable exclusively from Town funds and shall not in any way be construed to be an obligation or indebtedness of the Town. The lease is to be deemed a net lease. The terms of the lease require Brian Head Town to pay certain base rentals which approximate the principal and interest due on the lease revenue bonds issued by the Authority. Those amounts are included in the disclosure relating to long-term debt in Note 3-E.

4-C. Special Service District Lease

In 2009, the Town prepaid a lease for the use of water rights to the Brian Head Special Service District in the amount of \$523,428 that will be amortized over the next fifty years which is the term of the lease. In 2010, additional water rights were leased on the same basis in the amount of \$997,561. As of June 30, 2018, the balance of these leases is \$1,247,260.

4-D. Litigation

The Town is involved in various litigation as of June 30, 2018, none of which, in the opinion of the Town's legal counsel, is material to the financial statements. Therefore, no amounts have been recorded in the Town's financial statements.

4-E. Rounding convention

A rounding convention to the nearest whole dollar has been applied throughout this report, therefore the precision displayed in any monetary amount is plus or minus \$1. These financial statements are computer generated and the rounding convention is applied to each amount displayed in a column, whether detail item or total. As a result, without the overhead cost of manually balancing each column, the sum of displayed amounts in a column may not equal the total displayed. The maximum difference between any displayed number or total and its actual value will not be more than \$1.

4-F. Subsequent events

Subsequent events have been evaluated through December 1, 2018. There have been no subsequent events that provide additional evidence about conditions that existed at the balance sheet date.

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

4-G. Pension Plans

General Information about the Pension Plan

Plan description:

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following Pension Trust funds:

Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost sharing, public employee retirement system;

Public Safety Retirement System (Public Safety System) is a mixed agent and cost sharing, multiple employer public employee retirement system;

Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost sharing, public employee retirement system;

Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S. Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

4-G. Pension Plans (continued)

Benefits provided:

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percentage per year of service	Cola **
Noncontributory System	Highest 3 Years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 Years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending on employer
Tier 2 Public Employees System	Highest 5 Years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 Years	25 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* with actuarial reductions

** All past-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contributions:

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows:

<u>Utah Retirement Systems</u>	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k) Plan</u>
Contributory System			
11 - Local Government Div - Tier 1	6.00	14.46	N/A
111 - Local Government Div - Tier 2	N/A	15.11	1.58
Noncontributory System			
15 - Local Government Div - Tier 1	N/A	18.47	N/A
Public Safety System			
Contributory			
122 - Tier 2 DB Hybrid Public Safety	N/A	22.57	1.26
Noncontributory			
43 - Other Div A with 2.5% COLA	N/A	34.04	N/A
Tier 2 DC Only			
211 - Local Government	N/A	6.69	10.00
222 - Public Safety	N/A	11.83	12.00

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

4-G. Pension Plans (continued)

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For the fiscal year ended June 30, 2018, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 80,787	N/A
Public Safety System	90,762	-
Tier 2 Public Employees System	10,518	-
Tier 2 Public Safety and Firefighter	8,873	-
Total Contributions	\$ 190,940	-

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, we reported a net pension asset of \$421 and a net pension liability of \$495,875.

	<u>(Measurement Date): December 31, 2017</u>			Proportionate Share 12/31/2016	Change (Decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share		
Noncontributory System	\$ -	\$ 218,037	0.0497653%	0.0501275%	-0.0003622%
Public Safety System	-	277,273	0.1767580%	0.1755339%	0.0012241%
Tier 2 Public Employees System	-	565	0.0064074%	0.0053147%	0.0010927%
Tier 2 Public Safety and Firefighter	421	-	0.0363517%	0.0202390%	0.0161127%
Total	\$ 421	\$ 495,875			

The net pension asset and liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2017 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2018, we recognize pension expense of \$244,557.

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

4-G. Pension Plans (continued)

At June 30, 2018, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,104	\$ 54,540
Changes in assumptions	182,101	9,008
Net difference between projected and actual earnings on pension plan investments	97,109	252,880
Changes in proportion and differences between contributions and proportionate share of contributions	112,107	2,820
Contributions subsequent to the measurement date	95,018	-
Total	\$ 491,439	\$ 319,248

\$95,018 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2016.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2018	\$ 84,627
2019	81,537
2020	(34,839)
2021	(55,054)
2022	(221)
Thereafter	1,074

Actuarial assumptions:

The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases	3.25 - 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2017, valuation were based on the results of an actuarial experience study for the five year period ending December, 31, 2016.

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

4-G. Pension Plans (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best- estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Assets class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long Term expected portfolio real rate of return
Equity securities	40%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.89%
Absolute return	16%	2.85%	0.46%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100.00%		4.75%
	Inflation		2.50%
	Expected arithmetic nominal return		7.25%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.45% that is net of investment expense.

Discount rate:

The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced to 6.95 percent from 7.20 percent from the prior measurement period.

Brian Head Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

4-G. Pension Plans (continued)

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate:

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 589,674	\$ 218,037	\$ (90,961)
Public Safety System	698,603	277,273	(64,210)
Tier 2 Public Employees System	6,652	565	(4,129)
Tier 2 Public Safety and Firefighter	3,725	(421)	(3,588)
Total	\$ 1,298,654	\$ 495,454	\$ (162,888)

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Savings Plan:

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

The Town participates in the following Defined Contribution Savings Plans with the Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan

Employee and employer contributions to the Utah Retirement Contribution Savings Plans for fiscal year ended June 30, were as follows:

	2018	2017	2016
401(k) Plan			
Employer Contributions	\$ 10,307	\$ 10,034	\$ 7,512
Employee Contributions	16,731	17,817	1,421
457(b) Plan			
Employer Contributions	-	-	-
Employee Contributions	12,826	12,761	14,190
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	6,400	4,900	4,200

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REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

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Brian Head Town
Notes to Required Supplementary Information
June 30, 2018

Budgetary Comparison Schedules

The Budgetary Comparison Schedule presented in this section of the report is for the Town's General Fund.

Budgeting and Budgetary Control

The budget for the General Fund is legally required and is prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the Town Council prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the Council through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

Current Year Excess of Expenditures over Appropriations

For the year ended June 30, 2018, all departmental expenditures were within budgeted amounts.

Changes in Assumptions Related to Pensions

As a result of an experience study conducted as of December, 31, 2016, the Board adopted recommended changes to several economic and demographic assumptions that are used in the actuarial valuation. The assumption changes that had the largest impact on the Total Pension Liability (and actuarial accrued liability) include a decrease in the investment return assumption from 7.20% to 6.95%, a reduction in the price inflation assumption from 2.60% to 2.50% (which also resulted in a corresponding decrease in the cost-of-living-adjustment assumption for the funds with a 4.00% annual COLA max), and the adoption of an updated retiree mortality table that is developed using URS's actual retiree mortality experience. There were changes to several other demographic assumptions, but those changes had a minimal impact on the Total Pension Liability (and actuarial accrued liability).

Brian Head Town
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2018

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 1,607,600	\$ 1,607,600	\$ 1,628,789	\$ 21,189
Licenses and permits	295,200	295,200	279,061	(16,139)
Intergovernmental revenues	127,650	127,650	151,581	23,931
Charges for services	356,474	371,928	380,161	8,233
Fines and forfeitures	3,450	3,450	1,062	(2,388)
Impact fees	-	-	1,071	1,071
Interest	5,750	5,750	25,963	20,213
Miscellaneous revenue	17,350	17,350	34,907	17,557
Total revenues	2,413,474	2,428,928	2,502,594	73,666
Expenditures				
General government	685,313	685,313	639,944	45,369
Public safety	944,955	1,010,539	921,342	89,197
Highways and public improvements	423,505	423,505	369,086	54,419
Parks, recreation and public property	67,458	67,458	46,907	20,551
Total expenditures	2,121,231	2,186,815	1,977,279	209,536
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	292,243	242,113	525,316	283,203
Other financing sources and (uses)				
Sale of fixed assets	-	-	75,758	75,758
Transfers in	8,667	8,667	8,667	-
Transfer out	(327,300)	(327,300)	(327,300)	-
Total other financing sources and (uses)	(318,633)	(318,633)	(242,875)	(75,758)
Net change in fund balances	(26,390)	(76,520)	282,441	358,961
Fund balances - beginning of year	1,005,492	1,005,492	1,005,492	-
Fund balances - end of year	\$ 979,102	\$ 928,972	\$ 1,287,933	\$ 358,961

