

Heber City Corporation
City Council Meeting
06/17/2010

7:00 P.M
REGULAR MEETING

The Council of Heber City, Wasatch County, Utah, met in **Regular Meeting** on June 17, 2010, in the City Council Chambers in Heber City, Utah.

Present: Mayor David R. Phillips

Council Members Eric Straddeck
Nile Horner
Robert Patterson
Alan McDonald
Benny Mergist

Also Present: City Manager Mark K. Anderson
City Recorder Paulette Thurber
City Engineer Bart Mumford
City Planner Allen Fawcett/Tony Kohler
Chief of Police Ed Rhoades
City Attorney Mark Smedley

Others Present: Martin Van Rosendaal, Wasatch Wave, Morgan Van Rosendaal, Sheila Johnston, Ann Horner, Tracy Emmanuel, Chase Pugh, Justin Hatch, Paul Bateman, Karen Smith, Kent Smith, John Emmanuel, Jenane Hodges, Mike Johnston, M. Kirby, Trielle Gritton, Andy Bedingfield, Dave Kennamer, Delyn Yeates, Josh Yeates, Scott Loomis, Christie Erickson, Stefanie Grades, Heather Erickson, Jennifer Cottle, Matt Molen, Tami Molen, Cathy King, Kieth Rawlings, Kristine Nichols, Steven Nichols, Devin McKrola, Jeff Jones, David Clark, Jeff Findarle, Jane Doran, LeNell Heywood, Tracy Taylor, Jeff Bradshaw, Mike Thurber, Annie Bruehl, Stephen Capson, Matt Molen, and others whose names were not legible.

Pledge of Allegiance: Robert Patterson
Prayer: Nile Horner

Minutes: 04/01/2010 Budget Meeting
04/01/2010 Regular Meeting
05/20/2010 Work Meeting

Councilman Patterson moved to approve the minutes listed above as presented. Councilman McDonald made the second. No discussion. Voting AYE: Nile Horner, Robert Patterson, Alan McDonald and Benny Mergist. Councilman Straddeck had temporarily left the meeting.

CONSENT AGENDA

Friends of Animals - Local Consent – Approval of Beer Sales during a Golf Tournament held at the Red Ledges Golf Course (Tab 1): and
Approval of a Modified Drainage Easement on Lot #24 – Old Mill Estates Subdivision (Tab 2): Councilman McDonald moved to approve the Consent Agenda. Councilman Horner made the second. Voting AYE: Nile Horner, Robert Patterson, Alan McDonald and Benny Mergist. Councilman Straddeck had temporarily left the meeting.

PUBLIC HEARINGS

Public Hearing – Resolution 2010-03 – A Resolution Adopting the 2010-2011 Fiscal Year Budget – Opening the 2009-2010 Fiscal Year budget to allow additional revenues and expenses (Tab 3 and separately bound materials): The Public Notice of the Public Hearing was read. Mayor Phillips said he would give the audience the option to speak during the public comment portion of the Public Hearing after which the Hearing would be closed and the Council would have discussion.

Mike Johnston – Johnston said he was very much aware of the burden and responsibility placed on the Council. He said it was not an easy issue and recognized the Council for their work. Johnston said he walked around this week and took pictures of our great city--flower beds, sidewalks, rose bushes, street grates, Main Street-- all of which showed lack of code enforcement and lack of maintenance. He suggested there was a need for sidewalks throughout the City. He suggested the Valley Hills Park was not the high Unitas and there was a need for a storm drain system. He showed slides of the weed problem throughout the City and the hillside collapsing on the sidewalk which had not been addressed for 10 years. He talked about the street trees which were gone and the public right-of-way full of weeds. Johnston said he loved this City and moved his family here because of that. He indicated he demanded services and fully expected to pay for them. He indicated he was not criticizing staff and employees but thought the City had been acting like a poor farm city rather than a thriving community. Johnston suggested that in the last 10 years the City Councils of the past had not charged the citizens enough to pay for maintenance, and as a home owner and businessman, he had an expectation of services and he had not been seeing it. He knew this was a hard budget year, but most of the people he had talked to did not oppose a property tax hike. He asked why the City did not charge the residents what it costs to run the City. He again said he was willing to pay for the services he demanded. Johnston suggested when there was too much cutting, the very thing wanted was lost. He said it was unwise to pay too much for something but it was worse to pay too little. He did not want to be stuck with a City that looked like the photos/slides he had shown. He pleaded with the Council to use the funds available and plug the holes.

He reviewed that Councilman Mergist and Councilman Straddeck had talked about studying the issues over the next year and he encouraged that and then asked why had his taxes gone down 15% the last 10 years—he thought everyone paid less. He asked the Council to please consider the needs of the residents and have a vision of how these issues were going to be solved. It had been said the City needed to be run like a business. If that was the case, this difficult time was the time to increase marketing, polish our image, encourage and motivate employees, go to the

shareholders (citizens) and ask for their help in investing in this business. He said he considered himself a shareholder in this City and asked the Council again to not cut and cut until the very thing wanted was lost.

Wade Williams - Boyer Company and Developer of Valley Station – One thing he wanted to pass on was a plan by Summit County to try and steal Heber City's tax base. He discussed the Park City plan to pull tax dollars from the City by developing in the area where Home Depot was now located. He agreed with Johnston and also said Heber needed the tax base from retail establishments. He solicited the Council's help to look at ways to continue to be competitive.

Councilman Horner asked about the Council talking with those in attendance. Mayor Phillips said after the Public Hearing, the Council could respond and ask for additional comments at that time.

Matt Molen - Resident north of Valley Hills Park for 18 years. Molen questioned the Council about the status of the Valley Hills Tennis Court. He wanted to know how many bids were received and what the amount was and said he understood the bids had come in very high. He discussed the fact the City had installed a fence with a no trespassing sign attached and said there were kids playing in there on a regular basis. He did not want to leave it in its current state and said the neighbors discussed the issue on a regular basis; consequently, he was seeking information in behalf of the neighbors. Anderson said since the City had last met with property owners, design work was done to either remove or rebuild the retaining wall with the cost being \$80,000 and \$90,000 which was thought to be too high. Mike Johnston indicated his estimate was \$60,000. Anderson indicated the Council had not allocated any funds in this budget to address the issue this fiscal year based on budget constraints. Molen asked for this to be re-considered.

