

MINUTES OF A REGULAR CITY COUNCIL MEETING HELD AUGUST 7, 2008 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, Thomas C. LaBau, Stephanie Miller, and Craig Rasmussen 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, City Treasurer Lynn Coulam, citizens Bonnie F. Nielsen, Jeff and Barbara McBride, Lee and Dixie Leavitt, and Matt McBride. City Recorder Stephanie Fricke recorded the minutes.

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

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

**INVOCATION:** Councilmember Felix

**APPROVAL OF MINUTES:**

The minutes of the July 17, 2008 were approved as written.

**ACTION** Councilmember James made a motion to approve the minutes of the regular meeting held on July 17, 2008 as written. Councilmember Rasmussen seconded the motion and Councilmembers Felix, James, Miller, and Rasmussen voted aye, and Councilmember LaBau abstained. The motion passed.

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

#### AGENDA

8. PUBLIC HEARING:

- A. The adoption of Fiscal 2008-2009 Operating Budgets for the General Fund, the Capital Projects Fund, the

- Culinary Water Fund, the Sewer Fund, the Electric Fund, the Irrigation Water Fund, the Storm Water Fund, Debt Service Fund, and the Library Trust Fund.
- B. The proposed transfer of \$150,000 each from the Water Utility, and Electric Utility to the General Fund.
  - C. Increasing and setting the municipal tax rate for 2008-2009.
  - D. Setting salaries of elected and appointed officials and other municipal employees for 2008-2009, and amending Section 2.12.010.
9. INTRODUCTION AND ADOPTION OF RESOLUTIONS AND AN ORDINANCE:
    - A. Resolution 08-25 - A resolution establishing the Municipal Certified Tax Rate for Fiscal 2008-2009.
    - B. Resolution 08-26 - A resolution approving and adopting the Fiscal 2008-2009 operating budgets for Hyrum City's General Fund, Culinary Water Fund, Sewer Fund, Electric Fund, Irrigation Water Fund, Storm Water Fund, Capital Projects Fund, Debt Service Fund, and Library Trust Fund.
    - C. Ordinance 08-20 - An ordinance amending Chapter 2.12, Section 2.12.010 of the Hyrum City Municipal Code, to provide for adjustments in the salaries of officers and employees of Hyrum City.
  10. OTHER BUSINESS:
    - A. Consideration of declaring certain property as surplus and ordering the sale thereof.
    - B. Mayor and City Council reports.
  11. ADJOURNMENT

***PUBLIC HEARING:***

**THE ADOPTION OF FISCAL 2008-2009 OPERATING BUDGETS FOR THE GENERAL FUND, THE CAPITAL PROJECTS FUND, THE CULINARY WATER FUND, THE SEWER FUND, THE ELECTRIC FUND, THE IRRIGATION WATER FUND, THE STORM WATER FUND, DEBT SERVICE FUND, AND THE LIBRARY TRUST FUND.**

Mayor Howard presented a power point presentation of the 2008-2009 Operating Budgets proposal. The presentation included graphs and data explaining why a tax increase is necessary and pictures of the current fiscal year's projects and proposed projects for the coming year.

**THE PROPOSED TRANSFER OF \$150,000 EACH FROM THE WATER UTILITY, AND ELECTRIC UTILITY TO THE GENERAL FUND.**

A transfer of \$150,000 from the Culinary Water Utility and \$150,000 from the Electric Utility to the General Fund is needed to cover operating expenses.

**INCREASING AND SETTING THE MUNICIPAL TAX RATE FOR 2008-2009.**

Hyrum City is proposing to increase its property tax revenue. If

the proposed budget is approved, this would be an increase of 20.60% above the Hyrum City property tax budgeted revenue for the prior year. Hyrum City's tax on a \$155,000 residence would increase from \$120.03 to \$138.36 which is \$18.33 per year. Hyrum City tax on a \$155,000 business would increase from \$218.24 to \$251.57 which is \$33.33 per year. Hyrum City property tax revenue from new growth and other sources will increase from \$292,699 to \$352,990. As property values go up, Truth in Taxation continues to drive tax rates down. Lower tax rates on property with higher valuation yields the same number of tax dollars from year to year. Unless the property tax rate is adjusted, the city's only growth in tax revenues comes from new construction. Hyrum City provides approximately \$1,274 worth of General Fund services to each home (not including utility services). With the proposed tax increase \$1,113.55 of General Fund services must still come from sources other than property tax. The proposed increase brings the property tax rate at approximately the same level as 1983. In the future Hyrum City plans to adjust the property tax rate every other year to keep up with inflation.