Brian Head Town
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 June 30, 2018
 Last 10 Fiscal Years*

	As of December 31,			
	2017	2016	2015	2014
Noncontributory Retirement System				
Proportion of the net pension liability (asset)	0.0497653%	0.0501275%	0.0266886%	0.0000000%
Proportionate share of the net pension liability (asset)	\$ 218,037	\$ 321,880	\$ 151,017	\$ -
Covered employee payroll	\$ 439,484	\$ 447,715	\$ 233,236	\$ -
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	49.61%	71.89%	64.75%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	91.90%	87.30%	87.80%	0.00%
Contributory System				
Proportion of the net pension liability (asset)	0.0000000%	0.1755339%	0.5884290%	1.0097066%
Proportionate share of the net pension liability (asset)	\$ -	\$ 356,207	\$ 413,580	\$ 291,243
Covered employee payroll	\$ -	\$ 263,523	\$ 237,836	\$ 520,929
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	135.17%	173.89%	55.90%
Plan fiduciary net position as a percentage of the total pension liability	0.00%	86.50%	85.70%	94.00%
Public Safety System				
Proportion of the net pension liability (asset)	0.1767580%	0.0053147%	0.1608895%	0.1579360%
Proportionate share of the net pension liability (asset)	\$ 277,273	\$ 593	\$ 288,194	\$ 198,187
Covered employee payroll	\$ 262,815	\$ 43,585	\$ 243,214	\$ 234,447
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	105.50%	1.36%	118.49%	84.50%
Plan fiduciary net position as a percentage of the total pension liability	80.20%	95.10%	87.10%	90.50%
Tier 2 Public Employees Retirement System				
Proportion of the net pension liability (asset)	0.0064074%	0.0202390%	0.0053886%	0.0068300%
Proportionate share of the net pension liability (asset)	\$ 586	\$ (176)	\$ (12)	\$ (207)
Covered employee payroll	\$ 62,687	\$ 16,722	\$ 3,480	\$ 35,534
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.90%	-1.05%	-0.03%	-0.60%
Plan fiduciary net position as a percentage of the total pension liability	97.40%	103.60%	100.20%	103.50%
Tier 2 Public Safety and Firefighters Retirement System				
Proportion of the net pension liability (asset)	0.3635170%	0.0000000%	0.0000000%	0.0000000%
Proportionate share of the net pension liability (asset)	\$ (421)	\$ -	\$ -	\$ -
Covered employee payroll	\$ 3,876	\$ -	\$ -	\$ -
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-1.10%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	103.00%	0.00%	0.00%	0.00%

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10-year schedule will need to be built prospectively. The schedule above is only for the the last four years.

Brian Head Town
SCHEDULE OF CONTRIBUTIONS
 June 30, 2018
 Last 10 Fiscal Years*

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory Retirement System	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	-	-	-	-	0.00%
	2016	84,374	84,374	-	456,818	18.47%
	2017	84,080	84,080	-	455,226	18.47%
	2018	80,787	80,787	-	437,394	18.47%
Contributory System	2014	68,356	68,356	-	515,347	13.26%
	2015	72,612	72,612	-	502,156	14.46%
	2016	-	-	-	-	0.00%
	2017	-	-	-	-	0.00%
	2018	-	-	-	-	0.00%
Public Safety System	2014	73,837	73,837	-	229,736	32.14%
	2015	81,410	81,410	-	239,158	34.04%
	2016	84,210	84,210	-	247,385	34.04%
	2017	91,647	91,647	-	269,233	34.04%
	2018	90,762	90,762	-	266,632	34.04%
Tier 2 Public Employees Retirement System**	2014	5,024	5,024	-	31,898	15.75%
	2015	5,760	5,760	-	34,493	16.70%
	2016	5,492	5,492	-	36,104	15.21%
	2017	7,950	7,950	-	53,318	14.91%
	2018	10,518	10,518	-	69,611	15.11%
Tier 2 Public Safety and Firefighter System**	2014	-	-	-	-	0.00%
	2015	-	-	-	-	0.00%
	2016	-	-	-	-	0.00%
	2017	7,650	7,650	-	35,442	21.59%
	2018	8,873	8,873	-	39,312	22.57%

* Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. The 10-year schedule will need to be built prospectively. The schedule above is only for the past 5 years.

** Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.

COMBINING STATEMENTS

Brian Head Town
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018

	Redevelopment Agency Fund	Municipal Building Authority	Capital Projects Fund	Total Non-Major Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 270,422	-	418,816	689,238
Restricted cash and cash equivalents	-	60,531	-	60,531
TOTAL ASSETS	\$ 270,422	60,531	418,816	749,769
LIABILITIES				
Accounts payable	-	-	34,540	34,540
TOTAL LIABILITIES	-	-	34,540	34,540
FUND BALANCES:				
Restricted for:				
Capital projects	-	60,531	-	60,531
Committed for:				
Redevelopment agency	270,422	-	-	270,422
Assigned for:				
Capital projects	-	-	384,276	384,276
TOTAL FUND BALANCES	270,422	60,531	384,276	715,230
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 270,422	60,531	418,816	749,769

Brian Head Town
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2018

	Redevelopment Agency Fund	Municipal Building Authority	Capital Projects Fund	Total Non-Major Governmental Funds
REVENUES:				
Property taxes	\$ 34,899	-	-	34,899
Intergovernmental revenues	-	-	123,300	123,300
Charges for services	-	173,331	-	173,331
Interest	5,460	1,026	8,279	14,765
Total revenues	40,359	174,357	131,579	346,295
EXPENDITURES:				
General government	25,993	5,885	45,431	77,310
Public safety	-	-	202,968	202,968
Highways and public improvements	-	-	276,600	276,600
Parks, recreation and public property	-	-	32,523	32,523
Debt service:				
Principal	-	116,000	-	116,000
Interest	-	57,331	-	57,331
Total expenditures	25,993	179,216	557,522	762,731
Excess (deficiency) of revenues over (under) expenditures	14,365	(4,858)	(425,943)	(416,436)
Other financing sources and (uses):				
Sale of fixed assets	-	-	28,500	28,500
Transfers in	-	-	377,300	377,300
Transfers out	(58,667)	-	-	(58,667)
Total other financing sources and (uses)	(58,667)	-	405,800	347,133
Net change in fund balances	(44,302)	(4,858)	(20,143)	(69,303)
Fund balances - beginning of year	314,724	65,390	404,419	784,532
Fund balance - end of year	\$ 270,422	60,531	384,276	715,230

OTHER REPORTS



Certified Public Accountants

hbeg.com

90 East 200 North
St. George, UT 84770
(435) 673-6167

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Town Council
Brian Head Town

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brian Head Town (Town) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Brian Head Town's basic financial statements, and have issued our report thereon dated November 21, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town's internal control. Accordingly, we do not express an opinion on the effectiveness of Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

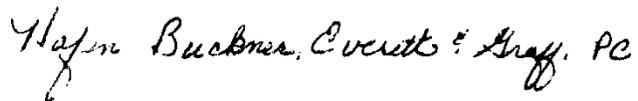
As part of obtaining reasonable assurance about whether Brian Head Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material

effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Hafen, Buckner, Everett & Graff, PC". The signature is written in a cursive, flowing style.

Hafen, Buckner, Everett, and Graff PC
November 21, 2018



Certified Public Accountants

hbeg.com

90 East 200 North
St. George, UT 84770
(435) 673-6167

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE STATE COMPLIANCE AUDIT GUIDE**

To the Town Council
Brian Head Town
St. George, Utah

Report On Compliance with General State Compliance Requirements

We have audited the Brian Head Town’s (the Town) compliance with the applicable general compliance requirements described in the *State of Utah Legal Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the Town for the year ended June 30, 2018.

General state compliance requirements were tested for the year ended June 30, 2018 in the following areas:

- Budgetary Compliance
- Fund Balance
- Utah Retirement Systems
- Restricted Taxes and Related Revenues
- Open and Public Meetings Act
- Public Treasurer’s Bond
- Cash Management

Management’s Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Town’s compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the Town’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. Our audit does not provide a legal determination of the Town’s compliance with those requirements.

Opinion on the General State Compliance Requirements and Each Major State Program

In our opinion, the Brian Head Town, complied, in all material respects, with the state compliance requirements

referred to above for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in the accompanying schedule of findings and recommendations as item 2018-1. Our opinion on compliance is not modified with respect to these matters.