Christine Nichols - Resident. She asked if the budget had been posted and indicated people did not understand what was being cut or proposed. She expressed concern with cutting crossing guards. Mayor Phillips explained that as the Council looked at cutting costs, a lot of ways were proposed and the Council determined they would not cut crossing guards. Nichols asked about police presence and how the public knew what kind of cuts were being discussed. It was indicated the budget had been posted on the internet and was available in the office prior to the Public Hearing. Mayor Phillips indicated the budget for this fiscal year did not propose decreases in the Police Department. Anderson indicated there were no cuts in manpower in the Police Department, however, there were military call ups and those positions were being filled with part-time people to save on benefit costs. Nichols said she understood that economic times were trying right now and was familiar with the fact taxes had not been raised in two decades. She said she wanted to protect her property values by relying on the City to enforce ordinances, offer a police presence, keep neighborhoods safe, keep parks clean, etc. Mayor Phillips reiterated that as the Council looked at cuts in personnel, there were no cuts in the Police Department. She asked if it was true the City office was open 50 hours a week. Councilman Straddeck explained personnel only worked 40 hours a week and staggered their days off but yes, the building was open 50 hours. Mayor Phillips talked about expanded customer service. Anderson said the cost of being open extended hours was mostly in utility costs and said it had been determined that cost was under \$10,000 a year to have the building open for 50 hours. Councilman Horner said

he disagreed with the concept of a 5-10 schedule and felt the expenses were more than \$10,000. Councilman Mergist said the other way to find out about the budget was attend the meetings-- more often than not the Council Room was empty of people except for the Council and staff. He said it was hard for the Council to know the wishes of the people unless the people let the Council know their concerns and desires. Chief Rhoades said his Department had recently filed for a Cops Grant to help with staffing issues but the chances of getting that were 1 in 6,000.

LeNell Heywood – Resident – Heywood expressed appreciation to the Council for their service. She said she and her husband had talked with Anderson about the insurance benefit offered City employees. Anderson had told them the Council had decided to offer one insurance program which was a high deductible health plan with a HSA (Health Savings Account) with the City paying 85% the employees 15% of the premium. Heywood said they personally paid \$1,300 a month for their insurance coverage. Councilman Horner said the plan the City offered last year was a \$500 deductible plan and the plan this year was \$1,500 deductible but the cost to the City was the same because of the HSA contribution. Councilman Horner suggested it was common practice for the employer to pay the premium for only the employee and not their family which would be a tremendous savings to the City if implemented and then there would be no need for discussions about raising taxes and fees. Heywood said she would hate to see taxes raised and as a citizen pleaded with the Council to not raise taxes but rather cut employee benefits. She suggested it was hard to pay taxes for people that had wonderful benefits.

Devin McKrola – Resident – McKrola indicated he had heard a few rumors about the possibility of the Council consolidating departments. He suggested that may or may not be a good idea. He said in the twelve years he had been involved with city business there were a couple departments that he had seen increase in professionalism—those being the Engineering Department, Planning Department and Public Works Department. He said those Departments went beyond the call of duty and as an entity that worked with the City it had been a blessing and privilege to work with those departments. He indicated he was glad to see the improvement he had seen.

McKrola asked if the City offered services that did not pay for themselves. Anderson said the water and sewer departments were not subsidized by the general fund; however, the rates did not cover the operating costs which affected the City's ability to maintain the system as it wore out. Councilman Horner said Anderson was absolutely right. Because of depreciation, those services were not paying for themselves, but the City was paying into a depreciation fund and using a 50 year number to calculate costs. He said he did not fully understand depreciation and he and the rest of the Council were frustrated because they couldn't get the true costs even though they had asked. Councilman Horner said, in his mind that was another place to cut the budget. He said there were a number of new developments with infrastructure in the ground but no homes on the development. He said the City put money into a depreciation fund to cover that infrastructure and he did not like that. He said he wanted to slow the flow on that depreciation. Mayor Phillips indicated one of the goals of the Council was to look at rates, the cost of infrastructure, etc., in the future. Councilman Straddeck clarified that he did understand depreciation and the financial statements and was not frustrated. Councilman Patterson said he understood, as well, and he was not frustrated either. McKrola was he was on the same page as Mike Johnston in that the rates and taxes should cover the costs--in full support of that provided the citizens could see how that was being done.

Steve Capson – Resident and by trade a CPA. Capson said he wanted to clarify that depreciation wasn't just some funny number and that fifty years was a standard number to work with. He said he would discourage the manipulation of depreciation to get back in the black. Depreciation was a number that sits there to try and help analyze the cost of what is wearing away. He said Councilman Horner had it backwards because a sewer system wears away less when there is water running through it than a system setting idle. Depreciation helps determine the long term effects and helps gather the costs. Councilman Horner did not want the infrastructure from unfinished development on the books yet. Capson said since the pipes were in the ground and they had been deeded to the City, in order to get a true cost, they had to be depreciated. He talked about different ways to gauge the true cost of the sewer system.

Sheila Johnston – Resident – Johnston wanted to summarize some of the important points. She said when they sent out e-mails to friends and neighbors about this meeting it was not intended to suggest they were in support of raising taxes. The intent was to get people educated that these things were happening on a weekly basis. She suggested that when she talked about services, it was basic services—about fixing the current problems. She felt if the City couldn't fix those and in addition had money to maintain, then yes there was a need to raise taxes. She continued their intent was to look at the City as it was and address current issues but have a vision. She talked about a SAPS Program and said she would like to talk to the Council about that. She said she did not want neighbors to think they just wanted to raise taxes. However, if that was what it took, then so be it. She felt if the City couldn't have safe places for the children to walk to school, then the Council needed to look at raising taxes. She wanted the kids to have safe places to walk to school and a vibrant, clean city to attract businesses. She asked the Council to consider these things and especially issues that involve the children.

Councilman Mergist commented on the Valley Hills tennis court and said he was not in favor of refurbishing that but would be in favor of having it moved. He thought the road above the park was dangerous. Someone in the audience suggested if that area was just open space, the kids would still play there. Councilman Mergist said he didn't have all the answers right now but was not in favor of replacing the tennis courts.

Councilman Horner thanked those in attendance. He said he had been very vocal about not raising taxes and fees until it was very necessary. He felt there were many things the Council could do instead of raising taxes and fees. Councilman Horner, referring to Johnston's show and tell pictures, said Johnston was correct in that residential development did not pay for itself. He suggested the City did not hold developers to what was really required of them. He talked about development in his area and the City did not force developers to do what they were required to do. As far as funds for parks, he was in favor and suggested the City had the money to maintain those parks and to get the Valley Hills Park up and going. He felt the Council had let the City Manager co-mingle funds and transfer funds from one fund to another so that the Council had a hard time knowing about the funds. He discussed the airport hangars and the \$2,000,000 spent for that. At this time Councilman Horner read the following statement:

The last five months we have asked the City Manager for a balanced budget without co-mingling of funds, overstating revenues and no impact to services. He simply said that this couldn't be done without cutting wages and employees and sharply decreasing employee morale and

ultimately affect services. This is unacceptable and in my opinion a total failure in his job. He came back at least three times with different suggestions some of them which we accepted but it was his suggestion, not the Council as Eric's survey suggested, to cut crossing guards along with other safety items. I, along with the whole Council as it has been stated here, are not willing to cut any safety items or compromise services to the taxpaying citizens of Heber City. With that being said, we did direct the City Manager to eliminate two positions. (1) One position being a building inspector and this has already been implemented. (2) Combine Parks/Cemetery with Public Works thus eliminating one administrator position. This direction the City Manager has given the Council his refusal to carry out by saying this action was personal. I believe that combining these two departments and eliminating one administrator will have minimal if any effect to services and would save the City over \$100,000. I also believe that the Council has every right to direct the City Manager on all and any budget items. By City Code, the Manager is the person who has the authority to terminate all non-classified employees but if he wants to refuse the direction the Council has given him, the Council has the authority to terminate the City Manager or even eliminate his position altogether. This could further help the budget by approximately \$150,000. Yes, we would have to hire a Chief Financial Officer but I believe we need to do that anyway. There are other ways to cut the budget and keep the same level of service most of us enjoy. I believe we are top heavy and before I would ask the citizens or business owners to raise taxes or increase rates, I would look at paying health care premiums for employees only and let them pick up their families. This is how most employers are now anyway. I definitely think we should be open 40 hours a week instead of 50 and further cut expenses but this might not be popular. I think there are other ways we can find different areas to cut spending. But if they are given, we could look at the Engineering Department by going back to strictly contracting out these services on an as-needed basis like we were once and the County has always been. Also as a small business owner, I would like to say I understand that the people that actually do the work or provide the services make the least and are barely making it now. When times get tough, I the owner am the first one to give up a paycheck. So like other cities, if we need to cut wages. I think the people that make \$60,000 up to \$100,000 + will be less impacted than others. Hopefully we don't need to cut all these things, but if we do nothing, these won't come close to saving the City. There are some people that would feel a tax increase with little or no effort; but for most, it would be a huge burden and some who may have already lost their jobs or took pay cuts or maybe their business is just hanging on would be devastated. Thank you again for all coming and getting involved. Please continue to voice your opinions and listen to the facts. If we as a Council know the desires of the citizens it makes our jobs so much easier. I would appreciate any and all suggestions. Thank you.

Mayor Phillips said he appreciated all comments and ideas shared and would be responding to some of them in the future. He said, though, the City Manager did not allocate any monies whatsoever--it was the City Council's responsibility to decide what to spend and where to spend it.

Martin Van Roosendaal – Wasatch Wave. Van Roosendaal asked for clarification. He wanted to make sure that when Councilman Horner was talking about benefit packages being cut and since benefit packages were part of salary, did Councilman Horner understand the result. He said that if employees lost benefits for their family, it would cost the employee more money. He wondered if the employee would receive a raise or something to keep their compensation the same.

Councilman Horner said he understood it would cost the employee more money. Van Roosendaal said that would then be a pay cut. Councilman Horner agreed. Councilman Horner suggested the employees with families got better compensation than a person with no family because of the insurance benefit.

Karen Smith – Resident and small business owner – Smith said they had always provided insurance for their employees and that in turn helped them keep their employees. She asked what the average employee salary was. Anderson guessed \$19 to \$22. Councilman Mergist indicated the some City employees had wages way below that number. Smith suggested a person had to make \$70,000 to live in Heber. Anderson said only six or seven had a salary more than that. Smith asked how the City could maintain their employees if they didn't make good salaries. She indicated public entities had always offered a good benefit package. Councilman Horner said he felt the City offered a much better benefit package than Wasatch County and the School District and said by cutting the benefits the City was more in line with the competition.

Mayor Phillips closed the public input portion of the Public Hearing and turned the time to the Council.

Councilman Patterson read the following prepared statement:

- 1. I appreciate the opportunity to discuss the City's budget for 2010-2011, and to express some concerns about this budget we have before us tonight.*
- 2. Like other members of the City Council, I am conscious of the public's desire to keep taxes low, and to have Heber City continuing to deliver the services in the most affordable and appropriate manner possible.*
- 3. When revenues are short (like they've been in the City the past two years), we look for ways to maintain services within the financing we have available to do that. If we cannot do that, we look at areas in which we might cut back without affecting the necessary services due the public, especially in areas of safety and law enforcement.*
- 4. Heber City has done just that, and it didn't start this year. It started a couple of years ago. The following will illustrate what I mean:*
Heber City Corporation
Summary of Personnel & Benefit Changes
May 25, 2010

Manpower

Positions Vacated and Not Filled:

Animal Control Technician – Kevin Diaz

Accounts Payable Clerk – Paula Mories

Police Sergeant – Mike Clegg

Public Works Lead Man – Robert McKnight

Clerk in Treasurers Office (part-time) – Annette Williams

Planner / Code Enforcement Official (may be filled in September 10) – Jason Boal

Airport Manager – Lee Ivie

Park / Cemetery Seasonal Workers (2)

Building Inspector – Don Blackburn (let of his own volition)

Retirement anticipated in 2011 budget year:

Planning Director – Allen Fawcett

That adds up to TEN positions that have not been filled, and another anticipated loss of an employee in the current budget year.

Wages & Benefits

Wages:

No salary increases for two years (last budget year and this coming budget year)

Benefits:

Clothing Allowance Reduced

City Council Travel Allowance Eliminated

City Manager and City Engineer Travel Allowance Eliminated

Contribution to 401k for Non-Police of ~1.4% eliminated

Long Term Care Insurance Eliminated

Travel & Training Reduced

5. I really struggle with trying to balance the City's budget on the back of its employees, especially when we have monies in other accounts.

6. Heber City (like most of all the cities in Utah) has relied on sales tax revenue to help keep taxes down, and enable it to run its operation. Sales tax is the #1 revenue sources for Heber City. With the downward swing in the economy the past nearly 3 years, we have taken a huge hit on sales tax.

The Commercial development (Boyer Development) will add significantly to the sales tax revenue, in addition to providing much needed jobs. It will be next year sometime before the city realizes any significant changes upwards in sales tax.

7. Heber City has cut back on services to the extent possible, and has trimmed its department costs significantly. Our department heads and City Manager are to be commended in their efforts to "do more with less." They have really made a difference this past year. There comes a point when any savings to be realized have been realized! I don't believe we can squeeze any further without noticing a degradation in services. And I don't believe that is what the public wants (as evidenced by the turnout here this evening).

8. Essentially, we have been looking at what Councilman Mergist refers to as "short-term fixes for long term problems."

The Council needs to be more farsighted than thinking we can handle these issues with short-term fixes... whether it be increasing property taxes, fees, or water and sewer rates. It takes a certain amount of money to run a city that hopes to provide services at an acceptable level.

