

MINUTES OF A REGULAR CITY COUNCIL MEETING HELD DECEMBER 7, 2006 AT THE CIVIC CENTER, 83 WEST MAIN, HYRUM, UTAH.

CONVENED: 6:30 p.m.

CONDUCTING: Mayor W. Dean Howard

ROLL CALL: Councilmembers Martin L. Felix, Paul C. James, Stephanie Miller, Craig L. Rasmussen, and Douglas L. Stipes present.

CALL TO ORDER: There being five members present and five members representing a quorum, Mayor Howard called the meeting to order.

OTHERS PRESENT: City Administrator D. Brent Jensen, Zoning Administrator Mark Tenhoeve, and seven citizens. City Recorder Stephanie Fricke recorded the minutes.

WELCOME: Mayor Howard welcomed everyone in attendance and invited audience participation.

PLEDGE OF ALLEGIANCE: Councilmember Stipes led the governing body and the citizens in the Pledge of Allegiance.

INVOCATION: Mayor Howard

AGENDA ADOPTION: A copy of the notice and agenda for this meeting was faxed to The Herald Journal, mailed to each member of the governing body, and posted at the Civic Center more than forty-eight hours before meeting time.

ACTION Councilmember Stipes made a motion to approve the agenda as written. Councilmember Miller seconded the motion and all five councilmembers voted aye.

AGENDA

- 8. SCHEDULED DELEGATIONS:
 - A. Fred Burr, Wiggins and Company - To present the 2005-2006 Audit Report.
 - B. Bonnie F. Nielsen - To request approval of a two-lot mini-subdivision located at approximately 300 North 200 East.
 - C. Mark Humphreys, Homestead Cabinets - To request site plan approval of an existing building for a cabinet shop at 50 East 200 North.
- 9. OTHER BUSINESS:
 - A. Certification of Annexation Petition.

- B. Establish value of C.V.R.A. water.
 - C. Elite Hall.
 - D. Purchase of real property.
 - E. Mayor and City Council reports.
10. ADJOURNMENT

SCHEDULED DELEGATIONS:

FRED BURR, WIGGINS AND COMPANY - TO PRESENT THE 2005-2006 AUDIT REPORT.

Fred Burr, Wiggins & Company, presented the 2005-2006 audit report. He reviewed revenues and expenses for the general fund and the enterprise funds. Hyrum City's general fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance are accounted for in this fund.

As of June 30, 2006 the total net assets of Hyrum City increased by \$2,405,467 totaling \$25,775,972. The governmental activities' net assets increased by \$1,802,654 and the business type activities' net assets increased by \$602,813. The total net assets of Hyrum City is \$25,775,972, and is made up of \$18,683,510 in capital assets (net of related debt) such as land, infrastructure, buildings and improvements and machinery equipment. The remaining net assets total \$7,092,462. Of this amount, \$6,326,091 is unrestricted. The remaining \$766,371 is restricted for such items as debt service reserves, capital projects, public safety, impact fees, cemetery upkeep and improvements, senior citizens and library projects. Total long-term liabilities of the City increased by \$1,807,000. The City has long-term debt for the acquisition of land and the construction of a new sewer plant, which are recorded in the Sewer Fund. During 2006, the City issued \$2,000,000 in Sales Tax Revenue Bonds for the advance funding of the new library facility. Also during 2006, the City retired \$188,000 in sewer revenue bonds and \$5,000 in notes payable in the Sewer Fund. The total outstanding long-term debt of the City at June 30, 2006, was \$5,865,000.

As of June 30, 2004, the City's governmental funds (General, Special Revenue Library and Capital Projects) reported combined fund balances of \$2,530,698. This represents an increase of \$1,803,854, mainly due to reserved funds for the library facility, during fiscal year 2006.

Taxes continue to be the largest source of revenue in the General Fund and represent 50.3% of total general fund revenues. The largest element of taxes is sales tax, representing 51.5% of total tax revenue and 26% of total general fund revenues.

During fiscal 2005-2006 the budgets of each fund were established and then amended to account for increases in revenue and expenses.

Primarily the revenue changes were to bring revenues for energy taxes and intergovernmental grants into line with the year end revenue projections. Expenses were changed to account for personnel cost increases, repairs and maintenance increases and construction projects.

