

PUBLIC HEARING AND CITY COUNCIL MEETING  
Wednesday, June 22, 2011 7:00 p.m.  
Public Safety Building  
3925 W Cedar Hills Drive, Cedar Hills, Utah

Present: Mayor Eric Richardson, Presiding  
Council Members: Stephanie Martinez, Ken Kirk, Scott Jackman, Jim Perry, Marisa Wright  
Konrad Hildebrandt, City Manager  
David Bunker, City Engineer  
Kim Holindrake, City Recorder  
Rebecca Tehero, Finance Director  
Lt. Sam Liddiard, Police Department  
Other: Cliff Chandler, Natalie Barrett (Daily Herald), Jerry Dearing, Ken Cromar, David Petersen, Scout Troop 839, Norm Walker, Matt Rees, Cato Jones, Chuck Walker, Luke Price, Zonda Perry, Harlow Clark (Timpanogos Times)

COUNCIL MEETING

1. This meeting of the City Council of the City of Cedar Hills, having been properly noticed, was called to order at 7:18 p.m. by Mayor Richardson.

Invocation given by C. Perry

Pledge of Allegiance led by David Walker, Scout from Troop 839

2. Public Comment

Matt Rees: Mr. Rees presented pictures of the City's lot located on Bayhill Drive. He stated that in the May newsletter an article stated that residents with empty lots needed to clear the weeds and maintain the lots. He lives next to an empty lot and three others are across the street. He and his neighbors have done a pretty good job maintaining those lots. He has rented a bobcat and maintained these lots and planted wild flowers. These lots were filled with construction waste and other debris. The biggest offender of keeping this area beautified is the City of Cedar Hills. The City's pump station is right there on Bayhill Drive. The neighborhood was told it would be a park in 2016. The City continues to dump there, and the weeds are high. The City comes in once a year to clean up the weeds. His neighbor mows an abandoned house yard weekly to make it nice. His neighbor recently had a load of mulch delivered curbside. He was quickly notified to remove it, or he would be fined. This is across from the City's lot that is never maintained. Last year the City put in sprinklers and sod along the parking strip, but the City never mows it. Generally the neighbors mow it. He would like to know the City's near-term plans for this lot to beautify it and keep it beautified. Something can be done to make it more presentable. Next the neighborhood has a very good view of the maintenance facility. There is a bobcat and front-end loader, which are expensive equipment. The only way to get a return on this investment is to utilize the equipment as much as possible. This equipment could be used to grade the City's lot and empty lots in the City. The only time they see the equipment used is on the weekends. Generally what they see is a non-city vehicle entering at dusk, taking the bob cat or front-end loader out, and returning it sometime later. He would like to know what controls the City has in place to see that this equipment is being used for legitimate purposes. It looks like the equipment may be being misappropriated by employees for personal use. He would like to see the City's lot maintained, the piles of dirt leveled, the weeds cut down, and the parking strip mowed.

- Mayor Richardson stated that there are controls in place. A lock card is needed to get into the facility. This equipment is used for water line breaks, which don't usually occur during the 8-5 schedule. This equipment is on a lease schedule so the City uses them for a certain amount of hours. He will have staff look into the issue. There is always a balance between what needs to be done and the funds available.

Cato Jones: Mr. Jones stated a couple of facts that lead to a general philosophy that a council and mayor should have. Number one Cedar Hills is a small community, 10,000 people. Second fact is Cedar Hills is not isolated. We don't live out in Timbuktu. We are close to larger communities with larger facilities who are happy to share to their benefit and our benefit rather than building facilities that cost additional funds and property taxes. These two facts should make up the core philosophy of how the City is governed. He read a letter dated June 20, 2011, from the Citizens for Responsible Government and Sponsors of Referendum and Initiative. See attached.

