

MINUTES
EAGLE MOUNTAIN CITY COUNCIL MEETING

June 18, 2013

Work Session 4:00 p.m. Policy Session 7:00 p.m.

Eagle Mountain City Council Chambers, 1650 East Stagecoach Run, Eagle Mountain, Utah 84005

4:00 P.M. WORK SESSION – CITY COUNCIL CHAMBERS

ELECTED OFFICIALS PRESENT: Donna Burnham, Ryan Ireland, Nathan Ochsenhirt, John Painter and Richard Steinkopf.

CITY STAFF PRESENT: Ifo Pili, City Administrator; Jason Walker, Asst. City Administrator; Jeremy Cook, City Attorney; Fionnuala Kofoed, City Recorder; Melanie Lahman, Deputy Recorder; Paul Jerome, Finance Director; Ikani Taumoepeau, Economic Development Director; Charlie Fuller, Administrative Intern; Chris Trusty, Public Works Director; Rand Andrus, Fire Chief; Steve Mumford, Planning Director; Tippe Morlan, Planning Intern; Steve Olsen, Energy Department; Kent Partridge, Building Official; Linda Peterson, Public Information Director; Eric McDowell, Sheriff's Deputy.

Mayor Jackson called the meeting to order at 4:11 p.m.

1. AGENDA REVIEW – The City Council will review items on the Consent Agenda and Policy Session Agenda.

12. FY 2013 Final Budget Amendments

Some budget amendments are made to cover potential rather than actual costs, to prevent unexpected increases, such as emergency items, before the end of the fiscal year. Others are for approved, year-end expenditures. This prevents non-compliance with State regulations.

Proposed amendments include expenditures for a salary survey, website design, liability insurance, attorney's fees and banking fees.

Councilmember Painter questioned whether some of these amendments could be used to purchase items or services not previously approved. Mr. Jerome explained that each amendment was limited to a specific State-mandated category. If any one category in the General Fund is over-expended, the State considers the entire budget out of compliance.

The same procedure is used for Enterprise Funds, although excess expenditures from Enterprise Funds are not considered non-compliant by the State.

Councilmember Painter asked what the \$50,000 marketing/consulting budget was designed to cover. Mr. Pili said it was for consulting services for economic development.

13. FY 2014 Budget Adoption

The budget shows revenue over expenditures of \$693K. This is primarily due to the expected sale of Fire Station #2 to the Unified Fire Authority. Fees for building permits were also higher than expected this year. Enterprise Funds are expected to bring in \$778,000 more than they expend.

Councilmember Ireland clarified that the capital projects approval tonight is for the overall fund amounts, but the individual projects will be approved at a later date. Discussion ensued on which projects might be funded.

Proposed capital projects include the widening of Pony Express Parkway near Ridley's Market, a traffic light at the intersection of Pony Express Parkway and Ranches Parkway, improvement of Mid Valley Park, a cemetery and replacement of trees in parks throughout the City.

Mr. Jerome explained that the City's property valuation increased by \$44M last year. In order to keep the annual property tax revenue level, this year's certified tax rate set by the county will be .001559, approximately a 7% rate reduction. The 7% reduction is due to an average 7% increase in the assessed value of homes in the City. The certified tax rate is designed to fluctuate to guarantee a consistent annual dollar amount for the City's budget.

The City will drop its rate an additional 11.46%, for a total reduction of 18.46%, to reflect the change due to the City's annexation into the Unified Fire Authority. The total reduction would set the rate at 0.001380.

Councilmember Painter asked if the tax reduction Mr. Jerome described reflects the exact reduction due to UFA. Mayor Jackson said it did not, as the Council directed staff to keep the property tax as high as permissible and cut City fees to account for the change due to the UFA.

Councilmember Painter asked why the Council waits for the certified tax rate from the County before finalizing the budget, when they know the annual revenue amount. Mr. Walker said that Councilmember Painter is correct; the budget could be finalized based on the revenue amount.

Councilmember Painter suggested that the special projects line item under the Legislative budget be placed into the Executive budget, instead.

Councilmember Painter asked if preliminary numbers are available for Pony Express Days. Mr. Jerome said there are still outstanding invoices.