The Town's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and recommendations. The Town's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

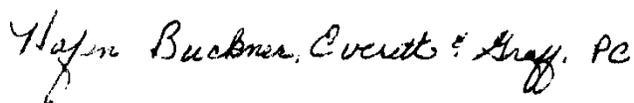
Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state or major state program compliance requirement on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state or major state program compliance requirement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We noted a matter involving internal control over compliance which we are submitting for your consideration. This matter is described in the accompanying schedule of findings and recommendations as items 2018-1.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.



Hafen, Buckner, Everett & Graff, P.C.
November 21, 2018

Town of Brian Head
Schedule of Findings for State Compliance
June 30, 2018

Current year

State Compliance Findings

Finding: 2018-1 Open and Public Meetings Act

One of two meeting notices, meeting agendas, and meeting minutes selected for testing was not posted timely to the Utah Public Notice Website.

Recommendation: Procedures be established to ensure that notices, agendas, and minutes be timely posted to the Utah Public Notice Website.

Response: Town agrees that the minutes for at least one meeting were not posted timely to the Utah Public Notice Website and will work to ensure that meeting notices, agendas, and minutes are timely posted in the future.

Internal Control Findings

Internal control findings relate to the controls over compliance as noted above as 2018-1.

Prior year

State Compliance Findings

Finding: 2017-1 Budgetary Compliance

Expenditures in the public safety department exceeded the budgeted amount.

Resolution: Expenditures in the current year were within budgeted amounts.

Finding: 2017-2 Open and Public Meetings Act

Some meeting notices, meeting agendas, and meeting minutes were not posted timely to the

Resolution: This finding was noted again in the current year.

Internal Control Findings

Internal control findings related to controls over compliance as noted above as 2017-1 and 2017-2.



STAFF REPORT TO THE TOWN COUNCIL

SUBJECT: Local Consent for Off-Premise Beer Sales
AUTHOR: Nancy Leigh
DEPARTMENT: Administration
DATE: December 10, 2018
TYPE OF ITEM: Legislative Action

SUMMARY:

Council will give local consent for an off-premise beer license to Apple Annies Country Store and the Brian Head General Store.

BACKGROUND:

During the 2018 legislative session, House Bill #456 was passed in which the Utah Department of Alcohol and Beverage Control (DABC) now oversees all off-premise beer licenses, previously municipalities were overseeing off-premise beer licenses. With this change, all stores selling off-premise beer are now required to apply to the DABC for a license before March 1, 2019, and as part of the application process local consent is required. The town also issues an alcohol licenses to all business selling alcohol including off-premise beer.

Off-premise beer stores are required to comply with an E.A.S.Y. (Eliminate Alcohol Sales to Youth) training for each of its staff selling beer. The DABC has now identified an additional training that will take place along with the E.A.S.Y. training, but as of the current date, the DABC has not yet identified what the additional training will entail.

ANALYSIS:

The DABC has identified a different local consent form for this process in which stores that have been operating prior to July 1, 2018, may submit a local consent form stating they are in compliance with the municipality's business license code. As part of Brian Head's process, Council approval is required for local consent on any new application.



Apple Annies Country Store and the Brian Head General Store have been in business for many years in Brian Head and have been selling off-premise beer since opening their stores. Both stores are in compliance with the town's business license ordinances.

FINANCIAL IMPLICATIONS:

N/A

BOARD/COMMISSION RECOMMENDATION:

N/A

STAFF RECOMMENDATION:

Staff recommends the Council grant local consent for Apple Annies Country Store and the Brian Head General Store for an off-premise beer license.

PROPOSED MOTION:

I move to grant local consent to Apple Annies Country Store and Brian Head General Store for an off-premise beer license.

ATTACHMENTS:

A – Local Consent form for Apple Annies

B – Local Consent form for Brian Head General Store



STAFF REPORT TO THE TOWN COUNCIL

SUBJECT: Patchwork Parkway
AUTHOR: Bret Howser
DEPARTMENT: Administration
DATE: December 10, 2018
TYPE OF ITEM: Legislative Action

SUMMARY:

Council will consider a resolution appointing Dutch Deutschlander as the Town's official representative on the Patchwork Parkway Committee. This item was tabled during the November 13, 2018 Council meeting.

BACKGROUND:

During the November 13, 2018 Council meeting, this agenda item was tabled until staff was able to contact Dutch Deutschlander for his approval to the appointment on the Patchwork Parkway Committee. Staff contacted Dutch to let him know the Council's intention of adopting a resolution appointing him as the town's official representative to the Patchwork Parkway Committee. Dutch verbally gave his approval to the appointment.

In 2009 a coalition formed with the aim of gaining Scenic Byway status for Highway 143 from Parowan to Panguitch. The committee was fueled in large part by the support of then-Brian Head Mayor Dutch Deutschlander, and included representation from Parowan, Brian Head, and Panguitch, as well as the Paiute Tribe and several businesses and other entities along Highway 143. The committee was successful in obtaining Scenic Byway status (calling the byway Utah's Patchwork Parkway) and has since engaged in a number of projects promoting the Patchwork Parkway through various marketing (pamphlets, billboard, website, etc) and lining it with interpretive monuments/kiosks/etc. Much of the work of the Patchwork Parkway Committee is accomplished through grant funding obtained by Nancy Dalton, who effectively serves as part-time staff for the Committee as the Byway Coordinator.

The Committee continues to meet quarterly to review and work out the details of grant-funded projects, such as the recently proposed Brian Head Fire interpretive panels and receive reports from the various entities in attendance. Mayor Deutschlander, although no longer an official representative of Brian Head Town, continues to serve as Chair of the Committee. The Committee operates with a modest budget (\$15,000 proposed for 2019) which is made up of contributions from member communities (\$1500 apiece) and various governmental grants (mostly marketing grants from Iron County and Utah Office of Tourism). Earlier in 2018, the Brian Head Town Council appointed Councilwoman Lynn Mulder as the Town's official representative on the Committee. Councilwoman Mulder resigned from that post on October 9. From time to time, a member of Town staff will attend the Patchwork Parkway Committee meetings if there is something germane to the Town on the agenda. The meetings are occasionally held at Brian Head Town Hall.

On October 22, the Town Council discussed the nature of the Town's continued participation on the Patchwork Parkway Committee. The Council requested that staff contact the Scenic Byway Coordinator to request that Dutch Deutschlander be appointed as the Town's official representative on the committee.

ANALYSIS:

Scenic Byway Coordinator Nancy Dalton agrees that it would be fine for the Town to appoint Dutch Deutschlander as the Town's official representative on the Patchwork Parkway Committee. She does not believe it is necessary to alter the bylaws to allow for this but has requested that the Town Council officially appoint Dutch as our representative by resolution.

FINANCIAL IMPLICATIONS:

N/A

BOARD/COMMISSION RECOMMENDATION:

N/A

STAFF RECOMMENDATION:

Staff recommends that the Council designate Dutch Deutschlander as the Town's official representative on the Patchwork Parkway Committee

PROPOSED MOTION:

I move to adopt resolution number 477 appointing Dutch Deutschlander as the official Brian Head Town representative on the Patchwork Parkway Committee.

ATTACHMENTS:

A – Resolution



RESOLUTION NO. _____

A RESOLUTION APPOINTING H.C. "DUTCH" DEUTSCHLANDER AS BRIAN HEAD TOWN'S OFFICIAL REPRESENTATIVE FOR THE UTAH PATCHWORK PARKWAY COMMITTEE.

WHEREAS, Brian Head Town is a member of the Utah Patchwork Parkway Committee making Highway 143 from Parowan to Pangutich a National and Utah State Scenic Byway, and;

WHEREAS, H.C. Dutch Deutschlander, former Brian Head Town Mayor, has committed endless hours towards the Utah Patchwork Parkway Committee in making Highway 143 a Utah State and National Scenic Byway, and;

WHEREAS, the Patchwork Parkway Committee requires each participating municipality have an elected official representative on the committee; and:

WHEREAS, the Brian Head Town Council met during their regular meeting on December 10, 2018 and unanimously voted in favor of appointing H.C. Dutch Deutschlander, as the official representative of Brian Head Town for the Utah Patchwork Parkway Committee, and;

WHEREAS, the Town Council has determined that it would be in the best interest, safety and welfare of the community as a whole to appoint H.C. Dutch Deutschlander as the town's official representative for the Patchwork Parkway Committee.

NOW, THEREFORE, BE IT RESOLVED, by the Brian Head Town Council that H.C. Dutch Deutschlander be appointed as Brian Head Town's official representative for the Utah Patchwork Parkway Committee.

