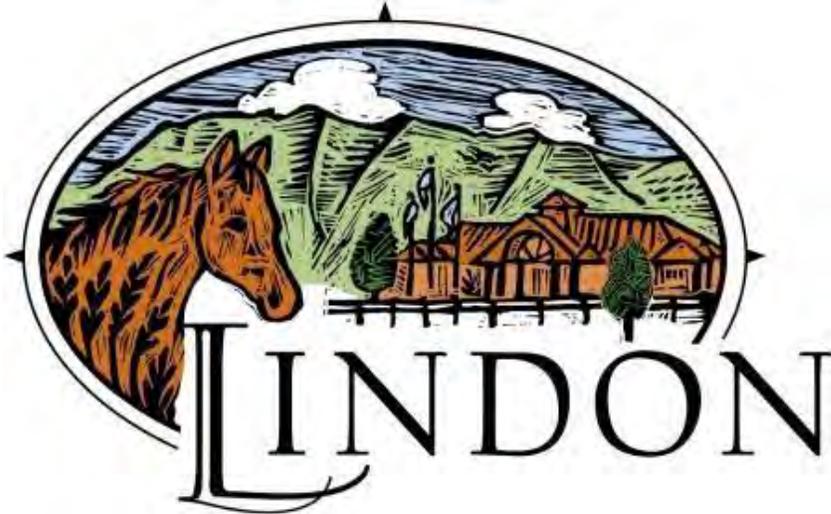


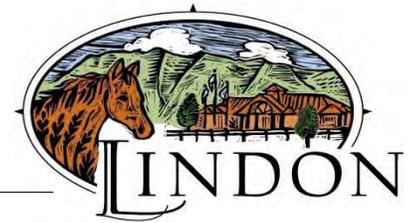
Lindon City Council Staff Report



Prepared by Lindon City
Administration

December 4, 2018

Notice of Meeting of the Lindon City Council



The Lindon City Council will hold a meeting at 7:00 p.m. on Tuesday, December 4, 2018 in the Lindon City Center Council Chambers, 100 North State Street, Lindon, Utah. The agenda will consist of the following:

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(Review times are estimates only)

- REGULAR SESSION – 7:00 P.M.** - Conducting: Jake Hoyt, Mayor pro tem
Pledge of Allegiance: By Invitation
Invocation: Jake Hoyt
- 1. Call to Order / Roll Call**
 - 2. Presentations and Announcements** (2 minutes)
 - a) Comments / Announcements from Mayor and Council members. (5 minutes)
 - b) Presentation: Recognize Councilmember Daril Magleby for his service on the City Council.
 - 3. Approval of minutes:** November 20, 2018 (5 minutes)
 - 4. Open Session for Public Comment** (For items not on the agenda) (10 minutes)
 - 5. Consent Agenda – (Items do not require public comment or discussion and can all be approved by a single motion.)** (5 minutes)
 - a. 2019 Mayor and Council Liaison Assignments, Mayor pro tem and RDA Board appointments, and other staff appointments; Resolution #2018-23-R. This will be updated once the upcoming Council vacancy is filled.
 - 6. Action Item — Financial Audit Report for Fiscal Year 2017-18** (20 minutes)
Representatives from Keddington & Christensen, LLP and Lindon City Finance Director, Kristen Colson, will present, for the City Council's acceptance, the city's annual financial audit report, included as part of the Comprehensive Annual Financial Report (CAFR), for fiscal year ended June 30, 2018.
 - 7. Presentation Item — Mountainland Association of Governments TransPlan50** (20 minutes)
Shawn Elliot, with Mountainland Association of Governments (MAG) will give an overview of MAG's TransPlan50, which is the draft regional transportation plan for urbanized Utah County through 2050. The projects and programs proposed within the plan are a coordinated system of capital-intensive roadway projects, transit improvements, and pedestrian/bicycle facilities needed over the next thirty years. A public comment period is planned for the spring of 2019 with final adoption anticipated in June 2019. No motions will be made.
 - 8. Action Item — 2018 Lindon City Moderate Income Housing Report; Res. #2018-24-R** (15 minutes)
Lindon City Planning & Economic Development Director, Mike Florence, will present for the Council's consideration the 2018 Moderate Income Housing Report that is required to be submitted to the State of Utah biennially (every two years).
 - 9. Action Item — Employee Merit Increases** (5 minutes)
In the FY2019 budget the City Council previously approved a 0.9% merit increase and a 1.0% one-time lump sum payment for employees (based upon year-end employee performance evaluation scores). The merit increase and one-time payment will be effective January 1, 2019. Per past practice, the City evaluates mid-fiscal year budget constraints and economic indicators to determine if recommended merit increases are still financially prudent. Given a healthy economic outlook, strong revenues, and healthy General Fund reserves the City Administration recommends the payments be applied as approved in the FY2019 budget.
 - 10. Public Hearing — Ordinance Change; Lindon City Code 13.12; Ord. #2018-18-O** (5 minutes)
This item was advertised for this meeting but is not ready for discussion and will be continued to the December 18, 2018 Council meeting.
The Lindon City Council will review and consider Ordinance #2018-18-O amending sections of LCC 13.12 'Administration of Water and Sewer Service' regarding utility service agreements and billing policies.
 - 11. Public Hearing — FY2018-19 Fee Schedule Amendment; Res. # 2018-25-R** (5 minutes)
This item was advertised for this meeting but is not ready for discussion and will be continued to the December 18, 2018 Council meeting.

The Lindon City Council will review and consider Resolution #2018-25-R amending sections of the FY2018-19 fee schedule for utility services billed to accessory apartments and multi-tenant residential facilities, with review of updated utility billing policies.

12. Council Reports:

(20 minutes)

- | | |
|---|--------------------|
| A) MAG, COG, UIA, Utah Lake Commission, ULCT, NUVAS, IHC Outreach, Budget Committee | - Jeff Acerson |
| B) Public Works, Irrigation/water, City Buildings | - Van Broderick |
| C) Planning, BD of Adjustments, General Plan, Budget Committee | - Matt Bean |
| D) Parks & Recreation, Trails, Tree Board, Cemetery | - Carolyn Lundberg |
| E) Public Safety, Court, Lindon Days, Transfer Station/Solid Waste | - Daril Magleby |
| F) Admin., Community Center, Historic Comm., PG/Lindon Chamber, Budget Committee | - Jacob Hoyt |

13. Administrator's Report

(10 minutes)

Adjourn

All or a portion of this meeting may be held electronically to allow a council member to participate by video conference or teleconference. Staff Reports and application materials for the agenda items above are available for review at the Lindon City Offices, located at 100 N. State Street, Lindon, UT. For specific questions on agenda items our staff may be contacted directly at (801)785-5043. City Codes and ordinances are available on the City web site found at www.lindoncity.org. The City of Lindon, in compliance with the Americans with Disabilities Act, provides accommodations and auxiliary communicative aids and services for all those citizens in need of assistance. Persons requesting these accommodations for city-sponsored public meetings, services programs or events should call Kathy Moosman at 801-785-5043, giving at least 24 hours notice.

CERTIFICATE OF POSTING:

I certify that the above notice and agenda was posted in three public places within the Lindon City limits and on the State (<http://pmn.utah.gov>) and City (www.lindoncity.org) websites.

Posted by: /s/ **Kathryn A. Moosman, City Recorder**

Date: November 30, 2018; **Time:** 1:30 p.m.; **Place:** Lindon City Center, Lindon Police Dept., Lindon Community Center

REGULAR SESSION – 7:00 P.M. - Conducting: Jeff Acerson, Mayor

Pledge of Allegiance: By Invitation

Invocation: Jake Hoyt

Item 1 – Call to Order / Roll Call

December 4, 2018 Lindon City Council meeting.

Jeff Acerson
Matt Bean
Van Broderick
Jake Hoyt
Carolyn Lundberg
Daril Magleby

Staff present: _____

Item 2 – Presentations and Announcements

- a) Comments / Announcements from Mayor and Council members.
- b) Presentation: Recognize Councilmember Daril Magleby for his service on the City Council.



Daril Magleby was elected to as a Council member in Nov. 2017 and has served on the City Council since January 2018. We appreciate his service to the City and wish him well in his future endeavors!

Item 3 – Approval of Minutes

- Review and approval of City Council minutes: **November 20, 2018**

2 The Lindon City Council held a regularly scheduled meeting on **Tuesday, November 20,**
4 **2018, beginning at 7:00 p.m.** in the Lindon City Center, City Council Chambers, 100
North State Street, Lindon, Utah.

6 **REGULAR SESSION** – 7:00 P.M.

8 Conducting: Jeff Acerson, Mayor
Pledge of Allegiance: Andrew Florence
10 Invocation: Van Broderick, Councilmember

12 **PRESENT**

Jeff Acerson, Mayor
14 Matt Bean, Councilmember
Carolyn Lundberg, Councilmember
16 Van Broderick, Councilmember
Jacob Hoyt, Councilmember
18 Daril Magleby, Councilmember
Adam Cowie, City Administrator
20 Michael Florence, Planning Director
Kathryn Moosman, City Recorder

EXCUSED

- 22 1. **Call to Order/Roll Call** – The meeting was called to order at 7:00 p.m.
- 24 2. **Presentations/Announcements** –
 - 26 a) **Comments/Announcements from Mayor and Council** – There were no
announcements at this time.
 - 28 b) **Presentation** – Adam Cowie, City Administrator, introduced new Planning &
Economic Development Director, Michael Florence. Mayor Acerson and the
30 Council welcomed Mr. Florence and acknowledged he will be a welcomed
asset the city. In addition, Shane Sywick, a member of the South Salt Lake
32 City Council was in attendance to present Mr. Florence with a plaque of
appreciation for his 13 years of service with South Salt Lake City.
- 34 3. **Approval of Minutes** – The minutes of the regular meeting of the City Council
36 meeting of October 16, 2018 were reviewed.

38 COUNCILMEMBER BRODERICK MOVED TO APPROVE THE MINUTES
OF THE REGULAR CITY COUNCIL MEETING OF OCTOBER 16, 2018 AS
40 PRESENTED. COUNCILMEMBER MAGLEBY SECONDED THE MOTION. THE
VOTE WAS RECORDED AS FOLLOWS:

42 COUNCILMEMBER BEAN	A YE
COUNCILMEMBER LUNDBERG	A YE
44 COUNCILMEMBER BRODERICK	A YE
COUNCILMEMBER HOYT	A YE
46 COUNCILMEMBER MAGLEBY	A YE

THE MOTION CARRIED UNANIMOUSLY.

2 4. **Open Session for Public Comment** – Mayor Acerson called for any public
comment not listed as an agenda item. There were no public comments.

4 5. **Consent Agenda Items** –

- 6 a. Appointment of Jared Schauers to a three-year term as a Lindon City Planning
- 8 Commissioner.
- 10 b. Resolution #2018-21-R approving and adopting the 2019 Public Meeting
- 12 Schedule.
- 14 c. Appointment of Mark Brandt to the Lindon City Tree Advisory Board.
- d. Appointment of Brian Haws and Dana Facemyer as city representatives on the
- Justice Court Nominating Commission to assist with recommending a new
- justice court judge in Lindon.

16 COUNCILMEMBER BRODERICK MOVED TO APPROVE THE CONSENT
18 AGENDA ITEMS AS PRESENTED. COUNCILMEMBER HOYT SECONDED THE
MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

- 20 COUNCILMEMBER BEAN AYE
- 22 COUNCILMEMBER LUNDBERG AYE
- COUNCILMEMBER BRODERICK AYE
- 24 COUNCILMEMBER HOYT AYE
- COUNCILMEMBER MAGLEBY AYE

24 THE MOTION CARRIED UNANIMOUSLY.

26 **CURRENT BUSINESS**

28 6. **Site Plan/Conditional Use Permit — Lindon Ridge Apartments, 45 S. Main**
30 **Street.** Julie Smith, on behalf of the Christensen’s, requests preliminary site plan
approval for senior housing apartments at a density of 30 units/acre as a
32 conditional use on the property located at approximately 45 S. Main St., in the
Senior Housing Facility Overlay (SHFO) zone. Total land area of 3.44 acres. The
Planning Commission recommended approval with conditions.

34 Mike Florence, Planning and Economic Director, led this discussion by stating the
36 applicant, Julie Smith is in attendance for this agenda item. He noted the Planning
Commission discussed and made a recommendation concerning this proposal on October
38 23, 2018 (the Planning Commission first discussed the proposal on 10/09/2018) and was
continued in order to allow further discussion regarding the proposed building materials.
40 The Planning Commission felt that the materials on the first floor must be changed in
order to better comply with the City Code and development Standards. Comments
42 regarding the materials included: appearance, cost, seismic, energy efficiency, durability
and compliance with codes and standards. He noted the applicant clarified that the siding
44 on the 2-4 floors will be hardy-board (not metal siding).

46 Mr. Florence explained the applicant is proposing 103 apartment units in the
SHFO zone; the proposed density is 30 units per acre. The applicant is not proposing any
outdoor storage or RV storage space. He noted the Senior Housing Facility overlay

2 provides standards for development which recognizes and accommodates the varied
4 housing and lifestyle needs and desires of seniors age 55 and older. It also promotes
6 independence and a high quality of life to meet the physical and social needs of seniors
8 by encouraging specialized design features, and convenient access to community and
10 civic centers, support services, mass transit stations and stops, recreational facilities, and
12 shopping centers.

8 Mr. Florence further explained the overlay is not for non-age restricted residential
10 housing of any type including, but not limited to, apartments, condominiums,
12 townhomes, single-family homes, twin homes, triplexes, fourplexes, etc. The SHFO zone
14 was applied to the subject property by the City Council on July 16, 2013, by way of
16 ordinance (2013-7-0). The text that regulates SHFO projects was also adopted the same
18 day by way of ordinance (2013-5-0).

14 Mr. Florence clarified the Lindon City Council shall be the final land use
16 authority for all Senior Housing Facility applications and shall not render a decision on
18 an application until the Planning Commission has reviewed the application and provided
20 a recommendation to the City Council. Senior housing development projects within the
22 zone shall be under a single ownership, with respect to each development. Individual
24 dwelling units may not be developed or converted to condominiums and may not be sold
26 separately from the rest of the development.

22 Mr. Florence went on to say the Planning Staff, the City Engineer and the
24 applicant are working through technical issues related to the site and City Staff will
26 ensure all issues are resolved before final Engineering approval is granted. He mentioned
28 that third party notices were mailed on September 28, 2018, to the adjoining property
30 owners in accordance with Lindon City Code and staff has received no written public
32 comment back at this time. He noted the applicant and staff have reviewed the most
34 recently revised plans with an adjoining property owner (Lee LA Enterprises).

28 Mr. Florence pointed out that the applicant and staff have also discussed
30 preparing a written agreement concerning access from Main Street through City property
32 (location of the crash gate for second access as well as pedestrian access) and in return
34 the applicant will landscape and maintain the area up to Main Street and State Street. He
36 went on to say the Senior Housing Facility Overlay may have a maximum density of 30
38 dwelling units per acre if full-time on-site management is present and one (1) indoor and
40 one (1) outdoor common area/recreation space is provided within the facility. If full-time
42 onsite management is not present or the two-common area/recreation spaces are not
44 provided, the maximum density shall be 15 dwelling units per acre. The plans currently
46 do not call out the presence of full-time on-site management. The applicant has indicated
that it will be located on the first floor of one of the apartment buildings. (It will be
required based on the requested density of 30 units per acre.) Amenities shown on the
plans include the following-Indoor amenities: Fitness Room, Gathering Lounge, Theater
Room. Outdoor amenities: Dog Park, Garden Boxes, Covered Sitting Areas, Outdoor
Benches, Outdoor Smokers Lounge, Walking Path. Mr. Florence then referenced the
table showing the property information.

44 Mr. Florence indicated the units are restricted to three (3) persons as the
46 maximum number of occupants with a maximum unit size of three (3) bedrooms, with
the following restrictions:

- a. In one (1) bedroom units, the maximum number of occupants shall be two (2)

- 2 persons;
- 4 b. The units are intended for, and to be occupied by, at least one person fifty-five (55) years of age or older per unit with all occupants being at least 18 years of age;
- 6 i. A unit may be occupied by the surviving spouse of a household, regardless of age, if the fifty-five (55) years of age or older qualifying person has passed away, provided the surviving spouse was a resident of the unit at the time of that
- 8 qualifying person's death;
- 10 ii. Dependents of the deceased qualifying person may continue to reside in the unit if a surviving spouse of the qualifying person is remaining in the unit under the
- 12 circumstances outlined in (8)(a)(i). Otherwise, dependents shall have a 90-day transition period during which they are able to remain in the unit following the
- 14 qualifying person's death. c. A deed restriction shall be recorded on the property indicating the occupancy restrictions.

16 Mr. Florence commented unless called out differently, landscaping requirements shall be the same as those found in LCC 17.48.030. Interior landscaping must be provided at 40 square feet per stall with one tree per 10 stalls. He pointed out the required amount of interior landscaping and trees are provided. He noted unless otherwise approved by the planning commission, a landscaped berm at least three feet (3') high and twenty feet (20') wide shall be planted with grass and maintained in a living, growing condition along all public street frontages; the plans provide for the 20' of landscaping (grass) along State Street. However, the applicant requests to use the landscaped area as a drainage swale instead of the berm; the Planning Commission and city Council may approve of this modification. Trees shall be planted thirty feet (30') on center, centered ten feet (10') from the edges of the strip in all required landscaped and bermed areas; the landscaping complies. Concrete curbing shall be provided between landscaped areas and off-street parking areas that are at least six inches (6") higher than the parking areas. All landscaped areas are protected by raised (6") curbing. A minimum of thirty percent (30%) of each project shall be maintained in permanent landscaped open space; the landscaping areas equal 33%.

34 Mr. Florence indicated that a Seven foot (7') high, site obscuring fencing shall be installed along the perimeter of the property, regardless of whether it abuts existing residential or commercial properties or uses. The fence shall be constructed and maintained by the owner of the senior housing facility. Installation of fencing should not limit pedestrian access to vehicular access points and such fencing will be constructed in a manner consistent with a residential character of the senior housing structure. The Planning Commission shall approve the style and design of any fencing before a conditional use permit is issued and any exceptions to fence height, material, location and timing of installation shall be approved by the Planning Commission (a chain link fence with slats shall not be considered site obscuring for the purposes of this section).

44 Mr. Florence stated the plans propose a 7' high masonry wall. (The wall is not proposed along State Street, and will end 25' from the drive entrance and crash gate exit for clear view purposes). The applicant requests that the wall not be required for a portion of the south property line adjacent to the Lee LA Enterprises building. The applicant desires to install a 3' high split rail or picket vinyl fence adjacent to the CMU block

2 building. The intent is to beautify the adjacent building wall and grounds. The applicant
 4 wishes to discuss this request with the Planning Commission and City Council. (On the
 north side of the project, the required wall is shown on the plans where the applicant
 proposes a future north access point. The wall would not be removed until additional site
 6 plan approvals are given).

8 Mr. Florence stated the architectural design of a senior housing facility shall
 comply with architectural design guidelines as established in the underlying zone where
 the facility is proposed. Also, design should reflect the residential nature of the building
 10 use. The underlying zone is the General Commercial (CG) zone. The CG zone requires
 architectural design to be consistent with the Lindon City Commercial Design Standards.
 12 It also requires attention to be given to all sides of the buildings. Mr. Florence added the
 use of more durable materials is recommended. Stucco is generally a secondary material.
 14 Brick, Stone, or Colored Decorative Block should be utilized as the primary building
 material (primary generally means 85% or greater of the building). Cement Stucco,
 16 Wood, Architectural Metals, colored or decorative concrete, and cement board siding
 may be used as secondary (less than 40%) building materials, and on less visible facades.
 18 Fenestration can also be used to count toward the 85% of the recommended building
 materials. He noted other materials may be considered for use as a primary building
 20 material, based on review by the city.

22 Mr. Florence went on to say all outside lighting shall be arranged and shielded as
 to prevent glare, nuisance, inconvenience or hazardous interference on adjoining streets
 or property. Street lights shall be installed on all public roads according to standards
 24 established in the Land Development Policies, Standard Specifications and Drawings
 manual. He stated the applicant is proposing wall lighting, parking lot area lights, and
 26 lighting under the covered parking. The lighting will be shielded and directional in order
 to comply. All solid waste storage facilities shall be enclosed with a masonry wall and
 28 constructed as per adopted City standards. The minimum access width to a solid waste
 storage facility shall be fifteen (15) feet; the site plans comply.

30 Mr. Florence then referenced photos of the current site conditions followed by
 some general discussion.

32 Mr. Florence then went over the conditions recommended by the Planning
 Commission on 10/23/2018 as follows:

- 34 1. Address remaining City review comments and finalize the plans with the City
 Engineer
- 36 2. Clarify on the plans, by adding the details and location of, the on-site full-time
 management
- 38 3. Recording of the required deed restriction relating to occupancy
- 40 4. Address building material requirements (The Planning Commission
 recommended that the first-floor materials (stucco with the appearance of stone)
 be replaced with more durable stone or stone veneer)
- 42 5. Comply with Maintenance of Premises regulations found in Lindon City Code
 17.75.040
- 44 6. That the property and project (including the individual units) remain under single
 ownership. Individual dwelling units may not be developed or converted to
 46 condominiums and may not be sold separately from the rest of the development
7. In order to address the necessary easements, and in order to ensure the

2 combination of the multiple parcels involved in the project, record an approved
 4 subdivision plat prior to finalizing the plans with the Lindon City Engineer (or
 accomplish these items in another manner approved by the City Engineer and
 Planning Staff)

6 8. Tender water shares or pay the fee in lieu of to the City. Staff recommends the
 8 following additional condition: the applicant continue to work with staff on an
 agreement to install and maintain landscaping on the corner of Main Street and
 10 State Street in exchange for emergency vehicle secondary access and pedestrian
 ingress and egress from the site.

12 The applicant, Julie Smith addressed the Council at this time. She spoke on the
 driveway access. She noted they met with UDOT and because they are changing the use
 14 from residential and due to the amount of traffic UDOT will close the access onto State
 Street. Mr. Florence then spoke on the location of the full-time management office and the
 16 landscaping noting they will exchange landscape for secondary access.

Councilmember Lundberg commented the past the potential concept indicated the
 18 corner would stay potential commercial and now it is more apartments with a 30 ft strip
 park and does not show that in the current layout. Ms. Smith explained the future phase
 20 stating the overlay zone is 5 acres or less and a year ago they changed the language
 amendment to allow more area so they are now over 3 acres. She pointed out they have full
 22 intentions to move forward to the next phase with the park etc. She noted they removed the
 commercial due to Mrs. Abbotts residential home and the lost access onto state street so the
 24 commercial didn't make sense.

Councilmember Hoyt asked for a history of the senior housing overlay. Mr. Cowie
 26 gave a brief history of the senior housing overlay zone and the concept plans that have been
 brought in the past noting there are only two areas in the city with the overlay zone. He
 28 also addressed the secondary access and state street frontage. Councilmember Bean asked
 if the secondary access entrance would be graveled or paved to main street. Mr. Florence
 30 said there will be an emergency access gate and it will be paved (25 ft. wide). Ms. Smith
 indicated they will do whatever the city requires to have the least impact on Mrs. Abbott
 32 and her property and her concerns of keeping her trees.

Councilmember Bean also questioned the brick façade material because of the
 34 planning commission's concerns as to why they required that it not be on the first floor
 (stone veneer) and only used on the upper floors. Ms. Smith's Architect, Gil Rand, then
 36 presented and explained the building materials. He also presented photos of similar
 projects they have done in Provo and Springville. He also explained the example panel
 38 board he brought and the energy efficiency of the product. Councilmember Hoyt
 commented that residents have complained about using residential streets and outside
 40 parking for moving trucks and pods at similar facilities. Councilmember Lundberg pointed
 out the difficulty is not having the proper staging area for moving trucks and pods.

42 Ms. Smith commented this site/project has a lot of constraints on it noting there is
 a large power line on the north part that had to be relocated by Utah Power and Light in
 44 order to have the correct offset on the north building. She suggested that perhaps the
 easiest way would be when the trucks come in they could briefly use the handicapped
 46 stalls for a temporary staging area. Brian Christensen (owner) stated they have talked
 about an area with the fence on the north side and moving it up 20 ft. to accept pods for a

2 temporary staging area, however, it is not currently part of the layout. He added they are
 4 working with the lender to put something together with bonding in the next month or two,
 so hopefully their time frame will be early spring. Councilmember Lundberg pointed out
 that there have been issues at other facilities regarding pod storage areas. There was then
 6 some discussion regarding a pod staging area with the applicant agreeing it is necessary but
 may be done in the next phase.

8 Councilmember Broderick asked for a description of the product. Mr. Rand
 explained in detail the product and invited the Council to view and feel the material
 10 presented followed by discussion. Councilmember Broderick asked the applicant if she is
 comfortable with the conditions listed by the planning commission. Ms. Smith agreed she
 12 is comfortable with the listed conditions. Councilmember Bean suggested having a
 permanent pod staging area that would not reduce/impact the parking or landscaping
 14 requirements be added to the motion. Mr. Cowie suggested the language to add. At this
 time, Councilmember Broderick gave full disclosure that he is a general contractor but does
 16 not have ties to this development.

18 Mayor Acerson called for any further comments or discussion from the Council.
 Hearing none he called for a motion.

20 COUNCILMEMBER BEAN MOVED TO APPROVE THE APPLICANT'S
 REQUEST FOR SITE PLAN APPROVAL FOR SENIOR HOUSING APARTMENTS
 22 AT A DENSITY OF 30 UNITS/ACRE AS A CONDITIONAL USE ON THE
 PROPERTY LOCATED AT APPROXIMATELY 45 S. MAIN ST., IN THE SENIOR
 24 HOUSING FACILITY OVERLAY (SHFO) ZONE, WITH THE FOLLOWING EIGHT
 CONDITIONS LISTED IN THE PACKET THAT WERE RECOMMENDED BY THE
 26 PLANNING COMMISSION ON 10/23/2018 1. ADDRESS REMAINING CITY
 REVIEW COMMENTS AND FINALIZE THE PLANS WITH THE CITY ENGINEER,
 28 2. CLARIFY ON THE PLANS, BY ADDING THE DETAILS AND LOCATION OF,
 THE ON-SITE FULL-TIME MANAGEMENT, 3. RECORDING OF THE REQUIRED
 30 DEED RESTRICTION RELATING TO OCCUPANCY, 4. ADDRESS BUILDING
 MATERIAL REQUIREMENTS (THE PLANNING COMMISSION RECOMMENDED
 32 THAT THE FIRST-FLOOR MATERIALS (STUCCO WITH THE APPEARANCE OF
 STONE) BE REPLACED WITH MORE DURABLE STONE OR STONE VENEER), 5.
 34 COMPLY WITH MAINTENANCE OF PREMISES REGULATIONS FOUND IN
 LINDON CITY CODE 17.75.040, 6. THAT THE PROPERTY AND PROJECT
 36 (INCLUDING THE INDIVIDUAL UNITS) REMAIN UNDER SINGLE OWNERSHIP.
 INDIVIDUAL DWELLING UNITS MAY NOT BE DEVELOPED OR CONVERTED
 38 TO CONDOMINIUMS AND MAY NOT BE SOLD SEPARATELY FROM THE REST
 OF THE DEVELOPMENT, 7. IN ORDER TO ADDRESS THE NECESSARY
 40 EASEMENTS, AND IN ORDER TO ENSURE THE COMBINATION OF THE
 MULTIPLE PARCELS INVOLVED IN THE PROJECT, RECORD AN APPROVED
 42 SUBDIVISION PLAT PRIOR TO FINALIZING THE PLANS WITH THE LINDON
 CITY ENGINEER (OR ACCOMPLISH THESE ITEMS IN ANOTHER MANNER
 44 APPROVED BY THE CITY ENGINEER AND PLANNING STAFF), AND 8.
 TENDER WATER SHARES OR PAY THE FEE IN LIEU OF TO THE CITY. STAFF
 46 RECOMMENDS THE FOLLOWING ADDITIONAL CONDITION: THE

2 APPLICANT CONTINUE TO WORK WITH STAFF ON AN AGREEMENT TO
4 INSTALL AND MAINTAIN LANDSCAPING ON THE CORNER OF MAIN STREET
6 AND STATE STREET IN EXCHANGE FOR EMERGENCY VEHICLE
8 SECONDARY ACCESS AND PEDESTRIAN INGRESS AND EGRESS FROM THE
SITE WITH THE ADDITIONAL CONDITION THAT A POD STAGING AREA BE
LOCATED ON THE PARCEL THAT WILL NOT IMPACT PARKING OR
LANDSCAPE REQUIREMENTS. COUNCILMEMBER BRODERICK SECONDED
THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

- 10 COUNCILMEMBER BEAN AYE
- COUNCILMEMBER LUNDBERG AYE
- 12 COUNCILMEMBER BRODERICK AYE
- COUNCILMEMBER HOYT AYE
- 14 COUNCILMEMBER MAGLEBY AYE

THE MOTION CARRIED UNANIMOUSLY.

16
18 7. **Discussion Item — Boy Scouts of America Chartering.** The Utah National
Parks Council of the Boy Scouts of America has been asking cities to participate
20 in scouting as Charter Organizations for one or more scouting units within the
City. This would require financial sponsorship, finding and approving leadership,
22 and possibly providing meeting space. The BSA met with Mayor Acerson who
wanted to discuss the request with the full Council prior to responding back to the
24 BSA. The City Council will discuss and consider this issue. No motions will be
made at this time but general feedback may be given.

26 Adam Cowie, City Administrator, gave some background of this item explaining
the Church of Jesus Christ of Latter-day Saints has discontinued its association with the
28 Boy Scouts of America, so the scouting organization is looking for other communities
and businesses to assume responsibility as a “Charter Organization” to sponsor
30 community scouting troops and to be in charge of leadership and assist with meeting
space as to sustain the organization. He then referenced some data provided by Lindon
32 Parks & Recreation Director, Heath Bateman, on how other cities are reacting to this
request and whether or not they have agreed to participate as a Charter Organization.

34 Mr. Cowie pointed out that financially, the impact for sponsoring units entails
current chartering fees of \$40 per unit per year, and individual youth and leader fees
36 which are \$33 per individual per year. He noted that outside of Utah most youth/leader
fees and programing costs are fundraised by the unit. The BSA representative also
38 indicated that nationwide about 80% of charter organizations are religious institutions. A
charter organization is ultimately responsible for finding and approving adult leadership;
40 a charter organization does not need to provide meeting space, but certainly this is a need
for future units if they are no longer able to meet in local chapels.

42 Mr. Cowie further explained that the District said they were hopeful that when
separation from the Church occurs that they would have enough interest to form at least a
44 full unit in each stake (cub pack, Webelo’s, scout troop, venture); in concept that would
be at least three full units in Lindon. The BSA said the City could choose to sponsor one
46 or more units if desired. They also informed the City of the number of scouts and leaders
that are currently registered in Lindon as follows:

- 2 • Total number of youth members in Lindon: 1,099
- Total number of adult leaders in Lindon: 534
- 4 • Total number of packs in Lindon: 22
- Total number of troops in Lindon: 22

6

Mr. Cowie indicated from a staffing perspective there are concerns with taking this on as a city function. The demands on staffing assistance is unknown but could be significant, and there's a real potential for non-paying scouting activities to overwhelm the Community Center program space depending on how many units are formed. Mr. Bateman indicated that several other parks & recreation directors also had concerns that this may open the door to other similar youth programs wanting or expecting city financial support and meeting space (Girl Scouts, Boys & Girls Club, YMCA, pageant programs, etc.). Mr. Cowie stated no motion is needed tonight just direction on whether there's an interest by the Council to explore this issue further.

Following some general discussion, the Council agreed the scouting program is a great program but the city will not participate as a Charter Organization at this time due to liability and conflict issues etc. and to see how other cities are reacting to this request.

Mayor Acerson called for any further comments or discussion from the Council. Hearing none he moved on to the next agenda item.

- 22 **8. Action Item — 2018 Benefit and Compensation Study; Resolution #2018-22-**
18. The City Council will review and consider Resolution #2018-22-R adopting
 24 the 2018 Benefit and Compensation Study evaluating fiscal year 2017-18
 employee wages and benefits. This study is completed periodically to ensure that
 26 wages and benefits remain competitive with market conditions, and that
 employees are fairly compensated in comparison to their counterparts in other
 28 similar jurisdictions, and that city resources for wages and benefits are used
 prudently.

Mr. Cowie opened this discussion by referencing the 2018 Benefit and Compensation Study. He noted this is a follow-up from the Benefit and Compensation Study done in 2014. He indicated the findings from this study show that annual inflationary Cost of Living Allowance (COLA) increases have kept salary ranges within comparable limits of other similar positions in other jurisdictions. He pointed out although there's a few positions that need to be watched and perhaps reevaluated next year, there are no changes to current employee salary ranges that are recommended at this time. He pointed out had COLA increases not occurred over the last several years staff believes that many positions would be significantly lagging in market pay ranges for similar jobs.

Mr. Cowie indicated after concluding the study there are two benefit policy changes that are recommended which include the amount of vacation time accrued in the first year for new hires and the sick leave buy-back policy. He noted staff does not anticipate any financial increase or significant impact on the city from these recommended changes. He then referenced the following policies:

- 46 • *Sick leave buy-back* – Many cities offer a sick leave buy-back opportunity to incentivize accruing larger amounts of sick leave to hedge against significant

2 illnesses and to hopefully discourage regular use of sick leave (see City Sick
4 Leave Buy-back comparison chart in Appendix). We recommend removing the
6 words “unused” in the policy section below found in the *Lindon City Policies and
8 Procedures Manual, Section 6.8.7 ‘Sick Leave Buy-back’*, which will allow
employees to use sick leave in legitimate times of need and still be able to fully
participate in the buy-back program without losing ability to sell back their full
allowance of earned sick leave from that prior year of work.

- 10 • *Vacation leave* – We found that offered vacation leave for new employees should
12 be changed from one week of vacation provided during the first year of
14 employment to two weeks of vacation provided during the first year of
16 employment. Nearly all cities surveyed offer two-weeks during the first year of
service and Lindon’s limitation to one-week vacation has caused some concern
among those looking to start with the City as new hires (see City Leave Amount
comparison in Appendix).

18 There was then some general discussion regarding the Benefit and Compensation
20 Study findings. Following discussion, the Council agreed to approve the resolution with
the changes recommended by staff.

22 Mayor Acerson called for any further comments or discussion from the Council.
Hearing none he called for a motion.

24 COUNCILMEMBER HOYT MOVED TO APPROVE RESOLUTION 2018-22-
26 R ADOPTING THE 2018 BENEFIT AND COMPENSATION STUDY WITH
RECOMMENDED CHANGES. COUNCILMEMBER BRODERICK SECONDED THE
MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

- 28 COUNCILMEMBER BEAN AYE
- COUNCILMEMBER LUNDBERG AYE
- 30 COUNCILMEMBER BRODERICK AYE
- COUNCILMEMBER HOYT AYE
- 32 COUNCILMEMBER MAGLEBY AYE

THE MOTION CARRIED UNANIMOUSLY.

- 34 9. **Action Item — Bid Award, 2018 Asphalt Crack Filling Projects.** Staff
36 recommends that the City Council award the asphalt crack filling work to the low
bidder on this project, Morgan Pavement Maintenance at \$155,480.00, with the
38 option to extend the contract for crack repair work which will be completed in
2019 and 2020.

40 Mr. Cowie led this discussion item by stating Staff recommends that the City
42 Council award the asphalt crack filling work to the low bidder on this project, Morgan
Pavement Maintenance at \$155,480.00, with the option to extend the contract for crack
44 repair work which will be completed in 2019 and 2020. He noted Morgan Pavement
Maintenance was the lowest of four bidders. He then referenced the memo, bid award
46 form, and map of crack seal locations.

2 Mr. Cowie noted this is for crack sealing only that will be completed this winter.
4 He added the additional projects for road patching, larger asphalt reconstruction and full
6 roadway seal coats will be advertised and bid out this January or February for work to be
done next spring and summer. He noted there may be a future change order associated
with this project; this is a good step in the right direction for road improvements.

8 Following discussion, the Council agreed to award the project to the low bidder,
Morgan Pavement Maintenance as long as there is the option to extend the contract for
repair work to be completed in 2019 and 2020.

10 Mayor Acerson called for any further comments or discussion from the Council.
Hearing none he called for a motion.

12
14 COUNCILMEMBER BRODERICK MOVED TO AWARD THE 2018
ASPHALT CRACK FILLING PROJECTS TO THE LOW BIDDER, MORGAN
PAVEMENT MAINTENANCE, WITH THE OPTION TO EXTEND THE CONTRACT
16 FOR CRACK REPAIR WORK TO BE COMPLETED IN 2019 AND 2020.

18 COUNCILMEMBER MAGLEBY SECONDED THE MOTION. THE VOTE WAS
RECORDED AS FOLLOWS:

- 20 COUNCILMEMBER BEAN AYE
- 22 COUNCILMEMBER LUNDBERG AYE
- COUNCILMEMBER BRODERICK AYE
- COUNCILMEMBER HOYT AYE
- COUNCILMEMBER MAGLEBY AYE

24 THE MOTION CARRIED UNANIMOUSLY.

26 **10. Discussion Item — Utility Billing Policies.** City Staff will present possible
updates to the city’s utility billing policies, including when fees are charged for
28 base rates for various uses (residential, accessory apartments, multi-family, non-
residential). No motions will be made at this time but general feedback may be
30 given. Formal adoption of any recommended changes will occur in a future
meeting.

32
34 Mr. Cowie led this discussion item by presenting the possible updates to the city’s
utility billing policies, including when fees are charged for base rates for various uses
(residential, accessory apartments, multi-family, non-residential). He noted no motions
36 will be made at this time but formal adoption of any recommended changes would have
to occur in a future meeting. He then referenced the draft summary of the utility billing
38 policies followed by discussion. He noted this issue was instigated by a resident that had
questions on accessory apartment billing.

40 Mr. Cowie indicated after going through an extensive utility audit Staff found
some discrepancies in current billing practices that need to be addressed in addition to
42 recommended changes that are needed (collectively recommended by engineers, staff and
employees).

44 Mr. Cowie then referenced the Summary of new Lindon City Utility Billing
Policies followed by discussion: He noted these policies are for purposes of utility billing
46 only and do not affect other polices, rates, or fees otherwise adopted by the City.

General Utility Billing:

- 2 • Once a water meter is set the water and sewer base rates and storm water fees are charged each month regardless of occupancy.
- 4 • There is no allowance for temporary discontinuance of utilities, garbage, or recycling. (i.e., if a home or business is vacant with no use of water the utility account is still billed the monthly water and sewer base rates, storm water fees, garbage, and recycling).
- 6 • Garbage and recycling may be cancelled at any time but requires a new utility sign-up for these services to start again.
- 8 • Individual water meters are always assessed all base rates plus monthly usage fees with rates as established in the Lindon City Fee Schedule.

10 **Multi-family Units (includes multiple residential units on single meter):**

- 12 • Each UNIT is charged ALL base rates each month with the following discounts:
 - 14 ○ Water base rate: First unit is charged full base rate. Each additional unit receives a \$3.00 discount off water base rate.
 - 16 ○ Sewer base rate: First unit is charged full base rate. Each additional unit receives a \$1.00 discount off sewer base rate.

18 **Accessory Apartments:**

- 20 • No additional base rates are assessed if both the primary dwelling and the accessory apartment are served from a single water meter. (i.e., no 'double base rates charged for having a legal accessory apartment in a basement)
- 22 • If an accessory apartment unit is served by its own water meter then it will be charged all the same base rates and usage fees as single-family dwelling.

24 **Non-Residential:**

- 26 • All base rates are applied to each water meter.

28 ***This is not an all-inclusive list of utility billing policies. Other policies are also in place and will be consolidated into one policy document for final City Council review and approval.**

30 ***JUB Engineers analysis of above bullet points is as follows:***

- 32 • Accounts in which one culinary water meter serves a multi-family residential structure accrue the usual monthly charges corresponding to a single-family unit, plus an additional culinary water base rate (discounted \$3.00) and an additional sewer base rate (discounted \$1.00) for each additional dwelling unit. The culinary water base rates will be the rate that corresponding to the minimum water meter size, not the actual water meter size.
- 36 • All other accounts (residential or nonresidential, including accessory residential apartments) having one water meter are charged the usual base and usage rates, even when the building is unoccupied.
- 38 • Accounts with a combination meter (one measurement for high flow and one measurement for low flow) are charged a base rate that corresponds to the larger meter size and a usage rate per the sum of the two measurements.

44 There was then some general discussion including base rates, fluctuating costs,
 46 other city comparisons, tier rates previously adopted and policy recommendations. Mr. Cowie noted implementation could be as soon as December or the first of the year. The

2 Council agreed to have further discussion to adopt the changes in December and implement
beginning in January with the first changes seen on the February billing.

4 Mayor Acerson called for any further comments or discussion from the Council.
Hearing none he moved on to the next agenda item.

6
8 **COUNCIL REPORTS:**

10 **Councilmember Hoyt** – Councilmember Hoyt reported the Historic Preservation
Commission will be holding the annual Christmas Tree lighting on December 3rd at 6:30
12 at the Community Center. He also reported he met with the PG/Lindon Chamber of
Commerce President and Vice President along with Mr. Cowie and Mike Florence for a
14 lunch meeting this week with where there is some good synergy going on. He noted they
requested that an additional board member from Lindon City be added to the Board and
they agreed Mike Florence would provide good representation from the city.

16 **Councilmember Broderick** – Councilmember Broderick had nothing to report.

18 **Councilmember Bean** – Councilmember Bean reported Jared Schauer has been
20 appointed as the new Planning Commissioner so there is now a full seven-member
Planning Commission.

22 **Councilmember Lundberg** – Councilmember Lundberg reported she attended the Rural
24 Economic Summit in Price, Utah, where Congressmen Curtis spoke noting there is a lot
of good things happening in the state. She also attended the American Planner's
26 Association meeting in October where they shared the projection and demographics that
are impacting growth and what is being considered. She noted she would like to share
28 that information with the Council in a future meeting.

30 **Councilmember Magleby** – Councilmember Magleby reported the North Point Transfer
Station had an offer from a buyer to purchase nine acres of their ground but declined as
32 they don't want to give the land up as they may want a second facility in the future.

34 **Mayor Acerson** – Mayor Acerson reported the Utah County Legislators and Mayors are
trying to meet as a unified group five times a year to ensure the legislature is representing
36 the county well. He also gave an update on the Animal Shelter noting things seem to be
running well and have evened out.

38 **Administrator's Report:** Mr. Cowie reported on the following items followed by
40 discussion.

42 **Misc. Updates:**

- 44 • November City newsletter
- 44 • November newsletter article: Josh Adams - Article due to Kathy Moosman last
week in November.
- 46 • Update on employee positions: City Attorney, Legal Secretary, Associate Planner,
new Staff Engineer position (creating this instead of filling vacant Public Works

- 2 Inspector position)
- 3 • Update on pending litigation
- 4 • Utah County ‘Valley Visioning’ kick-off meeting was held at UVU. Led by
- 5 Envision Utah.
- 6 • Misc. Items

8 **Upcoming Meetings & Events:**

- 9 • November 9th -19th – Fall Clean-Up w/ dumpsters available around town for
- 10 public use. November 1-30th City will continue to pick up leaf bags, but yard
- 11 waste, etc. needs to be taken to dumpsters.
- 12 • November 22nd – Mayor’s Thanksgiving Dinner event.
- 13 • November 22nd-23rd – Offices closed for Thanksgiving holiday.
- 14 • December 10th through January 4th: Advertise Councilmember vacancy.
- 15 Interview and select new Councilmember on January 15th.
- 16 • December 12th at 6:00pm – Employee Christmas party at Community Center
- 17 • December 21st Closed at Noon
- 18 • December 24th-25th – City offices closed for Christmas holiday.
- 19 • Tuesday, January 1st – City offices closed for New Year’s holiday. No Council
- 20 meeting.

22 Mayor Acerson called for any further comments or discussion from the Council.
23 Hearing none he called for a motion to adjourn.

24 **Adjourn** –

26 COUNCILMEMBER BRODERICK MOVED TO ADJOURN THE MEETING
27 AT 9:10 PM. COUNCILMEMBER HOYT SECONDED THE MOTION. ALL
28 PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

30 Approved – December 4, 2018

32
34 _____
35 Kathryn Moosman, City Recorder

36
37 _____
38 Jeff Acerson, Mayor

Item 4 – Open Session for Public Comment *(For items not on the agenda - 10 minutes)*

Item 5 – Consent Agenda – *Consent agenda may contain items which have been discussed beforehand and/or do not require significant discussion, or are administrative in nature, or do not require public comment. The Council may approve all Consent Agenda items in one motion, or may discuss individual items as needed and act on them separately.*

- a. 2019 Mayor and Council Liaison Assignments, Mayor pro tem and RDA Board appointments, and other staff appointments; Resolution #2018-23-R. This will be updated once the upcoming Council vacancy is filled.

Sample Motion: *I move to approve the Consent Agenda items.*

RESOLUTION NO. 2018-23-R

A RESOLUTION APPROVING THE 2019 LINDON CITY MAYOR PRO TEM APPOINTMENTS, COUNCILMEMBER LIAISON ASSIGNMENTS AND APPOINTMENTS, AND REDEVELOPMENT AGENCY BOARD APPOINTMENTS, AND SETTING AN EFFECTIVE DATE.

WHEREAS, the Municipal Council of Lindon City has need of appointing a Mayor pro tem to fill in for the Mayor when the Mayor is absent or otherwise unavailable; and

WHEREAS, the City Council and Mayor find it is appropriate to rotate the appointment of Mayor pro tem on a quarterly basis and that it is prudent to appoint such positions by resolution at the beginning of each calendar year; and

WHEREAS, Mayor Jeff Acerson recommends assignment and appointment of the Councilmembers to serve in various positions, boards, and committees, and to be a Council liaison for various aspects of the City as outlined in Exhibit A; and

WHEREAS, Secondary Councilmembers have been assigned to assist or fill in for a Councilmember who is absent or needs assistance with his or her assignments; and

WHEREAS, per this Resolution, the City Council members shall all be appointed as Lindon City Redevelopment Agency (RDA) Board members; and

WHEREAS, other Mayoral appointments and assignments to citizens at large and/or staff members are also identified on Exhibit A; and

WHEREAS, Mayor Jeff Acerson recommends appointment of the Council members and other individuals as listed in Exhibit A to serve in the positions of Mayor pro tem, on the RDA Board, and other assignments and appointments as therein listed.

THEREFORE, BE IT RESOLVED by the Lindon City Council as follows:

1. That the identified individuals as outlined in the attached Exhibit A are appointed to fill the position of Mayor pro tem, fill various Councilmember assignments and/or other appointments as listed, and to be appointed as RDA Board members as detailed in the Exhibit.
2. That the appointments and assignments contained herein are effective immediately upon passage.

