

HIDEOUT, UTAH
10860 N. Hideout Trail
Hideout, UT 84036
TOWN COUNCIL MEETING
March 12, 2020
6:00 p.m.

TOWN COUNCIL REGULAR MEETING

I. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Rubin called the meeting to order at 6:00 p.m. on March 12, 2020 at 10860 N. Hideout Trail, Hideout, Utah.

II. ROLL CALL

Town Council Members Present:

Mayor Philip Rubin
Council Member Chris Baier (via telephone)
Council Member Kurt Shadle (via telephone)
Council Member Jerry Dwinell
Council Member Vytas Rupinkas (via telephone)

Staff Present:

Town Treasurer Wesley Bingham
Town Administrator Jan McCosh (via telephone)
Town Attorney Dan Dansie
Public Works Kent Cuillard
Town Clerk Allison Lutes

Others Present: Karleen Callahan and Don Blumenthal (via telephone)

III. CLOSED EXECUTIVE SESSION - DISCUSSION OF PENDING OR REASONABLY IMMINENT LITIGATION, PERSONNEL MATTERS, AND/OR SALE OR ACQUISITION OF REAL PROPERTY

Council Member Rupinkas moved to enter a closed executive session. Council Member Dwinell made the second. Voting Aye: Council Members Baier, Shadle, Dwinell and Rupinkas. Voting Nay: None. The motion carried.

At 6:00 p.m., the executive session convened.

At 6:30 p.m., the executive session adjourned.

Mayor Rubin called the public meeting to order at 6:37 p.m.

IV. APPROVAL OF COUNCIL MINUTES

1. February 12, 2020 Minutes

Council Member Dwinell moved to approve the February 12, 2020 minutes. Council Member Rupinkas made the second. Voting Aye: Council Members Baier, Shadle, Dwinell

and Rupinskas. Voting Nay: None. The motion carried.

2. February 13, 2020 Minutes

Council Member Shadle moved to approve the February 13, 2020 minutes. Council Member Dwinell made the second. Voting Aye: Council Members Baier, Shadle, Dwinell and Rupinskas. Voting Nay: None. The motion carried.

V. AGENDA ITEMS

1. Presentation of audit results for fiscal year ending June 30, 2019

Amy Davies of Childs Richards provided the Council with copies of the **audit** and summarized the audit findings, highlights of which are set out below:

General Fund Balance Sheet (page 10): The total assets of \$1.6 million: comprised of \$643,000 in cash (\$257,000 of which is allocated to the Deer Waters bond); and \$843,000 due from other governmental units, representing both current and delinquent property taxes (totaling \$694,000). The Town's liabilities totaling \$588,000 were up over the prior year due to customer deposits; total fund balance of \$462,000. Of that, \$28,000 was reserved due to bond requirements. Ms. Davies explained the delinquent property taxes were backed out because they weren't expected to be collected within one year. Council Member Shadle inquired whether such a large amount of property tax delinquencies was unusual, given the size of the Town. Ms. Davies conceded it was unusual in her experience to see such a large amount of unpaid property taxes.

General Fund Budget (page 33): total revenues of \$568,000 exceeded the total budget by \$77,000. The largest increase was found in licenses and permits.

Total Expenditures (page 34): \$695,000 which exceeded the final budget by \$96,000. Deficiency of revenue totaled \$126,000. Other Professional Services, largely engineering services made up the largest expenditure. Mayor Rubin noted that many engineering expenses consisted of one-time large expenses, e.g. GIS mapping, IT infrastructure upgrade.

Proprietary Fund (Page 14): Total current assets \$741,000 of which \$443,000 was cash; total non-current assets totaled \$4 million. These assets increased significantly over the prior year, because of the work performed to formalize an Impact Fee Facilities Plan. In the prior year, there was \$724,000 of booked assets; and in the audit year, they added nearly 5 million in assets. Total assets and deferred outflow equaled \$4.9 million. Liabilities in deferred inflows totaled \$302,000, with the biggest portion in accounts payable with \$274,000 in impact fees due to **JSSD**.

Water Fund (Page 15): \$515,000 in revenue, approximately \$75,000 over the prior year. Total operating expenses were \$461,000; a key piece of that was attributed to depreciation with \$178,000, as well as a \$116,000 increase in water expense. Total net position \$53,763, While in the positive, it was down from the prior year by approximately \$44,000. Total net position in Water Fund: \$4.5 million.

