

Heber City Corporation  
City Council Meeting  
December 15, 2011

7:00 p.m.

REGULAR MEETING

The Council of Heber City, Wasatch County, Utah, met in **Regular Meeting** on December 15, 2011, in the City Council Chambers in Heber City, Utah.

Present:	Council Members	Eric Straddeck Nile Horner Robert Patterson Alan McDonald Benny Mergist
Excused:	Mayor	David R. Phillips
Also Present:	City Manager Deputy City Recorder City Engineer Planning Director Police Chief	Mark K. Anderson Michelle Kellogg Bart Mumford Tony Kohler Ed Rhoades

Others Present: Daniel Mauer, Darryl Glissmeyer, J.M. Gill, Erik Rowland, Jeff Bradshaw, Mark Rounds, Greg Ogden, Glinda Straddeck and children, Joan Gray, Russell Gray, Spencer Straddeck, Brad Mackay and others whose names were not legible.

Mayor Pro Tempore Straddeck opened the meeting and excused Mayor Phillips.

Pledge of Allegiance: Council Member Eric Straddeck  
Prayer: Council Member Patterson

Minutes: 11/03/2011 Work Meeting; 11/03/2011 Regular Meeting; 11/15/2011 Special Meeting;  
11/28/2011 Special Meeting; 11/17/2011 Work Meeting; 11/17/2011 Regular Meeting

Council Member McDonald moved to approve the above listed sets of minutes. Council Member Patterson made the second. Voting Aye: Council Members Straddeck, Horner, Patterson, McDonald and Mergist.

***OPEN PERIOD FOR PUBLIC COMMENT***

Daniel Mauer, 1300 East, commended the Council for all that they accomplished this year. He wanted to pay tribute to Council Member Straddeck in particular, and stated although not everyone always agreed with what Council Member Straddeck did, he always did what he

thought was best. Mauer felt the City was in Council Member Straddeck's debt for his sacrifice and service, and read comments from other residents also praising Council Member Straddeck. Mauer then presented the bound comments to Council Member Straddeck.

### ***PUBLIC HEARING***

**Public Hearing – 7:00 p.m. – Resolution 2011-12 – A Resolution Updating Heber City's Water Conservation Plan:** Michelle Kellogg, Deputy Recorder read the public notice from the November 30, 2011, Wasatch Wave. Mayor Pro Tempore Straddeck opened the hearing for public comments. None were given. Mayor Pro Tempore Straddeck closed the public comment portion of the hearing and asked for comments from the Council. Council Member McDonald asked if there was a time limit for making the pressurized secondary irrigation system available City-wide, as proposed in the conservation goals listed on page eight. Mumford stated the hold up with that goal was financing, and he hoped that given time there would be additional funding for secondary irrigation. Council Member McDonald wanted the City to begin setting aside some money for that purpose. He also asked if the City knew where the water leakage problems were, as stated in Goal Four. Mumford stated he had discussions with Tozier about the 20% water deficit this week and it was hoped that the leak sources would be found this winter.

Council Member Mergist moved to accept Resolution 2011-12 – A Resolution Updating Heber City's Water Conservation Plan. Council Member Patterson seconded the motion.

Voting Aye: Council Members Straddeck, Horner, Patterson, McDonald and Mergist.

### ***APPOINTMENTS***

**Greg Ogden – Presentation of the Audit Report for Fiscal Year 2010-2011:** Ogden stated he brought a revised Management Letter, and asked that the Council replace the former letter with the revised one.

In reviewing the Auditor's Report, Ogden referred to Page 12 and explained the Accounts Payable was up \$1 million due to the Elmbridge Apartments project. He also noted in the Governmental Activities column, the figures were really good, having \$7 million available for use.

On Page 15, Ogden explained State Statute required cities to keep a balance of between 5%-18% based on the 2012 budget. The combination of numbers on this page put the City at a 16% surplus. Ogden commended the City for doing a good job in that area.

Ogden referred to Page 17, and explained intergovernmental revenues were up from last year, due in part from receiving \$280,000 from the State for corridor preservation. He also noted that the impact fees received were unusual for the State, and he was glad to see growth in Heber. He noted with Walmart coming in, the City should receive even more revenue through sales tax.

Page 19 showed the budget analysis. Ogden stated the Airport budget was overspent by \$3,215 but the total budget was under spent by \$382,763, so the airport figure was really irrelevant in his opinion.

Ogden stated one area of concern was the City was operating at a loss. The City needed to make sure it was charging enough for services to cover expenses. Another thing to watch closely was depreciation to replace infrastructure. Council Member Horner asked what the typical operating loss percentage was that other cities had. Ogden stated of cities he audits, 40%-50% operated at a loss. When that happens year after year, the cities would raise fees to cover the costs in order to get back up to 100 %.

In the footnote on Page 37, Ogden stated the long-term debt was very low, and was pleased the City had a 1.75% interest rate for its bond. He noted Heber was one of the few cities that had so few outstanding bonds.

Ogden referred to Page 2 of the Management Letter. Under Internal Control Deficiencies, he stated the State changed the rules and the fact that the auditor had to help draft the financial statement, caused that deficiency. Other findings were the Airport Department budget was overspent, and the storm drain impact fees were not spent by the six year limit. He advised the City to watch those time limits and find ways to spend those fees.

Council Member McDonald stated from the original Management Letter that a separation of duties would be appropriate with the City Manager. Council Member Horner asked why Ogden rescinded his statement about the City Manager not having overlapping duties. Ogden stated he spoke with Mac Curtis, formerly with the State of Utah Auditor's Office, who was one of the most knowledgeable people Ogden knew on governmental issues, and he found nothing in the code to support the separation of duties.