**SETTING SALARIES OF ELECTED AND APPOINTED OFFICIALS AND OTHER MUNICIPAL EMPLOYEES FOR 2008-2009, AND AMENDING SECTION 2.12.010.**

There is not a proposed increase in salaries for the Mayor and City Council. The Mayor's salary is \$1,000 a month and City Councilmembers= salaries are \$400 a month.

**ACTION**            **Councilmember Rasmussen made a motion at 7:15 p.m. to open the public hearing to discuss all of the public hearing items. Councilmember LaBau seconded the motion and all five councilmembers voted aye.**

Bonnie Nielsen said she reviewed the proposed budget and wanted to know why the City had not received any donations for the new library for the past several years.

City Treasurer Lynn Coulam said all donations to the new library are deposited into the Library and Museum Foundation and then the Foundation transfers money to the City as needed. The Library and Museum Foundation is overseen by a Board of Directors that is separate from Hyrum City. However, Councilmember Felix does serve on that Board.

Bonnie Nielsen asked who is responsible for the accounting of the Library and Museum Foundation.

**AMENDED**            **08-21-08** City Treasurer Lynn Coulam said the Library and Museum Foundation is responsible for the accounting of its funds. The State of Utah requires the Library and Museum Foundation to be audited annually, and last year the same auditing company Hyrum City uses audited it.

After no further public comments, Mayor Howard recommended closing the public hearing.

Councilmember James made a motion at 7:23 p.m. to close the public hearing. Councilmember LaBau seconded the motion and all five councilmembers voted aye.

*INTRODUCTION AND ADOPTION OF AN ORDINANCE:*

RESOLUTION 08-25 - A RESOLUTION ESTABLISHING THE MUNICIPAL CERTIFIED TAX RATE FOR FISCAL 2008-2009.

ACTION Councilmember James made a motion to approve Resolution 08-25 establishing the Municipal Certified Tax Rate for Fiscal 2008-2009 at .001623. Councilmember Felix seconded the motion and all five councilmembers voted aye.

RESOLUTION 08-26 - A RESOLUTION APPROVING AND ADOPTING THE FISCAL 2008-2009 OPERATING BUDGETS FOR HYRUM CITY'S GENERAL FUND, CULINARY WATER FUND, SEWER FUND, ELECTRIC FUND, IRRIGATION WATER FUND, STORM WATER FUND, CAPITAL PROJECTS FUND, DEBT SERVICE FUND, AND LIBRARY TRUST FUND.

ACTION Councilmember LaBau made a motion to adopt Resolution 08-26 approving and adopting the Fiscal 2008-2009 Operating Budgets for Hyrum City's General Fund, Culinary Water Fund, Sewer Fund, Electric Fund, Irrigation Water Fund, Storm Water Fund, Capital Projects Fund, Debt Service Fund, and Library Trust Fund.. Councilmember Rasmussen seconded the motion and all five councilmembers voted aye.

ORDINANCE 08-20 - AN ORDINANCE AMENDING CHAPTER 2.12, SECTION 2.12.010 OF THE HYRUM CITY MUNICIPAL CODE, TO PROVIDE FOR ADJUSTMENTS IN THE SALARIES OF OFFICERS AND EMPLOYEES OF HYRUM CITY.

ACTION Councilmember James made a motion to adopt Ordinance 08-20 amending Chapter 2.12, Section 2.12.010 of the Hyrum City Municipal Code, to provide for adjustments in the salaries of officers and employees of Hyrum City. Councilmember Felix seconded the motion and all five councilmembers voted aye.

*OTHER BUSINESS:*

CONSIDERATION OF DECLARING CERTAIN PROPERTY AS SURPLUS AND ORDERING THE SALE THEREOF.

Mayor Howard said the City Council held a public hearing on July 17, 2008 to receive public comment regarding the sale of a 40 acre parcel located in Left Hand Fork Canyon of Blacksmith Fork Canyon, and the sale of up to 6 acres located at approximately 300 West 200 North of the Salt Hollow Park property. There was only one citizen who spoke during the public hearing and he hoped the City would consider trading the 40 acre parcel in Left Hand Fork Canyon with the Forest Service or apply for land conservation easement funding. The Forest Service is reluctant to look at small land exchanges and advised the City to sell the property if it had the opportunity. Lee Leavitt of Lee's Marine wants to purchase a minimum of one acre of the Salt Hollow Park property that is adjacent to his business. His business has grown beyond his expectations and he would like additional property for boat storage.

Councilmember LaBau said if the City isn't using the upper 40 acre parcel in Left Hand Fork Canyon then the City should consider selling it and using the money to develop either the Salt Hollow Park or the Blacksmith Fork Park. To ensure the City gets a fair price out of the upper 40 acre parcel in Left Hand Fork Canyon the City could set a minimum reserve price.