Water Fund Cash Flow (Page 16) Operating activities net cash: \$265,000 Interfund loan transfer and capital assets purchases only \$10,000. Cash increased \$200,000 in the audit year. Page 28-29 presents both capital assets for governmental and water funds.

Council Member Rupinkas inquired regarding the funds due to JSSD; Mayor Rubin noted that the funds would be paid in the immediate future, now that the audit had been completed and the Town was confident in its financial position. The overdue payments were discovered during the audit process that required the staff to undertake a detailed review to determine whether the money was owed, due to the accounting practices of the prior Town administration.

Findings (Page 39): Ms. Davies walked through each of the audit's findings and recommendations regarding same.

She then highlighted two additional recommendations set out in the separate letter concerning the audit: 1) miscalculated building permit fees, due to outdated valuation data; and 2) inadequate separation of duties regarding cash receipts and disbursements. The auditor recommended 1) updating the building valuation data used to calculate building permit fees and ensuring accurate calculations; and 2) using a receipt book for hand delivered checks, as well as having the Mayor confirm sequential check numbering when signing checks. It was noted that Jan McCosh reviews bank transfers and Wes Bingham reviews customer receipts.

2. Continued Public Hearing - Continued discussion and possible adoption of an Ordinance regarding an Impact Fee Facilities Plan

Mayor Rubin announced that due to some outstanding independent financial analysis the Council had yet to receive, it was recommended this agenda item be continued to the next regular meeting on April 9.

Council Member Rupinkas moved to continue the public hearing on this agenda item to April 9. Council Member Dwinell made the second. Voting Aye: Council Members Baier, Shadle, Dwinell and Rupinkas. Voting Nay: None. The motion carried.

3. Public Hearing - Utah Outdoor Recreation Grant (UORG)

Mayor Rubin reviewed that Jan McCosh had been working on behalf of the Town Council to build relationships and rapport with other jurisdictions and agencies in the area and to identify a project on which they could collaborate. Ms. McCosh reported that this year, the Utah Outdoor Recreation office was offering a regional project grant for at least \$2 million, and up to \$500,000 match.

Ms. McCosh explained this grant presented a way for the Town to piggyback on the trail funds being utilized around the Jordanelle as development progresses. She added she didn't know whether this project would meet the \$2 million threshold, however she would be meeting with Thomas Eddington and Nate Brockbank to work out the details; at a minimum, they expected to match Mr. Brockbank's funds pledged toward trail development in the Deer Springs area. The grant submission is due on March 20, and resident Joe Homan offered to assist in writing the grant application.

Ms. McCosh noted they received letters of endorsement from several stakeholders, including the National Ability Center and MIDA. She stated they were not quite certain what the submission would be at this time, however the purpose of this public hearing was to allow anyone to comment.

Discussion followed, with Ms. McCosh fielding questions posed by the Council concerning some of the project specifics, e.g. trail location and future maintenance. Ms. McCosh noted the grant was not intended to replace the funds pledged by Nate Brockbank in connection with the Deer Springs development, but to add to those funds and increase the trail system. Due to her past experience with trails and grants, it was suggested Council Member Baier be involved in the discussions regarding the grant. Ms. Baier felt it wouldn't be possible to prepare a grant application by March 20. Ms. McCosh agreed that it was possible they wouldn't get to the \$2 million project level, but felt they had a chance with Mr. Brockbank's cooperation.

Council Member Rupinkas raised the issue concerning maintenance of the trails, and that it should be included in budget planning. Dan Dansie commented the groups could partner up front in terms of maintenance obligations.

Following Council discussion, Mayor Rubin stated he recommended supporting this effort to partner with the other entities.

At 7:44 p.m., Mayor Rubin opened the meeting for public comment.

Karleen Callahan and Don Blumenthal: Ms. Callahan stated that both she and Mr. Blumenthal had extensive scientific grant writing experience and inquired regarding what the upside would be whether the grant was submitted now or waiting until more fully developed and submitting it in the next round. Ms. McCosh responded they were both possible alternatives, however the risk was in the grant not being available if the Town were to wait.

With no further comments, the public hearing was closed at 7:48 p.m.

