

## AGENDA

**Francis City Council Meeting**  
**Thursday, January 12<sup>th</sup>, 2023, 6:00 pm**  
**2319 So. Spring Hollow Rd. Francis Utah**

*Community Center will be the anchor location for this meeting. No public comment will be taken via zoom.*

*Francis City is inviting you to attend by following the link below or by calling: 1-301-715-8592*  
<https://us02web.zoom.us/j/87379940646?pwd=WTYzMVpMNXhjVmJXYXV2NDFqcHM3QT09>

**Meeting ID : 873 7994 0646    Passcode 565230**

**You can also comment by email to [comments@francisutah.org](mailto:comments@francisutah.org)**

Welcome, Call to Order and Pledge of Allegiance

**1. Consent Agenda**

- A. Approval of Invoice Register dated January 12<sup>th</sup>, 2023
- B. Approval of Minutes from December 8<sup>th</sup>, 2022

**2. Interview and Appointment of New City Mayor**

**3. Public Comment**

Comments will be taken on any item not scheduled for a public hearing, as well as on any other City business. Comments are limited to two minutes per speaker. The Council cannot act on items not listed on the agenda, and therefore, the Council may or may not respond to non-agenda issues brought up under Public Comment. Those wishing to comment should state their full name and address, whom they represent and the subject matter to be addressed. No person shall interrupt legislative proceedings. Total time allocated to public comments will be not more than 10 minutes.

**4. Public Hearings---None**

**5. Discussion, Updates and Approval on Potential Action Items**

- A. Fiscal Year 2021-2022 Audit Report /Ben Probst
- B. Carl Miller, Interlocal Agreement to establish Rural Planning Organization Resolution No. 2022-06
- C. Amy Owen Tuddinham presentation for Park City & Wasatch County Hospitals
- D. Franchise Agreement with Utah Broadband Resolution No. 2022-07/Pushed to February
- E. Short Term Rental Discussion

**6. Council Business**

- A. Council Reports
- B. Planner Reports
- C. Engineer Reports
- D. Mayor Reports

**7. (As Needed) Closed Executive Session to Discuss Pending or Reasonably Imminent Litigation, Purchase, Exchange, or Lease of Property and/or the Character, Professional Competence or Physical or Mental Health of an Individual.**

**8. Adjournment**

I certify that this notice has been posted in three (3) public places and on the Utah State Public Notice Website. Attested by Suzanne Gillett City Recorder. In Compliance with the American Disabilities Act, individuals needing special accommodations during this hearing should notify Suzanne Gillett at (435) 7836236 at least three days prior to the hearing.

To Francis City and its Council,

I, Clint Summers, am expressing my intention to run for mayor of Francis City.

Let me introduce myself briefly. I'm not a politician. I'm closer to being labeled an introvert than an extrovert. My wife generally deserves credit for dragging me out of that box. I am, however, someone who loves the thrill of a Louis L'Amour western novel. The lone-flashing red light in our town has become a beacon to me and mine. I enjoy waking up and looking across fields of cattle, horses, and even sheep. I smile each time I'm forced to stop on Foothill, waiting for the ducks to meander across the road. I am also fiercely loyal to those and that which I love. A decade ago, it was my Marine Corps brothers. Running across a muddy field, machine gun on my shoulder, to the sound of the guns threatening my team.

As a 23-year-old, I was tasked with the governance of 5 villages in Helmand Province, Afghanistan. An area twice the size of Francis, my infantry squad patrolled fields laden with mines, mediated generational disputes between tribes, escorted children to school that they were newly privileged to attend, and managed bids for bridge building projects to better the infrastructure of the valley and provide jobs that were an alternative to growing and selling opium. Our enemies weren't Californians, they weren't developers, they weren't generational townspeople who haven't tried to understand the need for growth and what it takes to keep a city "small" - while financing an ever-growing community. They were Taliban, they were crooked village elders, they were the lack of trust from the good people who had seen the damage from when a country promised to help them and then didn't. I wasn't "qualified" then for those tasks, but we took them head on and were successful. We, today in Francis, aren't dealing with such fatalistic issues - but the ever-present challenge to a way of life.

In my short two years in this city, I've witnessed so much change. Some good, some appearing negative, with a lot of talk from both sides. As a part of this change, coming from a once-small town, I viewed this with complexity. I was conflicted, seeing the pastures and hills developed into new subdivisions and commercial projects. Change is constant. I have had many conversations with lifelong residents of this valley that I chased with "- but I know I'm part of the problem..." as I conceded that my family and I were newcomers and part of the perceived problem.

I was surprised, however, when I heard months back that the mayor was stepping down and no one wanted to step up and take his place. How, in a city so quaint and beautiful, was this an issue? Why wasn't anyone willing to run to the sound of those guns?

Below are some key action items that, as mayor, I commit to fight for:

**Communication.** I know this is extremely difficult. City council meetings are almost entirely unattended, but citizens are up in arms when they finally hear about something that was voted on, with no opposition months and even years ago, finally moving forward. This sounds like a monumental task, with the current city council and mayor knowing this more than any of us. My goal is to bridge this gap. How can we effectively lead without those we are representing having trust in the decisions we make

for them? This may mean me actively guiding them into being involved. I want to help change where, in coming meetings, this room is full of citizens - here, truly believing that what they vocalize can and will make a difference.

**Planning this growth.** How can we expect our city goals to align with its constituents' views if there is not a defined path to vet our decisions and look back on for years to come? Let's define a master plan for the city and its growth. One that we can both defend our votes with and utilize to guide our actions.

**High Density Housing vs Sufficient Law Enforcement.** This is another not so easy problem to tackle. Some of these housing projects are already approved. As a city we need to prepare for issues that this will inevitably bring while continuing to acknowledge citizens being forced out of their parents' and grandparents' town and valley due to the rapidly rising cost of new housing. High density housing will breed crime, no matter how we look at it. At very least, recognizing this is key; and there needs to be a plan for this.

**Tradition.** What sets this city apart from others? As I mentioned before - that lone, red-flashing light. The rodeo. The Frontier Café. The ducks and deer on Foothill. City bonfires. And some new. I want to initiate a Memorial Day ceremony at our beautiful cemetery and the surrounding others - dedicated to honoring the many, many veterans interred. This would include song, prayer, and a 21-gun salute. As part of the American Legion in Bluffdale, UT I participated in this and it was very well received and anticipated each year within the community.

No, I don't have the tenure in this town that many, maybe most of you have. And I haven't put in the time that others have to protect and lead this city. I now realize this need and want to be part of the solution, in any way possible. But that doesn't determine my qualification to lead this city from the front. No matter how few years I have lived here, no matter how little experience I have in civic matters; I commit to run to the sound of the guns and face each citizen - whether lifelong resident or fortunate transplant - with integrity and commitment to reach our collective goal. I want to prolong this existence as long as possible, while at the same time looking at the future and how we can leave a positive legacy for our children.

**Suzanne Gillett**

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**From:** Jeremie Forman  
**Sent:** Wednesday, December 28, 2022 3:06 PM  
**To:** Suzanne Gillett  
**Subject:** Mayor Vacancy

Suzanne,  
Please accept this email as my formal letter of interest for the position of Mayor. I have served on the City Council for several years and feel my filling the Mayor position provides some stability and continuity as the city moves forward. I feel blessed to have served this community and hope to continue my service in this way. I believe I meet all qualifications for this position as listed in the public notice. Anyone with questions or concerns is welcome to reach out to me by email or phone. Thank you for your consideration in this matter.

Best,  
Jeremie Forman

Sent from my iPad

Francis City

**ANNUAL FINANCIAL REPORT**

For the Year Ended June 30, 2022

Francis City  
**TABLE OF CONTENTS**  
June 30, 2022

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**GILBERT & STEWART**  
CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION  
ESTABLISHED 1974

RANDELA HEATON, CPA  
LYNN A. GILBERT, CPA  
JAMES A. GILBERT, CPA  
BEN H. PROBST, CPA  
RONALD J. STEWART, CPA  
  
SIDNEY S. GILBERT, CPA  
JAMES E. STEWART, CPA

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of City Council  
Francis City, Utah

### Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Francis City, Utah (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Francis City, as of June 30, 2022 and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Responsibilities of Management for the Financial Statements

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Francis City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our objectives to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government*

AMERICAN FORK OFFICE  
85 NORTH CENTER STREET  
AMERICAN FORK, UT 84003  
(801) 756-9866  
FAX (801) 756-9667

PROVO OFFICE  
190 WEST 300 NORTH #100  
PROVO, UT 84601  
(801) 377-5300  
FAX (801) 373-5622

HEBER OFFICE  
45 SOUTH MAIN ST  
HEBER, UT 84032  
(435) 654-6477  
FAX (801) 373-5622

WWW.GILBERTANDSTEWART.COM

*Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Francis City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Francis City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **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 Utah Retirement systems tables, on pages as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022, on our consideration of the City'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 City's internal control over financial reporting and compliance.

***Gilbert & Stewart***

GILBERT & STEWART, CPA, PC  
Provo, Utah  
December 30, 2022



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Francis City  
**Management's Discussion and Analysis**  
June 30, 2022

As management of Francis City (the City) we offer readers of the city's financial statements this narrative overview and analysis of financial activities of the city for the fiscal year ended June 30, 2022.

**FINANCIAL HIGHLIGHTS**

- \*Total net position for the City as a whole increased by \$2,474,031
- \*Total unrestricted net position for the city as a whole increased by \$2,017,199
- \*Total net position for governmental activities increased by \$2,092,039
- \*Total net position for business-type activities increased by \$381,991

**BASIC FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the basic financial statements of Francis City. 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 City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City'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 City is improving or deteriorating.

The *statement of activities* presents information showing how the City'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 City 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 City available to cover any remaining costs of the functions or programs.

Francis City  
**Management's Discussion and Analysis**  
June 30, 2022

**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 City also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City 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 City maintains one major governmental fund, the general fund.

The City 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 City's proprietary funds are all of the enterprise type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses three enterprise funds to account for the operations of the water, waste water, and solid waste utilities.

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 City.

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 City.

Francis City  
**Management's Discussion and Analysis**  
June 30, 2022

**FINANCIAL ANALYSIS**

**Francis City's Net Position**

	Governmental Activities		Business-type Activities		Total	Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Current and other assets	\$ 7,069,631	3,158,226	1,942,689	1,621,141	9,012,320	4,779,367
Net capital assets	2,562,037	2,335,490	12,611,370	12,766,319	15,173,407	15,101,809
Deferred outflows of resources	29,894	22,511	25,503	19,214	55,397	41,725
<b>Total assets and deferred outflows</b>	<b>\$ 9,661,562</b>	<b>5,516,227</b>	<b>14,579,562</b>	<b>14,406,673</b>	<b>24,241,124</b>	<b>19,922,900</b>
Long-term debt outstanding	\$ 79,780	92,295	4,677,045	4,919,045	4,756,825	5,011,340
Other liabilities	1,535,533	207,290	40,389	50,995	1,575,922	258,285
Deferred inflows of resources	1,088,682	351,114	77,249	33,746	1,165,931	384,860
<b>Total liabilities and deferred inflows</b>	<b>2,703,995</b>	<b>650,699</b>	<b>4,794,683</b>	<b>5,003,786</b>	<b>7,498,678</b>	<b>5,654,484</b>
Net position:						
Net investment in capital assets	2,482,257	2,243,195	7,934,325	7,847,274	10,416,582	10,090,468
Restricted	192,544	109,654	387,877	340,048	580,422	449,701
Unrestricted	4,282,766	2,512,679	1,462,677	1,215,565	5,745,443	3,728,244
<b>Total net position</b>	<b>\$ 6,957,567</b>	<b>4,865,528</b>	<b>9,784,879</b>	<b>9,402,888</b>	<b>16,742,446</b>	<b>14,268,415</b>

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 \$16,742,446, an increase of \$2,474,031 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 are \$5,745,443 which represents an increase of \$2,017,199 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.

Francis City  
**Management's Discussion and Analysis**  
June 30, 2022

**FINANCIAL ANALYSIS (continued)**

**Francis City's Change in Net Position**

	Governmental Activities		Business-type Activities		Total	Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Program revenues:</b>						
Charges for services	\$ 1,612,892	414,821	727,633	761,556	2,340,525	1,176,377
Operating grants & contributions	245,974	221,363	-	-	245,974	221,363
Capital grants & contributions	347,700	656,728	127,000	396,283	474,700	1,053,011
<b>General revenues:</b>						
Property taxes	377,462	266,650	-	-	377,462	266,650
Sales tax	416,809	372,006	-	-	416,809	372,006
Impact fees	82,612	51,147	283,714	200,664	366,325	251,811
Other revenues	36,559	76,571	2,084	1,863	38,644	78,434
<b>Total revenues</b>	<b>3,120,009</b>	<b>2,059,286</b>	<b>1,140,431</b>	<b>1,360,366</b>	<b>4,260,440</b>	<b>3,419,652</b>
<b>Expenses:</b>						
General government	595,807	699,337	-	-	595,807	699,337
Highways & public improvements	306,285	201,526	-	-	306,285	201,526
Parks and recreation	133,050	(31,870)	-	-	133,050	(31,870)
Interest expense	3,466	1,591	-	-	3,466	1,591
Water utility	-	-	383,932	375,581	383,932	375,581
Sewer utility	-	-	363,870	348,741	363,870	348,741
<b>Total expenses</b>	<b>1,038,608</b>	<b>870,584</b>	<b>747,802</b>	<b>724,322</b>	<b>1,786,409</b>	<b>1,594,905</b>
<b>Change in net position</b>	<b>\$ 2,081,401</b>	<b>1,188,702</b>	<b>392,629</b>	<b>636,045</b>	<b>2,474,031</b>	<b>1,824,747</b>

For the City as a whole, total revenues increased by \$840,788 compared to the previous year, while total expenses increased by \$191,504. The total net change of \$2,474,031 is, in private sector terms, the net income for the year which was \$649,284 more than the previous year's net change (net income).

Governmental activities revenues of \$3,120,009 is an increase of \$1,060,723 from the previous year. This increase is primarily due to increases in annexation fees. Governmental activities expenses of \$1,038,608 is an increase of \$168,024 from the previous year. While general government expenses decreased during the year, all other department expenses increased.

Business-type activities revenue of \$1,140,431 is a decrease of \$219,935 from the previous year. Service revenues decreased by \$33,923 and capital grants decreased by \$269,283. Business-type activities expenses of \$747,802 is an increase of \$23,480 from the previous year.

Francis City  
**Management's Discussion and Analysis**  
June 30, 2022

**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 \$906,127 reflects an increase of \$413,073 from the previous year. Total revenues increased by \$10,976. Tax revenues, including property taxes and sales taxes, increased by \$155,616. Licenses and permits revenues decreased by \$65,081. Intergovernmental revenue increased by \$24,611. Revenues from charges for services increased by \$6,590. All other revenues decreased by \$110,760, which included a decrease in proceeds from capital leases of \$97,365.

Total expenditures, exclusive of transfers out, decreased by \$283,789. General government expenditures decreased by \$715,856, streets and highways expenditures decreased by \$147,233, and parks and recreation expenditures increased by \$13,141. Debt service expenditures increased by \$9,320.

The amount of restricted general fund balance is \$192,544, leaving the unassigned fund balance of \$713,582.

*Capital Projects Fund*

The fund balance increased from \$2,151,389 to \$3,548,099 during the year, which resulted from annexations fees of \$1,188,000, a transfer in from the general fund of \$200,000, and interest revenue of \$8,710.

*Water Fund*

The change in net position (net income) for the year was \$189,405, compared to the previous year net income of \$305,168. Net position restricted for debt service is \$49,410. Unrestricted net position amounts to \$227,648.

*Sewer Fund*

The change in net position (net income) for the year was \$192,586, compared to the previous year net income of \$327,322. Restricted net position is \$338,467, resulting in an unrestricted net position of \$1,235,029.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Revenues for the current year, exclusive of transfers and fund balance appropriations, were originally budgeted in the amount of \$1,202,117. This amount was amended in the final budget to \$1,075,117. Actual revenues, excluding transfers, amounted to \$1,417,009.

Expenditures for the current year, excluding transfers and budgeted increases in fund balance, were originally budgeted in the amount of \$1,084,914. This amount was amended in the final budget to \$1,019,102. Actual expenditures amounted to \$897,185.

Francis City  
**Management's Discussion and Analysis**  
June 30, 2022

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Francis City'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		
<b>Net Capital Assets:</b>						
Land	\$ 406,226	406,226	1,578,263	1,578,263	1,984,489	1,984,489
Buildings	508,387	433,855	78,595	78,595	586,982	512,450
Improvements other than buildings	2,368,306	1,838,744	-	-	2,368,306	1,838,744
Machinery and equipment	454,709	454,709	200,478	200,478	655,187	655,187
Water and sewer systems	-	-	14,795,556	14,645,200	14,795,556	14,645,200
Work in progress	-	191,831	50,305	-	50,305	191,831
Total Capital Assets	<u>3,737,628</u>	<u>3,325,364</u>	<u>16,703,197</u>	<u>16,502,536</u>	<u>20,440,825</u>	<u>19,827,900</u>
Less accumulated depreciation	<u>(1,175,591)</u>	<u>(989,874)</u>	<u>(4,091,827)</u>	<u>(3,736,217)</u>	<u>(5,267,418)</u>	<u>(4,726,092)</u>
<b>Totals</b>	<u><b>\$ 2,562,036</b></u>	<u><b>2,335,490</b></u>	<u><b>12,611,370</b></u>	<u><b>12,766,319</b></u>	<u><b>15,173,407</b></u>	<u><b>15,101,809</b></u>

The total amount of capital assets, net of depreciation, of \$15,173,407 is an increase of \$71,598 from the previous year.

Governmental activities capital assets, net of depreciation, of \$2,562,036 is an increase of \$226,546 from the previous year.

Business-type activities capital assets, net of depreciation, of \$12,611,370 is a decrease of \$154,949 from the previous year.

The amount of increases in capital asset balances, net of depreciation, represent the amount that investments in new capital assets exceeded depreciation charged on capital assets during the year.

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



Francis City  
**Management's Discussion and Analysis**  
June 30, 2022

**Francis City's Outstanding Debt**

	Current Year	Previous Year
<b>Governmental activities</b>		
2021 Freightliner Truck	\$ 79,780	92,295
Total governmental	<u>79,780</u>	<u>92,295</u>
<b>Business-type activities:</b>		
1996 DWR Water Revenue	19,045	41,045
2014 Sewer Revenue	4,620,000	4,840,000
Total business-type	<u>4,639,045</u>	<u>5,065,635</u>
<b>Total outstanding debt</b>	<b><u>\$ 4,718,825</u></b>	<b><u>5,065,635</u></b>

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 City 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 Francis City's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the City Clerk at (435)783-6236.