Councilmember Painter asked how the percentage of the budget in the reserve is calculated. Mr. Jerome responded that State statute requires at least 5% of the upcoming year's total General Fund be held in reserve. The City decides exactly what percentage to keep in that fund. If the reserve grows to more than 25%, the excess must be transferred to capital projects or the tax rate must be reduced.

Discussion ensued regarding what percentage should be placed in the reserve fund and what projects any additional amount might be used for.

15. Hindley Annexation

City Recorder Fionnuala Kofoed reported that the noticing and protest period requirements have been met, so the decision is now before the Council as to whether they choose to accept the annexation.

Councilmember Ireland asked how the annexation will benefit the residents of the City. Mayor Jackson said that the applicant plans to subdivide the property into mostly one-acre lots, which are in great demand in the City.

Ms. Kofoed said that she has received phone calls from City residents who are interested in purchasing lots in that area.

Councilmember Steinkopf was concerned about the number of septic tanks that will be installed in that area. He was pleased that the one-acre lots will help keep residents from moving out of the City.

16. Franchise Fee Repeal

Councilmember Ireland asked why the franchise fee is being eliminated from the water utility, but not from the electric and gas utilities. Mr. Jerome explained that removing all franchise fees would require a tax increase.

2. CITY ADMINISTRATOR INFORMATION ITEMS – This is an opportunity for the City Administrator to provide information to the City Council. These items are for information and do not require action by the City Council.
3. ADJOURN TO A CLOSED EXECUTIVE SESSION – The City Council will adjourn into a Closed Executive Session for the purpose of discussing reasonably imminent litigation and the purchase, lease or exchange of real property pursuant to Section 52-4-205(1) of the Utah Code, Annotated.

No Closed Executive Session was held.

The meeting was adjourned at 6:31 p.m.

A Redevelopment Agency meeting was held between the Work Session and the Policy Session.

POLICY SESSION – CITY COUNCIL CHAMBERS

ELECTED OFFICIALS PRESENT: Donna Burnham, Ryan Ireland, Nathan Ochsenhirt, John Painter and Richard Steinkopf.

CITY STAFF PRESENT: Ifo Pili, City Administrator; Jason Walker, Asst. City Administrator; Jeremy Cook, City Attorney; Fionnuala Kofoed, City Recorder; Melanie Lahman, Deputy Recorder; Paul Jerome, Finance Director; Charlie Fuller, Administrative Intern; Chris Trusty, Public Works Director; Rand Andrus, Fire Chief; Steve Mumford, Planning Director; David Norman, Asst. Public Works Director; Steve Olsen, Energy Department; Kent Partridge, Building Official; Linda Peterson, Public Information Director; Eric McDowell, Sheriff's Deputy.

4. CALL TO ORDER

Mayor Jackson called the meeting to order at 8:02 p.m.

5. PLEDGE OF ALLEGIANCE

Ryan Ireland led the Pledge of Allegiance.

6. INFORMATION ITEMS/UPCOMING EVENTS

- Bus route #809 detour -- Due to installation of a 60-inch pipeline for the Central Utah Water Conservancy District near the American Fork commuter rail station, UTA has announced a detour for bus route #809 that will impact Eagle Mountain commuters through August 15. The detour will be to use the Lehi FrontRunner station instead of the American Fork FrontRunner station. More details and maps of the detour and the CWP project are available in the News section of the City website.
- Election poll workers needed -- Eagle Mountain City is seeking poll workers for the 2013 municipal election. The primary election will take place on Tuesday, August 13, with the general election taking place on Tuesday, November 5. The polls will be open from 7:00 a.m. to 8:00 p.m. Poll workers will need to arrive at 6:00 a.m. and stay until at least 9:00 p.m. Poll workers and alternates will be needed at each of the three voting locations: City Hall, Pony Express Elementary School and The Ranches Academy. In addition, counting workers will be needed at City Hall starting at 4:00 p.m. The application deadline is July 1. Please contact the City Recorder's office to apply.
- Fireworks restrictions -- Due to the changes by the Utah State Legislature, Eagle Mountain is required to set firework restrictions. Unified Fire Authority is recommending following our restrictions from last year as well as meeting the requirements within the State adopted International Fire Code.

