

**ELK RIDGE
CITY COUNCIL MEETING
June 22, 2010**

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5 TIME & PLACE
6 OF MEETING

This Regularly Scheduled Meeting of the Elk Ridge City Council, was scheduled for **Tuesday, June 22, 2010, at 7:00 PM**; this was preceded by two Public Hearings on the following: the **first Public Hearing at 6:00 PM** was on the proposed adoption of the 2010 Tax Rate & the Final Approved Budget for the 2010/2011 fiscal year. The **second Public Hearing, scheduled for 6:15 PM**, was on the proposed adoption of the Final Amended Budget for 2009/2010.

There was a **City Council Work Session scheduled for 6:30 PM**.

The meetings were held at the Elk Ridge City Hall, 80 East Park Drive, Elk Ridge, Utah.

Notice of the time, place and Agenda of these Meetings were provided to the Payson Chronicle, 145 E Utah Ave, Payson, UT, and to the members of the Governing Body, on June 18, 2010.

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16 **6:00 PM –**

PUBLIC HEARING – TAX RATE FOR 2010 & FINAL APPROVED BUDGET FOR 2010/2011

Public Hearing/to consider Tax Rate for the 2010 Tax Year and the Final Approved 2010/2011 Budget for the operation of Elk Ridge City

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18
19
20 ROLL

Mayor: Kenneth O. Lutes; City Council: Julie Haskell, Sean Roylance, Weston Youd (Present Electronically), Erin Clawson, Derrek Johnson (Absent from Public Hearing); City Planner: Shawn Eliot; Building Official: Corbett Stephens; Sheriff: Deputy Butters; Public: Josh Adamson; and the City Recorder: Janice H. Davis

Mayor Lutes opened the Public Hearing at 6:00 PM.

(Council Member Youd was connected to the Meeting electronically via Council Member Roylance's lap top.)

Discussion:

(There were no citizens present for the Public Hearing.)

The City Recorder briefly reviewed the memo prepared for the Council; which was included in their Council packets:

"Tax Rate for 2010 & 2010/2011 Budget:

The State has a new tax spread sheet this year, with calculated figures; rather than the County faxing out forms to the various cities and towns...which then have to be filled out and sent back in. I spoke to the Tax Commission regarding the notice we received about a one-time "Redemption" or adjustment to figure into property tax calculations. I was seeking understanding about the redemption; I also contacted Cary McConnell (Utah County Auditor's Office) and Curtis Roberts with the same question.

Explanation:

The redemption is a five-year average based on the difference between valuations and the actual amount collected.

- The "Certified" Tax Rate is based on the assumption that there will be 100% collection and that the payments will be on time.*
- The Legislature (State Government) realizes that entities cannot set fees based on 100% collection; because that does not occur. The average collection rate in Utah County is about 90%. Since people are allowed up to 5 years to pay property taxes, many tend to not pay...or pay years later than the due date.*
- Many complaints were being registered with the State and Counties regarding short-falls in budgets due to non-payment of property taxes and the method used to calculate the tax rates.*
- Even though some of this property tax was not being collected, it was still budgeted for and not received.*
- The Legislature decided to adjust the rate this year to allow for cities and towns to collect an average of this "redemption" money.*
- Anything collected after the due date is considered "redemption" money...and acts as a sort of "final settlement".*

One comment made by Mr. McConnell (Utah County) was that he does not like the term "certified tax rate"...it tends to make Councils and citizens feel that they are tied to this number...he added that the figures are not "blessed"...and that he would prefer a term of "Calculated" Tax Rate, instead.

Curtis Roberts added that the argument for lower taxes is that eventually we will get the money...the problem is that expenses are incurred in the present and it could be years before the tax is paid and disbursed to the appropriate entities.

This redemption money is money budgeted for and not received...it is tax money that should be going to the taxing entities. As Mr. McConnell said, "Why would you want to leave it on the table?"

The 2010/2011 Budget is based on this redemption; if that is not acceptable, then I will adjust the property tax."