Heber City is proud of the fact it has been able to operate without property tax increases for over 20 years now. We really have worked hard to avoid raising property taxes.

My comments tonight are not directed specifically towards raising property taxes. They're intended to share feelings about funding our operations, and long term, meaningful solutions to our problems. Elected officials have to make the tough calls, and this "perfect storm" we've noticed in the hit to our economy the past few years has left us in a difficult position.

9. I am not OK with cutting out the auto allowance for our City Manager and City Engineer. These allowances have been part of the wage and benefit package for those positions. Our employees are not overpaid. Up until 2 years ago, Heber City has been able to adjust wages upwards each year in hopes of bringing employee salaries in line with the industry standard. We want to pay employees fairly. We do not want to pay them too much, but by the same token, we do not want to underpay them.

I am not in favor of cutting the automobile allowance afforded to city council members as part of their wage benefit package. It is not a large amount, but when looked at in context - the fact that city council wages have not been increased in at least 10 years, I believe this should be left alone.

I know that no one gets involved in public service for the paycheck. That amount which Heber City pays its Council and Mayor helps off-set the personal expenses involved, and serves to take away any deterrent from good citizens wanting to run for public office, but might not for fear of not being able to afford the time and expense.

I believe the public supports a city paying its employees fairly (to include its city council), and I believe the public expects them to do a good job for the wages they are paid. I agree with that 100%.

10. I certainly was not an advocate of furloughing employees or reducing wages across the board (short term fix - long range problem) and I am grateful we are beyond that. We have saved a lot of money through attrition and cut-back strategies. When employees have left, their duties have been reassigned to current employees who are handling those duties in addition to their own (and that's with no pay increases, and frozen wages for 2 years running now.)

11. I am not in favor of cutting approximately \$100,000 dollars from the combined Public Works and Parks/Cemetery department - something which likely would result in the elimination of approximately two positions in those departments and result in a degradation of services.

12. Given the fact Heber City has monies in different accounts which can be used, I believe we should use those monies to:

a. Continue to contribute the 1.4% for city employees to the 401K accounts.

b. Reinstate the approximately \$100,000 schedule to be taken out of Public Works/Parks and Cemetery.

c. Restore the clothing allowance benefits removed from employees in this budget.

d. Make available the manpower to hang Christmas lights (which have already been paid for) as well as the hanging baskets of flowers on Main Street.

e. Maintain the auto allowance to both the City Manager and City Engineer, as well as the City Council and Mayor.

WE CAN EASILY COVER THIS OUT OF MONIES WE HAVE IN VARIOUS ACCOUNTS, AND STILL MAINTAIN A SOMEWHAT HEALTHY SURPLUS.

13. We should spend the time necessary (months if needed) in analyzing our infrastructure (water and sewer) and the costs necessary to maintain these systems and cover the depreciation costs in water and sewer. We need to determine the costs associated with maintaining our parks in good repairs, and plan accordingly for necessary repairs to such items as the retaining wall in the Valley Hills Park.

14. Over the next several months, determine if property taxes are adequate to help provide services at a reasonable and fair level. We do not have to offer 4 hour turn-around service, for instance, on processing building permit applications, nor push new-fallen snow within 60 minutes of it hitting the ground, but we do need to provide these services in a fair manner, and most importantly, we need to be able to fund these services. If that means increasing taxes a little, raising fees a little, then so be it. Remember, elected officials are here to make good decisions and make the tough call.

We should be sensitive to what the public wants, and balance it with what we can afford to provide.

Councilman McDonald said it was nice to know there was interest from the community. He read the following prepared statement:

Some of the City Council members have had different approaches on how to accomplish one of the purposes of the budget, which is to balance it.

As an elected official I see my fiduciary responsibility being not only to present a balanced budget to the citizens, but also to stop the trend of increased spending. We must change our attitude toward spending as it is obvious that we are continually spending more money than we are taking in with revenues.

I have been looking at the revenues that might be coming into the city and I have tried to ensure that the expenditures of the city are below them. Unfortunately, despite these efforts, the opposite is true. Our expenses over the past 3 years have currently exceeded our revenues, which has created an on-going deficit for the city to surmount.

In looking at the details of the budget, the council has 3 viable solutions for solving the problem of the deficit:

The first solution is to raise taxes on the citizens of Heber City. This is always the easy way and not one that I am prone to accept right off hand without reviewing the other options. This approach has been heavily supported by two other council members and the city manager. However, in my opinion, at this time, raising the tax burden on the citizens of Heber City should be the last choice not the first and easiest.

Government funding is based on the taxation of the people; however, governments must be careful not to overburden their only source of revenue. Overtaxing destroys the financial infrastructure of the economy; it leads to discontent and a living that creates a false sense of security. In order for a government and a nation to function properly, the financial structure of that nation must be kept healthy, strong and viable, simply living within your means. Our people are already suffering from the effects of this deep recession. They are trying to rebuild, but they cannot if we place too heavy of a tax burden upon them financially.

The second option is to transfer money from accounts or I call it "borrow money" from other sources like the reserve funds, this does not bring into alignment the revenues and expenditures, like you have to do every month in your own personal checking account. Frankly, this solution is like putting a Band-Aid on a broken bone, it does not deal with the actual problem of over-spending. This solution is only temporary and one that is filled with problems over the long run. Rather than fixing the problem it only seeks to cover it up for the time being. The city has a reserve rainy day fund meant specifically for emergencies.

It is like a savings account for the city. Unfortunately, this fund has a limit and if we continue to deplete this fund as we have in the past, with no thought for tomorrow, the reserves will soon be exhausted. We cannot continue to live off of our savings without planning for the future. Over the past 3 years, the city officials have transferred or borrowed over 400K dollars per year from these reserve accounts in order to fund the City's expenditures, this is not a sustainable endeavor.

The third option, which I believe to be the prudent and responsible choice, is to reduce spending through budget cuts, again to bring into alignment of revenues and expenditures. When elected officials get into office, sometimes they misplace their priorities. They feel that they must be the

protector of those employed by the city. Let me make one thing clear concerning the city employees. I support the employees of the city 100%. I want to prevent layoffs, just as everyone else does. However, this can only be accomplished by making cuts to operational expenditures and if necessary wages and benefits. It is a simple fact that you cannot spend more than you earn. We must learn to live within our means.

Therefore, cuts must be made somewhere to preserve jobs for those who remain.

Government and appointed officials also mistakenly feel that they must protect all of the programs that are in place. I believe this course of action is inappropriate. The city needs to consolidate some of its departments to reduce spending. Government should be an example for the people on how to properly and efficiently run a budget, rather than being some of the last to curb spending or tighten their belts.

At the beginning of this year, at the first budget meeting, the council was presented with a 502K loss in the 09-10 budget year, and we were only 6 months into the budget! If that amount was already seen as a short fall that early into the fiscal year, why was it not foreseen 6 months earlier? Where is the accountability?