Illegal fireworks are never allowed. If found, illegal fireworks will be confiscated by the Sheriff's Office or Fire Department, with the potential of the users being cited. With high wildfire danger including dry and hot weather conditions, Eagle Mountain City is banning fireworks or ignition sources from the following subdivisions: homes next to the bike park, Lake Mountain Road, Cedar Pass Ranch, North Ranch, Ruby Valley, Lone Tree, Kiowa Valley, Eagle Top, Point Lookout, Hidden Canyon, Fremont Springs, Meadow Ranch, Valley View and White Hills. All other residents who live close to perimeter streets with fields or hills adjacent to your homes, please use fireworks further inward as far from potential dangers as possible. We encourage residents who are planning to use fireworks in the City limits to use extreme caution, limit use to concrete or asphalt surface areas not close to brush, and have a water source close by. Extinguish and dispose of used fireworks properly. Please make all members of your family aware of these new restrictions.

The City has added these restrictions for the protection and safety of all residents and their property.

7. PUBLIC COMMENTS – Time has been set aside for the public to express their ideas, concerns and comments.

Luke Panell asked what progress is being made with the Pole Canyon annexed area. The water system is still leaking, despite the valves that were replaced. He also asked what street sweeping is being done this summer. Mayor Jackson stated that she has a meeting scheduled with the Pole Canyon developer on Thursday. Public Works Director Chris Trusty said he just sent an email to the Streets Department supervisor asking what the sweeping schedule is.

Bruno Hunziker commented on the weeds growing in White Hills since the City annexed the area. The County sprayed weeds twice a year when it was in charge of the area. He wanted to know why the City ordinance is not being enforced. He asked about the park there. He wanted to know the dimensions. He said he saw some children fall 2.5 feet onto a rock surface. Mayor Jackson

responded that she'll find out the park completion date at the meeting on Thursday. She also said that the City recently completed an administrative hearing program, which should help with code enforcement. Mr. Trusty said some crack sealing will be done on the streets in the area.

Sam Allen commented that the City is fond of surveys. He felt that a survey is useless unless it uses a random sample. He didn't think the surveys on the City website were valid. He also said that the City shouldn't hold up the budget vote while waiting for the County tax rate to be provided. Since the tax rate is designed to provide the same amount of revenue to the cities each year, then the rate issue is not important. He felt that the budget is voted on just before the State deadline to make it impossible for the Council to do anything but pass it. He told the Council that if any of them wanted to vote against the budget and shut down the government, he would support them.

Marianne Smith asked what progress has been made on a street light and apron at the intersection of Lake Mountain Road and Pony Express Parkway. Mr. Pili stated that he was told a streetlight would cost \$30,000, so the Energy Department is trying to find a less expensive solution. Mr. Trusty asked Ms. Smith to speak with him after the public comment period about the street apron.

Chris Pengra asked about the change order on the agenda. He believed the cost would be paid from utility bond proceeds and wanted to know what costs could be covered by the developer. Steve Olsen of the Energy Department said that the change order on the steel pipeline project was requested by the City in order to have the option to serve additional natural gas customers in other areas of the City. It is less expensive to add this equipment now rather than reopening the line in the future.

8. CITY COUNCIL/MAYOR'S ITEMS – Time has been set aside for the City Council and Mayor to make comments.

Councilmember Burnham

Councilmember Burnham thanked those who attended the meeting. The decisions being made tonight are very important. She pointed out that the City Council held a public hearing on the budget at its last meeting. Unfortunately, few people attended the meeting.

Councilmember Steinkopf

Councilmember Steinkopf welcomed those attending the meeting.

Councilmember Painter

Councilmember Painter said Pony Express Days was a wonderful event. It reflected well on the City. He recognized the volunteers who made the event possible. He was excited about the upcoming election. He looked forward to meeting the candidates. It is important that candidates have more than one issue on their platform. He was pleased that the last several elections have balanced new perspectives with experienced Councilmembers. He felt that this Council is amazing and advised candidates to run a positive campaign.