Section 1. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 2. This Resolution shall be in full force and effect immediately upon its approval and adoption.

ADOPTED AND APPROVED this _____ day of December 2018 by the following vote:

DRAFT

Town Council Vote:

Mayor Clayton Calloway	Aye_____	Nay_____
Council Member Larry Freeberg	Aye_____	Nay_____
Council Member Lynn Mulder	Aye_____	Nay_____
Council Member Shad Hunter	Aye_____	Nay_____
Council Member Kelly Marshall	Aye_____	Nay_____

BRIAN HEAD TOWN

Clayton Calloway, Mayor

ATTEST:

Nancy Leigh, Town Clerk

(SEAL)



STAFF REPORT TO THE TOWN COUNCIL

SUBJECT: Business Beautification Program
AUTHOR: Bret Howser
DEPARTMENT: Administration
DATE: December 10, 2018
TYPE OF ITEM: Discussion

SUMMARY:

Council will discuss the potential makeup of a Business Beautification Program

BACKGROUND:

During the Strategic Planning Retreat in February 2018, the Council discussed at length new strategies and action steps related to the goal of “Improving the First Impression of Brian Head.” One of the action steps that was ultimately included in the FY 2019 Strategic Plan was under the new strategic “Beautify Brian Head” was: “Develop plan to encourage private businesses to beautify.”

ANALYSIS:

Staff has researched common practices among municipalities, redevelopment agencies, and business associations which are used to encourage updates and improvements to storefronts. While there are many passive programs that have minimal impact, one of the more common active approaches is to offer small grants or loan assistance to businesses willing to update or remodel. Attached is an example of such a program used by Provo City for their Main Street redevelopment area.

The idea is to reinvest property tax increment in improvements to the area. Often this is through public improvements which encourage new development or redevelopment, but sometimes direct financing of smaller projects can be done.

Staff believes Brian Head could use existing RDA funds to run a limited scope beautification grant program. The details of such a program may include the following:

Brian Head Beautification Program

- Improvements must be within RDA
- Eligible Projects: Business façade/exterior or landscape improvements
- 3-1 private to public matching grant
- Up to \$2500 per project
- Limit 4 per year total (first come first serve)
- Qualifications
 - Improves aesthetic quality of commercial core
 - Strictly consistent with LMC Design Standards
 - Businesses only? Or Condos as well? Residential???
 - New v. Existing businesses?
 - Other???
- Process

- Application (must include clear plan and 3 cost estimates)
- Planning Commission Review/Recommendation
- Council Approval

Council should discuss whether this kind of program is what they had in mind, paying particular attention to what qualifications they would require of projects and what size of grants they're willing to do.

Staff is in contact with Cedar City to get a model ordinance/policy for the program they used to use on their Main Street. If Council wishes, we can use the Cedar City to draft our own policy for adoption in January.

FINANCIAL IMPLICATIONS:

The RDA currently brings in \$30-\$40k in Tax increment annually. This would be sufficient to cover a few small grants annually.

BOARD/COMMISSION RECOMMENDATION:

N/A

STAFF RECOMMENDATION:

No recommendation at this point.

PROPOSED MOTION:

No motion necessary, item is discussion/informational only

ATTACHMENTS:

A – Provo City Redevelopment Grant Program



FACADE GRANT



Downtown Redevelopment Improvement Program (Facade Grant)

The primary purpose of the Downtown Redevelopment Improvement Program is to assist Provo businesses in improving the appearance of their buildings which are at least 30 years old and to help revitalize eligible areas of Provo (see map).

Grant Amount

Up to \$50,000 based on jobs created.

Matching Funds

Building or business owner must match every \$3 of grant funds with \$1 of other funds spent on eligible improvements.



Eligible Activities

- Masonry repair and repointing mortar joints
- Cleaning, paint removal and water-repellant treatments to exterior finishes
- Installation, painting repair or replacement of exterior finishes
- Repair, replacement or preservation of original, historically significant architectural details
- Installation, repair or replacement of eaves, conduit, gutters, downspouts, display windows, doors, awnings, canopies, lighting, decorative details, cornices/parapet walls
- Architect/design costs, signs, ADA accessibility and Building permit fees.

Activities

Projects must be in the eligible area (see application packet or map). Project must also create significant exterior improvements, create jobs or meet other standards, and is subject to the approval process and terms.



**REDEVELOPMENT AGENCY OF PROVO CITY
DOWNTOWN REDEVELOPMENT IMPROVEMENT PROGRAM
(DRIP)
PROGRAM GUIDELINES**

Provo City Redevelopment Agency
351 West Center St.
Provo, UT 84603
(801) 852-6160
(801) 852-6176
[F] (801) 852-6174
csweeten@provo.org

The Redevelopment Agency of Provo City reserves the right to change this program and required documentation as necessary.

6/1/18

No qualified person shall be denied the benefits of, the participation in, or be subjected to discrimination under any program or activity funded by the City of Provo on the basis of race, color, national origin, sex, religion, disability or familial status.



Downtown Redevelopment Improvement Program (DRIP)
The Redevelopment Agency of Provo City (RDA)
July 1, 2017

- PROGRAM GUIDELINES/POLICIES AND PROCEDURES -

The Downtown Redevelopment Improvement Program (DRIP) is intended to encourage growth in downtown Provo by restoring, sustaining and improving commercial properties located within the five planning districts, as outlined in the Downtown Master Plan guide, and to encourage LMI job creation and/or retention. *DRIP grants are funded by the U.S. Department of Housing and Urban Development (HUD), and are subject to federal requirements.*

Grant Amount

The DRIP is a matching grant offered for façade improvements in \$10,000 increments for each low- to moderate-income (LMI) person job created/retained. Along with a new building façade the participants in this program agree to create/retain one permanent full-time job for a (LMI) person for each \$10,000 of recoverable grant amount to a maximum of \$50,000 per building. A disbursement schedule, program compliance, terms and conditions of the policies and procedures for the creation and/or retention of permanent jobs will be included in the contract. All disbursements are made at the discretion of the DRIP Approval Committee.

To be eligible for grant funding, the applicant must match every \$3 of grant funds with \$1 of other funds spent on eligible improvements. This match may include expenditures for exterior and/or interior improvements to the subject building made within 12 months prior to grant application.

The grant will take the form of reimbursement to the grantee or payment of contractor invoices on behalf of the grantee.

Created Jobs Defined

If a DRIP grant is awarded, it will be based on job creation/retention for LMI persons. For purposes of being considered a created job, a job must be a new, full-time job for the person. In counting jobs, the following policies apply:

- Funding is for only full-time positions.
- Full-time is defined as a thirty-five (35) hour or greater work week over a five-day period.
- Only permanent jobs count--temporary jobs may not be included.
- All permanent jobs created must be counted even if the activity has multiple sources of funding.

Accessing these funds is contingent upon hiring one full-time employee and/or retaining one full-time employee who would otherwise be let go, whose household income meets HUD's criteria of LMI persons at the time of application. In order to provide a level of privacy between employee and employer, the RDA has created an Employee Certification form for the employee to complete. This form ensures the hired employee(s) meet HUDS definition of LMI.

2018 Income chart
(effective June 1, 2018, adjusted annually)

Area		Persons in Family							
		1	2	3	4	5	6	7	8
Utah County	Maximum Household Income	\$41,850	\$47,800	\$53,800	\$59,750	\$64,550	\$69,350	\$74,100	\$78,900

Base Number of Job Positions Required

Grantees agree that jobs created will be cumulative and will not replace any jobs existing prior to participation in the program. The RDA wishes to promote job creation; consequently, it is essential that the number of existing employees prior to application for the recoverable grant be clearly determined and established as the benchmark in identifying the total number of employees required by program regulations. Adequate documentation for employee number for the quarter ending prior to application for the program must be provided.

Job Count Start Date

Job count start date will be based on an event which occurs after the execution of the DRIP Agreement. In the case where the business is a new business, the job count start date will be the date of opening of the business. If the business is an existing business, the start date will begin on the new hires first day of work.

Eligible Façade Expenses

Grant funds may be used for the following improvements to the building exterior (street facing side of an existing building):

- masonry repair & repointing of mortar joints
- cleaning, paint removal and water-repellent treatments to exterior finishes
- installation, painting, repair or replacement of exterior finishes
- repair, replacement or preservation of original, historically significant architectural details
- installation, repair or replacement of eaves, conduit, gutters, downspouts, display windows, doors, awnings, canopies, lighting, decorative details, cornices/parapet walls
- architect/design costs

- signs
- ADA accessibility
- building permit fees

The above items are also eligible for the building or business owner's match portion.