Adopted and approved this 4th day of December, 2018.

By _____
Jeff Acerson, Mayor

Attest:
By _____
Kathryn A. Moosman, City Recorder

SEAL:

(Exhibit A)
2019 LINDON CITY MAYOR AND COUNCIL LIAISON ASSIGNMENTS
RESOLUTION #2018-23-R

MAYOR JEFF ACERSON

1. Mountainland Association of Governments (MAG) / Metropolitan Planning Organization (MPO)
2. Utah County Council of Governments (COG)
3. Utah Lake Commission Governing Board
4. Utah Infrastructure Agency (UIA) Board Member
5. Utah League of Cities and Towns Representative
6. Utah County Board of Health
7. IHC Outreach Committee
8. Lindon City Thanksgiving Dinner
9. Little Miss Lindon
10. North Utah Valley Animal Shelter Board (NUVAS)
11. Budget/Audit Committee
12. Public Relations – (media contact as needed)

COUNCILMEMBER JAKE HOYT (Secondary – Matt Bean)

1. Administration, Payroll, Personnel and Office Support
2. Pleasant Grove - Lindon Chamber of Commerce
3. Community Center Advisory Board
4. Historic Preservation Commission / Tree Lighting Ceremony
5. Budget/Audit Committee
6. Other Duties as assigned

COUNCILMEMBER CAROLYN LUNDBERG (Secondary – TBD-vacancy)

1. Parks, Trails, and Recreation
2. Aquatics Center
3. Cemetery
4. Tree Advisory Board
5. County Fair and Strawberry Days Representative
6. Easter Egg Hunt
7. Other Duties as assigned

COUNCILMEMBER MATT BEAN (Secondary – Van Broderick)

1. Planning Commission
2. Planning and Zoning
3. General Plan
4. Board of Adjustment
5. Alternate UTOPIA & UIA Board member
6. Budget/Audit Committee
7. Other Duties as assigned

COUNCILMEMBER (TBD - VACANCY) (Secondary – Carolyn Lundberg)

1. Police/Fire and EMS
2. Legal Counsel, Justice Court, and Youth Court
3. Emergency Management
4. Lindon Days
5. Transfer Station and Solid Waste Board
6. Other Duties as assigned

COUNCILMEMBER VAN BRODERICK (Secondary – Jake Hoyt)

1. Public Buildings
2. Building Construction and Inspection
3. Public Works / Utility Infrastructure (streets, sewer, water, storm water, etc)
4. Engineering (Engineering Coordination meetings)
5. Irrigation Companies Representative / Board member
6. Other Duties as assigned

MAYOR PRO-TEM – 2019

Jan. – March	Carolyn Lundberg
April – June	Matt Bean
July – Sept.	Jake Hoyt
Oct. – Dec.	Van Broderick

Secondary fills in if Mayor Pro-Tem is unavailable.

2019 Lindon City Redevelopment Agency (RDA) Board of Directors

Chair: Jeff Acerson
Board members: Jake Hoyt, Carolyn Lundberg, Matt Bean, Van Broderick, (TBD-council vacancy)
Executive Secretary: Adam Cowie

Newsletter Articles – 2019

Jan. –	Carolyn Lundberg
Feb. –	Phil Brown
March –	Matt Bean
April –	Kristen Colson
May –	Jake Hoyt
June –	Brad Jorgensen
July –	Van Broderick
Aug. –	Heath Bateman
Sept. –	Josh Adams
Oct. –	Adam Cowie
Nov. –	Jeff Acerson
Dec. –	TBD (council vacancy)
Jan 2020 –	Mike Florence

Staff appointments to boards and/or committees as follows:

- Adam Cowie, Lindon City Administrator: UTOPIA Board Member; Utah League of Cities and Towns Representative;
- Brad Jorgensen, Lindon Public Works Director: City representative on various canal and irrigation company boards;
- Michael Florence, Lindon Planning & Econ. Development Director: PG-Lindon Chamber of Commerce Board; MAG Technical Advisory Committee; Utah Lake Commission Technical Advisory Committee (or Mike's appointee)
- Noah Gordon, Lindon City Engineer: MAG Technical Advisory Committee

Adopted 12/04/2018

6. Action Item — Financial Audit Report for Fiscal Year 2017-18

(20

minutes)

Representatives from Keddington & Christensen, LLP and Lindon City Finance Director, Kristen Colson, will present, for the City Council's acceptance, the city's annual financial audit report, included as part of the Comprehensive Annual Financial Report (CAFR), for fiscal year ended June 30, 2018.

In accordance with State Law the City is required to annually have a complete financial audit performed by an independent auditing firm.

Keddington & Christensen, LLP (K&C) has performed the audit for the 2017-18 (FY2018) fiscal year ending June 30, 2018. Over the last several months their firm has been reviewing the City's financial records, policies, and procedures. K&C will discuss the audit and any associated findings with the Council.

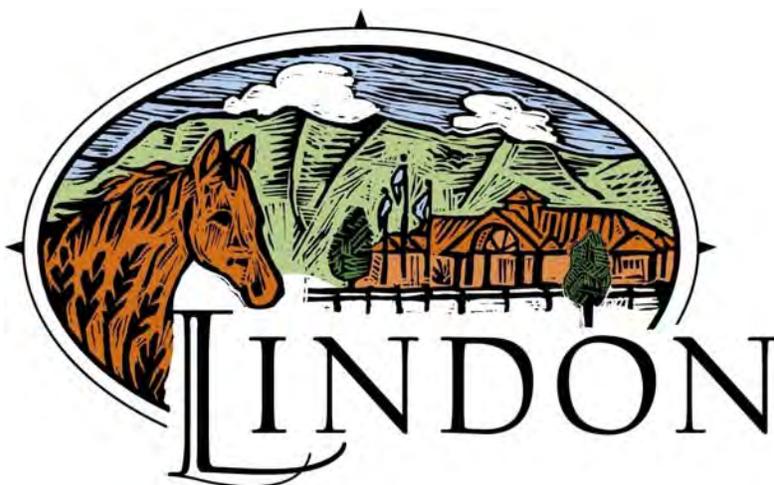
Staff recommends that the City Council accept the FY2018 audit as presented. Please see attached FY2018 Annual Financial Statements included as part of the CAFR and the Auditor's Supplementary Report. Representatives from K&C and the Lindon City Finance Director will be available to present the report and answer questions.

Sample Motion: I move to accept the audit report as presented for fiscal year ended June 30, 2018.

LINDON CITY CORPORATION STATE OF UTAH

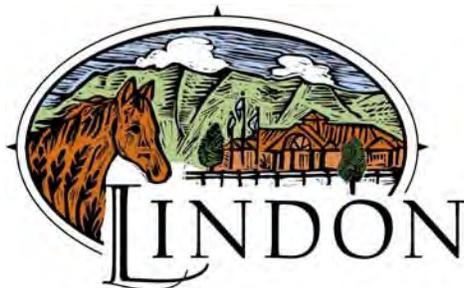
100 NORTH STATE STREET
LINDON, UT 84042
WWW.LINDONCITY.ORG

COMPREHENSIVE ANNUAL FINANCIAL REPORT



For Fiscal Year Ended June 30, 2018

Prepared By:
Kristen Colson, Finance Director



Principal Officials

**For the Fiscal Year
July 1, 2017 - June 30, 2018**

Jeff Acerson
Mayor

Matt Bean
Councilperson

Van Broderick
Councilperson

Jake Hoyt
Councilperson

Carolyn Lundberg
Councilperson

Daril Magleby
Councilperson

Adam Cowie
City Administrator

TABLE OF CONTENTS (Continued)

	<u>PAGE</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organization Chart	9
FINANCIAL SECTION	
Independent Auditor's Report	11
Management's Discussion and Analysis	13
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	24
Statement of Activities	27
Fund Financial Statements	
Balance Sheet - Governmental Funds	28
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	29
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	30
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	31
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	32
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Redevelopment Agency Special Revenue Fund	33
Statement of Net Position - Proprietary Funds	34
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	36
Statement of Cash Flows - Proprietary Funds	38
Notes to the Financial Statements	40
Required Supplementary Information	
Schedule of Proportionate Share of the Net Pension Liability	75
Schedule of Contributions	76
Notes to the Required Supplementary Information	77

TABLE OF CONTENTS (Continued)

	<u>PAGE</u>
FINANCIAL SECTION (Continued)	
Supplemental Information	
Combining Balance Sheet - Non-major Governmental Funds	79
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds	80
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Major Governmental Fund – Debt Service Fund	81
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Non-major Governmental Fund – P.A.R.C. Tax Special Revenue Fund	82
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Non-major Governmental Fund – Road Capital Projects Fund	83
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Non-major Governmental Fund – General Capital Projects Fund	84
Combining Statement of Net Position - Non-major Proprietary Funds	85
Combining Statement of Revenues, Expenses and Changes in Fund Balances - Non-major Proprietary Funds	86
Combining Statement of Cash Flows – Non-major Proprietary Funds	87
STATISTICAL SECTION	
Financial Trends Information	
Net Position by Component	89
Changes in Net Position	90
Fund Balances of Governmental Funds	92
Changes in Fund Balances of Governmental Funds	93

TABLE OF CONTENTS (Continued)

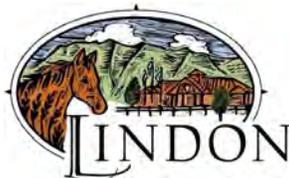
STATISTICAL SECTION (Continued)	<u>PAGE</u>
Revenue Capacity Information	
Tax Revenue by Source	94
Direct and Overlapping Sales Tax Rates	95
Direct Taxable Sales by Category	96
Principal Sales Tax Payers	97
Direct and Overlapping Property Tax Rates	98
Assessed Value and Estimated Actual Value of Taxable Property	99
Property Tax Levies and Collections	100
Principal Property Tax Payers	101
Debt Capacity Information	
Legal Debt Margin Information	102
Ratio of Outstanding Debt by Type	103
Direct and Overlapping Governmental Activities Debt	104
Pledged-Revenue Coverage	105
Demographic and Economic Information	
Demographic and Economic Statistics	110
Principal Employers	111
Operating Information	
Full-time Equivalent City Government Employees by Function/Program	112
Operating Indicators by Function/Program	113
Capital Asset Statistics by Function/Program	114

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INTRODUCTORY SECTION

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Lindon City
100 N State St
Lindon, UT 84057



phone: 801-785-5043
fax: 801-785-4510
www.lindoncity.org

December 4, 2018

To the Honorable Mayor, City Council and Citizens of Lindon City:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of audited financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm or licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Lindon City (the City) for the fiscal year ended June 30, 2018.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's basic financial statements have been audited by Keddington & Christensen LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis that the City's financial statements for the fiscal year June 30, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. The Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial

statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditors.



Lindon City Center, built 1997

Profile of the Government

Lindon is located in the north of Utah County, 33 miles south of Salt Lake City, and 10 miles north of Provo, the County Seat. Lindon was established as an outgrowth of Pleasant Grove in 1850 and was known originally as Stringtown because the houses were built along a single road – State Street. The final name of the City was inspired by an old linden tree growing in the town in 1901. The spelling of the town name was changed when approval was received from the Federal Post Office for a mail drop at “Lindon City.” The City was incorporated in March of 1924 with a population of “458 souls.”

Lindon is a fourth class city and operates under a six member form of government. Policy making and legislative authority are vested in a governing council consisting of the mayor and five city council members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and appointing the City’s administrator, recorder, and treasurer. The City Administrator is responsible for carrying out policies and ordinances of the governing council and for overseeing the day-to-day operations of the government. The mayor and city council are elected on a non-partisan basis. City Council members serve four-year staggered terms. The mayor is elected to serve a four-year term. The mayor and all five city council seats are elected at large.

Lindon has a rich history. When Lindon City was settled in the early 1900's, it was settled under a different settlement policy than the other cities in Utah County. Instead of being located on a natural stream, the City of Lindon was established on a table of land away from natural streams. Water had to be diverted from its natural channels onto the land. Also, instead of building houses in a central cluster, houses in Lindon have been built individually and in small subdivision clusters throughout the entire municipality. This has resulted in a rather evenly but sparsely built community having relatively long utility and service lines in comparison to the number of buildings.



Elementary children at Lindon Amusement Hall, early 1900's

Lindon City is a beautiful place to live. Lindon shares a boundary with Orem City and Vineyard City on the south and Pleasant Grove City and American Fork City on the north. To the west is Utah Lake with the Lindon Marina, which is used for boating and fishing. The City extends east to the Wasatch Mountains where Lindon City's trail systems connect with the Great Western Trail and the Bonneville Shoreline Trail. The Great Western Trail connects Canada and Mexico and is the basis for many of Utah's trail systems today. The Bonneville Shoreline Trail is on or near the shoreline bench of ancient glacial Lake Bonneville in Cache, Box Elder, Weber, Davis, Salt Lake, and Utah Counties.

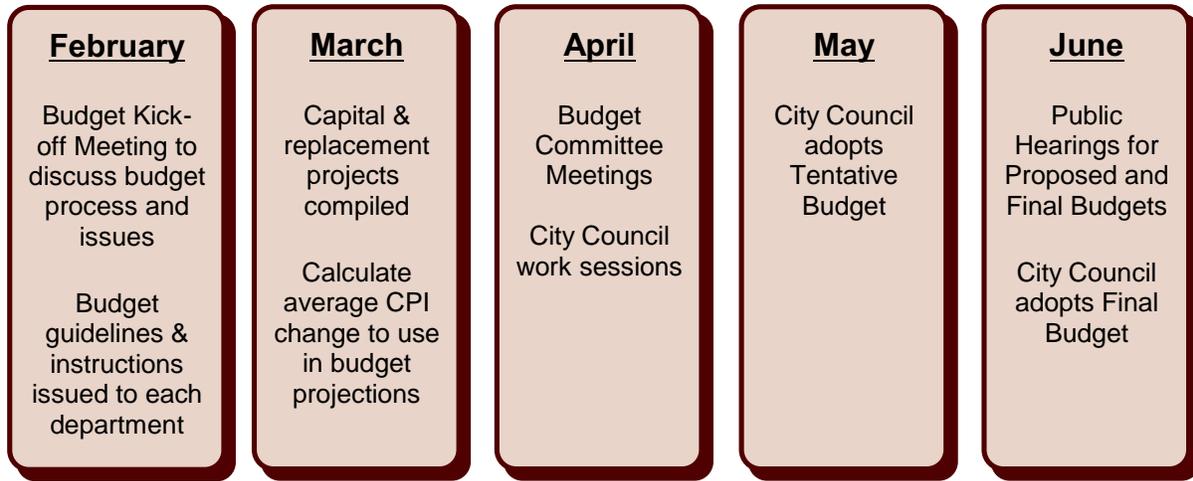
A variety of activities, including hiking, mountain biking, swimming, fishing, camping and skiing, are available within thirty minutes of Lindon.

Lindon Days is a week long annual celebration in August. Residents of Lindon and surrounding communities come together to enjoy the many different events which include pool activities, a kiddy rodeo, a Mayor and Council breakfast, a parade, concerts, and fireworks.

The City provides a full range of services, including public safety (police and fire), highways and streets, sanitation, public improvements, planning and zoning, both commercial and residential building inspections, general administrative services, a wide variety of recreation programs, cultural events, an Aquatics Center, and a Recreation

Center among other things. Some of these services are provided under contract with other entities. The City also owns and operates a culinary water system, a secondary water system, a waste water collection system, and a storm water drainage system.

The annual budget serves as the foundation for the City’s financial planning and control. The City’s budget process starts in February. The budget is adopted before June 22 and goes into effect July 1. The creation of the budget follows the time line below.



The City holds two public hearings on the budget. These public hearings are held in June for the proposed and final budgets. Utah State law requires that the final budget public hearing must be held before June 22 for the adoption of the final budget.

Within the existing budget, department heads ensure that the department’s total appropriation is not over-expended. Transfers of appropriations between departments require the special approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each governmental fund for which a project-length budget has been adopted (i.e., the special revenue funds and the capital project fund).

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Job growth (nonfarm employment) from June 2017 to June 2018 in Utah County, the county in which the City is located, increased 4.9%, which is better than Utah State's increase of 3.3% and the nation's increase of 1.7% (*Utah Dept of Workforce Services*).

Lindon City maintains an optimistic outlook that consumer confidence will continue to improve and sales tax revenue will continue to increase. The commercial development already present in the City adds to both the sales and property tax base of the community. Major retailers in Lindon include Wal-Mart Supercenter, Home Depot, Murdock Hyundai, Sunroc, Burton Lumber, Wheeler Machinery, Lexus of Lindon, Roofers Supply, BMC West, and Low Book Sales.

The City is less than 10 miles from Utah Valley University and Brigham Young University, which provide the residents of Lindon the opportunity for higher educational programs. These higher education facilities employ more than 20,000 people and provide a strong educated work force for a large number of high tech businesses in the area. The region also provides some of the best medical facilities in the western United States. In June 2018, Utah County had an unemployment rate of 2.8%, which is lower than the State of Utah's rate of 3.0%. These both compare favorably to the national unemployment rate of 4.0% (*Utah Dept of Workforce Services*).

Long-term Financial Planning

The City's long-term goals are expressed simply as meeting tomorrow's needs with good financial decisions and by continuing to forecast capital improvements into the future. The City maintains capital facilities plans which, combined with maintenance schedules of existing infrastructure, helps the City plan for the needs of current and future citizens. When considering a new project, such as the Aquatics Center or Community Center, years of preparation begin with surveys. Lindon officials want to make sure that the majority of citizens support these endeavors. Lindon officials also maintain fiscal responsibility in building reserves, and when necessary, seeking other funding.

Impact fees also help the City fund the capital improvements that are needed to accommodate new growth. Existing impact fees include public safety; parks, recreation and trails; streets; water; sewer; and storm drainage.

The identification and implementation of long term planning has permitted the City to construct one of the finest park systems in our region. From just three parks fifteen years ago to more than sixteen major facilities today, we have successfully transformed our community's park system and created exceptional open spaces for our citizens' enjoyment. The strategic planning for parks has been expanded to include a trail system that will allow joggers, walkers, bicyclists and horse riders to enjoy the Heritage Trail, which runs from the hillside, under State Street, to Utah Lake.

Other facilities available to the citizens are the Veteran's Memorial Hall, the City Center, the Community Center and the Aquatics Center. The Veteran's Hall and Community Center can be reserved and rented for wedding receptions, social gatherings and meetings. The Aquatics Center provides a variety of amenities and can also be reserved and rented. There is a zero entry pool, a lap pool, and a lazy river. There is

also a flow rider where patrons learn how to surf and boogie board using a simulated ocean environment.

Lindon City has numerous long-term goals for the City's utilities. These include maintenance of a high service level and sufficient advance planning to meet expected demands. For example, the culinary water system planning process has required the City Engineer to prepare a capital facilities plan that provides for the provision of resources, storage and transmission systems to keep up with the demands of our growing community. New improvements are constantly being upgraded and updated. Without a strategic plan in place, the City would not be able to anticipate infrastructure needs in a timely manner and some services could be interrupted.



Aerial photo of Lindon City Aquatics Center

Our sewer system plans have included ambitious expansions to deal with the pressure of growth. Likewise, road and storm water drainage systems are under careful review to be certain that as our systems age, they are maintained in a manner that identifies and solves problems before failures occur. The City Engineer recently updated the capital facilities plan for the storm water drainage system. With long term plans, it becomes easier to be proactive rather than being reactive.

Finally, our commitment to public safety cannot be overstated. On July 1, 2008, the City started its very own police department and contracted with Orem City for full-time fire and emergency medical services. The implementation of this much needed service was a culmination of years of planning. This was only one step in a continuing effort to improve public safety.

Because the City wanted to provide exceptional service to the residents, the police department hired fifteen full time police officers. Additional personnel were hired by Orem City to provide fire and EMS services to the citizens of Lindon. Lindon City constructed a Public Safety Building to house police, fire and EMS services. This partnership along with the new building has improved response time to accidents and fires, making every resident feel safer within our City. As a long-term goal, it is clear that a sense of safety must be maintained if our citizens are to enjoy the wide array of programs and activities being provided in the community.

Relevant financial policies

Lindon City increases utility rates annually in order to cover increasing operating expenses. The City uses the Consumer Price Index (CPI) to calculate the rate

increases. These annual increases are done to avoid more drastic and sporadic increases over time. Periodically the City Engineer will do a rate study to more accurately evaluate the utility rates' ability to provide the funding necessary for the corresponding expenses. The most recent rate study was completed in May 2015. The recommended rate changes span several years and are being implemented in the 2018-2019 fiscal year.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lindon City for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the ninth year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2017 and submitted the July 1, 2018 budget document for consideration of this award. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration departments. We would like to express our appreciation to all department heads and staff throughout the City who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Kristen Colson
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Lindon City Corporation
Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

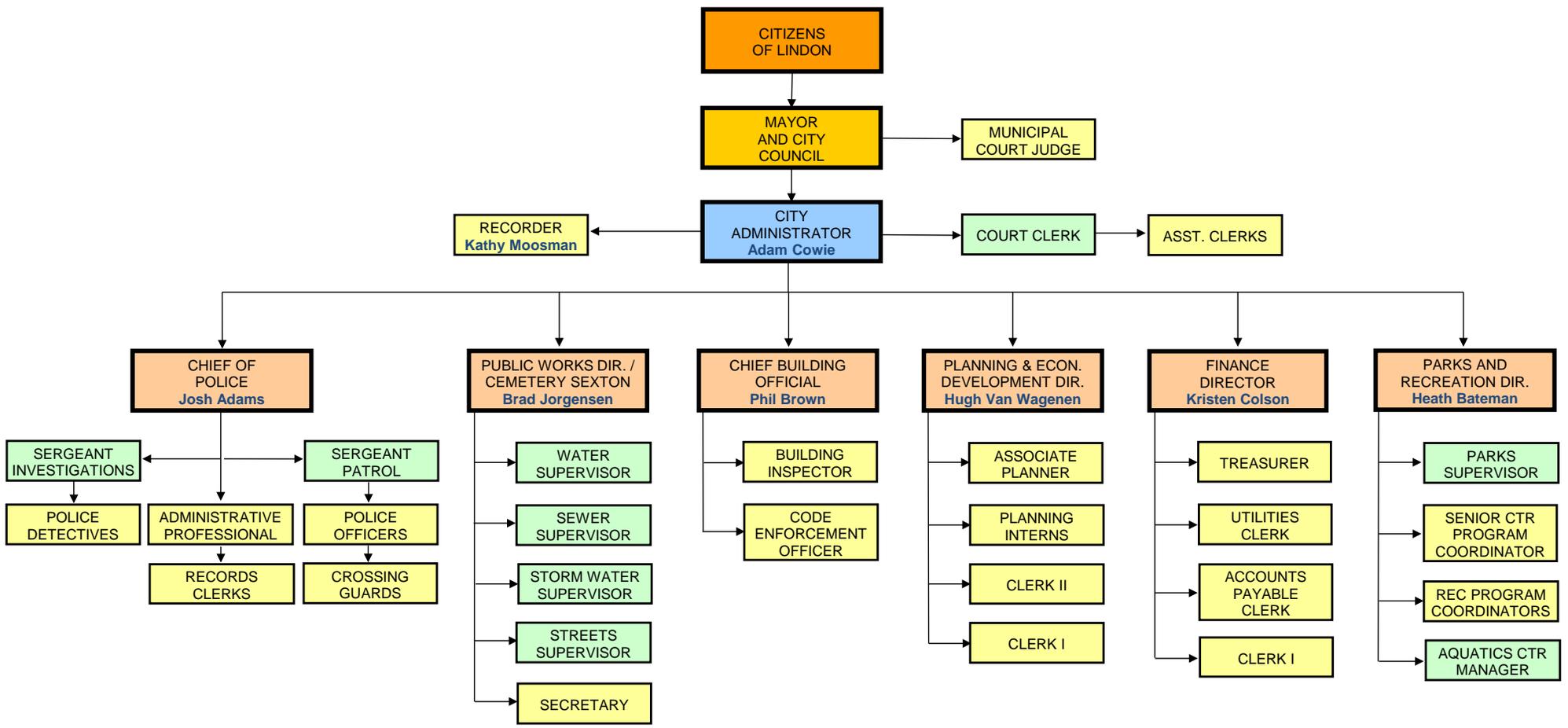
June 30, 2017

Christopher P. Morrill

Executive Director/CEO

LINDON CITY ORGANIZATIONAL CHART

Fiscal Year 2017-2018



Contract Services:
 Attorney
 Engineer
 Fire & Emergency Medical
 Garbage Collection
 Water Reclamation

	CITIZENS (VOTERS)
	MAYOR AND CITY COUNCIL
	CITY ADMINISTRATOR
	DEPARTMENT HEADS
	SUPERVISORS
	OTHER CITY EMPLOYEES

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FINANCIAL SECTION

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Keddington & Christensen, LLC
 Certified Public Accountants

Gary K. Keddington, CPA
 Phyl R. Warnock, CPA
 Marcus K. Arbuckle, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
 Members of City Council
 Lindon City Corporation
 Lindon City, Utah

Report on the Financial Statements

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

Management's Responsibility 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.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type-activities, each major fund, and the aggregate remaining fund information of Lindon City Corporation as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the net pension liability, schedule of contributions, and the related notes to the required supplementary information, as noted on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in the 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 inquires 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lindon City Corporation's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Report Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 30, 2018, on our consideration of Lindon City Corporation's internal control over financial reporting and 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 the effectiveness Lindon City Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Keddington & Christensen, LLC

November 30, 2018

LINDON CITY CORPORATION MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

This section of Lindon City's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on June 30, 2018. We encourage readers to consider the information presented here in conjunction with the City's financial statements and notes to the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Government Wide

- The assets of Lindon City exceeded its liabilities as of June 30, 2018 by \$78,387,775 (net position). Of this amount, \$6,380,746 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased \$6,876,804. Net position of our business-type activities increased \$4,643,961 and the net position of our governmental activities increased \$2,232,843.

Fund Level

- Lindon City's governmental funds reported combined ending fund balances this year of \$7,658,429, an increase of \$2,056,191, most of which was due to increased revenue due to the growth of the local economy and construction.
- The unassigned fund balance for the general fund ended at \$2,503,966, or 35.1% of total general fund expenditures.

Long-term Debt

- Lindon City's long-term liabilities had a net increase of \$95,314 (0.5%) during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements included in this report have been prepared in compliance with generally accepted accounting principles. The basic financial statements include two kinds of statements that present different views of the City: government-wide financial statements and fund financial statements.

Government-wide financial statements

The government-wide financial statements provide both long-term and short-term information about the City's overall financial status. The statements are designed to provide readers with a broad overview of Lindon City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of Lindon City's assets and liabilities, 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 City's financial position is improving or deteriorating. To assess the overall health of the City, you need to consider additional nonfinancial factors such as changes in the City's sales tax base and the condition of the City's roads.

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

June 30, 2018

The statement of activities presents information showing how Lindon City's net position changed during the most recent fiscal year. 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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Lindon 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 governmental activities of Lindon City include general government, public safety, streets and public improvements, and parks and recreation. The business-type activities of Lindon City include operating the water, sewer, and storm water drainage systems; supervising the solid waste collection; operating the aquatics and community centers; and managing utility accounts for customers paying for telecommunication access through a fiber optic network operated by Utah Infrastructure Agency (UIA).

The government-wide financial statements can be found on pages 24-27 of this report.

Fund financial statements

The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide 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. Lindon City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Lindon City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike 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. Such information may be useful in evaluating a government's near-term financing requirements.

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 governmental 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 governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Lindon City maintains six individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for each major governmental fund and summarized for the non-major funds. Simply put, a non-major fund is less than 10% of all of the governmental funds combined. The three major funds are the general fund, the redevelopment fund, and the debt service fund. The three non-major funds account for the P.A.R.C tax, road capital projects, and general capital projects.

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

June 30, 2018

Lindon City adopts an annual appropriated budget for its general fund and other governmental funds. A budgetary comparison statement has been provided for the general fund and the major special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 28-33 of this report.

Proprietary funds. Lindon City maintains six enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Lindon City uses enterprise funds to account for its operation of the water, sewer, and storm water drainage systems, supervision of the solid waste collection, operation of the aquatics center and pass-through billing for the UTOPIA fiber optic telecommunications network.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the four major funds (water, sewer, storm water drainage and aquatics center) and combined information for the non-major funds (solid waste collection and telecommunications).

The basic proprietary fund financial statements can be found on pages 34-39 of this report.

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 can be found on pages 40-73 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which can be found on pages 75-77 of this report.

Statistical Section

The statistical section offers operational, economic, and historical data that provide a context for assessing Lindon City's economic condition. That data includes:

- Information on financial trends;
- Information on revenue capacity;
- Information on debt capacity;
- Demographic and economic information; and
- Operating information.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Lindon City, assets exceeded liabilities by \$78,387,775 as of June 30, 2018.

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

June 30, 2018

As indicated in Table A-1, the largest portion of Lindon City's net position (87.0%) reflects its investment in capital assets (i.e. land, buildings, roads, sidewalks, utility systems, water rights and equipment), less any related debt used to acquire those assets that is still outstanding. Lindon City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Lindon City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities .

Table A-1
Lindon City's Net Position
(Stated in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total		% Change 2017-2018
	2017	2018	2017	2018	2017	2018	
Current and other assets	\$ 8,772	\$ 10,236	\$ 4,876	\$ 6,657	\$ 13,648	\$ 16,893	23.8%
Capital assets	<u>31,583</u>	<u>32,210</u>	<u>50,678</u>	<u>54,038</u>	<u>82,261</u>	<u>86,248</u>	4.8%
Total Assets	40,355	42,446	55,554	60,695	95,909	103,141	7.5%
Deferred outflows of resources	1,047	1,299	873	810	1,920	2,109	9.8%
Long-term debt outstanding	4,582	4,191	16,033	16,519	20,615	20,710	0.5%
Other liabilities	<u>3,249</u>	<u>2,290</u>	<u>1,044</u>	<u>883</u>	<u>4,293</u>	<u>3,173</u>	-26.1%
Total Liabilities	7,831	6,481	17,077	17,402	24,908	23,883	-4.1%
Deferred inflows of resources	2,200	2,819	50	160	2,250	2,979	32.4%
Net Position							
Net investment in capital assets	27,190	28,302	35,133	39,913	62,323	68,215	9.5%
Restricted	1,377	1,846	1,246	1,947	2,623	3,793	44.6%
Unrestricted	2,804	4,297	2,921	2,083	5,725	6,380	11.4%
Total Net Position	\$ 31,371	\$ 34,445	\$ 39,300	\$ 43,943	\$ 70,671	\$ 78,388	10.9%

An additional portion of Lindon City's net position (4.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$6,380,746 (8.1%) may be used to meet the government's ongoing obligations to citizens and creditors.

Changes in net position

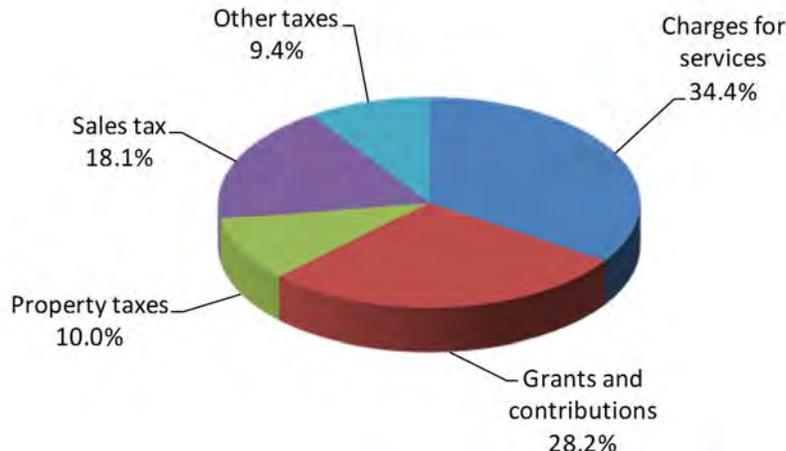
Lindon City's net position increased 10.9%. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole as well as for its separate governmental and business-type activities. The same situation is true for the prior fiscal year.

Sales and property taxes account for 28.1% of the City's revenue (see Figure A-1) with 37½ cents of every dollar raised coming from some type of tax. Grants and contributions amounted to 28.2% of this year's changes in net position. Another 34.4% comes from fees charged for services, and most of the remaining miscellaneous revenue is made up of impact fees and interest earnings.

**LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

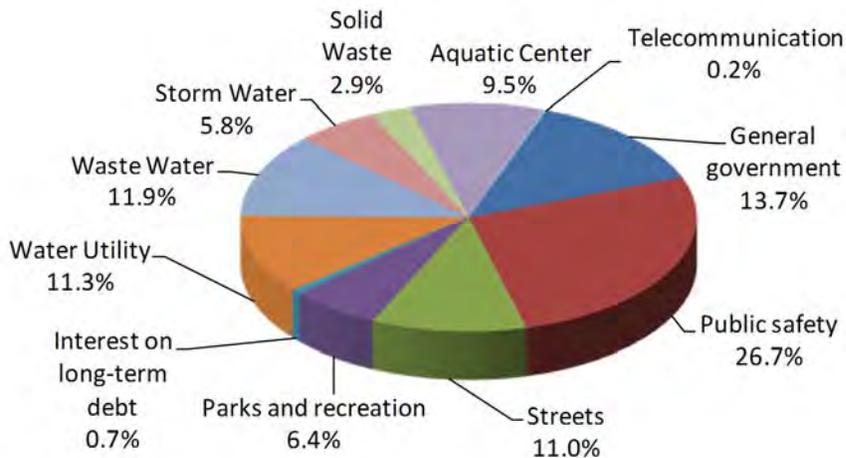
June 30, 2018

Figure A-1
Lindon City
Sources of Revenue for Fiscal Year 2018



The City's expenses cover a range of services, with 58.4% from governmental activities and 41.6% from business-type activities. Public safety, a major portion of general government activities, encompassed 26.7% of the City's total expenses. (See Figure A-2.)

Figure A-2
Lindon City
Functional Expenses for Fiscal Year 2018



Governmental Activities

As indicated in Table A-2, the cost of all governmental activities this year was \$9,466,026. Some of the costs were paid by those who directly benefitted from the City's services (\$1,587,239), or other entities and governmental organizations that subsidized certain programs with grants and contributions (\$2,734,285). However, the amount of taxes that were required to subsidize these activities was \$5,144,502, the net cost of the governmental functions. The net cost shows the financial burden that was placed on the City's

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

June 30, 2018

taxpayers by each of these functions. The City paid for the remaining "public benefit" portion with tax revenue.

Property tax revenue increased by 5.3% and sales tax revenue increased by 8.7% compared to the prior year.

Business-type Activities

The cost of all business-type activities this year was \$6,731,152. The program revenues exceeded costs by \$3,644,675. Net program revenues and expenses plus other revenues totaled \$3,667,661, before transfers.

Table A-2
Lindon City's Changes in Net Position
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total		% Change 2017-2018
	2017	2018	2017	2018	2017	2018	
Revenues							
Program revenues							
Charges for services	\$ 1,286	\$ 1,587	\$ 5,597	\$ 6,491	\$ 6,883	\$ 8,078	17.4%
Grants and contributions	2,667	2,734	1,933	3,886	4,600	6,620	43.9%
General revenues							
Property taxes	2,234	2,353	-	-	2,234	2,353	5.3%
Sales tax	3,905	4,243	-	-	3,905	4,243	8.7%
Other taxes	2,184	2,202	-	-	2,184	2,202	0.8%
Other revenues	231	397	5	23	236	420	78.0%
Total revenues	12,507	13,516	7,535	10,400	20,042	23,916	19.3%
Expenses							
General government	2,488	2,220	-	-	2,488	2,220	-10.8%
Public safety	4,231	4,327	-	-	4,231	4,327	2.3%
Streets	2,207	1,774	-	-	2,207	1,774	-19.6%
Parks and recreation	276	1,038	-	-	276	1,038	276.1%
Interest on long-term debt	105	107	-	-	105	107	1.9%
Water Utility	-	-	1,850	1,824	1,850	1,824	-1.4%
Waste Water	-	-	1,878	1,923	1,878	1,923	2.4%
Storm Water	-	-	823	933	823	933	13.4%
Solid Waste	-	-	431	452	431	452	4.9%
Aquatic Center	-	-	1,500	1,548	1,500	1,548	3.2%
Telecommunication	-	-	57	52	57	52	-8.8%
Total expenses	9,307	9,466	6,539	6,732	15,846	16,198	2.2%
Excess (deficiency) before transfers	3,469	4,050	996	3,668	4,196	7,718	83.9%
Transfers	(1,591)	(976)	1,591	976	-	-	n/a
Increase (decrease) in net position	1,878	3,074	2,587	4,644	4,196	7,718	83.9%
Beginning Net Position	30,602	32,480	36,713	39,300	67,315	71,780	6.6%
Total Net Position	\$ 32,480	\$ 35,554	\$ 39,300	\$ 43,944	\$ 71,511	\$ 79,498	1.4%

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

June 30, 2018

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, Lindon City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The largest changes in funds were:

- The General Fund's fund balance increased by \$54,878, mainly due to increased revenue.
- The non-major fund balances increased by \$2,000,937, most of which is due to interfund transfers and an increase in impact fee revenue.

Proprietary funds

The changes in major funds were:

- The Water Fund's fund balance increased by \$2,498,645, mostly due to infrastructure improvements contributed by developers.
- The Waste Water's fund balance increased by \$694,637, mostly due to infrastructure improvements contributed by developers.
- The Storm Water's fund balance increased by \$460,890, mostly due infrastructure improvements contributed by developers.
- The Recreation fund balance increased by \$1,011,585, due to increased transfers into the fund to subsidize the fund's activities.

General Fund Budgetary Highlights

- The General Fund amended budget was \$1,099,043 more than the original budget.
- The General Fund amended budget showed increases in tax revenue (\$419,668), fines and forfeitures (\$50,000), impact fees (\$22,000), and miscellaneous revenues (\$176,700).
- The General Fund amended budget showed an increase in transfers to other funds of \$1,370,000.
- Additional minor variances between the General Fund's original budget and amended budgets may be seen on page 32.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As indicated in Table A-3, at the end of fiscal year 2018, the City had invested \$86,247,858 net of accumulated depreciation in a broad range of capital assets, including land, buildings, improvements, equipment, roads, sidewalks, water, sewer and storm water lines. More detailed information about the City's capital assets is presented in Note 6 to the financial statements.

This year's major capital asset additions included:

- Subdivision and infrastructure contributions amounted to \$1,511,375 in the governmental funds and \$3,498,606 in the business-type funds.

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

June 30, 2018

- The water system, the waste water collection system, and the storm water collection system were upgraded (net of developer contributions) by \$340,140, \$902,024, and 51,581, respectively.

Table A-3
Lindon City's Capital Assets
(net of depreciation, in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total		% Change
	2017	2018	2017	2018	2017	2018	2017-2018
Land	\$ 5,975	\$ 5,825	\$ 1,359	\$ 1,509	\$ 7,334	\$ 7,334	0.0%
Water Stock	70	70	10,840	10,995	10,910	11,065	1.4%
Buildings	5,873	5,034	8,438	8,883	14,311	13,917	-2.8%
Infrastructure	15,658	16,059	131	146	15,789	16,205	2.6%
Water System	-	-	10,015	11,580	10,015	11,580	15.6%
Sewage System	-	-	9,756	10,009	9,756	10,009	2.6%
Storm Drain System	-	-	9,078	9,254	9,078	9,254	1.9%
Net investment in capital assets	3,351	3,133	-	-	3,351	3,133	-6.5%
Equipment	449	363	677	596	1,126	959	-14.8%
Vehicles	582	625	69	69	651	694	6.6%
Construction in Progress	465	1,101	315	997	780	2,098	169.0%
Total	\$ 32,423	\$ 32,210	\$ 50,678	\$ 54,038	\$ 83,101	\$ 86,248	3.8%

Long-term Debt

As indicated in Table A-4, at the year-end the City had \$20,399,432 in bonds (including unamortized premiums), notes, and capital leases outstanding. Accruals for compensated absences total \$310,423, making total long-term liabilities \$20,709,855. More detailed information about the City's long-term liabilities is presented in Note 8 to the financial statements. Lindon City does not have any general obligation bonds. There are four bonds which are paid with sales tax revenue. More information about the bonds and the pledged revenues can be found in Note 8.

Table A-4
Lindon City's Long-term Liabilities
(In thousands of dollars)

	Governmental Activities		Business-Type Activities		Total		% Change
	2017	2018	2017	2018	2017	2018	2017-2018
Revenue Bonds	\$ 3,887	\$ 3,572	\$ 13,800	\$ 14,444	\$ 17,687	\$ 18,016	1.9%
Notes Payable	50	40	2,055	1,920	2,105	1,960	-6.9%
Leases	456	382	82	42	538	424	-21.2%
Compensated absences	189	197	96	113	285	310	8.8%
Total	\$ 4,582	\$ 4,191	\$ 16,033	\$ 16,519	\$ 20,615	\$ 20,710	0.5%

Lindon City's total long-term liabilities had a net increase of \$95,314 (0.5%) during the current fiscal year.

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

June 30, 2018

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- For June 2018, the unemployment rate for Utah County was 2.8%, which is lower than the state average of 3.0%, and significantly lower than the national average of 4.0%.
- A 2.1% average annual increase in the Consumer Price Index from March 2017 to February 2018, provided by the U.S. Department of Labor, was considered in preparing the 2019 budget.

These indicators were taken into account when adopting the budget for fiscal 2019. Sales and property tax revenues are still expected to increase due to increasing consumer confidence and new growth that continues to come to Lindon. The increased tax revenues will be used for capital projects.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of Lindon City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, Lindon City, 100 North State Street, Lindon, UT 84042.