- The Recorder explained the format of the budget and the relationship between the final Amended Budget for the current fiscal year and the Approved budget for 2010/2011.*
- Explanation of the budget process throughout the fiscal year: the only reports sent in to the State are the original "Approved" Budget and the Audit Report...all amended budgets are for the benefit of the Council, allowing them to track the City's finances.*
- Fund Balance: The General Fund, with the Tax Rate that includes the "redemption" from the state, should have a fund balance of approximately \$95,000.*

The General Fund is at about 1.7 million dollars; however, over \$600,000 of that is from the Sales Tax Bond transferring into the General Fund and then transferring back out on the payback. The General Fund is really about where it was at the end of the last fiscal year...about 1.1 million dollars. There will not be much change in the 2010/2011 fiscal year.

- The City was awarded an "Energy" Grant: Replace light fixtures and heating units in the City Hall (\$22,000) for the 2010/2011 year.
- It was decided to allow \$2,000 for "weed Control" for 2010/2011.

There were no further comments.

Mayor Lutes closed the Public Hearing at 6:15 PM.

6:15 PM –

PUBLIC HEARING – PROPOSED FINAL AMENDED BUDGET FOR 2009/2010

Public Hearing/to consider adoption of the Final Amended 2009/2010 Budget for the operation of Elk Ridge City

ROLL

Mayor: Kenneth O. Lutes; City Council: Julie Haskell, Sean Roylance, Weston Youd (Present Electronically), Erin Clawson, Derrek Johnson (Absent from Public Hearing); City Planner: Shawn Eliot; Building Official: Corbett Stephens; Sheriff: Deputy Butters; Public: Josh Adamson; and the City Recorder: Janice H. Davis

(Both the 2009/2010 and the 2010/2011 Budgets were discussed jointly in the previous Public Hearing; with emphasis on the 2010/2011 Budget.)

Most of the Final Amended Budget is a review of the year-to-date "actual" figures and adjusting the budget to more closely match those actuals.

- Fund Balance (General Fund): It appears that there will be a transfer into the *Capital Projects – Future Improvements Fund* of just over \$34,000 to balance the budget.
- Explanation of the format for the Final Amended Budget

The Recorder reminded the Council to include in the motion to adopt (Regular Session) the statement to allow the fund balance in the General Fund to be adjusted to 15% by the City's Finance Director, in preparation for the annual audit. (*Explanation of the percentage allowed for fund balance in the General Fund*)

There were no further comments.

Mayor Lutes closed the Public Hearing at 6:35 PM.

22:02

6:35 PM -

CITY COUNCIL WORK SESSION AGENDA ITEMS:

ROLL

Mayor: Kenneth O. Lutes; City Council: Julie Haskell, Sean Roylance, Weston Youd (Present Electronically), Erin Clawson, Derrek Johnson; City Planner: Shawn Eliot; Building Official: Corbett Stephens; Sheriff: Deputy Butters; Public: Josh Adamson; and the City Recorder: Janice H. Davis

SANITATION DISCUSSION

Mayor Lutes asked Council Member Roylance if he had reviewed the figures provided by the City's Finance Director, Curtis Roberts; this was proposed at the last Council Meeting. The discussion is to continue to be placed on each Council Agenda to allow for new information and further discussion.

Sean Roylance: He looked at the spread sheets enough to still wonder why the Finance Director gave such a favorable recommendation to the prospect of the City entering into the garbage business. Partially due to an illness, he did not have a chance to actually call Mr. Roberts regarding his concerns. He would like a chance to contact him and discuss these figures with him.

*The Recorder is to place this item on the Agenda for the next Council Meeting.

He had a question regarding the required distance any housing of garbage equipment would have to be from residential housing. The City does not have an "Industrial" zone; so he wondered about any necessary "buffer".

Shawn Eliot: He commented that those types of facilities creating unpleasant smells are almost always located a distance away from people's residents.

Mayor Lutes: He pointed out that most cities have numerous trucks; Elk Ridge is only considering one truck.

26:48

(Council Member Johnson was not yet present at the Meeting; so his agenda items were postponed until later in the Meeting.)

WEED ABATEMENT LETTERS

Mayor Lutes: He reported that letters requiring weed abatement had been sent out to affected residents (about 95 letters were sent out).

City Recorder: Property owners have called requesting names of individuals or companies to contact to do the work. There are a couple of individuals in the City willing to do the work of clearing weeds; that arrangement would be between the property owners and whomever they contract with.

As mentioned in the Public Hearing, \$2,000 was added for "Weed Abatement" in the appropriate account for the 2010/2011 Budget. That adjustment was to be included in the adopting motion.