Ineligible Façade Expenses

The following are ineligible expenses for façade improvements, but may count toward the match portion if done less than 12 months prior to grant application:

- improvements to the interior of the building including structural, electrical, mechanical, plumbing, elevators, code compliance, and tenant finish
- landscaping, fences & gates
- roof replacement
- security systems
- air conditioning and heating upgrades

Property Qualifications

- The building must be at least 30 years old
- The building must be located in one of the five districts as outlined in the Downtown Master Plan <http://www.provo.org/home/showdocument?id=3919>
- Project must meet HUD's national objective of LMI Job Creation and/or Job Retention
- Must have at least a one year lease (if applicable).

Ineligible Properties

- Property owned by religious groups or places of worship
- Tax delinquent property
- Property in litigation
- Exclusively residential buildings
- Buildings that have received façade funds from the RDA in the past 30 years.

Other Grant Program Features

- The RDA will perform HUD-required historical and environmental review of the work prior to grant approval.
- All work must be performed under the direction of a licensed contractor.
- Three bid proposals are necessary for all façade work.
- The RDA will assist the grantee in preparing a work write-up to use in obtaining bid proposals.
- Successful bidders shall be selected by the grantee and shall be subject to the RDA's approval of the grantee's reasons for the selection. In addition to price, the grantee may consider the following and other factors in selecting the successful bid proposal:

- Conformity to specifications
- Financial ability to meet the contract
- Previous performance
- Equipment
- Experience
- Delivery promise
- Terms of payments
- Compatibility
- Contractors' ideas on how to perform the work most cost-effectively or to improve the finished project within budget.

- All contracts over \$2,000 will be subject to Davis-Bacon and Related acts requiring that the prevailing federal wage be paid for all employees of the contractor(s). The Program Administrator (PA) will provide the most current wage determination to the applicant and/or contractor(s) to ensure compliance with this requirement. The PA will assist the grantee with the reporting requirements needed to fulfill the contract.
- Prior to commencement of the grant-funded work, the RDA and the grantee will enter into a DRIP Agreement. This Agreement details the grant requirements, including Federal requirements, number of jobs to be created/retained, sets forth the scope of work to be performed as part of the project and the date by which the project will be completed. A copy of the DRIP Agreement form is available for review.
- Prior to release of grant funds, the RDA and additional City Inspectors will inspect improvements for completeness, basic quality of workmanship and code enforcement. Construction specifications and work completed shall comply with all applicable building and occupancy codes. However, the RDA provides the grantee and property owner no warranty of the façade improvements.
- Use of HUD funds for façade grants is conditioned on a commitment by the business owner to create one full-time permanent job and/or retain one full-time LMI job on the premises per \$10,000 grant award. Job creation/retention paper work must be completed before any funds are dispersed.
- The DRIP Approval Committee will review each application once all application materials have been submitted. Applicants will be notified in writing of approval or rejection together with reasons for rejection or any conditions of approval. In addition to reviewing basic grant eligibility, the DRIP Approval Committee will review the grant application on the following points:
 - Will the project foster the use of the ground-floor storefront space as retail-dining-entertainment space which encourages pedestrians to look inside through the windows and then draws them into the business?
 - Will the project preserve any original architectural features which remain?
 - Will the project eliminate/correct previous remodeling which has covered up original architectural features?
 - Will the improvements employ new materials only in ways which don't obscure the building's original character (i.e., no paint over original unpainted brick, no stucco over original brick, etc.)?
 - Will the project avoid methods (e.g., sandblasting, etc.) which would cause faster deterioration of the building?

- Will the project improve the entire building frontage on streets and particularly the entire front façade?
- Are the improvements proposed for grant funding likely to last well? (This considers the physical durability of the improvements, but also whether the improvements are likely to be replaced if the storefront tenant were to change.)
- Does the contractor and those working under his direction have the workmanship skill and experience needed for dealing sensitively with an old building?

Commencement of Façade Improvements

Improvements to be funded by DRIP may take place only after the RDA has approved the grant, the grantee has entered into the DRIP Agreement with the RDA, and the contractor or grantee has received a written Notice to Proceed from the RDA. No grants will be made for work, other than design work, under way or completed prior to execution of the DRIP Agreement by both the grantee and the RDA.

For more information, contact the Redevelopment Agency of Provo City at 801-852-6160 Mon.-Thurs. 7:00 a.m.- 6:00 p.m., or csweeten@provo.utah.gov .

The RDA reserves the right to amend these Guidelines at any time if it is determined necessary in order to provide more clarity, flexibility or restrictions to the Downtown Redevelopment Improvement Program.



STAFF REPORT TO THE TOWN COUNCIL

SUBJECT: Approval of CDBG/CIB Capital Projects Lists – 1) one year plan; and 2) two to five year plan
AUTHOR: Cecilia Johnson, Town Treasurer
DEPARTMENT: Administration Department
DATE: December 10, 2018
TYPE OF ITEM: Legislative Action

SUMMARY:

The Community Development Block Grant (CDBG) Board and Community Impact Board (CIB) are two sources of grants and low-interest loans for government entities. Each year cities and towns are required to submit a one year and a two to five year Capital Improvements List to the Boards. The lists need to include anticipated funding sources for the Town's projects. All projects MUST be included in the Capital Improvements lists to be eligible to apply for either CDBG or CIB funding.

BACKGROUND:

In order for Brian Head Town to apply for grants/loans through CDBG and CIB for calendar year 2019 the Capital Improvement lists need to be submitted to the CDBG and CIB Boards by January 4, 2019. These lists need to be prioritized as high, medium, or low importance – also, as 1, 2, 3 etc. in each category.

ANALYSIS:

CDBG and CIB grants and loans are excellent funding sources for local governments. We were awarded grants from both CDBG and CIB in the 2017 calendar year for purchase of a pumper fire truck and have been awarded to receive a \$732,648 grant from CIB in the 2018 calendar year for construction of a new waterline in Cedar Breaks Mountain Estates for fire protection.

DEPARTMENT REVIEW:

Staff has reviewed the CDBG and CIB Capital Improvements Lists and feel they contain proper projects for our Town. *Refer to lists attached.*

FINANCIAL IMPLICATIONS:

At this point, there are no financial implications since the Council is just approving the Capital Improvements Lists.

BOARD/COMMISSION RECOMMENDATION:

Not Applicable.

STAFF RECOMMENDATION:

Staff recommends the CDBG and CIB Capital Improvements Lists be approved as submitted.

PROPOSED MOTION:

“I move to approve Brian Head Town's one year and two to five year capital improvements lists as submitted.”



STAFF REPORT TO THE TOWN COUNCIL

SUBJECT: Caterpillar Model 140M3 AWDB Motor Grader
AUTHOR: Aldo Biasi, Public Works Director
DEPARTMENT: Public Works
DATE: December 5, 2018
TYPE OF ITEM: Discussion

SUMMARY:

The Council will discuss the motor grader replacement and purchase of attachments (wing/front plow)

BACKGROUND:

- As the current grader (2008) approached pay off, staff has been looking at replacing it with a new one. This is in line with the current informal town policy of operating machinery in the earlier stages of life and not getting too old to where machinery repair costs and down time become major issues.
- Staff is looking to purchase the wing option as soon as we can to help with the snow removal process this year (take some pressure off the blower). It will be installed on the current grader and then re-installed if needed when the new grader arrives. Build time for the wing is seven weeks out
- Staff is looking to secure a build slot this month for the delivery of the grader in approx. five to six months for build time.
- Staff has compared the pros and cons of two different grader options, Caterpillar and John Deere. The results from those comparisons are listed below. Both graders were bid with a wing and front plow to help improve snow removal operations.

ANALYSIS:

The following items were considered when evaluating the two grader options:

- Service ability (parts, technicians etc...)
- Cost of grader (purchase and future cost)
- Trade in-value
- Re-sale of grader for future purchase of replacement

1. John Deere

- Initial purchase price is cheaper -\$322,490.00
- Service ability is a major downside as the closest dealer is in St. George.
- Service technicians are also lower in numbers for John Deere due to not such a commanding presence in the construction industry in our area.
- Increased trucking cost for transport due to extra distance to shop and also increased service call wait time due to distance.
- Trade in offer lower on current Caterpillar, set value at- \$81,000.00
- Re-sale of John Deere is lower

2. Caterpillar

- Initial cost is higher- \$345,000 (discounted for nine-year commitment)
- Have a good track record with us for service, parts and technicians.
- Decreased trucking and service cost due to shop being located in Cedar City
- Have more technicians and service trucks due to higher presence in the construction field around our area
- Higher resale value for future re-sale.
- Higher trade in value offered - \$96,800.00

Staff went down and did a field day test with the John Deere grader and put it through its paces. Staff feels that although it is a good grader, our current Caterpillar will out perform it. In consideration of the pros and cons listed above, the initial John Deere purchase price of being cheaper approx. (\$13,610.00 less then Cat after trade in difference) does not outweigh its short comings in the other considered items. Service and down time are crucial to our operations.