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## **BASIC FINANCIAL STATEMENTS**

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Francis City  
**STATEMENT OF NET POSITION**  
June 30, 2022

	Governmental Activities	Business-type Activities	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>			
Assets:			
Current assets:			
Cash and cash equivalents	\$ 4,818,558	1,532,551	6,351,109
Accounts receivable, net	471,836	75,857	547,693
Interfund balances	109,870	(109,870)	-
Total current assets	<u>5,400,264</u>	<u>1,498,538</u>	<u>6,898,802</u>
Non-current assets:			
Restricted cash and cash equivalents	1,603,306	387,877	1,991,183
Capital assets:			
Not being depreciated	406,226	1,628,568	2,034,794
Net of accumulated depreciation	2,155,811	10,982,802	13,138,613
Net pension asset	66,061	56,274	122,335
Total non-current assets	<u>4,231,404</u>	<u>13,055,521</u>	<u>17,286,925</u>
Total assets	<u>9,631,668</u>	<u>14,554,059</u>	<u>24,185,727</u>
Deferred outflows of resources - pensions	29,894	25,503	55,397
<b>Total assets and deferred outflows of resources</b>	<b><u>\$ 9,661,562</u></b>	<b><u>14,579,562</u></b>	<b><u>24,241,124</u></b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 107,065	28,712	135,777
Performance deposits	1,410,762	6,000	1,416,762
Compensated absences	17,706	5,678	23,383
Long-term debt due within one year	11,916	239,045	250,961
Total current liabilities	<u>1,547,449</u>	<u>279,434</u>	<u>1,826,883</u>
Non-current liabilities:			
Due to developer	-	38,000	38,000
Long-term debt due after one year	67,864	4,400,000	4,467,864
Total non-current liabilities	<u>67,864</u>	<u>4,438,000</u>	<u>4,505,864</u>
Total liabilities	<u>1,615,313</u>	<u>4,717,434</u>	<u>6,332,747</u>
Deferred inflows of resources - property taxes	356,000	-	356,000
Deferred inflows of resources - RAP tax	642,000	-	642,000
Deferred inflows of resources - pensions	90,682	77,249	167,931
<b>Total liabilities and deferred inflows of resources</b>	<b><u>2,703,995</u></b>	<b><u>4,794,683</u></b>	<b><u>7,498,678</u></b>
<b>NET POSITION:</b>			
Net investment in capital assets	2,482,257	7,934,325	10,416,582
Restricted for:			
Debt service	-	49,410	49,410
Construction	192,544	338,467	531,012
Unrestricted	4,282,766	1,462,677	5,745,443
<b>Total net position</b>	<b><u>6,957,567</u></b>	<b><u>9,784,879</u></b>	<b><u>16,742,446</u></b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b><u>\$ 9,661,562</u></b>	<b><u>14,579,562</u></b>	<b><u>24,241,124</u></b>

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

Francis City  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2022

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue (To Next Page)
<b><u>FUNCTIONS/PROGRAMS:</u></b>					
<b>Primary government:</b>					
Governmental activities:					
Administration	\$ 595,807	1,527,864	93,142	-	1,025,199
Streets and highways	306,285	-	147,832	347,700	189,247
Parks and recreation	133,050	85,028	5,000	-	(43,022)
Interest on long-term debt	3,466	-	-	-	(3,466)
<b>Total governmental activities</b>	<b>1,038,608</b>	<b>1,612,892</b>	<b>245,974</b>	<b>347,700</b>	<b>1,167,959</b>
Business-type activities:					
Water	383,932	316,526	-	66,000	(1,406)
Waste water	363,870	411,107	-	61,000	108,237
<b>Total business-type activities</b>	<b>747,802</b>	<b>727,633</b>	<b>-</b>	<b>127,000</b>	<b>106,831</b>
<b>Total primary government</b>	<b>\$ 1,786,409</b>	<b>2,340,525</b>	<b>245,974</b>	<b>474,700</b>	<b>1,274,790</b>

(continued on next page)

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

Francis City  
**STATEMENT OF ACTIVITIES (continued)**  
For the Year Ended June 30, 2022

	Governmental Activities	Business-type Activities	Total
<b>CHANGES IN NET POSITION:</b>			
<b>Net (expense) revenue (from previous page)</b>	<b>\$ 1,167,959</b>	<b>106,831</b>	<b>1,274,790</b>
<b>General revenues:</b>			
Property taxes	377,462	-	377,462
Sales tax	302,228	-	302,228
Other taxes	114,581	-	114,581
Unrestricted investment earnings	28,068	2,084	30,152
Impact fees	82,612	283,714	366,325
Miscellaneous	8,492	-	8,492
Total general revenues	<u>913,443</u>	<u>285,798</u>	<u>1,199,241</u>
Transfers in (out)	<u>10,638</u>	<u>(10,638)</u>	<u>-</u>
<b>Change in net position</b>	<b>2,092,039</b>	<b>381,992</b>	<b>2,474,031</b>
Net position - beginning	<u>4,865,528</u>	<u>9,402,888</u>	<u>14,268,416</u>
<b>Net position - ending</b>	<b><u>\$ 6,957,567</u></b>	<b><u>9,784,879</u></b>	<b><u>16,742,446</u></b>

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

Francis City  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
June 30, 2022

	General Fund	Capital Projects Fund	Nonmajor Frontier Days Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,236,942	3,548,099	33,517	4,818,558
Receivables, net	471,836	-	-	471,836
Due from other funds	109,870	-	-	109,870
Restricted cash and cash equivalents	1,603,306	-	-	1,603,306
<b>TOTAL ASSETS</b>	<b>\$ 3,421,954</b>	<b>3,548,099</b>	<b>33,517</b>	<b>7,003,570</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>				
Liabilities:				
Accounts payable	\$ 107,065	-	-	107,065
Performance bonds held	1,410,762	-	-	1,410,762
Total liabilities	1,517,827	-	-	1,517,827
Deferred inflows of resources - property taxes	356,000	-	-	356,000
Deferred inflows of resources - RAP tax	642,000	-	-	642,000
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>2,515,827</b>	<b>-</b>	<b>-</b>	<b>2,515,827</b>
<b>FUND BALANCES:</b>				
Restricted for:				
Construction	192,544	-	-	192,544
Assigned for:				
Capital projects	-	3,548,099	-	3,548,099
Frontier Days	-	-	33,517	33,517
Unassigned	713,582	-	-	713,582
<b>TOTAL FUND BALANCES</b>	<b>906,127</b>	<b>3,548,099</b>	<b>33,517</b>	<b>4,487,743</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 3,421,954</b>	<b>3,548,099</b>	<b>33,517</b>	<b>7,003,570</b>

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



Francis City  
**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2022

	General Fund	Capital Projects Fund	Nonmajor Frontier Days Fund	Total Governmental Funds
<b>REVENUES:</b>				
Taxes:				
Property	\$ 377,462	-	-	377,462
Sales	302,228	-	-	302,228
Other taxes	114,581	-	-	114,581
Licenses, permits and annexations	338,905	1,188,000	-	1,526,905
Intergovernmental revenues	245,974	-	-	245,974
Charges for services	10,008	-	75,978	85,987
Interest	19,358	8,710	-	28,068
Miscellaneous revenue	8,492	-	-	8,492
<b>Total revenues</b>	<b>1,417,009</b>	<b>1,196,710</b>	<b>75,978</b>	<b>2,689,697</b>
<b>EXPENDITURES:</b>				
General government	618,719	-	-	618,719
Highways and public improvements	192,713	-	-	192,713
Parks, recreation and public property	69,773	-	56,145	125,918
Debt service:				
Principal	12,515	-	-	12,515
Interest	3,466	-	-	3,466
<b>Total expenditures</b>	<b>897,185</b>	<b>-</b>	<b>56,145</b>	<b>953,331</b>
<b>Excess (Deficiency) of Revenues over (Under) Expenditures</b>	<b>519,824</b>	<b>1,196,710</b>	<b>19,833</b>	<b>1,736,367</b>
<b>Other Financing Sources and (Uses):</b>				
Impact fees	82,612	-	-	82,612
Transfers in	10,638	200,000	-	210,638
Transfers out	(200,000)	-	-	(200,000)
<b>Total other financing sources and (uses)</b>	<b>(106,751)</b>	<b>200,000</b>	<b>-</b>	<b>93,249</b>
<b>Net Change in Fund Balances</b>	<b>413,073</b>	<b>1,396,710</b>	<b>19,833</b>	<b>1,829,616</b>
Fund balances - beginning of year	493,054	2,151,389	13,684	2,658,127
<b>Fund balance - end of year</b>	<b>\$ 906,127</b>	<b>3,548,099</b>	<b>33,517</b>	<b>4,487,743</b>

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

Francis City  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION**  
June 30, 2022

<b>Total Fund Balance for Governmental Funds</b>	<b><u>\$ 4,487,743</u></b>
Total net assets 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	3,737,628
Less accumulated depreciation	<u>(1,175,591)</u>
Net capital assets	<u>2,562,037</u>
Net pension asset	<u>66,061</u>
Deferred outflows of resources - pensions, a consumption of net position that applies to future periods, is not shown in the funds statements.	<u>29,894</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>(79,780)</u>
Compensated absences	<u>(17,706)</u>
Deferred inflows of resources - pensions	<u>(90,682)</u>
<b>Total Net Position of Governmental Activities</b>	<b><u>\$ 6,957,567</u></b>

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

Francis City  
**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, 2022

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b><u>\$ 1,829,616</u></b>
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with a material cost are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expenses.

Capital outlays	64,563
Developer contributions	347,700
Depreciation expense	<u>(185,716)</u>
Net	<u>226,547</u>

The Statement of Activities shows pension benefits and pension expenses from the adoption of GASB 68 that are not shown in the fund statements.

27,711

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Long-term debt principal repayments	<u>12,515</u>
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Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Change in compensated absences liability	<u>(4,350)</u>
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<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 2,092,039</u></b>
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The notes to the financial statements are an integral part of this statement.

Francis City  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
June 30, 2022

	Water Fund	Sewer Fund	Total Enterprise Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>			
Assets:			
Current assets:			
Cash and cash equivalents	\$ 339,389	1,193,162	1,532,551
Accounts receivable, net	33,770	42,087	75,857
Total current assets	<u>373,159</u>	<u>1,235,249</u>	<u>1,608,408</u>
Non-current assets:			
Restricted cash and cash equivalents	49,410	338,467	387,877
Capital assets:			
Not being depreciated	749,474	879,094	1,628,568
Net of accumulated depreciation	3,111,074	7,871,727	10,982,802
Net pension asset	34,254	22,020	56,274
Total non-current assets	<u>3,944,212</u>	<u>9,111,309</u>	<u>13,055,521</u>
Total assets	4,317,371	10,346,558	14,663,929
Deferred outflows of resources - pensions	15,331	10,172	25,503
<b>Total assets and deferred outflows of resources</b>	<b><u>\$ 4,332,702</u></b>	<b><u>10,356,730</u></b>	<b><u>14,689,432</u></b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 28,461	251	28,712
Customer security deposits	6,000	-	6,000
Compensated absences	3,751	1,927	5,678
Due to other funds	109,870	-	109,870
Revenue bonds, current portion	19,045	220,000	239,045
Total current liabilities	<u>167,127</u>	<u>222,177</u>	<u>389,304</u>
Non-current liabilities:			
Due to developer	38,000	-	38,000
Revenue bonds, non-current	-	4,400,000	4,400,000
Total non-current liabilities	<u>38,000</u>	<u>4,400,000</u>	<u>4,438,000</u>
Total liabilities	205,127	4,622,177	4,827,304
Deferred inflows of resources - pensions	47,014	30,235	77,249
<b>Total liabilities and deferred inflows of resources</b>	<b><u>252,141</u></b>	<b><u>4,652,412</u></b>	<b><u>4,904,553</u></b>
<b>NET POSITION:</b>			
Net investment in capital assets	3,803,504	4,130,821	7,934,325
Restricted for:			
Debt service	49,410	-	49,410
Construction	-	338,467	338,467
Unrestricted	227,648	1,235,029	1,462,677
<b>Total net position</b>	<b><u>4,080,561</u></b>	<b><u>5,704,318</u></b>	<b><u>9,784,879</u></b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b><u>\$ 4,332,702</u></b>	<b><u>10,356,730</u></b>	<b><u>14,689,432</u></b>

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

Francis City  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN NET POSITION - PROPRIETARY FUND**  
For the Year Ended June 30, 2022

	Water Fund	Sewer Fund	Total Enterprise Funds
<b>Operating income:</b>			
Charges for sales and service	\$ 279,985	408,789	688,775
Connection fees	19,000	1,850	20,850
Other operating income	17,541	467	18,008
<b>Total operating income</b>	<b>316,526</b>	<b>411,107</b>	<b>727,633</b>
<b>Operating expenses:</b>			
Personnel services	118,814	42,816	161,630
Utilities	7,728	42,744	50,472
Repair and maintenance	60,141	41,160	101,301
Other supplies and expenses	14,445	3,442	17,887
Assesments	54,490	-	54,490
Depreciation expense	121,902	233,707	355,610
<b>Total operating expense</b>	<b>377,521</b>	<b>363,870</b>	<b>741,391</b>
<b>Net operating income (loss)</b>	<b>(60,995)</b>	<b>47,237</b>	<b>(13,758)</b>
<b>Non-operating income (expense):</b>			
Impact fees	195,905	87,809	283,714
Interest income	225	1,860	2,084
Interest on long-term debt	(6,410)	-	(6,410)
<b>Total non-operating income (expense)</b>	<b>189,719</b>	<b>89,668</b>	<b>279,388</b>
<b>Income (loss) before capital contributions and transfers</b>	<b>128,724</b>	<b>136,905</b>	<b>265,629</b>
Developer contributions	66,000	61,000	127,000
Transfers in (out)	(5,319)	(5,319)	(10,638)
<b>Change in net position</b>	<b>189,405</b>	<b>192,586</b>	<b>381,992</b>
Net position - beginning	3,891,156	5,511,732	9,402,888
<b>Net position - ending</b>	<b>\$ 4,080,561</b>	<b>5,704,318</b>	<b>9,784,879</b>

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

Francis City  
**STATEMENT OF CASH FLOWS**  
For the Year Ended June 30, 2022

	Water Fund	Sewer Fund	Total Enterprise Funds
<b>Cash flows from operating activities:</b>			
Cash received from customers - service	\$ 312,356	407,793	720,149
Cash paid to suppliers	(143,095)	(87,096)	(230,190)
Cash paid to employees	(132,814)	(52,443)	(185,257)
<b>Net cash provided (used) in operating activities</b>	<b>36,447</b>	<b>268,254</b>	<b>304,701</b>
<b>Cash flows from noncapital financing activities:</b>			
Interfund activity	(195,448)	(5,319)	(200,767)
<b>Net cash provided (used) in noncapital financing activities</b>	<b>(195,448)</b>	<b>(5,319)</b>	<b>(200,767)</b>
<b>Cash flows from capital and related financing activities:</b>			
Cash from impact fees	195,905	87,809	283,714
Cash payments for capital assets	(50,305)	(23,356)	(73,661)
Cash payments for long-term debt principal	(22,000)	(220,000)	(242,000)
Cash payments for long-term debt interest	(6,410)	-	(6,410)
<b>Net cash provided (used) in capital and related financing activities</b>	<b>117,190</b>	<b>(155,547)</b>	<b>(38,358)</b>
<b>Cash flows from investing activities:</b>			
Cash received from interest earned	225	1,860	2,084
<b>Net cash provided (used) in investing activities</b>	<b>225</b>	<b>1,860</b>	<b>2,084</b>
<b>Net increase (decrease) in cash</b>	<b>(41,587)</b>	<b>109,248</b>	<b>67,661</b>
Cash balance, beginning	430,386	1,422,382	1,852,768
<b>Cash balance, ending</b>	<b>\$ 388,799</b>	<b>1,531,630</b>	<b>1,920,428</b>
<b>Cash reported on the statement of net position:</b>			
Cash and cash equivalents	\$ 339,389	1,193,162	1,532,551
Non-current restricted cash	49,410	338,467	387,877
<b>Total cash and cash equivalents</b>	<b>\$ 388,799</b>	<b>1,531,630</b>	<b>1,920,428</b>

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

Francis City  
**STATEMENT OF CASH FLOWS (continued)**  
For the Year Ended June 30, 2022

<b>Reconciliation of Operating Income to Net Cash Provided (Used) in Operating Activities:</b>	Water Fund	Sewer Fund	Total Enterprise Funds
<b>Net operating income (expense)</b>	<b>\$ (60,995)</b>	<b>47,237</b>	<b>(13,758)</b>
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities:			
Depreciation and amortization	121,902	233,707	355,610
Changes in assets and liabilities:			
(Increase) decrease in receivables	(4,170)	(3,314)	(7,484)
(Increase) decrease in net pension asset	(34,254)	(22,020)	(56,274)
(Increase) decrease in deferred outflows	(3,828)	(2,461)	(6,289)
Increase (decrease) in payables	(6,290)	251	(6,039)
Increase (decrease) in compensated absences	83	(41)	42
Increase (decrease) in net pension liability	(2,481)	(2,128)	(4,609)
Increase (decrease) in deferred inflows	26,480	17,023	43,503
<b>Net cash provided (used) in operating activities</b>	<b>\$ 36,447</b>	<b>268,254</b>	<b>304,701</b>
 <b>Noncash financing and investing activities:</b>			
Developer contributions	66,000	61,000	127,000

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

Francis City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1-A. Reporting entity**

Francis City (the City), a municipal corporation located in Summit County, Utah, operates under a Mayor-Council form of government. Formerly Francis Town, the City was designated as a City by Utah State following the population count in the 2010 census. The accompanying financial statements present the City and its component units, or entities for which the City is considered to be financially accountable.

The City has no component units and is not a component unit of another entity.

**1-B. Government-wide and fund financial statements**

*Government-wide Financial Statements*

The government-wide financial statements, consisting of the statement of net position and the statement of activities report information on all 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.



Francis City  
**NOTES TO FINANCIAL STATEMENTS**  
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**1-C. Measurement focus, basis of accounting and financial statement presentation**

The financial statements of the City 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 City 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 City 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 City's policy to use restricted resources first, then unrestricted resources as they are 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.

Francis City  
**NOTES TO FINANCIAL STATEMENTS**  
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**1-D. Fund types and major funds**

*Governmental funds*

**The City 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 *capital projects fund* is used to account for the acquisition or construction of major capital facilities of the City (other than those financed by proprietary funds).

**The City reports the following as non-major governmental funds:**

The *Frontier Days special revenue fund* is used to account for activity of the annual community celebration held by the City.

*Proprietary funds*

**The City reports the following major proprietary funds:**

The *water utility fund* is used to account for the activities regarding culinary water distribution.

The *sewer utility fund* is used to account for the activities regarding the operations of the sewer collection and disposal system.

**1-E. Assets, Liabilities, and Net Assets 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 City are accounts at the Utah Public Treasurers Investments Fund. Additional information is contained in Note 2.

**1-E-2. Cash and Cash Equivalents**

The City's cash and cash equivalents are generally considered to be short-term, highly liquid investments with original maturities of three months or less from the date of acquisition.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

**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. Customer accounts are reported net of any allowance for uncollectible accounts. The allowance amount is estimated using accounts receivable past due more than 90 days.

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.

Francis City  
**NOTES TO FINANCIAL STATEMENTS**  
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**1-E. Assets, Liabilities, and Net Assets or Equity (continued)**

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

Property taxes are assessed and collected for the City by Summit County and remitted to the City 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 consist of immaterial amounts of expendable supplies for consumption and are not reported. 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. *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 cost of \$1,000 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.

Francis City  
**NOTES TO FINANCIAL STATEMENTS**  
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**1-E. Assets, Liabilities, and Net Assets or Equity (continued)**

**1-E-6. Capital Assets (continued)**

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 and improvements	15-30
Utility systems	40
Infrastructure	30
Vehicles and equipment	5-7

**1-E-7. 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 position. 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. Significant or material bond issuance costs are reported as deferred charges.

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.

**1-E-8. Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results may differ from those estimates.

**1-E-9. 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 City 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. The City also reports deferred inflows of resources related to pensions as required by GASB 68.

Francis City  
**NOTES TO FINANCIAL STATEMENTS**  
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**1-E. Assets, Liabilities, and Net Position or Equity (continued)**

**1-E-10. Net position flow assumption**

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted - net position to have been depleted before unrestricted – net position is applied.

**1-E-11. Fund balance flow assumptions**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to reports as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using and of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**1-E-12. Fund balance policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**1-E-13. 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.

Francis City  
**NOTES TO FINANCIAL STATEMENTS**  
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**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 City 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 City 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 City's budgetary control (the level at which the City'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 City 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.

Once adopted, the budget may be amended by the City Council without hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available for budgeting. 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 net position**

None of the City's funds have deficit balances.

**NOTE 3 - DETAILED NOTES**

**3-A. Deposits and investments**

Cash and investments as of June 30, 2022, consist of the following:

	Fair Value
Cash on hand	\$ 53
Demand deposits	2,775,967
Investments - PTIF	5,566,274
<b>Total cash</b>	<b><u>\$ 8,342,293</u></b>

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

Cash and cash equivalents (current)	\$ 6,351,109
Restricted cash and cash equivalents (non-current)	1,991,183
<b>Total cash and cash equivalents</b>	<b><u>\$ 8,342,293</u></b>

Francis City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022

**3-A. Deposits and investments (continued)**

**Deposits**

*Custodial credit risk*

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. As of June 30, 2022, \$2,563,324 of the City's bank balances of \$2,813,324 was uninsured and uncollateralized.

**Investments**

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 City follows the requirements of the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of City 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.

The Money Management Act defines the types of securities authorized as appropriate investments for the City's funds 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. Statutes authorize the City to invest in the Utah State Public Treasurers' Investment Fund. The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (*Utah Code*, Title 51, Chapter 7). 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 gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, 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 City 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, 2022, the City had \$5,566,274 invested in the PTIF, which uses a Level 2 fair value measurement.

*Interest rate risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. As of June 30, 2022, the City's investments of \$5,566,274 in PTIF had an investment maturity of less than one year and are available immediately.

Francis City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022

**3-A. Deposits and investments (continued)**

*Credit risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act, as previously discussed. At June 30, 2022, the City's investments in the PTIF had an Unrated quality rating.

*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. The City's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio. At June 30, 2022, all of the City's investments were invested in the PTIF.

*Custodial Credit Risk*

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. This risk is addressed through the policy of investing excess monies only in PTIF.

**3-B. Receivables**

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

	General Fund	Water Fund	Sewer Fund	Total
Property taxes	\$ 360,810	-	-	360,810
Due from other governments	111,026	-	-	111,026
Customers	-	33,770	42,087	75,857
<b>Total receivables</b>	<b>\$471,836</b>	<b>33,770</b>	<b>42,087</b>	<b>547,693</b>



Francis City  
**NOTES TO FINANCIAL STATEMENTS**  
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**3-C. Capital assets**

Capital asset activity for governmental activities was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Land rights	\$ 406,226	-	-	406,226
Construction in progress	191,831	64,563	256,394	-
<b>Total capital assets, not being depreciated</b>	<b>598,056</b>	<b>64,563</b>	<b>256,394</b>	<b>406,226</b>
Capital assets, being depreciated:				
Buildings	433,855	74,532	-	508,387
Improvements other than buildings	1,838,744	529,562	-	2,368,306
Machinery and equipment	454,709	-	-	454,709
<b>Total capital assets, being depreciated</b>	<b>2,727,308</b>	<b>604,094</b>	<b>-</b>	<b>3,331,402</b>
Less accumulated depreciation for:				
Buildings	200,527	20,097	-	220,624
Improvements other than buildings	565,773	114,556	-	680,329
Machinery and equipment	223,575	51,063	-	274,638
<b>Total accumulated depreciation</b>	<b>989,874</b>	<b>185,716</b>	<b>-</b>	<b>1,175,591</b>
<b>Total capital assets being depreciated, net</b>	<b>1,737,434</b>	<b>418,378</b>	<b>-</b>	<b>2,155,811</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 2,335,490</b>	<b>482,941</b>	<b>256,394</b>	<b>2,562,037</b>

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

<b>Governmental activities:</b>	
General government	\$ 25,811
Highways and public improvements	142,670
Parks, recreation and public property	17,235
<b>Total</b>	<b>\$ 185,716</b>

Francis City  
**NOTES TO FINANCIAL STATEMENTS**  
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**3-C. Capital assets (continued)**

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

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Land	\$ 1,578,263	-	-	1,578,263
Construction in progress	-	50,305	-	50,305
<b>Total capital assets, not being depreciated</b>	<b>1,578,263</b>	<b>50,305</b>	<b>-</b>	<b>1,628,568</b>
Capital assets, being depreciated:				
Water system	4,753,523	66,000	-	4,819,523
Sewer system	9,891,677	84,356	-	9,976,033
Machinery and equipment	200,478	-	-	200,478
Buildings and structures	78,595	-	-	78,595
<b>Total capital assets, being depreciated</b>	<b>14,924,273</b>	<b>150,356</b>	<b>-</b>	<b>15,074,629</b>
Less accumulated depreciation for:				
Water system	1,637,753	111,278	-	1,749,031
Sewer system	1,887,121	230,299	-	2,117,420
Machinery and equipment	148,895	9,364	-	158,259
Buildings and structures	62,449	4,669	-	67,118
<b>Total accumulated depreciation</b>	<b>3,736,217</b>	<b>355,610</b>	<b>-</b>	<b>4,091,827</b>
<b>Total capital assets being depreciated, net</b>	<b>11,188,056</b>	<b>(205,254)</b>	<b>-</b>	<b>10,982,802</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 12,766,319</b>	<b>(154,949)</b>	<b>-</b>	<b>12,611,370</b>

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

<b>Business-type activities:</b>	
Water	\$ 121,902
Sewer	233,707
<b>Total</b>	<b>\$ 355,610</b>

Francis City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022

**3-D. Long-term debt**

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

	Original Principal	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2021 Freightliner Snowplow - Lease							
Matures 6/30/2020	\$ 97,365	3.00	\$ 92,295	-	12,515	79,780	11,916
<b>Total governmental activity</b>							
<b>long-term liabilities</b>			<b>\$ 92,295</b>	<b>-</b>	<b>12,515</b>	<b>79,780</b>	<b>11,916</b>

The City has acquired the above 2021 Freightliner financed with a lease. The value of the asset acquired was \$168,853, with \$71,488 paid upfront and \$97,365 financed. Accumulated depreciation at year-end amounted to \$33,167, leaving a current book value of \$135,686.