The city manager recommended to the council that the solution to fix the 09-10 budget deficit was to transfer money out of the surplus, rainy day fund. So most of the money was transferred from other funds to meet the short fall, along with some funds that came from departmental reductions. This covered the 502K deficit for 09-10 fiscal year.

As the council looked At the 2010-11 budget year, the current expenditures of the city where running at 4.3 million and the estimated revenues to cover it was only 3.8 million. We had another 500K deficit to face.

So over the past 3 years the City has run at a loss of around 1.2 million and that does not include 1.1 million deficit on the hangers that dried up a lot of the reserve funds. If the council did nothing for the 2010-2011 fiscal year we would add another 500K loss.

To me the City Budget of 2010-2011 is still flawed and contains errors. The current budget proposed still contains over-estimated revenues and it still is running at a deficit. On paper it looks balanced but I assure you that this does not represent a balanced budget.

If the council approves of this budget as it currently is, then our actions will be no different than those taken over the past three years and we will be faced with yet another deficit to cover in January.

We cannot continue to sit back and wait for the economy to supposedly turn around and correct our over expenditures in the budget. Many economists are predicting another dramatic down turn in the economy and what happens if this is true and we experience an even further reduction in our revenues. In fact, the current economic crisis should give us even greater incentive to be frugal and responsible with taxpayer's money.

The council and city manager must continue to look at everything and every department to find ways to continue to further reduce at least another 200-300K.

Budget cuts are hard to make, because it affects everyone, the departments, and especially employee morale. Regrettably, budget cuts are one of those hard realities that no one wants to face up to. But ignoring the problem will not make it go away. The sooner we face the problem and deal with reality, the easier it will be to fix it. The longer we wait, the greater danger we put the city in of being destroyed by over spending, debit accounting and finance.

I do not want to be accountable for this budget as it is, it would be irresponsible for me to do so. For the reasons I have stated My vote is Not to approve of the 2010-2011 budget.

Councilman Straddeck indicated he did not have a written statement prepared but had some thoughts.

The basic approach to budging is this: Put services to the resident's demand--at what level of services, quality service, is demanded and delivered. Are we a right sized organization and are we paying a fair wage. When those questions are answered, then residents pay for that. So the answer to those questions in his opinion: Are we right sized. I do not think so in some particular areas. We are understaffed in some areas. In regard to the pictures that were shown—we don't have enough staff for Code Enforcement. The City lost the Code Enforcement Official because we couldn't pay him enough. The issue he had in continuing to make these cuts, he believed the cuts the Council had made would cripple the City's ability in the long term to maintain the systems and basic infrastructure of the City. If there is a gap between the money that is needed to maintain the services at the level the residents demand and the costs of those services, that gap should not be borne by the employees of the City. If the citizens' demand and we are right sized organization and we are paying a fair wage, then the residents are saying they will pay for it. The employees should not have to pay the residents to provide services to them. We have \$650,000 in surplus funds. The way this current Council is going via majority (not all are in agreement), is that the only approach that is viable, that is allowable in order to close the gap, is to cut expenses in whatever way that has to happen. All the way down to having to be understaffed, getting us to the point where we are unable to maintain our infrastructure in the long term. He did not support the budget because of the rational of combining departments to cut \$100,000. (Public Works and Parks/Cemetery) Guess what that would do to the pictures showed. The proposal for these cuts does not take into account what the long term cost is, what the long term requirement for maintenance of systems is and is irresponsible. To then turn to the employees as a means to close that gap is also irresponsible, is unethical, is illogical and does not make sense. I started out this budget year convinced to raise taxes and fees. Then I backed away because I realized, in making that decision, I was going down the same road I was criticizing other people for, only on the other end, and that was making that decision without analyzing the data and understanding the long term impact and without understanding what the residents wanted the Council to do. Would you support a tax increase or rate increase--do you want services cut or raised taxes or a combination? I propose over the next budget year the Council take the time to do an unprecedented and comprehensive survey of the residents. I feel this Council has the opportunity right now to set the direction of the City for the next 10, 15, or 20 years by doing what I believe is an unprecedented survey and find out what the residents want. In the mean time and before we know what the residents want, we should not be crippling the City and tying its hands and not be able to maintain the level of services before we know what the residents want. I suggest the Council find out what the citizens want before they continue to cut and cut to the point of where we are now. I do not support the proposed budget because of the extreme cuts that have been exacted from it. The City has the funds available because we are at a 16+% surplus and the state mandate is not more than 18%. The funds are there to plug the deficit at this point to give the Council the additional time needed to continue to work towards a budget they all could agree on whether that be by raising taxes or fees, additional cuts or a combination and not just for 2010-2011 but for the next decade.

Councilman Horner said he and Councilman Straddeck disagreed about services being cut by combining departments but if the Council allowed Mark Anderson to do it his way, two people

would have to be cut. He said he wanted to cut an administrator instead of employees and did not think combining departments would cut services whatsoever. Councilman Straddeck said Councilman Horner was wrong but he was entitled to his opinion.

Heywood wanted to know if a vote could be taken in November. Mayor Phillips said he did not think this could be placed on the ballot in November. Anderson said he was not aware of a vote being taken except for bonds for specific purposes.

Jeff Jones – Resident – Jones asked if the City had a tax increase, how much would that represent for each household. Anderson said that the City had currently \$734,000 they were authorized to collect in property tax but would only collect about \$680,000 because people had not been able to pay their property taxes. He continued that in his case personally a 10% increase would be \$1.10 a month. Jones suggested making the public aware of that because he felt the public was anticipating a figure much higher. He said he would be willing to accept a \$14 a year increase in order to keep the level of services and to not impact the employees via wage cuts and insurance cuts as discussed. He did not think that was a lot of money to keep the employees and maintain the services. “Don’t do this to the employees,” he said.

Councilman Patterson moved to accept the 2010/2011 budget with the following changes:

- (a) continue to contribute the 1.4% for City employee’s 401K account
 - (b) reinstate the approximately \$100,000 schedule to be taken out of Public Works/Park and Cemetery
 - (c) restore the clothing allowance benefits removed from employees in this budget
 - (d) make available the manpower to hang Christmas lights (which have already been paid for) as well as the hanging baskets of flowers on Main Street
 - (e) maintain the auto allowance to the City Manager, City Engineer, City Council and Mayor
- The motion failed for lack of a second.

Councilman Horner asked Anderson if he would continue to deny letting go the one administrator as the Council directed. Anderson said he was willing to reduce the budget by \$100,000 but as the person over the hiring and firing, he would not support letting the person go that the Council wanted. Councilman Straddeck wanted to know why. Anderson said that person was a value to the organization as McKrola had said and he thought the City Engineer would also support that.

