

PUBLIC HEARING AND CITY COUNCIL MEETING
Tuesday, June 7, 2011 7:00 p.m.
Public Safety Building
3925 W Cedar Hills Drive, Cedar Hills, Utah

Present: Mayor Eric Richardson, Presiding
Council Members: Stephanie Martinez, Ken Kirk, Scott Jackman, Jim Perry, Marisa Wright
David Bunker, City Engineer
Kim Holindrake, City Recorder
Greg Robinson, Assistant City Manager
Rebecca Tehero, Finance Director
Courtney Hammond, City Meeting Transcriber
Lt. Sam Liddiard, Police Department
Other: Jerry Dearing, Marilyn Dearing, Diane Kirk, Cliff Chandler, Zonda Perry, Brent Uibel, Harlow Clark (Timpanogos Times)

COUNCIL MEETING

1. This meeting of to the City Council of the City of Cedar Hills, having been properly noticed, was called to order at 7:20 p.m. by Mayor Richardson.

Invocation given by C. Jackman

Pledge of Allegiance led by C. Martinez

2. Public Comment (7:25 p.m.)

Marilyn Dearing: Ms. Dearing stated that she likes each member of the Council, but she is on the opposite side of the recreation center issue. People are excited that the City is finally getting a recreation center but are disappointed when they see the plans, because they look at it as a golf course clubhouse. There is no basketball court, track, swimming pool, or any other type of recreation. She is disappointed that residents can't come together on this issue. Home values have dropped. Golf courses are losing money. She can't believe more money is being put into golf. People are angry. It is causing contention. She feels the Council was deceitful in calling this a recreation center and that funds were misappropriated for this recreation center. She appreciated that C. Jackman expressed discomfort in using swimming pool funds for the center. She would like to see a picture of the proposed facility in the next newsletter and suggested the Council host a town hall meeting on the issue.

Jerry Dearing: Mr. Dearing commented that the budget anticipates that the recreation center, which is supposed to be self-funded, will have a deficit of \$200,000 the first year.

Diane Kirk: Ms. Kirk stated that she does not feel the City Council has been deceitful. They have debated this issue and considered every option. The funding for the Community Recreation Center will not be taken out of taxpayers dollars, but paid with funds restricted for recreation. The City Council was elected to make these types of decisions. The citizens opposed to this recreation center will cost the City money through initiatives, petitions, attorney fees, and possible delays in construction fees. A cause that is more important and would warrant resident input would be to fight Highland's effort to not staff the Cedar Hills public safety building.

PUBLIC HEARINGS

3. Amendments to the Fiscal Year 2011 Budget (July 1, 2010 to June 30, 2011) (7:38 p.m.)

No comments.

CONSENT AGENDA

4. Minutes from the May 17, 2011, Public Hearing and Regular City Council Meeting (7:38 p.m.)

MOTION: C. Jackman - To approve the consent agenda as amended. Seconded by C. Martinez.

Yes - C. Jackman
C. Kirk
C. Martinez
C. Perry
C. Wright Motion passes.

SCHEDULED ITEMS

5. Review/Action on a Memorandum of Understanding Regarding the Dissolution of Manila Water Company (7:39 p.m.)

See handouts.

Staff Presentation:

David Bunker stated that Manila Water Company (Manila) is a private company that provides water to southern Cedar Hills and northern Pleasant Grove. The City has worked with Manila and Pleasant Grove City for years to come to agreement where Manila would dissolve. The Pleasant Grove City Engineer prepared a memo of understanding between Cedar Hills and Pleasant Grove to facilitate dissolution of Manila. The memo of understanding is just a document stating that both cities agree to take steps to enable Manila to dissolve. Because Manila is a public utility, state approval is required. This document is needed as part of the state approval process. Manila's cash assets today are around \$300,000. Pleasant Grove has been managing the system since 1999. In the past 2 - 4 years, Cedar Hills has worked well with Pleasant Grove. David would like to move forward. There are other details and asset allocations that can possibly be worked out. The Cedar Hills and Manila systems are interconnected. The valves are shut, but they are connected.

Council Discussion:

- C. Perry stated that before he was on City Council, this was an issue. Manila wanted to dissolve then. The problem was how to equitably dissolve the assets between Cedar Hills and Pleasant Grove. At the time the proposal was so lopsided, that Cedar Hills sought an injunction to stop the proposed action. Now Pleasant Grove has essentially taken over Manila because Manila didn't have the proper certification. The cash assets are almost gone, primarily in upgrades to the Pleasant Grove portion of the system. Now the proposal gives Cedar Hills a small amount of the assets. The cash is gone, and the only question left is if the City is willing to have the residents of Cedar Hills potentially subsidize the cost of water for others. He does not feel like this is a step forward from where it was years ago. It is worse because now the cash is gone.
- Mayor Richardson stated that this is a divisive issue. The parties need to figure out how to move forward. Cedar Hills' policy is to provide services to all its residents, and not provide to those that do not reside in the city boundaries. He would like to find a way to move forward. This may not be the allocation that Cedar Hills agrees with, but it would be worse to not move forward on this issue. The interlocal agreement will cover all the specifics. There will likely be a net cost to the City for upgrading the system so that Cedar Hills can use it. The allocations are based on the number of residents. The large majority of residences on Manila are in Pleasant Grove. Cedar Hills has no need for the tanks or wells but does have interest in the pipes to houses.
- C. Jackman stated that if the net costs are equitable, that's fine. But if the cash assets have been

spent upgrading the Pleasant Grove portion of the system and there are now no required upgrades in their portion, that seems inequitable.

- C. Kirk stated that this dissolution has been in the works for many years. The cities need to start somewhere for this dissolution. It will be a difficult task, but this memo is the first step.

MOTION: C. Wright - To approve, by resolution, the Memorandum of Understanding with the City of Pleasant Grove concerning the dissolution of the Manila Water System and instructing staff to create an initial draft copy of an Interlocal Agreement to be brought back to City Council for approval prior to December 31, 2011. Resolution No. 6-7-2011A. Seconded by C. Martinez.

AMEND MOTION: C. Kirk - To change the last portion to read “instructing staff to create an initial draft copy of an Interlocal Agreement to be brought back to City Council to be approved by December 31, 2011. Accepted by C. Wright and seconded by C. Martinez.

Further Discussion:

- C. Perry stated that he feels this is a travesty that has been perpetrated on Cedar Hills for more than a decade.

Vote taken by roll call.

Yes	-	C. Kirk	
		C. Martinez	
		C. Wright	
No	-	C. Jackman	
		C. Perry	Motion passes.

6. Review/Presentation of Financial Statements (8:26 p.m.)

See handouts.

MOTION: C. Perry - To defer the item until the next meeting so we have time to review it before we discuss it. Seconded by C. Jackman.

Yes	-	C. Jackman	
		C. Kirk	
		C. Martinez	
		C. Perry	
		C. Wright	Motion passes.

MOTION: C. Jackman - To move item 8 before item 7. Seconded by C. Martinez.

Yes	-	C. Jackman	
		C. Kirk	
		C. Martinez	
		C. Perry	
		C. Wright	Motion passes.

8. Review/Action on Amendments to the Fiscal Year 2011 Budget (July 1, 2010 to June 30, 2011) (8:30 p.m.)

See handouts.

Staff Presentation:

Rebecca Tehero stated that recreation programs expenditures and revenues were increased because recreation programs were expanded. Fire and Paramedic Service was increased because of expanded service, which will be paid with property taxes. There is an increase in the Family Festival budget to purchase an outdoor movie screen, including projector, sound system, and inflatable screen. This will save money over time and will allow the City to expand recreation services by screening summer movies. It will be paid for through recreation programs revenue and franchise taxes. The screen will last about 10 years. The Public Works basement was finished at the price of \$35,000 and is proposed to be paid for out of the fund balance. It allowed staff to be moved into the Public Works Building and for the Public Safety Building to be used for public safety. The Community Recreation Center impact fees (\$2,500,000) will be transferred from the Capital Improvements fund to the Community Recreation Funds. The Sunset Room was sold. It had a 10-year useful life, and the depreciation had to be written off at \$33,000. Water utilities and sewer funds had to be increased and will be paid for by the new sewer and water rates.

Council Discussion:

- C. Perry stated that he would prefer to defer the outdoor movie screen until more information and analysis is available.
- C. Jackman requested that the final, approved versions of the Community Recreation Center be put on the website with an address link in the newsletter.
- C. Wright stated that she would like to discuss the budget for finishing the basement in the Community Recreation Center.

MOTION: C. Perry - To approve Resolution No. 6-7-2011B, a resolution adopting the amended 2010-2011 fiscal year budget for the City of Cedar Hills, Utah as presented except for the items dealing with the outdoor movie screen. Seconded by C. Martinez. Vote taken by roll call.

Yes	-	C. Jackman	
		C. Kirk	
		C. Martinez	
		C. Perry	
		C. Wright	Motion passes.

7. Review/Action on Resolution Adopting Fees (8:56 p.m.)

See handouts.

Staff Presentation:

Rebecca Tehero stated that there are two fee increases to cover the EPA mandates regarding storm water and public safety expenditures. The paramedic fee increased \$4.00 to \$5.95 per month, and the storm drain fee increased \$1 to \$7.25 a month. The 2012 budget assumes these fee increases are approved.