Mayor Howard said the upper 40 acre parcel in Left Hand Fork Canyon is a beautiful piece of property. It is a unique piece of property because it is surrounded by Forest Service property on all four sides and there is a river that runs directly through the middle of the property. This property has the potential of being sold for several hundred thousand dollars. The City could use this money to help develop a park inside Hyrum City limits that would be of greater benefit to the citizens of Hyrum.

Councilmember Rasmussen asked if the City had the upper 40 acre parcel in Left Hand Fork Canyon appraised.

City Administrator D. Brent Jensen said he contacted a local real estate agent and was told that it was a unique piece of property and it would be difficult to find similar properties to compare it with to get an accurate appraisal price.

Councilmember Miller said before making a decision as to whether the City should sell the upper 40 acre parcel in Left Hand Fork Canyon she would like to visit the property.

City Administrator D. Brent Jensen suggested the Mayor and City Council meet at the City Offices tomorrow morning to take a tour of upper 40 acre parcel in Left Hand Fork Canyon.

Mayor Howard said Lee Leavitt with Lee's Marine wants to purchase some of the City's Salt Hollow Park property.

Lee Leavitt said he would like to purchase at least one acre of

the Salt Hollow Park property that is adjacent to his business. He needs additional space for vehicles to turn around and for boat storage. He has looked into buying property north of his business but it is zoned residential and he needs commercial property.

Councilmember LaBau said he understands Lee's need for additional space for his growing business, however, he is greatly concerned about selling any of the Salt Hollow Park property. Salt Hollow Park is not developed and he is concerned that if the City sells some of the property that it may regret it when the park is developed.

Councilmember Miller said the Salt Hollow Park property was purchased several years ago and since then the City has completed a design plan for the park. The Salt Hollow Park property has a high water table and the property Lee's Marine would be interested in purchasing is one of the only areas that doesn't have a ground water problem. She wouldn't want to sell any property that the City may need to build an adequate park on the west side of Hyrum. If the City Council decides to sell the upper 40 acre parcel in Left Hand Fork Canyon she hopes the money would be used to start development of the Salt Hollow Park.

Councilmember James said the City could sell Lee's Marine one or two acres and use that money to help fund the development of Salt Hollow Park.

Councilmember Miller said she would like Lee Leavitt to outline the specific area he is interested in purchasing. She is concerned that the property he is interested in will decrease the size of proposed playing fields area.

Mayor Howard suggested Lee Leavitt submit a map with dimensions of the property he wants to purchase from City, so that the City Council can consider his request at its next meeting. At the next City Council meeting he wants the City Council to determine the method of how it is going to sell the City's upper 40 acre parcel in Left Hand Fork Canyon.

#### **MAYOR AND CITY COUNCIL REPORTS.**

Councilmember LaBau reported that the West Nile Virus has been found in mosquitoes in Wellsville, Young Ward and Logan. The mosquito season will end shortly and hopefully there will not be any serious cases of West Nile Virus.

James said there were over 650 people who attended National Night Out Against Crime on August 5. The night was a great success and he will write an article for the next newsletter thanking companies and people who donated supplies and/or prizes. On August 25, 2008 the Cache Valley Transit District will be

offering an express route from Hyrum for three hours in the morning and three hours in the afternoon. The express route will take only 20 minutes for people to ride from Hyrum into Logan.

Councilmember Rasmussen said Ted Kindred asked him if the LDS Church would donate the old Hyrum 3<sup>rd</sup> Ward church house property to the City for a park, once the church house is torn down. Ted also asked LDS Hyrum North Stake President Anderson about it and President Anderson asked him if he thought the City would be interested in the church property for a park. President Anderson seems to think that the LDS Church may be willing to donate the land if it knew what was going to be used for and was comfortable with the use. If the City is interested in the property it needs to submit a formal letter to President Anderson stating the City's intention for the property so that the letter can be forwarded to the LDS Church Head Quarters.

Mayor Howard asked City Administrator D. Brent Jensen to write a letter to the LDS Church regarding Hyrum City's interest in the old Hyrum 3<sup>rd</sup> Ward property.

Councilmember Miller said the Fair Booth Committee has been very busy this week constructing Hyrum City's Fair Booth for the Cache County Fair. Members of the Fair Booth Committee are: Terri James, Rhonda Welch, Brenda Udy, Stephanie Carlsen, Karly James, and Eileen James; and Councilmember James also helped with the Fair Booth

**ADJOURNMENT:**

**ACTION**

**There being no further business before the Council, the Council Meeting adjourned at 7:55 p.m.**

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W. Dean Howard  
Mayor

ATTEST:

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Stephanie Fricke  
City Recorder

Approved: August 21, 2008  
As Amended