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BASIC FINANCIAL STATEMENTS

LINDON CITY CORPORATION
STATEMENT OF NET POSITION

June 30, 2018

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 4,633,187	\$ 3,711,774	\$ 8,344,961
Receivables:			
Accounts, net	-	608,394	608,394
Taxes	1,881,573	-	1,881,573
Intergovernmental	911,528	-	911,528
Other	297,380	-	297,380
Prepaid assets	39,854	12,465	52,319
Internal balances	(8,872)	8,872	-
Note receivable	-	367,257	367,257
Restricted assets:			
Cash and cash equivalents	2,480,548	1,947,002	4,427,550
Capital assets not being depreciated:			
Land and collectibles	5,825,114	1,509,243	7,334,357
Water stock and rights	69,550	10,995,043	11,064,593
Construction in progress	1,101,208	996,715	2,097,923
Capital assets, net of accumulated depreciation:			
Buildings	5,034,045	8,882,763	13,916,808
Infrastructure	16,058,566	145,735	16,204,301
Water distribution system	-	11,580,757	11,580,757
Waste water collection system	-	10,008,519	10,008,519
Storm water drainage system	-	9,254,085	9,254,085
Improvements other than buildings	3,133,537	-	3,133,537
Machinery and equipment	363,180	596,363	959,543
Vehicles	624,840	68,595	693,435
Total Assets	42,445,238	60,693,582	103,138,820
Deferred Outflows of Resources			
Deferred outflows relating to pensions	1,298,804	177,034	1,475,838
Deferred charge on bond refunding	-	633,355	633,355
Total Assets and Deferred Outflows of Resources	\$ 43,744,042	\$ 61,503,971	\$ 105,248,013

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

LINDON CITY CORPORATION
STATEMENT OF NET POSITION (Continued)

June 30, 2018

	Governmental Activities	Business-type Activities	Total
Liabilities:			
Accounts payable	\$ 104,758	\$ 345,542	\$ 450,300
Accrued liabilities	212,331	81,307	293,638
Accrued interest payable	21,417	186,937	208,354
Retainage payable	13	-	13
Unearned revenue	-	275	275
Developer and customer deposits	420,059	16,200	436,259
Noncurrent liabilities			
Due within one year	585,977	787,075	1,373,052
Due in more than one year	3,605,003	15,731,800	19,336,803
Net pension liability	1,531,766	250,420	1,782,186
Total Liabilities	6,481,324	17,399,556	23,880,880
Deferred Inflows of Resources:			
Deferred inflows for property taxes	1,839,607	-	1,839,607
Deferred inflows relating to pensions	979,299	160,452	1,139,751
Total Deferred Inflows of Resources	2,818,906	160,452	2,979,358
Net Position:			
Net investment in capital assets	28,301,517	39,912,738	68,214,255
Restricted for:			
Impact fees/expansion of systems	1,778,532	647,830	2,426,362
P.A.R.C. taxes	-	-	-
Debt service	67,240	1,299,172	1,366,412
Unrestricted	4,296,523	2,084,223	6,380,746
Total Net Position	34,443,812	43,943,963	78,387,775
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 43,744,042	\$ 61,503,971	\$ 105,248,013

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

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LINDON CITY CORPORATION
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 2,219,582	\$ 1,536,810	\$ 211,820	\$ -	\$ (470,952)	\$ -	\$ (470,952.00)
Public safety	4,326,768	-	45,928	67,986	(4,212,854)	-	(4,212,854)
Highway and public improvements	1,773,931	-	-	2,021,551	247,620	-	247,620
Parks and recreation	1,038,256	50,429	-	387,000	(600,827)	-	(600,827)
Interest and issuance costs on long-term debt	107,489	-	-	-	(107,489)	-	(107,489)
Total Governmental Activities	<u>9,466,026</u>	<u>1,587,239</u>	<u>257,748</u>	<u>2,476,537</u>	<u>(5,144,502)</u>	<u>-</u>	<u>(5,144,502)</u>
Business-type Activities:							
Water utility	1,823,380	2,595,887	-	1,723,353	-	2,495,860	2,495,860
Waste water	1,923,435	1,898,866	-	701,212	-	676,643	676,643
Storm water	932,635	799,344	-	594,043	-	460,752	460,752
Solid waste	451,649	415,471	5,000	-	-	(31,178)	(31,178)
Recreation	1,548,176	735,474	-	840,918	-	28,216	28,216
Telecommunications	51,877	45,055	-	21,204	-	14,382	14,382
Total Business-type Activities	<u>6,731,152</u>	<u>6,490,097</u>	<u>5,000</u>	<u>3,880,730</u>	<u>-</u>	<u>3,644,675</u>	<u>3,644,675</u>
Total Government	<u>\$ 16,197,178</u>	<u>\$ 8,077,336</u>	<u>\$ 262,748</u>	<u>\$ 6,357,267</u>	<u>(5,144,502)</u>	<u>3,644,675</u>	<u>(1,499,827)</u>
General Revenues:							
					2,352,961	-	2,352,961
					4,242,568	-	4,242,568
					1,606,531	-	1,606,531
					595,280	-	595,280
					155,500	22,986	178,486
					(3,013)	-	(3,013)
					244,736	-	244,736
					(976,300)	976,300	-
					<u>8,218,263</u>	<u>999,286</u>	<u>9,217,549</u>
					3,073,761	4,643,961	7,717,722
					32,210,969	39,300,002	71,510,971
					(840,918)		(840,918)
					<u>\$ 34,443,812</u>	<u>\$ 43,943,963</u>	<u>\$ 78,387,775</u>

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

LINDON CITY CORPORATION
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2018

	General	Redevelopment Agency	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 1,969,470	\$ 607,170	\$ -	\$ 2,056,547	\$ 4,633,187
Receivables:					
Accounts, net	18,159	-	-	79,520	97,679
Property tax	1,851,573	30,000	-	-	1,881,573
Sales tax	797,311	-	-	114,217	911,528
Franchise tax	199,701	-	-	-	199,701
Prepaid assets	3,500	-	36,354	-	39,854
Due from other funds	120,397	-	-	24,993	145,390
Restricted cash and cash equivalents	67,240	-	-	2,413,308	2,480,548
Total Assets	\$ 5,027,351	\$ 637,170	\$ 36,354	\$ 4,688,585	\$ 10,389,460
Liabilities					
Accounts payable	\$ 61,721	\$ -	\$ -	\$ 43,038	\$ 104,759
Accrued liabilities	212,331	-	-	-	212,331
Developer and customer deposits	368,289	-	-	51,770	420,059
Retainage payable	13	-	-	-	13
Due to other funds	684	24,309	36,354	92,915	154,262
Total Liabilities	643,038	24,309	36,354	187,723	891,424
Deferred Inflows of Resources					
Unavailable revenue - property taxes	1,809,607	30,000	-	-	1,839,607
Total Deferred Inflows of Resources	1,809,607	30,000	-	-	1,839,607
Fund Balances:					
Nonspendable:					
Prepaid items	3,500	-	-	-	3,500
Restricted for:					
Impact fees/expansion of systems	-	-	-	1,778,532	1,778,532
Debt service	67,240	-	-	-	67,240
Assigned for:					
Redevelopment agency functions	-	582,861	-	-	582,861
P.A.R.C. tax fund	-	-	-	639,338	639,338
Capital projects	-	-	-	2,082,992	2,082,992
Unassigned:					
General fund	2,503,966	-	-	-	2,503,966
Total Fund Balances	2,574,706	582,861	-	4,500,862	7,658,429
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,027,351	\$ 637,170	\$ 36,354	\$ 4,688,585	\$ 10,389,460

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

LINDON CITY CORPORATION
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
 FUNDS TO THE STATEMENT OF NET POSITION**

June 30, 2018

Amounts reported for governmental activities in the statement of net position are

Total Fund Balance - Governmental Funds	\$ 7,658,429
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	32,210,040
Interest expense is not due and payable in the current period and, therefore, is not recorded in the funds.	(21,417)
Pension obligations and assets, including deferred inflows and outflows relating to pensions, are not obligations in the current period and, therefore, are not reported in the funds.	(1,212,260)
Long-term liabilities, including bonds, capital leases, notes, termination benefits, workers' compensation, and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(4,190,980)
Total Net Position - Governmental Activities	<u>\$ 34,443,812</u>

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

LINDON CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2018

	General	Redevelopment Agency	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 8,131,845	\$ 64,066	\$ -	\$ 595,280	\$ 8,791,191
Licenses and permits	531,077	-	-	-	531,077
Intergovernmental	45,928	211,820	-	444,465	702,213
Charges for services	260,027	-	-	-	260,027
Fines and forfeitures	523,011	-	-	-	523,011
Impact fees	67,986	-	-	452,711	520,697
Interest	116,977	11,387	-	33,845	162,209
Miscellaneous	272,564	-	-	244,736	517,300
Total Revenues	9,949,415	287,273	-	1,771,037	12,007,725
Expenditures:					
Current:					
General government	1,750,900	-	436,251	-	2,187,151
Public safety	4,171,033	-	-	-	4,171,033
Highways and public improvements	525,378	-	-	719,649	1,245,027
Parks and recreation	514,267	-	-	308,020	822,287
Redevelopment Agency	-	86,897	-	-	86,897
Debt service:					
Principal	155,590	-	324,747	-	480,337
Interest	10,586	-	97,373	-	107,959
Capital outlay	-	-	-	1,785	1,785
Total Expenditures	7,127,754	86,897	858,371	1,029,454	9,102,476
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,821,661	200,376	(858,371)	741,583	2,905,249
Other Financing Sources (Uses):					
Issuance of new debt	81,344	-	-	-	81,344
Sale of capital assets	45,898	-	-	-	45,898
Transfers in	-	-	858,371	1,700,000	2,558,371
Transfers out	(2,894,025)	(200,000)	-	(440,646)	(3,534,671)
Total Other Financing Sources (Uses)	(2,766,783)	(200,000)	858,371	1,259,354	(849,058)
Net Change in Fund Balances	54,878	376	-	2,000,937	2,056,191
Fund Balances, Beginning	2,519,828	582,485	-	2,499,925	5,602,238
Fund Balances, Ending	\$ 2,574,706	\$ 582,861	\$ -	\$ 4,500,862	\$ 7,658,429

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

LINDON CITY CORPORATION
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2018

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - Total Governmental Funds	\$ 2,056,191
Governmental funds have reported capital outlays, past and present, as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	(1,749,325)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the Statement of Net Position.	2,426,155
The Statement of Activities reports the gain or loss on the disposal of capital assets, while the governmental funds report the proceeds from the disposal of capital assets.	(48,911)
In the Statement of Activities, interest is accrued on noncurrent liabilities, whereas in governmental funds, interest expense is reported when due.	471
Repayment of noncurrent liabilities' principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	480,336
Net proceeds from issuance of noncurrent liabilities is recorded as income in the governmental funds. However, the issuance of noncurrent liabilities is recorded as a liability in the Statement of Net Position.	(81,344)
Some expenses, including accrued termination benefits and the difference between the actuarially calculated pension expense and retirement contributions, reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(9,812)
Change in Net Position - Governmental Activities	<u>\$ 3,073,761</u>

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

LINDON CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND

For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 7,488,082	\$ 7,907,750	\$ 8,131,845	\$ 224,095
Licenses and permits	565,775	533,775	531,077	(2,698)
Intergovernmental	58,500	45,925	45,928	3
Charges for services	256,700	242,200	260,027	17,827
Fines and forfeitures	470,000	520,000	523,011	3,011
Impact fees	45,000	67,000	67,986	986
Interest	68,000	110,000	116,977	6,977
Miscellaneous	127,900	262,600	272,564	9,964
Total Revenues	9,079,957	9,689,250	9,949,415	260,165
Expenditures:				
Current:				
General government:				
Mayor and council	103,365	103,765	101,862	1,903
Judicial	532,165	565,765	552,216	13,549
Administrative	368,162	360,552	328,366	32,186
Elections	15,600	8,700	8,476	224
Buildings	344,625	267,765	246,183	21,582
Planning and zoning	443,625	546,940	501,178	45,762
Grants and contributions	13,000	13,000	12,619	381
Public Safety:				
Law enforcement	2,443,385	2,468,405	2,379,493	88,912
Fire protection	1,480,282	1,480,282	1,480,200	82
Protective inspections	389,330	303,100	293,222	9,878
Animal controls	25,450	19,340	18,118	1,222
Highways and public improvements				
Streets	(29,394)	(27,035)	(60,816)	33,781
Public works administration	610,630	601,100	586,194	14,906
Parks and recreation				
Parks	487,475	496,555	487,692	8,863
Cemetery	17,850	19,850	12,912	6,938
Recreation and culture	16,000	16,000	13,663	2,337
Debt service:				
Principal	269,000	164,900	155,590	9,310
Interest	1,492	11,040	10,586	454
Total Expenditures	7,532,042	7,420,024	7,127,754	292,270
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,547,915	2,269,226	2,821,661	552,435
Other Financing Sources (Uses):				
Proceeds from issuance of debt	82,000	81,500	81,344	(156)
Transfers in	-	-	-	-
Transfers out	(1,524,025)	(2,894,025)	(2,894,025)	-
Sale of capital assets	45,900	45,900	45,898	(2)
Total Other Financing Sources (Uses)	(1,396,125)	(2,766,625)	(2,766,783)	(158)
Net Change in Fund Balances	151,790	(497,399)	54,878	552,277
Fund Balances, Beginning	2,519,828	2,519,828	2,519,828	-
Fund Balances, Ending	\$ 2,671,618	\$ 2,022,429	\$ 2,574,706	\$ 552,277

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

LINDON CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – REDEVELOPMENT
AGENCY SPECIAL REVENUE FUND

For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 191,000	\$ 275,880	\$ 64,066	\$ (211,814)
Intergovernmental	-	-	211,820	211,820
Interest	5,500	11,190	11,387	197
Total Revenues	<u>196,500</u>	<u>287,070</u>	<u>287,273</u>	<u>203</u>
Expenditures:				
Materials, supplies and services	39,510	91,510	86,897	4,613
Capital outlay	-	-	-	-
Total Expenditures	<u>39,510</u>	<u>91,510</u>	<u>86,897</u>	<u>4,613</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>156,990</u>	<u>195,560</u>	<u>200,376</u>	<u>4,816</u>
Other Financing Sources (Uses):				
Transfers out	-	(200,000)	(200,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Net Change in Fund Balances	156,990	(4,440)	376	4,816
Fund Balances, Beginning	<u>582,485</u>	<u>582,485</u>	<u>582,485</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 739,475</u>	<u>\$ 578,045</u>	<u>\$ 582,861</u>	<u>\$ 4,816</u>

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

LINDON CITY CORPORATION
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
 June 30, 2018

	Business-type Activities - Enterprise Funds					Total
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	
Assets and Deferred Outflows of Resources						
Current Assets:						
Cash and cash equivalents	\$ 2,134,678	\$ 1,392,618	\$ 129,042	\$ 1,508	\$ 53,928	\$ 3,711,774
Accounts receivable, net	291,814	199,893	74,177	-	42,510	608,394
Other receivables	-	-	-	-	-	-
Prepaid assets	-	-	-	12,465	-	12,465
Due from other funds	-	-	-	92,915	-	92,915
Restricted cash and cash equivalents	644,297	799,544	3,402	499,759	-	1,947,002
Total Current Assets	3,070,789	2,392,055	206,621	606,647	96,438	6,372,550
Noncurrent Assets:						
Notes receivable	-	-	-	-	367,257	367,257
Capital assets, net of accumulated depreciation:						
Land	428,610	107,392	823,241	150,000	-	1,509,243
Water stock and rights	10,995,043	-	-	-	-	10,995,043
Construction in Process	71,937	807,212	51,581	65,985	-	996,715
Buildings	-	-	-	8,882,763	-	8,882,763
Telecom Infrastructure	-	-	-	-	145,735	145,735
Water distribution system	11,580,757	-	-	-	-	11,580,757
Waste water collection system	-	10,008,519	-	-	-	10,008,519
Storm water drainage system	-	-	9,254,085	-	-	9,254,085
Machinery and equipment	12,544	436,071	79,253	68,495	-	596,363
Vehicles	65,253	-	-	3,342	-	68,595
Capital assets, net	23,154,144	11,359,194	10,208,160	9,170,585	145,735	54,037,818
Total Noncurrent Assets	23,154,144	11,359,194	10,208,160	9,170,585	512,992	54,405,075
Deferred Outflows of Resources						
Deferred outflows relating to pensions	53,550	52,074	40,868	30,542	-	177,034
Deferred charge on bond refunding	-	-	-	633,355	-	633,355
Total Assets and Deferred Outflows of Resources	\$ 26,278,483	\$ 13,803,323	\$ 10,455,649	\$ 10,441,129	\$ 609,430	\$ 61,588,014

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

LINDON CITY CORPORATION
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
June 30, 2017

	Business-type Activities - Enterprise Funds					Total
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	
Liabilities and Deferred Inflows of Resources						
Current Liabilities:						
Accounts payable	\$ 78,056	\$ 120,634	\$ 17,767	\$ 87,960	\$ 41,125	\$ 345,542
Accrued liabilities	8,169	5,068	5,254	62,816	-	81,307
Accrued interest payable	35,991	3,008	891	147,047	-	186,937
Liabilities payable from restricted assets	-	-	-	-	-	-
Unearned revenue	-	-	-	275	-	275
Developer and customer deposits	16,200	-	-	-	-	16,200
Due to other funds	-	-	-	82,425	1,618	84,043
Compensated absences	28,486	27,394	18,964	8,966	-	83,810
Current portion of long-term debt	68,037	178,778	72,289	360,000	24,161	703,265
Deposit	-	-	-	-	-	-
Total Current Liabilities	<u>234,939</u>	<u>334,882</u>	<u>115,165</u>	<u>749,489</u>	<u>66,904</u>	<u>1,501,379</u>
Noncurrent Liability:						
Compensated absences, net	17,636	688	9,550	1,736	-	29,610
Long-term debt, net of current portion	2,678,066	4,750,794	209,228	7,721,006	343,096	15,702,190
Net pension liability	81,454	66,887	54,167	47,912	-	250,420
Total Noncurrent Liability	<u>2,777,156</u>	<u>4,818,369</u>	<u>272,945</u>	<u>7,770,654</u>	<u>343,096</u>	<u>15,982,220</u>
Deferred Inflows of Resources:						
Deferred inflows relating to pensions	52,190	42,856	34,706	30,700	-	160,452
Total Liabilities and Deferred Inflows of Resources	<u>3,064,285</u>	<u>5,196,107</u>	<u>422,816</u>	<u>8,550,843</u>	<u>410,000</u>	<u>17,644,051</u>
Net Position:						
Net investment in capital assets	20,409,293	7,204,972	9,930,045	2,222,693	145,735	39,912,738
Restricted for:						
Impact fees/expansion of systems	644,297	131	3,402	-	-	647,830
Debt service reserves	-	799,413	-	499,759	-	1,299,172
Unrestricted	2,160,608	602,700	99,386	(832,166)	53,695	2,084,223
Total Net Position	<u>23,214,198</u>	<u>8,607,216</u>	<u>10,032,833</u>	<u>1,890,286</u>	<u>199,430</u>	<u>43,943,963</u>
Total Liabilities and Net Position	<u>\$ 26,278,483</u>	<u>\$ 13,803,323</u>	<u>\$ 10,455,649</u>	<u>\$ 10,441,129</u>	<u>\$ 609,430</u>	<u>\$ 61,588,014</u>

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

LINDON CITY CORPORATION
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION – PROPRIETARY FUNDS**
For the Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds					Total
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	
Operating Revenues:						
Service fees	\$ 2,242,003	\$ 1,773,733	\$ 799,344	\$ 733,842	\$ 460,526	\$ 6,009,448
Other fees	104,051	57,550	-	-	-	161,601
Miscellaneous	249,833	67,583	-	1,632	-	319,048
Total Operating Revenues	<u>2,595,887</u>	<u>1,898,866</u>	<u>799,344</u>	<u>735,474</u>	<u>460,526</u>	<u>6,490,097</u>
Operating Expenses:						
Salaries and wages	601,895	523,817	377,598	464,425	18,940	1,986,675
Employee benefits	102,349	78,121	60,980	94,405	-	335,855
Materials, supplies and services	635,942	703,553	150,604	379,817	478,158	2,348,074
Depreciation	392,808	542,720	333,029	317,067	6,428	1,592,052
Total Operating Expenses	<u>1,732,994</u>	<u>1,848,211</u>	<u>922,211</u>	<u>1,255,714</u>	<u>503,526</u>	<u>6,262,656</u>
Operating Income (Loss)	<u>\$ 862,893</u>	<u>\$ 50,655</u>	<u>\$ (122,867)</u>	<u>\$ (520,240)</u>	<u>\$ (43,000)</u>	<u>\$ 227,441</u>

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

LINDON CITY CORPORATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION – PROPRIETARY FUNDS (Continued)

For the Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds				Non-major Funds	Total
	Water	Waste Water	Storm Water	Recreation		
Nonoperating Income (Expense):						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ 5,000
Gain on sale of capital assets	-	-	-	-	-	-
Interest income	2,785	17,994	138	2,069	-	22,986
Interest expense	(90,386)	(75,224)	(10,424)	(292,462)	-	(468,496)
Total Nonoperating Income (Expense)	<u>(87,601)</u>	<u>(57,230)</u>	<u>(10,286)</u>	<u>(285,393)</u>	<u>-</u>	<u>(440,510)</u>
Income (Loss) Before Transfers and Capital Contributions	775,292	(6,575)	(133,153)	(805,633)	(43,000)	(213,069)
Capital contributions	1,566,847	600,452	469,185	840,918	21,204	3,498,606
Impact fee contributions	156,506	100,760	124,858	-	-	382,124
Transfers in	-	-	-	976,300	-	976,300
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Net Position	2,498,645	694,637	460,890	1,011,585	(21,796)	4,643,961
Net Position, Beginning	<u>\$ 20,715,553</u>	<u>\$ 7,912,579</u>	<u>\$ 9,571,943</u>	<u>\$ 878,701</u>	<u>221,226</u>	<u>39,300,002</u>
Net Position, Ending	<u>\$ 23,214,198</u>	<u>\$ 8,607,216</u>	<u>\$ 10,032,833</u>	<u>\$ 1,890,286</u>	<u>\$ 199,430</u>	<u>\$ 43,943,963</u>

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

LINDON CITY CORPORATION
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds					Total
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	
Cash Flows From Operating Activities:						
Receipts from customers and users	\$ 2,539,396	\$ 1,990,016	\$ 788,034	\$ 733,726	\$ 460,121	\$ 6,511,293
Payments to suppliers	(692,002)	(705,759)	(188,156)	(352,858)	(497,811)	(2,436,586)
Payments to employees and related benefits	(689,511)	(597,486)	(429,567)	(543,083)	(18,940)	(2,278,587)
Deposits received (refunded)	1,700	-	-	-	-	1,700
Net cash from operating activities	<u>1,159,583</u>	<u>686,771</u>	<u>170,311</u>	<u>(162,215)</u>	<u>(56,630)</u>	<u>1,797,820</u>
Cash Flows From Capital and Related Financing Activities:						
Purchase of property and equipment	(365,686)	(902,024)	(51,581)	(134,300)	-	(1,453,591)
Proceeds from issuance of debt	-	1,262,000	-	-	-	1,262,000
Receipt of impact fees	156,506	100,760	124,858	-	-	382,124
Principal paid on bonds and capital lease	(65,827)	(246,778)	(70,008)	(350,000)	-	(732,613)
Interest paid on bonds and capital lease	(91,124)	(72,216)	(12,310)	(286,850)	-	(462,500)
Net cash from capital and related financing activities	<u>(366,131)</u>	<u>141,742</u>	<u>(9,041)</u>	<u>(771,150)</u>	<u>-</u>	<u>(1,004,580)</u>
Cash Flows From Non-Capital Financing Activities:						
Cash subsidy from federal grants	-	-	-	5,000	-	5,000
Payments on long-term pension obligation	10,854	5,325	(1,095)	7,795	-	22,879
Payments from (to) other funds on loans	-	-	(31,172)	(50,479)	101	(81,550)
Payments received on notes from residents	-	-	-	-	47,094	47,094
Principal paid on notes for residential connections	-	-	-	-	(47,094)	(47,094)
Transfers from (to) other funds	-	-	-	976,300	-	976,300
Net cash from non-capital financing activities	<u>\$ 10,854</u>	<u>\$ 5,325</u>	<u>\$ (32,267)</u>	<u>\$ 938,616</u>	<u>\$ 101</u>	<u>\$ 922,629</u>

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

LINDON CITY CORPORATION
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)
For the Fiscal Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds					Total
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	
Cash Flows From Investing Activity:						
Interest on investments	\$ 2,785	\$ 17,994	\$ 138	\$ 2,069	\$ -	\$ 22,986
Net cash from investing activity	<u>2,785</u>	<u>17,994</u>	<u>138</u>	<u>2,069</u>	<u>-</u>	<u>22,986</u>
Net Increase (Decrease) In Cash	807,091	851,832	129,141	7,320	(56,529)	1,738,855
Cash and Cash Equivalents At Beginning of Year	<u>1,971,884</u>	<u>1,340,330</u>	<u>3,303</u>	<u>493,947</u>	<u>110,457</u>	<u>3,919,921</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,778,975</u>	<u>\$ 2,192,162</u>	<u>\$ 132,444</u>	<u>\$ 501,267</u>	<u>\$ 53,928</u>	<u>\$ 5,658,776</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:						
Operating income (loss)	\$ 862,893	\$ 50,655	\$ (122,867)	\$ (520,240)	\$ (43,000)	\$ 227,441
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:						
Depreciation expense	392,808	542,720	333,029	317,067	6,428	1,592,052
(Increase) Decrease in accounts receivables	(56,491)	91,150	(11,310)	-	(405)	22,944
(Increase) Decrease in prepaid assets	-	-	-	(6,600)	-	(6,600)
Increase (Decrease) in accounts payable	(56,060)	(2,206)	(37,552)	33,559	(19,653)	(81,912)
Increase (Decrease) in accrued liabilities	4,856	1,391	2,414	18,156	-	26,817
Increase (Decrease) in compensated absences	9,877	3,061	6,597	(2,409)	-	17,126
Increase (Decrease) in deferred revenue	-	-	-	(1,748)	-	(1,748)
Increase (Decrease) in deposits	1,700	-	-	-	-	1,700
Net cash from operating activities	<u>\$ 1,159,583</u>	<u>\$ 686,771</u>	<u>\$ 170,311</u>	<u>\$ (162,215)</u>	<u>\$ (56,630)</u>	<u>\$ 1,797,820</u>
Noncash investing, capital, and financing activities:						
Contributions from developers	\$ 1,566,847	\$ 600,452	\$ 469,185	\$ -	\$ 21,204	\$ 2,657,688
Increase to UIA notes payable and receivable	-	-	-	-	22,800	\$ 22,800

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

**LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Lindon City Corporation (the City) was incorporated in March of 1924, under the provisions of the Utah State Code. Lindon City Corporation is a political subdivision of the State of Utah. The City operates under a six member council form of government and provides services authorized by its charter, including public safety, (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. Some of these services are provided under contract with other entities.

B. Reporting Entity

The accompanying financial statements present the financial position of the various fund types, the results of operations of the various fund types and the cash flows of the proprietary funds. The financial statements are presented as of and for the fiscal year ended June 30, 2018.

For financial reporting purposes, Lindon City Corporation has included all funds, and component units. The City has considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria in GASB Statement No. 14 to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose financial burdens on the City.

As required by generally accepted accounting principles, this report presents the financial information of both Lindon City Corporation (the primary government) and its component units. The component units are included in the City's reporting entity because of the significance of the component unit's operational or financial relationships with the City.

Component Units

These component units are entities, which are legally separate from the City, but are so intertwined with the City that they are, in substance, the same as the City. They have the same governing boards or are responsible for appointing the members of the governing boards and provide services almost entirely to Lindon City. As such, they are accounted for as blended component units and are reported as funds of the City. These organizations for which Lindon City is financially accountable, and the relationship with Lindon City is significant enough that exclusion would possibly lead to misleading or incomplete financial statements. To obtain separate individual component unit financial statements please send requests to Lindon City, c/o the City Administrator, 100 North State Street, Lindon, Utah 84042.

Lindon City Redevelopment Agency. The Agency was established for the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of redevelopment and economic development projects within the area in which it is authorized to act. The members of the City Council are also members of the Redevelopment Agency's Board of Directors and, as such, are authorized to transact the business and exercise their power to plan, engineer, and carry out projects of the Redevelopment Agency. The Agency is reported as a special revenue fund.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general governmental services, public safety, highways and streets, planning and engineering, parks, and redevelopment are classified as governmental activities. The City's water, waste water, storm water, recreation, waste collection, and telecommunication funds are classified as business-type activities.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City and its blended component units. 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 user fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges 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.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they became available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The financial resources used to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than expenditures in the government-wide financial statements.

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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Sales taxes, franchise taxes, and earned but unreimbursed state and federal grants 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. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter (generally within 60 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when the City receives cash.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures or expenses as appropriate.

The government 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 Redevelopment Agency special revenue fund reports the activities of the Agency as described previously. The City has elected to report this as a major fund.

The Debt Service fund reports the payments of long term debt. The City has elected to report this as a major fund.

The government reports the following major proprietary funds:

The Water Fund accounts for the activities of the city’s water utility and water distribution system.

The Waste Water Fund accounts for the activities of the city’s sewer utility.

The Storm Water Fund accounts for the activities of the city’s storm drain utility.

The Recreation Fund accounts for the activities at the city’s swimming pool and community center.

Additionally, the City reports the following non-major funds:

The Parks, Arts, Recreation, and Culture (P.A.R.C.) Tax special revenue fund records the receipts and use of tax the P.A.R.C. tax.

The Road Capital Projects Fund accounts for the financial resources to be used for the city’s roads.

The General Capital Projects Fund accounts for the financial resources to be used for the acquisition or construction of the major capital facilities of the government.

The Waste Collection Fund (an enterprise fund) accounts for the service fees and expenses associated with garbage collection in the City.

**LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Telecommunications Fund (an enterprise fund) accounts for the receivables and associated debt and the collections on those receivables for resident connections to the Utah Infrastructure Agency fiber optic network.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by various enterprise funds for providing administrative and billing services. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the City's internal service funds are charges to customers. Operating expenses for enterprise funds and the internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

E. Assets, Liabilities, and Net Position

1. Deposits and Investments

Cash and cash equivalents consists of amounts in demand and certificates of deposit and all highly liquid investments maturing within three months. Cash balances are invested to the extent available. Investments are held in Utah Public Treasurers' Investment Fund (PTIF). Investments are stated at cost, which approximates fair value.

The City categorizes the fair value measurements of its investments based on the hierarchy established by general accepted accounting principles. The fair value hierarchy, which has three levels, is based on valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City does not have any investments that are measured using Level 3 inputs. Fair value measurements of the City's investments in PTIF at June 30, 2018, of \$11,659,523 are based on significant other observable inputs (Level 2 inputs).

2. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

3. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, and Net Position (Continued)

3. Receivables and Payables (Continued)

All trade receivables are shown net of an allowance for uncollectible. The allowance for doubtful accounts at June 30, 2018 for all funds is \$6,403 and is concentrated in the enterprise funds.

4. Restricted Assets

Cash and investments are often restricted to a particular use due to statutory, budgetary or legal requirements and are therefore classified as “restricted” on the City’s balance sheets. When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed. Additionally, the City would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds.

5. Capital Assets

Capital assets, which include property, land, buildings, water/sewer/storm systems, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), 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 cost of more than \$5,000. Purchased or constructed assets are recorded at historical cost. Donated capital assets are recorded at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

<u>Assets</u>	<u>Years</u>
Buildings	20 to 40
Infrastructure	20 to 40
Water distribution system	25 to 50
Waste water collection system	3 to 10
Storm water drainage system	5 to 10
Improvements other than buildings	5 to 20
Machinery and equipment	5 to 10
Vehicles	5

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.

6. Unearned Revenue

Unearned revenue arises when resources are received by the City before it has earned them, as when grant monies or donations are received prior to the incurrence of qualifying expenditures. In subsequent periods when the City has earned the resources, the revenue is recognized.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, and Net Position (Continued)

7. Deposits

Developer and customer deposits are principally deposits from developers that are held by the City until building projects and developments receive the required City inspections and are in compliance with all City ordinances.

8. Compensated Absences

Accumulated vacation leave that is due and payable at year-end is reported as an expenditure and a fund liability for governmental funds. Amounts of accumulated vacation leave that are not reported as a current period expenditure in the governmental funds are reported on the government-wide financial statements as a noncurrent liability. Accumulated vacation in business-type funds is recorded as an expense and a liability as employees earn these benefits. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulated rights to receive sick pay benefits.

9. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize other financing sources or uses for bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. 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.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, and Net Position (Continued)

11. Deferred Outflows and Deferred Inflows of Resources

The statement of net position reports a separate section from assets for deferred outflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred charges on bond refundings and deferred outflows of resources relating to pensions. In addition, the statement of net position reports a separate section from liabilities for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows of resources relating to pensions and for property taxes received in future periods.

12. Fund Balances

In the fund financial statements, governmental funds report classifications of fund balances based on a hierarchy that shows the level or form of constraints on fund balance resources, and the extent to which the City is bound to honor those constraints. Fund balance classifications are:

Nonspendable – includes fund balance amounts that cannot be spent because they are either a) not in spendable form, or b) legally or contractually required to be maintained intact. Fund balances related to inventory, long term portions of notes receivable and prepaid expenditures are classified as nonspendable.

Restricted – includes fund balance amounts that are subject to external constraints that have been placed on the use of the resources imposed by either a) creditors, grantors, contributors, or laws and regulations of other governments, or b) law through constitutional provisions or enabling legislation. Restricted fund balances include unspent tax revenues for specific purposes.

Committed – the portion of unrestricted fund balance that can only be used for specific purposes as established by formal action of the Mayor and City Council. Fund balance commitments can only be removed or changed by the same action of the mayor and city council. Committed resources also include any contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – the portion of unrestricted fund balance that the City intends to be used for a specific purpose but are neither restricted nor committed. These are established by the City Council. It includes all remaining positive fund balance amounts that are reported in governmental funds, other than the General Fund, which have specific purposes and that are not classified as one of the previous classifications.

Unassigned – remaining unrestricted funds in excess of other categories in the General Fund and any residual deficits in any fund.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Taxes

On or before June 22 of each year, the City sets the property tax rate for various municipal purposes. If the City intends to increase property tax revenues above the tax rate of the previous year, state law requires the City to provide public notice to property owners and hold public hearings. When these special public hearings are necessary, the adoption of the final budget must be done before August 17. All property taxes levied by the City are assessed and collected by Utah County.

Taxes are levied as of January 1 and are due November 30; any delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the property, and the amount of taxes and penalties bears interest from January 1 until paid. Tax liens are placed on a property on January 1 following the due date of unpaid taxes. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale. Tax collections are remitted to the City from the County on a monthly basis.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly. Franchise taxes are collected by telephone, mobile phone, natural gas, electric utilities, and cable television companies and remitted to the City periodically.

G. Estimates

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Annual budgets are prepared and adopted, in accordance with State law, by the 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 several different funds, including the General Fund, Special Revenue Funds and Enterprise Funds. Annual budgets are also adopted for capital projects which may include activities which overlap several fiscal years. The level of the City's budgetary control (that is, the level at which the City's expenditures cannot legally exceed the appropriated amounts) is established at the department level. Each department head is responsible to the Mayor and City Council for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Utah State law prohibits the appropriation of General Fund balance until unrestricted fund balance (the total of committed, assigned, and unassigned fund balance) exceeds 5% of the General Fund revenues. Additionally, unrestricted fund balance is limited to 25% of the current year revenues not including any appropriations of fund balance. The City follows these procedures in accordance with Utah Code in establishing the budgetary data reflected in the financial statements:

- The City prepares its budgets on a GAAP basis.
- On or before the first regularly scheduled meeting of the Mayor and City Council in May, the finance director prepares a tentative budget for the ensuing fiscal year.

**LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

- The tentative budget as adopted by the Mayor and City Council is then made available to the public for inspection for a period of at least ten days prior to the adoption of the final budget.
- Prior to June 22, the budget is legally enacted through passage of a resolution.
- The City Council approves, by resolution, total budget appropriations only. The finance director is authorized to transfer any unexpended appropriation balances from one expenditure account to another within departments during the budget year. The originally adopted budget may be amended during the year. The City Council by resolution may transfer any unexpended appropriation balance from one department to another within the same fund. In order to increase expenditures in any fund the City must hold a public hearing in addition to passing a resolution.
- Unused appropriations for all annually budgeted funds lapse at the end of the fiscal year on June 30.
- Unused capital project fund appropriations are carried into the subsequent fiscal year.

NOTE 3 – DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits as well as time deposits. Investments are stated at cost, which approximate fair value. Each fund's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents" which also includes cash accounts that are separately held by several of the City's funds.

Deposits – Utah State law requires that City funds be deposited with a "qualified depository" as defined by the Utah Money Management Act. "Qualified depository" includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds.

Investments – The City's investment policies are governed by State statutes. The City follows the requirements of the Utah Money Management Act (Utah Code Annotated 1953, Section 51, Chapter 7) in handling its depository and temporary investment transactions. The Money Management Act also defines the types of securities allowed as appropriate temporary investments for the City and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

The City invests in the Public Treasurer's Investment Fund (PTIF) which is a voluntary external Local Governmental Investment Pool managed by the Utah State Treasurer's Office and is audited by the Utah State Auditor. No separate report as an external investment pool has been issued for the PTIF. The PTIF is not registered with the SEC as an investment company and is not rated. The PTIF is authorized and regulated by the Utah Money Management Act, (Utah Code Title 51, Chapter 7). PTIF invests in high-grade securities which are delivered to the custody of the Utah State Treasurer, assuring a perfected interest in the securities, and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. The maximum weighted average life of the portfolio does not exceed 90 days. 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

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated to participants on the ratio of the participant's share to the total funds in the PTIF based on the participant's average daily balance. The PTIF allocates income and issues statements on a monthly basis. Twice a year, at June 30 and December 31, which are the accounting periods for public entities, the investments are valued at fair value and participants are informed of the fair value valuation factor. Additional information is available at the Utah State Treasures' Office.

Deposits - Custodial Credit Risk – The custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be recovered. The Money Management Act requires that deposits be in a qualified depository 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 deposits in the bank in excess of the insured amount are uninsured and uncollateralized. Deposits are not collateralized nor are they required to be by state statute. The deposits for the City at June 30, 2018 were \$1,040,933. Of these, \$540,933 were exposed to custodial credit risk because they were uninsured and uncollateralized.

Investments – Interest Rate Risk – The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, interest rate risk is managed by compliance to the Utah Money Management Act which provides guidance for handling depository and investing transactions in order to minimize interest rate risk. The City's weighted average maturity for investments as of June 30, 2018 was less than one year.

Investments – Credit Risk – The City follows the requirements of the Utah Money Management Act (Section 51, Chapter 7 of the Utah Code) in handling its depository and investing transactions. City funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the City to invest in the Utah Public Treasurer's Investment Fund (PTIF), certificates of deposit, U.S. Treasury obligations, U.S. Agency Issues, high-grade commercial paper, bankers' acceptances, repurchase agreements, corporate bonds, restricted mutual funds, and obligations of governmental entities within the State of Utah. The PTIF is invested in accordance with the Act. The State Money Management Council provides regulatory oversight for the PTIF. The degree of risk of the PTIF depends upon the underlying portfolio. The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. The City has no other investment policy that would further limit its investment choices.

Investments - Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the City will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

As of June 30, 2018, the City had the following deposits and investments:

	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Credit Rating (1)</u>	<u>Weighted Average Years to Maturity (2)</u>
Cash on Deposit	\$ 1,154,474	\$ 1,154,474	N/A	N/A
Cash on Hand	2,513	2,513		
Total cash on hand and deposit	<u>\$ 1,156,987</u>	<u>\$ 1,156,987</u>		
Investments (3):				
Utah State Treasurer's Investment Pool	\$ 11,659,523	\$ 11,615,524	N/A	NA
Total investments	<u>\$ 11,659,523</u>	<u>\$ 11,615,524</u>		
Total cash and cash equivalents	<u>\$ 12,816,510</u>	<u>\$ 12,772,511</u>		
Portfolio weighted average maturity				N/A

(1) Ratings are provided where applicable to indicate associated **Credit Risk**. N/A indicates not applicable.

(2) **Interest Rate Risk** is estimated using the weighted average days to maturity.

(3) All investments are considered cash equivalents on the financial statements.

NOTE 4 – NOTES RECEIVABLE

Notes receivable consist of many individual notes with residents who have financed installation of fiber optic lines to their home from Utah Infrastructure Agency (UIA). Notes between the residents and the City were signed simultaneously with notes between the City and UIA. The notes receivable from the residents and the notes payable to UIA were both \$367,257 at June 30, 2018.

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from Other Funds

Loans made between funds are reflected as "due to" or "due from" on the respective funds' Balance Sheet (governmental funds) and/or Statement of Net Position (business-type funds). As of June 30, 2018 due to and due from other funds were as follows:

	<u>Receivable</u>	<u>Payable</u>
Governmental Activities		
General Fund	\$ 120,397	\$ 684
Redevelopment Agency	-	24,309
Debt Service	-	36,354
Non major governmental funds	24,993	92,915
Business-type Activities		
Recreation	92,915	82,425
Non major business-type funds	-	1,618
	<u>\$ 238,305</u>	<u>\$ 238,305</u>

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from Other Funds (Continued)

The due to/from other funds are the result of individual funds' cash flow needs. These accounts at the fund financial statement level have been eliminated at the government-wide financial statement level (Statement of Net Position). The above amounts will be repaid by the respective funds.

Transfers Between Funds

The City's interfund transfers for the year ended June 30, 2018 were:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Activities		
General Fund	\$ -	\$ 2,894,025
Redevelopment Agency	-	200,000
Debt Service	858,371	-
Non major governmental funds	1,700,000	440,646
Business-type Activities		
Recreation	<u>976,300</u>	<u>-</u>
	<u>\$ 3,534,671</u>	<u>\$ 3,534,671</u>

The City's interfund transfers are the result of transfers to the various funds to meet debt service obligations and fund capital acquisitions.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2018:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Governmental Activities:				
Capital assets, not being depreciated:				
Land and collectibles	\$ 5,975,114	\$ -	\$ (150,000)	\$ 5,825,114
Water stock and rights	69,550	-	-	69,550
Construction in progress	464,674	801,396	(164,862)	1,101,208
	<u>6,509,338</u>	<u>801,396</u>	<u>(314,862)</u>	<u>6,995,872</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Buildings	7,135,222	12,019	(829,582)	6,317,659
Infrastructure	34,933,357	1,511,375	-	36,444,732
Improvements other than buildings	5,628,768	44,956	-	5,673,724
Machinery and equipment	1,985,790	13,741	(22,507)	1,977,024
Vehicles	1,042,732	207,530	(79,894)	1,170,368
	<u>50,725,869</u>	<u>1,789,621</u>	<u>(931,983)</u>	<u>51,583,507</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Buildings	(1,262,075)	(160,203)	138,664	(1,283,614)
Infrastructure	(19,274,741)	(1,111,425)	-	(20,386,166)
Improvements other than buildings	(2,277,172)	(263,015)	-	(2,540,187)
Machinery and equipment	(1,536,960)	(99,391)	22,507	(1,613,844)
Vehicles	(461,220)	(115,291)	30,983	(545,528)
	<u>(24,812,168)</u>	<u>(1,749,325)</u>	<u>192,154</u>	<u>(26,369,339)</u>
Total accumulated depreciation				
	<u>25,913,701</u>	<u>40,296</u>	<u>(739,829)</u>	<u>25,214,168</u>
Total capital assets being depreciated, net				
Governmental Activities capital assets, net	<u>\$ 32,423,039</u>	<u>\$ 841,692</u>	<u>\$ (1,054,691)</u>	<u>\$ 32,210,040</u>

Depreciation expense was charged to functions/programs for the year ended June 30, 2018 is as follows:

Governmental Activities:	
General government	\$ 70,999
Public safety	243,357
Highways and public improvements	1,174,429
Parks and recreation	260,540
	<u>1,749,325</u>
Total depreciation expense - governmental activities	<u>\$ 1,749,325</u>

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 – CAPITAL ASSETS (Continued)

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,359,243	\$ 150,000	\$ -	\$ 1,509,243
Water Stock	10,839,813	155,230	-	10,995,043
Construction in progress	315,218	996,000	(314,503)	996,715
	<u>12,514,274</u>	<u>1,301,230</u>	<u>(314,503)</u>	<u>13,501,001</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Buildings	10,515,322	870,967	-	11,386,289
Telecom Infrastructure	136,206	21,204	-	157,410
Water system	16,655,452	1,946,210	-	18,601,662
Waste water system	14,390,928	744,092	-	15,135,020
Storm water system	12,784,453	469,185	-	13,253,638
Equipment	1,595,386	26,930	-	1,622,316
Vehicles	357,885	25,546	-	383,431
	<u>56,435,632</u>	<u>4,104,134</u>	<u>-</u>	<u>60,539,766</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Buildings	(2,076,897)	(287,965)	(138,664)	(2,503,526)
Telecom Infrastructure	(5,247)	(6,428)	-	(11,675)
Water system	(6,640,024)	(380,881)	-	(7,020,905)
Waste water system	(4,635,147)	(491,354)	-	(5,126,501)
Storm water system	(3,706,900)	(292,653)	-	(3,999,553)
Equipment	(918,857)	(107,096)	-	(1,025,953)
Vehicles	(289,161)	(25,675)	-	(314,836)
	<u>(18,272,233)</u>	<u>(1,592,052)</u>	<u>(138,664)</u>	<u>(20,002,949)</u>
Total accumulated depreciation				
	<u>38,163,399</u>	<u>2,512,082</u>	<u>(138,664)</u>	<u>40,536,817</u>
Total capital assets being depreciated, net				
Business-type Activities capital assets, net	<u>\$ 50,677,673</u>	<u>\$ 3,813,312</u>	<u>\$ (453,167)</u>	<u>\$ 54,037,818</u>

Depreciation expense was charged to functions/programs for the year ended June 30, 2018 is as follows:

Business-type Activities	
Water	\$ 392,808
Waste water	542,720
Storm water	333,029
Recreation	317,067
Telecommunications	6,428
	<u>1,592,052</u>
Total depreciation expense - business-type activities	<u>\$ 1,592,052</u>

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7 – DEFERRED INFLOWS OF RESOURCES – PROPERTY TAXES

In conjunction with GASB pronouncement 33, “Accounting and Financial Reporting for Nonexchange Transactions” the City has accrued property tax receivable and a deferred property tax revenue in the General Fund and Redevelopment Agency in the amounts of \$1,809,607 and \$30,000, respectively.