Councilmember Ochsenhirt

Councilmember Ochsenhirt said he is a better person because of working with the other members of the Council. He said that Eagle Mountain is a great place to live and to work together. He hoped this election cycle would provide happy solutions to the issues facing the City. The passion engendered by an election can make it difficult to withhold strong emotions.

Councilmember Ireland

Councilmember Ireland expressed his thanks for those who attended the meeting and expressed their opinions.

Mayor Jackson

Mayor Jackson said she echoed the Council's comments and did not want to take more time, as the agenda was very full.

CONSENT AGENDA

9. MINUTES

A. May 21, 2013 – Regular City Council Meeting

10. CHANGE ORDER

A. Steel High Pressure Natural Gas Pipeline

11. FINAL PAYMENT

A. Ranches Parkway Overlay

MOTION: *Councilmember Ochsenhirt moved to approve the Consent Agenda. Councilmember Ireland seconded the motion. Those voting aye: Donna Burnham, Ryan Ireland, John Painter and Richard Steinkopf. The motion passed with a unanimous vote.*

SCHEDULED ITEMS

PUBLIC HEARING

12. ORDINANCE – Consideration and Adoption of an Ordinance of Eagle Mountain City, Utah, Adopting the Final Amendments to the Fiscal Year 2012-2013 Budget.

This item was presented by Finance Director Paul Jerome. The Utah State Code requires that any final increases in the budget be adopted after a public hearing and prior to the fiscal year ending. The City's budget is being amended to cover all anticipated expenditures through the fiscal year ending June 30, 2013. The amended budget should cover all eventualities so that the City will not be cited by the State for budgetary non-compliance.

There are five categories in the General Fund which need to be balanced. Each category must be balanced or the entire budget is out of compliance with State regulations. City staff tries to anticipate all final expenses before the end of the budget year. This year's amendments include attorney's fees, banking fees, capital expenditures for the library, a capital study, snow removal costs, parks maintenance, and capital equipment that was purchased out of proceeds funded by the sale of other fixed assets.

The sources of revenue include higher-than-expected building permit revenue and the B&C road funds balance from previous fiscal years; as well as property taxes, plat fees and plan check fees associated with growth.

The CWP water share purchase was paid for out of leftover water and sewer bond proceeds. The funds for the well lawsuit were previously approved by Council. The remainder of the golf course

fund will be transferred to the Water Fund. The Business Incubator Fund was created from a portion of the proceeds from the sale of the golf course building.

Councilmember Painter asked if the administration plans to make any purchases based on these budget amendments. Mr. Jerome replied that budget amendments are only created for emergency expenditures or expenses that are out of the City's control. If the funds are not spent, they roll over into the General Fund balance.

Mayor Jackson opened the public hearing at 8:41p.m.

Nick Jessen asked about the funding for the Business Incubator Program and the website upgrade. He also asked what return on investment was expected on the Business Incubator Program and how that return was calculated. Mayor Jackson said the website needs to be revamped. Councilmember Painter pointed out that the upgrade was for technical improvements, not aesthetic ones. Mayor Jackson said that the total being spent on the website is \$22,000, divided between the General Fund and the Enterprise Funds. The annual maintenance fee will be \$6,000.

Mr. Pili explained that the \$50,000 marketing costs for the Incubator Fund in the 2012-2013 budget year was for consultants who brought in a grant and a loan in the amount of \$1.3 million, as well as bringing Ridley's Market to the City. Mr. Pili said that the City pays \$72,000 to Direct Communications for use of the incubator building. The program has been revamped to make it more sustainable. The grant secured by the consultants will be used to enable Direct Communications to build another building, which would reduce the City's lease cost. There is also an expenditure to contribute to the salary of the UVU business resource counselor, who has acquired \$30-40K of funding for local businesses.

Sam Allen was concerned that the Council used the words "grant" and "loan" interchangeably. Mr. Pili explained that the grant Mr. Allen was referring to is \$300,000 designed to go to a revolving loan fund for business development. The \$1M loan is restricted to providing pass-through funds for companies to build economic development structures. The companies building the structures are required to pay back the loan. Mr. Allen felt that government is not able to choose successful businesses, and the City is gambling with taxpayer funds. Mr. Pili explained that the money comes from interest on previous loans made by the USDA and not local taxpayer funds. The business incubator also does not use taxpayer funds. It assists businesses that are already viable and are growing because of the help of the program. Mayor Jackson said the building that will be built from the loan funds is to provide additional office space in the City, and possibly to provide additional space for the incubator program.