Councilman Straddeck moved to approve the 2010/2011 budget as presented with the following modifications: reinstate the \$100,000 taken out by consolidation of departments, reinstate City Manager and City Engineer’s auto allowance and that the ensuing gap be filled by surplus.

Councilman Patterson made the second. No discussion. Voting AYE: Robert Patterson and Eric Straddeck. Voting NAY: Nile Horner, Alan McDonald and Benny Mergist, Motion failed.

Councilman McDonald moved to not approve the 2010/2011 budget as current without amendments as there were still gaps the Council needed to fix and he did not want to transfer rainy day funds.

Anderson explained municipalities were required to adopt a budget by June 22. He asked if the Council wanted a special meeting to finish the process but that it would have to be held by June 22. Mayor Phillips explained budgets could be amended in the future.

Councilman McDonald withdrew his motion.

Councilman Horner moved to approve the current 2010/2011 budget as presented with one condition that the City Manager, Mark Anderson, take the direction the Council had given him five times now to consolidate departments and let go the administrator the Council had recommended so services would not be affected. Mayor Phillips told Councilman Horner he could make a motion to adopt the budget but the Council did not have the authority to fire an employee. Councilman Horner countered that the Council had the authority to give direction to the City Manager.

Motion failed for lack of second.

Councilman Mergist moved the Council approve the 2010/2011 budget with the elimination of the item of consolidation of the Public Works and Parks/Cemetery Departments and approve the use of surplus funds to make up the \$100,000 loss. Councilman Straddeck made the second. No further discussion. Voting AYE: Eric Straddeck, Robert Patterson and Benny Mergist. Voting NAY: Nile Horner and Alan McDonald. Motion passed.

Public Hearing – Consideration to changes in the Transportation Element of the Capital facilities Master Plan – Subsidy of Commercial Impact Fees (Tab 4): Mayor Phillips explained the purpose of this Public Hearing was to discuss and decide whether to eliminate the City subsidy for non-residential street impact fees, modify the Facilities Master Plan and adopt a revised Consolidated Fee Schedule. He explained the General Plan itself was under review at this time.

The Proof of Publication was provided. Because of the length of the notice, it was not read.

Mayor Phillips opened the Public Hearing at 10:18 p.m. and explained that developers on non-residential building paid 55% of the Street Impact Fees and the City paid the remaining 45%. He said that if anyone wanted to address the Council on this issue, now was the time.

Wade Williams, Boyer Company – Williams wanted to discuss two things as it related to this issue. (1) The issue was not fully ripe. He did not think this should be considered before the Master Plan was passed so the Council really knew where they stood. He said that Horrocks' Engineers had indicated it should be done by the end of summer. He pointed out the Master Plan was over six years old and suggested to base a fee that was on old data was inappropriate. He thought it would be hard for the Council to make a decision without actual/current facts and fees. (2) Williams discussed the new proposed project in Summit County in the area of the Home Depot and said that project was intended by its owners to draw sales tax out of Wasatch County. An overhead was shown. The project included a military hotel with a lot of retail around it. Williams said it did not have to go through any entitlements because it was a federal government project. Williams said his concern, as the developer of Valley Station, was that project would

compete with what he was trying to do. He suggested the upside was this gave him an opportunity to bring some of that proposed development to Heber; otherwise, he felt this project would be a direct competition to Heber.

Tony Kohler said the important part of this issue was that Park City would subsidize that project and would have tax incentives. Williams expressed concerned again about the Park City project hurting his development and in the end Heber City.

Councilman Straddeck asked what the status was of Valley Station. Williams said Wal-Mart would go to bid August 15 and the City would have a building permit application by August 1. He said his development (phase 1) would move forward simultaneous with the Wal-Mart. He said again he wanted to be able to compete.

Councilman Horner suggested the Council go with another proposal which was 45% with a cap of \$15,000 and thought that was sufficient incentive. He said anything above that would devastate the budget. Williams asked when he would propose that to go into effect. Councilman Horner said 90 days. Williams, thinking in terms of going through the process, said there was not a tenant in the world that could go in 90 days—they could not even design a building in 90 days. He said it took at least two years for a big tenant and 6-9 months for a smaller tenant. He then asked if the City wanted to be in a non-competitive situation. The other issue he wanted to ask support from the Council on was they had submitted an application to Wasatch County for monies from a Recovery Zone Facilities Bond. He said the County had gotten two bonds and one could be used by municipalities. These bonds were to spur economic recovery. He said they had been told there was no one else on board for that and encouraged the Council to support them in that effort. He said if the County did not use that bond, they would lose it. He said financing had been very challenging. Williams indicated his project had built more traffic infrastructure in Heber than any of their other projects and if the Council decided on changing the subsidy on street impact fees, they would ask the Council for some credits they had not asked for in the past.

Councilman Mergist said he personally would like to see a Costco, but had more concern with smaller stores that might hurt Main Street. Williams discussed the sales tax leakage from this community because of purchases from residents outside the valley. Councilman Horner wanted to equalize part of the impact of this development by collecting the Street Impact Fee. Williams suggested the Council was changing the rules in the middle of the game. He said his biggest fear was if this subsidy was changed, that would give Wal-Mart the excuse to get out of the development and if they left, all the tenants would leave.

Sheila Johnston – Discussing the students that attended Rocky Mountain Middle School. The work the Boyer Company did significantly helped the children's walking paths and having what was in place right now was great and helping with the overall plan of safety. She asked the Council to keep in mind the long range goal of sidewalks for children to walk to school on and other safety issues. She reminded the Council the city residents voted to approve the Wal-Mart so don't put the kibosh on the project now. She agreed that the Council needed to look at impact fees and review numbers but felt the Boyer Company had gone above and beyond. Councilman Horner suggested looking at the other side and said he felt as soon as there was development in that area, it would not be as safe as it was now. Councilman McDonald said the businesses on

the south of this project had been hurt. Johnston encouraged the Council to look ahead--look at the stores in the project in Park City and consider that would be where people would shop if the project in Heber failed. She suggested there were a number of specialty type stores that would benefit Main Street. Again she reminded the Council that the people did vote in favor for Wal-Mart.

Tony Kohler suggested the retail development industry was competitive as were municipalities and counties competitive. He indicated Midway City did some special things to get The Market in their downtown area and other cities did things to get tax dollars--it's a game municipalities played. He said this was not the time to put heads in the sand and hide and suggested the cost the City was talking about would be overturned after this development came in. He said he worried about the impact on the downtown area, but also felt downtown would benefit from the Boyer Development. Kohler continued that if the City didn't have this incentive, there would be no incentive at all. Again he said other municipalities offered incentives to compete.