NOTE 8 – LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the June 30, 2018:

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2018</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
Revenue bonds payable	\$ 3,886,620	\$ -	\$ (314,746)	\$ 3,571,874	\$ 323,120
Total bonds payable	<u>3,886,620</u>	<u>-</u>	<u>(314,746)</u>	<u>3,571,874</u>	<u>323,120</u>
Notes payable and capital leases:					
Notes payable	50,000		(10,000)	40,000	10,000
Capital leases	<u>456,347</u>	<u>81,344</u>	<u>(155,590)</u>	<u>382,101</u>	<u>107,196</u>
Total notes payable and capital leases	<u>506,347</u>	<u>81,344</u>	<u>(165,590)</u>	<u>422,101</u>	<u>117,196</u>
Other liabilities:					
Compensated absences	<u>188,674</u>	<u>180,114</u>	<u>(171,783)</u>	<u>197,005</u>	<u>145,661</u>
Total other liabilities	<u>188,674</u>	<u>180,114</u>	<u>(171,783)</u>	<u>197,005</u>	<u>145,661</u>
Total Governmental activities long-term liabilities	<u>4,581,641</u>	<u>261,458</u>	<u>(652,119)</u>	<u>4,190,980</u>	<u>585,977</u>
Business-type Activities:					
Bonds payable:					
Revenue bonds	13,257,196	1,262,000	(581,251)	13,937,945	526,649
Plus: unamortized premiums	<u>542,247</u>	<u>-</u>	<u>(36,241)</u>	<u>506,006</u>	<u>-</u>
Total bonds payable	<u>13,799,443</u>	<u>1,262,000</u>	<u>(617,492)</u>	<u>14,443,951</u>	<u>526,649</u>
Notes payable and capital leases:					
Notes payable	2,054,901	22,800	(157,872)	1,919,829	134,939
Capital leases	<u>82,262</u>	<u>-</u>	<u>(40,585)</u>	<u>41,677</u>	<u>41,677</u>
Total notes payable and capital leases	<u>2,137,163</u>	<u>22,800</u>	<u>(198,457)</u>	<u>1,961,506</u>	<u>176,616</u>
Other liabilities:					
Compensated absences	<u>96,294</u>	<u>43,562</u>	<u>(26,438)</u>	<u>113,418</u>	<u>83,810</u>
Total other liabilities	<u>96,294</u>	<u>43,562</u>	<u>(26,438)</u>	<u>113,418</u>	<u>83,810</u>
Total Business-type activities long-term liabilities	<u>16,032,900</u>	<u>1,328,362</u>	<u>(842,387)</u>	<u>16,518,875</u>	<u>787,075</u>
Total long-term Liabilities	<u>\$ 20,614,541</u>	<u>\$ 1,589,820</u>	<u>\$ (1,494,506)</u>	<u>\$ 20,709,855</u>	<u>\$ 1,373,052</u>

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 – LONG-TERM DEBT (Continued)

Long-term debt at June 30, 2018 consists of the following:

GOVERNMENTAL ACTIVITIES

Revenue Bonds

The Sales Tax Revenue Bonds Series 2005 were issued for \$3,700,000 with interest at 3.75%. Debt service payments are made annually beginning December 2005 with the final payment due June 2025. The liability is split between Governmental and Proprietary funds in order to help finance the road, water and storm drain improvements of 700 North west of Geneva Road. The debt service is secured by sales tax revenues of the City but paid from road funds. \$ 1,285,874

The Sales Tax Revenue Bonds Series 2016 were issued for \$2,600,000 with a rate between 1% and 2.45%. Debt service payments are made semi-annually beginning September 2016 with the final payment due March 2031. The liability is in the Governmental funds for the new Public Safety Building. The debt service is paid from sales tax revenues of the City and public safety impact fees. 2,286,000

Total Revenue Bonds - Governmental Activities \$ 3,571,874

Notes Payable

The 2013 PRWUA Note Payable consisted of \$100,000 in debt issued for the purchase of Lindon View Park property. Debt service payments are made annually with interest at 0% from park impact fee revenues. \$ 40,000

Total Notes Payable - Governmental Activities \$ 40,000

Capital Leases

2018 Police Vehicle Lease was issued for original amount of \$81,344, with lease payments due in annual installments ranging from \$6,542 to \$22,659 including interest at 3.97% beginning March 2018, with the final payment due March 2022. The principal and interest payments are made from the General Fund revenues. The lease was used to finance police vehicles and replaced a prior police vehicle lease for vehicles that were traded in. \$ 71,949

2017 Police Vehicle Lease was issued for original amount of \$521,780, with lease payments due in annual installments of \$108,997 including interest at 2.69% beginning February 2017, with the final payment due February 2021. The principal and interest payments are made from the General Fund revenues. The lease was used to finance police vehicles and replaced a prior police vehicle lease for vehicles that were traded in. 310,152

Total Capital Leases - Governmental Activities \$ 382,101

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 – LONG-TERM DEBT (Continued)

BUSINESS-TYPE ACTIVITIES

Revenue Bonds

The City entered into an agreement with the Central Utah Water Conservancy District (CUWCD), Central Utah Project (CUP), in August of 1997 for rights to 1,425 acre feet of water per year for 50 years starting in 1998. In January 2000, Lindon City received a grant of \$1,899,011 from CUWCD. As part of the terms of the grant, the City gave back rights to 500 acre feet, leaving the City with rights to 925 acre feet per year. Lindon City had deferred payments for 10 years. Debt service payments are made annually with interest at 3.222% beginning February 2008 with the final payment due February 2047. Debt service payments are made from the revenues of the Water fund. 2,657,818

The Sales Tax Revenue Bonds, Series 2005, were issued for \$3,700,000 with interest at 3.75%. Debt service payments are made annually beginning December 2005 with the final payment due June 2025. The liability is split between Governmental and Proprietary funds in order to help finance the road, water and storm water improvements of 700 North west of Geneva Road. The debt service is paid from sales tax revenues of the City and impact fees. 328,127

The Sales Tax Revenue Bonds, Series 2008, were issued in the amount of \$9,565,000 with coupon rates between 3.75% and 5.0%. Debt service is due in semi-annual installments beginning in July 2009 with the final payment due July 2033. Payments after July 2018 were refunded in advance using the proceeds of the Sales Tax Revenue Bonds, Series 2015. The principal portion refunded in advance and still outstanding as of the end of this fiscal year is \$7,030,000. Proceeds from the Series 2015 bond remain in escrow until the Series 2008 bonds can be called and refunded. This bond was issued to pay for the Aquatics Center. Debt service payments are made from sales tax revenues of the City. 320,000

The Waste Water Revenue Bonds Series 2011 consisted of \$3,000,000 with interest at 2.5%. The bonds were issued to finance additions and improvements to the waste water system. Debt service payments are made annually beginning July 2011 with the final payment due July 2031. Debt service payments are expected to be made from the Waste Water fund revenues and impact fees. 2,115,000

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 – LONG-TERM DEBT (Continued)

BUSINESS-TYPE ACTIVITIES (Continued)

Revenue Bonds (Continued)

The Sales Tax Revenue Refunding Bonds, Series 2015, were issued in the amount of \$7,470,000 with coupon rates between 2.0 and 4.0%. Debt service is due in semi-annual installments beginning July 2015 with the final payment due July 2033. This bond was issued to partially refund in advance the Sales Tax Revenue Bonds, Series 2008, which were originally issued to pay for the Aquatics Center. The total debt service refunded in advance was anticipated to be \$12,550,133, and total debt service for the new debt is \$12,065,423. The present value of debt service savings from the advance refunding is \$367,063. Debt service payments are expected to be made from the sales tax revenues of the City. 7,255,000

The Sewer Revenue Bonds Series 2017 consisted of \$1,262,000 with interest at 2.86%. The bonds were issued to finance additions and improvements to the sewer system. Debt service payments are made annually beginning December 2018 with the final payment due December 2032. Debt service payments are expected to be made from the Sewer fund revenues and impact fees. \$ 1,262,000

Total Revenue Bonds - Business-type Activities \$ 13,937,945

Notes Payable

The 2010 Orem Sewer Expansion Note Payable consisted of \$2,217,241 principal with interest at 0%. The debt was issued to finance construction to increase waste water discharge capacity related to the expansion of the City of Orem's Water Reclamation Facility, with which the City contracts to process its waste water. Debt service payments are made annually beginning February 2013 with the final payment due February 2032. Debt service payments are made from the revenues of the Waste Water fund and impact fees. \$ 1,552,572

The UIA Notes Payable consists of \$391,550 of debt payable to UIA for hookup costs of Lindon City residents to the fiber optic network, payable in monthly installments of \$25-\$30 over 10 or 20 years with interest between 6-8%. The City has recorded notes receivable from the Lindon City residents in the same amount. \$22,800 of new notes were added during the year under the same terms. The last note comes due in July 2039. The amounts payable to UIA are paid by Lindon City residents. 367,257

Total Notes Payable - Business-type Activities \$ 1,919,829

Capital Leases

2014 Street Sweeper Lease was issued for original amount of \$197,750, with lease payments due in annual installments totaling \$42,798 including interest at 2.69% with payments beginning August 2014, with the final payment due August 2018. The principal and interest payments are made from the Storm Water fund \$ 41,677

Total Capital Leases - Business-type Activities \$ 41,677

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 – LONG-TERM DEBT (Continued)

The annual debt service requirements to maturity, both principal and interest, for long-term debt is as follows:

Year Ending June 30,	Governmental Activities Revenue Bonds	
	Principal	Interest
2019	\$ 323,120	\$ 86,775
2020	331,494	78,776
2021	339,867	70,273
2022	348,241	61,228
2023	357,615	51,535
2024-2028	1,295,536	114,876
2029-2033	576,001	17,138
Total	<u>\$ 3,571,874</u>	<u>\$ 480,601</u>

Year Ending June 30,	Governmental Activities Notes Payable	
	Principal	Interest
2019	\$ 10,000	\$ -
2020	10,000	-
2021	10,000	-
2022	10,000	-
2023	-	-
Total	<u>\$ 40,000</u>	<u>\$ -</u>

Year Ending June 30,	Governmental Activities Capital Leases
2018	\$ 116,282
2019	130,331
2020	130,787
2021	14,311
Total minimum lease payments	391,711
Less: amount representing interest	(9,610)
Present value of net minimum lease payments	<u>\$ 382,101</u>

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 – LONG-TERM DEBT (Continued)

Year Ending June 30,	Business-type Activities	
	Revenue Bonds	
	Principal	Interest
2019	\$ 526,649	\$ 467,586
2020	687,105	441,862
2021	705,618	423,288
2022	726,194	402,269
2023	744,833	380,655
2024-2028	3,950,215	1,520,946
2029-2033	4,387,706	787,974
2034-2038	1,112,134	237,386
2039-2043	570,834	155,663
2044-2048	526,657	63,985
	<u>13,937,945</u>	<u>\$ 4,881,614</u>
Plus: unamortized premium	506,006	
Total revenues bonds	<u>\$ 14,443,951</u>	

Year Ending June 30,	Business-type Activities	
	Notes Payable	
	Principal	Interest
2019	\$ 134,939	\$ 27,314
2020	136,669	25,533
2021	138,526	23,620
2022	138,327	21,605
2023	136,088	19,685
2024-2028	674,775	70,901
2029-2033	551,874	21,884
2034-2038	8,632	600
	<u>\$ 1,919,829</u>	<u>\$ 211,141</u>

Year Ending June 30,	Business-type	
	Activities	
	Capital Leases	
2019	\$ 42,798	
2020	-	
Total minimum lease payments	42,798	
Less: amount representing interest		(1,121)
Present value of net minimum lease payments	<u>\$ 41,677</u>	

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 – LONG-TERM DEBT (Continued)

Assets acquired by capital lease for the year ended June 30, 2018, are as follows:

	<u>Governmental Activities</u>
Asset:	
Vehicles	\$ 603,210
Less: accumulated depreciation	<u>(110,508)</u>
Total	<u>\$ 492,702</u>
	<u>Business-Type Activities</u>
Asset:	
Water Meters	\$ 450,159
Less: accumulated depreciation	<u>(78,741)</u>
Total	<u>\$ 371,418</u>

Pledges of future revenues

The City has pledged various revenues as part of debts issued by the City. Information concerning the pledge revenues, by type, is shown below for the year ended June 30, 2018:

	<u>Sales Taxes</u>	<u>Water Revenues</u>	<u>Sewer Revenues</u>
Total future revenues pledged over the life of the debts	\$ 14,598,087	\$ 4,165,219	\$ 4,108,727
Revenues for the year ended June 30, 2018	\$ 4,242,568	\$ 2,595,887	\$ 1,898,866
Payments on debt from pledged revenues for the year ended June 30, 2017	\$ 1,103,070	\$ 175,557	\$ 192,850
Percent of current year revenues to total pledged revenues	29%	62%	46%

Conduit Debt

Lindon City has issued one industrial development revenue bond. This limited-obligation bond is for the express purpose of providing capital financing for the third party listed below. Although conduit debt obligations bear the name of Lindon City, the City has no obligation for the debt. The debt service payments are made monthly by the borrower directly to the lender.

Interstate Gratings Project West Ridge Investments borrowed \$3,500,000 at an interest rate of 4.75% on December 19, 2008 to fund the acquisition, construction and equipment of property. The amount of principal outstanding as of June 30, 2018 based on the amortization schedule is \$2,240,006. These bonds mature on December 10, 2018.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS

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.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer 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 System's 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 Utah State Retirement 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.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

Benefits Provided

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

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

* With actuarial reductions

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

Contributions

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State 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 as of June 30, 2018 are as follows:

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

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

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

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

	<u>Employer</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>
Noncontributory System	\$ 338,551	N/A
Public Safety System	323,266	\$ -
Tier 2 Public Employees System	37,108	-
Total Contributions	<u>\$ 698,925</u>	<u>\$ -</u>

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

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

At June 30, 2018, we reported a net pension asset of \$0 and a net pension liability of \$1,782,186.

	(Measurement Date): December 31, 2017				
	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>	<u>Proportionate Share</u>	<u>Proportionate Share December 31, 2016</u>	<u>Change (Decrease)</u>
Noncontributory System	\$ -	\$ 865,882	0.1976314%	0.1863255%	0.0113059%
Public Safety System	-	914,277	0.5828402%	0.5484060%	0.0344342%
Tier 2 Public Employees System	-	2,027	0.0229866%	0.2271810%	0.0002685%
Total Net Pension Asset / Liabi	<u>\$ -</u>	<u>\$ 1,782,186</u>			

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

For the year ended June 30, 2018, we recognized pension expense of \$723,419.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 19,391	\$ 188,983
Changes in assumptions	650,419	33,034
Net difference between projected and actual earnings on pension plan investments	351,549	915,295
Changes in proportion and differences between contributions and proportionate share of contributions	100,917	2,439
Contributions subsequent to the measurement date	<u>353,562</u>	<u>-</u>
Total	<u>\$ 1,475,838</u>	<u>\$ 1,139,751</u>

\$353,562 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2016.

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

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (inflows) of Resources</u>
2018	\$ 138,691
2019	172,551
2020	(131,196)
2021	(199,297)
2022	(430)
Thereafter	2,206

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

For the year ended June 30, 2018, we recognized pension expense of \$325,159.

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

<u></u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 19,315	\$ 52,991
Changes in assumptions	311,021	20,231
Net difference between projected and actual earnings on pension plan investments	186,419	489,503
Changes in proportion and differences between contributions and proportionate share of contributions	45,407	2,439
Contributions subsequent to the measurement date	<u>170,989</u>	<u>-</u>
Total	<u>\$ 733,151</u>	<u>\$ 565,164</u>

\$170,989 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, 2017.

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:

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (inflows) of Resources</u>
2018	\$ 63,075
2019	85,800
2020	(45,177)
2021	(106,700)
2022	-
Thereafter	-

Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2018, we recognized pension expense of \$378,790.

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

<u></u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 134,094
Changes in assumptions	336,671	12,598
Net difference between projected and actual earnings on pension plan investments	164,495	422,844
Changes in proportion and differences between contributions and proportionate share of contributions	53,183	-
Contributions subsequent to the measurement date	162,440	-
Total	<u>\$ 716,789</u>	<u>\$ 569,536</u>

\$162,440 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, 2017.

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:

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (inflows) of Resources</u>
2018	\$ 75,790
2019	86,926
2020	(85,814)
2021	(92,089)
2022	-
Thereafter	-

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

For the year ended June 30, 2018, we recognized pension expense of \$19,469.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 76	\$ 1,898
Changes in assumptions	2,727	205
Net difference between projected and actual earnings on pension plan investments	635	2,948
Changes in proportion and differences between contributions and proportionate share of contributions	2,327	-
Contributions subsequent to the measurement date	<u>20,132</u>	<u>-</u>
Total	<u>\$ 25,897</u>	<u>\$ 5,051</u>

\$20,132 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, 2017.

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:

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (inflows) of Resources</u>
2018	\$ (175)
2019	(175)
2020	(205)
2021	(508)
2022	(430)
Thereafter	2,206

Actuarial Assumptions

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

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

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

The actuarial assumptions used in the January 1, 2017, valuation were based on the results of an actual experience study for the five year period ending December 31, 2016. 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 and is applied consistently to each defined benefit pension plan. 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:

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

Asset Class	Expected Return Arithmetic Basis		
	Target Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	40%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real Assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.89%
Absolute return	16%	2.85%	0.46%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.75%
		Inflation	2.50%
		Expected arithmetic nominal return	7.25%

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

Discount Rate

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

**LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 9 – PENSION PLANS (Continued)

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

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

<u>System</u>	<u>1% Decrease (5.95%)</u>	<u>Discount Rate (6.95%)</u>	<u>1% Increase (7.95%)</u>
Noncontributory System	\$ 2,341,753	\$ 865,882	\$ (361,230)
Public Safety System	2,303,567	914,277	(211,727)
Tier 2 Public Employees System	23,863	2,027	(14,812)
<u>Total</u>	<u>\$ 4,669,183</u>	<u>\$ 1,782,186</u>	<u>\$ (587,769)</u>

Pension plan fiduciary net position: Detailed information about the pension plans fiduciary net position is available in the separately issued URS financial report.

Defined Contributions Savings Plans

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.

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

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

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

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

<u>System</u>	<u>Year Ended June 30,</u>	<u>Employee paid Contributions</u>	<u>Employer paid Contributions</u>
Defined Contribution System:			
457 Plan	2018	\$ 30,944	\$ -
	2017	32,106	-
	2016	43,517	-
401(k) Plan	2018	118,380	102,566
	2017	116,011	113,579
	2016	126,100	116,591
Roth IRA Plan	2018	4,110	N/A
	2017	500	N/A
	2016	4,097	N/A
Traditional IRA Plan	2018	6,229	N/A
	2017	6,771	N/A
	2016	4,062	N/A

NOTE 10 – REDEVELOPMENT AGENCY

For the year ended June 30, 2017, the following activity occurred in the Lindon City Redevelopment Agency:

Tax increment collected from taxing agencies for project areas as follows:

State Street	\$ 202,928
700 N CDA	<u>72,958</u>
Total tax increment collected	<u><u>\$ 275,886</u></u>

Amounts expended for:

Site improvements and preparation costs	\$ -
Installation of public utilities and improvements	
Administrative costs	86,897
Tax increment paid to other entities	-
Transfers out for capital improvements	<u>200,000</u>
Total amounts expended by RDA	<u><u>\$ 286,897</u></u>

Outstanding bonds and loans to finance RDA projects	<u><u>\$ -</u></u>
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LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 – COMMITMENTS AND CONTINGENCIES

The City had two outstanding commitments as of June 30, 2018. The first is with Ivory Homes for the construction of sewer lift building with an estimated cost to the City of \$500,000. The second is with the U.S. Bureau of Reclamation. The City has committed to spend \$652,000 to pipe part of the North Union Canal in exchange for receiving a grant of \$300,000.

NOTE 12 – INTERLOCAL AGREEMENTS

The City is one of 11 founding members of the Utah Telecommunications Open Infrastructure Agency (UTOPIA), an interlocal cooperative agreement organized under the laws of the State of Utah.

UTOPIA was created to design, finance, build, operate, and maintain an open, wholesale, public and telecommunication infrastructure that delivers high-speed connections to every home and business in the member communities. UTOPIA issues annual audited financial statements which are available either from UTOPIA or the Utah State Auditor.

The City is a pledging member who has pledged sales and use tax revenues to partially guarantee payment of UTOPIA's bonds. In return for the pledge, the City will be among the first cities to receive UTOPIA's services. In December 2011, UTOPIA issued an \$185,000,000 revenue refunding bond, which will become due in June 2040. The debt service payments will be made by the 11 pledging members according to their respective percentages up to a specific dollar amount. The City's percentage of the Debt Service Reserve shortfall is 3.08% with a yearly liability limit set at a maximum of \$445,718 for the coming year ended June 30, 2018. Any bonds or debt issued or incurred by UTOPIA will not constitute debt of the City.

The City has made the pledged payments to UTOPIA for debt service beginning in fiscal year 2010. Pledge payments made during the year ended June 30, 2018 totaled \$436,978. The aggregate amount of pledges paid to UTOPIA totals \$3,390,922 as of June 30, 2018. This amount (plus accrued interest of \$141,299) has been recorded as a note payable by UTOPIA to the City. The City believes that repayment is unlikely and has expensed the amounts as incurred.

NOTE 12 – INTERLOCAL AGREEMENTS (Continued)

The City is also one of eight founding members of the Utah Infrastructure Agency (UIA), an interlocal cooperative agreement organized in July of 2010 under the laws of the State of Utah. Like UTOPIA, UIA was organized to provide for acquisition, construction, and installation of advanced communication lines, improvements, and facilities. The City has pledged franchise tax revenues to ensure that UIA fulfills its revenue requirement from the bond agreements, which is that UIA must have revenue equal to the operations and maintenances expenses and the capital costs in a fiscal year. In the event that there is an operations expense (OpEx) shortfall, the City has agreed to lend UIA its franchise tax revenues. The percentage of the City's share of the shortfall pledge is 3.35% with a yearly liability limit set at a maximum of \$172,516. The City has agreed by resolution to loan some funding to UIA to cover a portion of their OpEx shortfall. Pledge payments made for the OpEx shortfall during the years ended June 30, 2018 and 2017 totaled \$0 and \$0, respectively. The aggregate amount of OpEx pledges paid to UIA totals \$118,155 as of June 30, 2018. This amount (plus accrued interest of \$5,319) has been recorded as a note payable by UIA to the City. The City believes that repayment is unlikely and has expensed the amounts as incurred. UIA's annual audited financial statements are available either from UIA or the Utah State Auditor.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 13 – RISK MANAGEMENT

The City is exposed to various risks of loss including third party claims; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is insured by Utah Local Government Trust for liability and property.

Real property is either self-insured or insured through commercial policies. Where possible and appropriate, in contractual transactions with other persons or entities, responsibility for damages is transferred to the other party or person(s) that perform work for the City.

The City is insured by Utah Local Government Trust for worker's compensation claims. The coverage is \$100,000 per incident with no deductible. No claims exceeded this coverage in any of the three prior years.

NOTE 14 – PRIOR PERIOD ADJUSTMENT

The City's management noted that a building which should have been recorded in the Recreation fund was included in the general fixed asset in the past. The transfer from one fund to the other has no effect other than the adjustment to the beginning balance of governmental activities net position. In addition, it was noted that an adjusting entry was inadvertently posted twice during the prior year. To correct this, an adjustment has been made to the beginning balance of governmental activities net position.

REQUIRED SUPPLEMENTARY INFORMATION

LINDON CITY CORPORATION
SCHEDULE OF PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY

June 30, 2018
 Last 10 Fiscal Years *

	Year Ended December 31,	Noncontributory Retirement System	Public Safety System	Tier 2 Public Employees Retirement
Proportion of the net pension liability (asset)	2014	0.1806246%	0.5264068%	0.0280976%
	2015	0.1868318%	0.5285686%	0.0286081%
	2016	0.1863255%	0.5484060%	0.0227181%
	2017	0.1976314%	0.5828402%	0.0229866%
Proportionate share of the net pension liability (asset)	2014	\$ 784,315	\$ 662,000	\$ (851)
	2015	\$ 1,057,185	\$ 946,799	\$ (62)
	2016	\$ 1,196,438	\$ 1,112,867	\$ 2,534
	2017	\$ 865,882	\$ 914,277	\$ 2,027
Covered payroll	2014	\$ 1,539,768	\$ 947,778	\$ 138,033
	2015	\$ 1,598,054	\$ 969,178	\$ 184,788
	2016	\$ 1,655,471	\$ 1,023,039	\$ 186,305
	2017	\$ 1,764,344	\$ 1,001,735	\$ 225,153
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2014	50.90%	69.80%	-0.60%
	2015	66.15%	97.69%	-0.03%
	2016	72.27%	108.78%	1.36%
	2017	49.08%	91.27%	0.90%
Plan fiduciary net position as a percentage percentage of its covered-employee payroll	2014	90.2%	90.5%	103.5%
	2015	87.8%	87.1%	100.2%
	2016	87.3%	86.5%	95.1%
	2017	91.9%	90.2%	97.4%

* 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 schedule will need to be built prospectively.

LINDON CITY CORPORATION
SCHEDULE OF CONTRIBUTIONS

June 30, 2018
 Last 10 Fiscal Years *

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2014	\$ 263,744	\$ 263,744	\$ -	\$ 1,531,094	17.23%
	2015	289,568	289,568	-	1,569,067	18.45%
	2016	301,261	301,261	-	1,631,346	18.47%
	2017	312,054	312,054	-	1,689,520	18.47%
	2018	338,551	338,551	-	1,858,157	18.22%
Public Safety System	2014	\$ 243,575	\$ 243,575	\$ -	\$ 919,147	26.50%
	2015	271,983	271,983	-	966,099	28.15%
	2016	271,935	271,935	-	974,419	27.91%
	2017	298,555	298,555	-	1,034,039	28.87%
	2018	323,266	323,266	-	1,017,388	31.77%
Tier 2 Public Employees System*	2014	\$ 12,233	\$ 12,233	\$ -	\$ 87,438	13.99%
	2015	26,830	26,830	-	179,586	14.94%
	2016	25,121	25,121	-	168,485	14.91%
	2017	32,573	32,573	-	218,462	14.91%
	2018	37,108	37,108	-	245,265	15.13%

* Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. The 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.

** 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.

LINDON CITY CORPORATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2018

Changes of Assumptions

As a result of an experience study conducted as of December 31, 2016, the Board adopted recommended changes to several economic and demographic assumptions that are used in the actuarial valuation. The assumption changes that had the largest impact on the Total Pension Liability (and actuarial accrued liability) include a decrease in the investment return assumption from 7.2% to 6.95%, a reduction in the price inflation assumption from 2.60% to 2.50% (which also resulted in a corresponding decrease in the cost-of-living-adjustment assumption for the funds with a 4.00% annual COLA max), and the adoption of an updated retiree mortality table that is developed using URS's actual retiree mortality experience. There were changes to several other demographic assumptions, but those changes had a minimal impact on the Total Pension Liability (and actuarial accrued liability).

SUPPLEMENTAL INFORMATION

LINDON CITY CORPORATION
COMBINING BALANCE SHEET – NON-MAJOR
GOVERNMENTAL FUNDS

June 30, 2018

	Special Revenue	Capital Projects		Total
	Fund	Funds		Nonmajor
	P.A.R.C. Tax	Road	General	Governmental
	Fund	Capital Projects	Capital Projects	Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ 2,056,547	\$ -	\$ 2,056,547
Accounts receivable	-	79,520	-	79,520
PARC Tax receivable	114,217			114,217
Restricted cash and cash equivalents	634,776	792,868	985,664	2,413,308
Due from other funds	-	24,993	-	24,993
Total Assets	\$ 748,993	\$ 2,953,928	\$ 985,664	\$ 4,688,585
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 16,740	\$ 26,298	\$ -	\$ 43,038
Developer and customer deposits	-	51,770	-	51,770
Due to other funds	92,915	-	-	92,915
Total Liabilities	109,655	78,068	-	187,723
Fund Balances:				
Restricted for:				
Impact fees and future development	-	792,868	985,664	1,778,532
Assigned, reported in:				
P.A.R.C. tax fund	639,338	-	-	639,338
Capital projects	-	2,082,992	-	2,082,992
Total Fund Balances	639,338	2,875,860	985,664	4,500,862
Total Liabilities and Fund Balances	\$ 748,993	\$ 2,953,928	\$ 985,664	\$ 4,688,585

LINDON CITY CORPORATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NON-MAJOR
GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2018

	Special Revenue Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
	P.A.R.C. Tax Fund	Road Capital Projects	General Capital Projects	
Revenues:				
Intergovernmental	\$ -	\$ 444,465	\$ -	\$ 444,465
Impact fees	-	65,711	387,000	452,711
P.A.R.C. Tax	595,280	-	-	595,280
Interest	10,839	10,498	12,508	33,845
Miscellaneous	-	244,736	-	244,736
Total Revenues	606,119	765,410	399,508	1,771,037
Expenditures:				
Current:				
Highways and public improvements	-	719,649	-	719,649
Parks and recreation	308,020	-	-	308,020
Capital outlay	-	-	1,785	1,785
Total Expenditures	308,020	719,649	1,785	1,029,454
Excess (Deficiency) of Revenues Over (Under) Expenditures	298,099	45,761	397,723	741,583
Other Financing Sources (Uses):				
Transfers in	-	1,700,000	-	1,700,000
Transfers out	(217,250)	(213,396)	(10,000)	(440,646)
Total Other Financing Sources (Uses)	(217,250)	1,486,604	(10,000)	1,259,354
Net Change in Fund Balances	80,849	1,532,365	387,723	2,000,937
Fund Balances, Beginning	558,489	1,343,495	597,941	2,499,925
Fund Balances, Ending	\$ 639,338	\$ 2,875,860	\$ 985,664	\$ 4,500,862

LINDON CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL – MAJOR
GOVERNMENTAL FUND – DEBT SERVICE FUND

For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Expenditures:				
General government	436,251	436,251	436,251	-
Debt service:				
Principal	324,747	324,747	324,747	-
Interest	97,374	97,374	97,373	1
Total Expenditures	<u>858,372</u>	<u>858,372</u>	<u>858,371</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(858,372)</u>	<u>(858,372)</u>	<u>(858,371)</u>	<u>1</u>
Other Financing Sources (Uses):				
Transfers in	858,372	858,372	858,371	(1)
Total Other Financing Sources (Uses)	<u>858,372</u>	<u>858,372</u>	<u>858,371</u>	<u>(1)</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LINDON CITY CORPORATION
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE – BUDGET AND ACUTAL – NON-MAJOR
 GOVERNMENTAL FUND – P.A.R.C. TAX SPECIAL REVENUE FUND**
 For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Revenues:				
P.A.R.C. Tax	\$ 525,000	\$ 600,000	\$ 595,280	\$ (4,720)
Interest	5,750	9,000	10,839	1,839
Total Revenues	<u>530,750</u>	<u>609,000</u>	<u>606,119</u>	<u>(2,881)</u>
Expenditures:				
Parks and recreation	377,550	451,775	308,020	143,755
Total Expenditures	<u>377,550</u>	<u>451,775</u>	<u>308,020</u>	<u>143,755</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>153,200</u>	<u>157,225</u>	<u>298,099</u>	<u>140,874</u>
Other Financing Sources (Uses):				
Transfers out	(82,950)	(210,305)	(217,250)	6,945
Total Other Financing Sources (Uses)	<u>(82,950)</u>	<u>(210,305)</u>	<u>(217,250)</u>	<u>6,945</u>
Net Change in Fund Balances	70,250	(53,080)	80,849	133,929
Fund Balances, Beginning	<u>558,489</u>	<u>558,489</u>	<u>558,489</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 628,739</u>	<u>\$ 505,409</u>	<u>\$ 639,338</u>	<u>\$ 133,929</u>

LINDON CITY CORPORATION
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE – BUDGET AND ACTUAL – MAJOR
 GOVERNMENTAL FUND – ROAD CAPITAL PROJECTS FUND**
 For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 415,000	\$ 445,000	\$ 444,465	\$ (535)
Impact fees	55,000	60,975	65,711	4,736
Interest	2,600	7,250	10,498	3,248
Miscellaneous	-	113,830	244,736	130,906
Total Revenues	472,600	627,055	765,410	138,355
Expenditures:				
Current:				
Highways and public improvements	664,000	627,000	719,649	(92,649)
Total Expenditures	664,000	627,000	719,649	(92,649)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(191,400)	55	45,761	45,706
Other Financing Sources (Uses):				
Transfers in	200,000	1,700,000	1,700,000	-
Transfers out	(213,396)	(213,397)	(213,396)	1
Total Other Financing Sources (Uses)	(13,396)	1,486,603	1,486,604	1
Net Change in Fund Balances	(204,796)	1,486,658	1,532,365	45,707
Fund Balances, Beginning	1,343,495	1,343,495	1,343,495	-
Fund Balances, Ending	\$ 1,138,699	\$ 2,830,153	\$ 2,875,860	\$ 45,707

LINDON CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – NON-MAJOR
GOVERNMENTAL FUND – GENERAL CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Revenues:				
Impact Fees	\$ 159,000	\$ 120,000	\$ 387,000	\$ 267,000
Interest	7,500	10,000	12,508	2,508
Total Revenues	<u>166,500</u>	<u>130,000</u>	<u>399,508</u>	<u>269,508</u>
Expenditures:				
Capital outlay	-	-	1,785	(1,785)
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,785</u>	<u>(1,785)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>166,500</u>	<u>130,000</u>	<u>397,723</u>	<u>267,723</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(10,000)	(10,000)	(10,000)	-
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net Change in Fund Balances	156,500	120,000	387,723	267,723
Fund Balances, Beginning	<u>597,941</u>	<u>597,941</u>	<u>597,941</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 754,441</u>	<u>\$ 717,941</u>	<u>\$ 985,664</u>	<u>\$ 267,723</u>

LINDON CITY CORPORATION
COMBINING STATEMENT OF NET POSITION – NON-MAJOR
PROPRIETARY FUNDS

June 30, 2018

	Business-type Activities - Enterprise Funds		Total Nonmajor Proprietary Funds
	Waste Collection Fund	Telecommunications Fund	
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 53,928	\$ -	\$ 53,928
Accounts receivable, net	38,060	4,450	42,510
Total Current Assets	91,988	4,450	96,438
Noncurrent Assets:			
Notes receivable	-	367,257	367,257
Capital assets, net of accumulated depreciation: Telecom Infrastructure	-	145,735	145,735
Total Noncurrent Assets	-	512,992	512,992
Total Assets	\$ 91,988	\$ 517,442	\$ 609,430
Liabilities:			
Current Liabilities:			
Accounts payable	\$ 41,125	\$ -	\$ 41,125
Due to other funds	-	1,618	1,618
Current portion of long-term debt	-	24,161	24,161
Total Current Liabilities	41,125	25,779	66,904
Noncurrent Liability			
Long-term debt, net of current portion	-	343,096	343,096
Total Noncurrent Liability	-	343,096	343,096
Total Liabilities	41,125	368,875	410,000
Net Position:			
Net investment in capital assets	-	145,735	145,735
Unrestricted	50,863	2,832	53,695
Total Net Position	50,863	148,567	199,430
Total Liabilities and Net Position	\$ 91,988	\$ 517,442	\$ 609,430

LINDON CITY CORPORATION
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN NET POSITION – NON-MAJOR PROPRIETARY FUNDS**
 For the Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds		Total Nonmajor Proprietary Funds
	Waste Collection Fund	Telecommunications Fund	
Operating Revenues:			
Service fees	\$ 415,471	\$ 45,055	\$ 460,526
Total Operating Revenues	<u>415,471</u>	<u>45,055</u>	<u>460,526</u>
Operating Expenses:			
Salaries and wages	16,240	2,700	18,940
Materials, supplies, and services	435,409	42,749	478,158
Depreciation expense	<u>-</u>	<u>6,428</u>	<u>6,428</u>
Total Operating Expenses	<u>451,649</u>	<u>51,877</u>	<u>503,526</u>
Operating Income (loss)	<u>(36,178)</u>	<u>(6,822)</u>	<u>(43,000)</u>
Income (Loss) Before Transfers and Capital Contributions	<u>(36,178)</u>	<u>(6,822)</u>	<u>(43,000)</u>
Capital contributions	<u>-</u>	<u>21,204</u>	<u>21,204</u>
Changes in Net Position	<u>(36,178)</u>	<u>14,382</u>	<u>(21,796)</u>
Net Position, Beginning	<u>87,041</u>	<u>134,185</u>	<u>221,226</u>
Net Position, Ending	<u><u>\$ 50,863</u></u>	<u><u>\$ 148,567</u></u>	<u><u>\$ 199,430</u></u>

LINDON CITY CORPORATION
COMBINING STATEMENT OF CASH FLOWS – NON-MAJOR
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds		Total Nonmajor Proprietary Funds
	Waste Collection Fund	Telecommunications Fund	
Cash Flows From Operating Activities:			
Receipts from customers and users	\$ 414,773	\$ 45,348	\$ 460,121
Payments to suppliers	(455,062)	(42,749)	(497,811)
Payments to employees and related benefits	(16,240)	(2,700)	(18,940)
Net cash from operating activities	(56,529)	(101)	(56,630)
Cash Flows From Non-Capital Financing Activities:			
Loans from (payments to) other funds	-	101	101
Payments received on note from residents	-	47,094	47,094
Principal paid on note for residential connections	-	(47,094)	(47,094)
Net cash from non-capital financing activities	-	101	101
Net Increase (Decrease) In Cash	(56,529)	-	(56,529)
Cash and Cash Equivalents At Beginning of Year	110,457	-	110,457
Cash and Cash Equivalents At End of Year	\$ 53,928	\$ -	\$ 53,928
Reconciliation of operating income (loss) to net cash flows from operating activities:			
Operating income (loss)	\$ (36,178)	\$ (6,822)	\$ (43,000)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation expense	-	6,428	6,428
(Increase) Decrease in accounts receivable	(698)	293	(405)
Increase (Decrease) in accounts payable	(19,653)	-	(19,653)
Net cash from operating activities	\$ (56,529)	\$ (101)	\$ (56,630)
Noncash investing, capital, and financing activities:			
Contributions from developers	\$ -	\$ 21,204	\$ 21,204
Increase to UIA notes payable and receivable	-	22,800	22,800

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STATISTICAL SECTION

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Schedule 1
Lindon City Corporation
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 24,554,661	\$ 25,173,729	\$ 26,642,523	\$ 25,894,349	\$ 26,348,062	\$ 26,013,206	\$ 24,567,459	\$ 25,248,679	\$ 28,030,072	\$ 28,301,517
Restricted	1,919,213	3,681,647	3,288,071	3,337,296	1,099,461	1,242,928	1,155,176	2,707,164	1,376,659	1,845,772
Unrestricted	2,717,139	974,579	801,307	762,567	3,143,717	2,415,698	2,266,253	2,645,842	2,804,238	4,296,523
Total governmental activities net assets	<u>29,191,013</u>	<u>29,829,955</u>	<u>30,731,901</u>	<u>29,994,212</u>	<u>30,591,240</u>	<u>29,671,832</u>	<u>27,988,888</u>	<u>30,601,685</u>	<u>32,210,969</u>	<u>34,443,812</u>
Business-type activities										
Net investment in capital assets	28,615,934	29,147,158	28,625,987	29,440,855	31,648,427	32,039,492	31,811,173	32,657,968	35,132,617	39,912,738
Restricted	1,277,978	1,142,918	1,265,871	984,830	1,189,253	1,188,889	823,261	1,142,178	1,245,734	1,947,002
Unrestricted	988,636	1,283,993	2,687,594	2,542,313	893,512	1,173,286	2,739,612	2,913,077	2,921,651	2,084,223
Total business-type activities net assets	<u>30,882,548</u>	<u>31,574,069</u>	<u>32,579,452</u>	<u>32,967,998</u>	<u>33,731,192</u>	<u>34,401,667</u>	<u>35,374,046</u>	<u>36,713,223</u>	<u>39,300,002</u>	<u>43,943,963</u>
Primary government										
Net investment in capital assets	53,170,595	54,320,887	55,268,510	55,335,204	57,996,489	58,052,698	56,378,632	57,906,647	63,162,689	68,214,255
Restricted	3,197,191	4,824,565	4,553,942	4,322,126	2,288,714	2,431,817	1,978,437	3,849,342	2,622,393	3,792,774
Unrestricted	3,705,775	2,258,572	3,488,901	3,304,880	4,037,229	3,588,984	5,005,865	5,558,919	5,725,889	6,380,746
Total primary government net assets	<u>\$ 60,073,561</u>	<u>\$ 61,404,024</u>	<u>\$ 63,311,353</u>	<u>\$ 62,962,210</u>	<u>\$ 64,322,432</u>	<u>\$ 64,073,499</u>	<u>\$ 63,362,934</u>	<u>\$ 67,314,908</u>	<u>\$ 71,510,971</u>	<u>\$ 78,387,775</u>

Schedule 2
Lindon City Corporation
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 2,290,386	\$ 2,557,443	\$ 2,379,690	\$ 2,739,323	\$ 2,903,618	\$ 3,158,062	\$ 2,725,191	\$ 2,218,700	\$ 2,488,369	\$ 2,219,582
Public Safety	3,620,281	3,463,961	3,443,846	3,570,719	3,718,666	3,685,970	3,861,734	3,979,670	4,231,015	4,326,768
Streets and Highways	2,945,905	2,291,864	2,235,869	2,329,918	2,250,021	2,209,585	2,054,293	1,603,555	2,205,908	1,773,931
Parks and recreation	490,080	456,958	476,011	469,752	490,908	735,528	857,127	871,990	275,909	1,038,256
Interest on long-term debt	235,390	207,195	178,414	164,534	130,456	118,558	95,433	148,817	104,902	107,489
Total governmental activities expenses	<u>9,582,042</u>	<u>8,977,420</u>	<u>8,713,830</u>	<u>9,274,246</u>	<u>9,493,669</u>	<u>9,907,703</u>	<u>9,593,778</u>	<u>8,822,732</u>	<u>9,306,103</u>	<u>9,466,026</u>
Business-type activities:										
Water Utility	1,128,159	1,070,405	1,118,571	1,032,175	1,175,460	1,174,078	1,291,078	1,644,391	1,849,385	1,823,380
Waste Water	912,420	892,513	774,933	943,929	959,522	1,028,189	1,307,048	1,654,403	1,878,391	1,923,435
Storm Water	462,119	525,849	512,750	492,691	775,143	568,308	640,826	782,488	823,354	932,635
Solid Waste	340,770	340,546	370,620	354,845	338,739	385,960	388,263	406,167	430,985	451,649
Recreation	495,790	1,199,893	1,225,602	1,297,679	1,369,782	1,519,649	1,556,772	1,479,852	1,499,587	1,548,176
Telecommunications	-	-	-	-	44,421	43,905	43,066	55,452	56,730	51,877
Total business-type activities expenses	<u>3,339,258</u>	<u>4,029,206</u>	<u>4,002,476</u>	<u>4,121,319</u>	<u>4,663,067</u>	<u>4,720,089</u>	<u>5,227,053</u>	<u>6,022,753</u>	<u>6,538,432</u>	<u>6,731,152</u>
Total primary government expenses	<u>\$ 12,921,300</u>	<u>\$ 13,006,626</u>	<u>\$ 12,716,306</u>	<u>\$ 13,395,565</u>	<u>\$ 14,156,736</u>	<u>\$ 14,627,792</u>	<u>\$ 14,820,831</u>	<u>\$ 14,845,485</u>	<u>\$ 15,844,535</u>	<u>\$ 16,197,178</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 768,689	\$ 911,640	\$ 852,252	\$ 769,361	\$ 956,700	\$ 1,069,810	\$ 1,528,161	\$ 1,401,679	\$ 1,231,826	\$ 1,536,810
Parks and recreation	-	-	-	-	60,870	103,378	60,005	82,515	53,860	50,429
Operating grants and contributions	25,403	-	146,049	71,974	686,319	95,864	1,911,409	893,566	191,151	257,748
Capital grants and contributions	925,187	973,749	1,823,781	625,029	360,096	343,943	362,702	1,895,402	2,475,644	2,476,537
Total governmental activities revenues	<u>1,719,279</u>	<u>1,885,389</u>	<u>2,822,082</u>	<u>1,466,364</u>	<u>2,063,985</u>	<u>1,612,995</u>	<u>3,862,277</u>	<u>4,273,162</u>	<u>3,952,481</u>	<u>4,321,524</u>
Business-type activities:										
Charges for services:										
Water Utility	1,513,091	1,580,249	1,573,510	1,555,430	1,625,822	1,664,217	1,727,987	1,942,822	2,054,893	2,595,887
Waste Water	965,448	987,338	1,020,119	1,122,403	1,211,931	1,264,370	1,399,884	1,461,593	1,725,118	1,898,866
Storm Water	352,574	366,028	415,227	443,198	415,580	424,247	489,124	582,808	686,357	799,344
Solid Waste	354,429	366,157	369,809	391,982	382,234	415,724	420,807	431,193	404,744	415,471
Recreation	151,055	478,506	451,196	464,650	483,042	454,749	504,725	536,940	673,586	735,474
Telecommunications	-	-	-	-	41,869	46,043	49,051	53,818	52,614	45,055
Operating grants and contributions	-	560,000	87,850	11,210	-	63,401	5,835	24,357	5,450	5,000
Capital grants and contributions	1,087,238	511,953	900,476	270,673	1,040,780	543,489	1,492,425	1,469,940	1,927,297	3,880,730
Total business-type activities revenues	<u>4,423,835</u>	<u>4,850,231</u>	<u>4,818,187</u>	<u>4,259,546</u>	<u>5,201,258</u>	<u>4,876,240</u>	<u>6,089,838</u>	<u>6,503,471</u>	<u>7,530,059</u>	<u>10,375,827</u>
Total primary government program revenues	<u>\$ 6,143,114</u>	<u>\$ 6,735,620</u>	<u>\$ 7,640,269</u>	<u>\$ 5,725,910</u>	<u>\$ 7,265,243</u>	<u>\$ 6,489,235</u>	<u>\$ 9,952,115</u>	<u>\$ 10,776,633</u>	<u>\$ 11,482,540</u>	<u>\$ 14,697,351</u>
Net (Expense)/Revenue										
Governmental activities	\$ (7,862,763)	\$ (7,092,031)	\$ (5,891,748)	\$ (7,807,882)	\$ (7,429,684)	\$ (8,294,708)	\$ (5,731,501)	\$ (4,549,570)	\$ (5,353,622)	\$ (5,144,502)
Business-type activities	1,084,577	821,025	815,711	138,227	538,191	156,151	862,785	480,718	991,627	3,644,675
Total primary govt net (expense)/revenue	<u>\$ (6,778,186)</u>	<u>\$ (6,271,006)</u>	<u>\$ (5,076,037)</u>	<u>\$ (7,669,655)</u>	<u>\$ (6,891,493)</u>	<u>\$ (8,138,557)</u>	<u>\$ (4,868,716)</u>	<u>\$ (4,068,852)</u>	<u>\$ (4,361,995)</u>	<u>\$ (1,499,827)</u>

Schedule 2
Lindon City
Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 2,119,754	\$ 2,973,029	\$ 2,880,001	\$ 2,930,475	\$ 3,124,819	\$ 3,164,300	\$ 2,252,637	\$ 2,165,857	\$ 2,234,295	\$ 2,352,961
Sales taxes	2,543,777	2,346,438	2,485,410	2,770,958	2,989,353	3,193,638	3,467,260	3,611,839	3,904,527	4,242,568
Franchise taxes	1,197,828	1,397,295	1,436,983	1,471,554	1,547,616	1,587,931	1,582,506	1,625,755	1,638,562	1,606,531
Other taxes	-	-	-	-	-	117,404	475,198	497,163	545,149	595,280
Earnings on investments	103,487	34,396	21,463	31,045	21,727	18,320	16,548	61,268	103,850	155,500
Miscellaneous	628,442	840,397	161,294	126,334	5,641	4,828	-	-	3,451	244,736
Gain (loss) on disposal of capital assets	-	8,230	(6,788)	(19,826)	-	6,448	(2,063,907)	56,495	123,575	(3,013)
Transfers In (Out)	685,097	130,603	(184,668)	(244,051)	(222,780)	(683,448)	(346,722)	(856,010)	(1,590,503)	(976,300)
Total governmental activities	<u>7,278,385</u>	<u>7,730,388</u>	<u>6,793,695</u>	<u>7,066,489</u>	<u>7,466,376</u>	<u>7,409,421</u>	<u>5,383,520</u>	<u>7,162,367</u>	<u>6,962,906</u>	<u>8,218,263</u>
Business-type activities										
Earnings on investments	33,512	5,113	5,004	6,265	2,223	1,427	959	2,449	4,649	22,986
Gain (loss) on disposal of capital assets	-	-	-	-	-	45,000	-	-	-	-
Transfers In (Out)	(685,097)	(130,603)	184,668	244,051	222,780	683,448	346,722	856,010	1,590,503	976,300
Total business-type activities	<u>(651,585)</u>	<u>(125,490)</u>	<u>189,672</u>	<u>250,316</u>	<u>225,003</u>	<u>729,875</u>	<u>347,681</u>	<u>858,459</u>	<u>1,595,152</u>	<u>999,286</u>
Total primary government	<u>\$ 6,626,800</u>	<u>\$ 7,604,898</u>	<u>\$ 6,983,367</u>	<u>\$ 7,316,805</u>	<u>\$ 7,691,379</u>	<u>\$ 8,139,296</u>	<u>\$ 5,731,201</u>	<u>\$ 8,020,826</u>	<u>\$ 8,558,058</u>	<u>\$ 9,217,549</u>
Change in Net Position										
Governmental activities	\$ (584,378)	\$ 638,357	\$ 901,947	\$ (741,393)	\$ 36,692	\$ (885,287)	\$ (347,981)	\$ 2,612,797	\$ 1,609,284	\$ 3,073,761
Business-type activities	432,992	695,535	1,005,383	388,543	763,194	886,026	1,210,466	1,339,177	2,586,779	4,643,961
Total primary government	<u>\$ (151,386)</u>	<u>\$ 1,333,892</u>	<u>\$ 1,907,330</u>	<u>\$ (352,850)</u>	<u>\$ 799,886</u>	<u>\$ 739</u>	<u>\$ 862,485</u>	<u>\$ 3,951,974</u>	<u>\$ 4,196,063</u>	<u>\$ 7,717,722</u>

Schedule 3
Lindon City Corporation
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Nonspendable	\$ -	\$ -	\$ 150,228	\$ 21,199	\$ 57,285	\$ 2,897	\$ 35,053	\$ 3,500	\$ 3,500	\$ 3,500
Restricted	423,343	1,790,155	1,358,910	1,103,557	732,703	522,458	388,727	330,843	422,839	67,240
Assigned	-	-	-	-	-	-	-	490,959	-	-
Unassigned	2,178,775	860,501	762,679	991,942	1,322,074	1,049,337	1,733,178	2,404,141	2,093,489	2,503,966
Total general fund	<u>2,602,118</u>	<u>2,650,656</u>	<u>2,271,817</u>	<u>2,116,698</u>	<u>2,112,062</u>	<u>1,574,692</u>	<u>2,156,958</u>	<u>3,229,443</u>	<u>2,519,828</u>	<u>2,574,706</u>
All Other Governmental Funds										
Restricted	1,495,870	1,891,492	1,929,161	2,233,739	382,666	720,470	766,449	2,376,321	953,820	1,778,532
Committed	-	-	17,071	-	-	-	-	-	-	-
Assigned	-	-	-	-	1,885,144	1,542,736	1,829,089	2,681,822	2,128,590	3,305,191
Unassigned	648,446	227,818	-	18,571	-	(15,952)	-	-	-	-
Total all other governmental funds	<u>2,144,316</u>	<u>2,119,310</u>	<u>1,946,232</u>	<u>2,252,310</u>	<u>2,267,810</u>	<u>2,247,254</u>	<u>2,595,538</u>	<u>5,058,143</u>	<u>3,082,410</u>	<u>5,083,723</u>
Total governmental funds	<u>\$ 4,746,434</u>	<u>\$ 4,769,966</u>	<u>\$ 4,218,049</u>	<u>\$ 4,369,008</u>	<u>\$ 4,379,872</u>	<u>\$ 3,821,946</u>	<u>\$ 4,752,496</u>	<u>\$ 8,287,586</u>	<u>\$ 5,602,238</u>	<u>\$ 7,658,429</u>