The City's investment capital assets for all activities at June 30, 2006, amounted to \$44,300,465. Accumulated depreciation on capital assets was \$19,751,955. Net capital assets amounted to \$24,548,510 at June 30, 2006. The investment in capital assets includes land, buildings and systems, improvements, infrastructure (roads, sidewalks, curb and gutter, etc.), and machinery and equipment. The total increase in the City's investment in capital assets during 2006 was \$4,322,182. Depreciation expense for 2006 was \$1,497,436, with \$402,575 recorded in governmental activities and \$1,094,861 recorded in business type activities.

There was one state legal compliance finding and two other findings:

1. Utah Code 78-5-130 states that every justice court shall file monthly reports with the State Court Administrator. During the audit, we noted that the report was filed late one month during the fiscal year.
Recommendation: The City monitor the court to make sure that reports are filed timely.
Response: The late report was due to vacation schedules. Attempts will be made to schedule vacations to not impact reporting times.
2. While auditing cash disbursements, we noted that the business purpose and individuals in attendance were not listed on the meal receipts as required by Internal Revenue Service regulations for substantiation purposes.
Recommendation: The City require this information to be listed on any meals or entertainment receipts to comply with IRS regulations. This would ensure the City has an accountable plan and eliminate any requirements for payroll reporting regarding these payments.
Response: Credit card receipts will now list purpose of the meeting and those in attendance.
3. While reviewing the journal entries, we noted that assets were transferred from one fund to another in the same entry. Even though the City's software allows this kind of entry, the default is the pooled cash account. This required audit adjusting entries to correct the cash accounts and record the transfers appropriately. This was also noted on the previous year's audit. While this was improved, there were a few material entries that required correction.
Recommendation: The City prepare journal entries individually, fund by fund.

Response: More care will be taken to record journal entries correctly.

Fred Burr said Hyrum City does a great job with its finances and records.

ACTION Councilmember Stipes made a motion to approve the 2005-2006 Audit Report. Councilmember Felix seconded the motion and all five councilmembers voted aye.

BONNIE F. NIELSEN - TO REQUEST APPROVAL OF A TWO-LOT MINI-SUBDIVISION LOCATED AT APPROXIMATELY 300 NORTH 200 EAST.

Bonnie Nielsen said on November 9, 2006 she met with the Hyrum City Planning Commission to request recommendation of approval of a two-lot mini-subdivision located at approximately 300 North 200 East. The Planning Commission made a motion to recommend approval of the two-lot mini-subdivision at 300 North 200 East with the following stipulations: 1) 33' be dedicated along the entire length of the parcel for the right-of-way; 2) 300 East be identified on plat; 3) Utilities and improvements be in prior to building permit being issued to developer; 4) At time Hyrum City deems appropriate, Engineering and construction of sidewalk be future owner's responsibility; 5) Add a metes and bounds legal description of remainder parcel and identify the remainder lot; and 6) Add culinary and sewer signature blocks on site plan. Bonnie does not agree with stipulations one and two. During this entire process, rezoning, applications, hearings, appearances before Planning Commission and City Council Lot 1 has been identified as the parcel to be sold and developed. The statement she made to the Planning Commissioners that she was willing to dedicate 33' for right-of-way on 300 North applied to Lot 1 not the entire length of the remainder parcel. She is concerned that if she has to change the Mylar to state Lot 1 and Lot 2 rather than Lot 1 and Remainder Parcel that the remainder parcel will not qualify for Green Belt Status. She would like the Mylar to stay the way she has presented it with "Lot 1 and Remainder Lot".

Councilmember James suggested the City adding a statement to the mylar that upon future development of the remainder parcel that the property owner agrees to dedicate 35' for the road on 300 North.

Bonnie Nielsen said she does not mind deeding the 35' on the remainder parcel when it is developed and would contact her surveyor to have him put a statement on the mylar about the future dedication of the road.

ACTION Councilmember James made a motion to approve Bonnie

Nielsen's request for a two-lot mini-subdivision located at approximately 300 North 200 East with the following conditions: 1) Amend the plat for Lot 1 to include a 33' road dedication on 300 North; 2) Amend the plat to include language that upon future development of the remainder parcel that the property owner agrees to dedicate 35' for the road on 300 North; 3) Amend the plat to include a dedication title block for the right-of-way on Lot 1; and 4) The developer of the property is responsible to plat all utilities. Councilmember Stipes seconded the motion.