	Principal	Interest	Total
2023	\$ 11,916	3,442	15,358
2024	13,504	2,710	16,214
2025	14,050	2,453	16,503
2026	14,619	1,906	16,525
2027	15,211	1,338	16,548
2028	10,481	-	10,481
<b>Total</b>	<b>\$ 79,780</b>	<b>11,849</b>	<b>91,630</b>

Francis City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022

**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
1996 DWR Water Revenue							
Matures 1/1/2023	\$ 342,000	1.00	\$ 41,045	-	22,000	19,045	19,045
2014 Sewer Revenue							
Matures 10/1/2042	5,500,000	-	4,840,000	-	220,000	4,620,000	220,000
<b>Total governmental activity</b>							
<b>long-term liabilities</b>			<b>\$4,881,045</b>	<b>-</b>	<b>242,000</b>	<b>4,639,045</b>	<b>239,045</b>

All bonds and notes are secured by the revenues of the respective water and sewer systems.

The 2014 Sewer Revenue loan was issued for upsizing the existing wastewater treatment lagoon system. At the time it was issued, the Water Quality Board also authorized a Design Advance in the amount of \$1,094,000 and a Hardship Grant/Principal Forgiveness amount of \$2,275,000. As of June 30, 2021, the Design Advance had been paid in full, \$2,275,000 of the Hardship Grant/Principal Forgiveness amount had been disbursed to the City, and the total loan amount of \$5,500,000 had been disbursed to the City.

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

	Principal	Interest	Total
2023	\$ 239,045	190	239,235
2024	220,000	-	220,000
2025	220,000	-	220,000
2026	220,000	-	220,000
2027	220,000	-	220,000
2028 - 2032	1,100,000	-	1,100,000
2033 - 2037	1,100,000	-	1,100,000
2038 - 2042	1,100,000	-	1,100,000
2043	220,000	-	220,000
<b>Total</b>	<b>\$4,639,045</b>	<b>190</b>	<b>\$ 4,639,235</b>

Francis City  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 4 - OTHER INFORMATION**

**4-A. Risk management**

The City 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 City participates in the Utah Local Government Trust, a public agency insurance mutual, which provides coverage for property damage and general liability. The City 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. Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**4-C. Liens and Encumbrances**

Property in proprietary funds fixed assets consisting of: the land application site, winter storage area, and connecting roadway of the sewer project were purchased with a grant provided by the Environmental Protection Agency of the United States Government. They have, therefore, asserted a lien against the property. Their interest is 55% of the proceeds of any subsequent sale or current fair market value of the property. The City is restricted in the use of the property for the purposes of the original grant only, unless such use is no longer needed. If that situation occurs, the EPA may approve use in other EPA support projects or control the dispersal of value according to the appropriate percentages. Since the eligible cost of this property is \$262,907, the lien is estimated at a minimum of \$144,600 based on historical cost multiplied by 55%.

**4-D. Commitments & Contingencies**

The City is a defendant in certain legal actions and pending actions, or in process for miscellaneous claims. The ultimate liability that might result from the final resolution of the above matters is not presently determinable. The City management is of the opinion that the final outcome of the cases will not have an adverse material effect on the City's financial statements.

**4-E. Interfund Loan**

The Town has established by resolution an interfund loan between the general fund and the water fund in the amount of \$300,000. The interfund loan was made to provide a funding source within the water fund to support capital improvements. The interfund loan will be repaid as water impact fees are received and available for repayment of the loan. As of year-end, \$109,870 remains due to the general fund.

**4-F. Subsequent Events**

The City has evaluated subsequent events through December 21, 2022, the date the financial statements were available to be issued.

Francis City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022

**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:

**Defined Benefit Plans**

Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost sharing, 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;

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](http://www.urs.org).

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	2.0% per year all years	Up to 4%
		25 years any age*		
		20 years an 60*		
		10 years age 62*		
		4 years age 65		
Tier 2 Pulic Employees System	Highest 5 Years	35 years any age	1.50% per year all years	Up to 2.5%
		20 years an 60*		
		10 years age 62*		
		4 years age 65		

\* 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.

Francis City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022

**4-G. Pension Plans (continued)**

**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 Utah Statement Retirement 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 Paid</u>	<u>Employer Contribution Rate</u>	<u>Employer Rate for 401(k) Plan</u>
Contributory System			
111 Local Government Div - Tier 2	N/A	16.07	0.62
Noncontributory			
15 Local Government Div - Tier1	N/A	18.47	N/A
Tier 2 DC Only			
211 Local Government	N/A	6.69	10.00

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, 2022, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 29,594	N/A
Tier 2 Public Employees System	\$ 18,937	-
Tier 2 DC Only System	856	N/A
<b>Total Contributions</b>	<b>\$ 49,388</b>	<b>-</b>

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.

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

At June 30, 2022, we reported a net pension asset of \$122,335 and a net pension liability of \$0.

	<u>(Measurement Date): December 31, 2021</u>			<u>Proportionate Share 12/31/2020</u>	<u>Change (Decrease)</u>
	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>	<u>Proportionate Share</u>		
Noncontributory System	\$ 120,612	-	0.0210599%	0.0189734%	0.0020865%
Tier 2 Public Employees System	1,723	-	0.0040703%	0.0014692%	0.0026011%
<b>Total</b>	<b>\$ 122,335</b>	<b>-</b>			

Francis City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022

**4-G. Pension Plans (continued)**

The net pension asset and liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2021 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, 2022, we recognize pension expense of (\$3,039).

At June 30, 2022, 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	\$ 13,470	\$ 222
Changes in assumptions	12,926	795
Net difference between projected and actual earnings on pension plan investments	-	166,645
Changes in proportion and differences between contributions and proportionate share of contributions	10,278	269
Contributions subsequent to the measurement date	18,723	-
<b>Total</b>	<b>\$ 55,397</b>	<b>\$ 167,931</b>

\$18,723 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, 2021.

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:

<u>Year Ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources
2022	\$ (21,596)
2023	(44,488)
2024	(39,820)
2025	(27,410)
2026	336
Thereafter	1,722



Francis City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022

**4-G. Pension Plans (continued)**

***Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources***

For the year ended June 30, 2022, we recognize pension expense of (\$9,020).

At June 30, 2022, 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	\$ 12,633	\$ -
Changes in assumptions	11,320	779
Net difference between projected and actual earnings on pension plan investments	-	162,388
Changes in proportion and differences between contributions and proportionate share of contributions	8,900	-
Contributions subsequent to the measurement date	10,283	-
<b>Total</b>	<b>\$ 43,136</b>	<b>\$ 163,167</b>

\$10,283 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, 2021.

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:

<u>Year Ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources
2022	\$ (20,795)
2023	(43,462)
2024	(39,075)
2025	(26,981)
2026	-
Thereafter	-

Francis City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022

**4-G. Pension Plans (continued)**

***Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources***

For the year ended June 30, 2022, we recognize pension expense of \$5,981.

At June 30, 2022, 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	\$ 837	\$ 222
Changes in assumptions	1,606	16
Net difference between projected and actual earnings on pension plan investments	-	4,257
Changes in proportion and differences between contributions and proportionate share of contributions	1,378	269
Contributions subsequent to the measurement date	8,441	-
<b>Total</b>	<b>\$ 12,262</b>	<b>\$ 4,764</b>

\$8,411 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, 2021.

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:

<u>Year Ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources
2022	\$ (801)
2023	(1,026)
2024	(745)
2025	(429)
2026	336
Thereafter	1,722

Francis City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022

**4-G. Pension Plans (continued)**

**Actuarial assumptions:**

The total pension liability in the December 31, 2021, 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 - 9.25 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2021, valuations were based on the results of an actuarial experience study for the five-year period ending December 31, 2019.

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	37%	6.58%	2.43%
Debt securities	20%	-0.28%	-0.06%
Real assets	15%	5.77%	0.87%
Private equity	12%	9.85%	1.18%
Absolute return	16%	2.91%	0.47%
Cash and cash equivalents	0%	-1.01%	0.00%
<b>Totals</b>	<b>100.00%</b>		<b>4.89%</b>
	Inflation		2.50%
	Expected arithmetic nominal return		7.39%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

Francis City  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022

**4-G. Pension Plans (continued)**

**Discount rate:**

The discount rate used to measure the total pension liability was 6.85 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 from 6.95% to 6.85% from the prior measurement date.

**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 6.85 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 (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

<b>System</b>	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 64,857	(120,612)	(275,350)
Tier 2 Public Employees System	10,264	(1,723)	(10,926)
<b>Total</b>	<b>\$ 75,121</b>	<b>(122,335)</b>	<b>(286,276)</b>

**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 City participates in the following Defined Contribution Savings Plans with the Utah Retirement Systems:

- 401(k) Plan
- Roth IRA Plan

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

	2022	2021	2020
401(k) Plan			
Employer Contributions	\$ 2,011	\$ 322	\$ 14
Employee Contributions	11,324	7,841	9,367
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	650	1,200	3,510

**REQUIRED SUPPLEMENTARY INFORMATION**  
(Unaudited)

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Francis City  
**Notes to Required Supplementary Information**  
June 30, 2022

**Budgetary Comparison Schedules**

The Budgetary Comparison Schedule presented in this section of the report is for the City'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 City 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, 2022, expenditures within all departments were under budgeted amounts.

**Changes in Assumptions Related to Pensions**

The investment return assumption was decreased by 0.10% to 6.85% for use in the January 1, 2021 actuarial valuation. This assumption change was based on analysis performed by the actuary and adopted by the Utah State Retirement Board. In aggregate, this assumption change resulted in a \$509 million increase in the Total Pension Liability, which is about 1.3% of the Total Pension Liability as of December 31, 2020 for all systems combined. The demographic assumptions were reviewed and updated in the January 1, 2020 actuarial valuation and are currently scheduled to be reviewed in the year 2023.

Francis City  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**  
For the Year Ended June 30, 2022

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
<b>Revenues</b>				
Taxes	\$ 661,200	705,700	794,272	88,572
Licenses and permits	362,750	191,250	338,905	147,655
Intergovernmental revenues	140,462	140,462	245,974	105,512
Charges for services	25,105	25,105	10,008	(15,097)
Interest	10,600	10,600	19,358	8,758
Miscellaneous revenue	2,000	2,000	8,492	6,492
<b>Total revenues</b>	<b>1,202,117</b>	<b>1,075,117</b>	<b>1,417,009</b>	<b>341,892</b>
<b>Expenditures</b>				
General government	620,572	619,440	618,719	721
Highways and public improvements	303,162	300,162	208,693	91,469
Parks, recreation and public property	161,180	99,500	69,773	29,727
<b>Total expenditures</b>	<b>1,084,914</b>	<b>1,019,102</b>	<b>897,185</b>	<b>121,917</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>117,203</b>	<b>56,015</b>	<b>519,824</b>	<b>463,809</b>
<b>Other financing sources and (uses)</b>				
Impact fees	58,410	72,000	82,612	10,612
Transfers in	10,640	10,640	10,638	2
Transfers out	(186,253)	(138,655)	(200,000)	61,345
<b>Total other financing sources and (uses)</b>	<b>(117,203)</b>	<b>(56,015)</b>	<b>(106,751)</b>	<b>50,736</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>413,073</b>	<b>413,073</b>
Fund balances - beginning of year	493,054	493,054	493,054	-
<b>Fund balances - end of year</b>	<b>\$ 493,054</b>	<b>493,054</b>	<b>906,127</b>	<b>413,073</b>



Francis City  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
June 30, 2022  
Last 10 Fiscal Years\*

	As of December 31,									
	2021	2020	2019	2018	2017	2016	2015	2014		
<b>Noncontributory Retirement System</b>										
Proportion of the net pension liability (asset)	0.0210599%	0.0189734%	0.0178975%	0.0149577%	0.0135540%	0.0124660%	0.0118629%	0.0115515%		
Proportionate share of the net pension liability (asset)	\$ (120,612)	\$ 9,732	\$ 67,453	\$ 110,144	\$ 59,384	\$ 80,047	\$ 67,126	\$ 50		
Covered employee payroll	\$ 195,558	\$ 231,918	\$ 209,906	\$ 127,497	\$ 120,055	\$ 115,219	\$ 105,667	\$ 101,468		
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-61.68%	4.20%	32.13%	86.39%	49.45%	69.47%	63.53%	49.40%		
Plan fiduciary net position as a percentage of the total pension liability	108.70%	99.20%	93.70%	87.00%	91.90%	87.30%	87.80%	90.20%		
<b>Tier 2 Public Employees Retirement System</b>										
Proportion of the net pension liability (asset)	0.0040703%	0.0014692%	0.0019525%	0.0034234%	0.0016589%	0.0000000%	0.0000000%	0.0000000%		
Proportionate share of the net pension liability (asset)	\$ (1,723)	\$ 211	\$ 439	\$ 1,466	\$ 146	\$ -	\$ -	\$ -		
Covered employee payroll	\$ 74,969	\$ 23,355	\$ 27,325	\$ 39,819	\$ 16,057	\$ -	\$ -	\$ -		
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-2.30%	0.90%	1.61%	3.68%	0.91%	0.00%	0.00%	0.00%		
Plan fiduciary net position as a percentage of the total pension liability	103.80%	98.30%	96.50%	90.80%	97.40%	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.

Francis City  
**SCHEDULE OF CONTRIBUTIONS**  
June 30, 2022  
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**
<b>Noncontributory Retirement System</b>	2014	17,351	17,351	-	100,625	17.24%
	2015	18,757	18,757	-	101,554	18.47%
	2016	20,422	20,422	-	110,568	18.47%
	2017	21,909	21,909	-	118,618	18.47%
	2018	22,398	22,398	-	121,267	18.47%
	2019	25,811	25,811	-	156,686	16.47%
	2020	33,084	33,084	-	234,493	14.11%
	2021	32,783	32,783	-	213,755	15.34%
	2022	22,594	22,594	-	160,228	18.47%
<b>Tier 2 Public Employees System</b>	2018	4,816	4,816	-	31,871	15.11%
	2019	7,811	7,811	-	50,331	15.52%
	2020	394	394	-	2,533	15.54%
	2021	5,723	5,723	-	36,219	15.80%
	2022	18,937	18,937	-	117,843	16.07%
<b>Tier 2 Public Employees DC Only System</b>	2021	-	-	-	-	0.00%
	2022	856	856	-	12,802	6.69%

Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

\* 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.

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

## **SUPPLEMENTARY INFORMATION**



**GILBERT & STEWART**  
CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION  
ESTABLISHED 1974

RANDEL A. HEATON, CPA  
LYNN A. GILBERT, CPA  
JAMES A. GILBERT, CPA  
BEN H. PROBST, CPA  
RONALD J. STEWART, CPA  
  
SIDNEY S. GILBERT, CPA  
JAMES E. STEWART, CPA

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**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 City Council  
Francis City, UT

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 Francis City, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Francis City's basic financial statements, and have issued our report thereon dated December 30, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Francis City'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 Francis City's internal control. Accordingly, we do not express an opinion on the effectiveness of Francis City'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 Francis City'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*.

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AMERICAN FORK OFFICE  
85 NORTH CENTER STREET  
AMERICAN FORK, UT 84003  
(801) 758-9666  
FAX (801) 758-9667

PROVO OFFICE  
190 WEST 800 NORTH #100  
PROVO, UT 84601  
(801) 377-5300  
FAX (801) 373-5622  
  
WWW.GILBERTANDSTEWART.COM

HEBER OFFICE  
2 SOUTH MAIN, SUITE 2A  
HEBER, UT 84032  
(435) 654-8477  
FAX (801) 373-5822

### **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.

*Gilbert & Stewart*

GILBERT & STEWART  
Certified Public Accountants  
December 30, 2022  
Provo, UT



**GILBERT & STEWART**  
CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION  
ESTABLISHED 1974

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BEN H. PROBST, CPA  
RONALD J. STEWART, CPA

SIDNEY S. GILBERT, CPA  
JAMES E. STEWART, CPA

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

Honorable Mayor and Members of the City Council  
Francis City, Utah

**Report On Compliance**

We have audited Francis City's ("the City") compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2022.

State compliance requirements were tested for the year ended June 30, 2022, in the following areas:

Budgetary Compliance  
Fund Balance  
Fraud Risk Assessment  
Restricted Taxes and Related Revenues  
Government Fees  
Impact Fees  
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 City's compliance based on our audit of the state 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 City'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. However, our audit does not provide a legal determination of the City's compliance with those requirements.

### ***Opinion on Compliance***

In our opinion, Francis City complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2022.

### ***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 our letter to management dated December 30, 2022 as items 2022-1. Our opinion on compliance is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying letter to management dated December 30, 2022 as items 2022-1. The City'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 City 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 City'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 City'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 to detect and correct noncompliance with a state 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 state 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 state 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.

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.

***Gilbert & Stewart***

Gilbert & Stewart  
Certified Public Accountants  
Provo, Utah  
December 30, 2022



## MEMORANDUM

**To:** City Council of the City of Francis  
**From:** Carl Miller, PMP, AICP CTP, Regional Transportation Planning Director  
**Date of Meeting:** November 10, 2022  
**Subject:** Consideration and possible approval of the Wasatch Back Rural Planning Organization Interlocal Agreement

---

On September 20, 2022, the Council of Governments (COG) recommended the approval of the authorization of the Wasatch Back Rural Planning Organization (WBRPO). Rural Planning Organizations (RPO) are voluntary associations of local governments formed by Interlocal Agreements that enable more effective planning, coordination, and prioritization of local projects in the Statewide Transportation Improvement Program (STIP). At a minimum, an RPO must be comprised of a fiscal and administrative agent, a policy committee, and a technical committee. Other standing and temporary committees may be appointed as needed.

The ILA authorizes Summit County, Wasatch County, and cities inclusive, to establish the WBRPO with each community authorized one representative as a member of the board. Mountainland Association of Governments (MAG) will act as the administrative and technical staff to the Board, provide coordinating consultant services, and prepare and administer the annual work program and budget.

The bylaws reviewed by the COG in September were modeled after existing RPOs in the state of Utah. Summit County staff looks forward to the increased planning and coordination that the RPO designation offers.





**M A G**

Expert Resources. Enriching Lives.

# Wasatch Back RPO

November 10, 2022

Bob Allen AICP  
Senior Planner



# What is a Rural Planning Organization (RPO)?

## US Title 23, 450.210

A Governor may establish and designate RTPOs to enhance the planning, coordination, and implementation of the long-range statewide transportation plan and STIP, with an emphasis on addressing the needs of nonmetropolitan areas of the State. In order to be treated as an RTPO for purposes of this Part, any existing regional planning organization must be established and designated as an RTPO under this section.

Where established, an **RTPO shall be a multijurisdictional organization of nonmetropolitan local officials** or their designees who volunteer for such organization and representatives of local transportation systems who volunteer for such organization. An RTPO shall establish, at a minimum:

- **§ A policy committee**, the majority of which shall consist of nonmetropolitan local officials, or their designees, and, as appropriate, additional representatives from the State, private business, transportation service providers, economic development practitioners, and the public in the region; and
- **§ A fiscal and administrative agent**, such as an existing regional planning and development organization, to provide professional planning, management, and administrative support.