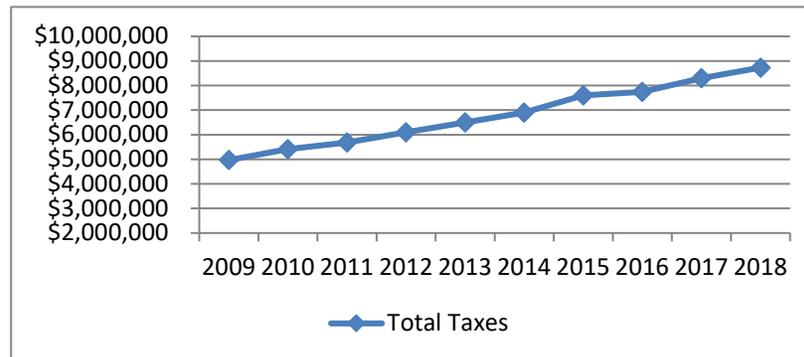
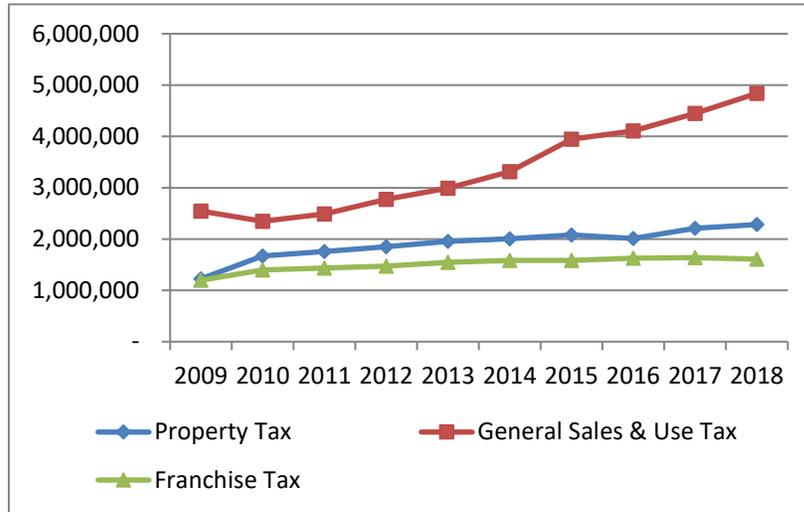
Schedule 4
Lindon City Corporation
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 5,861,359	\$ 6,716,762	\$ 6,802,394	\$ 7,172,987	\$ 7,662,067	\$ 8,076,758	\$ 7,777,601	\$ 7,900,725	\$ 8,322,906	\$ 8,791,191
Licenses, fees and permits	219,475	227,804	226,138	199,211	224,767	278,381	494,080	638,662	465,618	531,077
Intergovernmental	373,920	355,764	525,982	434,963	370,826	354,048	1,261,905	1,279,570	633,199	702,213
Charges for services	92,221	133,246	95,683	80,254	105,761	154,908	217,809	343,158	215,113	260,027
Fines and forfeitures	415,898	496,903	436,573	400,540	339,795	355,214	346,747	360,413	477,913	523,011
Impact fees	41,095	53,687	93,858	89,356	143,260	233,066	390,718	345,051	267,168	520,697
Miscellaneous revenue	731,929	900,783	182,757	157,379	231,284	174,755	155,360	203,118	235,290	679,509
Total revenues	<u>7,735,897</u>	<u>8,884,949</u>	<u>8,363,385</u>	<u>8,534,690</u>	<u>9,077,760</u>	<u>9,627,130</u>	<u>10,644,220</u>	<u>11,070,697</u>	<u>10,617,207</u>	<u>12,007,725</u>
Expenditures										
General government	2,108,076	2,375,009	2,213,932	2,583,957	2,786,458	3,049,019	2,677,529	2,171,958	2,086,646	2,274,048
Public Safety	3,491,239	3,310,791	3,310,792	3,427,846	3,999,640	3,638,227	4,312,240	3,908,473	4,516,973	4,171,033
Streets and public works	1,567,055	905,282	927,415	988,713	1,324,125	1,375,298	1,150,542	610,688	1,182,290	1,245,027
Parks and recreation	488,217	457,402	476,217	467,133	496,469	539,480	670,526	669,161	780,411	822,287
Capital outlay	1,381,344	724,246	1,175,916	126,842	474,506	339,106	119,007	1,728,490	3,236,657	1,785
Debt Service										
Principal retirement	891,651	996,074	868,256	527,273	788,873	559,268	1,111,604	316,303	733,098	480,337
Interest and fiscal charges	244,971	230,435	174,707	162,134	131,423	121,646	97,820	74,967	105,354	107,959
Cost of issuance	-	-	-	-	-	-	-	62,200	-	-
Total expenditures	<u>10,172,553</u>	<u>8,999,239</u>	<u>9,147,235</u>	<u>8,283,898</u>	<u>10,001,494</u>	<u>9,622,044</u>	<u>10,139,268</u>	<u>9,542,240</u>	<u>12,641,429</u>	<u>9,102,476</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,436,656)</u>	<u>(114,290)</u>	<u>(783,850)</u>	<u>250,792</u>	<u>(923,734)</u>	<u>5,086</u>	<u>504,952</u>	<u>1,528,457</u>	<u>(2,024,222)</u>	<u>2,905,249</u>
Other Financing Sources (Uses)										
Issuance of new debt	425,305	6,633	416,601	34,295	528,029	73,436	480,520	2,679,894	521,780	81,344
Sale of capital assets	-	-	-	-	234,763	47,000	291,800	182,749	407,597	45,898
Transfers in	2,811,530	1,958,819	2,699,894	1,781,997	1,835,947	1,844,039	2,158,536	2,280,747	2,569,232	2,558,371
Transfers out	(2,126,433)	(1,828,216)	(2,884,562)	(2,026,048)	(2,058,727)	(2,527,487)	(2,505,258)	(3,136,757)	(4,159,735)	(3,534,671)
Grants and contributions	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,110,402</u>	<u>137,236</u>	<u>231,933</u>	<u>(209,756)</u>	<u>540,012</u>	<u>(563,012)</u>	<u>425,598</u>	<u>2,006,633</u>	<u>(661,126)</u>	<u>(849,058)</u>
Net change in fund balances	<u>\$(1,326,254)</u>	<u>\$ 22,946</u>	<u>\$(551,917)</u>	<u>\$ 41,036</u>	<u>\$(383,722)</u>	<u>\$(557,926)</u>	<u>\$ 930,550</u>	<u>\$ 3,535,090</u>	<u>\$(2,685,348)</u>	<u>\$ 2,056,191</u>
Ratio of total debt service to noncapital expenditures	12.9%	14.8%	13.1%	8.5%	9.7%	7.3%	14.7%	6.0%	12.8%	8.8%

**Schedule 5
Lindon City Corporation
Tax Revenues by Source
Last Ten Fiscal Years**

Fiscal Year	Property Tax	General Sales & Use Tax	Franchise Tax	Total Taxes
2009	1,224,730	2,543,776	1,197,828	\$ 4,966,334
2010	1,667,224	2,346,438	1,397,295	\$ 5,410,957
2011	1,755,960	2,485,409	1,436,983	\$ 5,678,352
2012	1,851,663	2,770,958	1,471,554	\$ 6,094,175
2013	1,957,461	2,989,633	1,547,626	\$ 6,494,720
2014	2,006,662	3,314,644	1,584,339	\$ 6,905,646
2015	2,078,798	3,942,822	1,582,143	\$ 7,603,762
2016	2,011,630	4,109,422	1,625,446	\$ 7,746,498
2017	2,209,078	4,450,674	1,637,937	\$ 8,297,689
2018	2,282,186	4,839,409	1,605,530	\$ 8,727,125

Growth
2009-2018 86.3% 90.2% 34.0% 75.7%



Schedule 6
Lindon City Corporation
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year	Lindon City		Overlapping Rates			Total
	Direct Sales Tax Rate ^{(1) (2)}	PARC Tax Rate ⁽³⁾	State of Utah	Utah County	Mass Transit	
2009	1.0%	0.0%	4.70%	0.25%	0.80%	6.75%
2010	1.0%	0.0%	4.70%	0.25%	0.80%	6.75%
2011	1.0%	0.0%	4.70%	0.25%	0.80%	6.75%
2012	1.0%	0.0%	4.70%	0.25%	0.80%	6.75%
2013	1.0%	0.0%	4.70%	0.25%	0.80%	6.75%
2014	1.0%	0.1%	4.70%	0.25%	0.80%	6.85%
2015	1.0%	0.1%	4.70%	0.25%	0.80%	6.85%
2016	1.0%	0.1%	4.70%	0.25%	0.80%	6.85%
2017	1.0%	0.1%	4.70%	0.25%	0.80%	6.85%
2018	1.0%	0.1%	4.70%	0.25%	0.80%	6.85%

Source: Utah State Tax Commission

Note: Overlapping rates are those of other governments and agencies that apply to taxable sales within the City.

⁽¹⁾ Of the City direct sales tax assessed by municipalities within the state, 50 percent is distributed by the State of Utah based on point of sale and 50 percent is pooled and distributed to municipalities based on population. Because Lindon has a high sales tax base, but a relatively lower population, Lindon City actually receives less than 1% of the sales tax assessed locally.

⁽²⁾ The State of Utah determines the City's direct sales tax rate. The Utah State Tax Commission collects and distributes sales tax.

⁽³⁾ Voters approved a 0.1% Park, Arts, Recreation and Cultural (PARC) Tax on November 5, 2013 that went into effect on April, 1, 2014.

Schedule 7
Lindon City Corporation
Direct Taxable Sales by Category
Last Ten Years

Fiscal Year	Category				Total	City Direct Sales Tax Rate ⁽¹⁾
	Retail	Services	Manufacturing & Construction	Other		
2009	218,810,059	45,984,925	60,869,742	30,776,417	\$ 356,441,143	1%
2010	216,897,067	64,638,082	28,835,790	30,533,444	\$ 340,904,383	1%
2011	223,198,565	64,910,551	39,324,699	32,026,714	\$ 359,460,529	1%
2012	249,327,384	68,335,065	49,508,795	29,203,084	\$ 396,374,328	1%
2013	285,626,210	78,171,468	40,215,298	37,243,410	\$ 441,256,386	1%
2014	311,749,521	91,164,931	33,762,415	38,560,217	\$ 475,237,084	1%
2015	319,110,005	104,604,811	40,837,189	52,218,615	\$ 516,770,620	1%
2016	324,193,529	113,830,281	43,740,546	62,012,789	\$ 543,777,145	1%
2017	383,722,565	99,735,831	36,438,104	63,178,993	\$ 583,075,493	1%
2018	423,457,234	88,213,935	44,289,717	89,807,325	\$ 645,768,211	1%

Source: Utah State Tax Commission

⁽¹⁾ Of the City direct sales tax assessed by municipalities within the state, 50 percent is distributed by the State of Utah based on point of sale and 50 percent is pooled and distributed to municipalities based on population. Because Lindon has a high sales tax base, but a relatively lower population, Lindon City actually receives less than 1% of the sales tax assessed locally. Lindon City's actual sales tax collection is illustrated below. See Schedule 23 for information on Lindon's population.

Schedule 8
Lindon City Corporation
Principal Sales Tax Payers
Current Year and Nine Years Ago

Taxpayer	2018			2009		
	Sales Tax⁽¹⁾	Rank	% of Total Sales Tax⁽¹⁾	Sales Tax⁽¹⁾	Rank	% of Total Sales Tax⁽¹⁾
Walmart Supercenter	N/A	1	N/A	N/A	1	N/A
Home Depot	N/A	2	N/A	N/A	2	-
Murdock Hyundai	N/A	3	N/A	N/A		N/A
Sunroc Corp.	N/A	4	N/A	N/A	3	-
Burton Lumber	N/A	5	N/A	N/A		N/A
Wheeler Machinery	N/A	6	N/A	N/A		N/A
Larry H. Miller Lexus of Lindon	N/A	7	N/A	N/A	7	N/A
Roofers Supply	N/A	8	N/A	N/A	10	-
BMC West	N/A	9	N/A	N/A		N/A
Low Book Sales	N/A	10	N/A	N/A	9	-
Mercedes Benz of Lindon	N/A		-	N/A	4	N/A
Tupelo/Timpanogos Harley David	N/A		-	N/A	5	
Pacific Coast Steel	N/A		-	N/A	6	
Utah Power & Light	N/A		-	N/A	8	N/A
Total	<u>\$2,134,223</u>		<u>50.31%</u>	<u>\$ 1,293,643</u>		<u>51.65%</u>

Source: Utah State Tax Commission

⁽¹⁾ Sales tax information is considered proprietary and cannot be shown by individual payer, so the group is shown in the aggregate.

Schedule 9
Lindon City Corporation
Direct and Overlapping Property Tax Rates
Last Ten Calendar Years
Per \$1000 of assessed value

Calendar Year ⁽¹⁾	Lindon City ⁽²⁾			Alpine School District	Utah County	Central Utah Water Conservancy District	Other	Total for District 80 ⁽³⁾	Northern Utah County Water Conservancy District	Total for District 85 ⁽³⁾
	General Fund	Debt Service Fund	Total							
2009	1.686	-	1.686	7.541	0.878	0.400	0.325	10.830	0.024	10.854
2010	1.873	-	1.873	8.220	1.108	0.421	0.186	11.808	0.026	11.834
2011	2.080	-	2.080	8.812	1.143	0.436	0.199	12.670	0.028	12.698
2012	2.107	-	2.107	8.828	1.324	0.455	0.000	12.714	0.029	12.743
2013	2.043	-	2.043	8.699	1.259	0.446	0.000	12.447	0.028	12.475
2014	1.862	-	1.862	8.096	1.149	0.422	0.000	11.529	0.025	11.554
2015	1.741	-	1.741	8.177	0.870	0.405	0.000	11.193	0.024	11.217
2016	1.630	-	1.630	7.718	1.038	0.400	0.011	10.797	0.023	10.820
2017	1.451	-	1.451	7.167	0.959	0.400	0.010	9.987	0.021	10.008
2018	1.392	-	1.392	7.033	0.902	0.400	0.009	9.736	0.019	9.755

Source: Utah County Treasurer

Note: Overlapping property tax rates are those of other governments and agencies that apply to property owners within the City. Property taxes are assessed, collected and distributed to the appropriate entities by Utah County on a calendar year basis rather than a July 1 to June 30 fiscal year. Property taxes are due in November each year.

⁽¹⁾ Assessed values are reported by Utah County on a calendar year basis rather than a July 1 to June 30 fiscal year.

⁽²⁾ The City's certified property tax rate may be increased only by a majority vote of the city council, after holding one or more truth-in-taxation public hearings.

⁽³⁾ There are two taxing districts in Lindon City. Most of the city is in District 80 with a portion of the west side in District 85, which has an additional assessment from the North Utah County Water Conservancy District.

Schedule 10
Lindon City Corporation
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

	Taxable Value for Calendar Year ⁽¹⁾										% of T.V.
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Real Property											
Primary residential	499,930,257	397,920,733	383,047,566	349,532,361	349,642,818	374,446,395	413,684,962	470,173,498	511,671,710	565,570,869	39.9%
Secondary residential	1,658,538	34,144,657	28,864,361	25,277,602	5,045,997	4,631,800	4,382,400	3,337,600	3,430,100	3,770,800	0.3%
Commercial and industrial	379,072,017	505,386,753	470,496,111	442,362,264	408,776,653	415,871,293	438,947,092	464,981,771	511,085,281	594,263,700	41.9%
Farmland Assessment Act (FAA) and agricultural	900,361	832,467	709,632	1,134,946	1,146,035	648,024	937,943	1,156,431	1,195,899	1,266,579	0.1%
Unimproved non FAA	10,780,850	9,184,064	5,315,664	5,385,709	61,446,839	63,479,353	65,645,866	85,376,530	81,478,025	93,747,355	6.6%
Total real property	<u>892,342,023</u>	<u>947,468,674</u>	<u>888,433,334</u>	<u>823,692,882</u>	<u>826,058,342</u>	<u>859,076,865</u>	<u>923,598,263</u>	<u>1,025,025,830</u>	<u>1,108,861,015</u>	<u>1,258,619,303</u>	<u>88.7%</u>
Personal Property											
Primary mobile homes	278,505	270,124	283,776	259,513	159,917	156,705	154,176	154,176	154,176	154,176	0.0%
Secondary mobile homes	-	-	-	-	-	-	-	-	-	-	0.0%
Other business	116,602,566	122,686,607	101,773,831	104,021,873	117,538,872	114,538,534	107,342,224	122,122,996	125,902,594	126,508,181	8.9%
SCME	-	-	-	-	-	-	828	828	-	-	0.0%
Total personal property	<u>116,881,071</u>	<u>122,956,731</u>	<u>102,057,607</u>	<u>104,281,386</u>	<u>117,698,789</u>	<u>114,695,239</u>	<u>107,497,228</u>	<u>122,278,000</u>	<u>126,056,770</u>	<u>126,662,357</u>	<u>8.9%</u>
Centrally Assessed	13,281,661	13,281,661	13,242,831	13,488,692	13,601,195	15,116,696	18,539,075	20,776,923	22,849,698	25,240,829	1.8%
Motor Vehicle Value	7,816,003	8,606,176	8,141,246	7,877,813	7,965,637	8,335,007	8,366,295	8,535,556	8,535,344	8,719,194	0.6%
Total Taxable Assessed Value	<u>1,030,320,758</u>	<u>1,092,313,242</u>	<u>1,011,875,018</u>	<u>949,340,773</u>	<u>965,323,963</u>	<u>997,223,807</u>	<u>1,058,000,861</u>	<u>1,176,616,309</u>	<u>1,266,302,827</u>	<u>1,419,241,683</u>	<u>100.0%</u>
Estimated Actual Value	1,439,582,472	1,418,105,761	1,325,509,752	1,235,534,124	1,251,526,201	1,303,717,252	1,396,596,519	1,561,429,860	1,685,069,461	1,882,107,629	
Assessed Value as a % of Actual Value	71.6%	77.0%	76.3%	76.8%	77.1%	76.5%	75.8%	75.4%	75.1%	75.4%	
Total Direct Tax Rate	0.001296	0.001686	0.001873	0.002080	0.002107	0.002043	0.001862	0.001741	0.001630	0.001451	

Source: Utah State Tax Commission - Property Tax Division

⁽¹⁾ Assessed values are reported by Utah County on a calendar year basis rather than a July 1 to June 30 fiscal year.

Notes: Utah County reassesses property in Lindon every five years, on average. The county assesses property at approximately 55% of actual value for primary residential and mobile home property and 100% of actual value for all other categories. Estimated actual taxable value is calculated by dividing taxable assessed value by those percentages.

SCME = Semiconductor Manufacturing Equipment

Schedule 11
Lindon City Corporation
Property Tax Levies and Collections
Last Ten Calendar Years

Calendar Year⁽¹⁾	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Taxes Collected
2008	1,197,213	1,052,432	87.91%	71,723	1,124,155	93.90%
2009	1,549,138	1,380,012	89.08%	102,110	1,482,122	95.67%
2010	1,671,383	1,472,780	88.12%	108,380	1,581,160	94.60%
2011	1,755,106	1,563,596	89.09%	155,669	1,719,265	97.96%
2012	1,828,894	1,624,324	88.81%	177,117	1,801,441	98.50%
2013	1,841,495	1,669,184	90.64%	259,754	1,928,938	104.75%
2014	1,973,877	1,836,385	93.03%	114,964	1,951,349	98.86%
2015	2,048,423	1,868,954	91.24%	141,044	2,009,998	98.12%
2016	2,064,153	1,751,086	84.83%	129,606	1,880,692	91.11%
2017	2,069,341	1,883,128	91.00%	245,455	2,128,583	102.86%

Source: Utah County Treasurer

⁽¹⁾ Assessed values are reported by Utah County on a calendar year basis rather than a July 1 to June 30 fiscal year.

Schedule 12
Lindon City Corporation
Principal Property Tax Payers
Current Year and Nine Years Ago

Property Owner ⁽²⁾	2017 ⁽¹⁾			2008 ⁽¹⁾		
	Rank	Assessed Valuation	Percent of Total Assessed Valuation	Rank	Assessed Valuation	Percent of Total Assessed Valuation
Mecca Holdings LLC	1	\$ 45,737,500	3.30%			
WICP West Lindon LLC	2	\$ 22,377,900	1.62%			
Lindon 1600 East LLC	3	\$ 19,282,700	1.39%			
MS Business Properties Group	4	\$ 19,208,700	1.39%			
Walmart Stores Inc.	5	\$ 18,401,400	1.33%	2	\$ 16,215,100	1.61%
M S Industrial Properties LLC	6	\$ 18,185,100	1.31%			
ESNET Properties L C	7	\$ 10,670,700	0.77%			
WICP West Orem LLC	8	\$ 10,470,900	0.76%			
Building One Lindon LLC	9	\$ 10,172,900	0.73%			
Pacificorp	10	\$ 9,840,504	0.71%			
Canopy Properties Inc.				1	\$ 37,572,200	3.72%
Stag II Lindon LLC				3	\$ 12,348,000	1.22%
Olsen Enterprises Inc.				4	\$ 10,949,700	1.08%
Miller Family Real Estate LLC				5	\$ 9,272,500	0.92%
BAT Investments LC				6	\$ 8,819,100	0.87%
HD Development of Maryland Inc.				7	\$ 8,584,800	0.85%
Gateway Technology Center LLC				8	\$ 7,456,600	0.74%
Fieldstone Homes Utah LLC				9	\$ 6,882,927	0.68%
Ivory Development LLC				10	\$ 6,540,157	0.65%
Total		\$ 184,348,304	13.31%		124,641,084	12.35%

Source: Utah County Clerk/Auditor

⁽¹⁾ Assessed values are reported by Utah County on a calendar year basis rather than a July 1 to June 30 fiscal year.

Schedule 13
Lindon City Corporation
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year Ending	Taxable Value⁽¹⁾	Debt Limit (4%)	Total debt applicable to limit⁽²⁾	Legal debt margin	Percentage of Debt to Debt Limit
2009	1,009,223,094	\$ 40,368,924	-	\$ 40,368,924	0.00%
2010	1,070,425,405	\$ 42,817,016	-	\$ 42,817,016	0.00%
2011	990,490,941	\$ 39,619,638	-	\$ 39,619,638	0.00%
2012	927,974,268	\$ 37,118,971	-	\$ 37,118,971	0.00%
2013	943,757,131	\$ 37,750,285	-	\$ 37,750,285	0.00%
2014	973,772,104	\$ 38,950,884	-	\$ 38,950,884	0.00%
2015	1,031,095,491	\$ 41,243,820	-	\$ 41,243,820	0.00%
2016	1,147,303,830	\$ 45,892,153	-	\$ 45,892,153	0.00%
2017	1,234,917,785	\$ 49,396,711	-	\$ 49,396,711	0.00%
2018	1,385,281,660	\$ 55,411,266	-	\$ 55,411,266	0.00%

Source: Utah State Tax Commission - Property Tax Division

⁽¹⁾ Taxable values are for the calendar year ending within that fiscal year. For example, 2014FY has valuations for 2013CY.

⁽²⁾ Debt margin applies only to general obligation bonds, which Lindon City does not have.

Schedule 14
Lindon City Corporation
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Fiscal Year Ending June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
General Obligation Debt	-	-	-	-	-	-	-	-	-	-
RDA Revenue Bonds	2,024,000	1,743,000	1,450,000	1,171,000	882,000	581,000	-	-	-	-
MBA Revenue Bonds	629,000	320,000	-	-	-	-	-	-	-	-
Sales Tax Revenue Bonds	2,518,369	2,400,457	2,278,562	2,151,887	2,020,431	1,884,196	1,742,383	4,195,790	3,886,620	3,571,874
Road Excise Tax Revenue Bonds	-	-	-	-	-	-	-	-	-	-
Special Assessment Bonds	301,000	90,000	60,000	30,000	-	-	-	-	-	-
Notes Payable	-	-	-	-	90,000	80,000	70,000	60,000	50,000	40,000
Capital Leases	331,785	261,256	341,694	262,171	365,434	326,838	428,568	348,496	456,347	382,101
Total Governmental Activities Debt	<u>5,804,154</u>	<u>4,814,713</u>	<u>4,130,256</u>	<u>3,615,058</u>	<u>3,357,865</u>	<u>2,872,034</u>	<u>2,240,951</u>	<u>4,604,286</u>	<u>4,392,967</u>	<u>3,993,975</u>
Business-Type Activities										
Water Revenue Bonds	3,780,470	3,499,261	3,333,281	3,254,377	3,172,442	3,087,368	2,998,986	2,907,234	2,811,931	2,746,104
Sewer Revenue Bonds	-	-	3,000,000	2,883,000	2,763,000	2,640,000	2,514,000	2,384,000	2,251,000	3,377,000
Storm Water Revenue Bonds	469,725	447,732	424,996	401,369	376,850	351,439	324,988	297,646	269,263	239,840
Aquatics Center Bonds	10,365,000	10,054,000	9,819,000	9,537,000	9,121,000	8,689,000	8,680,000	8,260,000	7,925,000	7,575,000
Notes Payable	-	-	2,217,241	2,217,241	2,512,526	2,410,832	2,313,835	2,181,512	2,054,900	1,919,829
Capital Leases	-	-	385,075	313,266	238,943	359,769	242,674	121,784	82,262	41,677
Total Business-Type Activities Debt	<u>14,615,194</u>	<u>14,000,993</u>	<u>19,179,593</u>	<u>18,606,252</u>	<u>18,184,761</u>	<u>17,538,408</u>	<u>17,074,483</u>	<u>16,152,176</u>	<u>15,394,357</u>	<u>15,899,450</u>
Total Primary Government	<u>\$ 20,419,348</u>	<u>\$ 18,815,706</u>	<u>\$ 23,309,849</u>	<u>\$ 22,221,310</u>	<u>\$ 21,542,626</u>	<u>\$ 20,410,441</u>	<u>\$ 19,315,434</u>	<u>\$ 20,756,462</u>	<u>\$ 19,787,324</u>	<u>\$ 19,893,425</u>
% of Personal Income⁽¹⁾	10.44%	9.05%	10.36%	9.48%	9.46%	9.15%	7.99%	8.08%	7.96%	7.70%
Debt Per Capita⁽¹⁾	\$ 2,093	\$ 1,877	\$ 2,275	\$ 2,123	\$ 2,139	\$ 2,027	\$ 1,867	\$ 1,988	\$ 1,865	\$ 1,855

⁽¹⁾ See Schedule 22 for personal income and population data.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Schedule 15
Lindon City Corporation
Direct and Overlapping Governmental Activities Debt
As of June 30, 2018

Entity ⁽¹⁾	2017 Taxable Assessed Property Value	Percentage Applicable to Lindon Citizens ⁽²⁾	Entity's Outstanding General Obligation Debt	Amount Applicable to Lindon Citizens
Overlapping Debt:				
CUWCD ⁽³⁾	\$ 152,417,079,569	0.93%	213,942,622	\$ 1,979,902
Alpine School District	24,885,671,615	5.67%	506,360,000	\$ 28,700,538
Subtotal, Overlapping Debt				<u>\$ 30,680,440</u>
Lindon City Direct Debt	1,410,522,489	100.00%		<u>\$ 3,993,975</u>
Total Direct and Overlapping Debt				<u><u>\$ 34,674,415</u></u>

Sources: Property Tax Division of the Utah State Tax Commission and entities' financial records.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Lindon. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

⁽¹⁾ The State of Utah's general obligation debt is not included in overlapping debt because the State does not currently levy property tax for payment of its general obligation bonds.

⁽²⁾ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by dividing the City's taxable assessed value by each overlapping unit's total taxable assessed value.

⁽³⁾ Central Utah Water Conservance District (CUWCD) encompasses all or a portion of ten counties in Utah.

Schedule 16
Lindon City Corporation
Pledged-Revenue Coverage
Sales Tax Revenue Bonds
Last Ten Fiscal Years

Fiscal Year	Sales Tax Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2009	\$ 2,543,455	\$ 142,000	\$ 123,863	\$ 265,863	9.57
2010	\$ 2,346,215	\$ 459,000	\$ 738,705	\$ 1,197,705	1.96
2011	\$ 2,485,202	\$ 388,000	\$ 571,960	\$ 959,960	2.59
2012	\$ 2,770,804	\$ 441,000	\$ 542,737	\$ 983,737	2.82
2013	\$ 2,989,353	\$ 581,000	\$ 523,558	\$ 1,104,558	2.71
2014	\$ 3,193,638	\$ 603,000	\$ 501,257	\$ 1,104,257	2.89
2015	\$ 3,467,260	\$ 627,000	\$ 478,104	\$ 1,105,104	3.14
2016	\$ 3,611,839	\$ 604,000	\$ 298,960	\$ 902,960	4.00
2017	\$ 3,904,527	\$ 683,000	\$ 414,168	\$ 1,097,168	3.56
2018	\$ 4,242,568	\$ 705,000	\$ 393,324	\$ 1,098,324	3.86

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Schedule 17
Lindon City Corporation
Pledged-Revenue Coverage
Redevelopment Agency Revenue Bonds
Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Operating Expenses⁽¹⁾	Net Revenue Available	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2009	\$ 904,738	\$ 144,054	\$ 760,685	\$ 270,000	\$ 89,925	\$ 359,925	2.11
2010	\$ 1,313,465	\$ 663,535	\$ 649,930	\$ 281,000	\$ 79,341	\$ 360,341	1.80
2011	\$ 1,130,505	\$ 699,333	\$ 431,172	\$ 293,000	\$ 68,326	\$ 361,326	1.19
2012	\$ 1,085,568	\$ 513,413	\$ 572,154	\$ 279,000	\$ 56,840	\$ 335,840	1.70
2013	\$ 1,169,443	\$ 527,502	\$ 641,940	\$ 289,000	\$ 45,903	\$ 334,903	1.92
2014	\$ 1,157,638	\$ 836,648	\$ 320,990	\$ 301,000	\$ 34,574	\$ 335,574	0.96
2015	\$ 1,053,102	\$ 448,312	\$ 604,791	\$ 581,000	\$ 22,775	\$ 603,775	1.00
2016	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ Total operating expenses exclusive of depreciation.

Schedule 18
Lindon City Corporation
Pledged-Revenue Coverage
Water Revenue Bonds
Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Operating Expenses ⁽¹⁾	Net Revenue Available	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2009	1,513,091	\$ 1,156,765	\$ 356,326	\$ 235,713	\$ 124,619	\$ 360,332	0.99
2010	1,580,249	\$ 1,004,598	\$ 575,651	\$ 273,113	\$ 117,894	\$ 391,007	1.47
2011	1,573,510	\$ 997,009	\$ 576,501	\$ 157,610	\$ 110,197	\$ 267,807	2.15
2012	1,555,430	\$ 898,983	\$ 656,447	\$ 70,207	\$ 105,350	\$ 175,557	3.74
2013	1,625,822	\$ 1,044,656	\$ 581,166	\$ 72,909	\$ 102,648	\$ 175,557	3.31
2014	1,664,217	\$ 1,036,713	\$ 627,504	\$ 75,720	\$ 99,837	\$ 175,557	3.57
2015	1,727,987	\$ 1,152,336	\$ 575,651	\$ 78,645	\$ 96,912	\$ 175,557	3.28
2016	1,942,822	\$ 1,178,246	\$ 764,576	\$ 81,688	\$ 93,869	\$ 175,557	4.36
2017	2,054,893	\$ 1,400,022	\$ 654,871	\$ 84,854	\$ 90,703	\$ 175,557	3.73
2018	2,595,887	\$ 1,329,333	\$ 1,266,554	\$ 54,997	\$ 87,407	\$ 142,404	8.89

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ Total operating expenses exclusive of depreciation.

Schedule 19
Lindon City Corporation
Pledged-Revenue Coverage
Sewer Revenue Bonds
Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Operating Expenses ⁽¹⁾	Net Revenue Available	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2009	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-
2011	\$ 1,020,119	\$ 720,937	\$ 299,182	\$ -	\$ 8,410	\$ 8,410	35.58
2012	\$ 1,122,403	\$ 787,362	\$ 335,041	\$117,000	\$ 75,000	\$ 192,000	1.75
2013	\$ 1,211,931	\$ 893,941	\$ 317,990	\$120,000	\$ 72,075	\$ 192,075	1.66
2014	\$ 1,264,370	\$ 896,694	\$ 367,676	\$123,000	\$ 69,075	\$ 192,075	1.91
2015	\$ 1,399,884	\$ 1,014,866	\$ 385,018	\$126,000	\$ 66,000	\$ 192,000	2.01
2016	\$ 1,461,593	\$ 1,102,683	\$ 358,910	\$130,000	\$ 62,850	\$ 192,850	1.86
2017	\$ 1,725,118	\$ 1,307,670	\$ 417,448	\$133,000	\$ 59,600	\$ 192,600	2.17
2018	\$ 1,898,866	\$ 1,284,967	\$ 613,899	\$136,000	\$ 56,275	\$ 192,275	3.19

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ Total operating expenses exclusive of depreciation.

Schedule 20
Lindon City Corporation
Pledged-Revenue Coverage
Gateway SID Series Bonds
Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Operating Expenses ⁽¹⁾	Net Revenue Available	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2009	184,173	87,856	96,317	211,000	16,856	227,856	0.42
2010	91,293	33,786	57,507	30,000	5,040	35,040	1.64
2011	37,505	1,818	35,687	30,000	3,360	33,360	1.07
2012	33,983	195	33,788	30,000	1,680	31,680	1.07
2013	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ Total operating expenses exclusive of depreciation.

Schedule 21
Limdon City Corporation
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Total Personal Income ⁽¹⁾	Per Capita Personal Income	Unemployment Rate ⁽²⁾		
				Utah County	State of Utah	United States
2009	10,466	\$ 234,469,798	\$ 22,403	7.3%	7.9%	9.5%
2010	10,070	\$ 227,612,210	\$ 22,603	7.9%	8.1%	9.4%
2011	10,070	\$ 223,070,640	\$ 22,152	6.7%	7.0%	9.1%
2012	10,348	\$ 241,874,152	\$ 23,374	5.3%	5.5%	8.2%
2013	10,442	\$ 256,967,178	\$ 24,609	4.3%	4.6%	7.5%
2014	10,611	\$ 248,658,174	\$ 23,434	3.6%	3.5%	6.1%
2015	10,723	\$ 258,445,746	\$ 24,102	3.3%	3.5%	5.3%
2016	10,810	\$ 274,076,740	\$ 25,354	3.4%	4.0%	4.9%
2017	10,939	\$ 287,542,554	\$ 26,286	3.0%	3.4%	4.3%
2018	10,968	\$ 277,347,816	\$ 25,287	2.8%	3.0%	4.0%

⁽¹⁾ Estimates of total personal income are derived by multiplying per capita personal income amounts by the corresponding population.

⁽²⁾ Unemployment rates are seasonally adjusted. The rates shown are for June of the fiscal year.

Sources:

Population and Per capita personal income information provided by the U.S. Census Bureau.

Unemployment rates provided by the Utah Department of Workforce Services and U.S. Department of Labor, Bureau of Labor Statistics

Schedule 22
Lindon City Corporation
Principal Employers
Current Year and Nine Years Ago

Employer	2018			2009		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Alpine School District	500 - 999	1	4.4% - 8.9%	500 - 999	1	5.5% - 11.0%
Response Marketing Group	500 - 999	2	4.4% - 8.9%			
Bamboo HR LLC	250 - 499	3	2.2% - 4.4%			
Wal-Mart	250 - 499	4	2.2% - 4.4%	250 - 499	2	2.8% - 5.5%
Frontier Communications	250 - 499	5	2.2% - 4.4%			
Cascade Stucco and Exteriors	250 - 499	6	2.2% - 4.4%			
Boostability	100 - 249	7	0.9% - 2.2%			
Pharmatech Inc.	100 - 249	8	0.9% - 2.2%			
IMS Masonry Inc.	100 - 249	9	0.9% - 2.2%			
Schuff Steel Company	100 - 249	10	0.9% - 2.2%			
Altris Inc				250 - 499	3	2.8% - 5.5%
Modus Link				100 - 249	4	1.1% - 2.8%
Mountain States Steel				100 - 249	5	1.1% - 2.8%
Arteis Inc				100 - 249	6	1.1% - 2.8%
Direct Point Inc				100 - 249	7	1.1% - 2.8%
Home Depot				100 - 249	8	1.1% - 2.8%
For Every Body Wholesale				100 - 249	9	1.1% - 2.8%
TCI Cablevision of Utah				100 - 249	10	1.1% - 2.8%
Average Employment in Lindon City ⁽¹⁾	<u>11,285</u>			<u>9,054</u>		

Source: Utah Department of Workforce Services

(1) The average employment in Lindon City is given for the calendar year which ends within that fiscal year. For example, 2017FY has the average employment for the 2016CY.

Schedule 23
Lindon City Corporation
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	24	20	20	21	21	21	21	21	23	25
Public safety	18	17	17	18	19	19	19	19	19	19
Highways and streets	2	2	2	2	2	2	2	2	2	2
Park, recreation and culture	41	45	46	48	48	48	49	52	52	52
Water	3	2	2	2	2	2	3	3	4	4
Sewer	2	1	1	2	2	2	2	2	3	3
Storm Water Drainage	2	2	2	3	3	3	2	2	2	2
Total	92	89	90	96	97	97	98	101	105	107

Schedule 24
Lindon City Corporation
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Community development										
Residential building permits issued	110	113	126	108	118	137	170	221	204	257
Commercial building permits issued	46	58	49	37	36	44	53	70	53	48
Court										
Traffic and Misdemeanor cases handled	2,795	2,192	1,883	2,054	1,524	1,677	1,437	1,923	2,423	2,677
Police										
Calls for service	11,604	10,709	9,153	9,228	8,467	8,410	8,685	5,285	10,897	7,818
Offenses	6,630	5,357	3,632	2,473	2,451	2,302	3,914	6,510	1,257	6,757
Arrests	1,253	849	638	787	735	605	510	775	764	563
Traffic Accidents	285	295	338	323	262	321	292	371	363	334
Recreation										
Recreation programs	3	3	3	3	5	5	5	6	5	5
Number of participants	1,692	2,009	1,668	1,066	1,181	1,298	1,425	1,564	1,698	1,525
Aquatics Center programs ⁽¹⁾	N/A	6	7	7	6	5	8	6	10	6
Number of program participants	N/A	910	1,309	1,253	1,380	1,463	1,219	1,404	1,372	1,475
Number of Aquatics Center admissions	N/A	50,158	62,885	50,520	43,780	44,583	37,318	39,643	63,949	76,619
Community Center programs ⁽²⁾	N/A	N/A	N/A	5	13	12	14	15	31	22
Number of participants	N/A	N/A	N/A	1,220	857	252	465	487	748	398
Senior Center programs ⁽²⁾	N/A	N/A	N/A	6	31	23	13	14	17	17
Number of participants	N/A	N/A	N/A	194	150	579	345	110	145	453
Cemetery										
Burials	27	21	18	31	32	26	39	45	36	25
Culinary Water										
Connections	2,515	2,624	2,748	2,775	2,818	2,847	2,896	2,923	2,986	3,050
Average daily consumption (thousands of gallons)	1,245	1,131	1,140	1,605	1,200	1,030	1,034	1,004	1,108	1,280
Sewer										
Sewer lines miles inspected	10.0	2.3	1.0	4.0	3.7	1.5	6.0	5.0	5.0	4.0

N/A = Not Available

⁽¹⁾ The Aquatics Center began operating May 23, 2009. The pool season (May-Sep) goes across fiscal years, but the statistics are reported here in the fiscal year that the pool closes for the season. For example, statistics for the May-Sep, 2009 pool season are reported in the 2010 fiscal year.

⁽²⁾ The Community and Senior Center began operating in the 2011-2012 fiscal year.

Schedule 25
Lindon City Corporation
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Streets and Highways										
Street lights	322	322	322	270	275	246	253	258	286	286
Street miles	54	54	55	55	55	55	54	54	54	54
Cemetery										
Acres	3	3	3	3	3	3	3	3	3	3
Gravesites	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Public works										
Incorporated area in square miles	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
City Center in square feet	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400
Parks and recreation										
Community Center in square feet	0	0	19,850	19,850	19,850	19,850	19,850	19,850	19,850	19,850
Park acreage	112	112	112	112	114	114	114	114	114	114
Baseball/softball diamonds	4	4	4	4	4	4	4	4	4	4
Soccer fields	2	2	2	2	2	3	5	5	5	5
Culinary water										
Water main line miles	71	71	71	71	71	75	77	80	85	86
Storage capacity (thousands of gallons)	3,830	3,830	3,830	3,830	3,830	3,830	3,830	3,830	3,830	3,830
Sewer										
Sewer line miles	56	56	56	59	61	61	61	71	75	75
Secondary water										
Secondary water main line miles	46	46	46	46	46	47	49	49	49	49

**LINDON CITY CORPORATION
LINDON CITY, UTAH**

SUPPLEMENTARY REPORTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018



Keddington & Christensen, LLC
Certified Public Accountants

**LINDON CITY CORPORATION
SUPPLEMENTARY REPORTS
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2018**

	<u>Page</u>
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 <i>Government Auditing Standards</i>	1
Independent Auditor’s Report on Compliance and Report on Internal Control Over Compliance as Required by the <i>State Compliance Audit Guide</i>	3
Schedule of Findings and Recommendations	5
Schedule of Responses to Auditor’s Findings	6



Keddington & Christensen, LLC
 Certified Public Accountants

Gary K. Keddington, CPA
 Phyl R. Warnock, CPA
 Marcus K. Arbuckle, CPA

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

Honorable Mayor and
 Members of City Council
 Lindon City Corporation
 Lindon City, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Governmental 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 Lindon City Corporation (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 30, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

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 result of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keddington & Christensen, LLC

November 30, 2018



Keddington & Christensen, LLC
 Certified Public Accountants

Gary K. Keddington, CPA
 Phyl R. Warnock, CPA
 Marcus K. Arbuckle, CPA

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

Honorable Mayor and
 Members of City Council
 Lindon City Corporation
 Lindon City, Utah

Report on Compliance

We have audited Lindon City Corporation's (the City) compliance with the following applicable state requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2018.

Budgetary Compliance
 Fund Balance
 Justice Courts
 Utah Retirement Systems
 Restricted Taxes and Related Revenue
 Open and Public Meetings Act
 Public Treasurer's Bond
 Impact Fees
 Cash Management
 Enterprise Fund Transfers, Reimbursements, Loans, and Services

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 reported above. However, our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion

In our opinion, the City complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in the accompanying *Schedule of Findings and Recommendations* as items 2018-1 and 2018-2. 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 *Schedule of Findings and Recommendations*. 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. However, we identified certain deficiencies in internal control over compliance, described in the accompanying *Schedule of Findings and Recommendations* as items 2018-1 and 2018-2 that we consider to be significant deficiencies.

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying *Schedule of Findings and Recommendations*. 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.

Purpose of Report

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 requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Keddington & Christensen, LLC

November 30, 2018

**LINDON CITY CORPORATION
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Fiscal Year Ended June 30, 2018**

FINANCIAL AUDIT AND GOVERNMENT AUDITING STANDARDS FINDINGS

No findings to report

STATE OF UTAH COMPLIANCE FINDINGS

2018-1 POSTING MINUTES TO THE UTAH PUBLIC NOTICE WEBSITE

Finding

According to Utah Code Annotated (UCA) 52-4-203(4)(f), “A specified local public body shall: within three business days after approving written minutes of an open meeting, post to the [Utah Public Notice Website].” During our audit, it was noted that the minutes for April 17, 2018 were approved by the Council on May 1, 2018, but the minutes were not uploaded to the Utah Public Notice website until May 8, 2018. As a result, the City is not in compliance with Utah Code as referenced above. The cause of this was not determined.

Recommendation

We recommend the City comply with Open and Public Meetings Act requirements and upload city council minutes to the Utah Public Notice website within three (3) days of approval.

2018-2 EXPENDITURES IN EXCESS OF BUDGET

Finding

According to Utah Code Annotated (UCA) 10-6-123, “City officers may not make or incur expenditures or encumbrances in excess of total appropriations for any department in the budget as adopted or as subsequently amended.” During our audit, it was noted that four funds had actual expenses materially over the final budgeted amounts. As a result, the City is not in compliance with Utah Code as referenced above. The cause of this was not determined. The fund which exceeded the budget and the amounts over budget were as follows:

Road Capital Projects Fund exceeded the budget by \$92,649
General Capital Projects Fund exceeded the budget by \$1,785
Water Collection Fund exceeded the budget by \$22,009
Storm Water Fund exceeded the budget by \$207,824

Recommendation

We recommend the City comply with budgetary compliance requirements.

**LINDON CITY CORPORATION
SCHEDULE OF RESPONSES TO AUDITOR'S FINDINGS
For the Fiscal Year Ended June 30, 2018**

STATE OF UTAH COMPLIANCE FINDINGS

2018-1 POSTING MINUTES TO THE UTAH PUBLIC NOTICE WEBSITE

Lindon City has complied with uploading agendas, public notices, and pending minutes, but missed uploading approved minutes within the 3 day requirement on a few occasions. The City will comply with Open and Public Meetings Act requirements and upload city council minutes to the Utah Public Notice website within three (3) days of approval

2018-2 EXPENDITURES IN EXCESS OF BUDGET

The City will comply with budgetary compliance requirements and only incur expenditures for which the City has legally budgeted.

7. Presentation Item — Mountainland Association of Governments TransPlan50 *(20 minutes)*

Shawn Eliot, with Mountainland Association of Governments (MAG) will give an overview of MAG's TransPlan50, which is the draft regional transportation plan for urbanized Utah County through 2050. The projects and programs proposed within the plan are a coordinated system of capital-intensive roadway projects, transit improvements, and pedestrian/bicycle facilities needed over the next thirty years. A public comment period is planned for the spring of 2019 with final adoption anticipated in June 2019. No motions will be made.

TransPlan50 is the draft regional transportation plan for urbanized Utah County. Links to view the plan components can be viewed here: <https://www.mountainland.org/plandevelopment>.