Ken Cromar: Mr. Cromar stated an old saying, "Future councils that don't learn from history are doomed to repeat it." He gets accused of bringing up the past. It's probably because the City keeps going through the same old decisions and making bad decisions one on top of the other. In May of 2001 the residents voted in favor of building a golf course. That wasn't going to come to a vote. But a number of citizens got an initiative petition with enough signatures, and it had to come to a vote. The City is at a critical cross road this very day and that is whether this hole continues to become a clubhouse and wedding reception center, aka recreation center. When the first domino fell, there has been one decision after another decision after another for the last 10 years that has continually hurt the City and the residents and property tax level. Mr. Cromar read quotes from a city council flyer of May 2001 trying to get citizens to vote in favor of this golf course. It states under golf course facts, "There is no guarantee that the golf course will be successful. However, according to the feasibility consultant, the Cedar Hills golf course will not only be successful but will also generate an average of \$150,000 annually in surplus revenues over the first 10 years. This revenue can be used to offset taxes needed to fund other programs and facilities in our growing community." On the flip side under decisions it states, "While city council considers all possibilities, we must concern ourselves with likely probabilities. According to the experts, the golf course will be successful. THK projects that in year 10, the golf course will be generating \$400,000 in surplus annual revenue. Even if the actual amount is lower, any surplus available to fund city operations represents savings to our residents. As a city council, we are committed to work hard and minimize the possible risks while maximizing the probable benefits to our residents. We appreciate your consideration in this matter and encourage you to vote on May 8." Finally on the last page under exit strategy it reads, "If the consultants conservative projections do not hold, the City's exit strategy is to sell or lease the golf course and use the proceeds to pay off the bond. As demonstrated a number of financial fire walls are in place to protect the City's financial interests. The most important is the course could be operated at 76% capacity for the next 25 years and still produce enough operating income to pay off the bond. Projections from the feasibility study show a much higher capacity. However, if all safeguards have failed or fall short of projections, a sale of the course will be likely. In such an event and if it be sold for less than the appraised value of 7 to 10 million dollars, the City will still be able to pay off the bond." Ten years later the City continues to make one bad decision after another. His concern is that this Council has two key issues sitting on their shoulders when this clubhouse fails if he and the citizens can't get the Council's attention. One, if we don't spend it by June 30, we lose it is a fallacy and a myth. There is a one-year time extension. Secondly the money sources were never discussed about where this money was coming from until after the April 19 vote. It was being moved from one fund to another. If the Council is representing the citizens and really listening, why not bring it to a vote of the citizens. The Council blocked their efforts to bring an initiative petition through. What kind of professionalism is going on here? What representation of the citizens is going on here? He respectfully submits and asks the Council to reconsider its decision and put a stop work order on this effort. It is wrong and a misuse of funds. It is clearly a golf clubhouse and reception center. Please do not continue down this absolute guaranteed failure and give the citizens a recreation facility.

- C. Perry stated that number one the citizens did not put down 2.9 million dollars, it was impact fees paid by builders and developers. Secondly, the flyers quoted from were not written by anyone on the current Council, but two mayors ago. He totally disagrees and Mr. Cromar has no basis and has provided no support for this. Mr. Cromar is distorting the facts. It is flagrantly dishonest.

Jerry Dearing: Mr. Dearing stated he has looked at the history of the golf course. The revenues went up and so did the cost. It continues to lose money, and now revenues are going down. Articles in the Deseret News state that golf courses, even Salt Lake golf courses that have been around forever, are losing money and are not setting aside funds for replacement. It is suggested that some be shut down. We may have to consider something of that nature here. As a citizen and in behalf of many other citizens, please hold up until you get the kind of information you need to improve the allegations that you say. He is afraid that 2.9 million dollars will go down the tubes. The Council thinks it's free money and doesn't have to account for it. If citizens want recreation facilities later, they will have to pay for them out of their own pockets. Please don't do this splash pad and put money into such a thing.

**PUBLIC HEARINGS**

3. Amendments to the Fiscal Year 2011 Budget (July 1, 2010 to June 30, 2011)

No comments.

**CONSENT AGENDA**

4. Minutes from the June 7, 2011, Public Hearing and Regular City Council Meeting

**MOTION: C. Kirk – To approve the minutes from June 7, 2011.** Seconded by C. Martinez.

Yes - C. Jackman  
 C. Kirk  
 C. Martinez  
 C. Perry  
 C. Wright

Motion passes.

**SCHEDULED ITEMS**

5. Review/Action to Adopt a Utility Relocation and Reimbursement Agreement with the Provo River Water Users Association (7:55 p.m.)

See handouts.

**Staff Presentation:**

David Bunker stated that the Provo River Water Users Association has piped the canal on the southern border of the City. With this piping any utilities crossing that corridor were relocated. The City had a couple of utilities such as a sanitary sewer line on 4500 West under the canal. The canal pipe line was lowered so the sewer line was lowered. He met with a member of the Association last fall who presented an estimate of \$60,000 to relocate this sewer line. He has had meetings since then to try to nail down the costs. At a recent meeting in May, the Association proposed a cost of \$217,000. Currently the staff does not have a breakdown of these costs and how it changed.