# What is a Rural Planning Organization (RPO)?

- In 2016 Congress elevated the role of local officials in statewide planning so that states must "cooperate" rather than "consult" with LG's

- Establishing an RPO elevates the local governments priorities within a DOT and satisfies the DOT's requirement for local government consultation

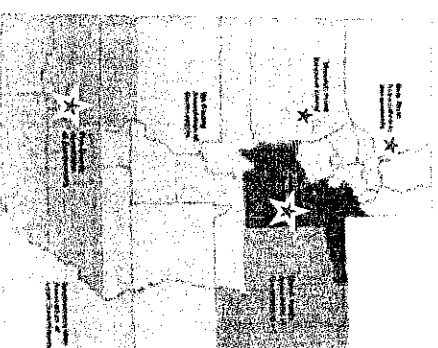
## Utah

### Quick Facts

Number of Rural Planning Organizations: 4  
Total annual funding: \$10,000 - \$20,000 (including local match); regions receive \$45,000 for mobility management activities  
Date established: 2004 - 2008

In general, the Utah Department of Transportation (UDOT) conducts the state's transportation planning process in rural areas under 50,000 people that are not served by an MPO. Rural transportation needs and opportunities are incorporated into the statewide long-range transportation plan, a project plan which is updated every four years. "Rapid growth in certain parts of rural Utah have led to the state working with regional development organizations (known locally as associations of governments or AOGs) to assist in addressing rural transportation issues. AOGs staff rural planning organizations (RPOs) to provide transportation planning support and assistance to certain rural areas

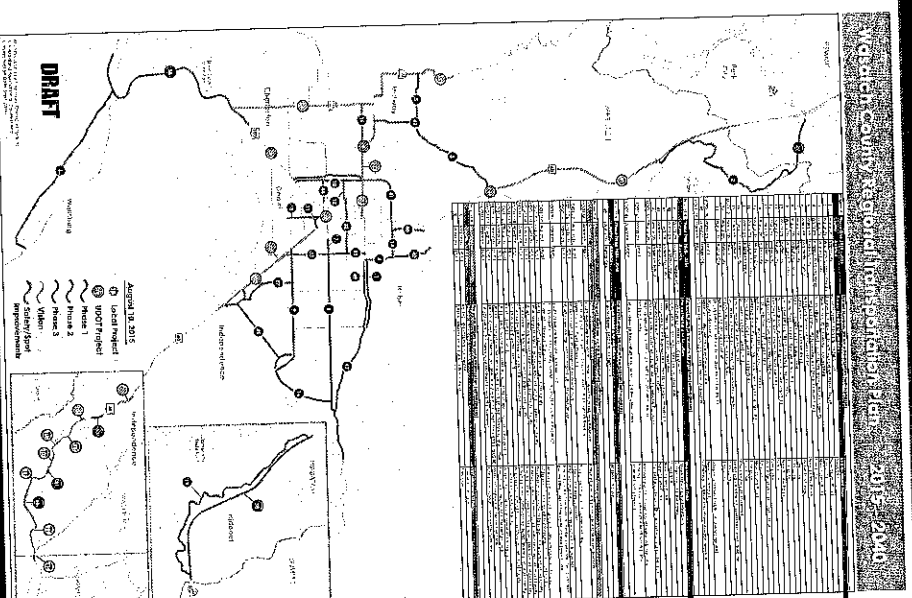
## Utah Associations of Governments



officials in the state transportation planning process. Some AOGs house both an MPO and an RPO and benefit from joint collaboration within the AOG structure. These organizations can leverage the

## What does an RPO do?

- Develop and maintain, in cooperation with the State, **regional long-range multimodal transportation plans;**
- Develop and prioritize transportation projects the RPO believes **should be considered for funding in the Statewide Transportation Improvement Plan ("STIP") process,** and in local transportation improvement programs;
- Foster the **coordination of local planning, land use, and economic development plans with State, regional, and local transportation plans and programs;**
- Provide **technical assistance** to local officials;



## What does an RPO do?

- Participate in **national, multistate, and State policy and planning development processes** to ensure the regional and local input of nonmetropolitan areas; •
- Provide a forum for **public participation** in the statewide and regional transportation planning processes;
- **Consider and share plans and programs with neighboring RTPOs, MPOs, and, where appropriate, Indian Tribal Governments;** and
- Conducting other duties, as necessary, to support and enhance the statewide planning process under § 450.206.



## Questions

### Membership

- Each county, city, town, UDOT.
- One vote per member

### Technical Advisory Committee

- Planners, Engineers, Staff from each member
- Act as "Planning Commission"



## Questions

### Project Competition

- Our plan is needs-based
- Projects are listed in the phase needed

### Meetings

- Quarterly
  - 2 Separate Policy and Technical Committee meetings
  - 2 Combined Policy and Technical Committee meetings

# Thank you.

Bob Allen

801-229-3813

[rallen@mountainland.org](mailto:rallen@mountainland.org)



## INTERLOCAL COOPERATION AGREEMENT

By and Between  
**SUMMIT COUNTY**  
**WASATCH COUNTY**  
**PARK CITY**  
**HEBER CITY**  
**COALVILLE CITY**  
**KAMAS CITY**  
**OAKLEY CITY**  
**MIDWAY CITY**  
**HENEFER TOWN**  
**FRANCIS TOWN**  
**CHARLESTON TOWN**  
**HIDEOUT TOWN**  
**DANIEL TOWN**  
**WALLSBURG TOWN**  
and  
**INDEPENDENCE TOWN**

Creating an interlocal entity known as the

### WASATCH BACK RURAL PLANNING ORGANIZATION

This Interlocal Cooperation Agreement ("Agreement"), entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by and between the counties of **SUMMIT COUNTY** and **WASATCH COUNTY**, bodies corporate and politic of the State of Utah (each a "Member County," and together, the "Counties"), and the municipalities of **PARK CITY**, **HEBER CITY**, **COALVILLE CITY**, **KAMAS CITY**, **OAKLEY CITY**, **MIDWAY CITY**, **HENEFER TOWN**, **FRANCIS TOWN**, **CHARLESTON TOWN**, **HIDEOUT TOWN**, **DANIEL TOWN**, **WALLSBURG TOWN**, and **INDEPENDENCE TOWN**, each municipality being a municipal corporation and a political subdivision of the State of Utah (each a "Member City," and together, the "Cities"). Each of the Counties and Cities are referred to individually as a "Party" and collectively as the "Parties." This Agreement sets forth the terms and conditions regarding the creation and operation of the Wasatch Back Rural Planning Organization.

### RECITALS

WHEREAS, pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code, 1953, *as amended* (the "Act"), public agencies, including political subdivisions of the State of Utah, as defined therein, are authorized to enter into written agreements with one another for joint cooperation and action; and,

WHEREAS, the Counties and Cities are located in a region referred to as the "Wasatch Back"; and,

WHEREAS, the Counties and Cities are members of the Mountainlands Association of Governments (“MAG”); and,

WHEREAS, MAG strives to assist the Wasatch Back in regional transportation collaboration, planning, and problem solving; and,

WHEREAS, the Utah Department of Transportation (“UDOT”) conducts the transportation planning process for the State of Utah through a Unified Transportation Plan (“UTP”), which is comprised of the Rural Area Plan and various Urban Area Plans. The UTP is utilized to determine which transportation projects will be funded and when they will be funded on the Statewide Transportation Improvement Program (the “STIP”); and,

WHEREAS, UDOT is assisted in (i) its development of the Urban Area Plans by four Metropolitan Planning Organizations (“MPO”), and (ii) its development of the Rural Area Plan by four Rural Planning Organizations (“RPO”); and,

WHEREAS, the Parties desire to create an RPO within the existing association of government framework offered by MAG.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, the Parties hereby agree to enter into this Agreement under the provisions of the Utah Interlocal Cooperation Act, §11-13-101, *et. seq.* of the Utah Code, to foster the legitimate interests of the Parties to actively work together on regional transportation planning within Summit and Wasatch Counties. The Parties recognize that transportation planning transcends political jurisdictional boundaries, and intergovernmental coordination is essential for protecting lives and property and for facilitating the efficient use of available assets both public and private.

## AGREEMENT

### **1. Creation, Purpose and Funding**

1.1 The Wasatch Back Rural Planning Organization is hereby created (the “WBRPO”).

1.2 The purpose of the WBRPO is to act as a voluntary advisory organization of local governments which fosters a cooperative effort in regards to transportation planning within the Wasatch Back.

1.3 The WBRPO shall:

1.3.1 Develop a long-range transportation plan for the Wasatch Back, including roads functionally classified as collector and above.

1.3.2 Provide a forum for public participation in the rural transportation process.

1.3.3 Develop and prioritize transportation projects the WBRPO believes should be considered for funding in the Rural Area Plan, UTP, and the STIP, and in local transportation improvement programs.

1.3.4 Provide transportation-related information to local governments and other interested agencies, organizations, and persons.

1.3.5 Serve as a forum to identify, discuss, study, and focus on regional transportation challenges and opportunities within the Wasatch Back.

1.3.6 Perform other related transportation planning activities that shall be agreed upon between the WBRPO, UDOT, and MAG.

1.4 Dues. The activities and functions of the WBRPO shall be financed by the assessment of dues on an annual basis from each Member County and Member City. Annual dues shall be set by the Board (defined below) and be payable to MAG on or before February 1<sup>st</sup> of each calendar year.

## 2. **Duration, Amendment, and Termination**

2.1 Duration. This Agreement shall be effective as of \_\_\_\_\_, 2022 and shall terminate on \_\_\_\_\_, 2032, unless renewed by mutual written agreement. In no event shall the term of this Agreement exceed fifty (50) years (Utah Code §11-13-216).

2.2 Amendment. This Agreement may only be amended by mutual written agreement of the Parties.

2.3 Termination. This Agreement may be terminated by a Party, as to that Party only, for any reason by giving thirty (30) days advanced written notice to the other Parties. The WBRPO may be dissolved and this Agreement terminated by the three-fourths (3/4) vote of all participating and duly authorized Board members at a meeting specifically held on the subject of said termination, which meeting shall be held only pursuant to written notice ten (10) days prior to said meeting with the subject of said meeting to be included in the same notice. Upon termination of this Agreement and dissolution of the WBRPO, any and all property held at that time in the name of the WBRPO shall be liquidated and disposed of by MAG, and the proceeds therefrom returned to the participating Member Counties and Member Cities of the WBRPO on a pro-rata share basis.

## 3. **Board**

### 3.1 Membership of the Board.

3.1.1 The WBRPO Board (the "Board") shall be comprised of the Mayor of each Member City and a councilmember of each Member County.

3.1.2 Each Member County's elected legislative body shall appoint one of its members to the Board.

3.1.3 Other members may be added to the Board by amendment of this Agreement.

3.2 Voting. Each Member City and Member County shall have one (1) vote on the Board. A simple majority vote of the voting members of the Board present, provided they constitute a quorum, shall be the action of the Board.

3.3 Quorum. A quorum of the Board shall consist of a simple majority of the total voting membership of the Board.

3.4 Officers. Officers of the Board shall consist of a Board Chair and Board Vice-Chair, and other officers as required. Officers are selected by majority vote of the Board for a term of two-years. Officers shall be selected at the first Board meeting of the year.

#### 4. **Role of the Board, its Officers and Staff**

4.1 Board Duties. The Board shall:

4.1.1 Adopt and amend the Board Bylaws.

4.1.2 Elect a Board Chair, Board Vice-Chair, and other officers as required.

4.1.3 Propose, initiate, approve, and/or implement studies, recommendations, discussions, plans, or other matters related to the WBRPO.

4.1.4 Prepare and evaluate transportation plans and priorities for consideration by public and private agencies responsible for implementing transportation projects within the Wasatch Back.

4.1.5 Maintain appropriate records for all activities of the WBRPO and its Board in accordance with the Government Records Access and Management Act ("GRAMA").

4.1.6 Comply with the Utah Open and Public Meetings Act ("OPMA").

4.1.7 Review the work of the Technical Committee (defined below) in preparation for WBRPO transportation plans, priorities, and public involvement.

4.1.8 Organize standing and temporary subcommittees.

4.1.9 Set the annual dues for membership.

4.2 MAG Duties. MAG shall:

4.2.1 Act as administrative and technical staff to the Board, which may include but is not limited to, general administrative support, recording of Board, Technical Committee, and subcommittee meeting minutes and business matters, coordinating consultant services, and preparing and administering an annual work program and budget.

4.2.2 Liaison between the Board and UDOT.

4.2.3 Liaison between the Board and any public or private agencies responsible for implementing transportation projects within the Wasatch Back.

4.2.4 Serve as custodian of all WBRPO records.

4.3 Chair Duties. The Chair shall:

4.3.1 Conduct meetings in accordance with Utah law.

4.3.2 Appoint, with the concurrence of the Board, the chair and vice-chair of the Technical Committee, and any other subcommittee established by the Board.

4.4 Vice-Chair Duties. The Vice-Chair shall:

4.4.1 Assume all duties of the Chair when the Chair is absent, unable, or unwilling to fulfill the duties of the Chair.

4.5 Chair Pro-Tem. In the event that neither the Chair, nor the Vice-Chair are available to preside over a Board meeting, a Chair Pro-Tem shall be appointed by majority vote of the Board.

5. **Technical Committee**

5.1 Membership of the Technical Committee. The Technical Committee shall consist of staff and appointed officials or volunteers from Member Counties and Cities, MAG, UDOT, and other appropriate agencies. The Technical Committee shall assist the Board with technical and planning transportation-related issues. Board members are ineligible for membership on the Technical Committee.

5.1.1 Each Member County and Member City shall appoint one member to the Technical Committee.

5.1.2 MAG and UDOT shall each appoint one member to the Technical Committee.

5.1.3 Other members may be appointed by the Chair, with the concurrence of the Board, as necessary.

5.2 Technical Committee Duties. The Technical Committee shall:

5.2.1 Maintain appropriate record keeping for all activities of the Technical Committee in accordance with GRAMA.

5.2.2 Comply with OPMA.

5.2.3 Prepare and evaluate transportation plans and priorities for consideration by the Board for implementing transportation projects within the Wasatch Back.

6. **Administration**

6.1 Meetings shall be called by either the Chair or by a majority of the members of (a) the Board, (b) the Technical Committee, or (c) each subcommittee, when deemed necessary, appropriate, and advisable for that Board, Technical Committee, or subcommittee to meet. Notices shall be distributed at least seven (7) days prior to a scheduled meeting, and be in accordance with OPMA.

6.2 All meetings of the Board, Technical Committee, or any subcommittee shall be conducted in accordance with Roberts Rules of Order, but shall be as informal as appropriate to the situation.

6.3 Executive closed meetings may be scheduled whenever the Chair deems such action permissible under OPMA.

7. **Conduct of Board and Committee Members**

7.1 Serve the Public Interest: The primary obligation of the Board, the Technical Committee, and any subcommittee, and each member thereof is to serve the public interest.

7.2 Recognize the Comprehensive and Long-Range Nature of Decisions: The Board, the Technical Committee, and any subcommittee, and each member thereof shall continuously gather and consider all relevant facts, alternatives and means of accomplishing them, and explicitly evaluate all consequences before making a recommendation or decision.

7.3 Facilitate Coordination through the Process: The Board, the Technical Committee, and any subcommittee shall ensure that individuals, and public and private agencies possibly affected by a prospective decision, receive adequate information far enough in advance of the decision.

7.4 Avoid Conflict of Interest: The Board, the Technical Committee, and any subcommittee members shall avoid conflicts of interest and even the appearance of

impropriety. At the commencement of any matter before the Board or committee, members shall divulge in public, any past, present, or expected relationship with any party affiliated with such matter. A member with a potential conflict of interest shall abstain from voting on the matter, not participate in any deliberations on the matter, and leave the Board or committee table, but may remain in the chamber. The member shall also not discuss the matter privately with any other official voting on the matter.

7.5 Render thorough and diligent Service: If a member has not sufficiently reviewed relevant facts and advice affecting a public planning decision, that member should not participate in that decision.

7.6 Not Seek or Offer Favors: A member must not directly or indirectly solicit any gift, or accept or receive any gift (whether in money, services, loans, travel, entertainment, hospitality, promises, or in some other form) under circumstances in which it could be reasonably inferred that the gift was intended or could reasonably be expected to influence them in the performance of their duties or was intended as a reward for any recommendation or decision on their part.

7.7 Not Disclose or Improperly Use Confidential Information for Financial Gain: A member shall not disclose or improperly use confidential information for financial gain, and must not disclose to others confidential information acquired in the course of their duties or use it to further a personal interest.

7.8 Ensure Full Disclosure at Public Meetings: The Board, Technical Committee, or any subcommittee shall ensure that the presentation of information on behalf of any party to a question occurs only at the scheduled public meeting on the question, not in private, unofficially, or with other interested parties absent, and must make partisan information regarding the question received in the mail or by telephone or other communication part of the public record.

7.9 Maintain Public Confidence: A member must conduct himself/herself publicly so as to maintain public confidence in the public body, and the member's performance of the public trust.

7.10 Respect for and Courtesy to other Members, Public and Staff: Each member has the same rights and privileges as any other member. Any member has the right to be heard and to hear what others have to say about items being considered by the Board or committee.

## 8. **Indemnification and Immunity**

The Parties are governmental entities under the Governmental Immunity Act of Utah (Utah Code §63G-7-101, et seq. as amended) (the "Governmental Immunity Act"). Consistent with the terms of the Governmental Immunity Act, the Parties agree that each Party is responsible for any negligent acts or willful misconduct which it commits or which are committed by its authorized agents, officials, or employees, and that the Parties shall not have any liability whatsoever for any negligent acts or willful misconduct of the other

Parties, their agents, officials, or employees. The Parties do not waive any of their respective defenses or limits of liability otherwise available under the Governmental Immunity Act and all other applicable laws, and the Parties maintain all privileges, immunities, and other rights granted by the Governmental Immunity Act and all other applicable laws. The Parties agree to assume any and all legal costs for their own defense.

9. **Governing Law**

It is understood and agreed by the Parties hereto that this Agreement shall be governed by the laws of the State of Utah both as to interpretation and performance without regard to principles of conflict of laws. All actions, including but not limited to court proceedings, administrative proceedings, arbitration and mediation proceedings, shall be commenced, maintained, adjudicated and resolved within the jurisdiction of the State of Utah.

10. **Compliance with Laws**

Each Party agrees to comply with all federal, state and local laws, rules and regulations in the performance of its duties and obligations under this Agreement.

11. **Severability**

In the event that any condition, covenant or other provision hereof is held to be invalid or void, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect any other covenant or condition herein contained. If such condition, covenant, or other provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

12. **No Assignments**

No Party shall assign its performance, duties or obligations under this Agreement or any portion of this Agreement.

13. **No Third-Party Beneficiaries**

There are no intended third-party beneficiaries to this Agreement. It is expressly understood that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties, and nothing contained in this Agreement shall give or allow any claim or right of action by any third person under this Agreement. It is the express intention of the Parties that any person, other than the Party who receives benefits under this Agreement, shall be deemed an incidental beneficiary only.

14. **Entire Agreement**

This Agreement contains the entire agreement between the Parties hereto related to the transactions and services contemplated hereby and all prior or contemporaneous



agreements, understandings, representations, and statements, oral or written, with respect to the subject matter hereof are merged herein. This Agreement may be modified only by a subsequent written instrument approved and signed by all Parties.

**15. Parties Represented; Interpretation**

Parties are represented by competent legal counsel. No inference in favor of or against any Party shall be drawn from the fact that such Party has drafted any part of this Agreement. The Parties have participated substantially in its negotiation, drafting, and revision, with advice from counsel and other advisers.

**16. Relief of Obligation**

This Agreement does not in any way relieve any Party of any obligation or responsibility imposed upon it by law (Utah Code §11-13-208).

**17. Notice**

All notices to be given under this Agreement shall be delivered to the Parties as follows:

Except as otherwise provided in this Agreement, any notice, demand, request, consent, submission, approval, designation or other communication which any Party is required or desires to give under this Agreement shall be made in writing and mailed, faxed, or emailed to the other Party. A Party may change its address, telephone number, facsimile number, or email address from time to time by giving notice to the other Party in accordance with the procedures set forth in this section.

**18. Interlocal Cooperation Act Requirements**

18.1 In satisfaction of the requirements of the *Utah Interlocal Cooperation Act*, the Parties agree as follows:

18.1.1 This Agreement shall be conditioned upon the approval and execution of this Agreement by the Parties pursuant to and in accordance with the provisions of the Act, including the adoption of resolutions of approval, but only if such resolutions of the legislative bodies of the Parties are required by the Act.

18.1.2 In accordance with the provisions of Utah Code §11-13-202.5(3), this Agreement shall be submitted to the attorney authorized to represent each Party for review as to proper form and compliance with applicable law before this Agreement may take affect.

18.1.3 A duly executed copy of this Agreement shall be filed with the keeper of records of each Party, pursuant to Utah Code §11-13-209.

18.1.4 No separate legal entity is created by the terms of this Agreement. To the extent that this Agreement requires administration other than as set forth herein, it shall be administered by the chief executive officer of each Party.

18.1.5 No real or personal property shall be acquired jointly by the Parties as a result of this Agreement unless this Agreement has been amended to authorize such acquisition. To the extent that a Party acquires, holds, or disposes of any real or personal property for use in the joint or cooperative undertaking contemplated by this Agreement, such Party shall do so in the same manner that it deals with other property of such Party.

## **19. County Subcommittees**

19.1 A subcommittee for Wasatch County and a subcommittee for Summit County shall be created:

19.1.1 Each Subcommittee shall consist of WBRPO Board Members.

19.1.2 Each subcommittee act in accordance with the provisions above.

19.1.3 Any actions taken by either subcommittee must be ratified by the WBRPO Board.

19.1.4 Each subcommittee will meet at least twice per year.

20. **Counterparts**

This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all the Parties, notwithstanding that each of the Parties are not signatory to the original or the same counterpart. Further, executed copies of this Agreement delivered by facsimile or electronically shall be deemed an original signed copy of this Agreement.

Signature Page to Follow

**IN WITNESS WHEREOF**, the Parties have executed this Agreement on the day and month recited above.

SUMMIT COUNTY:

\_\_\_\_\_  
Christopher F. Robinson  
Summit County Council Chair

Approved as to form:

\_\_\_\_\_  
David L. Thomas  
Chief Civil Deputy

WASATCH COUNTY:

\_\_\_\_\_  
Name:  
Wasatch County Council Chair

Approved as to form:

\_\_\_\_\_  
Name:  
Title:

PARK CITY:

\_\_\_\_\_  
Name:  
Mayor

Approved as to form:

\_\_\_\_\_  
Name:  
Title:

HEBER CITY:

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Name:  
Mayor

Approved as to form:

---

Name:  
Title:

COALVILLE CITY:

---

Name:  
Mayor

Approved as to form:

---

Name:  
Title:

KAMAS CITY:

---

Name:  
Mayor

Approved as to form:

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Name:  
Title:

OAKLEY CITY:

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Name:  
Mayor

Approved as to form:

---

Name:  
Title:

MIDWAY CITY:

---

Name:  
Mayor

Approved as to form:

---

Name:  
Title:

HENEFER TOWN:

---

Name:  
Mayor

Approved as to form:

---

Name:  
Title:

FRANCIS TOWN:

---

Name:  
Mayor

Approved as to form:

---

Name:  
Title:

CHARLESTON TOWN:

---

Name:  
Mayor

Approved as to form:

---

Name:  
Title:

HIDEOUT TOWN:

---

Name:  
Mayor

Approved as to form:

---

Name:  
Title:

DANIEL TOWN:

---

Name:  
Mayor

Approved as to form:

---

Name:  
Title:

WALLSBURG TOWN:

---

Name:  
Mayor

Approved as to form:

---

Name:  
Title:

INDEPENDENCE TOWN:

---

Name:  
Mayor

Approved as to form:

---

Name:  
Title:  
ratify



# 2022 REPORT TO THE COMMUNITY

Park City Hospital

*Lori Weston, Administrator*  
*Park City Hospital*



Helping  
people live  
the healthiest  
lives possible.