The projects and programs proposed within the plan area coordinated system of capital-intensive roadway projects, transit improvements, and pedestrian/bicycle facilities needed over the next thirty years. The plan attempts to minimize impacts to society and environment while providing for enough capacity and transportation choices to ensure the region's economy continues to grow.

Work with the municipalities and county and various agencies is being conducted to finalize this new plan. Currently, the draft projects list of needs-based projects is available. A fiscal plan and the overall document will be available later. A public comment period is planned for the spring of 2019 with final adoption anticipated in June 2019.

Comments or questions can be directed to Shawn Eliot, 801/229-3841 or seliot@mountainland.org

No motion is needed.



11/0/2018

TransPlan50 is the draft regional transportation plan for urbanized Utah County. The projects and programs proposed within the plan area are a coordinated system of capital-intensive roadway projects, transit improvements, and pedestrian/bicycle facilities needed over the next thirty years. The plan attempts to minimize impacts to society and environment while providing for enough capacity and transportation choices to ensure the region's economy continues to grow.

Work with the municipalities, county, and various agencies is being conducted to finalize this new plan. Currently, the draft projects list of needs-based projects is available. A fiscal plan and the overall document will be available later. Official public comment will occur in the spring of 2019 with final adoption anticipated in June 2019.

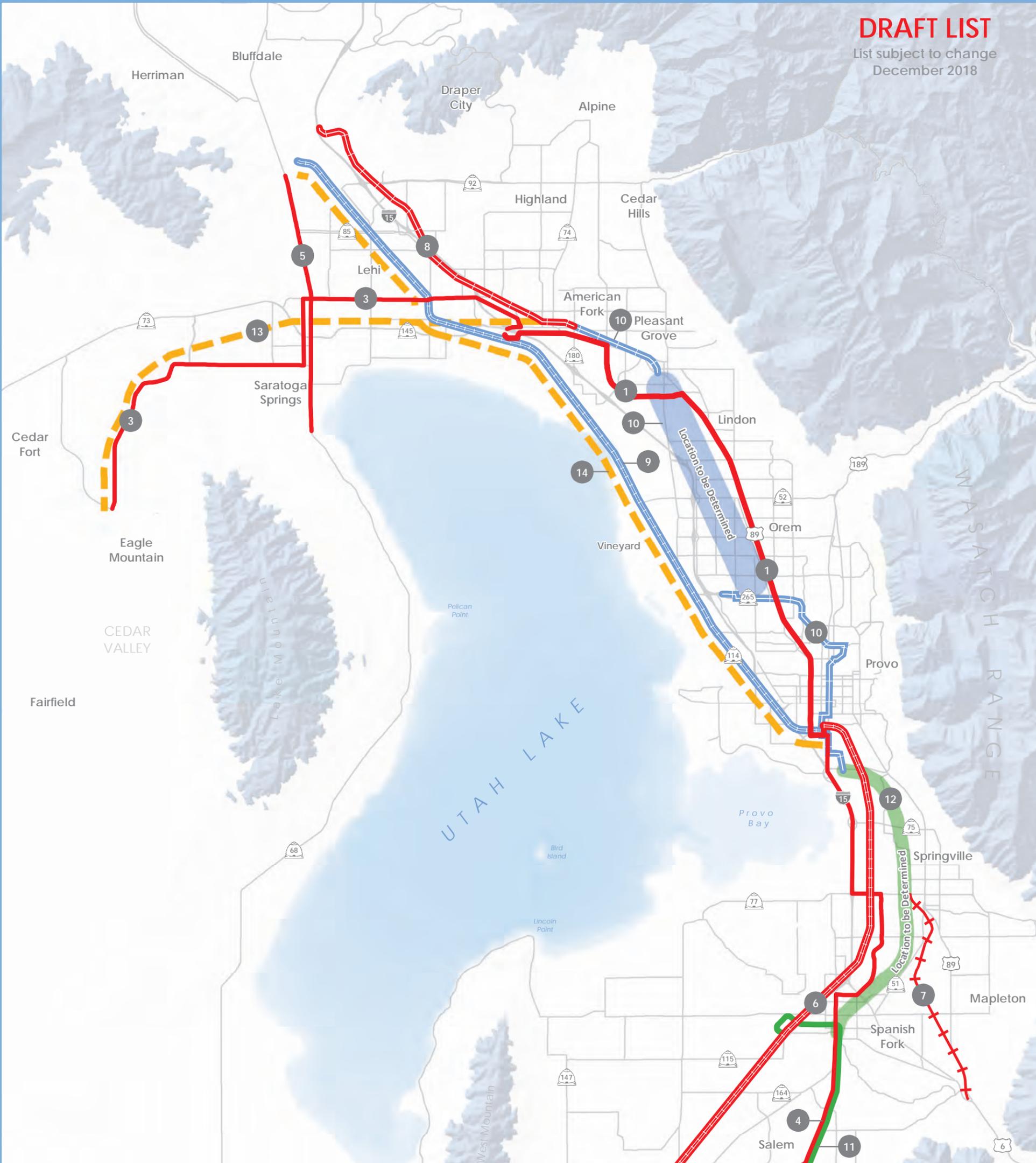
One note is the I-15 corridor. Between 2030 and 2040 (phase 2) the I-15 freeway has extreme congestion and is at failure. Options include adding frontage roads, collector-distributor system, divided express lanes, a parallel facility, or a combination of all. A parallel facility would be like Legacy PKWY in Davis County and could follow portions of Geneva RD in Orem and the Vineyard Connector, or somewhere else. All this is proposed in TransPlan50 as a study, meaning that the plan will not identify a solution or corridor until an I-15 corridor-wide study is conducted by UDOT, MAG, and the cities sometime in the future.

If you have any comments or questions, please contact Shawn Eliot, 801/229-3841 or seliot@mountainland.org

The draft plan maps and lists can be viewed at www.mountainland.org/plandevlopment

DRAFT LIST

List subject to change
December 2018



ProjectID

Phase One 2019-2030

- 1 Bus Rapid Transit - State ST; Provo to Am Fork
- 2 Commuter Rail Double Track - Limited Locations (not mapped)
- 3 Core Bus Route - Eagle Mtn to Am Fork
- 4 Core Bus Route - Payson to Provo
- 5 Core Bus Route - Saratoga Spgs to SL County
- 6 FrontRunner Commuter Rail - Payson to Provo
- 7 Provo Sub Railroad Consolidation
- 8 Trax Light Rail - American Fork to Draper

Phase Two 2031-2040

- 9 CRail Electrification - Provo to SL County
- 10 Trax Light Rail - Provo to American Fork

Phase Three 2041-2050

- 11 Bus Rapid Transit - Payson to Spanish Fork
- 12 Trax Light Rail - Spanish Fork to Provo

Vision Projects

- 13 BRT or Trax Light Rail - Eagle Mtn to Am Fork
- 14 Commuter Rail Double Track - Provo to SL County

MOUNTAINLAND
METROPOLITAN PLANNING ORGANIZATION
www.mountainland.org

Scale: 0 0.5 1 Miles
1:164,000

The producer of the map assumes no responsibility for the risks, dangers, and liability that may result from the reader's use of the map.
Map Produced by Kory Iman
Map Production Date: Dec. 2018

- 10 Project Number
- Commuter Rail
- Light Rail
- Bus Rapid Transit
- Core Bus Route
- Freight
- Planned Transit Corridor (Location to be Determined)
- Vision

Phase 1 2019 - 30 | Phase 2 2031 - 40 | Phase 3 2041 - 50 | Vision

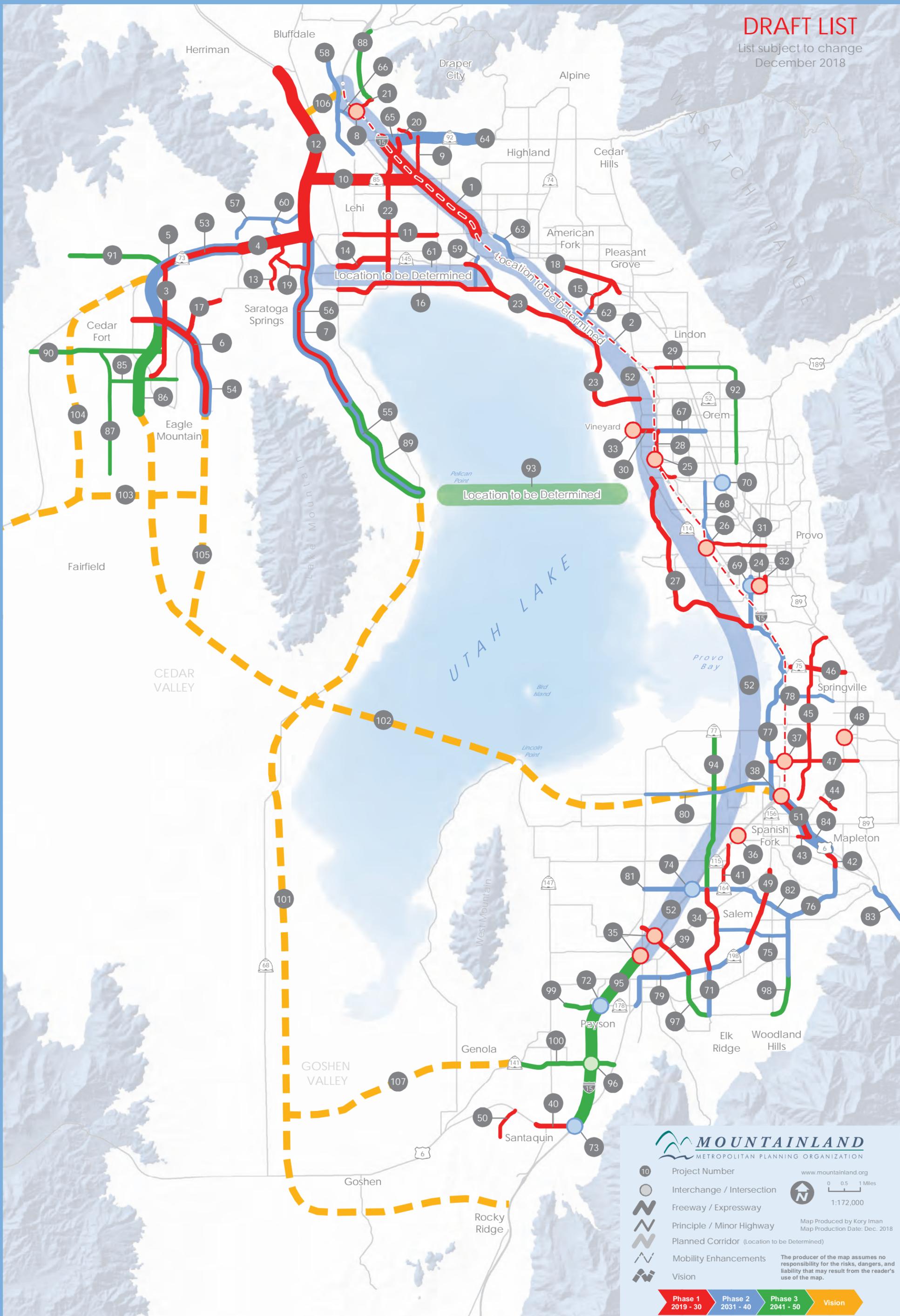
Highways

TransPlan50

Regional Transportation Plan
2019-2050 Plan for the Provo/Orem
Metropolitan Area

DRAFT LIST

List subject to change
December 2018



MOUNTAINLAND
METROPOLITAN PLANNING ORGANIZATION

www.mountainland.org

0 0.5 1 Miles
1:172,000

Map Produced by Kory Iman
Map Production Date: Dec. 2018

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- 10 Project Number
- Interchange / Intersection
- ▬ Freeway / Expressway
- ▬ Principle / Minor Highway
- ▬ Planned Corridor (Location to be Determined)
- ▬ Mobility Enhancements
- ▬ Vision

Phase 1 2019 - 30 Phase 2 2031 - 40 Phase 3 2041 - 50 Vision

Phase 1 2019-2030**County-wide Projects**

- | | | |
|---|--------------|--------------------------------|
| 1 | I-15 Freeway | Reconstruction and Widen |
| 2 | I-15 Freeway | Ramp Metering and ITS Projects |

North Projects

- | | | |
|----|------------------------------------|-----------------------------|
| 3 | Airport RD | New 5 lane road |
| 4 | Cory Wride FWY | New freeway, frontage roads |
| 5 | Cory Wride HWY | Widen to 5 lanes |
| 6 | East Expressway | New 3 lane road |
| 7 | Foothill BLVD | New 3 lane road |
| 8 | I-15/Traverse Mtn BLVD Interchange | New Interchange |
| 9 | Lehi 1200 W | Widen to 5 lanes |
| 10 | Lehi 2100 N FWY SR85 | New freeway |
| 11 | Lehi Main ST | Widen to 5 lanes |
| 12 | Mountain View FWY | New freeway |
| 13 | Mt. Saratoga BLVD | New 3 lane road |
| 14 | Pioneer Crossing | Widen to 6 lanes |
| 15 | Pleasant Grove BLVD | Widen to 5 lanes |
| 16 | Pony Express PKWY | New and widen to 5 lanes |
| 17 | Pony Express PKWY | Widen to 5 lanes |
| 18 | State ST | Widen to 7 lanes |
| 19 | Talus Ridge DR | New 3 lane road |
| 20 | Traverse Mtn BLVD | New 3 lane road |
| 21 | Traverse Mtn BLVD | New 5 lane road |
| 22 | Triumph BLDV/Lehi 2300 W | New and widen to 5 lanes |
| 23 | Vineyard Connector | New and widen to 5 lanes |

Central Projects

- | | | |
|----|------------------------------|--------------------------|
| 24 | Freedom BLVD | New bridge |
| 25 | I-15/Orem 800 S Interchange | New Interchange |
| 26 | I-15/Provo North Interchange | New Interchange |
| 27 | Lakeview PKWY/Geneva RD | New and widen to 5 lanes |
| 28 | Orem 1200 W | Widen to 5 lanes |
| 29 | Orem 1600 N | Widen to 5 lanes |
| 30 | Orem Center ST | Widen to 5 lanes |
| 31 | Provo 820 N | Widen to 5 lanes |
| 32 | University AVE | Widen to 7 lanes |
| 33 | Vineyard Center ST RR Bridge | New bridge |

South Projects

- | | | |
|----|--|--------------------------|
| 34 | Elk Ridge DR | New 3 lane road |
| 35 | I-15/Payson Main ST/Nebo Belt RD Interchange | New interchange |
| 36 | I-15/Spanish Fork Center ST Interchange | New interchange |
| 37 | I-15/Springville 1600 S Interchange | New interchange |
| 38 | I-15/US6 Interchange | Interchange improvements |
| 39 | Nebo Belt RD | New 5 lane road |
| 40 | Santaquin Main ST US6 | Widen to 5 lanes |
| 41 | Spanish Fork 1550 W | New and widen to 3 lanes |
| 42 | Spanish Fork 2000 E | New 5 lane road |
| 43 | Spanish Fork Center ST | Widen Fork 5 lanes |
| 44 | Spanish Fork PKWY | New 3 lane road |
| 45 | Springville 1200 W/Canyon Creek PKWY | New 5 lane road |
| 46 | Springville 1400 N SR75 | Widen to 5 lanes |
| 47 | Springville 1600 S/Spanish Fork 2700 N | New and widen to 5 lanes |
| 48 | Springville Main ST/US89 Interchange | Reconstruction |
| 49 | SR198 | Widen to 5 lanes |
| 50 | Summit Ridge PKWY | New 3 lane road |
| 51 | US6 | Widen to 7 lanes |

Phase 2 2031-2040**County-wide Projects**

- | | | |
|----|-------------------|---|
| 52 | I-15/Alternatives | 1-15 improvements or new parallel freeway |
|----|-------------------|---|

North Projects

- | | | |
|----|----------------------------------|----------------------------|
| 53 | Cory Wride FWY | New freeway |
| 54 | East Expressway | Widen to 5 lanes |
| 55 | Foothill BLVD | New 4 lane road |
| 56 | Foothill FWY | New freeway |
| 57 | Harvest Hills BLVD | New 3 lane road |
| 58 | Lehi 3600 W/West Point Connector | New 5 lane road |
| 59 | Mill Pond RD | New and widen to 3 lanes |
| 60 | Mt. Saratoga BLVD | New 3 lane road |
| 61 | North Lakeshore FWY | New freeway (location TBD) |
| 62 | Pleasant Grove BLVD | Widen to 6 lanes |
| 63 | State ST | Widen to 6 lanes |
| 64 | Timpanogos HWY Express Lanes | Widen to 4 lanes |
| 65 | Timpanogos HWY Express Lanes | New connection to I-15 |
| 66 | Traverse Mtn BLVD | New 5 lane road |

Central Projects

- | | | |
|----|---------------------------------|--------------------------|
| 67 | Orem Center ST | Widen to 7 lanes |
| 68 | Orem Main ST/Independence AVE | New and widen to 5 lanes |
| 69 | Provo 500 W | New bridge |
| 70 | State ST/University PKWY Bridge | |

South Projects

- | | | |
|----|------------------------------------|--------------------------|
| 71 | Elk Ridge DR | Widen to 5 lanes |
| 72 | I-15/Payson 800 S Interchange | Reconstruction |
| 73 | I-15/Santaquin Main ST Interchange | Reconstruction |
| 74 | I-15/UC 8000 S Interchange | Reconstruction |
| 75 | Salem 760 N | New and widen to 3 lanes |
| 76 | Spanish Fork 2300 E/Nebo Belt RD | New 5 lane road |
| 77 | Spanish Fork Main ST/Provo 500 W | New and widen to 5 lanes |
| 78 | Springville 500 N | New and widen to 3 lanes |
| 79 | SR198 | Widen to 5 lanes |
| 80 | UC 5600 S/Spanish Fork 1900 N | New and widen to 3 lanes |
| 81 | UC 8000 S | New and widen to 5 lanes |
| 82 | UC 8000 S/Woodland Hills DR | New and widen to 5 lanes |
| 83 | US6 | Widen to 5 lanes |
| 84 | US6 FWY | Convert to freeway |

Phase 3 2041-2050**North Projects**

- | | | |
|----|----------------------|--------------------|
| 85 | Aviator AVE | New 3 lane road |
| 86 | Cedar Valley FWY | New freeway |
| 87 | Central Valley RD | New 3 lane road |
| 88 | East Point Connector | New 5 lane road |
| 89 | Foothill FWY | Convert to freeway |
| 90 | Mid Valley RD | New 3 lane road |
| 91 | UC 8000 N | New 3 lane road |

Central Projects

- | | | |
|----|------------------------|--------------------|
| 92 | Orem 800 E/Orem 1600 N | Widen to 5 lanes |
| 93 | Utah Lake Bridge | New freeway bridge |

South Projects

- | | | |
|-----|-----------------------------|--------------------------------|
| 94 | Elk Ridge DR/UC 1450 W | New 3 lane road |
| 95 | I-15 Freeway | Widen to 6 lanes |
| 96 | I-15/UC 12400 S Interchange | New Interchange |
| 97 | Nebo Belt RD | New 3 lane road (location TBD) |
| 98 | Nebo Belt RD | New 3 lane road |
| 99 | Payson 800 S | New 3 lane road |
| 100 | UC 12400 S | New and widen to 5 lanes |

Vision Projects**County-wide Projects**

- | | | |
|-----|-------------------------------|------------------|
| 101 | Saratoga Springs to Santaquin | Proposed Freeway |
| 102 | US6 to Cedar Valley | Proposed Freeway |

North Projects

- | | | |
|-----|---------------------------------|---------------------|
| 103 | Cedar Valley to Tooele County | Proposed Highway |
| 104 | Cedar Valley West Expressway | Proposed Expressway |
| 105 | East Expressway | Proposed Expressway |
| 106 | Point of the Mountain Connector | Proposed Freeway |

South Projects

- | | | |
|-----|----------------------|------------------|
| 107 | Santaquin to Elberta | Proposed Freeway |
|-----|----------------------|------------------|

8. Action Item — 2018 Lindon City Moderate Income Housing Report; Res. #2018-24-R

(15 minutes)

Lindon City Planning & Economic Development Director, Mike Florence, will present for the Council's consideration the 2018 Moderate Income Housing Report that is required to be submitted to the State of Utah biennially (every two years).

See attached resolution, reporting forms, and city General Plan and moderate income housing support documents.

State Code 10-9a-408 requires each municipality to submit a biennial housing report to the Utah Department of Workforce Services describing efforts made by the municipality to support affordable housing and to mitigate regulatory barriers for housing development in the community.

Attached is the report that will be submitted to the State of Utah after the Council has had a chance to review and adopt a resolution approving the information. The report has to be submitted to the State no later than December 31, 2018. In addition, every five years cities are required to update their Moderate-Income Housing Plan (MIHP) Element of their general plan. In 2019, Lindon City will be required to update its MIHP and file a revised plan with the Department of Workforce Services.

Lindon has made significant efforts over the last two years to provide for moderate income housing opportunities within the City, chiefly through approval of the Anderson Farms master planned residential development. Continued efforts to provide opportunities for moderate income housing will be necessary as the city continues to grow and affordable housing becomes scarcer. The MIHP has goals and guidelines that the City will review and reevaluate as it updates the plan in 2019.

Sample Motion: I move to (approve, deny) Resolution #2018-24-R adopting the 2018 Lindon City Moderate Income Housing Report and associated support documents from the Lindon City General Plan and R-2 Overlay ordinance.

RESOLUTION NO. 2018-24-R

A RESOLUTION OF THE CITY COUNCIL OF LINDON CITY, UTAH COUNTY, UTAH, ADOPTING THE 2018 LINDON CITY MODERATE INCOME HOUSING REPORT AND ITS ASSOCIATED RECOMMENDATIONS AND SUPPORT DOCUMENTS, AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Utah State Code 10-9a-408 requires each municipality to submit a biennial housing report to the Utah Department of Workforce Services describing efforts made by the municipality to support affordable housing and to mitigate regulatory barriers for housing development in the community; and

WHEREAS, the Municipal Council of Lindon City desires and has taken action to encourage and accommodate moderate income housing and eliminate or reduce some housing barriers within Lindon City, including reduction of fees and permitting costs associated with development of moderate income housing; and

WHEREAS, Lindon City has adopted a Moderate Income Housing element within its General Plan; and

WHEREAS, Lindon City has adopted its R2 Overlay zone ordinance allowing for small multi-family projects and accessory apartments to be constructed throughout its residential zones; and

WHEREAS, Lindon City has approved residential developments allowing for a variety of housing options that fall within the moderate income housing parameters for Utah County, including approval of senior apartment housing, town homes, accessory apartments in single-family dwellings, multi-tenant apartments, senior living twin-homes, and small-lot single-family dwellings; and

WHEREAS, Lindon City supported the Utah League of Cities and Towns Resolution #2018-004 confirming local leaders' commitment to manage rapid growth and plan for future housing needs within the State of Utah; and

WHEREAS, Lindon City has complied with preparing and submitting past biennial housing reports to the State of Utah and has prepared its 2018 report for submittal and verification of Lindon's efforts to support and provide opportunity for moderate income housing within the City.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Lindon City, Utah County, State of Utah, as follows:

SECTION I. The 2018 Lindon City Moderate Income Housing Report and associated support documents attached to this Resolution are hereby approved and adopted.

SECTION II. This resolution shall take effect immediately upon passage.

PASSED AND ADOPTED by the Lindon City Council on this 4th day of December, 2018.

Jeff Acerson, Mayor

ATTEST:

Kathryn A. Moosman, City Recorder

SEAL:



State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

Department of Workforce Services

JON S. PIERPONT
Executive Director

CASEY R. CAMERON
Deputy Director

GREG PARAS
Deputy Director

*****FOR IMMEDIATE DISTRIBUTION*****

MEMORANDUM:

To: Municipal Legislative Bodies
From: The Utah Department of Workforce Services: Housing and Community Development Division and Utah League of Cities and Towns
Date: June 20, 2018
Subject: Notice of revisions to the moderate-income housing element and biennial review reporting statutes

Attention Municipal Legislative Bodies:

The Legislature of the State of Utah has determined that all cities and most metro townships are to include a five-year moderate-income housing element in their general plan. Municipal governments without this plan element are required to prepare one by July 1, 2019.

Updating or creating a new moderate-income housing plan is a critical step for your community to prepare for the future. The Utah Housing and Community Development Division, with the support of the Utah League of Cities and Towns, has prepared a number of tools to assist you with this requirement. A link to resources at the end of this memo includes the following and much more:

- An outline and writing guide for moderate-income housing plans
- An example of a moderate-income housing plan
- A database of municipal housing plans from across Utah
- Data files for evidence-based affordable housing planning
- An affordable housing gap analysis tool
- A model resolution for amending the general plan
- The Moderate-Income Housing Reporting Form

AFFECTED MUNICIPALITIES:

The following classes of municipal governments are to create and maintain a five-year moderate-income housing element in their general plan by July 1, 2019:

- All cities with an estimated population of 10,000 or more residents.
- Cities of the fifth class:
 - Having an estimated population of 5,000 or more residents; **AND**
 - Located in a county with a total estimated population of 31,000 or more residents.



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- Metro Townships:
 - Having an estimated population of 5,000 or more residents; **OR**
 - Having an estimated population less than 5,000 **BUT** are located in a county with a total estimated population of 31,000 or more residents.

BIENNIAL REVIEW REPORTS:

Effective May 8, 2018, all affected municipalities described above must report the findings of a biennial review of the moderate-income housing element and its implementation to the Utah Housing and Community Development Division. Municipalities that reported the findings of their biennial moderate-income housing review to the division in 2017 will not be required to report again until 2019. All other affected municipalities are to submit a findings report to the division no later than December 31, 2018. You can find a list of which cities must submit a review report every two years at jobs.utah.gov/housing/affordable/moderate/.

Every two years from the date of the last update to the moderate-income housing element, the legislative body must:

- Conduct a thorough review of the municipality’s moderate-income housing element and its implementation, which must:
 - Show efforts made to reduce, mitigate, or eliminate local regulatory burdens to moderate income housing or to encourage preservation or development of moderate income housing;
 - Analyze and publish data about the number of housing units that are at or below 80%, 50%, and 30% of adjusted median income and the number of housing units that are subsidized or deed-restricted;
 - Include how a city is using the moderate income housing set-aside, money the city expends to pay or waive construction-related fees, and any city usage of Utah Housing Corporation programming;
- Revise its five-year moderate-income housing needs estimates;
- Report the findings of the biennial review to the Housing and Community Development Division of the Utah Department of Workforce Services and the Association of Government to which the municipality belongs; and
- Post the review’s findings report on its website

Reporting the findings of a biennial moderate-income housing review is an intensive but worthwhile process. Doing so gives city leaders and residents a thorough understanding of the current housing mix in their community and an opportunity to consider where and how they might diversify their housing options to ensure that residents can stay in the community through all life stages.

The Housing and Community Development Division has also made the “Moderate-Income Housing Reporting Form” available on its website to assist municipal governments with their biennial reporting obligations. This form should simplify the reporting process, but municipalities are not required to use it. Municipalities opting not to utilize the prepared reporting form are still expected to meet all reporting criteria set forth in UCA 10-9a-103(b) and UCA 10-9a-408 of the Utah Code.

You can find additional helpful resources in the link below. For example, you'll find FAQs and a template for a moderate-income housing plan. You can also download the electronic version of the Moderate-Income Housing Reporting Form at:

<https://jobs.utah.gov/housing/affordable/moderate/>

SUBMISSION GUIDELINES:

1. Biennial moderate-income housing review findings reports for cities who did not submit in 2017 are due before **December 31, 2018**.
 2. Emailed submissions must include the following items as *separate* attachments:
 - (a) A findings report of the biennial moderate-income housing element review
 - (b) A copy of the municipality's current moderate-income housing element
 - (c) A signed copy of the resolution adopting the current moderate-income housing element
 - (d) A link to the biennial review's findings report on the municipality's website
 3. Acceptable electronic document formats include:
 - (a) DOC, DOCX, RTF, OTD, and PDF
 4. Address emails to: **biennialreporting@utah.gov**
-

Please notify us if you would like to discuss HB 259, moderate-income housing plans, or biennial reporting in more detail. We appreciate the work you do to prepare for the future and to preserve Utah's quality of life.

Respectfully,



Jonathan Hardy, Director
Utah Department of Workforce Services:
Housing & Community Development Division
jhardy@utah.gov
801-502-0363



Cameron Diehl, Executive Director
Utah League of Cities and Towns
cdiehl@ulct.org
801-328-1601

State of Utah

MODERATE-INCOME HOUSING REPORTING FORM

A form for reporting the findings of a biennial moderate-income housing element review.
Revised: March 2018

MODERATE-INCOME HOUSING REPORTING FORM

General purpose municipal governments, other than towns, are required to include a 5-year moderate-income housing element in their comprehensive general plan. The following are obligated municipal governments:

- All cities of the first, second, third, and fourth class.
- Cities of the fifth class:
 - Having an estimated population greater than or equal to 5,000 residents; **AND**
 - That are located in a county with a population greater than or equal to 31,000 residents.
- Metro Townships:
 - Having an estimated population greater than or equal to 5,000 residents;
 - Having an estimated population less than 5,000 **BUT** is located in a county with a population greater than or equal to 31,000 residents.

In addition, every two years the legislative body of obligated municipal governments are to:

- Conduct a thorough review of the moderate-income housing element and its implementation; and
- Revise its 5-year moderate-income housing needs estimates; and
- Report the findings of the biennial review to the Housing and Community Development Division (HCDD) of the Utah Department of Workforce Services no later than December 31st; and
- Post the findings report on their municipality's website.

NOTE: Completion of this form only partially satisfies each municipality's obligations to ensure an adequate supply of moderate-income housing within their geographic jurisdiction. It is also incumbent upon each municipality to stay apprised of pertinent state and federal housing-related legislation, administrative rules, regulatory procedures, and reporting deadlines.

When did the municipality last adopt a new moderate-income housing element?

MUNICIPAL GOVERNMENT INFORMATION:

Municipal Government: _____
 Reporting Date: _____
 General Plan's Web Address: _____

MUNICIPAL GOVERNMENT CONTACT INFORMATION:

Mailing Address: _____ P.O. Box: _____
 City: _____, UT Zip Code: _____
 Mayor's First and Last Name: _____
 Mayor's Email Address: _____

PREPARER INFORMATION:

Preparer's First and Last Name: _____
 Preparer's Title: _____
Preparer's Email Address: _____
 Preparer's Telephone: _____ Extension: _____

INSTRUCTIONS (1 OF 3):

Download the electronic version of this form at:

<https://jobs.utah.gov/housing/affordable/moderate/index.html#biennialreporting>

Only save the electronic version of this form in its original "fillable" PDF format.

The legislative body of each municipal government is to review the sections of the Utah Code cited below. Municipal governments must then prepare a report of their biennial review's findings in accordance with these sections of Utah Code. They may utilize the Moderate-Income Housing Reporting Form in the following pages to report the findings of their biennial reviews. Municipal governments opting to use this form are to respond directly to questions in the appropriate boxes, but may need to attach additional pages for longer responses.

MODERATE-INCOME HOUSING REPORTING CRITERIA IN THE UTAH CODE

(Updated: March 2018)

UCA 10-9a-103(34):

"Moderate income housing" means housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income for households of the same size in the county in which the city is located.

UCA 10-9a-103(41):

"Plan for moderate income housing" means a written document adopted by a city legislative body that includes:

- (a) an estimate of the existing supply of moderate income housing located within the city;
- (b) an estimate of the need for moderate income housing in the city for the next five years as revised biennially;
- (c) a survey of total residential land use;
- (d) an evaluation of how existing land uses and zones affect opportunities for moderate income housing; and
- (e) a description of the city's program to encourage an adequate supply of moderate income housing.

UCA 10-9a-401(3):

(3)(a) The general plan of a municipality, other than a town, shall plan for moderate income housing growth.

(3)(b) On or before July 1, 2019, each of the following that have a general plan that does not comply with Subsection (3)(a) shall amend the general plan to comply with Subsection (3)(a):

- (i) a city of the first, second, third, or fourth class;
- (ii) a city of the fifth class with a population of 5,000 or more, if the city is located within a county of the first, second, or third class;
- (iii) a metro township with a population of 5,000 or more; and
- (iv) a metro township with a population of less than 5,000, if the metro township is located within a county of the first, second, or third class.

(3)(c) The population figures described in Subsections (3)(b)(ii), (iii), and (iv) shall be derived from:

- (i) the most recent official census or census estimate of the United States Census Bureau; or
- (ii) if a population figure is not available under Subsection (3)(c)(i), an estimate of the Utah Population Estimates Committee.

UCA 10-9a-403(2):

- (2)(a)(iii) for a municipality described in Subsection 10-9a-401(3)(b), a plan that provides a realistic opportunity to meet the need for additional moderate income housing.
- (2)(b) In drafting the moderate income housing element, the planning commission:
- (i) shall consider the Legislature's determination that municipalities shall facilitate a reasonable opportunity for a variety of housing, including moderate income housing:
 - (A) to meet the needs of people desiring to live in the community; and
 - (B) to allow persons with moderate incomes to benefit from and fully participate in all aspects of neighborhood and community life; and
 - (ii) for a town, may include, and for other municipalities, shall include, an analysis of why the recommended means, techniques, or combination of means and techniques provide a realistic opportunity for the development of moderate income housing within the next five years, which means or techniques may include a recommendation to:
 - (A) rezone for densities necessary to assure the production of moderate income housing;
 - (B) facilitate the rehabilitation or expansion of infrastructure that will encourage the construction of moderate income housing;
 - (C) encourage the rehabilitation of existing uninhabitable housing stock into moderate income housing;
 - (D) consider general fund subsidies to waive construction related fees that are otherwise generally imposed by the city; construction of moderate income housing;
 - (E) consider utilization of programs offered by the Utah Housing Corporation within that agency's funding capacity;
 - (F) consider utilization of affordable housing programs administered by the Department of Workforce Services; and
 - (G) consider utilization of programs administered by an association of governments established by an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act.

UCA 10-9a-408

- (1) The legislative body of a municipality described in Subsection 10-9a-401(3)(b) shall biennially:
- (a) review the moderate income housing plan element of the municipality's general plan and implementation of that element of the general plan;
 - (b) prepare a report on the findings of the review described in Subsection (1)(a); and
 - (c) post the report described in Subsection (1)(b) on the municipality's website.
- (2) The report described in Subsection (1) shall include a description of:
- (a) efforts made by the municipality to reduce, mitigate, or eliminate local regulatory barriers to moderate income housing;
 - (b) actions taken by the municipality to encourage preservation of existing moderate income housing and development of new moderate income housing;
 - (c) progress made within the municipality to provide moderate income housing, demonstrated by analyzing and publishing data on:
 - (i) the number of housing units in the municipality that are at or below:
 - (A) 80% of the adjusted median income for the municipality;
 - (B) 50% of the adjusted median income for the municipality; and
 - (C) 30% of the adjusted median income for the municipality;
 - (ii) the number of housing units in the municipality that are subsidized by the municipality, the state, or the federal government; and
 - (iii) the number of housing units in the municipality that are deed-restricted;
 - (d) all efforts made by the city to coordinate moderate income housing plans and actions with neighboring municipalities or associations of governments established by an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act;
 - (e) all efforts made by the municipality to utilize a moderate income housing set-aside from a redevelopment agency, a community development agency, or an economic development agency;
 - (f) money expended by the municipality to pay or waive construction-related fees required by the municipality; and
 - (g) programs of the Utah Housing Corporation that were utilized by the municipality.
- (3) The legislative body of each city shall send a copy of the report under Subsection (1) to the Department of Workforce Services and the association of governments in which the city is located.
- (4) In a civil action seeking enforcement or claiming a violation of this section or of Subsection 10-9a-404(5)(c), a plaintiff may not recover damages but may be awarded injunctive or other equitable relief.

INSTRUCTIONS (2 OF 3):

The following pages contain two (2) parts that pertain to UCA 10-9a-103(b) and UCA 10-9a-408. Part I consists of **eight (8)** sections that require **the report's preparer** to revise 5-year estimates of the **municipality's** housing needs. The report's preparer will need to download data from the U.S. Census Bureau's **FactFinder website to complete this part of the form**. Part II consists of seven (7) sections that will require the preparer to review city ordinances, existing plans, and compile records from multiple sources, including: The municipality's various departments, affiliated development agencies, interlocal cooperatives, associations of government, public housing authorities, and/or county assessors.

NOTE: Reporting the findings of a biennial moderate-income housing review is a time intensive process. Municipalities should set-aside sufficient time to prepare an adequate report. The Utah Housing and Community Development Division has developed this form to assist municipal governments with their biennial reporting obligations. Nonetheless, a preparer of the biennial report is expected to have a basic knowledge of planning principles, a familiarity with demographic methods, and an understanding of state laws governing moderate-income housing as well as applicable municipal ordinances.

PART I: REVISED ESTIMATES OF 5-YEAR MODERATE-INCOME HOUSING NEEDS

In accordance with UCA 10-9a-103(b), please complete the tables in the following sections to revise estimates of **the municipality's** 5-year moderate-income housing needs.

The report's preparer should use **the advanced search functions of the U.S. Census Bureau's American FactFinder** website to look up tabulated values from the American Community Survey (ACS). Specific ACS tables are listed in each table to aid searches. FactFinder tutorials are widely available on the internet, including **HCDD's website: <https://jobs.utah.gov/housing/affordable/moderate/index.html>**. Municipalities should use 5-year ACS estimates, but they may determine for themselves whether to use 3-year or 1-year estimates if available and appropriate. Alternatively, municipalities may use the most recent estimates and projections generated by the Utah Population Estimates Committee. Municipalities may use compound annual growth rate, average annual growth rate, trend analysis, or a more sophisticated estimating technique of their choice to estimate their 5-year moderate-income housing needs.

www.factfinder.census.gov

SECTION 1: Population by tenure in the municipality

Table B01003 Table B25008	2010 American Community Survey	Most Recent American Community Survey	Growth Rate	5-Year Projection
Total Population: (ACS Table B01003)				
Total Population in occupied housing units (ACS Table B25008)				
Total Population in owner- occupied housing units (ACS Table B25008)				

Total Population in renter-occupied housing units (ACS Table B25008)				
Subtract the total population living in occupied housing units from the total population to estimate the total population with limited housing.				

Source 1: U.S. Census Bureau. Table B01003: Total population. American Community Survey.
 Source 2: U.S. Census Bureau. Table B25008: Total population in occupied housing units by tenure. American Community Survey.

SECTION 2: Supply of housing units by structure type in the municipality

Table B25001 Table B25032	2010 American Community Survey	Most Recent American Community Survey	Growth Rate	5-Year Projection
TOTAL HOUSING UNITS (ACS Table B25001)				
Total occupied units (ACS Table B25032)				
Owner-occupied structures (ACS Table B25032)				
1 unit, detached				
1 unit, attached				
2 units				
3 or 4 units				
5 to 9 units				
10 to 19 units				
20 to 49 units				
50 or more units				
Mobile homes				
Boat, RV, van, etc.				
Renter-occupied structures (ACS Table B25032)				
1 unit, detached				
1 unit, attached				
2 units				
3 or 4 units				
5 to 9 units				
10 to 19 units				
20 to 49 units				
50 or more units				
Mobile homes				
Boat, RV, van, etc.				

Source 1: U.S. Census Bureau. Table B25001: Total housing units. American Community Survey.
 Source 2: U.S. Census Bureau. Table B25032: Tenure by units in structure. American Community Survey.

SECTION 3: Housing occupancy in the municipality

Table B25003 Table B25081	2010 American Community Survey	Most Recent American Community Survey	Growth Rate	5-Year Projection
Total households in occupied housing units (ACS Table B25003)				
Total households in owner-occupied housing (ACS Table B25003)				
With a Mortgage (ACS Table B25081)				
Without a Mortgage (ACS Table B25081)				
Total households in renter-occupied housing (ACS Table B25003)				

Source 1: U.S. Census Bureau. Table B25003: Tenure. American Community Survey.

Source 2: U.S. Census Bureau. Table B25081: Mortgage status. American Community Survey.

SECTION 4: Housing vacancy in the municipality

Table B25004	2010 American Community Survey	Most Recent American Community Survey	Growth Rate	5-Year Projection
Total vacant units (ACS Table B25004)				
For rent (ACS Table B25004)				
Rented, not occupied (ACS Table B25004)				
For sale only (ACS Table B25004)				
Sold, not occupied (ACS Table B25004)				
For seasonal, recreational, or occasional use (ACS Table B25004)				
For migrant workers (ACS Table B25004)				
Other vacant (ACS Table B25004)				

Source 1: U.S. Census Bureau. Table B25003: Tenure. American Community Survey.

SECTION 5: Average household size of the municipality

Table B25010	2010 American Community Survey	Most Recent American Community Survey
Average Household Size (ACS Table B25010)		
Average Owner Household Size (ACS Table B25010)		
Average Renter Household Size (ACS Table B25010)		

Source 1: U.S. Census Bureau. Table B25010: Average household size of occupied housing units by tenure. American Community Survey.

SECTION 6: Monthly median housing costs in the municipality

Table B25088 Table B25064	2010 American Community Survey	Most Recent American Community Survey	Growth Rate	5-Year Projection
Total median owner-occupied housing costs (ACS Table B25088)				
Units with a mortgage (ACS Table B25088)				
Units without a mortgage (ACS Table B25088)				
Median gross rent (ACS Table B25064)				

Source 1: U.S. Census Bureau. Table B25088: Median selected monthly owner costs (Dollars) by mortgage status. American Community Survey.

Source 2: U.S. Census Bureau. Table B25064: Median gross rent (Dollars). American Community Survey.

SECTION 7: Median household income in the municipality

Table B25119	2010 American Community Survey	Most Recent American Community Survey	Growth Rate	5-Year Projection
Median household income (ACS Table B25119)				
Owner-occupied income (ACS Table B25119)				
Renter-occupied income (ACS Table B25119)				

Source 1: U.S. Census Bureau. Table B25119: Median household income that past 12 months by tenure. American Community Survey.

SECTION 8: "COUNTY-LEVEL" Area Median Income (AMI)*

Table B19019 Table B19119	2010 American Community Survey	Most Recent American Community Survey	Growth Rate	5-Year Projection
Median <u>HOUSEHOLD</u> income (ACS Table B19019)				
1-person household				
2-person household				
3-person household				
4-person household				
5-person household				
6-person household				
≥ 7-person household				
Median <u>FAMILY</u> income (ACS Table B19119)				
2-person family				
3-person family				
4-person family				
5-person family				
6-person family				
≥ 7-person family				

Source 1: U.S. Census Bureau. Table B19019: Median household income that past 12 months by household size. American Community Survey.

Source 2: U.S. Census Bureau. Table B19119: Median family income in the past 12 months by family size. American Community Survey.

* **NOTE:** AMI is always calculated at the **COUNTY-LEVEL**.

Using the calculations above, explain the municipality's current and projected housing needs.

PART II: FINDINGS OF THE MODERATE-INCOME HOUSING ELEMENT REVIEW

In accordance with UCA 10-9a-408, please complete the following sections to report the findings of the municipal legislative body's review of the moderate-income housing element of the general plan.

SECTION 1: Efforts made by the municipality to reduce, mitigate, or eliminate barriers to moderate income housing

The following questions were adapted from the U.S. Department of Housing and Urban Development's "Questionnaire for HUD's Initiative on Removal of Regulatory Barriers" (OMB approval no. 2535-0120).

- 1) Yes No Does the municipality's general plan include a moderate-income housing element that utilizes maps, illustrations, tables, and a detailed analysis of means and techniques to set forth goals, policies, and guidelines intended to direct the jurisdiction's present and future residential development?
- 2) Yes No Does the moderate-income housing element of the municipality's general plan take into account the anticipated growth of the region, for existing and future residents, including low-income, very low-income, and extremely low-income households for at least the next five years?
- 3) Yes No **Does the municipality's zoning ordinance and map, development and subdivision regulations or other land use controls conform to the jurisdiction's comprehensive plan regarding moderate-income housing needs by providing:**
 - a) Sufficient land use and density categories for multifamily housing, duplexes, small lot homes and other similar elements; and
 - b) Sufficient land zoned or mapped "as-of-right" in these categories, that can permit the building of moderate-income housing addressing the needs identified in the plan?
- 4) Yes No Does the municipality's zoning ordinance set minimum building size requirements that exceed the local housing or health code or is otherwise not based upon explicit health standards?
- 5) Yes No If the municipality has development impact fees, are the fees specified and calculated under local and/or state statutory criteria?
- 6) Yes No Do the municipality's development impact fee statutes provide criteria that set standards for the allowable types of capital investments that have a direct relationship between the fee and the development, and a method for fee calculation?
- 7) Yes No If the municipality has impact fees or other significant fees, does it provide waivers of these fees for moderate-income housing?
- 8) Yes No Has the municipality adopted specific building code language regarding housing rehabilitation that encourages such rehabilitation through graduated regulatory requirements applicable as different levels of work are performed in existing buildings?

- 9) Yes No Does the municipality use a recent version of a nationally recognized model building code, published within the last 5 years, without significant technical amendment or modification?
- 10) Yes No Does the municipality's zoning ordinance or land use regulations permit manufactured housing "as-of-right" in all residential districts and zoning classifications in which similar site-built housing is permitted, subject to design, density, building size, foundation requirements, and other similar requirements applicable to other housing that will be deemed realty, irrespective of the method of production?
- 11) Yes No **Within the past five years, has a the municipality's legislative body conducted** a comprehensive study of, public hearings for, or established a formal ongoing process to review residential development regulations and processes to assess their impact on its supply of moderate-income housing?
- 12) Yes No Has the municipality implemented regulatory reforms consistent with the findings of a comprehensive housing study, public hearings, or periodic reviews in the last five years?
- 13) Yes No Within the past five years, has the municipality modified infrastructure standards and/or authorized the use of new infrastructure technologies (e.g. water, sewer, street width) to significantly reduce the cost of housing?
- 14) Yes No Does the municipality grant sufficient density bonuses to offset the cost of building below market units as an incentive for any market rate residential development that includes a portion of moderate-income housing?
- 15) Yes No Has the municipality established a single, consolidated permit application process for housing development that includes building, zoning, engineering, environmental, and related permits? Alternatively, does your jurisdiction conduct concurrent, not sequential, reviews for all required permits and approvals?
- 16) Yes No Does the municipality provide for expedited permitting and approvals for all moderate-income housing projects?
- 17) Yes No Has the municipality established time limits for government review and approval or disapproval of development permits in which failure to act, after the application is deemed complete, by the government within the designated time period, results in automatic approval?
- 18) Yes No Does the municipality allow "accessory apartments" either as: a) a special exception or conditional use in all single-family residential zones or, b) "as-of-right" in a majority of residential districts otherwise zoned for single-family housing?
- 19) Yes No Does the municipality have an explicit policy that adjusts or waives existing parking requirements for all moderate-income housing developments?
- 20) Yes No Does the municipality require moderate-income housing projects to undergo public review or special hearings when the project is otherwise in full compliance with the zoning ordinance and other development regulations?