Mayor Lutes: The City is going to borrow Woodland Hills' tractor for the purpose of cutting down weeds on the City's road rights-of-way.

36:14

WILD FIRE INTERFACE ISSUE

Julie Haskell: Chief Waite had not contacted Council Member Haskell regarding the email sent out by Council Member Youd regarding an email sent out by the Utah League of Cities & Towns concerned with communities with "wildland" boundaries. Council Member Youd forwarded this email to the Council and staff at the City.

The Fire Chief had been out of town and was to contact Council Member Haskell upon his return. The concern is the possibility of affected cities and towns having to participate in the cost of fires started in wildland and that spread to cities; or that start in cities and spread to wildlands. As the email stated, "Most counties pay the State of Utah \$250,000 per year as an insurance type premium as their contribution toward suppression." The League feels that "city inclusion must be accompanied by each city's ability to pay into a fund (a premium if you will) a set amount each year, and would then not be billed for any further costs". The "alternative to this 'premium' arrangement would be that the city would cover 1/2 the cost of a wildland fire within its boundaries(this could be very expensive)." The bill has been postponed to determine what a "fair cost" would be. The League would like input from the cities as to what is considered a "fair cost".
City Recorder: She met with Chief Waite on the budget and they briefly spoke of the Chief's concern over this proposed bill. It could be cost prohibitive to Elk Ridge. He will track this bill and keep the Council informed. Chief Waite pointed out that the Elk Ridge brush fire required one airplane drop, covered by the Forestry at a cost of about \$100,000. It is not know the cost of the helicopter drops.
Erin Clawson: She expressed concern that the City could be partially responsible for a fire located in an area other than Elk Ridge. How would that affect the City and the availability of fire fighters left in our own Community?
**Mayor Lutes questioned what kind of coverage exists for the Fire Dept. with "death & dismemberment". This needs to be checked into.*
(Council Member Youd was temporarily out of touch electronically; so he was not available for comment.)

41:36
(Brief Break to vote)
43:19

PLAYGROUND
EQUIPMENT

Derrek Johnson (Now present) There was not a lot to update; except that the cost to replace the burned portion is just under \$19,000. The equipment was not listed on the insurance and they will not cover the replacement. It has been added to the insurance at this point. The decision must be made whether to replace it, to leave it as is or to upgrade it.
City Recorder: \$25,000 was budgeted in the 2010/2011 budget for replacement plus a security system. Park Impact Fees could be used for this; the Council would need to designate this.
Erin Clawson: She feels the citizens will be in favor of replacement; particularly the children.
Derrek Johnson: He suggested getting lighting as well as security cameras in the area prior to any plans to replace the equipment. Vandalism and destructive mischief are prevalent and there should be some security measures taken.
Pavilion Restrooms:
Weston Youd: There have been requests to leave the Pavilion restrooms open during business hours for those using the Park and Pavilion areas.
Derrek Johnson: The reason the restrooms are kept locked is due to vandalism that has occurred to the inside of the restrooms, including the fixtures.
City Recorder: In the past, keys were given to the referees of the various sports; but they are young people and the tendency was to lose the keys or not get them back to the City.

48:41
CITY CELEBRATION

Derrek Johnson: He reported that the City Celebration was on track and ready to go. He could not locate anyone to over-see the 10K Run; but the 1 Mile Run was still on.

49:34

Mayor Lutes closed the Work Session at 7:00 PM.

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7:00 PM -

CITY COUNCIL MEETING – REGULAR SESSION AGENDA ITEMS

ROLL

Mayor: Kenneth O. Lutes; *City Council:* Julie Haskell, Sean Roylance, Weston Youd (Present Electronically), Erin Clawson, Derrek Johnson; *City Planner:* Shawn Eliot; *Building Official:* Corbett Stephens; *Sheriff:* Deputy Butters; *Public:* Josh Adamson; and the *City Recorder:* Janice H. Davis

OPENING REMARKS
& PLEDGE OF
ALLEGIANCE

An invocation was offered by Jan Davis; and Deputy Butters led those present in the Pledge of Allegiance, for those willing to participate.