An overhead outlining statistics was shown which analyzed the effect on Heber City based on the stores in Park City with stores in Heber City and without stores in Heber City. It was indicated again the development in Park City had been offered tax incentives by the government. With or without Boyer they would have retailers trying to get tax dollars from Heber City. It was suggested that without a Heber City incentive, Heber City would be left to give its taxes to other communities.

Councilman Horner suggested it would be easier to give a subsidy if it was known what was really coming in. He said, too, there would be competition regardless. Kohler agreed and said he saw Heber doing very little trying to court development and saw other cities doing a lot of it. Kohler predicted Heber would be a vacant downtown if the Council eliminated the subsidy because it would have a very negative impact on downtown. Williams suggested the Council needed to look at what the City would get back in the long run.

Mike Thurber – Thurber asked if the Public Hearing was still open. It was indicated yes. He said then it was time for the public to speak not time for all this debate. He said when he first moved to Heber there was a sign on the outskirts of town that read “Welcome to Heber - Come play for a day or stay for a lifetime” and asked if we now wanted to post a sign that read no businesses are welcome in Heber City. He felt cutting out the incentive would also cut out businesses. He was in favor of leaving the street impact subsidy as currently in place and suggested the City would get the money back through sales tax, jobs and property tax. He encouraged the Council to look at the big picture and felt the citizens as a whole would appreciate it.

Annie Bruehl - Bruehl said she was trying to put into perspective what Councilman McDonald's comments were about the last six years. She indicated that we, as a community, either helped or hindered the Boyer project. She felt a walkable Main Street did not make a lot of sense right now and to think there was enough business on Main Street to support the City was foolish. She was in favor of helping the Boyer Company finish what they started especially since the community hindered them in moving forward as quickly as they could have. She suggested a lot of people were wondering about and waiting for the Boyer Development.

Mayor Phillips questioned if the city monies being defrayed took away from the Daniels Connector. Anderson said he thought so and until the Transportation Master Plan was updated, he did not know what percent of that project would be eligible for impact fee monies to construct it. He hoped it would be a significant. Mumford said there was not much now but when the Transportation Master Plan was updated, there would be much more allocated towards that project. Councilman McDonald said the Council had not specifically designated monies to the Daniels project. Mumford explained, since the Council had identified the Daniels Connector in the Master Plan, the next piece of the puzzle was to identify that as part of the Transportation Master Plan and monies would be allocated towards that.

Sheila Johnston said she had a friend that would like to move her company (biomedical lab) to the Heber Valley. Right now she commutes to Salt Lake City each day and her children go to school in Salt Lake because that was more convenient. She felt the reasons behind her not moving her business to Heber was because she was limited in the places she could operate a biomedical lab, limited in tax benefits she got for her company and the number of skilled workers she could hire. Johnston saw this as the big picture. Councilman Mergist said he was interested in this and suggested there were a couple of places in Heber's business park that would work for her. Johnston said there had to be enough affordable housing in the valley to accommodate the workers, there had to be parks for families to enjoy, there had to be incentives to move the company here, etc.,--it was everything talked about tonight—the big picture.

Bart Mumford said that as far as the Boyer project and if their traffic projections of 12,000 to 13,000 trips materialized (and a big chunk of that was Wal-Mart) and if they kept on their plan the amount the City would subsidize, subtracting Wal-Mart, would be approximately \$280,000.

Kieth Rawlings – Resident and Planning Commission Chairman – Rawlings thought \$280,000 seemed like a small amount based on what the City might generate in sales tax. He thought the City would recoup in one year. He felt if the Council changed the street impact subsidy they were being short sighted and would eliminate the City's ability to compete. He suggested setting this aside and doing an in-depth study and getting some comparisons. He thought it would be found that the sales tax generated would compensate. He encouraged the Council to make sure they knew the offsets.

Steve Capson indicated that \$280,000 divided by 1% was 20.8 million dollars in gross sales that had to be made – that 1% could be recouped in one year. He said it made sense to give a year to get a year back and felt it did not make sense to hold the project up. If the Council changed its policy in mid stream coupled with now having competition, they were tying the hands of the development. He continued that a broker had to have the game plan in hand--they couldn't just say go and ask the City Council on a one-by-one basis--tenants had to know the subsidy, if any, up front. He felt changing the rules in mid stream put everyone at a disadvantage and suggested if this development started pulling apart, the whole thing would go bad. He said that cities were pulling hard to compete and even to get lending was very difficult. He suggested this was a difficult business environment right now and he did not want the City to shoot itself in the foot. Mike Johnston suggested it was easy to see the impact of a house. He said it was interesting as far as commercial development in that the impact was positive--the property tax alone on this project would be huge. He said the sales tax more than outweighed the subsidy. He wondered if a

street impact fee should even be charged since the residents were already here and had to drive down Main Street to get to Park City and/or Provo anyway. Johnston felt that anything done to promote growth and development and generate jobs was a positive impact and anything done to help the Boyer project would be paid off in a year or so.

Mayor Phillips closed the Public Hearing at 11:28 p.m.

Councilman McDonald thought maybe the Council should wait until after the Master Plan was finished to make a decision.

Councilman Straddeck said he voted against Wal-Mart and Williams knew that. When he first got on the Council and learned about the subsidy he was outraged at the concept--not so much in terms of wanting to stimulate economy activity but such a large impact to the City. He was in favor of getting rid of it without actually looking at the big picture--looking at the return on investment. He said he was no longer in favor of that position and he did not need to wait to take a vote—he wanted to vote and keep current subsidy. Another thought--it had been proposed to have a subsidy to a point. He did not think that was a bad concept. However, one of the top three impact fee attorneys retained by the City gave his professional opinion that that kind of stance would not be defensible. He did not want to put the City in a position to be challenged each time the issue came up. He felt the Council needed to rely on his professional opinion. He felt that even if it took one or two years to recoup the subsidy, the City would have the next 40, 50, 60 years to reap the benefits.

Councilman Straddeck moved to leave the impact subsidy of 45% as currently in place. Councilman Patterson made the second. Councilman McDonald said Jodi Burnett had indicated the 45% amount could be challenged as well. Councilman Straddeck suggested the City had the history behind it which showed the City was treating everyone equal.

Councilman Mergist said another option he presented was just go adhoc and have everyone come before the City.

Voting AYE: Eric Straddeck, Robert Patterson and Benny Mergist. Voting NAY: Nile Horner and Alan McDonald. Motion passed.

APPOINTMENTS

Jeff Findarle – Requesting the return of Sidewalk Cash Bond – Property located at 136 / 144 South on 200 West (Tab 5): This item was postponed to July 15 at the request of Mr. Findarle.