21) What other efforts has the municipality made to reduce, mitigate, or eliminate barriers to moderate-income housing?

SECTION 2: Report the municipality's actions to encourage the preservation of existing moderate-income housing and development of new moderate-income housing during the preceding biennium?

SECTION 3: Analyze the municipality's progress in providing moderate-income housing.

SUBSECTION 3.1:

Enter data from TABLE 1 and TABLE 2 at the end of this form into the tables below to calculate the municipality's progress in providing affordable and available moderate-income rental housing for the current and previous biennium. Subtract data in TABLE 2 from TABLE 1 to estimate the municipality's progress in providing moderate-income housing. Finally, in each table below subtract the number of affordable units from the number of renter households and then subtract the number of available units from the number of renter households to estimate the municipality's moderate-income housing gap.

Calculate the municipality's housing gap for the current biennium by entering the number of moderate-income renter households, affordable rental units, and available rental units in the municipality from TABLE 1 below:

	Renter Households	Affordable Rental Units	Available Rental Units	Affordable Units - Renter Households	Available Units - Renter Households
≤ 80% HAMFI					
≤ 50% HAMFI					
≤ 30% HAMFI					

Calculate the municipality's housing gap for the previous biennium by entering the number of moderate-income renter households, affordable rental units, and available rental units in the municipality from TABLE 2 below:

	Renter Households	Affordable Rental Units	Available Rental Units	Affordable Units - Renter Households	Available Units - Renter Households
≤ 80% HAMFI					
≤ 50% HAMFI					
≤ 30% HAMFI					

Subtract data from TABLE 2 from TABLE 1 to estimate progress in providing moderate-income housing

	Renter Households	Affordable Rental Units	Available Rental Units	Affordable Units - Renter Households	Available Units - Renter Households
≤ 80% HAMFI					
≤ 50% HAMFI					
≤ 30% HAMFI					

SUBSECTION 3.2:

Report the number of all housing units in the municipality that are currently subsidized by each level of government below:

Municipal Government _____
 State Government _____
 Federal Government _____

SUBSECTION 3.3:

Report the number of all housing units in the municipality that are currently deed-restricted for moderate-income households in the box below:

SECTION 4: Report all efforts made by the city to coordinate moderate income housing plans and actions with neighboring municipalities or associations of governments established by an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act during the preceding biennium.

[Empty reporting area for Section 4]

SECTION 5: Report the municipality's efforts to utilize the moderate income housing set-asides from redevelopment agencies, community development agencies, or economic development agencies by completing the following tables.

Project Area Name:	_____	Description of moderate-income housing set-aside utilization:
Agency type:	_____	
Start date:	_____	
Expiration date:	_____	
Initial value:	_____	
Future value:	_____	
% Rate per yr.:	_____	
Amount collected:	_____	
Amount expended:	_____	

Project Area Name:	_____	Description of moderate-income housing set-aside utilization:
Agency type:	_____	
Start date:	_____	
Expiration date:	_____	
Initial value:	_____	
Future value:	_____	
% Rate per yr.:	_____	
Amount collected:	_____	
Amount expended:	_____	

Project Area Name:	_____	Description of moderate-income housing set-aside utilization:
Agency type:	_____	
Start date:	_____	
Expiration date:	_____	
Initial value:	_____	
Future value:	_____	
% Rate per yr.:	_____	
Amount collected:	_____	
Amount expended:	_____	

Project Area Name:	_____	Description of moderate-income housing set-aside utilization:
Agency type:	_____	
Start date:	_____	
Expiration date:	_____	
Initial value:	_____	
Future value:	_____	
% Rate per yr.:	_____	
Amount collected:	_____	
Amount expended:	_____	

Project Area Name:	_____	Description of moderate-income housing set-aside utilization:
Agency type:	_____	
Start date:	_____	
Expiration date:	_____	
Initial value:	_____	
Future value:	_____	
% Rate per yr.:	_____	
Amount collected:	_____	
Amount expended:	_____	

Project Area Name:	_____	Description of moderate-income housing set-aside utilization:
Agency type:	_____	
Start date:	_____	
Expiration date:	_____	
Initial value:	_____	
Future value:	_____	
% Rate per yr.:	_____	
Amount collected:	_____	
Amount expended:	_____	

Project Area Name:	_____	Description of moderate-income housing set-aside utilization:
Agency type:	_____	
Start date:	_____	
Expiration date:	_____	
Initial value:	_____	
Future value:	_____	
% Rate per yr.:	_____	
Amount collected:	_____	
Amount expended:	_____	

Project Area Name:	_____	Description of moderate-income housing set-aside utilization:
Agency type:	_____	
Start date:	_____	
Expiration date:	_____	
Initial value:	_____	
Future value:	_____	
% Rate per yr.:	_____	
Amount collected:	_____	
Amount expended:	_____	

If necessary, duplicate this page to list all active project areas in the municipality.

SECTION 6: Report the money expended by the municipality to pay or waive construction-related fees required by the municipality during the preceding biennium.

SECTION 7: Provide a description of the programs of the Utah Housing Corporation that were utilized by the municipality during the preceding biennium.

INSTRUCTIONS (3 OF 3):**SUBMISSION GUIDELINES:**

1. **Biennial moderate-income housing review reports are due on December 31st of each year.**
2. Emails must include the following items as *separate* attachments:
 - (a) A findings report of the biennial moderate-income housing element review
 - (b) The most current version of the moderate-income housing element of the **municipality's general plan**
 - (c) A copy of the resolution formally adopting the current moderate income housing element as part of the **municipality's general plan**
 - (d) A link to the **biennial report on the municipality's website**
3. Acceptable electronic document formats include:
 - (a) DOC, DOCX, RTF, OTD, and PDF
4. Emails **MUST** be addressed to:

biennialreporting@utah.gov

For additional moderate-income housing planning resources, please visit:

<https://jobs.utah.gov/housing/affordable/moderate/index.html>

TABLE 1:
Moderate-income renter households, affordable rental units, and available rental units, 2011-2015

Municipality	Renter Households HAMFI			Affordable Units HAMFI			Available Units HAMFI		
	≤ 30%	≤ 50%	≤ 80%	≤ 30%	≤ 50%	≤ 80%	≤ 30%	≤ 50%	≤ 80%
Alpine	25	215	395	85	140	365	4	78	253
American Fork	410	700	1,105	200	465	1,765	45	205	980
Aurora	4	14	14	4	8	18	0	12	12
Bear River City	0	4	8	10	14	18	0	0	12
Beaver	25	130	190	125	270	325	30	165	240
Blanding	75	120	195	55	200	240	40	109	194
Bluffdale	55	120	260	25	140	340	0	70	245
Bountiful	580	1,180	2,380	535	1,750	3,600	270	735	2,340
Brigham City	425	835	1,410	380	1,420	1,975	235	875	1,575
Castle Dale	25	40	70	65	110	110	35	59	94
Cedar City	1,560	2,465	3,375	1,375	3,580	4,765	825	2,440	3,810
Cedar Hills	50	75	175	20	20	55	0	0	35
Centerville	260	405	525	50	365	855	20	274	594
Clearfield	1,095	2,270	3,240	340	2,115	4,430	225	1,270	3,290
Clinton	70	205	540	90	315	835	10	65	475
Coalville	35	85	100	45	105	125	10	64	94
Corinne	15	15	35	4	39	59	0	0	34
Cottonwood Heights	355	790	1,685	240	690	3,345	25	295	1,700
Delta	135	185	200	85	190	220	85	160	190
Draper	300	515	1,135	115	330	2,145	0	125	1,070
Duchesne	55	105	150	40	130	245	25	74	163
Eagle Mountain	60	155	410	50	65	680	25	50	355
East Carbon-Sunnyside	35	60	90	70	120	140	20	49	92
Elk Ridge	10	14	14	0	0	20	0	0	8
Enoch	35	65	95	15	85	180	0	15	95
Enterprise	30	34	38	10	65	100	10	49	53
Ephraim	300	465	740	340	770	940	115	425	760
Escalante	20	35	45	30	64	64	20	42	42
Eureka	15	19	23	15	19	39	4	12	30
Fairview	20	45	60	10	85	125	0	30	55
Farmington	130	190	605	115	365	910	25	110	570
Farr West	30	40	65	20	70	140	0	4	59
Ferron	45	55	59	40	70	70	25	48	56
Fillmore	50	125	165	80	210	220	35	125	165
Fountain Green	4	24	49	10	35	45	0	14	49
Fruit Heights	4	79	99	0	25	95	0	4	83
Garland	40	75	130	30	165	225	19	84	153
Grantsville	185	300	365	195	270	455	150	195	299
Green River	45	70	90	75	130	134	40	90	113
Gunnison	20	55	70	25	50	75	20	39	63
Harrisville	10	85	190	45	100	345	0	30	190
Heber	365	540	865	125	340	1,175	40	225	830

TABLE 1: (Continued)*Moderate-income renter households, affordable rental units, and available rental units, 2011-2015*

<i>Municipality</i>	<i>Renter Households HAMFI</i>			<i>Affordable Units HAMFI</i>			<i>Available Units HAMFI</i>		
	<i>≤ 30%</i>	<i>≤ 50%</i>	<i>≤ 80%</i>	<i>≤ 30%</i>	<i>≤ 50%</i>	<i>≤ 80%</i>	<i>≤ 30%</i>	<i>≤ 50%</i>	<i>≤ 80%</i>
Payson	290	510	805	140	500	1,010	50	265	680
Plain City	0	0	15	0	0	0	0	0	0
Pleasant Grove	655	1,135	2,075	190	525	2,965	90	220	1,894
Pleasant View	10	45	95	10	185	235	0	45	95
Providence	35	100	245	30	85	350	10	29	239
Provo	5,600	10,160	14,410	3,695	9,230	17,810	1,485	5,645	13,905
Riverdale	90	390	575	90	620	990	65	445	700
Riverton	60	190	500	130	250	970	10	60	435
Roy	365	665	1,100	230	950	1,855	105	435	1,060
Salem	90	175	190	75	145	280	30	115	185
Salt Lake City	11,765	19,785	27,835	4,725	20,380	36,870	3,005	12,680	27,635
Sandy	1,030	2,205	3,590	545	1,405	5,595	225	770	3,310
Santa Clara	15	50	255	55	59	224	0	0	169
Santaquin	95	165	260	105	235	470	50	145	310
Saratoga Springs	20	30	230	10	25	570	0	0	155
Smithfield	45	95	210	60	125	365	15	75	198
South Jordan	340	570	1,225	300	510	2,170	65	150	1,205
South Ogden	355	810	1,425	155	1,150	2,115	35	675	1,495
South Salt Lake	1,605	2,940	4,195	480	3,250	5,235	325	2,220	4,300
South Weber	25	65	125	10	45	175	0	35	130
Spanish Fork	335	660	1,475	165	745	1,980	25	210	1,300
Springville	400	810	1,710	195	1,110	2,425	30	390	1,510
St. George	1,790	3,375	5,620	885	2,660	8,065	510	1,765	5,505
Sunset	195	280	385	50	350	475	4	208	383
Syracuse	50	130	285	45	80	435	20	49	249
Taylorsville	1,190	2,300	4,310	385	2,225	6,010	120	1,145	4,420
Tooele	605	1,100	1,570	345	1,345	2,675	195	915	1,810
Tremonton	275	340	495	180	495	570	160	315	490
Vernal	305	390	670	210	745	1,380	170	425	890
Washington	255	755	1,100	320	440	1,470	25	290	810
Washington Terrace	600	860	1,050	250	1,125	1,345	205	820	1,100
West Bountiful	10	35	39	0	60	115	0	15	29
West Haven	75	245	445	15	145	890	0	55	375
West Jordan	1,375	2,730	5,080	545	1,935	7,430	170	1,075	5,060
West Point	75	110	180	10	25	130	10	25	115
West Valley City	3,255	6,120	8,845	1,115	4,335	11,535	710	2,845	8,955
Woods Cross	135	270	455	35	370	535	0	195	455

Source: U.S. Dept. of Housing & Urban Development. (2018). Tables 8, 14B, & 15C: Comprehensive Housing Affordability Strategy [Data]. Available at: <https://www.huduser.gov/portal/datasets/cp.html#2006-2015> data

TABLE 2:
Moderate-income renter households, affordable rental units, and available rental units, 2009-2013

Municipality	Renter Households HAMFI			Affordable Units HAMFI			Available Units HAMFI		
	≤ 30%	≤ 50%	≤ 80%	≤ 30%	≤ 50%	≤ 80%	≤ 30%	≤ 50%	≤ 80%
Alpine	15	110	280	65	65	275	0	40	159
American Fork	245	590	960	200	340	1,275	40	110	750
Aurora	4	14	18	4	8	12	0	12	16
Bear River City	20	20	24	10	25	35	10	20	24
Beaver	45	165	230	110	270	335	30	180	275
Blanding	80	130	190	95	215	295	65	124	223
Bluffdale	50	130	235	35	120	325	15	60	240
Bountiful	600	1,265	2,180	475	1,665	3,544	200	760	2,084
Brigham City	325	685	1,120	355	1,195	1,750	230	700	1,310
Castle Dale	30	50	70	40	100	110	14	59	79
Cedar City	1,390	2,485	3,465	955	3,445	5,100	525	2,280	3,900
Cedar Hills	95	120	145	35	35	70	0	10	45
Centerville	165	255	400	100	200	660	60	140	430
Clearfield	1,060	2,060	3,095	465	2,110	4,475	305	1,360	3,240
Clinton	80	210	465	40	245	780	0	75	435
Coalville	55	105	135	60	165	175	40	100	134
Corinne	10	10	25	10	20	65	0	0	24
Cottonwood Heights	440	855	1,700	200	700	3,540	45	365	1,920
Delta	140	195	250	165	330	400	115	225	290
Draper	195	535	955	155	365	1,925	0	155	980
Duchesne	50	125	190	25	130	295	15	64	204
Eagle Mountain	95	105	360	60	60	410	0	0	315
East Carbon-Sunnyside	45	74	109	75	155	185	19	66	122
Elk Ridge	4	8	12	4	8	12	0	0	4
Enoch	10	70	115	55	85	170	10	25	129
Enterprise	4	8	28	14	49	109	4	23	45
Ephraim	230	405	505	280	570	725	105	360	510
Escalante	20	35	35	19	59	69	8	42	46
Eureka	15	30	40	14	18	48	4	12	44
Fairview	15	40	65	14	39	119	4	14	64
Farmington	145	210	545	120	465	845	25	80	480
Farr West	20	40	70	45	85	145	0	20	70
Ferron	30	34	34	25	50	80	20	38	53
Fillmore	35	95	110	130	190	200	65	134	149
Fountain Green	0	20	30	10	35	55	0	24	38
Fruit Heights	10	65	85	0	20	75	0	0	75
Garland	40	110	135	50	140	230	35	100	164
Grantsville	155	225	250	150	240	480	120	150	274
Green River	50	85	110	35	110	150	15	70	119
Gunnison	25	35	90	20	74	119	20	44	98
Harrisville	0	60	150	40	65	280	0	15	150
Heber	260	475	725	70	340	990	15	230	695

TABLE 2: (Continued)*Moderate-income renter households, affordable rental units, and available rental units, 2009-2013*

<i>Municipality</i>	<i>Renter Households HAMFI</i>			<i>Affordable Units HAMFI</i>			<i>Available Units HAMFI</i>		
	<i>≤ 30%</i>	<i>≤ 50%</i>	<i>≤ 80%</i>	<i>≤ 30%</i>	<i>≤ 50%</i>	<i>≤ 80%</i>	<i>≤ 30%</i>	<i>≤ 50%</i>	<i>≤ 80%</i>
Payson	285	435	765	110	445	1,140	25	155	730
Plain City	0	20	35	20	20	40	0	4	22
Pleasant Grove	345	855	1,635	140	370	2,340	10	100	1,365
Pleasant View	10	25	85	0	45	180	0	25	100
Providence	20	75	225	45	160	395	0	35	220
Provo	5,285	9,310	13,695	3,165	6,990	16,145	1,335	4,470	12,400
Riverdale	120	345	645	75	570	975	45	325	740
Riverton	55	340	615	65	155	1,245	4	38	673
Roy	300	650	1,085	250	1,045	1,990	65	440	1,130
Salem	65	145	180	90	150	255	25	75	179
Salt Lake City	10,815	18,305	26,405	4,645	18,660	35,860	3,125	11,955	26,895
Sandy	1,075	1,965	3,265	575	1,320	4,945	245	735	3,020
Santa Clara	15	30	190	85	89	189	0	0	159
Santaquin	80	115	250	65	140	405	25	90	290
Saratoga Springs	45	125	295	0	15	315	0	0	145
Smithfield	50	100	190	75	185	350	20	60	184
South Jordan	205	400	935	170	320	1,320	0	40	710
South Ogden	420	830	1,340	150	1,135	2,085	65	655	1,400
South Salt Lake	1,770	2,985	4,225	480	3,125	5,295	290	2,030	4,435
South Weber	30	70	125	10	60	210	10	50	115
Spanish Fork	200	520	995	180	550	1,624	30	195	824
Springville	330	690	1,335	180	820	2,185	55	310	1,305
St. George	1,655	3,355	5,325	965	2,005	7,455	420	1,390	5,045
Sunset	225	280	355	40	395	525	4	274	388
Syracuse	10	95	230	45	110	445	35	60	265
Taylorsville	1,125	2,300	3,960	350	2,010	5,505	150	1,350	4,150
Tooele	615	1,135	1,830	365	1,130	2,715	175	775	1,980
Tremonton	140	190	450	105	500	635	75	165	400
Vernal	365	485	830	150	590	1,185	100	390	840
Washington	330	745	1,135	225	460	1,050	20	385	695
Washington Terrace	530	780	1,040	160	1,035	1,355	140	695	1,070
West Bountiful	10	35	50	10	65	115	10	35	50
West Haven	75	235	470	20	125	830	4	83	483
West Jordan	1,435	2,665	4,575	530	1,395	6,775	175	775	4,610
West Point	50	115	175	20	35	230	4	19	124
West Valley City	3,380	6,160	9,095	1,085	4,135	11,845	630	2,740	9,265
Woods Cross	55	155	335	15	365	575	0	165	405

Source: U.S. Dept. of Housing & Urban Development. (2018). Tables 8, 14B, & 15C: Comprehensive Housing Affordability Strategy [Data]. Available at: <https://www.huduser.gov/portal/datasets/cp.html#2006-2015> data

LAND USE

INTRODUCTION

When Lindon City was settled in the late 1800's, it was settled under a different settlement policy than the other cities in Utah County. Instead of being located on a natural stream, the City of Lindon was established on table land away from natural streams. Water had to be diverted from its natural channels onto the land. Also, instead of building houses in a central cluster, houses in Lindon have been built individually and in small subdivision clusters throughout the entire municipality. This has resulted in a rather evenly but sparsely built community having relatively long utility and service lines in comparison to the number of buildings.

LAND USE TODAY

Today there are approximately 5,488 acres of land within the City limits, of which approximately 1,950 acres are zoned for residential purposes; ~1,080 acres are zoned for commercial uses; ~820 acres are zoned for the purpose of industrial activities; ~85 acres are zoned research & business; ~100 acres are zoned for public facilities; and ~1,525 acres are zoned for recreational mixed use (open space). Out of the 3,960 acres zoned for development, approximately 2,780 acres (70%), has been built on for residential, commercial, or industrial uses.



View looking west over Lindon and Utah Lake from the Mt. Timpanogos foothills. (2008)

POPULATION FORECASTS

Population forecasts indicate that the number of people in Lindon will be approximately 13,100 by the year 2020. Total-build-out population estimates for Lindon City show a maximum population of about 15,000 to 17,000. Lindon City's

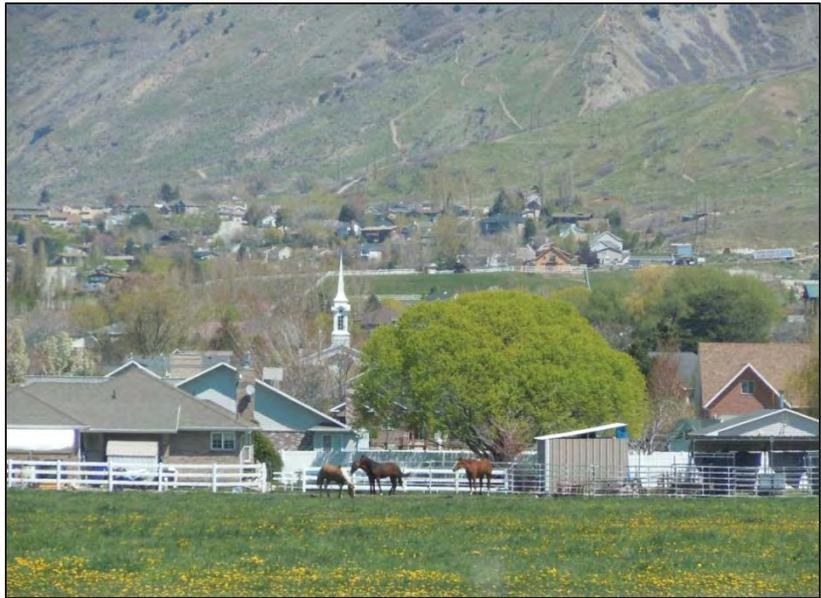
future growth is restricted by the mountains, the lake, and the boundaries of adjoining cities. Lindon's estimated 2010 Census population is 10,070.

LAND USE CATEGORIES

The Land Use element of the Lindon General Plan encourages the orderly and efficient distribution of land uses in the City. A full range and mix of land uses are provided within the city: including residential, commercial, industrial, and open space.

Residential Land Uses include a range of residential classifications including low, medium, and high density. Density is expressed in dwelling units per acre (DU/AC) for single or multiple family dwellings. Zoning regulations may allow in residential areas a limited number of non-residential uses, such as places of worship, neighborhood parks, schools, etc.

The goal of housing and residential areas in Lindon City is to provide a housing and living environment that supports and complements the unique rural quality and character of Lindon City. Objectives of this goal are as follows:



R1-20 residential zone provides for single-family uses on ½ acre lots. (2010)

1. Maintain and enhance the pleasing appearance and environmental quality of existing residential neighborhoods by avoiding encroachment of land uses which would adversely impact residential areas (i.e. increased traffic, noise, visual disharmony, etc.) and by providing adequate screening and buffering of any adjacent commercial or industrial development including parking and service areas.
2. Consider flexibility in housing development design and density in the R3 zone.
3. Encourage creative approaches to housing development which will maintain and protect natural resources and environmental features.

4. Ensure that new developments in residential areas (including non-residential uses) provide adequate off-street parking.
5. Provide for the unique community needs of the elderly, disabled, and children.

These considerations yield three residential categories. (Colors refer to General Plan Land Use Map)

- *Residential-Low* (buff) 2 or less DU/AC: It is the purpose of this category to provide areas of low density residential neighborhoods of essentially spacious and uncrowded character to promote the benefits of an open, rural atmosphere, and to provide for areas where large animals are permitted. Includes area typically zoned as R1-20.
- *Residential-Medium* (yellow) 3.6 or less but greater than 2 DU/AC: It is the purpose of this category to provide areas of medium density, residential neighborhoods of medium sized lots. Includes area typically zoned R1-12.
- *Residential-High* (tan) greater than 3.6 DU/AC: It is the purpose of this category to provide modest amounts of high density, residential development. Includes area typically zoned R3 or R2-Overlay as further described below:
 - *R2 Overlay* (no color – affects all residential zones): This higher density residential development is to be spread throughout the entire community. The residential zones are divided into separate districts, with a specific number of multi-family units being allowed in each district based on a percentage of the land area in the district multiplied by the number of units allowed per acre. Accessory apartments are also regulated through this overlay zone. See Chapter 17.46 of the Lindon City Code for more details regarding high density in the City.
 - *R3* (tan): To allow for more affordable housing, as well as lower density housing traditional to Lindon, a higher density area is provided in the R3 zone. A major consideration of this development is to consider densities that make a portion of the development more affordable or more appropriate for the elderly, while maintaining as much of the character of Lindon as possible, including some larger lots, open space, rural character, compatibility with surrounding development/zones, and modest impact on city infrastructure. To enhance open space, while still allowing for somewhat greater densities, there should be allowance for some clustering and variable lot sizes.

Commercial Land Uses provide a variety of goods and services to the people who visit, live, and work in Lindon. It is the purpose of the commercial area to provide areas in appropriate locations where a combination of business, commercial, entertainment, and related activities may be established, maintained, and protected. Commercial use areas should be located along major arterial streets for high visibility and traffic volumes.



Retail businesses found within the CG zone along State Street in Lindon. (2010)

Whenever commercial uses are adjacent to established or planned residential areas, special care must be taken to ensure privacy and protect personal property. Methods of protecting residential areas by providing transitions and buffers between residential and commercial areas include increased setbacks, landscaping, restricted land uses, diversion of traffic, controlled noise or light, height limitations, and transitional land uses such as research and development office uses. (Colors refer to General Plan Land Use Map)

- *General Commercial* (pink): This category includes retail and service oriented businesses, and shopping centers which serve community and regional needs. Includes area typically zoned CG, PC-1, and PC-2.
- *Mixed Commercial* (violet): This category includes general commercial, low intensity light Industrial, and research and business uses. Includes areas typically zoned MC.

The goal of commercial development is to encourage the establishment and development of basic retail and commercial stores which will satisfy the ordinary and special shopping needs of Lindon citizens, enhance the City's sales and property tax revenues, and provide the highest quality goods and services for area residents. Objectives of this goal are to:

1. Expand the range of retail and commercial goods and services available within the community.

2. Provide for adequate access, off-street parking, traffic circulation, noise buffering, and other operational considerations within commercial areas.
3. Improve the image and appearance of commercial areas by adoption of specific design guidelines and possible improvement districts, especially along State Street, Geneva Road, 200 South, 600 South, 700 North and the freeway interchange off-ramp areas.
4. Promote new office, retail, and commercial development along State Street and 700 North.
5. Encourage development of commercial facilities, such as hotels, restaurants and vehicle-related services at transportation interchanges.
6. Carefully limit any negative impact of commercial facilities on neighboring land-use areas, particularly residential development.
7. Build upon existing commercial site design and development standards, including architectural design guidelines and guidelines for landscaping and signage, to express the desired overall image and identity as outlined in the Community Vision Statement.
8. Encourage safe and convenient pedestrian access to shopping and service areas.

Industrial Land Uses provide for employment and manufacture of materials which are essential to the economy of Lindon City. It is the purpose of this industrial district to provide areas in appropriate locations where a combination of research and development, manufacturing, and industrial processing and warehousing may be conducted. (Colors refer to General Plan Land Use Map)

- *Research and Development* (dark orange): This category is for areas of very light industrial uses with the character of a high-tech research park, corporate offices, and/or commercial uses which are compatible with surrounding properties. Depending on specific business activities, this type of development is viewed as particularly helpful for buffering between residential and other uses. Includes areas typically zoned R&B.



Technology businesses located in the R&B zone in Lindon. (2010)

- *Light Industrial* (light gray): This category is for areas where manufacturing, industrial processes, and warehousing uses not producing objectionable effects may be established. Some related retail uses are appropriate for this designation. Includes areas typically zoned LI.
- *Heavy Industrial* (dark gray): This category is for areas where heavy manufacturing industrial processes necessary to the economy may be conducted. Includes areas typically zoned HI.



View of industrial office / warehouse building that has been typical of recent developments in the LI zone. (2010)

The goal of commercial and industrial development is to promote employment opportunities, quality businesses, and environmentally clean industrial and technology development which will provide a diversified economic base and will complement local retail, commercial, and industrial establishments in harmony with the community's overall country image and identity as reflected in the Community Vision Statement. Objectives of this goal are as follows:

1. Encourage the development of high quality, aesthetically pleasing business park areas incorporating major landscape features.
2. Identify those areas most appropriate for business park development in future growth areas, such as major highway access areas.
3. Establish and enforce standards with respect to environmental concerns such as; noise, air quality, odor and visual.
4. Increase the city's business base in the technology sector, building on the existing base and growing technology infrastructure, and consider expanding the Research and Development zones.

Special Use areas include land use classifications that are distinct from the other major land use classifications. These uses include open spaces, public and quasi-public uses, and areas of significant environmental constraints which impact development. The locations for these activities are interspersed within residential and non-residential areas.

In some cases the City does not control the location of special uses, such as schools, major electrical transmission lines, and telecommunications infrastructure. The State and Federal Government can preempt local land use authority. However, the City will work with other jurisdictions and agencies on decisions regarding land

use. Any negative impacts, including visual impacts, should be mitigated whenever possible.

- *Open Space* (light green): The natural open space category applies to areas that will remain primarily as open space. This area includes State and Federal lands, and environmentally sensitive areas such as hillsides and wetlands. Includes areas typically zoned RMU.
- *Parks and Public Facilities* (dark green): This category refers to open space property owned by the city and designated for public use - primarily recreation (parks & trail systems) or public works and government facilities. Includes areas typically zoned PF.
- *Travel* (overlay – no color): The travel category is an overlay district to encourage and require appropriate land uses adjacent to freeways to ensure attractive and orderly views.

Hillside protection (overlay – no color): The hillside protection category is an overlay district east of the Salt Lake Aqueduct and other areas with a slope over twenty percent (20%). The purpose of the district is to protect sensitive hillside areas, to minimize soil and slope instability, erosion, downstream siltation, and to preserve the character of the hillsides.

Additional Land Use Interests:

Open Space Preservation as been identified as an important and valid community interest in order to maintain the rural characteristics and the existing ‘little bit of country’ ideals currently found within the city. Open spaces are considered to be a mix of undeveloped lands, farms and pastures, and lands available for parks and recreation. The city has been active in preserving various types of open spaces in the past (foothills, wetlands, trail corridors, parks, etc.) and seeks to continue this effort as a critical component necessary to maintain the character of the community.

The goal of the open space preservation land use interest within the general plan is to consider more proactive approaches to securing valued open spaces to be perpetually preserved throughout the community. Objectives of this goal are as follows:

1. Consider various methods for securing open space properties including soliciting land donations, exploring options for community approved open space preservation bonds, or appropriating money from the general fund.
2. Identify, where appropriate, land use development scenarios which provide opportunities for securing and perpetually preserving open space (i.e.,

payment in lieu of dedication, density bonuses, clustering of development, transfer of development rights, etc.)

3. Inventory open space properties within the city with critical open space areas evaluated and ranked in order of importance to the community. Although other opportunities for other open space preservation areas may arise, the inventoried priority areas should be the focus of city expenditures to purchase and/or preserve open space.

Beautification of streetscapes and public properties has been identified as a strongly desired interest within the community. Beautification may include activities such as increased planting of trees and flowers within public properties, installation of street lighting and planter areas along streetscapes, increased weed abatement, and/or increased landscaping requirements for non-residential developments.

The goal of the beautification interest in the general plan is to increase the aesthetic appeal and character of the city through visual enhancement of public spaces and streetscapes. The focus of beautification activities should be along State Street and 700 North, near gateway areas into the city, within existing parks, and within other priority areas such as the City Center Campus. Possible funding sources for the beautification efforts could be obtained through mapped RDA areas, merchant fees, sales taxes, or other programs intended to incentivize additional landscaping in non-residential areas. Objectives for this goal are as follows:

1. Promote increased tree plantings and flower / shrubbery planting along public streets. This may include increased landscaping requirements along street frontages or within parking lots that are visible from a public street.
2. Explore options to install functional, decorative street lighting along arterials and major collectors.
3. Increase tree plantings and flower / shrubbery plantings within public spaces (parks, city facilities, trail corridors, street corners, public streetscapes, etc.).

LAND USE GUIDELINES

The following land use guidelines shall apply city-wide.

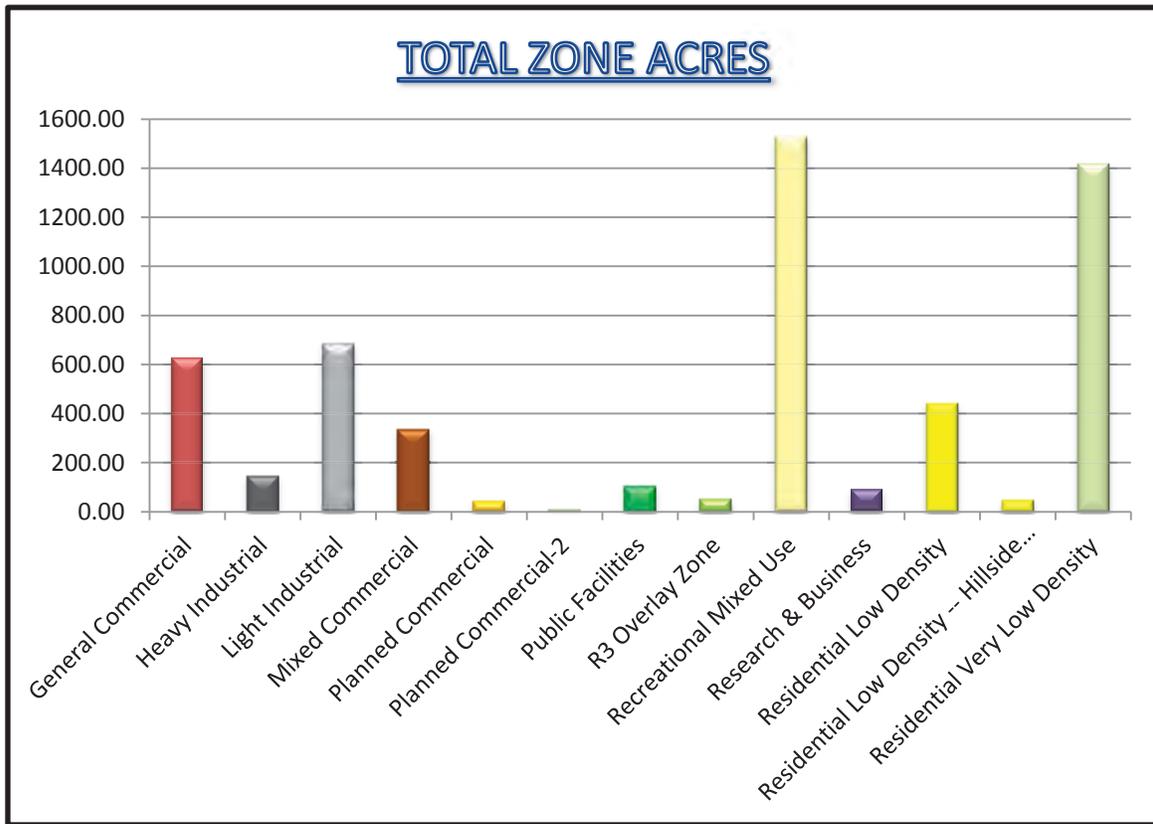
1. The identity of Lindon should be strengthened by land uses which contribute to the unique character of the community.
2. The relationship of planned land uses should reflect consideration of existing development, environmental conditions, service and transportation needs, and fiscal impacts.

3. Developed areas should be protected and revitalized by promoting new development and the adaptive reuse of existing community resources.
4. The Land Use Plan should provide for a full range and mix of land uses including residential, commercial, industrial, and special use areas.
5. A variety of housing types should be provided where appropriate, and innovative development patterns and building methods that will result in more affordable housing should be encouraged.
6. Transitions between different land uses and intensities should be made gradually with compatible uses, particularly where natural or man-made buffers are not available.
7. Growth should be guided to locations contiguous to existing development to provide city services and transportation in a cost-effective and efficient manner.
8. Development approval should be tied to the construction of primary culinary and secondary water, sewer, storm drainage, circulation systems, and other utility systems and should be in general conformance with the Utility Master Plans.
9. Density increases should be considered only upon demonstration of adequate infrastructure and resource availability.
10. An interconnecting trail system which is accessible to the public should be provided between city facilities, pedestrian centers, commercial areas, recreational areas, natural areas, and drainage ways.
11. Commercial and industrial uses should be highly accessible, and developed compatibly with the uses and character of surrounding districts.
12. Land use patterns should be encouraged that provide adequate off-street parking, reduce travel distances for employment and essential services, limit pollution, allow for alternative modes of transportation, and conserve energy.
13. Open space preservation should be a primary consideration when evaluating land use developments. The city should consider reasonable efforts, in line with the character of the community, to preserve and protect priority open space lands.
14. Beautification efforts (decorative street lighting, tree and planter installations, etc.) should be encouraged as part of new developments and as part of city re-development efforts of existing public properties and streetscapes.

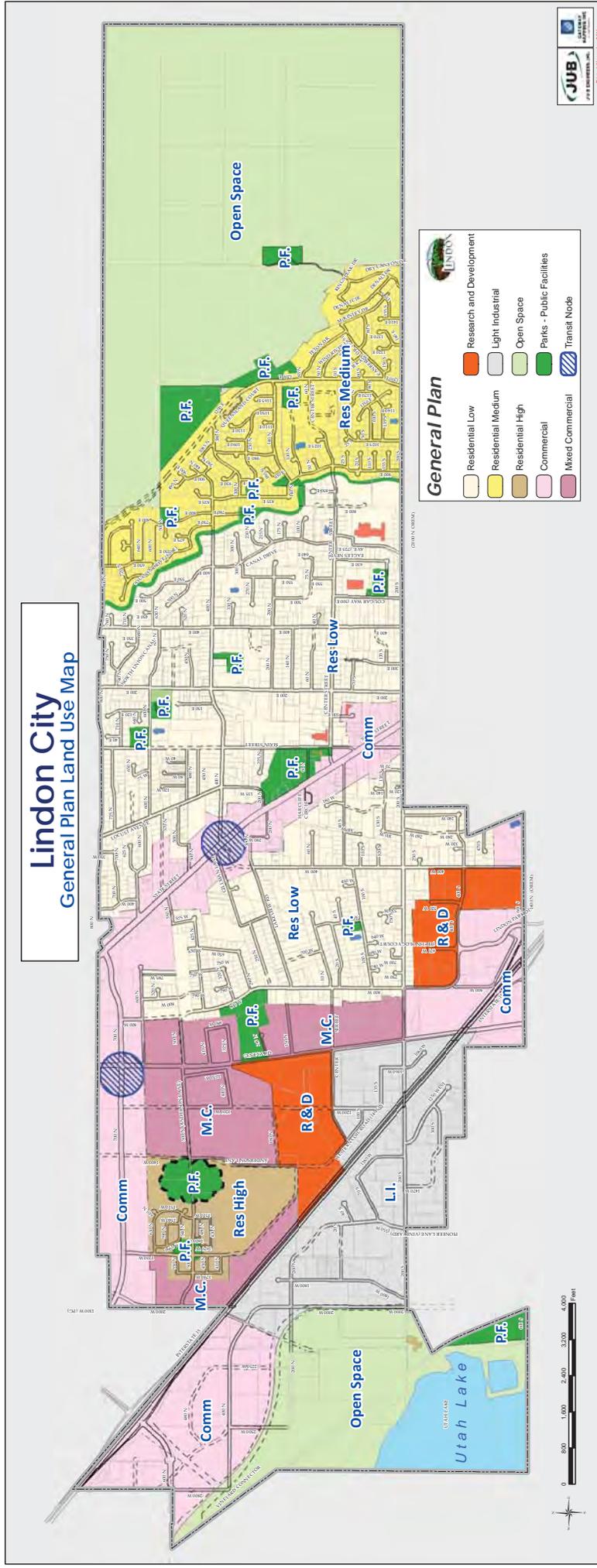
DEVELOPMENT TOTALS BY ZONE

(Data from Summer 2009)

ZONE	TOTAL ZONE ACRES	UNDEVELOPED PARCEL COUNT	UND SQ FT	UNDEVELOPED ACRES	DEVELOPED ACRES	% BUILT OUT
General Commercial	621.35	160	13,293,627	305.18	316.17	51%
Heavy Industrial	144.03	18	2,397,989	55.05	88.98	62%
Light Industrial	679.01	144	7,384,515	169.53	509.48	75%
Mixed Commercial	334.12	164	12,045,236	276.52	57.60	17%
Planned Commercial	40.93	14	481,745	11.06	29.87	73%
Planned Commercial-2	6.17	2	150,911	3.46	2.71	44%
Public Facilities	101.38	25	371,420	8.53	92.85	92%
R3 Overlay Zone	51.36	154	805,553	18.49	32.87	64%
Recreational Mixed Use	1525.67	37	34,364,990	788.91	736.76	48%
Research & Business	84.82	7	530,675	12.18	72.64	86%
Residential Low Density	439.81	201	3,658,808	83.99	355.81	81%
Residential Low Density -- Hillside Overlay	45.47	25	808,306	18.56	26.92	59%
Residential Very Low Density	1414.05	447	9,436,661	216.64	1197.41	85%
CITY-WIDE TOTALS	5488.18	1398	85,730,436	1968.10	3520.08	64%
CITY-WIDE TOTAL W/OUT REC MIXED USE	3962.50	1361.00	51,365,446	1179.19	2783.31	70%
TOTAL COMBINED COMMERCIAL/INDUSTRIAL	1910.44	509.00	36,284,698	832.98	1077.46	56%
TOTAL COMMERCIAL	1087.40	347.00	26,502,193	608.41	478.99	44%
TOTAL INDUSTRIAL	823.04	162.00	9,782,504	224.58	598.46	73%
TOTAL COMBINED RESIDENTIAL	1950.69	827	14709327.74	337.6797	1613.01	83%



Lindon City General Plan Land Use Map



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MODERATE INCOME HOUSING PLAN

MODERATE INCOME HOUSING PLAN

INTRODUCTION

The availability of moderate income housing is an issue of City-wide concern. To this end Lindon City should provide a reasonable opportunity for a variety of housing, including moderate income housing, to meet the needs of people desiring to live in Lindon. Moderate income housing projects should be encouraged to allow persons with moderate incomes to benefit from and to fully participate in all aspects of neighborhood and community life in Lindon. This *Moderate Income Housing Plan* shall estimate the existing supply of moderate income housing located within the City, shall estimate the need for moderate income housing over the next five years, shall survey the existing residential zoning, shall evaluate existing zoning densities and how they affect opportunities for moderate income housing, and shall define Lindon's plan to provide for and encourage moderate income housing.

- “Moderate income housing” means housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income of the Utah County Metropolitan Statistical Area for households of the same size.

EXISTING SUPPLY OF MODERATE INCOME HOUSING

As of April 2010 Lindon City has approximately 2,404 residential dwelling units. Lindon has an estimated 488 multi-family housing units in the form of duplexes, triplexes, fourplexes, townhomes, condominiums, and accessory apartments. The vast majority of these units are rentals. (For the purposes of this section, it should be noted that many of the multi-family housing units would not fit the definition of moderate income housing at current market valuations.)

Lindon has an estimated 1,916 single-family homes. The City estimates that up to 10% of these homes would fit the definition of moderate income housing if sold on the open market. This estimate would provide single-family housing for approximately 191 moderate income families.

ESTIMATE OF NEED OF MODERATE INCOME HOUSING OVER THE NEXT FIVE YEARS

Lindon's estimated population in April, 2010 was 10,070. Given the slow economy and depleted housing market in 2010, and based on a very conservative growth rate of 1% per year, Lindon will add 503 citizens over the next 5 years increasing the population to approximately 10,573 persons. This equates to 117 new households based on an average household size of 4.3 individuals (per 2000 Census).

The R-2 Overlay districts have a total remaining capacity of 81 units. When adopted, the R-3 ordinance required that a percentage of the single-family and retirement

units constructed within the zone must be sold at moderate income sales prices. The single-family moderate income units have all been sold, but none of the moderate income retirement phase units have yet to be sold. This remaining amount of required moderate income retirement homes equals 16 units. This equals a total of 97 future moderate income units made possible through the R-2 overlay and R-3 zone. This figure does not take future accessory apartments into account that exceed the R-2 Overlay District allotments – which could also qualify as moderate income housing.

Past records from Utah County indicate that approximately 30% of the residents in the County have an annual income that falls within the moderate income range. By calculating 30% of the estimated 117 new households that will be created in Lindon over the next five years, the City would need to allow for approximately 35 moderate income housing units over the next five year period. Given these estimates, it appears that the 35 units are clearly allowed for by the Lindon City R-2 overlay and R-3 zoning ordinance - which have potential for 97 possible units as discussed above.

SURVEY AND EVALUATION OF EXISTING RESIDENTIAL ZONING

Currently residential areas within Lindon City are zoned into four different zoning districts. These are:

1. R1-20 Zone – Allows single family homes on 20,000 sq. ft. lots or greater. Currently 26% of Lindon is zoned R1-20.
2. R1-12 Zone – Allows single family homes on 12, 000 sq. ft. lots or greater. Currently 9% of Lindon is Zoned R1-12.
3. R2 Overlay – Overlies both the R1-20 zone and the R1-12 zones and allows for up to 4 units per acre (prior to 2005, up to 6 units per acre were allowed). The R2 Overlay consists of all residential zones (35% of the city land area) and also applies to the R3 zone area (1% of the city land area).
4. R3 Zone – Allows single family dwellings on higher density lots (averaging 10,000 sq/ft) and retirement oriented housing units at an approximate density of 5.5 units per acre. This zone accounts for 1% of the city land area.

Through a creative approach using owner-occupied accessory apartments, the R2 Overlay Zone, and the R3 Zone, Lindon has provided opportunities for the development and construction of accessory apartments, single family homes, twin homes, town homes, triplexes, and planned unit developments in residentially zoned property in Lindon. The purpose and intent of this zoning plan is to vary densities and spread multi-family units throughout the community. This provides affordability as well as diversity in housing stock. No single area is zoned exclusively for multi-

family units. R2 overlay units can be developed in all residential zones assuming they meet the requirements and development standards of the ordinance. In addition, Lindon currently has 9% of the city zoned R1-12 which allows 12,000 sq. ft. lots and 1% zoned R-3, which allows for 10,000 sq/ft average lot sizes. These zones may be able to consist of smaller, more affordable lots.

Lindon City has also adopted ordinances to provide an opportunity for the construction and development of housing for the elderly, physically and mentally handicapped, and juveniles.

Through this established zoning plan it is Lindon's goal and policy to provide for a realistic opportunity to meet the moderate income housing needs of those desiring to live and participate in community life in Lindon.

PLAN TO PROVIDE FOR AND ENCOURAGE MODERATE INCOME HOUSING

Lindon City shall continue to allow and permit owner-occupied accessory apartments in all single family homes which are not part of an R2 Overlay project. This policy will promote the maintenance of existing accessory apartments in Lindon and encourage the construction of new apartments to provide an opportunity for low to moderate income residents to live, work, and participate in community life in Lindon.

Lindon City also understands the need to provide opportunities for home ownership for moderate income residents in Lindon. To this end Lindon has developed the R2 overlay ordinance and the R3 zone – which provides opportunities for multi-family units to be constructed, smaller lot sizes to be created, accessory apartments to be established, and moderate income sales to be required.