# Park City Hospital is a Community Anchor

## Park City Hospital 2022 Stats

- 456 Caregivers
- 37 Licensed Beds
- 1,879 Total Admissions
- Designated as the USSA Center of Excellence for Sports Performance

Opened in 2009

## Slide 3

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**DN13** Confirm the Caregivers and Licensed Beds stats.

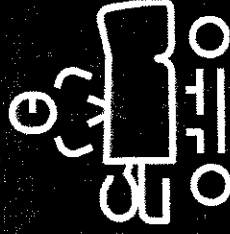
David Neville, 06/07/2022

# Park City Hospital 2021 Highlights



**339**

Babies  
Delivered



**4,954**

Surgeries  
Performed



**11,412**

Emergency  
Room Visits

# Park City HOSPITAL

## 2021 GIFT TO THE COMMUNITY

### Charity Care Cases: 2,404



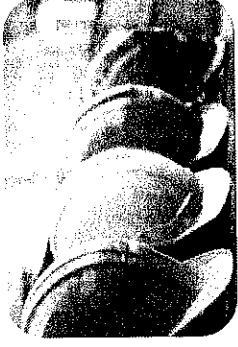
Value-Adjusted  
Charity Care  
\$2,373,294



Community  
Benefit  
\$27,880,705



Total Gift to the  
Community  
\$30,253,999



Capital  
Improvements  
\$3,625,276



Total  
Bad Debt  
\$3,515,839

# Additional Gifts to the Community

Continuously above and beyond

**\$57,299**

**Community  
Service &  
Education**

**\$47,325**

**Cash Donations  
to Community  
Organizations**

**\$109,471**

**Health  
Professional  
Education**

**Volunteer  
Service**

# Summit County Community Groups & Intermountain



Christian Center of  
Park City



People's Health Clinic



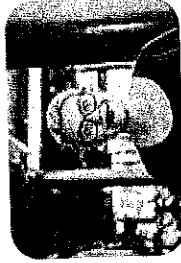
Peace House



National Ability  
Center



Park City Community  
Foundation



Summit County



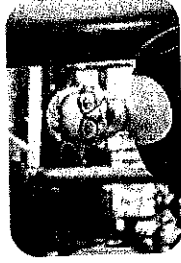
Park City Tots



Utah Health Policy  
Project



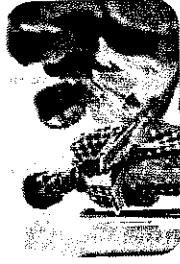
Association for Utah  
Community Health



Utah Department of  
Health



Holy Cross Ministries



South Summit School  
District



North Summit School  
District



Park City School  
District



# Wasatch Back Hospitals Community Board



**Lynn Dorsey-Bleil**  
Chair



**Clair Provost**  
Vice Chair



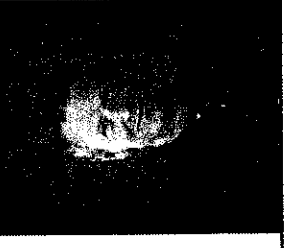
**Lori Weston**  
Admin, Park City



**Si Hutt**  
Admin, Heber



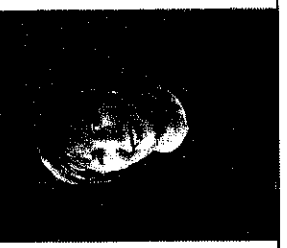
**Michael Rasmussen, MD**  
Medical Staff Pres.,  
Park City



**Greg Taylor, MD**  
Medical Staff Pres.,  
Heber



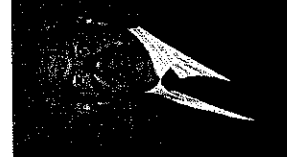
**Wing Province, MD**  
Medical Director  
Park City



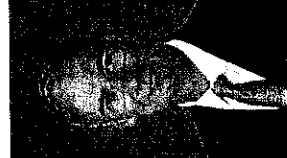
**Kristy Bond**



**Alfonso Flores**



**Lee Gerstein, MD**



**Eric Hermann**



**Charles Lind, MD**



**Hi McNaughtan**



**Mary Noonan**



**Patrick Putt**

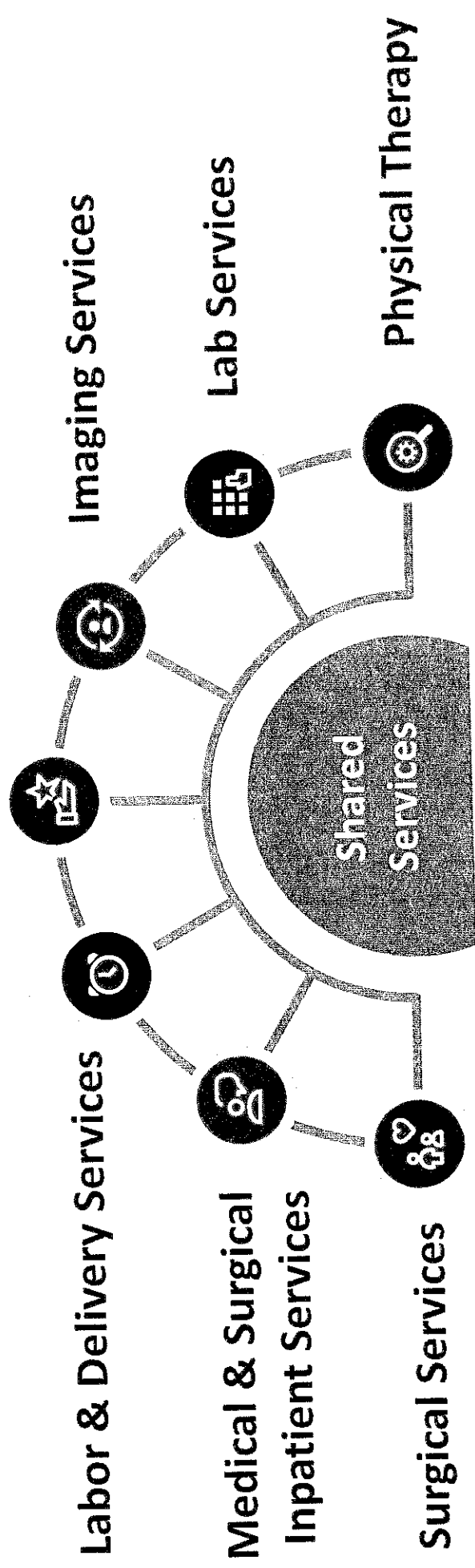


**Coleen Reardon**



**Paul Weller**

## Emergency Services



PARK CITY HOSPITAL | HEBER VALLEY HOSPITAL

**IV Infusion  
Therapy**

**Sports Medicine  
Physicians**

**Cardiology Testing  
and Clinic**

**Oncology**

**Sleep Studies**

**Wound Care**

**Respiratory  
Therapy**

**Shared  
Services**

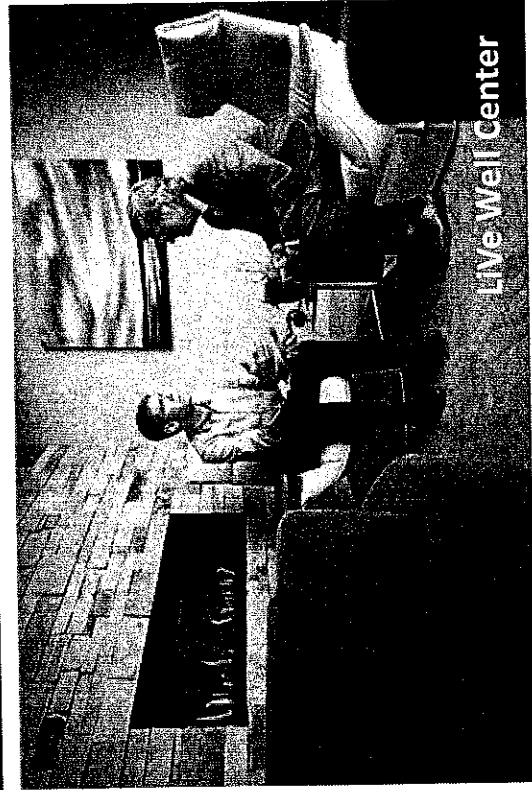
**PARK CITY HOSPITAL | HEBER VALLEY HOSPITAL**

## Emergency Department Scope of Services

- Shared Medical Staff
  - Board Certified Emergency Physicians
- STEMI
- Stroke
- Sepsis
- Trauma 1 and 2
- Behavioral Health
- Pediatric
- Tele critical Care



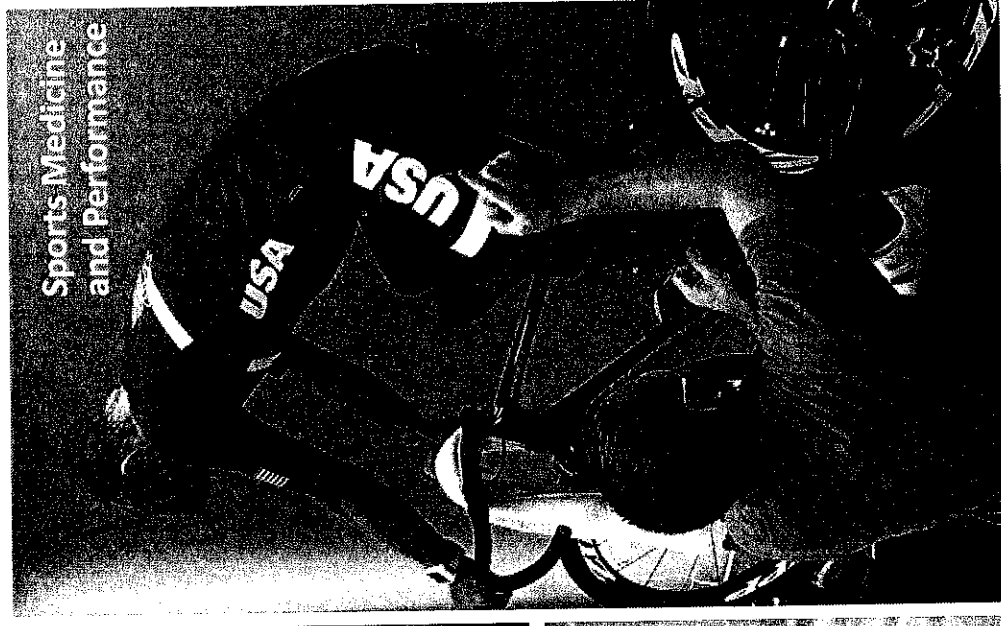
# Park City Hospital Specific Services



Live Well Center



Concierge Health



Sports Medicine  
and Performance



Nuclear Medicine



ICU

## Park City Projects and Initiatives

**First floor expansion  
Emergency | Imaging | Lab  
expansion |**

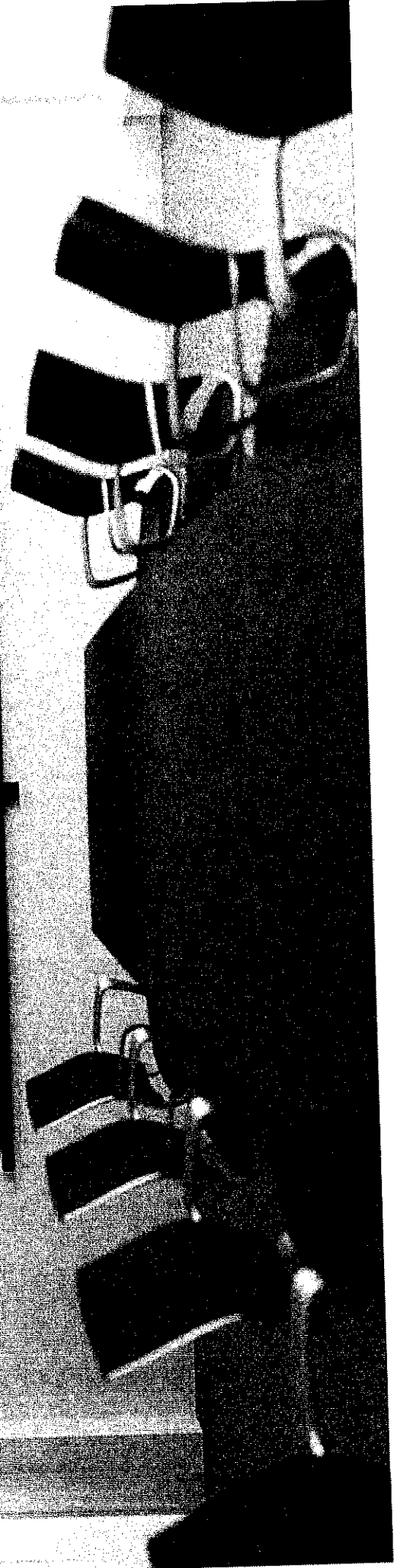
**Sports Medicine |  
LiVe Well | Physical  
Therapy Expansion**

**Cardiac & Pulmonary  
Rehab | Concussion |  
Neurology**

**Park City  
Surgery Center**

**Robotics  
Surgery**

# Open Table: Let's Talk





## Resolution No. 2022-06

### A RESOLUTION APPROVING AN INTERLOCAL AGREEMENT TO ESTABLISH A RURAL PLANNING ORGANIZATION

**WHEREAS**, the City of Francis is a Utah incorporated municipality; and

**WHEREAS**, Summit County, Wasatch County, Park City., Coalville City, Kamas City, Oakley City Midway City, Henefer Town, Francis Town, Charleston Town, Hideout Town, Daniel Town, Wallsburg Town and Independence Town would like to create an interlocal entity known as the Wasatch Back Rural Planning Organization; and

**WHEREAS**, The Francis City Council finds it to be in the public interest to enter into an agreement with Wasatch Back rural Planning Organization; and

**NOW THEREFORE**, be it resolved by the City Council of Francis City, Utah, as follows:

1. The City Council approves the Interlocal Cooperation Agreement with Wasatch Back Rural Planning Organization.
2. The Mayor is authorized to execute the Agreement on behalf of the City.

PASSES AND ADOPTED by the Francis City Council the \_\_\_\_ day of December 2022.

Aye      Nay

Mayor Jan Brussel  
Councilmember Forman  
Councilmember Fryer  
Councilmember Hunter  
Councilmember Querry

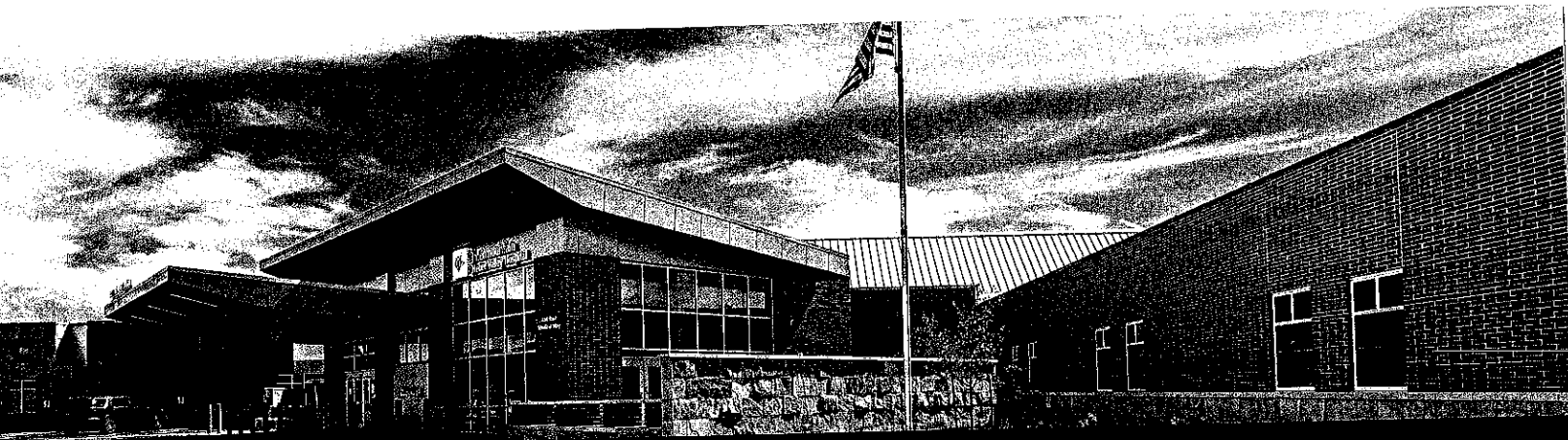
FRANCIS CITY

ATTEST:

\_\_\_\_\_  
Mayor Jan Brussel

\_\_\_\_\_  
City Recorder Suzanne Gillett





# 2021 Statistics & Accomplishments

## INTERMOUNTAIN HEBER VALLEY HOSPITAL

### STATISTICS

	2021	2020
Total Admissions	908	832
Inpatient Surgeries	113	152
Outpatient Surgeries	1,020	831
ER Visits	6,341	5,689
Births	205	203
Lab Tests	109,000	98,828
Imaging Procedures	17,532	14,703
Physical Therapy Visits	14,802	11,708
Turnover Rate	20.6%	26.9%
New Employees Hired	38	24
Total Employees	173	173
New Physicians	10	5
Total Physicians	137	137
Total Charity Care	\$1,915,604	\$1,838,630
Total Salaries	\$14,711,281	\$12,251,501

### LEADERSHIP



**Si Hutt**  
Heber Valley Hospital  
Administrator



**Kathy Hughes**  
Governing  
Board Chair



**Karla Willis**  
Foundation  
Committee Chair



## 2021 Awards & Recognitions

### INTERMOUNTAIN HEBER VALLEY HOSPITAL

#### HEBER VALLEY HOSPITAL

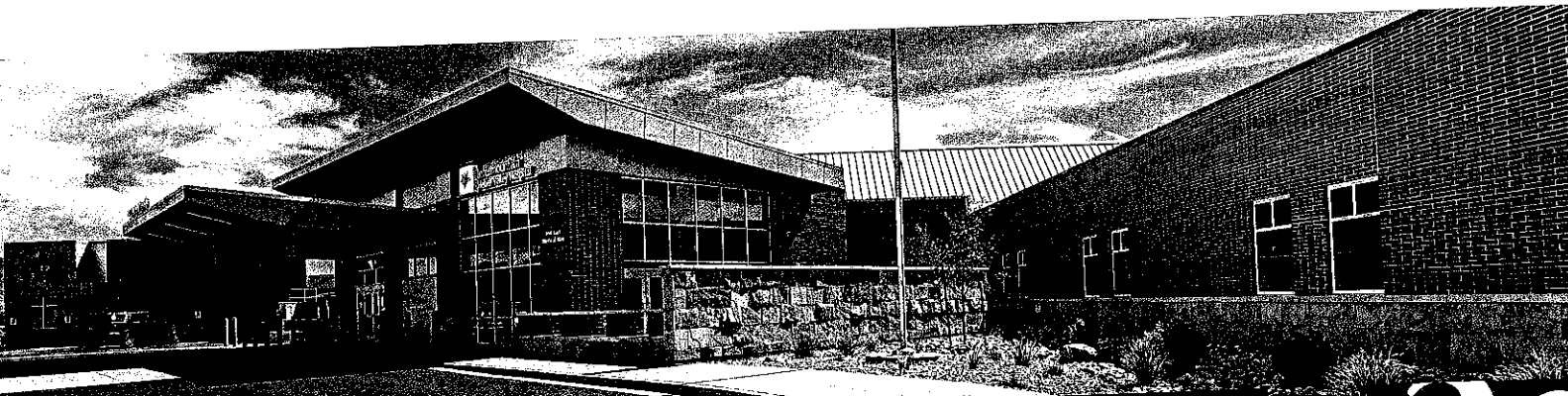
- Our Emergency Department consistently performs in the top 10% of hospitals nationwide for patient experience.
- We recently completed a five-year, \$43 million dollar renovation and expansion project that built a new Emergency Department, InstaCare, Infusion and Chemotherapy Center, Nursery, Same Day Surgery Department, registration area and café. We also expanded and renovated our Labor & Delivery rooms, patient rooms, clinic, operating rooms, lab, Imaging and support services.
- In the past three years, we have successfully recruited an additional pediatrician, gastroenterologist, dermatologist, internal medicine physician, family practice physician, cardiologists, and general surgeon.
- We continue to improve access to emergency and inpatient specialty consultation through TeleHealth including neonatologists, neurologists, nephrologist, trauma specialists, Intermountain Primary Children's Hospital and psychiatrists.
- Our Labor and Delivery finished 2021 with a Likelihood to recommend ranking in the 99<sup>th</sup> national percentile.
- We performed above the 90<sup>th</sup> national percentile ranking for the question, "How often did nurses/ doctors listen carefully to you?"
- We performed in the 93<sup>rd</sup> national percentile ranking for the question, "How do patients rate the hospital?"
- Heber Valley Hospital was named 2020 Business of the Year by the Heber Valley Chamber of Commerce.

- Launched a first-of-its-kind TeleHealth partnership with Wasatch County School District, which provides a higher level of clinical support services to the school district nurses.