Policy Question – The town currently owns the existing grader outright. By not replacing the grader at this point, we could potentially save \$40-50k per year from our operating budget, which we could transfer to the Asset Replacement Fund to save for grader replacement in the future. However, maintenance cost on the grader will go up over time as will the purchase price of a new one, meaning that it is difficult to pinpoint at what point waiting to replace the grader becomes more cost effective for the Town.

Perhaps more importantly, the amount of down time will increase the longer we keep our current grader. This may not be a large issue in the summer when grader work can typically be done whenever the grader is available, but in the winter when the grader is needed the moment snow falls, it can cause serious service interruptions. The winter downtime issue may be mitigated now that we will have an extra 10-wheeler to serve as a backup, but the grader is the most effective piece of equipment for clearing snow on the dirt roads.

Council should consider how critical it may be for effectively providing town services (particularly snow removal) to keep the grader up and running as much as possible. If we are intent on avoiding down time, we should move forward with replacement. If not, we may want to delay replacement and wait for a more favorable balance of cost, trade-in value, and financing options.

FINANCIAL IMPLICATIONS:

- The cost to purchase the new Caterpillar Model 140M3 AWDB is \$351,900 (includes 2% increase after first of year) discounted nine-year commitment option.
- The current trade in value from Caterpillar is \$96,800.00 (may drop a little after winter depending on use) Purchase price for the new grader with wing and plow would be \$255,100.00 after trade in.
- If we purchase the wing now at a cost of \$23,582.00 (plus install) it brings the cost of new grader to \$231,518.00 after trade in. \$43,000 was budgeted for FY2019 for grader payments, however the final grader payment was made in October leaving \$25,000 in that budget line which could be used to purchase the wing.

- If the Town were to finance the wing through CAT financing at 3% over 5 years, the resultant payment would be about \$50,000 annually. A budget increase of \$7,000 per year would be necessary.
- Staff could look at selling our existing grader on the open market and potentially receive more money than the trade in value. If we were to receive \$10,000 more on the open market and apply that to the purchase of the new grader, it would reduce our new annual payment to about \$47,500 per year. A quick look at graders being sold on the market indicates we may be able to receive closer to \$105,000.
- Staff is looking for the best finance options for the town. Staff will pursue grant funding or low interest loan through CIB or financing through CAT Financial if CIB funding is not available.

BOARD/COMMISSION RECOMMENDATION:

N/A

STAFF RECOMMENDATION:

Staff recommends we proceed forward with the Grader purchase plan by:

1. Ordering the wing option as soon as possible.
2. Securing a build slot for spring delivery of new Caterpillar grader.
3. Securing the best financing that we can during the build time.

PROPOSED MOTION

N/A – Discussion item.

ATTACHMENTS:

Caterpillar Bid, Caterpillar Trade in value
John Deere Bid (includes trade value)

Preliminary Trade Value Estimate

This is an estimate only, not an offer of trade. Actual Trade Offers are subject to Inspection.

Date	9/17/2018	Customer	Town of Brianhead
Rep.	Marco	Manufacturer	Cat
Mngr.	Chris F	Model	140M AWD
Inspector	md	Serial Number	B9M00466
		Year	2008
		Hours SMU	4244
		Group Code	MG140
		Misc	LKE00466
		Specs.	AWD
		A High Auction Avg	
		B Average Auction	\$88,000.00
		C Low Auction Avg	

Machine Condition (A,B,C)

A

- A** Excellent operating condition. Low hours. Excellent cosmetic condition. Low wear and tear(>75% tire life, >75% UC life). No leaks, no broken glass, etc.
- B** Good operating condition. Average hours. Good cosmetic condition. Normal wear and tear(>50% tire life, >50% UC life). No leaks, no broken glass, etc.
- C** Fair operating condition. Higher hours. Fair cosmetic condition. High wear and tear. Visible leaks, broken glass, etc.

Likely Resale Strategy (R,W,A)

R

- R** Retail CAT machine and model is in demand and can likely be sold locally for retail.
- W** Wholesale Low demand for CAT model or a non-CAT machine and will likely be sold wholesale out of territory.
- A** Auction Very low demand or machine condition warrants sending to auction.

Est. Proceeds \$ 110,000.00

Resale deduction \$ 13,200.00

(includes deduct for repairs, freight, auction fees, interest carry cost, etc.)

Trade Book Value* \$ 96,800.00

Finalized Trade

Value Set By: DA

Comments

MACHINE HAD A NEW ENGINE INSTALLED FROM A CAT UPDATE AND RECENTLY HAD OUR SHOP REBUILD THE TRANSMISSION

Machine Condition (A,B,C) sets the baseline auction value.

Resale Strategy (R,W,A)

- R Retail:** Estimated proceeds is approximately 20% over baseline auction value
- W Wholesale:** Estimated proceeds is approximately 10% over baseline auction value
- A Auction:** Estimated proceeds is approximately baseline auction value



121822-01

September 10, 2018

BRIAN HEAD TOWN

PO BOX 190068
BRIAN HEAD, UT84719-0068

Attention: Aldo Biasi

Dear Aldo Biasi,

Thank you for your interest in Wheeler Machinery Co. and its products. I am pleased to provide you with this quote for your consideration.

New CATERPILLAR Model: 140M3 AWDB Motor Grader

STOCK NUMBER: New **SERIAL NUMBER:** NEW **YEAR:**2019 **SMU:**

Thank you for your interest in Wheeler Machinery Co. and Caterpillar products for your business needs. This quotation is valid for 30 days, after which time we reserve the right to re-quote. If there are any questions, please do not hesitate to contact me.

Sincerely,

Marco Defa
Machine Sales Representative
Wheeler Machinery Co.
mdefa@wheelercat.com
435-229-6074

If the rental equipment described herein is purchased, notice is hereby given that Wheeler Machinery Co. has assigned its rights, but not its obligations, in the sale to CATD Exchange Services, LLC, as part of a like-kind Exchange.

New CATERPILLAR Model: 140M3 AWDB Motor Grader

STANDARD EQUIPMENT

CONSIST NOTE - STANDARD EQUIPMENT: - The standard equipment list includes key - components necessary for an operable - machine.

POWERTRAIN - Air cleaner, dual stage dry type radial - seal with service indicator and - automatic dust ejector - Air-to-air after cooler (ATAAC) - Belt, serpentine, automatic tensioner - Brakes, oil disc, four-wheel, hydraulic - Demand fan, hydraulic - Differential, lock/unlock, Automatic - Drain, engine oil, ecology - Electronic over-speed protection - Engine, C9 with ACERT technology, diesel - with automatic engine derate and idle - control. EPA/ARB Tier 4 Final & EU stage - IV certified Engine & Aftertreatment - Parking brake, multi-disc, sealed and - oil cooled. - Sediment drain, fuel tank. - Tandem drive - Transmission, 8 speed forward and - 6 speed reverse, power shift, direct - drive - VHP Plus (Variable Horse Power Plus)

ELECTRICAL - Alarm, back-up - Alternator, 150 ampere, sealed - Batteries, maintenance free, heavy - duty, 1125 CCA - Breaker panel, ground accessible - Electrical hydraulic valves - Electrical system, 24 volt - Grade Control Ready (Cab harness, - software, electrical hydraulic valves, - bosses and brackets) - Lights, reversing - Lights, roading, roof-mounted, - stop and tail, LED - Starter, electric

OPERATOR ENVIRONMENT - Air Conditioning with heater - Articulation, automatic return to center - Centershift pin indicator - Display, digital speed and gear - Doors, left and right side with wiper - Gauge, machine level - Gauges (analog) inside the cab - (includes fuel, articulation, engine - coolant temp, engine RPM, - and hydraulic oil temp, DEF/AdBlue) - Joystick, adjustable armrests - Joystick gear selection, hydraulic - power steering hydraulic controls - (right/left, blade lift w/ float - position, blade sideshift and tip, - circle drive, centershift, front wheel - lean and articulation and steering) - Lights, night time cab - Messenger operator information system - Meter, hour, digital - Mirror, inside rearview, wide angle - Power Port, 12V - Radio Ready, Entertainment - ROPS cab, sound suppressed - - 69dB(A) - ISO 6394 - Seat, cloth-covered, comfort suspension - Storage area for cooler/lunchbox - Throttle control, electronic - Windows: laminated glass - - Fixed front with intermittent wiper - - Door with intermittent wipers (3) - Windows: Tempered - - Left and right side wipers - - Rear with intermittent wiper