1 52:27
2
3 AGENDA TIME The City Council Meeting started on time; at 7:00 PM.
4 FRAME
5
6 PUBLIC FORUM No one was present to address the Council.
7
8 FINAL AMENDED There was no further discussion.
9 BUDGET FOR **SEAN ROYLANCE MOVED, SECONDED BY JULIE HASKELL, TO ADOPT THE FINAL AMENDED**
10 2009/2010 **BUDGET FOR 2009/2010; ALLOWING THE FINANCE DIRECTOR TO BALANCE THE FUND BALANCE IN**
11 **THE GENERAL FUND TO 15% OF THE TOTAL GENERAL FUND BUDGET**
12 **VOTE: YES (5) NO (0)**
13 54:33
14 2010 TAX RATE The City Recorder was asked to summarize briefly the issues regarding the "calculated tax rate" and the tax
15 rate with the "redemption" added to it. She mentioned that Salem City's Council approved the tax rate with the
16 redemption.
17 Sean Roylance: He questioned if the "redemption" was to "make up for people who did not pay their taxes"?
18 (Yes.)
19 *Taxes would go up roughly \$25/household with the "redemption".*
20 Shawn Eliot: Mr. Eliot was contacted by the County regarding "greenbelt taxes"; there is an aggressive effort to
21 get properties out of the "greenbelt" status if the property does not qualify. A lot of land south of Elk Ridge that
22 is currently in "greenbelt" will be removed. Property owners will be paying increased taxes; that could be
23 retroactive five years. There are many owners contesting this action.
24 Mr. Eliot explained the difference between actual "greenbelt" status and the small strips of land surrounding
25 some subdivisions in the City that most consider "greenbelt": this second classification is not actually
26 "greenbelt"...it is land that was originally intended to be open space and trails installed in conjunction with
27 many of the plats. There are certain criteria to have land classified as "greenbelt" for tax purposes; one of
28 those is that there must be at least 5.25 acres.
29 Much of the land that has been included in the proposed Elk Haven Subdivisions south of the City is involved
30 in this process of reclassification.
31 City Recorder: The two figures that will affect the 2010/2011 Budget:
32 - Property Tax (reflects tax rate adopted)
33 - \$2,000 is to be added to "Weed Abatement" in the General Fund
34 1:08:07 **JULIE HASKELL MOVED TO ADOPT THE CERTIFIED TAX RATE OF .002494 FOR THE 2010 TAX YEAR**
35 *Discussion:*
36 Mayor Lutes: He wanted clarification that Council Member Haskell understood that adopting the
37 "certified" rate also lowers the budget for property tax.
38 Julie Haskell: She understood and her motion stood as expressed.
39 **SECONDED BY SEAN ROYLANCE**
40 **VOTE (POLL): WESTON YOUD-AYE, SEAN ROYLANCE-AYE, JULIE HASKELL-AYE (3)**
41 **NAY (2) DERREK JOHNSON & ERIN CLAWSON**
42 *Passed 3-2*
43 1:09:52
44 2010-2011 APPROVED **DERREK JOHNSON MOVED, SECONDED BY ERIN CLAWSON, TO ADOPT THE 2010-2011 FISCAL**
45 BUDGET – ADOPTION **YEAR BUDGET; AS PRESENTED, WITH THE FOLLOWING ADJUSTMENTS:**
46 **- PROPERTY TAX AMOUNT WILL REFLECT THE ADOPTED TAX RATE**
47 **- ADDITION OF \$2,000 TO "WEED ABATEMENT" IN THE GENERAL FUND**
48 **VOTE (POLL): WESTON YOUD-AYE, SEAN ROYLANCE-AYE, DERREK JOHNSON-AYE, JULIE**
49 **HASKELL-AYE, ERIN CLAWSON-AYE (5) NO (0)**
50 *Passed 5-0*
51 1:10:58
52 ACTION ON WORK No action at this time.
53 SESSION ITEMS
54 1:11:29
55 EXPENDITURES: General: None
56 1:12:10
57 CITY COUNCIL *A. City Council Meeting 5-25-10:*
58 MINUTES **ERIN CLAWSON MOVED, SECONDED BY DERREK JOHNSON, TO APPROVE THE CITY COUNCIL**
59 **MINUTES OF 5-25-2010**
60 **VOTE: YES (5) NO (0)**
61
62 ADJOURNMENT At 7:16 PM, the Mayor adjourned the Meeting.
63
64
65
66

City Recorder