Council Discussion:

- C. Kirk would like to pay only the \$80,000 because that is what the city engineer agreed upon. The remainder of the bill should be sent to Provo River Water Users Association.
- C. Wright agrees with C. Kirk in paying the \$80,000.
- C. Perry stated that if there is detail giving compelling reason that the City is responsible for it that would be one thing. The City has no information and no communication; just an invoice to pay triple the amount.
- Mayor Richardson would like to set up a meeting before payment is given and have them justify the cost increase and why the City wasn't involved in the decision.

**MOTION: C. Perry – To table this item until such time as the City has a compelling reason to reconsider the agreed upon or expected financial terms.** Seconded by C. Kirk.

Yes - C. Jackman  
C. Kirk  
C. Martinez  
C. Perry  
C. Wright

Motion passes.

6. Review/Action on Amendments to the Fiscal Year 2011 Budget (July 1, 2010 to June 30, 2011)

See handouts.

Staff Presentation:

Becky Tehero reviewed the analysis of the outdoor movie screen for \$21,000. If rented all the needed equipment is included for \$2,100 per rental. The \$21,000 is equivalent to 10 rentals. It is only worth purchasing if it is used for outdoor summer movies also.

Council Discussion

- C. Kirk feels it needs to be used twice a year to make it worth while. With technology changes, he isn't sure it is worth it. Owning is better than renting, but he isn't sold to invest \$21,000. There can be damage costs and other issues. There is not only ownership but responsibility.
- Mayor Richardson stated that the purpose is for summer events if the City is looking at a program change. The current use doesn't justify the purchase, and there is no offsetting revenue. This is a community service, not a recreation program. There would be some incremental costs when used.
- C. Perry stated that he is an audio video geek and does it for a living. The projector cost is actually a really good deal. His concern is the projector represents \$15,000 of the \$21,000 cost. Every two years the cost cuts in half. He doesn't believe the 1080P will be replaced in the next 10 years. Eight thousand lumens aren't that much. His home projector is 15,000 lumens. The projectors won't last 10 years but maybe 4-5 years. The bulbs cost \$500 a piece. The screen may have a 10-year life. He would like to see more community events.
- C. Wright stated that this is for wholesome family activities. The Council was just accused with playing with taxpayers' money. Everyone on this Council believes taxpayer money is sacred. She can't approve \$21,000 for a want and not a need.
- C. Martinez is taking a different point of view. The City needs to showcase parks more by doing movies in the park. She doesn't see that plan currently, suggested looking at a plan in the next six

months, and prepare for next summer. She proposed purchasing the screen, player, and sound equipment and renting the projector, which may make it more feasible. This is a great venue for families to get out and enjoy the parks. Community services can look into this.

**MOTION: C. Kirk – To not adopt the resolution.** Seconded by C. Martinez.

Yes - C. Jackman  
C. Kirk  
C. Martinez  
C. Perry  
C. Wright Motion passes.

**MOTION: C. Kirk – To move #8 in front of #7.** Seconded by C. Jackman.

Yes - C. Jackman  
C. Kirk  
C. Martinez  
C. Perry  
C. Wright Motion passes.

8. Review/Action on Resolution Certifying the Calculated 2011-2012 Real and Personal Property Tax Levy

See handouts.

Staff Presentation:

Mayor Richardson stated the he and the staff recommend lowering property taxes. This will be the third time in four years the City has lowered property taxes. The City is exerting fiscal discipline and is doing what's right for the residents. It's disappointing that more articles aren't written about taxing entities lowering property taxes. There have been many articles about cities not raising taxes, and Cedar Hills will actually lower property taxes. The Council tries to balance everything.

Konrad Hildebrandt stated that Cedar Hills is a bedroom community and has the same economy. The economy has been struggling in the last four years. In a struggling economy, in a bedroom community, in a community with limited sales tax revenue, the City Council and Mayor have understood and chosen to lower the calculated tax rate. The City provides a nice walkable, beautiful commercial sector.

Council Discussion:

- C. Kirk stated that the staff has done its due diligence. As mentioned earlier by a resident, the City is a bedroom community and can't do certain things. Also the City needs to use other community facilities instead of its own. The City can't afford a traditional 30 million dollar recreation center. This Council was elected to represent the citizens in this area, and the Council has done an excellent job in doing that.
- Mayor Richardson stated that he has been involved in City government since 2003. One thing that allows taxes to be lowered is the City's employment rate. The City has a lot less employees than a comparable city. Currently the City has 2.4 employees per 1,000 residents and 10 years ago the City had 3.7 employees per 1,000 residents. The budget is tight and fiscally responsible.