SAFETY AND SECURITY - Clutch, circle drive slip - Doors, 2 engine compartment, (two left - hand, two right hand) locking - Doors, 2 service, left and right locking - Ground level engine shutdown - Hammer (emergency exit) - Horn, electric - Lockout, hydraulic implement (for - roading and servicing) - Seat belt, retractable 3" - Secondary steering - Tandem walkway/guards

TIRES, RIMS, AND WHEELS - A partial allowance for tires on - 10" x 24" multi-piece rims is included - in the base machine price and weight. -

FLUIDS - Antifreeze - Extended Life Coolant -35C/-30F

OTHER STANDARD EQUIPMENT - Accumulators -brake -dual certified - Drawbar, 6 shoe w/replaceable wear strips - Fluid check, ground level - Fuel tank, 105 gallon (398 L) - Ground level fueling - DEF/AdBlue Tank, 5.5 gallon (21 L) - Hydraulic lines for base functions - Pump, hydraulic, high capacity - (98cc / 15 cu in) - Radiator, cleanout access - (both sides with swing doors) - SOS ports - engine -hydraulic - -transmission -coolant -fuel - Tandem walkway/guards - Tool box - Debris Guard

WARRANTY & COVERAGE

4 Year 4000 Hour Premier Warranty Total Machine

F.O.B./TERMS:

Cedar City

MACHINE SPECIFICATIONS

140M3 AWD MOTOR GRADER	384-5805	TANK, FUEL, STANDARD	540-2373
CUTTING EDGE, 14' BLADE	233-7143	TIRES, 14.0R24 BS VKT * G2 MP	252-0716
END BITS, OVERLAY	233-7160	ARTICULATION GUARD	368-6239
BLADE, 14' X 27" X 1"	243-6704	COOLANT, 50/50, -35C (-31F)	469-8157
FAN, DEFROSTER, REAR WINDOW	233-3137	ANTIFREEZE WINDSHIELD WASHER	0P-1939
SCREEN AS	360-0116	FUEL ANTIFREEZE, -25C (-13F)	0P-3978
CONVERTER GP	361-3136	LANGUAGE, ENGLISH	386-1254
SEAT, HEATED	385-8713	DECALS, ENGLISH (U.S.)	442-9940
RADIO GP - AM/FM	477-1255	SNOW ARRANGEMENT	396-1966
MOUNTING, WARNING LIGHT	361-3137	LIGHT, LED WARNING STROBE	338-1132
TRANSMISSION, AUTOSHIFT	396-3515	LIGHTS, SERVICE, INTERNAL	380-3070
HEADLIGHTS,FRONT, HIGH,HALOGEN	308-9371	CAMERA, REAR VISION	396-3921
LIGHTS, ARM, FOLD DOWN	536-9969	MIRRORS, OUTSIDE HEATED 24V	344-0984
LANE 3 ORDER	0P-9003	CONTROL,AUTO ARTICULATION-DEMO	483-2354
GLOBAL ARRANGEMENT,LOW AMBIENT	385-9297	GUARD, TRANSMISSION	366-2459
MOLDBOARD, 14' PLUS	349-3048	HEATER, ENGINE COOLANT, 120V	249-5516
RIPPER/SCARIFIER	324-0889	LIFT GROUP, FRONT MOUNTING	359-3925
COLD WEATHER PLUS PACKAGE AWD	394-4524	LIFT GROUP, MANUAL, FRONT	312-2204
ACCUMULATORS, BLADE LIFT	358-9338	LINES, RIPPER, ADDITIONAL	387-8664
PRECLEANER, SY-KLONE	380-6775	TOOTH, STRAIGHT	8J-1434
DRAIN, HIGH SPEED, ENGINE OIL	501-1163	ROLL ON-ROLL OFF	0P-2265
BASE + 6(WM,WT,DA1,DA2,FL,RIP)	385-8103	MOUNT,SNOW WING,FRAME RDY HAL	390-9182
STARTER, ELEC, EXTREME DUTY	395-3547	LIGHTS, WORKING, PLUS, HALOGEN	395-1967
CAB, PLUS (STANDARD GLASS)	385-9554	LIGHTS, ROADING, HALOGEN	421-7810
CAB, PLUS (INTERIOR)	397-7457	FAN, STANDARD	542-4660
SEAT BELT	394-1492	Snow Wing 144/60 BM HYD	483-5950
PRODUCT LINK, SATELLITE PLE631	464-6804	Blade Front 144 Hyd Ang	524-6844
GRADE CONTROL X SLOPE	462-7931		
JOYSTICK CONTROLS, ADVANCED	458-8701		

Option 1

SELL PRICE	\$395,000.00
3 Year Guaranteed Buy Back	\$290,000.00
4 Year Guaranteed Buy Back	\$259,000.00
1000 Hours Per Year allotted	

Option 2

SELL PRICE	\$345,000.00
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Discounted price is subject to a 9 year plus commitment

Quote Id: 18165022

Prepared For:
BRIAN HEAD TOWN



Prepared By: **DAVID TURNER**

Honnen Equipment Co.
831 East Factory Drive
St George, UT 84790

Tel: 435-652-8003
Fax: 435-652-8004
Email: daveturner@honnen.com

Date: 12 September 2018

Offer Expires: 16 October 2018

Confidential

Quote Summary

Prepared For:
 BRIAN HEAD TOWN
 Po Box 190068
 Brian Head, UT 84719
 Business: 435-677-2029

Prepared By:
 DAVID TURNER
 Honnen Equipment Co.
 831 East Factory Drive
 St George, UT 84790
 Phone: 435-652-8003
 daveturner@honnen.com

Quote Id: 18165022
Created On: 12 September 2018
Last Modified On: 26 October 2018
Expiration Date: 16 October 2018

Equipment Summary	Selling Price	Qty	Extended
JOHN DEERE 772G MOTOR GRADER with 6WD	\$ 322,490.06 X	1 =	\$ 322,490.06
John Deere Extended Warranty-PT&H 36MOS OR 1500 HRS	\$ 0.00 X	1 =	\$ 0.00

Equipment Total **\$ 322,490.06**

Trade In Summary	Qty	Each	Extended
2008 CATERPILLAR 140M - CAT0140MPB9M00466	1	\$ 81,000.00	\$ 81,000.00
PayOff			\$ 0.00
Total Trade Allowance			\$ 81,000.00

Trade In Total **\$ 81,000.00**

Quote Summary	
Equipment Total	\$ 322,490.06
Trade In	\$ (81,000.00)
SubTotal	\$ 241,490.06
Total	\$ 241,490.06
Balance Due	\$ 241,490.06

Salesperson : X _____

Accepted By : X _____

Selling Equipment

Quote Id: 18165022

Customer: BRIAN HEAD TOWN

JOHN DEERE 772G MOTOR GRADER with 6WD

Hours:
Stock Number:

Code	Description	Qty
8470T	772G MOTOR GRADER with 6WD	1
Standard Options - Per Unit		
170C	JDLINK Ultimate Cellular - 5 Years	1
1030	Dual Joystick Controls	1
1140	John Deere PowerTech PSS 9.0L meets EPA FT4 Emissions	1
1240	Dual 100 Amp Alternators (200 Amp total)	1
1310	Quick Service Group	1
1410	Standard Fuel & Water Filtration	1
1610	Hydraulic Pump Disconnect	1
1830	Engine Exhaust with Flat Black Stack (EPA FT4 only)	1
1910	Blade Impact Absorption System	1
2070	14 Ft. x 27 In. x 1 In. (4.27M x 686mm x 25mm) w/ 8 In. x 3/4 In. (203 x 19mm) Cutting Edge & 5/8 in. (16mm) Hardware	1
2575	No Grade Control Base Kit Installed	1
2605	English Labels and Decals	1
2775	No Topcon 3D GPS Grade Control System installed	1
2820	Single Input Gearbox with Slip Clutch	1
4918	No Brand Preference	1
5060	Grade Pro Low Cab w/ Lower Front and Side Opening Windows	1
5510	Autoshift Transmission	1
5710	Transmission Solenoid Valve Guard	1
5830	Hydrau XR	1
6030	No Powered Cab Air Precleaner	1
6140	Grade Pro Premium Heated, Leather/ Fabric, High-Wide Back Air Suspension Seat	1
6595	Grade Pro Controls w/3 Front Auxiliary Function AND 3 Rear Auxiliary Functions	1
6650	Grade Pro Controls - Left Side	1
6740	Balderson Style Front Lift Group	1