Josh Yeates – Requesting a one-year extension to record plat – Elmbridge Development – 750 North 100 West (Tab 9): Anderson said the Yeates were the developers of the Elmbridge Development which was located on the west side of town which would have 76 units. He said approval was granted on June 18, 2009, by the City Council and the City's policy required recording of the plat in one year; however, the Council could grant one, one-year extension. An overhead of the area was shown. It was indicated the developer had successfully applied for and

been granted tax credits for this development. It was indicated these units would be built to affordable housing requirements. Anderson explained the original Development Agreement outlined the payment of \$79,000 as the affordable housing requirement but because of the different route they were taking with the entire development being affordable housing, that requirement was null and void. He said they had provided the Council with proposed amendments to the development agreement they wanted considered. Councilman Horner asked if the Council granted the extension, would it give approval to the development agreement. Anderson said there was an agreement approved one year ago. However, they did want to have the Council consider some changes to the development agreement. Councilman Straddeck said it was unclear from staff report what the differences were to the development agreement.

Delyn Yeates said in order to be simple and to clarify, they were asking for an extension and that they had reviewed the agreement with Mumford and were asking for a couple changes in that Development Agreement. The first was item J which was the affordable housing issue. He said they would not have to pay the \$79,000 because they had met the affordable housing issue in another way. The other issue was the sewer line reimbursement if they upsized the line.

Councilman Straddeck asked about the proof of meeting the ordinance on affordable housing. Mayor Phillips understood they would offer affordable rents to compensate for the \$79,000. Councilman Straddeck said he would be willing to look at it and consider it but he had not seen anything that said they had met the requirements. Anderson said the document had not been provided. He said it was staff's belief, based on the tax credits, that they would meet the requirements.

Councilman Horner felt the Council could grant the year extension under the old agreement but they were not asking for that but rather under a new agreement.

Delyn Yeates said they were ready to submit plans and thankful for the Planning Department in letting them know this was about to expire. Yeates suggested this would bring revenue to the City.

Councilman Straddeck asked who made the determination that the affordable housing obligation had been met. Yeates said the requirement was determined by the City's affordable housing ordinance. Anderson said it was the Housing Authority that determined if the requirement had been met. Anderson said the City was waiting for a water right change from the State.

Councilman McDonald asked what would happen if the Council did not give an extension. Yeates said it would be a disaster for them. Anderson said the project would have to go back to the Planning Commission and start the process over. Yeates said if the economy had not gone down, they would be in the dirt already. He said they were ready to submit plans but did not realize the expiration of the plat was an issue. Councilman McDonald said he had concerns with the impact on the infrastructure with a high density project like this. Yeates said the State would not put up money for this project if they did not think it would work. Councilman Horner expressed concern about the Park City affordable housing influence. Yeates said this had nothing to do with Park City.

Scott Loomis talked about Mountainlands Community Housing Trust, 501(C)3, which was a non-profit agency with a mission to promote and create affordable housing in Summit County and Wasatch County. He said he had made considerable effort to be involved in Wasatch County. Councilman Horner asked if this would compete with Wasatch County Housing Authority. Loomis said no. Councilman Horner asked if this could be tabled to allow the Council to talk to the Wasatch County Housing Authority. Councilman Straddeck suggested granting the extension under the agreement pursuant to the Housing Authority letter.

Councilman Straddeck moved to grant the extension under the new agreement pursuant to receiving the letter from the Wasatch County Housing Authority. Councilman Patterson made the second. No further discussion. Voting AYE: Eric Straddeck and Robert Patterson. Voting NAY: Nile Horner, Alan McDonald and Benny Mergist. Motion failed.

Councilman Horner moved to give them a 30-day extension to give Council time to get Housing Authority review.

Tony Kohler asked if 30 days gave them to the next Council meeting or when. Kohler suggested approving under the existing agreement and then come back later for changes to the Development Agreement. Councilman Horner said his main concern was that Heber City would be providing affordable housing for Summit County. Delyn Yeates said they solicited Loomis to be their business partner. That had nothing to do with representing Summit County. He was just a financial assistant. Councilman McDonald wondered if his funding was Summit County or not. Loomis said he was a non-profit; however, he did have a contract with Summit County. Councilman McDonald asked if they built this in Wasatch County, did that satisfy their obligation to Summit County. Loomis said absolutely not.

Mayor Phillips asked if there was anything different in this extension request from other extensions. Kohler said it was not different only in the sense it was a multifamily development.

Councilman Horner withdrew his motion.

Councilman Straddeck moved to approve the extension under the new agreement pursuant to a letter from the Housing Authority. Councilman Patterson made the second. Voting AYE: Eric Straddeck, Nile Horner, Robert Patterson and Benny Mergist. Voting NAY: Alan McDonald. Motion passed.

ACTION ITEMS

Approval of the Heber Valley Animal Control Voluntary Organization Operating Agreement (Tab 6): Chief Rhoades indicated he, the Animal Control Department and the Friends of Animals had worked diligently to get to where they were now and he was excited that an agreement had been reached. He suggested there may need to be some tweaking at some point. Mayor Phillips said Jeff Jones had worked closely with the community and he appreciated all those that worked on this.

Councilman Mergist moved the Council approve the Volunteer Agreement between Friends of Animals and Heber City with amendments as presented and that the Council appoint Jeff Jones as a non-voting member to the Animal Control Board. Councilman McDonald made the second. Voting AYE: Eric Straddeck, Nile Horner, Robert Patterson, Nile McDonald and Benny Mergist.

Justin Hatch, Animal Control Supervisor, indicated he was excited to get this going. Councilman Mergist thanked Mr. Jones, Hatch and his crew, and the Friends of Animals group. Cathy King thanked the volunteers and said this couldn't be done without them.

DISCUSSION/ACTION ITEMS

Appointment of two persons to serve on the Nomination Commission that would Review Applications for Replacement of the Heber City Justice Court Judge (Tab 7): The name of Dennis Roberts was suggested. Anderson felt it would be appropriate to ask the City's current judge to participate in the interviewing process. Another name suggested was Annie Bruehl.

Councilman McDonald moved to accept the names of Dennis Roberts and Annie Bruehl to be on Nomination Commission that would review applications for the replacement of the Heber City Justice Court Judge. Councilman Patterson made the second. No discussion. Voting AYE: Eric Straddeck, Nile Horner, Robert Patterson, Alan McDonald and Benny Mergist.

Anderson explained the 2009/2010 budget had to be opened and amended as that was not done during the earlier budget discussion. He reviewed the spreadsheet he had provided which showed the amendments needed.

Councilman Patterson moved to open and make amendments to the 2009/2010 budget as reviewed. Councilman Straddeck made the second. No discussion. Voting AYE: Eric Straddeck, Nile Horner, Robert Patterson, Alan McDonald and Benny Mergist.

As there was no further business for the Heber City Council at this time, the meeting adjourned at 11:45 p.m.

Paulette Thurber, City Recorder