#### INTERMOUNTAIN HEALTHCARE

- Intermountain was named among top four providers in the nation for innovation, thought leadership, and care quality.
- Intermountain Precision Genomics was awarded the 32nd Governor's Medal for Science and Technology, the highest civilian award bestowed by the state in those fields.
- Intermountain ranked No. 21 in Forbes' America's Best-in-State Employers list.
- Intermountain's Supply Chain Organization received Master Level recognition by Gartner.
- Intermountain received the Press Ganey Transformation Award, an exclusive honor given to the organization pushing operational boundaries and setting a new standard for what is possible.
- Intermountain received the Green Business Leadership Award from Utah Business Magazine, recognizing initiatives to enhance sustainability efforts and numerous green projects.
- Intermountain was named to the Women's Tech Council's Shatter List in recognition for building workplace cultures with greater access for women to achieve their full potential.





# Caring for You Close to Home

*Intermountain Heber Valley Hospital is a 19-bed community hospital conveniently located in southeast Wasatch County. The highly skilled team of caregivers at Heber Valley are committed to providing excellent care close to home for residents of Wasatch County.*

20  
22

## Heber Valley Hospital Services

**EMERGENCY CARE** — The Emergency Department is staffed 24 hours a day, seven days a week with board-certified emergency medicine physicians, nurses, and other specialized staff to provide treatment for people of all ages and all types of medical conditions. This state designated Level 4 Trauma Center is your front door to any emergent healthcare need, and coordinated access to a higher level of care, if medically necessary. Phone: 435.654.2500



**SURGICAL SERVICES** — Our board-certified surgeons provide a wide array of same-day and inpatient surgical procedures including orthopedic surgery/sports medicine surgery, ear nose and throat surgery, general surgery, gynecologic surgery, podiatry/foot and ankle surgery, and eye surgery. We also offer gastroenterology procedures, such as colonoscopies, and pain management procedures. Our friendly and skilled staff provide you with personalized care in our recently renovated and expanded surgical services department. Phone: 435.657.4455



**HEBER INSTACARE** — Heber InstaCare provides licensed physicians and specialized staff that can handle all non-life-threatening urgent care needs, from sore throats and illnesses to cuts or broken bones. State-of-art equipment offers laboratory services and X-ray capabilities, plus minor procedure rooms for treatment and some outpatient tests. For specialized care, InstaCare physicians will refer you to a primary care provider. Hours: Monday-Saturday, 8 a.m.-7 p.m., Sunday, 8 a.m.- 4 p.m. Phone: 435.657.4500



**WOMEN'S & NEWBORN SERVICES** — From the moment you learn you are expecting, our dedicated team is ready to guide you on the journey of bringing your child into the world. Our focus is centered on the needs of both mother and baby to help ensure a safe and joyful experience. In addition to a unsurpassed level of care, Heber Valley Hospital offers state-of-the-art equipment, comfortable private rooms where you labor, deliver and receive postpartum care without needing to change rooms. We also offer comprehensive nursery and TeleNICU services. Phone: 435.657.4453



**LAB SERVICES** — Lab Services are here to help you and your family with all your laboratory needs. Our state-of-the-art equipment allows us to provide you reliable results with a minimal wait times. Our services include blood draws, blood bank, glucose tolerant testing, phlebotomy, urine and stool collections for testing, and other diagnostic testing. Monday-Friday 8 a.m.- 6 p.m.; Saturday 8 a.m.-1 p.m. Closed on Sunday. Phone: 435.657.4392



**IMAGING DEPARTMENT** — (sometimes called Radiology) Our Imaging Department offers a wide range of advanced diagnostic equipment to help us see what's happening inside our patients—so you can be diagnosed and treated quickly and accurately. We offer CT scans, MRI scans, X-rays, ultrasounds, bone density tests, and 3D mammography. Phone: 435.657.4397



454 East Medical Way | Heber City, UT 84032  
435.654.2500 | HeberHospital.org

**Intermountain®**  
**Heber Valley Hospital**



# 2021 Statistics & Accomplishments

## INTERMOUNTAIN PARK CITY HOSPITAL

### STATISTICS

	2021	2020
Total Admissions	1,879	1,854
Inpatient Surgeries	406	547
Outpatient Surgeries	4,564	3,961
ER Visits	11,412	10,062
Births	339	347
Lab Tests	166,700	137,200
Imaging Procedures	34,677	29,302
Physical Therapy Visits	67,042	50,374
Turnover Rate	21.6%	14.9%
New Employees Hired	127	43
Total Employees	456	444
Total Charity Care	\$3,180,000	\$2,909,000
Total Salaries	\$30,968,000	\$27,600,000

### LEADERSHIP



**Lori Weston**  
*Park City Hospital  
Administrator*



**Lee D. Gerstein, MD**  
*Governing  
Board Chair*



**Charlene Albarran**  
*Foundation  
Committee Chair*



## 2021 Awards & Recognitions

### INTERMOUNTAIN PARK CITY HOSPITAL

#### PARK CITY HOSPITAL

- We're ranked in Becker's Hospital Review as one of the 58 US Hospitals with the highest HCAHPS Scores, which puts us in the top 1% of hospitals in the country for patient satisfaction.
- We received the CMS 5-Star ranking, which is a quality rating by the Center for Medicare and Medicaid Services in patient experience.
- We've received the Leapfrog Grade A for Quality and Safety
- We've received the Guardian of Excellence award for patient excellence in the Emergency Room in 2021 for the past three years.
- We received the Women's Choice Award as one of America's Best Hospitals for Patient Experience.
- Lori Weston, Park City Hospital Administrator was voted as one of top five Administrators during the COVID-19 pandemic as determined by Emergency Physicians who staff the Emergency Departments in 2020
- Lori Weston, Park City Hospital Administrator was a 2021 CEO of the Year honorees, awarded by Utah Business Magazine.
- Lee D. Gerstein, M.D., was awarded the Trustee of the Year award by the Utah Hospital Association. This recognition comes in accolades for his engagement with Summit County's COVID-19 response efforts.
- We continue to improve access to emergency and inpatient specialty consultation through TeleHealth including neonatologists, neurologists, nephrologist, trauma specialists, Intermountain Primary Children's Hospital and psychiatrists.

- We performed above the 95<sup>th</sup> national percentile ranking for the question, "How do patients rate the hospital?" in Endoscopy, Med / Surger, Emergency, Imaging, Mammography.

#### INTERMOUNTAIN HEALTHCARE

- Intermountain was named among top four providers in the nation for innovation, thought leadership, and care quality.
- Intermountain Precision Genomics was awarded the 32nd Governor's Medal for Science and Technology, the highest civilian award bestowed by the state in those fields.
- Intermountain ranked No. 21 in Forbes' America's Best-in-State Employers list.
- Intermountain's Supply Chain Organization received Master Level recognition by Gartner.
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- Intermountain was named to the Women's Tech Council's Shatter List in recognition for building workplace cultures with greater access for women to achieve their full potential.



# Caring for You Close to Home

*Intermountain Park City Hospital is a 37-bed community hospital conveniently located at Quinn's Junction in Park City. The highly skilled team of caregivers at Park City are committed to providing excellent care close to home for residents of Summit County.*

2022

## Park City Hospital Services

**BLAIR EDUCATION CENTER** — The Blair Education Center at Park City Hospital offers 7,000 square feet of flexible, modern mountain meeting space with multiple break-out rooms, on-site catering and endless nearby recreational and wellness opportunities. Further wellness testing and services are available at our LiVe Well Center, just up the stairs from the conference space. Phone: 435.658.7653



**CAFE — SILVER KING CAFE** — The Silver King Cafe is located on the first floor of Park City Hospital. The cafe offers a variety of lunch selections, including made-to-order meals, fresh sushi, salads and more. Phone: 435.658.XXXX



**CONCIERGE HEALTH** — Concierge Health offers a deeper level of personal care. We go beyond traditional healthcare, this premium service provides members with direct access to the concierge panel of providers for care they need at anytime. It's high-quality care at your convenience. Experience the benefits of: more 1:1 interaction, longer appointments, direct communication with your provider, house calls, specialty care navigation, collaboration with specialty providers. Learn more at [IntermountainHealthcare.org/Concierge](http://IntermountainHealthcare.org/Concierge). Phone: 435.658.6750



**EMERGENCY CARE** — The Emergency Department is staffed 24 hours a day, seven days a week with board-certified emergency medicine physicians, nurses, and other specialized staff to provide treatment for people of all ages and all types of medical conditions. This state designated Level 4 Trauma Center is your front door to any emergent healthcare need, and coordinated access to a higher level of care, if medically necessary. Phone: 435.658.7500



**THE GRUNDHOFFER SPECIALTY CLINIC** — Our multi-specialty clinic provides high-quality, compassionate care for every member of your family. We offer comprehensive healthcare services, including OB/GYN, internal medicine, cardiology, pain management, GI, general surgery, and dermatology, as well as integrated mental health services. Phone: 435.658.7400



**IMAGING DEPARTMENT** — (sometimes called Radiology) Our Imaging Department offers a wide range of advanced diagnostic equipment to help us see what's happening inside our patients—so you can be diagnosed and treated quickly and accurately. We offer CT scans, Nuclear Medicine, MRI scans, X-rays, ultrasounds, bone density tests, and 3D mammography. Phone: 801.906.2700



**INSTACARE PARK CITY** — Park City InstaCare provides licensed physicians and specialized staff that can handle all non-life-threatening urgent care needs, from sore throats and illnesses to cuts or broken bones. State-of-art equipment offers laboratory services and X-ray capabilities, plus minor procedure rooms for treatment and some outpatient tests. For specialized care, InstaCare physicians will refer you to a primary care provider. The Park City InstaCare is located at 1750 Sidewinder Drive in Park City. Hours: 8 a.m. - 8 p.m., 7 days a week. Phone: 435.659.7640



**LAB SERVICES** — Lab Services are here to help you and your family with all your laboratory needs. Our state-of-the-art equipment allows us to provide you reliable results with a minimal wait times. Our services includes blood bank, glucose tolerant testing, phlebotomy, urine and stool collections for testing, and other diagnostic testing. We run a CLIA Accredited Rapid Response Lab with Transfusion Services to support the Level 4 Trauma Center. We are available for walk-in service M-F, 7a.m. - 6 p.m., Sat 8a.m. - 2 p.m. Phone: 801.507.2110



900 Round Valley Drive | Park City, UT 84060  
435.658.7000 | [ParkCityHospital.org](http://ParkCityHospital.org)



**Intermountain®**  
**Park City Hospital**

**FRANCHISE AGREEMENT FOR  
FRANCIS CITY AND FIF UTAH, LLC**

THIS FRANCHISE AGREEMENT (“Franchise” or “Agreement”) is made and entered into on \_\_\_\_\_, 2023 by and between Francis City, Utah, (hereinafter “City”) and FIF UTAH, LLC a Delaware limited liability company, dba Utah Broadband (hereinafter “Company”).

**WITNESSETH:**

WHEREAS, the City, pursuant to *Utah Code Ann.* §10-8-11, as amended, the City’s inherent Police Powers, Chapter 3-30 of the Francis City Code, and other statutory authority, regulates the use of City Right-of-Way for the benefit of its residents; and

WHEREAS, the Company desires to provide certain telecommunication services within the City and in connection therewith to establish a telecommunications network in, under, along, over, and across present and future streets, alleys, easements, and Rights-of-Way of the City, consisting of telecommunication lines, cables, and all necessary appurtenances; and

WHEREAS, the City, in exercise of its ownership rights over and in the public streets, alleys, easements, and Rights-of-Way, believes that it is in the best interest of the public to provide to the Company and its successors a non-exclusive franchise to operate its business within the City; and

WHEREAS, the City and the Company have negotiated an arrangement whereby the Company may provide its services within the City, pursuant to the terms and conditions outlined in this Agreement and in Chapter 3-30 & 3-35 of the Francis City Code and other relevant sections of the Francis City Code, and subject to the further reasonable regulation under its police and other regulatory power;

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties contained herein, and other good and valuable consideration, City and Company agree as follows:

**ARTICLE I**

**FRANCHISE AGREEMENT AND ORDINANCE**

- 1.1 Agreement.** Upon approval by the City Council, this Franchise Agreement shall be deemed to constitute a contract by and between City and Company.
- 1.2 Ordinance.** The City has adopted Chapter 3-30 & 3-35 (the “Ordinance”), and such Ordinance is incorporated herein by reference and made an integral part hereof.

- 1.3 Grant of Franchise.** The City hereby grants to Company and its successors and assigns the non-exclusive right, privilege, and franchise (the “Franchise”) to construct, maintain, and operate a Telecommunications System (hereinafter “Network”), in, under, along, over, and across the present and future streets, alleys, easements and Rights-of-Way of the City. The Franchise does not grant to the Company the right, privilege or authority to engage in the community antenna (or cable) television business although nothing contained herein shall preclude the Company from (1) permitting those lawfully engaged in such business to utilize Company’s facilities within the City for such purposes, or (2) from providing such service if an appropriate Franchise is obtained and all other legal requirements have been satisfied.
- 1.4 Financial Capability.** Company warrants that it has the financial capability to construct, maintain, and operate a telecommunications network and to otherwise comply with the provisions of this Agreement.
- 1.5 Relationship; Joint Facilities Agreement.** Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the parties, and neither party is authorized to, nor shall either party act toward third persons or the public in a manner that would indicate any such relationship with the other. The City does not own any poles, conduit, or other facilities
- 1.6 Records Inspection.** The records of the Company pertaining to the reports, plans, designs, and payments required by this Franchise, including, but not limited to, any records deemed necessary or useful by the City to calculate or confirm Gross Revenues, as defined herein, shall be open for inspection by the City and its duly authorized representatives at all reasonable business hours of the Company, provided Company is given reasonable notice. Such records may be copied by the City and the copies may be removed from the premises, provided that reasonable arrangements are made to protect the confidentiality of such records.
- 1.7 Definitions.** The words, terms, and phrases which are used herein and, in the Ordinance, shall have their ordinary plain meaning unless the word, term, or phrase is expressly defined herein. Words, terms, and phrases which are not specifically defined herein, but are defined in 47 U.S.C. Section 153, or its successor, shall have the technical meaning provided by that section as of the date of this agreement. The following words, terms, and phrases when used herein shall have the following meanings:

“City Council” means the City Council of Francis City.

“Customer” means a person or user of the Company’s telecommunications Network who lawfully receives telecommunications services or other services therefrom with the Company’s authorized permission, including, but not limited to, other companies utilizing Company’s Network to provide services to customers of those companies.



The term “Facilities” or “facilities” when used in this Agreement means all or a portion of Company’s Telecommunications System.

“Gross Revenues” means any and all revenues of the Company derived from the sale of telecommunications services to its Customers within the City, without regard to the billing address of the Customer; and to the extent such services utilize the herein-referenced fiber-optic, copper, or other cable; except that the term “Gross Revenue” shall not include revenue from sources excluded by law.

“Network” means a Network of telecommunications lines and cables (including without limitation fiber-optic and copper lines and cables), together with necessary and desirable appurtenances (including underground and above-ground conduits and structures, poles, towers, wire, and cable) for its own use for the purpose of providing telecommunications services to the City, the inhabitants thereof, and persons and corporations beyond the limits thereof.

“Public Improvement” means any existing or contemplated public facility, building, or capital improvement project, including without limitation streets, alleys, sidewalks, sewer, water drainage, Right-of-Way improvements, poles, lines, wires, conduits, and Public Projects.

“Public Project” means any project planned or undertaken by the City or any governmental entity for construction, reconstruction, maintenance, or repair of public facilities or improvements, or any other purpose of a public nature.

“Rights-of-Way” includes present and future City streets, alleys, rights-of-way, and public easements, including public utility easements dedicated in plats of the City.

**1.7 As-Built Records.** The Company shall provide to the City copies of as-built drawings upon completion of any phase of the construction of facilities.

## **ARTICLE II**

### **TERM AND RENEWAL**

**2.1 Term and Renewal.** The Franchise granted to Company shall be for a period of five (5) years commencing on the date this Agreement is executed, unless this Franchise be sooner terminated as herein provided. At the end of the initial five (5) year term the Franchise may be renewed by Company upon the same terms and conditions as contained in this Agreement, so long as Company is in compliance with the provisions of this Agreement, for an additional five (5) year term, by providing to the City’s representative, not less than ninety (90) calendar days before the expiration of the initial franchise term, written notice of Company’s intent to renew. If the statutory limit imposed on the Franchise Fee by *Utah Code Ann.* § 11-26-1 et seq., or any successor provision, including

*Utah Code Ann.* § 10-1-403, is changed, the parties shall amend, upon its renewal, this Agreement to conform to the new statutory limit.

**2.2 Rights of Company Upon Expiration or Revocation.** Upon expiration of the Franchise, whether by lapse of time, by agreement between Company and the City, or by revocation or forfeiture thereof, the Company shall have the right to remove any and all of its facilities, but in such event, it shall be the duty of the Company, immediately upon such removal, to restore the streets, avenues, alleys, and other public ways and grounds from which such facilities are removed to as good condition as the same were before the removal was effected.

**2.3 Rights of City Upon Expiration or Revocation.** Upon expiration of the term of this Franchise, forfeiture, or lawful revocation of this Franchise, and if no renewal or extension thereof is agreed upon, Company may, at the discretion of the City Council, be required, in part or entirely, to remove all its wires, poles, fixtures, and other facilities or equipment installed or used in the enjoyment of the Franchise. Alternatively, the removal, or sale of such facilities and equipment may be directed, limited, or conditioned by the City by agreement or through means of other lawful municipal power or right. The City may continue to invoke any or all provisions of this Franchise against Company or any successor entity enjoying de facto franchise privileges after expiration or revocation. The City and the Company will work together to take all other actions deemed necessary and proper by the City to accommodate the transition to any successor as may be in the best interest of the City or its inhabitants and the Company.

## ARTICLE III

### CONSIDERATION AND PAYMENT

**3.1 Franchise Fee.** For and in consideration of the Franchise, and as fair and reasonable compensation to the City for the use by the Company of the City's Rights-of-Way, the Company agrees:

- a. To pay to the City an annual franchise fee (the "Franchise Fee"), in an amount equal to, and consisting of, the municipal telecommunications license tax (the "Municipal Telecommunications Tax") authorized pursuant to the Utah Municipal Telecommunications License Tax Act, Title 10, Chapter 1, Part 4, *Utah Code Annotated* 1953, as amended, and imposed and levied pursuant to Francis City Code, Chapter 3-30, (collectively the "Municipal Telecommunications Tax Laws"). Such Franchise Fee shall be calculated in the manner provided in the Municipal Telecommunications Tax Laws, and shall be paid by the Company to the Utah State Tax Commission, as agent for the City under an Interlocal Cooperation Agreement by and among the City, the Utah State Tax Commission, and others, at the times and in the manner prescribed in the Municipal Telecommunications Tax Laws, and any rules and regulations promulgated thereunder. Compliance by the Company with the terms and provisions of the Municipal Telecommunications Tax Laws, and any rules and regulations

promulgated thereunder, shall satisfy all requirements of this Agreement with respect to the calculation and payment of the Franchise Fee.

- b. Notwithstanding the provisions of Section 3.1(a) above, the Franchise Fee shall be calculated and payable as described therein only so long as the Company and the services provided within the City by the Company by means of the Company Facilities are subject to the Municipal Telecommunications Tax. In the event all or any portion of the Company Facilities ceases to be used by the Company to provide services subject to the Municipal Telecommunications Tax, the Company shall pay, in lieu of the Franchise Fee, a charge with respect to such portion of the Company Facilities, payable from and after the (i) the date Company ceases to provide such services, or (ii) the date the Municipal Telecommunications Tax ceases to apply to the services provided by the Company, which shall be calculated in the same manner as the charge then imposed by the City on other Companies occupying the Right-of-Way with similar facilities, and which do not provide telecommunication services subject to the Municipal Telecommunications Act. The City and the Company agree to negotiate in good faith any amendments to this Agreement as shall be necessary to accommodate a change in the Municipal Telecommunications Tax Laws, including payment provisions; provided such new or changed provisions shall conform substantially with the provisions contained in any permits held by other similarly situated companies.

- 3.2 **Reconciliation.** Within thirty (30) calendar days after the filing of any report or the making of any payment, or within such reasonable additional time as the City may request, the City shall examine such report or payment, determine the accuracy thereof, and, if the City finds any errors, report such errors to the Company for correction. If the Franchise Fee as paid shall be found deficient, the Company shall promptly remit the difference, and if the Franchise Fee as paid shall be found excessive, the City shall promptly refund the difference. In the event of a disagreement, the Company shall make payment under protest pending the resolution of the dispute between the parties or through the courts. Neither payment of the Franchise Fee nor failure to make such investigation shall be deemed to estop the City or the Company in any way or prevent subsequent investigation by either and collection or return of any amount properly due. No acceptance of any payment by the City shall be construed as a release of, or an accord or satisfaction of, any claim the City might have for further or additional sums payable under the terms of this Agreement for the performance of any other obligation of the Company hereunder.
- 3.3 **Extensions Not Statute of Limitation or Repose.** The aforesaid 30-day notice period is not intended and shall not act as a statute of limitation or repose, which limitation periods shall be governed by Utah Law.
- 3.4 **Delinquency.** Any payment not paid when due shall be subject to a delinquency penalty charge of ten percent (10%) of the payment. Failure to make any payment and penalty charges within thirty (30) calendar days of the applicable payment date shall constitute

breach of the terms of this Agreement and constitute just cause for termination, and such unpaid amount shall bear interest until paid at the rate of an additional ten percent (10%) per annum until paid.

**3.5 Revenue Report Following Termination.** In the event this Agreement or the Franchise should be terminated, forfeited, or determined to be void or invalid by any order or decree by a court of competent jurisdiction, the Company, not later than thirty (30) calendar days following such termination, forfeiture, or determination, shall submit to the City a report prepared as before required, showing the Gross Revenues of the Company in the City for the time elapsed since the last period for which the Company has paid the Franchise Fee. Coincidental with the submission of the report, the Company shall pay to the City the Franchise Fee due and owing to the City for such period.