In addition, Lindon will consider the use of the following tools and techniques to provide opportunities for affordable single family and multifamily moderate income housing. These are:

1. Rehabilitation of existing underutilized housing stock.
2. Infrastructure expansion and rehabilitation that will facilitate the construction of moderate income housing.
3. Consideration of waiving construction related fees generally imposed by the municipality.
4. Utilization of state or federal funds or tax incentives to promote the construction and rehabilitation of moderate income housing.
5. Utilization of programs offered by the Housing Authority of Utah County within that agency's funding capacity as well as other public, private and non-profit housing agencies.

6. Utilization of affordable housing programs administered by the Department of Community and Economic Development and the Department of Housing and Urban Development (Federal Government).

Chapter 17.46

R2 OVERLAY ZONE

Sections:

- 17.46.010 Purpose.**
- 17.46.015 Definitions.**
- 17.46.020 Map and district establishment.**
- 17.46.025 Underlying Zoning Applies.**
- 17.46.030 District unit calculations.**
- 17.46.040 Density, lot size, and required separation distance.**
- 17.46.050 Application submittal requirements.**
- 17.46.060 R2 Project design criteria.**
- 17.46.100 Accessory Apartments.**
- 17.46.110 Second Kitchen Requirements.**

17.46.010 Purpose.

1. The purpose of the R2 Overlay Zone is to provide 'moderate income housing', as defined by the Utah State Code, and thereby achieve a reasonable opportunity for a variety of housing types, to meet the needs of people desiring to live and fully participate in all aspects of neighborhood and community life in Lindon. This Overlay zone establishes a place where, two (2) and three (3) family dwelling units can be constructed. It shall also be the purpose of this ordinance to establish a means whereby multi-family housing can be distributed throughout the City and throughout the individual R2 Overlay planning districts. Except for accessory apartments (either internal or detached), R2 Overlay projects and applications shall be considered a Conditional Use and regulated as such.

2. Neighborhood organizations, home owners associations, and/or private citizens shall not be permitted to restrict the placement and construction of R2 Overlay projects in specific neighborhoods and subdivisions through the use and implementation of Conditions, Covenants, and Restrictions and/or other types of restrictive legal documents. Such practices undermine Lindon City's ability to provide for the housing needs of its citizens and prohibit attainment of established zoning requirements and General Plan Goals. (Ord. 2005-6, amended, 2005; Ord. 2002-18, amended, 2002; Ord. 2000-13, amended, 2000; Ord. 98-13, amended, 2000)

17.46.015 Definitions.

For the purposes of this chapter, the terms below shall have the following meanings:

"Accessory apartment" means a residential unit that is located on the same lot or parcel as a single-family dwelling unit, either internal to or attached to the single-family unit or in a detached structure on the same lot or parcel,

and which is owned by an owner occupant of the property. The accessory apartment shall be a complete housekeeping unit with a separate entrance, kitchen, sleeping area, and bathroom facilities.

“Owner occupant” means:

1. An individual who:
 - a. Possesses, as shown by a recorded deed, fifty (50) percent or more ownership in a dwelling unit, and
 - b. Occupies the dwelling unit with a bona fide intent to make it his or her primary residence; or
2. An individual who:
 - a. Is a trustor of a family trust which:
 - i. Possesses fee title ownership to a dwelling unit;
 - ii. Was created for estate planning purposes by one (1) or more trustors of the trust; and
 - b. Occupies the dwelling unit owned by the trust with a bona fide intent to make it his or her primary residence.
3. An owner occupant as defined in section 1 or 2 of this definition shall continue to be defined as such even if said owner occupant temporarily resides elsewhere due to a disability, infirmity, military service, temporary job assignments, sabbaticals, or voluntary and ecclesiastical service which requires the owner to temporarily reside at another location not to exceed three (3) years. In such event, the dwelling unit shall be considered an occupied domicile by the owner occupant during the temporary absence.

“Owner occupied” means a residential dwelling unit that is occupied by an owner occupant. (Ord. 2012-2, amended, 2012)

17.46.020 Map and district establishment.

The Planning Department shall maintain on file a map and associated documents which divide the residential areas within the city into individual R2 Overlay districts and which includes such data as: total acreage of each district, total allowable units per district, etc. The R2 Overlay Zone includes all residential zones in their entirety, and also all residential uses within non-residential zones that existed prior to April 1, 2011. (Ord. 2005-6, amended, 2005; Ord. 2002-18, amended, 2002; Ord. 98-13, amended, 2000)

17.46.025 Underlying Zoning Applies.

Unless specifically provided for otherwise in this chapter, R2 Overlay projects and accessory apartments are subject to the regulations of the underlying zoning district in which they are constructed. (Ord. 2012-2, amended, 2012)

17.46.030 District unit calculations.

The maximum number of units that are permitted within each R2 Overlay district identified on the R2 Overlay map shall be calculated by multiplying 4% of the total acreage within each district by six (6). Each dwelling unit approved as part of an R2 project, and each accessory apartment and its' associated single-family dwelling unit, shall be counted towards the capacity of the units permitted in each district. At such time as a district reaches the maximum permitted capacity of units that district will be closed to any further R2 Overlay projects. However, owner occupied single-family dwellings with accessory apartments shall continue to be permitted even if the district reaches its capacity. (Ord. 2012-2, amended, 2012; Ord. 2008-1, amended, 2008; Ord. 2005-6, amended, 2005; Ord. 98-13, amended, 2000)

17.46.040 Density, lot size, and required separation distance.

Density: The maximum number of units allowed for any R2 Overlay project shall be four (4) units. Available multi-family projects include twin homes, condominiums, apartments, duplexes, triplexes, townhouses, or any other multi-family housing unit that has two or three units per structure. Detached single-family dwellings (one unit only) and projects with four units (4-plexes) are prohibited.

Lot size: The maximum number of units on an approved building lot in the residential zone is two (2) units. In the event that the lots are larger than twenty thousand (20,000) square feet for the R1-20 zone and twelve thousand (12,000) square feet for the R1-12 zone, then the maximum density shall be calculated at four (4) units per net acre. Substandard legal non- conforming lots shall only be allowed a maximum number of units based on four (4) units per acre.

Separation Distance: Irrespective of R2 Overlay district boundaries, new R2 Overlay projects shall not be within seven hundred fifty (750) feet from any other approved R2 Overlay unit or other existing multi-family housing units, except for accessory apartments. (Ord. 2005-6, amended, 2005; Ord. 2000-13, amended, 2000; Ord. 98-13, amended, 2000)

17.46.050 Application submittal requirements.

1. Any applicant desiring to receive approval for an R2 Overlay Zone project as described in this ordinance ([17.46](#)) shall submit a Land Use Application and fee for a Conditional Use, including a completed site plan which includes all the project design criteria as established in this chapter and any submittal requirements as established in the Land Development Policies, Standard Specifications and Drawings Manual (Development Manual).
2. Any applicant for an R2 Overlay project shall provide documentation that each proposed dwelling unit will meet the "moderate income housing" definition as per Utah State Code. On a form approved by the City, a certification regarding the owner's understanding of the moderate income housing requirements, and an agreement to abide by said requirements, shall be recorded against the property and shall run with the land and be binding on future successors of the property. A building permit will not be issued until said documentation is received by the Planning Department.

3. The provisions of subsection 2. above shall apply to any R2 Overlay project which was approved by Lindon City after January 17, 2012. (Ord. 2012-2, amended, 2012; Ord. 2005-6, amended, 2005; Ord. 2002-18, amended, 2002; Ord. 2000-13, amended, 2000; Ord. 98-13, amended, 2000)

17.46.060 R2 Project design criteria.

1. *Compliance with Lindon City Code.* Any proposal in the R2 Overlay Zone shall comply with the requirements of this Chapter and all other applicable Lindon City Code divisions and the conditions imposed by the Land Use Authority. The requirements and standards set forth herein shall apply to any R2 Overlay proposal.
2. *Structure Setbacks.* Building setbacks shall be the same as that required in the underlying residential zone in which the project is being constructed.
3. *Width to Depth Ratio.* No proposed lot utilized for an R2 Overlay project shall have a width to depth ratio that exceeds one (1) to three (3) unless the subject property is a platted subdivision lot previously approved by the City.
4. *Land Ownership Designation.* All land within a development shall be either common area, limited common area, dedicated to public use, privately owned as a buildable lot or a combination of the above.
5. *Utilities.* All dwelling units shall be served by the public sewer system and public water supply. Installation of these and other utilities shall conform to applicable building codes and city ordinances. All utilities shall be placed underground.
6. *Fences.* A six foot (6') high sight obscuring fence shall be erected on the perimeter, except the front yard setback, of all R2 projects. The Land Use Authority may waive or modify fencing requirements if it is necessary to preserve the character and aesthetic qualities of the development or surrounding areas. These fencing requirements may be waived or modified by the Land Use Authority only if the following criteria are met:
 - a. Removing or modifying the fence will still provide for an adequate buffer for the adjoining use.
 - b. The appearance or removing of the fence will not detract from the uses of neighboring property.
 - c. Removing or modifying the proposed fence will still provide some method of shielding for the neighboring use from noise, storage, traffic, or any other possible characteristics of an R2 overlay project.
 - d. Problems with care and maintenance of fences shall be dealt with in accordance with LCC [8.20](#) (Nuisances).
7. *Landscaping.*
 - a. Except for driveways, the required front setbacks, street-side yard setbacks, and all common areas shall be permanently landscaped with trees, shrubs, lawn, or other living ground cover and shall be maintained in accordance with good landscaping practices.
 - b. Landscaped areas within the front yard and street-side yard setbacks may not be used for parking.

- c. Not less than forty percent (40%) of the net acreage of the entire development shall remain in permanently landscaped areas.
8. *Security Lighting.* All R2 proposals with attached housing units shall include a security lighting system which shall be designed in such a way as to give control of its operation to the homeowner's association or property owner of the project.
 9. *Parking.* Dwelling units shall be provided with not less than two (2) off street parking spaces each. Required off-street parking spaces shall not be permitted within the front yard or street-side yard setbacks. Guest parking shall be located within seventy five feet (75') of the dwellings served. All parking spaces, parking areas, and driveways shall be hard surface and properly drained as per Lindon City Development Manual specifications. Drainage shall not be channeled or caused to flow across pedestrian walkways. All freestanding and unenclosed parking structures incorporated into an R2 Overlay project shall be to the rear of the main building. Free standing parking structures shall not be allowed in the front or side yard setback of any lot.
 10. *Streets.*
 - a. For the purposes of this division the following definitions apply:
 - i. Public Street shall mean a right-of-way owned and maintained by the City.
 - ii. Driveway shall mean a vehicular right-of-way owned and maintained privately that is no more than thirty four feet (34') in width and is no less than twenty feet (20') in width. After considering public safety and access issues the Land Use Authority shall designate the width of the drive access as per this requirement.
 - b. Public streets shall adhere to design and construction standards found within the Development Manual and shall be properly dedicated to the city.
 - c. A driveway shall be paved with either concrete or asphalt.
 - d. No "hammerhead" turnarounds shall be permitted.
 - e. All streets that are shown on the Lindon City Master Plan shall be developed as public streets according to the size and general location shown on the Lindon City Street Master Plan Map. The Land Use Authority has the authority to require streets in an R2 proposal to connect with other public streets outside the proposed project where such connection is necessary for good traffic circulation in the area.
 - f. All streets in an R2 proposal shall be public streets. However, driveways may be permitted provided that:
 - i. They will not extend to provide service to another property or parcel not included in the project unless there is no reasonable way to access existing parcels contiguous to a private street. However, the Land Use Authority may consider limited connections of additional lot accesses to a driveway on a case-by-case basis to allow for reasonable development of surrounding properties that will compliment the R2-Overlay project and will not cause a burden or hazard from traffic flows on the private driveway. Any additional lots that are approved to access R-2 Overlay project driveways shall meet all standard lot and development requirements applicable to the zone in which the property is located, and could be accessed

and served with utilities as a 'stand alone' lot. Shared access shall only be permitted if it is determined to provide safer access for the additional lots in question and/or provides other reasonable benefits to the surrounding neighborhood and community.

ii. They will not provide access or travel between, or otherwise connect with two (2) or more public streets unless the street or driveway is designed to discourage through traffic.

iii. They are designed and constructed to City Standards and Specifications found within the Development Manual.

iv. They are designated on the final plat as perpetual right-of-way and public utility easements.

v. They shall not be longer than one hundred fifty (150) feet. Driveways longer than one hundred fifty (150) feet shall be dedicated public streets and comply with all City standards for public streets.

vi. Private driveways, private streets, and private utilities will not be maintained and/or serviced by the City.

11. *Common Areas.* Common areas of a development shall be developed according to the plan approved by the Land Use Authority and maintained in accordance with the provisions of this chapter.

12. *Storage Areas and Central Waste Receptacles.* Exterior storage areas available to multiple tenants for the keeping of boats, RVs, or other miscellaneous items, shall be enclosed with a 6' high site obscuring fence. Said storage areas shall only be permitted on the side or rear of the dwelling units. Central waste receptacles shall only be permitted within a trash enclosure which meets standards found in the Development Manual. Trash enclosures shall be located in the side or rear of the dwelling units and must be accessible for garbage trucks. All individual garbage containers shall have the ability to be serviced from a public street.

13. *Architectural Styles and Treatments.* The intent of the architectural styles and treatment requirements is to maintain the single-family residential appearance of R2 multi-family projects and to avoid obvious recognition that the structure is a duplex, twin home, or triplex. R2 project proposals shall be designed according to traditional residential styles which are compatible with other home in the immediate vicinity. The building colors shall be in earth tone(s) (refer to Commercial Design Guidelines for color palate). Unless otherwise existing, the building shall have no more than one front door and garage/carport entrance facing the street frontage or facing the same direction unless in the rear of the building. Corner lots shall have no more than one front door and garage/carport entrance facing each street or side-street frontage unless otherwise existing. (See Table 17.46 A) The applicant shall submit building elevations with details on exterior materials and colors addressing the requirements listed above. (Ord. 2008-12, amended, 2008; Ord. 2008-6, amended, 2008; Ord. 2008-1, amended, 2008; Ord. 2007-14, amended, 2007; Ord. 2005-6, amended, 2005; Ord. 2004-1, amended, 2004; Ord. 2002-18, amended, 2002; Ord. 2000-13, amended, 2000; Ord. 98, amended, 1983)

17.46.100 Accessory Apartments.

This section establishes requirements and regulations regarding accessory apartments.

1. *Purpose Statement.* It is the intent of the R2 Overlay Zone to allow accessory apartments in conjunction with owner occupied single family homes in residential zones, where such single family homes were not approved as part of an R2 Overlay project. The purpose of the accessory apartment provisions are to:
 - a. Provide a mix of housing options that responds to changing family needs and smaller households;
 - b. Offer a means for residents, particularly seniors, single parents, and families with grown children, to remain in their homes and neighborhoods, and obtain extra income, security, companionship, and services;
 - c. Provide a broader range of affordable housing;
 - d. Create new housing units within existing residential zones while respecting the look and scale of single-family dwelling development within Lindon.
2. *General Requirements for all Accessory Apartments.*
 - a. *Location.* Accessory apartments shall be allowed only in conjunction with owner occupied single-family dwellings, but shall not be approved in conjunction with other R2 Overlay projects.
 - b. *Number of Accessory Apartments.* A maximum number of one (1) accessory apartment shall be allowed in conjunction with each owner occupied single family dwelling.
 - c. *Parking.* A single family dwelling with an accessory apartment shall provide at least four total off-street parking stalls (2 for the single-family dwelling and 2 for the accessory apartment). Parking stalls within a garage or carport utilized by the single-family dwelling shall not count toward the two additional required parking stalls for the accessory apartment, or vice versa, unless the garage is sized for more than two vehicles and an accessible route from the garage parking to the accessory apartment can be maintained. No required parking shall be within the front or street-side yard setback. Tandem (end-to-end) parking in a side-yard may be acceptable for the required parking. Parking areas and driveways shall be provided with a dustless, hard surface material such as asphalt, concrete, compacted gravel, masonry, or concrete pavers. A hard surfaced path, sidewalk, or walkway shall be provided from the accessory apartment entrance to the required accessory apartment off-street parking stalls.
 - d. *Size Restrictions.* The size of an accessory apartment shall be at least three hundred (300) square feet and shall not contain more than three (3) bedrooms.
 - e. *Building Code.* All construction and remodeling shall comply with building codes in effect at the time of construction or remodeling.
 - f. *Building Entrances.* A single-family dwelling approved with an accessory apartment shall not have a separate entrance at the front of the building or side of the building facing the street where the sole purpose of the entrance is to provide access to the accessory apartment. Entrances to detached accessory apartments shall also not face a street unless the detached accessory apartment is placed behind the primary residence so that the entrance is not substantially visible from the street. The purpose of this requirement is to preserve the single-family residential appearance of the single-family dwelling and/or the detached accessory apartment.

g. New or existing garages and accessory buildings substantially attached to the main dwelling by covered walkways, covered breeze ways, and covered porches may include an accessory apartment. In such instances, the garage/accessory building shall not be more than a distance of eighteen feet (18') from the main dwelling unit measured linearly between the foundation lines of the two structures, and the apartment may not exceed 60% of the footprint of the primary residence livable floor area, but in no case shall it exceed on thousand two hundred (1,200) square feet of maximum livable floor area.

h. *Apartment address.* The address of the accessory apartment shall be clearly posted so as to be seen from the public street.

i. *Ownership.* An accessory apartment shall not be sold separately, or subdivided from the principal dwelling unit, parcel, or lot.

3. *Additional Requirements for Detached Accessory Apartments.*

a. *Height Restrictions.* Detached accessory apartments are limited to one (1) single- story above grade with a maximum height not to exceed the height of the primary residence or twenty feet (20') high, whichever is less. Building height is determined by averaging the measurements of the four (4) corners of the structure from finished grade to the highest point of the roof structure. The Planning Director and Chief Building Official shall be responsible for designating and identifying the four corners of a structure and determining building height.

b. *Setbacks.* A detached accessory apartment must meet the same setbacks as the primary residence for the underlying zone in which it is located, except that it shall be set back at least 10' further from a front-facing façade of the primary residence which faces a street. Detached accessory apartments on the street- side yard of corner lots are only required to be set back 10' further than the front- facing façade of the primary residence. No additional setback applies to street- side yard areas. See Table 17.46B.

c. *Size limit.* The detached accessory apartment may be attached to or part of other accessory structures, but in no case shall the maximum livable floor area of the detached accessory apartment exceed one thousand (1,000) square feet.

d. *Exterior design.* Architectural features of the detached accessory apartment shall be designed and constructed to be compatible with the character and materials used on the exterior of the primary residence.

e. *Utilities.* Except for sewer service, all public and private utility services to the detached accessory apartment shall be provided through utility lines which service the primary residence. Additional utility meters, utility laterals, or secondary service hook-ups are not permitted except as approved by the Chief Building Official and/or the Public Works Director in cases where options to provide utilities through the primary residence service laterals are not feasible or cause significant hardship to the applicant.

4. *Accessory Apartment Permit.* Any person constructing or causing the construction of a residence that has an accessory apartment or any person remodeling or causing the remodeling of a residence for an accessory apartment, or any person desiring an accessory apartment shall obtain a building permit from the City. Before the permit is issued the applicant shall:

- a. Submit a site plan drawn accurately to scale that shows property lines and dimensions, the location of existing buildings and building entrances, proposed buildings or additions, dimensions from buildings or additions to property lines, and the location of parking stalls.
 - b. Include detailed floor plans drawn to scale with labels on rooms indicating uses or proposed uses and other criteria required by the Chief Building Official.
5. The City shall evaluate the permit and shall approve or deny the application based on the criteria as outlined in LCC [17.46.100](#). If the application meets all requirements, the City shall mail notice to owners of record within 300' of the subject property. This notice shall summarize the nature of the request, give the location of the apartment, list the approval criteria with an indication that the City intends to issue the permit, and inform the property owners that they may request that the accessory apartment application be reviewed by the Planning Commission if they feel that the application does not meet the approval criteria. Any interested party requesting Planning Commission review shall submit a written request to the Planning Commission within fourteen (14) days after the date of the notice received and shall state how the application does not meet the ordinance criteria. If no written request for Planning Commission review is received by the City within 14 days after the date of the notice, the permit for the accessory apartment can be issued.
6. Upon submittal to the Planning Department of a written request for Planning Commission review, the Planning Commission shall hear the item at their next regularly scheduled meeting and shall review the request to determine compliance with the approval criteria as found within LCC [17.46](#). The Planning Commission shall then approve, continue, or deny the application.
7. Upon issuance of the accessory apartment building permit, the applicant shall pay fees in accordance with the currently adopted Lindon City Fee Schedule.
8. *Affidavit and Agreement Requirements.* The following affidavits and agreements shall be required prior to issuance or final approval of a building permit for an accessory apartment:
 - a. The owner of any single-family dwelling requesting an accessory apartment shall sign an affidavit therein stating that the primary dwelling and/or the accessory apartment on the lot or parcel will be owner occupied. This affidavit shall be recorded against the property and run with the land and be binding on future successors of the property; and
 - b. The owner shall provide documentation that the accessory apartment rental rates will meet the "moderate income housing" definition as per Utah State Code. On a form approved by the City, a certification regarding the owner's understanding of the moderate income housing requirements and an agreement to abide by said requirements shall be signed by the owner and recorded against the property and shall run with the land and be binding on future successors of the property.
 - c. The provisions of subsection b. above shall apply to any accessory apartment which was approved by Lindon City after February 1, 2012. (Ord. 2012-2, amended, 2012; Ord. 2008-6, amended, 2008; Ord. 2008-1, amended, 2008; Ord. 2001-10, amended, 2001; Ord. 2000-13, amended, 2000; Ord. 99-22, amended, 2000; Ord. 98-13, amended, 2000)

17.46.110 Second Kitchen Requirements.

1. Single family homes with more than one kitchen shall not be considered to have an accessory apartment (unless specifically approved as such by issuance of a building permit) and shall comply with the following requirements:
2. The home shall have only one address.
3. An interior access shall be maintained to all parts of the home. This requirement is to assure that an accessory apartment is not created. For example, doors between the second kitchen and the remainder of the home shall have no locks or deadbolt mechanisms which could restrict access. Other methods for limiting or restricting access from the second kitchen to the remainder of the home shall also not be permitted. Access to a second kitchen through a garage shall not be considered "interior access."
4. The home shall have no more than one electrical meter.
5. A kitchen shall be defined as a place with permanent food preparation facilities which shall include a stove/ range appliance.
6. The owner of any single-family dwelling requesting a second kitchen shall sign an affidavit on a form prepared by the City, therein stating that the second kitchen area in the dwelling will not be used as a duplex or accessory apartment. Presence of a second kitchen does not constitute approval of a multi-family unit. This affidavit shall be recorded against the property and run with the land and be binding on future successors of the property.

Table 17.46 A. (Sample layouts for R2 Projects in which only one entrance faces the street)

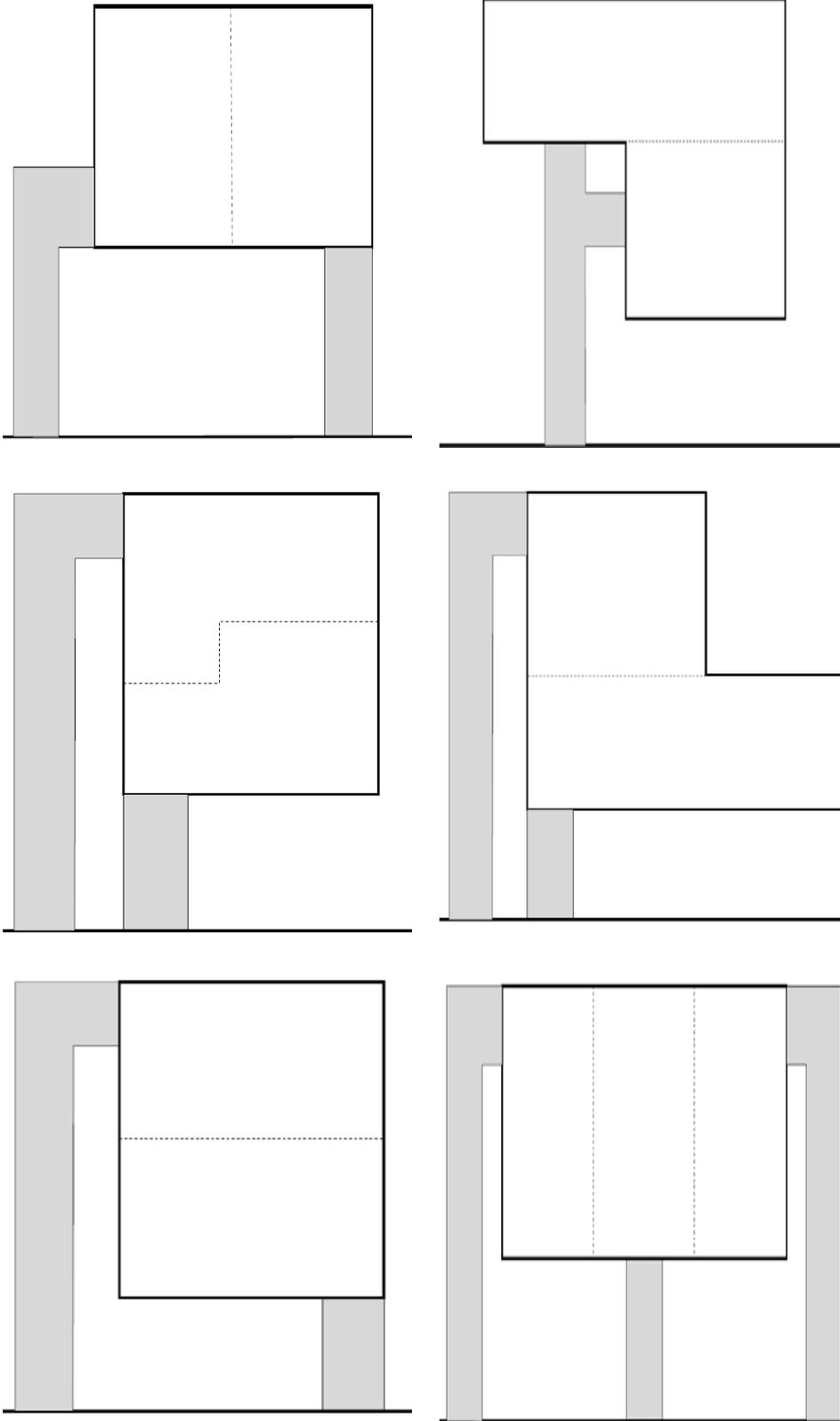
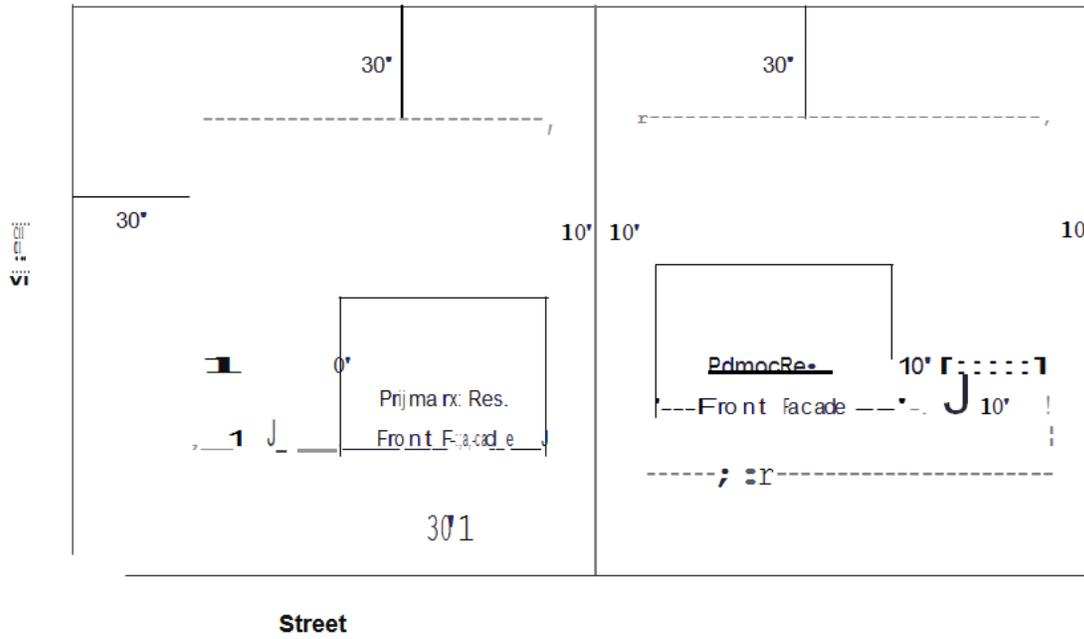


Table 17.46 B. (Typical setbacks for detached accessory apartments)



(Ord. 2012-2, amended, 2012; Ord. 2002-18, amended, 2002; Ord. 2001-10, adopted, 2001)

The Lindon City Code is current through Ordinance 2018-17, passed September 18, 2018.

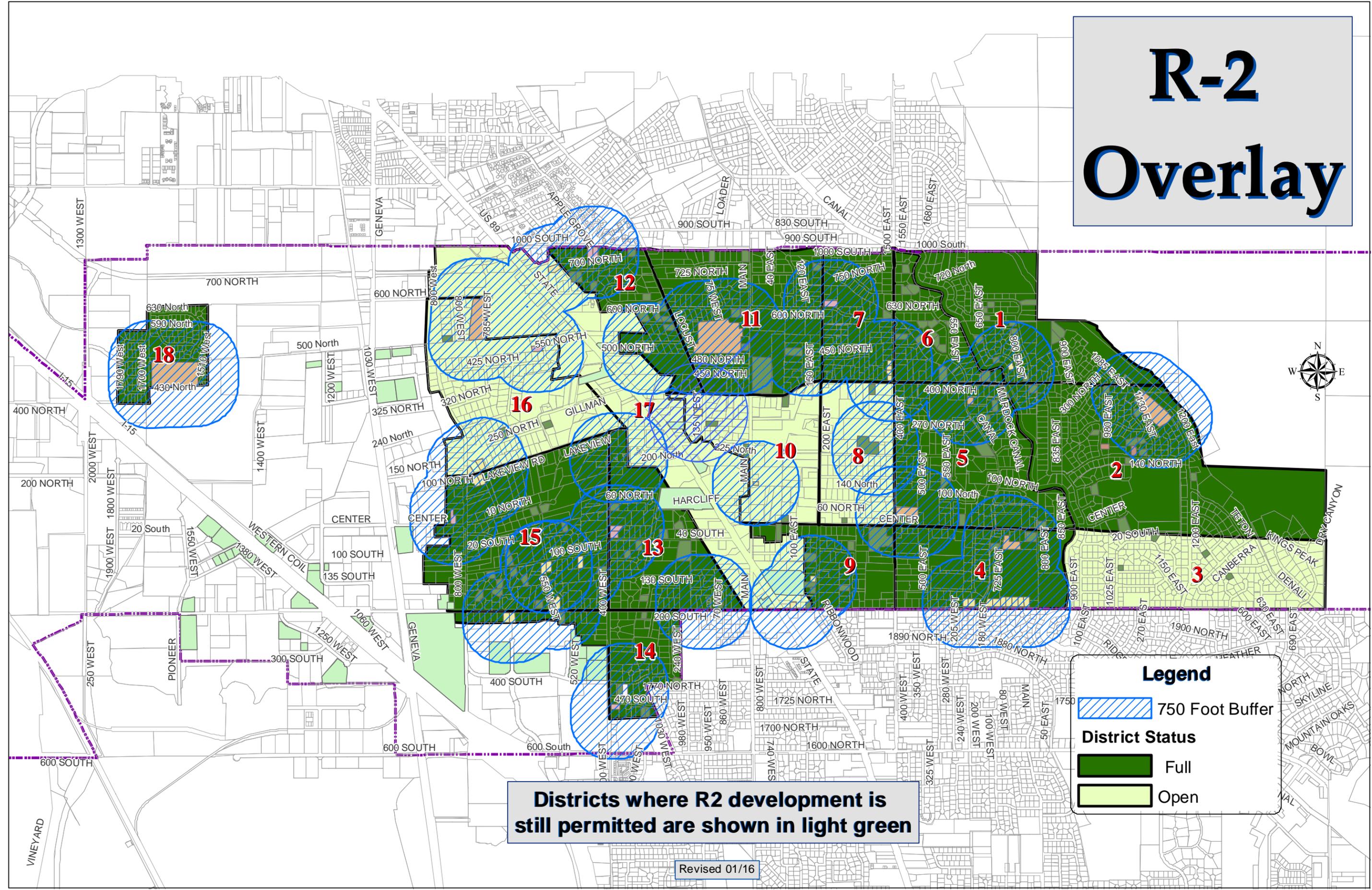
Disclaimer: The city recorder’s office has the official version of the Lindon City Code. Users should contact the city recorder’s office for ordinances passed subsequent to the ordinance cited above.

[City Website: www.lindoncity.org](http://www.lindoncity.org)

City Telephone: (801) 785-5043

[Code Publishing Company](#)

R-2 Overlay



Districts where R2 development is still permitted are shown in light green

Legend

- 750 Foot Buffer
- District Status**
- Full
- Open

Revised 01/16

Resolution 2018-004

(A) Preparing for the Future and Maintaining the Individual Character and Community of Utah's Cities and Towns

(B) We, the members of the Utah League of Cities and Towns, find that:

I. Preparing for the Future (population growth and local role)

Whereas, the population of Utah is set to grow from approximately 3 million to 5.8 million by 2065 (an average increase of 1.3 percent per year)¹ which if mismanaged would impact Utah's quality of life; and

Whereas, while population growth brings economic opportunity, it also brings infrastructure challenges (such as roads, sidewalks, traffic signals, streetlights, drinking water, wastewater, sewer, and more), housing, schooling, and employment needs, and environmental impacts; and

Whereas, the state's increasing urbanization has already resulted in more multifamily housing units built along the Wasatch Front than single family housing units between 2007 and 2017²; and

Whereas, the state's increasing urbanization will require more transportation investment, including for transit, and more coordination between cities, towns, counties, metropolitan planning organizations, the Utah Department of Transportation, and other transportation stakeholders; and

Whereas, ULCT actively endorsed SB 136 (2018), Transportation Governance Amendments, which will incorporate and coordinate local land use planning and economic development potential into state transportation planning and programming; and

Whereas, the residents of Utah's cities and towns elect mayors and council members to be stewards of their communities, exercise local control, and make decisions to both preserve their quality of life and prepare for the future; and

Whereas, according to recent survey data from Y2 Analytics, many residents of Utah's cities and towns are frustrated by the impact of population growth because of the accompanying congestion, traffic, loss of open space, and shifting expectations; and

Whereas, mayors and council members hold some (but not all) keys to prepare for population growth and, as local decisions affect cities and towns statewide, should think regionally as they act locally; and

¹ Utah's Long-Demographic and Economic Projections Summary, Kem C. Gardner Policy Institute, July 2017. Available at <http://gardner.utah.edu/wp-content/uploads/Projections-Brief-Final.pdf>.

² According to Envision Utah data, as reported in the Salt Lake Tribune, July 20, 2018.

Whereas, every city and town must do their part to prepare for population growth, encourage housing affordability, and address affordable housing in their communities.

II. The Housing Gap

Whereas, because of population growth, the 2008 recession and aftermath, Congressional action, lending policies, and the rising cost of housing development, housing supply has not kept pace with household formation since the recession; and

Whereas, per the May 2018 Gardner Business Review report titled “What Rapidly Rising Prices Mean for Housing Affordability” (the “Gardner report”), there was a surplus of housing units compared to households from 1971-2010 of 84,217. However, there has been a shortage of new housing units compared to households between 2011-2017 of 43,000, of which 54% occurred in 2011 and 2012; and

Whereas, the Gardner Institute published in July 2018 that the number of permits for new dwelling units is at the highest level since 2006 and the number of new residential units would match the number of new households in calendar year 2018.

III. Housing Affordability

Whereas, Utah is seeing rapidly increasing housing prices in urban areas because of strong economic growth coupled with population growth; and

Whereas, the Gardner report outlined multiple reasons for the escalating housing costs in Utah, including a severe labor shortage in the construction industry, lack of available land for development, increased material and construction costs, federal trade policy, and local government regulatory costs; and

Whereas, the Gardner report indicated that wages in Utah have not kept pace with housing costs; and

Whereas, the Gardner report did not examine zoning or NIMBYism (“not in my backyard” perspective from nearby residents), but acknowledged they play an unquantifiable role in the cost of housing.

IV. Affordable Housing

Whereas, the Gardner Institute reported in July 2018 that 100,000 Utah households are severely cost burdened by housing; and

Whereas, the Gardner report indicated a household with income below the median has a one in five chance of being severely cost burdened by housing (paying 50% of their income toward housing); and

Whereas, the Gardner report indicated that a household with income above the median only has a one in 130 chance of being severely cost burdened by housing; and

Whereas, the private sector has difficulty producing profitable affordable housing for residents below the area median income without incentives, subsidies, or other assistance.

V. Local Keys and Responsibilities

Whereas, Utah's cities and towns hold some but not all the keys to help address this statewide issue; and

Whereas, local government regulation of housing means ensuring the health, safety, and welfare for current and future residents in the construction of new buildings, connectivity of new development with roads, water, sewer, and other infrastructure, and providing public safety services; and

Whereas, local government regulation of housing means covering the cost of infrastructure that is required to provide essential services to new residents, including water, wastewater, and stormwater systems, roads, municipal power systems, public safety facilities, and parks; and

Whereas, local government is responsible for finding the balance between the costs that current residents bear for infrastructure and services resulting from new growth and the costs that future residents will bear for the new infrastructure and services.

VI. Direct Democracy (Initiatives, Referenda, Referrals, or other Ballot Propositions)

Whereas, the Utah League of Cities and Towns believes that citizens, per Article VI Section 1 of the Utah State Constitution, hold legislative authority essential to the democratic separation of powers; and

Whereas, the current state law on the citizen direct democracy process should be modernized to ensure that it is consistent and clear for petitioners, elected officials, city staff, property owners, and the public; and

Whereas, such modernization should include an adjudication of whether the city action is administrative or legislative at the outset of the referendum process, before petitioners expend time and money gathering the required signatures; and

Whereas, such modernization should clarify that city leaders may explain the action that petitioners desire to be referred and answer questions from residents, among other improvements.

(C) Now, therefore, we the members of the Utah League of Cities and Towns resolve that:

I. Population growth and the housing gap

1. Utah cities and towns will engage with other stakeholders to formulate and consider state initiatives that facilitate the accommodation of population growth, and that enhance flexibility of other revenue tools.
2. Utah cities and towns support expanding the use of accessory dwelling units where appropriate.
3. Utah cities and towns are willing to review zoning ordinances, regulatory ordinances, and processes to facilitate additional housing units (i) where the infrastructure can support them, (ii) particularly near current and future transportation corridors, and (iii) in a manner that preserves local official decision-making.
4. Utah cities and towns support efforts to inform residents about population growth and mitigate the impacts on their quality of life.

II. Housing affordability

1. Utah cities and towns will support federal policies that could ease material and labor costs that impact housing prices.
2. Utah cities and towns support other efforts to reduce costs of housing that are not tied to infrastructure.
3. Utah cities and towns will support state and local efforts to improve wage growth.

III. Affordable housing

1. Utah cities and towns commit to examining their current housing stock by complying with HB 259 (2018) Moderate Income Housing Amendments to incorporate moderate income housing into their general plans.
2. Utah cities and towns will support state financial support and other incentives such as inclusionary zoning in certain areas to preserve or create affordable housing.

IV. Direct democracy

1. Utah cities and towns support the modernization of the direct democracy process in a way that protects the legislative authority of cities and their residents and ensures clarity, consistency, transparency, and fairness for all.

(D) We, the members of the Utah League of Cities and Towns, further resolve that:

I. Legislative authority:

1. Utah cities and towns will oppose any state legislative effort to erode traditional local legislative authority over planning and zoning decisions, as previously established in ULCT Resolution 2007-1.
2. Utah cities and towns will oppose any state efforts to penalize municipal leaders for land use decisions.
3. Utah cities and towns will oppose any state legislative efforts to reduce the local legislative authority of city councils or of the people themselves per Article VI of the Utah State Constitution.

II. Revenues and planning for infrastructure and services:

1. Utah cities and towns will oppose any state efforts to restrict the municipal ability or reduce existing municipal revenues to fund infrastructure needs and public services.
2. Utah cities and towns will oppose any state efforts to disproportionately shift the burden of paying for necessary infrastructure because of new development from future residents to current residents.
3. Utah cities and towns will engage with the other stakeholders to formulate and consider state initiatives for funding (i) the acquisition and development of transportation corridors of regional significance, and (ii) other infrastructure needs, which can accommodate future residential, commercial and retail growth so long as such initiatives preserve local official decision-making.

III. General:

1. ULCT will oppose state legislative efforts that violate principles of local authority, create an unfunded mandate, enforce a one-size-fits-all approach, or promote a “solution” in search of a problem.

Submitted by:

The ULCT Board of Directors

September 11, 2018

9. Action Item — Employee Merit Increases*(5 minutes)*

In the FY2019 budget the City Council previously approved a 0.9% merit increase and a 1.0% one-time lump sum payment for employees (based upon year-end employee performance evaluation scores). The merit increase and one-time payment will be effective January 1, 2019. Per past practice, the City evaluates mid-fiscal year budget constraints and economic indicators to determine if recommended merit increases are still financially prudent. Given a healthy economic outlook, strong revenues, and healthy General Fund reserves the City Administration recommends the payments be applied as approved in the FY2019 budget.

City Administration recommends the Council authorize employee merit pay per the previously approved FY2019 budget.

See attached memo from Kristen Colson, Finance Director.

Sample Motion: I move to (authorize, modify, deny) employee merit pay per the approved FY2019 budget.



M E M O R A N D U M

To: Mayor Acerson and City Council Members
 From: Kristen Colson
 Date: November 30, 2018
Re: Recommendation for Employee Merit Increases

The 2018 -2019 Lindon City Budget included funding a 2.1% Cost of Living Allowance (COLA) increase effective July 1, 2018 and a 1.9% merit increase effective January 1, 2019. The City Council asked that the merit increase be reevaluated upon the completion of the 2017-2018 fiscal year audit when we could evaluate our June 30, 2018 financial situation and ascertain if economic trends would continue as anticipated.

Lindon City’s June 30, 2018 Financial Situation

The 2017-2018 fiscal year audited financial statements shows revenue exceeding expenses by \$54,878 in the General Fund. The General Fund reserves are healthy with a fund balance of \$2,503,966.

Economic Trends

Indications show that the economy is stable. Lindon City’s sales tax revenue is expected to meet our projections. According to the U.S. Department of Labor, the Consumer Price Index (CPI) has increased 2.5% from October 2017 to October 2018. The Utah Department of Workforce Services (DWS) reported a 3.2% increase in employment statewide and 3.9% in Utah County. The statewide unemployment rate is 3.2% and the unemployment rate in Utah County is 2.8%.

Recommendation for Merit Increase

In light of these financial indicators, I recommend that the City Council approve a merit increase for city employees. The merit increase would only be for employees who qualify through their performance evaluations and would be a maximum of a one-step increase on the wage schedule. **For employees that are not on a step, but in the mid-high range, the increase would be at most a 0.9% increase on wage and a one-time payout of 1%. Employees at the high point of their range on the wage schedule would receive a one-time payout of up to 1.9%.** The increase would be effective January 1, 2019. The maximum fiscal impact of the merit increase on both wages and benefits is listed in the table to the right.

<u>Fund</u>	<u>Cost of Merit Increase</u>
General Fund	\$49,846
Water Fund	3,872
Sewer Fund	2,817
Storm Water Fund	1,415
Recreation Fund	3,317
Total	<u><u>\$61,266</u></u>

10. Public Hearing — Ordinance Change; Lindon City Code 13.12; Ord. #2018-18-O (5 minutes)

This item was advertised for this meeting but is not ready for discussion and will be continued to the December 18, 2018 Council meeting.

The Lindon City Council will review and consider Ordinance #2018-18-O amending sections of LCC 13.12 'Administration of Water and Sewer Service' regarding utility service agreements and billing policies.

Sample Motion: I move to continue this public hearing to the December 18, 2018 Council meeting.

II. Public Hearing — FY2018-19 Fee Schedule Amendment; Res. # 2018-25-R (5 minutes)

This item was advertised for this meeting but is not ready for discussion and will be continued to the December 18, 2018 Council meeting.

The Lindon City Council will review and consider Resolution #2018-25-R amending sections of the FY2018-19 fee schedule for utility services billed to accessory apartments and multi-tenant residential facilities, with review of updated utility billing policies.

Sample Motion: I move to continue this public hearing to the December 18, 2018 Council meeting.

12. Council Reports:

- A) MAG, COG, UIA, Utah Lake Commission, ULCT, NUVAS, IHC Outreach, Budget Committee
- B) Public Works, Irrigation/water, City Buildings
- C) Planning, BD of Adjustments, General Plan, Budget Committee
- D) Parks & Recreation, Trails, Tree Board, Cemetery
- E) Public Safety, Court, Lindon Days, Transfer Station/Solid Waste
- F) Admin., Community Center, Historic Comm., PG/Lindon Chamber, Budget Committee

(20 minutes)

- Jeff Acerson
- Van Broderick
- Matt Bean
- Carolyn Lundberg
- Daril Magleby
- Jacob Hoyt

I3. Administrator's Report

(10 minutes)

Misc Updates:

- December City newsletter: https://media.rainpos.com/442/december18final_20181130163634.pdf
- January newsletter article: **Carolyn Lundberg** - Article due to Kathy before Christmas holiday.
- FYI – sewer back-up occurred on night of Nov 29th along Gillman Lane. Sewage backed up into basement of Kevin & Lisa Gillman's home. They're working with a disaster restoration company and our insurance. Blockage was cleared that night. Main lines still being investigated / TV'd, but assumed at this point to have been large paper/grease clog in main line on Gillman Ln.
- Possible RDA tax increment incentives for pending development
- Thank you to Mayor and Storm Water employees at PW for picking up thousands of leaf bags from residential properties
- Misc. Items:

Upcoming Meetings & Events:

- Dec. 3rd @ 6:30pm – Tree Lighting Ceremony @ Community Center
- Dec 10th through January 7th: advertise Councilmember vacancy. Applications due Jan 7th at 5pm. Interview & select new Councilmember on January 15th.
- Dec 12 at 6:00pm - Employee Christmas party at Community Center
- Dec 21st Closed at Noon
- Dec 24th-25th – City offices closed for Christmas holiday.
- Tuesday, January 1st – City offices closed for New Year's holiday. No Council meeting.
- Jan. 2nd through Jan. 13th – dumpster available at Aquatics Center parking lot for Christmas tree disposal

Adjourn