Councilmember Ochsenhirt asked about the financing for the golf course and the new building. Mr. Pili responded that the City didn't pay anything for the golf course and will receive about \$1M by the end of the agreement.

Robert Schermerhorn said he was confused by the references to a grant which turns into a loan, a free golf course and a loan that doesn't need to be paid back. He considered it double-talk. Mr. Pili invited Mr. Schermerhorn to meet with him and he would explain the financial details. Councilmember Burnham pointed out that the golf course was built by another party and was donated to the City. Councilmember Ochsenhirt asked if the City was going to have to pay back any of the \$1.3M of the USDA loan. Mr. Pili said the loan will be paid back by the developer of the office building.

Chris Pengra said that he thought \$1M return on a \$1.00 investment for the golf course was pretty good. On a more serious note, he asked how much of the \$1M the City has received so far. Mr. Pili responded that the City has received \$500,000 so far. Mr. Pengra asked about the use of \$1.5M of the utility bond funds. Mr. Jerome stated that the City was granted an extension on the ten-year time limit. The funds will be used for purchasing water shares. Mr. Pengra asked if a bond defeasance could have been done. Mr. Jerome responded that, due to the costs of lawsuit that was pending, it was decided that bond proceeds should be used for the water shares. There are also some water projects that can be completed with the remaining funds.

Lois Leikam asked what developer will be paying back the \$1M loan. Mr. Pili answered that the developer is Direct Communications. She asked if there is a time frame connected to the bond. Mr. Pili said USDA gives a ten-year time limit. Ms. Leikam asked if the City has any risk. Mr. Pili said that there is a minor risk of the City having to foreclose on the building and repay the loan. He pointed out that the Council has not officially approved the loan. The City has two years before the ten-year time limit begins. At the moment, there is virtually no office space for local businesses, which is why this loan is so attractive for economic development.

Mayor Jackson closed the public hearing at 9:07 p.m.

MOTION: *Councilmember Painter moved to adopt an ordinance of Eagle Mountain City, Utah, adopting the final amendments to the Fiscal Year 2012-2013 budget. Councilmember Burnham seconded the motion. Those voting aye: Donna Burnham, Ryan Ireland, Nathan Ochsenhirt; John Painter and Richard Steinkopf. The motion passed with a unanimous vote.*

PUBLIC HEARING

13. ORDINANCE – Consideration and Adoption of an Ordinance of Eagle Mountain City, Utah, Adopting the Eagle Mountain City Fiscal Year Budget 2013-2014.

This item was presented by Finance Director Paul Jerome. The Utah State Code requires that the City Council hold a public hearing on the proposed budget and that the budget be adopted by June 22. The tentative budget was accepted by the City Council on May 7, 2013. The City Council will adopt the final budget, as proposed or with amendments, and the final budget will be the document that governs the expenditures for FY 2013-2014.

Mr. Jerome reported that excess revenues over appropriations now stand at \$693,295. Most of this comes from the sale of Fire Station #2 to the Unified Fire Authority. The revenues over expenditures will be used for capital projects. Projects being considered include widening a section of Pony Express Parkway, a streetlight at the intersection of Pony Express and Ranches Parkways, a cemetery, additional work on Mid Valley Park, and tree replacement.

Debt service payments are going to be posted to the utility funds from now on, since that's where the auditor collapses them to.

Councilmember Burnham asked by what date the law requires the budget to be approved. Mayor Jackson said the deadline is June 22. Councilmember Burnham said, in response to a concern raised earlier, if the Council had concerns about the budget, they would not hesitate to disapprove it, despite the deadline. If the budget was not approved, they would hold a special meeting by June 22.

Councilmember Ireland stated that the initial public hearing on the FY 2014 budget was held a month ago, which is the same process they used last year, unlike previous years in which the public hearing

was held right before the vote. Mayor Jackson pointed out that budget meetings used to be held at locations away from the City, which made it virtually impossible for residents to attend. This was not the practice of the current Council. Budget meetings have been held during regular meeting times in City Hall.