4. Discussion and possible approval for the Mayor to sign the Statewide Utility License

Dan Dansie explained this agreement was a statewide standard for UDOT and other jurisdictions in the state. The purpose was to provide the Town with a license to encroach on certain UDOT-owned properties to install certain facilities, e.g. utility lines. The Town had a prior agreement with UDOT, which UDOT was now terminating to replace with this new agreement. Mr. Dansie stated from a legal standpoint, nothing in his review of the agreement raised any concerns. Ryan Taylor was reviewing the agreement to confirm it complies with engineering standards and industry common practices.

A short discussion followed.

Council Member Rupinkas moved to allow the Mayor to move forward assuming there are no red flags from the engineer.

Council Member Dwinell amended the motion to state "there are no red flags from the engineer, or Dan Dansie, or anything raised during the negotiation.

Council Member Rupinkas amended the motion accordingly. Council Member Dwinell made the second.

Council Member Baier inquired regarding a future paved trail running parallel to SR-248 as part of the yet to be adopted POST plan and wondered whether it would encroach on UDOT's right-of-way and what potential impact it may have on the current agreement. Dan Dansie felt the scope of this agreement was more narrowed, in that the term "facilities" was

defined as utility lines and related facilities: water, sewer, storm lines, fiber and related tie-in areas. He didn't believe this agreement contemplated everything the Town may plan to do on UDOT property concerning recreational facilities. It was indicated Mayor Rubin would ask for a clarification and confirmation in this regard.

Council Member Rupinkas amended his motion to include a clarification from UDOT regarding whether it would include any future trails.

Motion made by Council Member Rupinkas, Seconded by Council Member Dwinell. Voting Aye: Council Members Baier, Shadle, Dwinell and Rupinkas. Voting Nay: None. The motion carried.

5. Overview of Planning Commission revisions to Town Code Titles 3, 9, 10 and 11

Council Member Dwinell presented a PowerPoint and led a discussion to present the Planning Commission's key changes to Titles 3, 9, 10 and 11 of the Town Code, in preparation for the Council's proposed discussion and potential adoption of the Code changes at its April meeting. The Planning Commission undertook this project approximately seven months prior when the Commission began reviewing the code in more detail and finding issues with gaps, omissions and inconsistencies. It was an effort to ensure the Town would be on solid footing moving forward and furthering the goals of the General Plan.

Following discussion, Mr. Dwinell added that none of the existing Town today would likely be impacted by any of these zone changes; rather they are forward-looking as new developments and annexations come into the town.

6. Approval of Bills

Mayor Rubin led a brief discussion concerning the bills for approval, highlighting certain line items. He requested this agenda item be heard earlier in future meetings. Council Member Rupinkas requested future bill summaries include for routine expenses an average of the last 6-12 months and the budgeted amount for reference.

Council Member Rupinkas moved to approve the bills as presented. Council Member Dwinell made the second. Voting Aye: Council Members Baier, Shadle, Dwinell and Rupinkas. Voting Nay: None. The motion carried.

VI. PUBLIC INPUT - FLOOR OPEN FOR ANY ATTENDEE TO SPEAK ON ITEMS NOT LISTED ON THE AGENDA

At 9:03 p.m., Mayor Rubin opened the meeting for public input.

Council Member Dwinell requested the council vacancy be added to the April agenda for discussion. Mayor Rubin noted he would also add this to the upcoming Town newsletter.

With no further comments, Mayor Rubin closed the public input period at 9:05 p.m.

VII. CLOSED EXECUTIVE SESSION - DISCUSSION OF PENDING OR REASONABLY IMMINENT LITIGATION, PERSONNEL MATTERS, AND/OR SALE OR ACQUISITION OF REAL PROPERTY AS NEEDED

Council Member Dwinell moved to enter a closed executive session to discuss pending or reasonably imminent litigation, personnel matters, and/or sale or acquisition of real property as needed. Council Member Shadle made the second. Voting Aye: Council Members Baier, Shadle, Dwinell and Rupinkas. Voting Nay: None. The motion carried.

At 9:05 p.m. the regular meeting adjourned and the executive session convened.

VIII. MEETING ADJOURNMENT

The meeting adjourned at 9:50 p.m.

Allison Lutes, Town Clerk

APPROVED