**3.6 Audits.** For the purpose of verifying the correct amount of the Franchise Fee, the books and records of Company pertaining thereto shall be open to inspection or audit by duly authorized representatives of Farmington City at all reasonable times, but not more than once a year, upon giving reasonable notice of the intention to inspect or audit said books and records. The Company agrees to reimburse the City the reasonable costs of an audit if the audit discloses that the Company has paid ninety-five percent (95%) or less of the compensation due the City for the period of such audit. In the event the accounting rendered to the City by the Company herein is found to be incorrect, then payment shall be made on the corrected amount within thirty (30) calendar days of written notice, it being agreed that the City may accept any amount offered by the Company, but the acceptance thereof by the City shall not be deemed a settlement of such item if the amount is in dispute or is later found to be incorrect.

## ARTICLE IV

### USE AND RELOCATION OF FACILITIES IN THE PUBLIC RIGHT-OF-WAY

**4.1 Franchise Rights to Use the Public Right-of-Way.** The Company shall have the right to use the public Rights-of-Way within the City to construct and maintain its Network subject to the conditions set forth in this Agreement, including the provisions of Chapters 3-30 & 3-35 of the Francis City Code, which are hereby incorporated by reference; provided, however, that the Company shall not, pursuant to this Agreement, place any new poles, mains, cables, structures, pipes, conduits, or wires on, over, under, or within any Right-of-Way, City park, pleasure ground, or other recreational area currently existing or developed in the future without a permit from the City Representative, any necessary locations, shall be directed by the City. Nothing contained herein shall preclude the City from granting a revocable permit for such purpose. In addition, Company shall have the right to utilize any easements across private property granted to the City for utility purposes, provided the City's written permission is obtained in each case and the documents granting such easements to the City authorize such use. Company specifically understands and acknowledges that certain City easements and Rights-of-Way may be prescriptive in nature, and that nothing in this Franchise extends permission to use the easement or Right-of-Way beyond the extent that the City may

have acquired, and such easements and Rights-of-Way may be subject to third party prior or after-acquired interests. Company is cautioned to examine each individual easement and Right-of-Way and the legal arrangement between the City and adjacent property owners. The City assumes no duty or obligation to defend any interest in any easement or Right-of-Way and Company remains solely responsible to make any arrangements required as a result of other persons claiming an interest in the City easement or Right-of-Way.

- 4.2 Company Duty to Relocate; Subordination to City Use.** Whenever the City, for any lawful public purpose, shall require the relocation or reinstallation of any property of the Company or its successors in any of the streets, alleys, Rights-of-Way, or public property of the City, it shall be the obligation of the Company, upon notice of such requirement and written demand made of the Company, and within a reasonable time thereof, but not less than ninety (90) calendar days, to remove and relocate or reinstall such facilities as may be reasonably necessary to meet the requirements of the City. Such relocation, removal, or reinstallation by the Company shall be at no cost to the City; provided, however, that the Company and its successors and assigns may maintain and operate such facilities, with the necessary appurtenances, in the new location or locations without additional payment, if the new location is a public place. Notwithstanding the foregoing, the duty of the Company to install or relocate its lines underground shall be subject to the provisions of paragraph 5.3 below. Any money and all rights to reimbursement from the State of Utah or the federal government to which the Company may be entitled for work done by Company pursuant to this paragraph shall be the property of the Company. The City shall assign or otherwise transfer to the Company all rights the City may have to recover costs for such work performed by the Company and shall reasonably cooperate with the Company's efforts to obtain reimbursement. In the event the City has required the Company to relocate its facilities to accommodate a private third party, the City shall use good faith to require such third party to pay the costs of relocation. Notwithstanding anything to the contrary herein, the Company's use of the Right-of-Way shall in all matters be subordinate to the City's use of the Right-of-Way for any public purpose. The City and Company shall coordinate the placement of their respective facilities and improvements in a manner which minimizes adverse impact on each other. Where placement is not otherwise regulated, the facilities shall be placed with adequate clearance from such Public Improvements so as not to impact or be impacted by such Public Improvements.
- 4.3 Duty to Obtain Approval to Move Company Property; Emergency.** Except as otherwise provided herein, the City, without the prior written approval of the Company, shall not intentionally alter, remove, relocate, or otherwise interfere with any Company facilities. However, if it becomes necessary (in the judgment of the Mayor, City Council, City Engineer, County Sheriff or Fire Chief of the Special Service District or their designees) to cut, move, remove, or damage any of the cables, appliances, or other fixtures of the Company because of a fire, emergency, disaster, or imminent threat thereof, these acts may be done without prior written approval of the Company, and the repairs thereby rendered necessary shall be made by the Company, without charge to the City. Should the City take actions pursuant to this section, the Company shall indemnify,

defend, and hold the City harmless from and against any and all claims, demands, liens, or liability for (a) loss or damage to the Company's property and/or (b) interruptions of telecommunications services provided by the use of or through the Company's property (including telecommunications services provided by the Company to the Company's Customers), whether such claims, demands, liens, or liability arise from or are brought by the Company, its insurers, the Company's Customers, or third parties. If, however, the City requests emergency funding reimbursement from federal, state or other governmental sources, the City shall include in its request the costs incurred by the Company to repair facilities damaged by the City in responding to the emergency. Any funds received by the City on behalf of Company shall be paid to the Company within thirty (30) business days.

## **ARTICLE V**

### **PLAN, DESIGN, CONSTRUCTION, INSTALLATION OF COMPANY FACILITIES**

**5.1 Coordination of Construction and Joint Use.** Prior to commencement of any construction within the City, the Company and City shall have a pre-construction meeting to coordinate any necessary closures, or other joint construction based on near-term City projects. Documents and information to be exchanged shall include, without limitation, engineering drawings or other detailed maps of the proposed locations of construction or installation of telecommunication facilities. The Company, the City Engineer, Public Works Director and the Mayor shall thereafter in good faith exchange other information and documents regarding the proposed construction for the purpose of coordinating the joint and respective activities within the City. Any significant construction or installation of new facilities by the Company or other franchised telecommunication companies not presented at the Quarterly Coordination Meeting shall only be commenced upon approval of the City Council. Upon request, information regarding future capital improvements involving land acquisition or construction or installation of telecommunication facilities shall be treated with confidentiality as governed, and to the extent authorized, by City ordinance and the Government Records Access and Management Act.

**5.2 Conditions of Public Utility Easement, Right-of-Way and Street Occupancy.**

- a. Except as provided below, the Company shall not erect, authorize, or permit others to erect any poles within the streets of the City for the operation of Company's Network, but shall use the existing poles and facilities of Rocky Mountain Power (with RMP consent, documented consent to be provided to the City) and other telecommunication providers under such terms as the Company negotiates with City and these other entities in separate "joint facilities" agreements. City shall cooperate with Company in its negotiating with other telecommunication providers.
- b. The Company may request, in writing, that it be authorized to erect poles or place conduit or other facilities within the streets of the City for the operation of its Network. Such consent shall be entirely discretionary with the City and shall be

given upon such terms and conditions as the City Council, in its sole discretion, may prescribe, which shall include a requirement that the Company perform, at its sole expense, all tree trimming required as a result of the Company's presence to maintain the line or facilities clear of obstructions. With respect to any poles or wire-holding structures that the Company is authorized to construct and install within the City, a public utility or public utility district serving the City may, if denied the privilege of utilizing such pole or facility by the Company, apply for such permission to the City Council. If the City Council finds that such use would enhance the public convenience and would not unduly interfere with the Company's present and future operations, the City Council may authorize such use subject to such terms and conditions as may reasonably be agreed between the parties. Such authorization shall include the condition that the public utility district pay to the Company any and all actual and necessary costs incurred by the Company in permitting such use, and shall indemnify the Company and City from and against any claims or causes of action brought about due to such use.

- c. No cables, equipment, or wires for construction, maintenance, and operation of the Network shall be installed or the installation thereof commence on any existing pole within the City until the proposed location, specifications, and manner of installation of such cables, equipment, and wires are set forth upon an engineering drawing, plot, or map showing the existing poles, streets, alleys, or highways where such installations are proposed. The drawing, plot, or map shall be submitted to the City Engineer and reviewed for approval or disapproval within a reasonable time in writing. Such approval shall not be unreasonably withheld. The Company shall have the sole responsibility for diligently obtaining, at its own cost and expense, all permits, licenses or other forms of approval or authorization necessary to construct, maintain, upgrade or repair the system, including but not limited to any necessary approvals from persons and/or the City to use private property, easements, poles and conduits.
- d. If, in the conduct of its business, the Company is required to locate facilities in the streets of the City, other than facilities that may be attached to utility poles, the nature of such facilities shall be disclosed to the City for prior review and approval as to the need thereof and as to the location within the street. The installation shall be made under such conditions as the City Engineer shall prescribe.
- e. The Company, at its own expense, may, and is solely responsible to, trim trees overhanging the public Rights-of-Way of the City to prevent the branches of such trees from coming in contact with the Company's wires and cable. Prior to the Company attempting to trim trees upon and overhanging streets, alleys, sidewalks and public places of the City, the Company shall obtain approval from, and be under the supervision of, the City official to whom such duties have been or may be delegated in accordance with the applicable provisions of the municipal code of the City. Company shall immediately remove the trimmings and restore the area to its previous condition.

- f. The Company, on the request of any person holding a building moving permit issued by the City, shall temporarily raise or lower its wires to permit the moving of such building. The expense of such temporary removal, raising or lowering of wires shall be paid by the person requesting the same, and the Company may require such payment in advance. The City agrees to provide prior written notice of the necessity to move the wires as far in advance as possible; provided in no event shall the City give less than forty-eight (48) hours advance notice. In the event of a disagreement between the Company and the holder of a permit, such disagreement shall be resolved by the City.

- 5.3 Duty to Underground.** The Company shall be required to comply with the rules and regulations of the Public Service Commission in regard to the installation of underground lines. In addition, the Company shall comply with rules and regulations adopted by the City for the placement of newly constructed Network lines underground; provided, however, Company shall only be required to place newly constructed Network lines underground to the extent that underground placement is also required of all other existing and newly constructed lines of other telecommunication companies at that location with the City. If all other electric utilities or telephone utilities are located or relocated underground in any place within the City after the Company has installed its facilities, the Company shall thereafter remove and relocate its facilities underground in such places. Where utilities are underground, the Company may locate certain equipment above ground upon a showing of necessity and with the written approval from the City.
- 5.4 Company Duty to Comply with Rules and Regulations.** Facilities located on, upon, over, and under property in which the City has an ownership interest shall be constructed, installed, maintained, cleared of vegetation, renovated, or replaced in accordance with such rules and regulations as the City may issue. The Company shall acquire permits in accordance with such rules and regulations and the City may inspect the manner of such work and require remedies as may be necessary to assure compliance. It is understood that this work involves the health, safety, and welfare of the community, and from time to time, must be done under circumstances that may make prior acquisition of a permit infeasible.
- 5.5 Compliance with Pollution Laws.** Company shall ensure that its facilities within the City meet the standards required by applicable federal and state air and water pollution laws. Upon the City's request, the Company shall provide the City with a status report of such measures.
- 5.6 Compliance with Applicable Laws.** All telecommunications lines, poles, towers, pipes, conduits, equipment, property, and other structures or assets installed, used, maintained, relocated, or dismantled under color of this Agreement shall be so installed, used, operated, tested, maintained, relocated, or dismantled in accordance with applicable present and future federal, state, and City law and regulations, including but not limited to the most recent editions of the National Electrical Code, the National Electrical Safety Code, and the Fiber Optic Cable Installation Standard of the Telecommunications



Industry Committee, or such substantive equivalents as may hereafter be adopted or promulgated. It is understood that the standards established in this paragraph are minimum standards and the requirements established or referenced in this Agreement may be additional to or stricter than such minimum standards.

- 5.7 Location to Minimize Interference.** All lines, poles, towers, pipes, conduits, equipment, property, structures, and assets of the Company shall be located so as to minimize interference with the use of streets, alleys, Rights-of-Way, and public property by others and shall reasonably avoid interference with the rights of owners of property that abuts any of said streets, alleys, Rights-of-Way, or public property.
- 5.8 Repair of Damage.** If during the course of work on its facilities, the Company causes damage to or alters any street, alley, Rights-of-Way, sidewalk, utility, Public Improvement, or other public or private property, the Company (at its own cost and expense and in a manner approved by the City) shall promptly and completely restore such street, alley, Rights-of-Way, sidewalk, utility, Public Improvement or other public or private property to its previous condition, in accordance with applicable City ordinances, policies, and regulations relating to repair work of similar character to the reasonable satisfaction of the City. Except in case of emergency, the Company, prior to commencing work in the public way, street, or public property, shall make application for a permit to perform such work from the City Engineer or other department or division designated by the City. Such permit shall not be unreasonably withheld. The Company shall abide by all reasonable regulations and requirements of the City for such work.
- 5.9 Guarantee of Repairs.** For a period of one year following the completion of the repair work performed pursuant to Section 5.8, the Company shall maintain, repair, and keep in good condition those portions of said streets, alleys, Rights-of-Way, or public and private property restored, repaired, or replaced to the satisfaction of the City.
- 5.10 Safety Standards.** The Company's work, while in progress, shall be properly protected at all times with suitable barricades, flags, lights, flares, or other devices as are reasonably required by applicable safety regulations, or standards imposed by law including, but not limited to, signing in conformance with the Federal and State of Utah manuals on Uniform Traffic Control Devices.
- 5.11 Supervision by the City.**
- a. The Company shall construct, operate, and maintain the Network within the City in strict compliance with all laws, ordinances, rules, and regulations of the City and any other agency having jurisdiction over the operations of the Company.
  - b. The Company's Network and all parts thereof within the City shall be subject to the right of periodic inspection by the City; provided that such inspection shall be conducted at reasonable times and upon reasonable notice to the Company.
- 5.12 Company's Duty to Remove Its Network.**

- a. The Company shall promptly remove, at its own cost and expense, from any public property within the City, all or any part of the Network when one or more of the following conditions occur:
  - (1) The Company ceases to operate the Network for a continuous period of twelve months, and does not respond to written notice from the City within thirty (30) days after receiving such notice following any such cessation, except when the cessation of service is a direct result of a natural or man-made disaster;
  - (2) The Company fails to construct said Network as herein provided and does not respond to written notice from the City within thirty (30) days after receiving such notice following any such failure;
  - (3) The Franchise is terminated or revoked pursuant to notice as provided herein; or
  - (4) The Franchise expires pursuant to this Agreement.
- b. The Company's removal of any or all of the Network that requires trenching or other opening of the City's streets shall be done only after the Company obtains prior written notice and approval from the City.
- c. The Company shall receive notice, in writing from the City, setting forth one or more of the occurrences specified in Subsection 5.12(a) above and shall have ninety (90) calendar days from the date upon which said notice is received to remove or abandon such facilities.

**5.13 Notice of Closure of Streets.** Except in cases of emergency, the Company shall notify the City not less than three (3) working days in advance of any construction, reconstruction, repair, or relocation of facilities which would require any street or lane closure. Except in the event of an emergency, as reasonably determined by the Company, no such closure shall take place without prior authorization from the City. In addition, all work performed in the traveled way or which in any way impacts vehicular or pedestrian traffic shall be properly signed, barricaded, and otherwise protected as required by Section 5.10, above.

## **ARTICLE VI**

### **POLICE POWER**

**6.1 Reservation of Police Power.** The City expressly reserves, and the Company expressly recognizes, the City's right and duty to adopt, from time to time, in addition to the provisions herein contained, such ordinances and rules and regulations as the City may

deem necessary in the exercise of its police power for the protection of the health, safety and welfare of its citizens and their properties.

- 6.2 Other Regulatory Approval.** The Company and the City shall at all times during the life of this Franchise, comply with all federal, state, and City laws and regulations and with such reasonable and lawful regulation as the City now or hereafter shall provide, including all lawful and reasonable rules, regulations, policies, resolutions and ordinances now or hereafter promulgated by the City relating to permits and fees, sidewalk and pavement cuts, attachment to poles, utility location, construction coordination, beautification, and other requirements on the use of the Right-of-Way. The terms of this Franchise shall apply to all the Company's facilities used, in whole or part, in the provision of telecommunications services in newly annexed areas upon the effective date of such annexation. Company shall provide no service regulated by the Federal Communications Commission (FCC) or Utah Public Service Commission (PSC) until it has received all necessary approvals and permits from said commissions. Nothing in this Agreement shall constitute a waiver of either party's right to challenge any portion of this Agreement which is not in accordance with applicable federal, state and local laws.

## ARTICLE VII

### CITY REPRESENTATIVES

- 7.1 Mayor's Duties and Responsibilities.** The Mayor is hereby designated as the "City Representative" with full power and authority to take appropriate action for and on behalf of the City and its inhabitants to enforce the provisions of this Agreement and to investigate any alleged violations or failures of the Company to comply with said provisions or to adequately and fully discharge its responsibilities and obligations hereunder. The Mayor may delegate to others, including but not limited to, the City Attorney, City Engineer, and City Finance Consultant, the various duties and responsibilities of City Representative. The failure or omission of the Mayor or the Mayor's designee(s) as City Representative to act shall not constitute any waiver or estoppel.
- 7.2 Company Duty to Cooperate.** In order to facilitate such duties of the City Representative, the Company agrees to allow the City Representative reasonable access to any part of the Company's Network within the City's public Rights-of-Way.
- 7.3 City Financial Review.** With regard to financially related matters, the Mayor or the Mayor's designee, as City Representative may undertake a financial review of Company's payment of its Franchise fees and other fees and obligations under this agreement. The failure or omission to conduct a financial review shall not constitute any waiver or estoppel.
- 7.4 No Waiver or Estoppel.** Neither the City nor the Company shall be excused from complying with any of the terms and conditions of this Agreement by any failure of the

other or any of its officers, employees, or agents, upon any one or more occasions, to insist upon or to seek compliance with any of such terms and conditions.

## ARTICLE VIII

### TRANSFER OF FRANCHISE

- 8.1 Written Approval Required.** The Company shall not transfer or assign the Franchise or any rights under this Agreement to another entity, unless the City shall first give its approval in writing, which approval shall not be unreasonably withheld or delayed. Any attempted assignment or transfer without such prior written consent shall constitute a Default of the Franchise. In the event of such a Default, City shall proceed according to the procedure set forth in this Agreement, and any applicable state or federal law. Notwithstanding anything to the contrary herein, so long as Company is in full compliance with this Agreement, this Agreement, without any approval or consent of City, may be sold, assigned or transferred by the Company to the Company's principal, affiliates, subsidiaries of its principal, or to any entity which acquires all or substantially all of Company's assets in the market defined by the FCC in which the Network is located by reason of a merger, acquisition or other business reorganization.
- 8.2 Procedure for Obtaining Approval for Transfer.** At least ninety (90) calendar days before a proposed assignment or transfer of Company's Franchise is scheduled to become effective, Company shall petition in writing for the City Council's written consent for such a proposed assignment or transfer. The City will not unreasonably withhold its consent to such an assignment or transfer. However, in making such a determination, the City Council may consider any or all of the following:
- (a) experience of proposed assignee or transferee (including conducting an investigation of proposed assignee or transferee's service record in other communities);
  - (b) qualifications of proposed assignee or transferee;
  - (c) legal integrity of proposed assignee or transferee;
  - (d) financial ability and stability of the proposed assignee or transferee;
  - (e) the corporate connection, if any, between the Company, and proposed assignee or transferee; and
  - (f) any other aspect of the proposed assignee's or transferee's background which could affect the health, safety, and welfare of the citizenry of the City as it relates to the operation of a telecommunications network.
- 8.3 Certification of Assignee.** Before an assignment or transfer is approved by the City Council, the proposed assignee or transferee shall execute an affidavit, acknowledging that it has read, understood, and intends to abide by the applicable Franchise Agreement and all applicable laws, rules, and regulations.
- 8.4 Effect of Approval.** In the event of any approved assignment or transfer, the assignee or transferee shall assume all obligations and liabilities of Company, except an assignment

or transfer shall not relieve the Company of its liabilities under the Franchise Agreement until the assignment actually takes place, unless specifically relieved by federal, or state law, or unless specifically relieved by the City Council at the time an assignment or transfer is approved.

**8.5 Transfer Upon Revocation by City.** Company and City agree that in the case of a lawful revocation of the Franchise, at Company's request, which shall be made in its sole discretion, Company shall be given a reasonable opportunity to effectuate a transfer of its Network to a qualified third party. City further agrees that during such a period of time, it shall authorize the company to operate pursuant to the terms of its prior Franchise; however, in no event shall such authorization exceed a period greater than six (6) months from the effective date of such revocation. If at the end of that time, Company is unsuccessful in procuring a qualified transferee or assignee of its Network which is reasonably acceptable to the City, Company and City may avail themselves of any rights they may have pursuant to federal or state law; it being further agreed that Company's continued operation of its Network during the six (6) month period shall not be deemed to be a waiver, nor an extinguishment, of any rights of either the City or the Company. Notwithstanding anything to the contrary set forth herein, neither City nor Company shall be required to violate federal or state law.

**8.6 Abandonment of Facilities by Company.** The Company, with the written consent of the City, may abandon any underground facilities in place, subject to the requirements of the City. In such an event, after receiving the written consent of the City, the abandoned Network shall become the property of the City, and the Company shall have no further responsibilities or obligations concerning those facilities.

## **ARTICLE IX**

### **ACCEPTANCE BY THE COMPANY OF FRANCHISE**

**Company Duty to Approve Franchise Agreement.** The Company shall, within sixty (60) calendar days after the approval of this Agreement, execute this Agreement and file an unqualified acceptance of the Agreement acknowledging the provisions of Title 3 Chapters 30 & 35 of the City's Ordinances in writing with the City Recorder of the City in a form approved by the City Attorney; otherwise, this Agreement and all rights granted hereunder shall be null and void.