Mayor Jackson opened the public hearing at 9:18 p.m.

Luke Pannell commended the Mayor and Council for the new, more transparent budget process. He was very frustrated a few years ago when he attended a budget meeting and was the only resident there.

He asked why the City contracts with the County Sheriff's Office for law enforcement for \$1.9M, but pays a part-time City employee \$42,000. Mr. Jerome explained that the \$42,000 covers the cost for all of the crossing guards. Mr. Pannell asked why utility funds were being transferred into the Fleet Fund. Mr. Pili responded that all departments transfer funds into the Fleet Fund to pay for use, maintenance and replacement of the vehicles they use. Mr. Jerome said he has broken the fund down by vehicle and he'll post that information. Mr. Pannell asked why a new vehicle purchase is proposed in the FY 2014 budget in the amount of \$238,000. Mr. Jerome explained that the amount covers the total purchase price of several vehicles. Mr. Pannell asked why \$15,000 is budgeted for trees. Mr. Trusty said that it covers replacement of existing trees that have died and planting new trees in additional public open space to beautify the City. Mr. Pannell suggested using the funds for something that dies less readily than trees.

Dan Lilly said he elected the Council to take care of spending his taxes. He also said it was stupid and insulting to talk about shutting down the government.

Mayor Jackson closed the public hearing at 9:29 p.m.

Councilmember Ireland asked Mr. Jerome to discuss how funds are established in the City budget. Mr. Jerome replied that the General Fund has many sub-funds that get their revenues from taxes and other fees. Other funds are based on other types of revenue sources. The Fleet Fund gets much of its revenue from internal transfers. The Economic Development Fund gets its funding from proceeds from the sale of the golf course. The Community Events Fund gets much of its revenue from sponsorships and ticket sales.

Discussion ensued on how to spend the funds available for capital projects. The City has approximately \$38,000 available in County recreation tax grants. These funds could be used for trees in public open spaces, including parks and possibly the proposed cemetery, which would free \$15,000 in the General Fund balance for other projects.

Councilmember Painter asked if there is an ongoing maintenance cost for the ATV trail system. Mr. Pili said the City has received a grant to cover ATV trail system costs. The grant will be handled as a budget amendment.

MOTION: *Councilmember Painter moved to adopt an ordinance of Eagle Mountain City, Utah, adopting the Fiscal Year 2013-2014 budget, reducing Fund 61 by \$40,000 and reducing Fund 47 from \$15,000 to \$10,000, and to certify the tax rate at .0013803386. Councilmember Ochsenhirt seconded the motion.*

Councilmember Painter noted that the purpose of reducing those two funds was to allow for the paving of the Public Safety Building parking lot and the purchase of an employee ID system.

Councilmember Ireland asked what the City's UFA tax rate is. Mayor Jackson replied that it is .002192.

Mr. Jerome explained to the audience that the State Legislature mandated that the certified property tax rate be adjusted each year to guarantee that tax revenue to cities remains steady despite fluctuations in property tax values.

Those voting aye: Donna Burnham, Nathan Ochsenhirt, John Painter and Richard Steinkopf. Those voting no: Ryan Ireland. The motion passed with a vote of 4:1.

Councilmember Ireland explained that he voted no because he had not been able to validate to himself that the changes in the tax rates caused a net zero change for residents. He did not think budgets should be judged as either right or wrong, but respectfully discussed as differences in opinion as to how money should be spent. A reasonable difference of opinion is required in a democracy.

Councilmember Burnham would like the City to find out how closely the City was able to create a net zero change for residents.

Councilmember Ireland asked staff to include soft costs into the calculations for City expenditures.

PUBLIC HEARING

14. ORDINANCE – Consideration and Adoption of an Ordinance of Eagle Mountain City, Utah, Rezoning Antelope Springs from Agricultural to Residential.

This item was presented by Planning Director Steve Mumford. The proposed ordinance rezones 41.3 acres from Agricultural to Residential. The property is located west of Pony Express Parkway and north of the City Center area (serial: 59:033:0008).

At the developer's request, this item was removed from the agenda.