Council Member McDonald asked if Ogden thought there was a possibility for deficiency in our system, since in the original Management Letter Ogden had indicated the lack of separation of duties was a deficiency. Ogden replied that his opinion changed after doing research and in his discussions with Curtis, he found no reason why a City Manager couldn't also be the Finance Director. He indicated as long as the Treasurer was signing the checks, there would be two people consistently looking at the checks. He praised Anderson for doing both jobs, and added that it was not common that a City Manager was a CPA and so knowledgeable in financial matters. He noted the other controls such as the Treasurer handling the money, signing checks, and overseeing the utility billing. A third person in the City was responsible for reconciling the bank statements. These separations were very good in his opinion.

Council Member McDonald asked if a Treasurer should be required to have a college degree. Ogden stated it depended on the size and needs of the city. Council Member McDonald wanted an ordinance defining the City Manager duties so there would be no cross-over of duties. Ogden saw no crossover with the Treasurer duties and felt confident in the City's situation, but stated he could advise that a Finance Director be hired in the future. Anderson expressed appreciation to Ogden and also to the staff: Lynsee, Mindy, Paulette, Michelle, Monica, and Cathy. He stated there was a team effort in making the City run smoothly and he commended the staff.

**Tom Whitaker/Mary Kelly – Report from Cowboy Poetry:** Anderson stated Tom Whitaker would not make a report tonight.

**Ryan Starks, Wasatch Tourism and Development Director – Requesting Approval to Submit an Application for the Renewal of a Recycling Zone in Heber City:** Starks introduced himself and stated he recently moved here from Odgen with his family. He explained with this recycling zone in place, the State would grant tax credits to companies within the zone that applied for the credit and complied with the recycling requirements. The credit would come to businesses that recycled metal, paper, etc. This was a tool and incentive the State used to help businesses recycle. If this request was approved tonight, Starks indicated he would send the application to the State.

Council Member McDonald asked if the tax credits only applied to commercial areas. Starks stated it would. Council Member Mergist asked if Main Street was both commercially and residentially zoned. Anderson stated the only commercial/residential zone was 100 South going west.

Council Member McDonald moved to approve the submittal of the application to the State for the renewal of a recycling zone in Heber City. Council Member Mergist made the second. Council Member Horner asked why the east side of Highway 40 on the south side of town was not part of the recycling zone. Kohler stated that was not part of the City limits yet.

Voting Aye: Council Members Straddeck, Horner, Patterson, McDonald and Mergist.

#### ***ACTION ITEMS***

**Ivory Homes – Request to Amend the Red Ledges Phase 1C Subdivision Plat:** Council Member McDonald moved to approve Ivory Homes' request to amend the Red Ledges Phase 1C Subdivision Plat. Council Member Mergist made the second.

Voting Aye: Council Members Straddeck, Horner, Patterson, McDonald and Mergist.

**Grant Approval – UDOT Aeronautics - Heber City-Russ Council Member McDonald Field Airport Project – Crack Seal, Seal Coat and Paint the Apron and Taxiway:** Anderson reviewed that at the last meeting the Council approved application being made for this grant. The Airport received the grant and was now looking for approval from the Council.

Council Member McDonald moved to approve UDOT Aeronautics Grant- Heber City-Russ Council Member McDonald Field Airport Project – Crack Seal, Seal Coat and Paint the Apron and Taxiway. Council Member Patterson made the second. Council Member McDonald asked if the total liability to the City would be \$7,000 and was told that figure was correct.

Voting Aye: Council Members Straddeck, Horner, Patterson, McDonald and Mergist.

## ***DISCUSSION/ACTION ITEMS***

**Approval of 2012 Holiday Schedule:** Council Member Mergist moved to approve the 2012 Heber City Holiday Schedule. Council Member Patterson seconded the motion.

Voting Aye: Council Members Straddeck, Horner, Patterson, McDonald and Mergist.

**Appointment of City Recorder:** Mayor Pro Tempore Straddeck stated Paulette Thurber was retiring next week. Anderson stated the State statute required that a city couldn't leave the position vacant. Since Thurber would terminate her employment December 25<sup>th</sup>, he was looking for approval of the appointment of Michelle Kellogg effective December 26<sup>th</sup>.

Council Member Patterson moved to appoint Michelle Kellogg, effective December 26, 2011. Council Member Mergist seconded the motion. Council Member McDonald stated Kellogg would do a great job, and he also wanted to publicly thank Thurber for her service and dedication throughout her time with Heber City. Council Member Mergist agreed.

Voting Aye: Council Members Straddeck, Horner, Patterson, McDonald and Mergist.

Mayor Pro Tempore Straddeck thanked the City for his time of service on the Council. Council Member Mergist thanked Mayor Pro Tempore Straddeck and Council Member Horner for their dedication. Council Member Mergist stated Council Member Horner always fought for citizen's rights and small businesses in Heber. He appreciated Council Member Horner and considered him a good friend. Council Member McDonald thanked Mayor Pro Tempore Straddeck as well, and stated they had respect for each other. Council Member McDonald indicated he would also miss Council Member Horner, and noted he enjoyed his time of service with both of these Council members. Council Member Patterson also expressed appreciation to Mayor Pro Tempore Straddeck and Council Member Horner. Mayor Pro Tempore Straddeck asked for his family in the audience to stand, and stated he wanted to pay tribute to his wife who supported him during these four years. Council Member Horner expressed thanks to the Council, staff, and City employees. He looked forward to great things from the incoming Council members.

With no further business, the meeting adjourned at 8:00 p.m.

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Michelle Kellogg, Heber City Deputy Recorder