Selling Equipment

Quote Id: 18165022

Customer: BRIAN HEAD TOWN

6810	Rear Mounted Ripper/Scarifier Combination with Rear Hitch and Pin	1
7160	Deluxe Grading Lights (18 Halogen Lights)	1
7820	No Front Fenders	1
8120	24-to-12 Volt Converter (30 amps peak / 25 amps continuous)	1
8220	Heated Exterior Mounted Rearview Mirrors	1
8310	Lower Front Intermittent Wiper & Washer	1
8415	Premium AM/FM Radio with Bluetooth, Aux and Weather Band (WB).	1
8510	Air Conditioner Refrigerant Charged	1
8730	No Sound Absorption Package	1
8810	Rear Camera	1
9130	Rear Retractable Sun Shade	1
9220	5.0 lbs. multi purpose (ABC) Dry Chemical Fire Extinguisher	1
9270	Tall (26in.(660mm) higher than Standard Frame Lights) Front Snow Plow Light Bar	1
9273	Right Side Engine Compartment Work Light	1
9280	Slow Moving Vehicle (SMV) Sign	1
9299	Beacon with Flip Down Cab Beacon Bracket (LH)	1
9360	Engine Block Heater	1
9370	Ether Starting Aid	1
9450	Reversible Overlay End Bits	1
9718	14.0R24 G2/L2 1 STAR NO BRAND PREFERRED WITH 3PC RIM	1
Dealer Attachments		
	HENKE AHW12	1
	HENKE FV-12 6WAY FOLDING V- PLOW	1
Service Agreements		
	John Deere Extended Warranty - PT&H 36MOS OR 1500 HRS	



STAFF REPORT TO THE TOWN COUNCIL

SUBJECT: Playground Equipment
AUTHOR: Wendy Dowland
DEPARTMENT: Administration
DATE: December 10, 2018
TYPE OF ITEM: Discussion

SUMMARY:

The Town Council will review and discuss the costs for the proposed playground equipment.

BACKGROUND:

Staff was instructed to research new playground options. The current playground equipment is dated. Recent upgrades near the Town Pavilion and future landscaping around Bristlecone Pond would be enhanced by new playground equipment. During a previous Council meeting, it was decided to incorporate the “Jasper” playground equipment on the west side of the playground and a climbing wall on the east side of the playground. The existing equipment in the middle of the playground will remain.

ANALYSIS:

Staff has received the following quote from Garrett & Company regarding the proposed playground equipment:

Description	Price	Install
Jasper – Rocks & Ropes Themed Park	\$47,770	
Boulder Ridge Rock Wall (4 section)	\$4,115	
Equipment Total	\$51,885	
Engineered Wood Fiber Surfacing Sof Fall	\$4,013.00	
Site Prep/Installation by contractor		\$39,991.00
Grand Total:	\$95,889.00	

The Town Council had previously agreed to use the existing pea gravel as the foundation of the playground equipment. It has been brought to the staff's attention that the gravel is no longer a qualified surface under ASTM standards. Staff contacted the Town's insurance and were instructed that we should follow the manufacturer's requirements. Additional pricing for the playground surface options is attached. Note there is a second option of pour in place rubber surfacing for a much greater price than the engineered wood fiber in the attached quote.

This information is for discussion. There currently aren't funds allocated in the budget for playground equipment. The Town Council will need to determine if playground equipment should be added to the Strategic Plan for budgeting purposes.

BOARD/COMMISSION RECOMMENDATION:

None

STAFF RECOMMENDATION:

Staff has no recommendation at this time.

PROPOSED MOTION:

Discussion item only.

ATTACHMENTS:

Proposed Playground Equipment Quote (original)

Complete Install / Site prep / Surfacing by contractor Quote

Option 1: Jasper



Option 1: Jasper Reverse View





GARRETT AND COMPANY, INC.

Phone: 801.265.8443 * Fax: 801.263.1254 * www.garrettandcompany.com

QUOTE/PROPOSAL

Date	Quote #
12/5/18	230

NAME/ADDRESS		SHIP TO:	
Brian Head Town		SAME	
Brian Head, UT 84719			
		Contact: Wendy Dowland Phone: (435) 677-2029	
Play Area		Quote Valid until:	Project: Brian Head Town Playground
		1/31/19	

Option	Model #	Description	Unit Price	Total
PLAY EQUIPMENT				
1		Jasper - Rocks and Ropes Themed Park		\$47,770
1	8194	Boulder Ridge Rock Wall, 4 Section		\$4,115
Total				\$51,885
SURFACING				
1		Engineered Wood Surfacing per square foot (12" depth) (Concrete border and compacted road base not required; can utilize existing rock border)	\$1.25	\$4,013.00
		OR		
2		Poured in Place Solid Rubber Surfacing per square foot (2" depth) (Rubber surface price does not include compacted road base and new concrete border. These items to be provided by others)	\$13.50	\$43,335.00
		(Surfacing Price based on estimated area of 3,210 square feet; Area includes resurfacing under remaining play structure + new items)		
SITE PREP AND INSTALLATION				
		Playground and gravel removal, site leveling and equipment install (Price excludes soil testing or surveying. Price also excludes new new concrete border and compacted road base if needed for rubber surfacing)		\$39,991.00

Purchase authorized by: _____ Date: _____



STAFF REPORT TO THE TOWN COUNCIL

SUBJECT: 2019 Town Council Meeting Schedule Approval
AUTHOR: Nancy Leigh, Town Clerk
DEPARTMENT: Administration
DATE: December 10, 2018
TYPE OF ITEM: Legislative Action

SUMMARY:

The Council will approve their 2019 meeting schedule as required by state law.

BACKGROUND:

As per state law, the legislative body is required to formally approve their meeting schedule annually. Once the meeting schedule is approved, it is posted in the newspaper and on the Utah State Meeting Website prior to December 31, 2018.

For the 2018 year, Council changed their meeting days to Mondays instead of Tuesday, but kept the 1:00 pm. meeting time and the 2nd and 4th Monday of each month.

ANALYSIS:

The Council held its meetings on the 2nd and 4th Monday of each month with the exception of the second meeting in November and December, in which only the first meeting of the month is held due to the holidays. All meetings begin at 1:00 pm and are located at the Brian Head Town Hall, Council Chambers, 56 North Highway 143, Brian Head, UT.

Attached is the 2019 meeting calendar which highlights the 2nd and 4th Monday of each month. The following are conflicts with the 2nd or 4th meeting dates:

1. 2nd Council meeting in January will be changed to the FY2020 Strategic Retreat scheduled for January 29-30th. This is a Tuesday and Wednesday retreat.
2. May 27th is Memorial Day.
3. November 11th is Veterans Day and the Town Hall is closed in observance of the holiday.

The Council can choose to move the meeting dates that are in conflict to a different date or cancel the date altogether.

FINANCIAL IMPLICATIONS:

Other than the cost of publishing the meeting schedule in the newspaper, this is typically \$50.

BOARD/COMMISSION RECOMMENDATION:

N/A



STAFF RECOMMENDATION:

If Council is satisfied with the 2nd and 4th Monday's, the time of 1:00 pm and location of Town Hall Council Chambers, 56 N. Hwy. 143, Brian Head, unless otherwise noticed, then staff recommends Council approve the 2019 meeting schedule as presented. The Council will need to discuss and identify any other meeting dates they want for those days in conflict.

PROPOSED MOTION:

I move to approve the 2019 Town Council meeting schedule as presented.

ATTACHMENTS:

A – 2019 Meeting Schedule Calendar

2019 Calendar

January						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

February						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

March						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

April						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

May						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

June						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

July						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

August						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Federal Holidays 2019

Jan 1	New Year's Day	May 27	Memorial Day	Oct 14	Columbus Day	Dec 25	Christmas Day
Jan 21	Martin Luther King Day	Jul 4	Independence Day	Nov 11	Veterans Day		
Feb 18	Presidents' Day	Sep 2	Labor Day	Nov 28	Thanksgiving Day		