PUBLIC HEARING

15. ORDINANCE – Consideration and Adoption of an Ordinance of Eagle Mountain City, Utah, Annexing an Area of Approximately 223 Acres Commonly Known as the Hindley Annexation.

This item was presented by City Recorder Fionnuala Kofoed. A petition for the Hindley Annexation was submitted to the Recorder's Office on March 13, 2013. The annexation is approximately 223 acres and is located directly west of the North Ranch subdivision and north of the recent Clearview Estates Annexation. The annexation was certified by the Recorder's Office on May 2, 2013. The 30-day protest period has run and no protests to the annexation were received. The City Council may annex the property after the public hearing.

Mayor Jackson opened the public hearing at 10:11 p.m.

Luke Pannell asked that the City deal with the issues in annexations that have already been completed before annexing additional property. White Hills, which was annexed into the City with Pole Canyon, has had ongoing problems with promises not kept by the developer. Mayor Jackson reminded Mr. Pannell that she had a meeting scheduled with the developer of that annexation and would address his concerns.

Mayor Jackson closed the public hearing at 10:14 p.m.

Councilmember Ireland asked Mr. Pili if the City has figures on how much it costs to provide City services to residential homes, compared to the amount of property tax paid by the homeowner. Mr. Pili said the City provides \$2-\$3 in services for each \$1 of residential property tax revenue. While those figures show a negative effect on the City from annexations, the infrastructure bonds held by the City will be paid off more easily with additional homes.

Discussion ensued as to the various ways an annexation and rezone may affect the general welfare of the City and its residents.

MOTION: *Councilmember Painter moved not to adopt an ordinance of Eagle Mountain City, Utah, annexing an area of approximately 223 acres commonly known as the Hindley Annexation. As there was no second, the motion failed.*

MOTION: *Councilmember Ireland moved to table an ordinance of Eagle Mountain City, Utah, annexing an area of approximately 223 acres commonly known as the Hindley Annexation. Councilmember Ochsenhirt seconded the motion. Those voting aye: Donna Burnham, Ryan Ireland, Nathan Ochsenhirt and Richard Steinkopf. Those voting no: John Painter. The motion passed with vote of 4:1.*

16. RESOLUTION - Consideration and Adoption of a Resolution of Eagle Mountain City, Utah, Repealing the Franchise Fee / Utility Tax on the Eagle Mountain Water Utility.

This item was presented by City Attorney Jeremy Cook. In 2003, the City enacted a 3% utility tax (also referred to as a franchise fee) on certain utilities in the City, which percentage was increased to 6% in fiscal year 2006. The 6% utility tax is consistent with the amount charged by most municipalities in Utah. Based on the recommendation of the City Council, the resolution would repeal the 6% utility tax on the City's water utility.

MOTION: *Councilmember Ireland moved to adopt a resolution of Eagle Mountain City, Utah, Repealing the Franchise Fee / Utility Tax on the Eagle Mountain Water Utility. Councilmember Ochsenhirt seconded the motion. Those voting aye: Donna Burnham, Ryan Ireland, Nathan Ochsenhirt, John Painter and Richard Steinkopf. The motion passed with a unanimous vote.*

17. BID AWARD – Consideration and Award of Bid for the Pony Express Widening Project.

This item was presented by Public Works Director Chris Trusty. Funding will be allocated in the Fiscal Year 2014 budget to widen Pony Express Parkway from Smith Ranch Road through Porter's Crossing. The project will include storm drainage, a median and curb returns for Smith Ranch and Porter's Crossing.

MOTION: *Councilmember Burnham moved to award a bid for the Pony Express Widening Project bid alternate to Geneva Rock in the amount of \$254,244.35 and authorize the Mayor to sign the agreement. Councilmember Ochsenhirt seconded the motion. Those voting aye: Donna Burnham, Ryan Ireland, Nathan Ochsenhirt, John Painter and Richard Steinkopf. The motion passed with a unanimous vote.*

18. AGREEMENT – Consideration and Approval of a Purchase Agreement through the Utah State Contract for a Kubota SVL75C Rubber Track Loader with Cab and 68” Scraper Bucket.