Council Discussion:

- C. Perry stated that there has been a shift in thinking in the Lone Peak Public Safety District from thinking of the District as a whole, to thinking of the benefits to each individual city. The service will be provided by the nearest station, whether the first responders need to cross city boundaries or not. Service levels are not drawn by city boundary.

MOTION: C. Jackman - To adopt Resolution No. 6-7-2011C, a resolution adding, amending, or deleting certain fees to the official fees, bonds, and fines schedule of the City of Cedar Hills, Utah, as stated. Seconded by C. Perry. Vote taken by roll call.

Yes - C. Jackman
C. Kirk
C. Martinez
C. Perry
C. Wright Motion passes.

9. Review/Action on a Resolution Adopting the Fiscal Year 2012 Budget (July 1, 2011 to June 30, 2012) (9:02 p.m.)

See handouts.

Staff Presentation:

Rebecca Tehero presented the Fiscal Year 2012 budget. The budget does not include any property tax increase, but does include the two small fee increases discussed earlier tonight. Changes include \$400,000 to pay off the Public Safety Building. It will come from public safety impact fees (\$200,000) and borrowing \$200,000 from the unrestricted fund. The expenditures and revenue items for the Recreation Center will be allocated among departments based on use. In the previous draft budget, rent was charged to the golf course. Auditors advised that that approach be abandoned because it artificially inflates revenues.

David Bunker stated that with the development of 4800 West, the commercial properties will have to discharge sewer to 4800 West. There is no way to meter that sewer. The meter will have to be relocated to 4800 West just north of the canal. It will cost \$125,000. It is included in the sewer depreciation costs.

Council Discussion:

- Mayor Richardson stated that he prefers the approach where the golf course is paying rent for its space in the Recreation Center. That way is more transparent to the residents. The golf course should not get a free building out of recreation center money.
- C. Perry stated that he wants the budget to meet the requirements of law but also wants it to be clear to the residents. He wants the budget to account for the fact that the golf course is using part of a city-owned facility and pays rent for it. He would also like a separation between the golf course and the pressurized irrigation system, figuring out a way to determine the value of the pressurized irrigation and consider whether the City should be leasing the pressurized irrigation from the golf course, or the golf course should be leasing the ponds from the City.
- C. Kirk asked for a separate line item for dispatch services.

MOTION: C. Jackman - To continue this item for a later date. Seconded by C. Perry.

Further Discussion:

- C. Kirk stated that he doesn't want the reputation of intentionally breaking the law by not adopting a budget in time.
- Mayor Richardson rescheduled the next meeting for Wednesday, June 22, to pass the budget.

Yes - C. Jackman
C. Kirk

C. Martinez
C. Perry
C. Wright Motion passes.

10. Review/Action on Amendments to the City Code, Title 2, Chapter 3, Youth City Council Advisory Committee (9:59 p.m.)

See handouts.

Council Discussion:

- C. Kirk stated that he likes the clarifications.
- C. Martinez stated that she would like to see the Youth City Council have a greater presence in the community.
- C. Perry stated that the majority of the members of the Youth City Council are from Lone Peak. There is not a lot of participation from American Fork High School students.

MOTION: C. Kirk - To approve the proposed changes to the Cedar Hills City Code, Title 2, Chapter 3, Youth City Council Advisory Committee. Ordinance No. 6-7-2011A. Seconded by C. Martinez. Vote taken by roll call.

Yes - C. Jackman
 C. Kirk
 C. Martinez
 C. Perry
 C. Wright Motion passes.

11. City Manager Report and Discussion (10:06 p.m.)

- Caleb Powell and Kaitlyn Lindley are the new Youth City Council mayors.
- Staff met with a calling service that can send messages through phone, email, and text. The cost would be about \$1/household per year. Residents can choose what types of messages they want to receive. The money is already available. The consensus of the City Council is to have staff move forward on this.

MAYOR AND COUNCIL REPORTS

12. Board and Committee Reports (10:10 p.m.)

C. Kirk reported that the North Point Solid Waste Special Service District interlocal agreement will not happen per attorney direction. They are putting together a Request for Proposals for excess waste.

C. Perry: There is a Lone Peak Public Safety District meeting on Thursday night at 7:00 p.m. at the Alpine City Hall. A budget was approved, but Highland City didn't recognize the form of the motion. The budget will have to be readopted. One of the options proposed by Highland City is to split the cost three ways equally.

EXECUTIVE SESSION

- 13. Motion to go into Executive Session, Pursuant to Utah State Code 52-4-204 and 52-4-205
- 14. Motion to Adjourn Executive Session and Reconvene City Council Meeting

No Executive Session.

ADJOURNMENT

15. Adjourn

This meeting was adjourned at 10:17 p.m. on a motion by C. Kirk, seconded by C. Jackman, and unanimously approved.

Approved by Council:
June 22, 2011

/s/ Kim E. Holindrake
Kim E. Holindrake, City Recorder