## **ARTICLE X**

### **EXTENSION OF CITY LIMITS**

**Annexations.** Upon the annexation of any territory to the City, all rights hereby granted and the Franchise shall extend to the territory so annexed to the extent the City has authority. All facilities owned, maintained, or operated by the Company located within, under, or over streets of the territory so annexed shall thereafter be subject to all terms hereof.

## ARTICLE XI

### EARLY TERMINATION OR REVOCATION OF FRANCHISE

**11.1 Grounds for Termination.** The City may terminate or revoke this Agreement and all rights and privileges herein provided for any of the following reasons:

- a. The Company fails to make timely payments of the Franchise Fee as required under Article III of this Agreement and does not correct such failure within thirty (30) business days after receipt of written notice by the City of such failure;
- b. The Company, by act or omission, materially violates a duty or obligation herein set forth in any particular within the Company's control, and with respect to which redress is not otherwise herein provided. In such event, the City, acting by or through its City Council, may determine, after hearing, that such failure is of a material nature, and, thereupon, after written notice giving the Company notice of such determination, the Company, within thirty (30) calendar days of such notice, shall commence efforts to remedy the conditions identified in the notice and shall have ninety (90) calendar days from the date it receives notice to remedy the conditions. After the expiration of such ninety-day period and failure to correct such conditions, the City may declare the Franchise forfeited, and, thereupon, the Company shall have no further rights or authority hereunder; provided, however, that any such declaration of forfeiture and termination shall be subject to judicial review as provided by law, and, provided further, that in the event such failure is of such nature that it cannot be reasonably corrected within the ninety-day time period provided above, the City shall provide additional time for the reasonable correction of such alleged failure if the reason for the non-compliance was not the intentional or negligent act or omission of the Company;
- c. The Company becomes insolvent, unable, or unwilling to pay its debts; is adjudged bankrupt; or all or part of its facilities should be sold under an instrument to secure a debt and is not redeemed by the Company within thirty (30) calendar days; or
- d. In furtherance of the Company policy or through acts or omissions done within the scope and course of employment, a director or officer of the Company knowingly engages in conduct or makes a material misrepresentation with or to the City that is fraudulent or in violation of a felony criminal statute of the State of Utah.

**11.2 Reserved Rights.** Nothing contained herein shall be deemed to preclude the Company from pursuing any legal or equitable rights or remedies it may have to challenge the action of the City.

## ARTICLE XII

## INSURANCE AND INDEMNIFICATION

- 12.1 No City Liability.** Except as otherwise specifically provided herein, the City shall in no way be liable or responsible for any loss or damage to property, including financial or other business loss (whether direct, indirect, or consequential), or any injury to or death of any person that may occur in the construction, operation, or maintenance by the Company of its lines and appurtenances hereunder, except to the extent of the City's negligence or willful misconduct.
- 12.2 Company Indemnification of City.** The Company shall indemnify, hold harmless, and at the City's option defend and hold the City, and the officers, agents, boards, and employees thereof, harmless from and against any and all claims, suits, actions, liability and judgments for damages or otherwise harmless from and against claims, demands, liens, and all liability or damage of whatsoever kind (including accidental death) on account of, or arising from, the exercise by the Company of the rights related to this Agreement, or from the operations of the Company within the City, and shall pay the costs of defense plus reasonable attorneys' fees. Said indemnification shall include, but not be limited to, the Company's negligent acts or omissions pursuant to its use of the rights and privileges of this Agreement, including construction, operation, and maintenance of telecommunications lines and appurtenances, whether or not any such use, act, or omission complained of is authorized, allowed, or prohibited by this Agreement. The City shall give the Company written notice of its obligation to indemnify the City within a reasonable time of receipt of a claim or action pursuant to this subsection. Notwithstanding the foregoing, the Company shall not indemnify the City for any damages, liability or claims resulting from the willful misconduct or negligence of the City. In no event shall the City be liable to the Company for any indirect, incidental, special, punitive or consequential damages whatsoever, arising out of, or in connection with, this agreement, including but not limited to loss of profits, lost revenue, loss of goodwill, loss of anticipated savings, loss of data, incurred or suffered by the Company.
- 12.3 Notice of Indemnification.** The Company shall give prompt written notice to the City of any claim, demand, or lien that may result in a lawsuit against the City. City shall give written notice to Company promptly after City learns of the existence of Claim for which City seeks indemnification; provided, however, the failure to give such notice shall not affect the rights of City, except and only to the extent the Company is prejudiced by such failure. The Company shall have the right to employ counsel reasonably acceptable to the City to defend against any such Claim. If such counsel will represent both the Company and City, there may be no conflict with such counsel's representation of both. Company must acknowledge in writing its obligation to indemnify the City for the entire amount of any Loss relating thereto. No settlement of a Claim may seek to impose any liability or obligation upon the City other than for money damages. If Company fails to acknowledge in writing its obligation to defend against or settle such Claim within fifteen (15) days after receiving notice thereof from the City (or such shorter time specified in the notice as the circumstances of the matter may dictate), the City shall be free to dispose of the matter, at the expense of Company (but only if indemnification is adjudged to be proper), in any way in which the City deems to be in its best interest.

Notwithstanding any provision hereof to the contrary, the Company shall not be obligated to indemnify, defend, or hold the City harmless to the extent any claim, demand, or lien arises out of or in connection with a breach by the City of any obligation under this Agreement or any negligent or otherwise tortious act or failure to act of the City or any of its officers or employees or agents.

- 12.4 Insurance.** Company shall file a certificate of insurance with the City, and at all times thereafter maintain in full force and effect at its sole expense, an acceptable policy or policies which have one of the three highest or best ratings from the Alfred M. Best Company of liability insurance, including comprehensive general liability insurance. The policy or policies shall name as additional insured the City, and in their capacity as such, its officers, agents and employees. Policies of insurance shall be in the minimum single limit amount of two million dollars (\$2,000,000) per occurrence. The insurer or insurers shall be authorized to write the required insurance in the State of Utah. The policy or policies of insurance shall be maintained by the Company in full force and effect during the entire term of the Franchise. Each policy of insurance shall contain a statement on its face that the insurer will not cancel the policy or fail to renew the policy, whether for nonpayment of premium, or otherwise, and whether at the request of the Company or for other reasons, except after thirty (30) calendar days advance written notice mailed by the insurer to the City, and that such notice shall be transmitted postage prepaid.
- 12.5 City's Right to Intervene.** In any suit in which the City is named as a party and seeks indemnification from the Company, and in which the City in its own reasonable discretion believes that a conflict of interest with Company exists, the City shall have the right to provide its own defense in connection with the same. In such event, in addition to being reimbursed for any such judgment that may be rendered against the City which is subject to indemnification hereunder, together with all court costs incurred therein, the Company shall reimburse the City for all reasonable attorney's fees, including those employed by the City in such case or cases, as well as all reasonable expenses incurred by the City by reason of undertaking the defense of such suit or suits, whether such suit or suits are successfully defended, settled, compromised, or fully adjudicated against the City.
- 12.6 No Creation of a Private Cause of Action.** The provisions set forth herein are not intended to create liability for the benefit of third parties but is solely for the benefit of the Company and the City. In the event any claim is made against the City that falls under these indemnity provisions and a Court of competent jurisdiction should adjudge, by final decree, that the City is liable therefore, the Company shall indemnify and hold the City harmless of and from any such judgment or liability, including any court costs, expenses, and attorney fees incurred by the City in defense thereof. Nothing herein shall be deemed to prevent the parties indemnified and held harmless herein from participating in the defense of any litigation by their own counsel at their own expense. Such participation shall not under any circumstances relieve the Company from its duty of defense against liability or paying any judgment entered against such party.



- 12.7 Performance Bonds and Other Surety.** To ensure completion of the Company's performance of its obligations hereunder, Company shall furnish to the City a performance bond, that is substantially similar in form to the surety guarantee bond that is attached hereto as Exhibit 1, from an insurer or guarantor that is acceptable to the City.

## **ARTICLE XIII**

### **REMEDIES**

- 13.1 Duty to Perform.** The Company and the City agree to take all reasonable and necessary actions to assure that the terms of this Agreement are performed.
- 13.2 Remedies at Law.** In the event the Company or the City fail to fulfill any of their respective obligations under this Agreement the City or the Company, whichever the case may be, shall have a breach of contract claim and remedy against the other in addition to any other remedy provided by law, provided that no remedy that would have the effect of amending the specific provisions of this Agreement shall become effective without such action that would be necessary to formally amend the Agreement.
- 13.3 Third Party Beneficiaries.** The benefits and protection provided by this Agreement shall inure solely to the benefit of the City and the Company. This Agreement shall not be deemed to create any right in any person who is not a party and shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party (other than the permitted successors and assigns of a party hereto).
- 13.4 Force Majeure.** The Company shall not be held in default or noncompliance with the provisions of the Franchise, nor suffer any enforcement or penalty relating thereto, where such noncompliance or alleged defaults are caused by strikes, acts of God, power outages, or other events reasonably beyond its ability to control, but the Company shall not be relieved of any of its obligations to comply promptly with any provision of this Franchise contract by reason of any failure of the City to enforce prompt compliance. Nothing herein shall be construed as to imply that City waives any right, payment, or performance based on future legislation where said legislation impairs this contract in violation of the United States or Utah Constitutions.

## **ARTICLE XIV**

### **NOTICES**

**City and Company Designees and Addresses.** Unless otherwise specified herein, all notices between the City and the Company pursuant to or concerning this Agreement or the Franchise shall be delivered to (or to such other offices as the City or Company may designate by written notice to the other Party):

City:

Company:

Francis City  
Attn: Mayor  
2317 South Spring Hollow Road  
Francis, Utah 84036

Utah Broadband  
Attn: Steven McGhie

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**With copies to (which shall not constitute notice):**

**With a copy to (except for invoices) (which copy will not constitute notice):**

## ARTICLE XV

### CHANGING CONDITIONS

**Meet to Confer.** The Company and the City recognize that many aspects of the telecommunications business are currently the subject of discussion, examination, and inquiry by different segments of the industry and affected regulatory authorities, and that these activities may ultimately result in fundamental changes in the way the Company conducts its business. In recognition of the present state of uncertainty respecting these matters, the Company and the City each agree, on request of the other during the term of this Agreement, to meet with the other and discuss in good faith whether it would be appropriate, in view of developments of the kind referred to above during the term of this Agreement, to amend this Agreement or enter into separate, mutually satisfactory arrangements to effect a proper accommodation of any such developments.

## ARTICLE XVI

### AMENDMENT AND GENERAL PROVISIONS

- 16.1 Duty to Negotiate.** At any time during the term of this Agreement, the City, through the City Council, or the Company may propose amendments to this Agreement by giving thirty (30) calendar days written notice to the other of the proposed amendment(s) desired, and both parties thereafter, through their designated representatives, shall negotiate, within a reasonable time, in good faith in an effort to agree upon mutually satisfactory amendment(s).
- 16.2 Written Approval to Amend Agreement Required.** No amendment or amendments to this Agreement shall be effective until mutually agreed upon by the City and the Company, and an ordinance or resolution approving such amendments is approved by the City Council.
- 16.3 Entire Agreement.** This Agreement and all attachments hereto represent the entire understanding and agreement between the parties hereto with respect to the subject matter

hereof, and can be amended, supplemented, modified, or changed only by the written agreement of the parties, including the formal approval of the City Council.

**16.4 Governing Law.** This Agreement and any action related to this Agreement will be governed the laws of the State of Utah.

**16.5 Joint Drafting.** The Parties acknowledge that this Agreement has been drafted jointly by the Parties and agree that this Agreement will not be construed against either Party as a result of any role such Party may have had in the drafting process.

## **ARTICLE XVII**

### **SEVERABILITY**

**17.1 Conditions.** If any section, sentence, paragraph, term, or provision of this Agreement or the Ordinance is for any reason determined to be or rendered illegal, invalid, or superseded by other lawful authority including any state or federal, legislative, regulatory, or administrative authority having jurisdiction thereof or determined to be unconstitutional, illegal, or invalid by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such determination shall have no effect on the validity of any other section, sentence, paragraph, term, or provision hereof or thereof, all of which shall remain in full force and effect for the term of this Agreement and the Ordinance or any renewal or renewals thereof, except for Article III hereof. The parties do not waive their right to assert that the obligations contained herein, including those obligations contained in Article III arise as a matter of contract and are not otherwise conditioned.

**17.2 Conflicts.** In the event of a conflict between any provision of this Agreement and the Ordinance, the provisions of the Ordinance in effect at the time the Agreement is entered into shall control.

**17.3 Fee Article Non-Severable.** Article III hereof is essential to the adoption of this Agreement, and should it be challenged by the Company or determined to be illegal, invalid, unconstitutional, or superseded, in whole or in part, the entire Agreement and the Franchise shall be voided and terminated, subject to the following provisions of this Article. In the event of a judicial, regulatory, or administrative determination that Article III is illegal, invalid, unconstitutional, or superseded, such termination shall be effective as of the date of a final appealable order, unless otherwise agreed upon by the City and the Company. In the event of any legislative action that renders Article III unconstitutional, illegal, invalid, or superseded, such termination shall be effective as of the effective date of such legislative action.

**17.4 Waiver of Non-Severability.** Notwithstanding the foregoing, if the City stipulates in writing to judicial, administrative, or regulatory action that seeks a determination that Article III is invalid, illegal, superseded, or unconstitutional, then a determination that Article III is invalid, illegal, unconstitutional, or superseded shall have no effect on the

**17.5 Lease Terms Upon Termination.** In the event this Agreement is terminated pursuant to Section 17.3 hereof, the City grants to the Company a license for the location of facilities according to the same terms and conditions as set forth in this Agreement. Accordingly, the Company shall pay, as fair market rental value, the same amounts, at the same times, required for the payment of the Franchise Fee pursuant to Article III hereof and be bound by all other terms and conditions contained herein; provided, however, that in no event shall the Company be obligated to pay a higher percentage of Gross Revenues as rent or otherwise derived from the sale of telecommunications services within the City than is paid by other telecommunication companies serving within the City.

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by authority of a resolution of its [board of directors]/[Managers]; and he/she each acknowledged to me that said Company executed the same.

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Notary Public



## **Resolution No. 2022-07**

### **A RESOLUTION APPROVING A FRANCHISE AGREEMENT BETWEEN FRANCIS CITY, UTAH AND FIF Utah, LLC (UTAH BROADBAND)**

**WHEREAS**, the City of Francis is a Utah incorporated municipality; and

**WHEREAS**, FIF Utah LLC (Utah Broadband) would like to create a Franchise Agreement with Francis City; and

**WHEREAS**, The Francis City Council finds it to be in the public interest to enter into an agreement with FIF Utah, LLC (Utah Broadband); and

**NOW THEREFORE**, be it resolved by the City Council of Francis City, Utah, as follows:

1. The City Council approves the Franchise Agreement between the City of Francis and FIF Utah, LLC (Utah Broadband).
2. The Mayor is authorized to execute the Agreement on behalf of the City.

PASSES AND ADOPTED by the Francis City Council the \_\_\_\_ day of December 2022.

Aye      Nay

Mayor Jan Brussel  
Councilmember Forman  
Councilmember Fryer  
Councilmember Hunter  
Councilmember Query

FRANCIS CITY

ATTEST:

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Mayor Jan Brussel

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City Recorder Suzanne Gillett

**18.15.220 Short-term rentals.**

1. Purpose – Allowed Locations. The purpose of this section is to establish the process for permitting of short-term rentals whether as a vacation rental or otherwise. The intent is to protect the integrity and characteristics of established land use districts by ensuring that short-term or vacation rentals are operated in a manner that minimizes negative impacts of those uses on neighbors, public services, and the surrounding community. A short-term rental use is allowed as a conditional use in any residential zone.

2. Planning Commission Review. The Planning Commission is vested with authority to review and evaluate applications under this section and to approve, approve with conditions, or deny any such application.

3. Definitions.

a. Responsible Party. The owner(s), agent(s) or management company responsible for the operation and maintenance of the short-term rental property and for its compliance with all laws, rules and regulations applicable to the same.

b. Occupant(s). The individual(s) renting or residing in a short-term rental dwelling unit.

c. Pets. Dogs, cats, or other domesticated animals allowed under City ordinances that, with permission of the responsible party, accompany the occupants of the short-term rental.

4. Permit Required. A conditional use permit and all licenses and permits required by the Summit County Health Department and the State shall be required for all properties used as short-term rentals. The fee required by the fee and rate ordinance shall accompany the conditional use application.

5. Application for Permit. The application for a conditional use permit shall be made on forms provided by the City and shall include a phone contact number and email address for the owner and, as applicable, the responsible party. The application shall be accompanied by a site plan and floor plan that demonstrate that all requirements of this section are met. The plans shall be drawn to scale showing the location of all buildings, property lines, distances from property lines to all buildings, the location of all parking stalls, utility meters, entrances, and such other information as may be required by the application. The drawings shall also demonstrate compliance with all applicable building, health, and fire codes. If the application is made by any person other than the owner of the property, or if the property is not owner-occupied or owner-managed, the application shall be accompanied by a signed document demonstrating the owner's permission to use the premises as a short-term rental, identifying the responsible party, and providing all details about the identity and business operations of the responsible party as may be required in the application.

6. Prior to operating a short-term rental, the owner or responsible party shall obtain conditional use approval and shall meet all requirements of the conditional use permit. At the time of, or prior to, receiving conditional use approval, the responsible party shall register the business with the state, and obtain a state sales tax ID number; proof of the same shall be filed with the City.

7. Review. The Planning Commission shall review complete applications for a conditional use permit under this section and shall approve, approve with conditions, or deny the application based on the criteria listed in this section. In addition to the requirements of this section, the Planning Commission may impose conditions that are necessary to mitigate the potential adverse effects of the short-term rental on neighbors and nearby uses.

8. Reports and Taxes. The responsible party shall comply with all reporting requirements incident to the use as a short-term rental property, and shall collect and remit all sales, resort, and transient room taxes to the State Tax Commission.

9. Noise, Nuisances and Adverse Effects of Use. The responsible party shall regulate the occupancy of the short-term rental and ensure that:

a. Occupants and their pets do not create noise or other conditions that by reason of time, nature, intensity or duration are out of character with noise and conditions customarily experienced in the surrounding neighborhood;

b. Occupants do not disturb the peace of surrounding residents by engaging in outside recreational activities or other activities that adversely affect nearby properties before 7:00 a.m. or after 10:00 p.m.;

c. Occupants and their pets do not interfere with the privacy of nearby residents or trespass onto nearby properties;

d. Occupants do not engage in disorderly or illegal conduct, including illegal consumption of drugs or alcohol; and

e. The premises, responsible party and all occupants strictly comply with Utah Administrative Code Rule R392-502, Public Lodging Facility Sanitation.

10. Parking. On-street parking is prohibited. An off-street parking stall shall be provided for each vehicle, including trailers, an occupant brings to the premises of the short-term rental. The number of occupants' vehicles shall not exceed the number of bedrooms available in the short-term rental. Vehicles parked at the short-term rental shall not impede clear sight distances, create a nuisance or hazard, violate any City laws or winter-restricted parking requirement, or infringe on the property rights of any adjacent or nearby property. Parking of vehicles shall be entirely within a garage or carport, or upon a driveway or other gravel or paved surface. Parking is prohibited within any landscape area.



11. Camping Equipment, Facilities, and Other Temporary Facilities. All short-term rentals shall be conducted entirely within an approved residential dwelling unit. Occupied camp trailers, travel trailers, recreational vehicles, tents, yurts, or any similar structures are prohibited.

12. Signage – Exterior and Interior. Exterior signage other than ordinary street address signage is prohibited. The responsible party shall provide a prominent display within the dwelling unit that provides, at minimum, the following information:

- a. Contact information for the responsible party at which it may be contacted at any time (24/7);
- b. All local regulations addressing noise, parking, pets, trespassing, illegal activity, and conduct; and
- c. Any additional rules or regulations imposed by the responsible party.

13. Maintenance and Standards. Any property licensed as a short-term rental shall conform to the following standards:

- a. Structures shall be properly maintained and all facilities such as plumbing, HVAC equipment, appliances, etc., kept in a condition that is fully operational and otherwise in good repair.
- b. Grounds and landscaped areas shall be properly maintained to ensure that the use does not detract from the general appearance of the neighborhood or create any hazard or nuisance to the occupants or to neighboring properties.
- c. Each habitable space shall meet current federal, state, and local building and health codes, and shall be equipped with fully functional smoke and carbon monoxide detectors located at places within the dwelling unit that comply with applicable building codes.
- d. Garbage shall be placed in City-approved receptacles, shall not be allowed to accumulate on the property and shall be removed on regularly scheduled pickup days.
- e. A fully functional fire extinguisher shall be located in an easily accessible location.
- f. A fire exit route plan and statement of the maximum occupancy number for the premises shall be prominently posted.
- g. The responsible party shall comply with all inspection requirements of the state, Summit County, and the City.

14. Complaints. Complaints received by the City for any violation of this section will be handled as follows:

a. A first complaint will result in an investigation and, if warranted, the City will issue a written warning to the responsible party; said warning shall provide notice of the complaint, a description of any violation, and actions to be performed to correct a violation. Upon receipt of a second complaint, the City will conduct an investigation, and if warranted, will take one of the following courses of action:

- i. Issue another warning;
- ii. Issue a citation for violation of City ordinances or rules in accordance with Chapter 18.145 FCC, Penalties;
- iii. Initiate formal cause proceedings to revoke the conditional use permit and business license; or
- iv. Initiate revocation proceedings as provided in this section.

b. In the event of an order to formal proceedings, the responsible party shall appear before an administrative law judge to demonstrate, by clear and convincing evidence, why the conditional use permit should not immediately be revoked. If the responsible party fails to appear, the facts alleged in the notice for the formal proceeding shall be deemed to be true and the administrative law judge may take such action as it deems appropriate, including revocation of the conditional use permit.

c. Notwithstanding any other remedy in this section, violations of federal, state, or local laws may be prosecuted in any court or administrative tribunal having jurisdiction over the matter. (Ord. 2021-19 § 1 (Exh. A), 2021.)