The purchase of the Kubota SVL75C Rubber Track Loader with cab and scraper bucket is for the maintenance of the sand drying beds that are used to dry the bio-solids (treated waste from the sewer treatment facility) before they are disposed of.

MOTION: *Councilmember Ochsenhirt moved to approve a purchase agreement through the Utah State Contract for a Kubota SVL75C rubber track loader with cab and 68” scraper bucket in the amount of \$42,070 and authorize the Mayor to sign the agreement. Councilmember Steinkopf seconded the motion. Those voting aye: Donna Burnham, Ryan Ireland, Nathan Ochsenhirt, John Painter and Richard Steinkopf. The motion passed with a unanimous vote.*

19. AGREEMENT – Consideration and Approval of a Utility Commitment Agreement between Eagle Mountain City and Granite Construction Company.

In order to incentivize the City to construct certain infrastructure improvements to supply natural gas and electricity to the asphalt plant being constructed by Granite, the Agreement requires Granite Construction Company to purchase at least 107,900 dekatherms of natural gas and 1,683,500 kW-Hours of electricity from Eagle Mountain City by May 31, 2018. The Agreement also establishes a formula to calculate the rate the City will charge Granite for natural gas during the term of the Agreement.

MOTION: *Councilmember Ochsenhirt moved to approve a Utility Commitment Agreement between Eagle Mountain City and Granite Construction Company. Councilmember Steinkopf seconded the motion. Those voting aye: Donna Burnham, Ryan Ireland, Nathan Ochsenhirt; John Painter and Richard Steinkopf. The motion passed with a unanimous vote.*

20. ORDINANCE – Consideration and Adoption of an Ordinance of Eagle Mountain City, Utah, Adopting the Project Area Plan, Approved by the Board of Directors of the Redevelopment Agency of Eagle Mountain City, as the Official Community Development Project Area Plan for the Parkside Community Development Project Area, and Directing that Notice of the Adoption be Given as Required by Statute.

The proposed ordinance adopts the Parkside Area Plan, as approved by the Redevelopment Agency.

MOTION: *Councilmember Painter moved to adopt an ordinance of Eagle Mountain City, Utah, adopting the Project Area Plan, approved by the Board of Directors of the Redevelopment Agency of Eagle Mountain City, as the official Community Development Project Area Plan for the Parkside Community Development Project Area, and directing that notice of the adoption be given as required by statute. Councilmember Ochsenhirt seconded the motion. Those voting aye: Donna Burnham, John Painter, Nathan Ochsenhirt and Richard Steinkopf. Those voting no: Ryan Ireland. The motion passed with vote of 4:1.*

21. CITY COUNCIL/MAYOR'S BUSINESS – This time is set aside for the City Council's and Mayor's comments on City business.

Councilmember Burnham

Councilmember Burnham requested a report on the Mayor's meeting with the Pole Canyon developer, showing what has been promised, what has been completed and when the remaining requirements will be met.

Councilmember Steinkopf

No comment.

Councilmember Painter

No comment.

Councilmember Ochsenhirt

Councilmember Ochsenhirt explained to the audience that the last few agenda items, which were approved very quickly, were discussed at length previously.

Councilmember Ireland

Councilmember Ireland wished that the City would comply with its own ordinances as well as it expects its residents to.

Mayor Jackson

No comment.

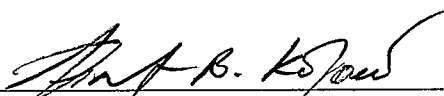
22. CITY COUNCIL BOARD LIAISON REPORTS – This time is set aside for Councilmembers to report on the boards they are assigned to as liaisons to the City Council.

23. COMMUNICATION ITEMS
- a. Upcoming Agenda Items
 - b. Financial Report

24. ADJOURNMENT

MOTION: *Councilmember Ochsenhirt moved to adjourn the meeting at 10:31 p.m. Councilmember Steinkopf seconded the motion. Those voting aye: Donna Burnham, Ryan Ireland, Nathan Ochsenhirt, John Painter and Richard Steinkopf. The motion passed with a unanimous vote.*

APPROVED BY THE CITY COUNCIL ON JULY 16, 2013.



Fionnuala B. Kofoed, CMC
City Recorder