Councilmember Stipes recommended amending Councilmember James' motion to include, 5. The property being developed is Lot 1. Councilmember James accepted Councilmember Stipes' amendment to the motion.

Councilmember Rasmussen recommended amending Councilmember James' motion as follows: 1) Change condition 1 from "Amend the plat for Lot 1 to include a 33' road dedication on 300 North" to "Amend the plat for Lot 1 to include a dedication of property on 300 North to provide the City with a 99' road right-of-way"; 2) Change condition 2 from "Amend the plat include language that upon future development of Lot 2 that the property owner agrees to dedicate 35' for the road on 300 North" to "Amend the plat to include language that upon future development of Lot 2 the property owner agrees to dedicate property on 300 North to provide the City with a 99' road right-of-way"; and 3) Add condition "6. All utility easements recommended by the Public Works Committee and City Engineer be incorporated on the plat." Councilmember James and Councilmember Stipes accepted Councilmember Rasmussen's amendment to the motion.

Mayor Howard called for a vote on the motion and all five councilmembers voted aye.

MARK HUMPHREYS, HOMESTEAD CABINETS - TO REQUEST SITE PLAN APPROVAL OF AN EXISTING BUILDING FOR A CABINET SHOP AT 50 EAST 200 NORTH.

Zoning Administrator Mark Tenhoeve said in November Mayor Howard, City Administrator Brent Jensen and himself met with Howard Field representing HCF and George Daines representing Cache Valley Bank, the current owner of the building HCF would like to purchase. They discussed several issues but mainly paving, fencing and storm water. On the site plan they are now agreeing to pave the entire

area around the building except for the north end. They do not want to put a privacy fence in because they are going to completely clean up the area to the north and will not be storing anything outside the building. Storm water will be dealt with by using two current sumps and historic flow and percolation on the north east side of the property. It was suggested that if curb and gutter is put in at a later date that the property owners at that time will pay for it. Mark said he included the findings of fact for this site plan from June 14, 2006, for the City Council to review.

On November 9, 2006 the Planning Commission made the following recommendation for the City Council to approve a site plan request for Mark Humphreys for Homestead Cabinets to occupy existing building at 50 East 200 North with the following conditions: 1) Do a detailed landscape and maintenance plan that meets Hyrum City staff approval; 2) Have a sign on the awning; 3) Dumpster area must meet Cache County specifications; 4) If outside storage becomes an issue, owner will add a privacy fence; 5) At the time Hyrum City deems necessary, owner will be responsible to pay for engineering and construction of curb and gutter and sidewalk; 6) All rubbish and garbage be removed on north side of building by June 1, 2007; and 7) Parking strip on street will not be striped.

Mark Humphreys said they will be paving the parking lot and will have thirty parking spaces. At this point he only has thirty employees.

Councilmember Rasmussen said he would like the site plan to be more detailed and include a landscaping plan. He is concerned about the grade of the parking lot and storm water runoff not being contained on the property. There will be problems with storm water running onto the City street at the current grade.

Mark Humphreys said he is trying to avoid the cost of hiring an engineer to draw a site plan. He is willing to make the improvements to the building that was required and not completed when the building was approved six years ago.

Councilmember Stipes said when the building was approved six years ago there was not a Storm Water Ordinance in place. He is not building anything new on the property, and shouldn't have to comply with the new Storm Water Ordinance.

ACTION

Councilmember Stipes made a motion to approve Mark Humphreys' site plan for Homestead Cabinets to occupy an existing building located at 50 East 200 North with the following conditions: 1) Provide a detailed landscape and maintenance plan to the City Council for its approval

before occupancy will be given; 2) Have a sign on the awning; 3) Dumpster area must meet Cache County specifications; 4) If outside storage becomes an issue, owner will add a privacy fence; 5) At the time Hyrum City deems necessary, owner will be responsible to pay for engineering and construction of curb and gutter and sidewalk; 6) All rubbish and garbage be removed on north side of building by June 1, 2007; 7) Parking strip on street will not be striped; and 8) Provide a Performance Bond for the improvements as required by the Hyrum City Municipal Code. Councilmember James seconded the motion and all five councilmembers voted aye.