**MOTION: C. Martinez – To approve Resolution No. 6-22-2011A, a resolution setting the total property tax levy assessed upon real and personal property for general governmental purposes for the 2011-2012 tax year for the City of Cedar Hills, at the rate of .001957 with the General Obligation Bond levy at .001196 for a total levy of .003153.** Seconded by C. Jackman. Vote taken by roll call.

Yes - C. Jackman  
C. Kirk  
C. Martinez  
C. Perry  
C. Wright

Motion passes.

Further Discussion:

Konrad Hildebrandt explained that the County assesses a value on each home in the City. Homes are then taxed at the rate of 55% according to the state. The County then sets a rate to keep the amount of funds for the City level from year to year. The County gave a rate to keep the same level, but the Council just reduced the rate. Of the overall property tax bill, the City portion is about 20%.

7. Review/Action on a Resolution Adopting the Fiscal Year 2012 Budget (July 1, 2011 to June 30, 2012) (8:44 p.m.)

See handouts.

Staff Presentation:

Konrad Hildebrandt presented a \$15,443,820 total budget, which is a balanced budget. The general/operating fund is at \$3,580,000. There are a few changes since the last meeting. The property tax rate has been reduced. Changes with general operations include the Lone Peak Public Safety District (fire and emergency medical services) where the City will receive equivalent and full coverage of four personnel as in all three cities. Other changes with personnel include a proposed community recreation manager paid by revenue generated from the recreation center beginning October 1, 2011. It includes a proposed new part-time position for an executive assistant at 25 hours per week for the city manager beginning October 1, 2011 for general assistance and human resource. Included is to fund the assistant director of golf only through September 30, 2011. It is proposed to not fund the deputy city recorder, which is a part-time, 27-hour week position, after September 30, 2011. The city building official/zoning administrator will take on duties of city-wide risk management, emergency management, and planning duties.

Council Discussion:

- Mayor Richardson stated that with the staffing changes, it is always healthy to re-evaluate. He asked staff for these changes. He feels it is best for the City.
- C. Perry stated that he is tentative about making the personnel changes. He wants to reevaluate this in a reasonable amount of time to make sure it is working.

**MOTION: C. Jackman - To approved Resolution No. 6-22-2011B, a resolution adopting the 2011-2012 Fiscal Year Budget for the City of Cedar Hills.** Seconded by C. Kirk.

**AMENDED MOTION: C. Perry – To re-evaluate the positions in 90 days.** Accepted by C. Jackman and seconded by C. Kirk. Vote taken by roll call.

Yes - C. Jackman  
C. Kirk  
C. Martinez  
C. Perry  
No - C. Wright Motion passes.

9. City Manager Report and Discussion

- The Family Festival began last Friday with a swim night with about 250-300 participants. Also a noncompetitive golf tournament was held today, and a competitive tournament will be held tomorrow. The dinner and movie is Friday night at Mesquite Park with the movie “How to Train Your Dragon.” Saturday is the 5K race (benefit race), mile fun run, parade, carnival, baking contest, and fireworks.
- The City now has a signed contract with Parlant Technology that will allow the City to send telephone messages to the residents.

MAYOR AND COUNCIL REPORTS

10. Board and Committee Reports

- C. Wright reported that Chandler Goodwin and Greg Robinson are doing a great job with the Family Festival.
- C. Perry reported that the Lone Peak Public Safety District has members who view things radically differently than the way the District has been conducted. The City will wait to see how this falls out and what decisions are made by the different cities.

Break – 10 minutes

EXECUTIVE SESSION

11. Motion to go into Executive Session, Pursuant to Utah State Code 52-4-204 and 52-4-205 (9:18 p.m.)

**MOTION: C. Kirk – To go into executive session to discuss the competency of an individual.**  
Seconded by C. Wright.

Yes - C. Jackman  
C. Kirk  
C. Martinez  
C. Perry  
C. Wright Motion passes.

\* \* \* EXECUTIVE SESSION \* \* \*

12. Motion to Adjourn Executive Session and Reconvene City Council Meeting

**MOTION: C. Jackman – To adjourn the executive session.** Seconded by C. Perry.

Yes - C. Jackman  
C. Kirk  
C. Martinez  
C. Perry  
C. Wright Motion passes.

ADJOURNMENT

13. Adjourn

This meeting was adjourned at 10:45 p.m. on a motion by C. Kirk, seconded by C. Jackman, and unanimously approved.

Approved by Council:  
July 12, 2011

/s/ Kim E. Holindrake  
Kim E. Holindrake, City Recorder