Mark Humphrey's said he received a bid of \$37,300 for the cost of the improvements and Hyrum City's engineer estimate was \$57,000. He asked if the City Council would approve his Performance Bond at \$37,300 rather than \$57,000.

ACTION Councilmember Stipes made a motion to require Mark Humphrey's with Homestead Cabinets to provide a \$37,300 Performance Bond to the City. Councilmember James seconded the motion and all five councilmembers voted aye.

OTHER BUSINESS:

CERTIFICATION OF ANNEXATION PETITION.

City Recorder Stephanie Fricke said she and City Attorney Scott Wyatt reviewed the Church of Jesus Christ of Latter Day Saints annexation petition and have determined it meets all of the requirements listed in Section 10-2-403 of the Utah State Code.

A copy of the Notice of Certification was given to each member of the City Council. A copy of the certification will be mailed to Dean Bolton at Architectural Nexus, Cache County Council, and Cache County School District.

ACTION Councilmember Stipes made a motion of receipt for the certification of annexation petition for the Church of Jesus Christ of Latter Day Saints property. Councilmember Rasmussen seconded the motion and all five councilmembers voted aye.

ESTABLISH VALUE OF C.V.R.A. WATER.

City Administrator D. Brent Jensen said the City purchased water

rights from the Cache Valley Ranch Association to allow developers to reimburse the City bought the and reimburse us for the cost and credit it towards their water rights.

The City had an opportunity to purchase water rights from Cache Valley Ranch Association last spring. Hyrum City requires 3.0 acre feet of water per acre of ground on all annexations. With water rights becoming less assessable the City wanted to have a source where a landowner annexing property could get water. Upon approval by the City Council the landowner annexing the property can reimburse the City the cost of the water to provide his property with the required amount of water.

ACTION **Councilmember Stipes made a motion to set the reimbursement fee for Cache Valley Ranch Association water at \$2,500 per acre foot of water, and to review this fee annually during the budget process. Councilmember James seconded the motion and all five councilmembers voted aye.**

ELITE HALL.

Councilmember James said he has spoken with Angie Andreason who rents the Elite Hall to teach dance lessons about the City charging a two dollar user fee per month per student that is a resident of Hyrum and a four dollar user fee per month per student that is not a resident of Hyrum, in addition to the hourly rental fee. Angie said she would rather charge the students more money than have the City close down the Elite Hall. Each dance student would be required to sign a liability release form and the dance lesson instructors would be responsible for collecting the user fees and paying the City each month.

Mayor Howard asked Councilmember James to research rental fees for other dance facilities in Cache Valley and bring the information back to the City Council.

PURCHASE OF REAL PROPERTY.

Mayor Howard said Hyrum City has been purchasing the properties on Main Street between the Elite Hall and the Dental Office for the new Library and Museum Facility and has been successful in acquiring all of them but Hawn's Lounge. LaVon Nielsen owns Hawn's and he has contacted the City about purchasing his property. LaVon is asking for more money than it appraised for five years ago, but it may be worth paying the extra money for the property.

The City Council authorized City Administrator D. Brent Jensen and

Mayor Howard to continue negotiations with LaVon Nielsen on the purchase of the property.

MAYOR AND CITY COUNCIL REPORTS.

Councilmember Felix said the construction of the new Library and Museum should be completed by the end of March. The Fund Raising Committee is going to hold an auction on March 9, 2007 to raise additional funds for the building.

Councilmember Miller said the Strength in Diversity Committee Chairman Barbara Shidler has asked to be released from her position. Barbara said six years ago when the Strength in Diversity Committee was formed there were no programs that provided the Latinos, Hispanics, Tongans, etc. with information on services. Now there are multiple agencies and events that help them and Hyrum City's Strength in Diversity Committee mainly helps with the International Food Festival. She suggested having an International Food Festival Committee and disbanding the Strength in Diversity Committee.

ADJOURNMENT:

ACTION

There being no further business before the Council, the Council Meeting adjourned at 8:40 p.m.

W. Dean Howard
Mayor

ATTEST:

Stephanie Fricke
City Recorder

Approved: _____
As written