

MINUTES OF THE COTTONWOOD HEIGHTS CITY COUNCIL MEETING HELD TUESDAY, DECEMBER 18, 2012, AT 7:00 P.M. IN THE COTTONWOOD HEIGHTS CITY COUNCIL CHAMBERS

Members Present: Mayor Kelvyn Cullimore, Councilman Scott Bracken, Councilman Tee Tyler, Councilman Mike Shelton, Councilman Mike Peterson

Staff Present: City Manager Liane Stillman, Deputy City Manager Linda Dunlavy, Police Chief Robby Russo, Community and Economic Development Director Brian Berndt, Public Works Director Mike Allen, City Engineer Brad Gilson, Assistant Chief Mike Watson, Public Relations Specialist Stephanie Archibald, City Attorney Shane Topham, Finance Director Steve Fawcett, Police Support Specialist Sheila Jennings

Others Present: John Park, Youth City Council Representative Hunter Derrick

**1.0 WELCOME/PLEDGE/ACKNOWLEDGEMENTS**

- 1.1 Mayor Cullimore called the meeting to order at 7:00 p.m. and welcomed those attending.
- 1.2 Councilman Tyler led the Pledge of Allegiance.
- 1.3 Councilman Bracken introduced Youth City Council Member Hunter Derrick.
- 1.4 Mayor Cullimore recognized John Park who will start as Cottonwood Heights City Manager on January 7<sup>th</sup>. Mr. Park was formerly employed by the City of Highland.

**2.0 CITIZEN COMMENTS**

- 2.1 There were no citizen comments.

**3.0 REPORTS/PROCLAMATIONS/RECOGNITIONS**

**Financial Reporting**

**3.1 Presentation of Fiscal Year 2012 Comprehensive Annual Financial Report**

- 3.1.1 Finance Director Steve Fawcett stated that this is the first year that a Comprehensive Annual Financial Report (CAFR) has been done. A CAFR differs from the standard annual financial report in that it includes additional information such as an introductory statement as well as statistics and demographics. The statistical section is intended to provide a 10 year history of information including overlapping tax ratios for citizens, workload indicators and successes. He explained that the introductory statement focuses on reviewing the history of the city and the remainder of the report is similar to previous annual financial reports.

City Manager Liane Stillman asked if the CAFR is submitted for review to the Government Finance Officers Association (GFOA) in the same manner as the budget.

Mr. Fawcett responded that the CAFR can be submitted to the GFOA and reviewed by a panel of certified public accountants. If all requirements are met a Certificate of Financial Compliance is

issued. He explained that the GFOA budget award is based on budget presentation. The CAFR is for financial compliance.

Mr. Fawcett also reviewed the Popular Annual Financial Report (PAFR) which is a summary of the CAFR. He explained that the CAFR must be obtained in order to receive the PAFR award from GFOA and asked for, and received approval to submit both reports to the GFOA this year.

Russell Olsen, representing Larson & Rosenberger, LLP reviewed the Independent Auditor's Report. The Government Auditing Standard Report was prepared and the City's internal controls analyzed. There were no material weaknesses or significant deficiencies found and they were able to issue a "clean" opinion.

Mr. Olsen reviewed the management letter explaining that any issues or problems in performing the audit or any issues with staff would be communicated in this portion. No issues were identified.

He noted that there was only one finding from the audit process and it was related to transfers from the General Fund to the Capital Projects Fund being over budget. He noted that the overage was due to the fact that more money was received from sales tax than anticipated and expenses were underspent which put the fund balance over the limit allowed by state law. To avoid being out of compliance with state law on how much fund balance the city retained in its General Fund an additional transfer was made to the Capital Projects Fund to bring the General Fund Balance into compliance. In so doing, the allocation to the Capital Projects Fund exceeded what had been budgeted.

Mayor Cullimore noted that for the second year in a row the City exceeded the fund balance allowed in the General Fund. Last year the auditors made a finding that our Fund Balance (which is essentially savings) was in excess of that allowed by state law. In order to avoid the same finding this year funds were moved to the Capital Projects Fund resulting in different finding that the transfers to the Capital Projects Fund exceeded what had been budgeted. Either way, it is a positive reflection on the fiscal management of the city that the findings by auditors are that we have "saved" too much money for two years in a row. That is in stark contrast to other cities that are raising taxes due to inadequate cash flow.

Mr. Olsen complimented staff, especially City Treasurer/Financial Reporting Manager David Muir for completing the CAFR.

Mayor Cullimore also complimented Finance Director Steve Fawcett on the PAFR.

Mr. Fawcett reviewed the revenues and fund balance which shows the city with \$430,000 in additional revenue. He also reported that \$2.7 million is currently remaining in the General Fund which is a sort of "rainy day" fund for future needs. About \$900,000 of that is reserved for working capital.

Mayor Cullimore noted that the city transferred money to the capital improvement fund and approximately \$1.8 million remains unassigned in the General Fund and available for appropriation.

Mr. Fawcett stated that the current balance for the capital project fund is \$3,911,000 and is allocated for various projects with the largest being the City Center project.

## 3.2 **Standing Monthly Reports**

### 3.2.1 **Monthly Financial Report**

Finance Director Steve Fawcett presented the financial report for the month of November. He reported that the first quarter sales tax revenue is tracking at 5.56% ahead of last year and Class C road funds are projected to decrease. Mr. Fawcett indicated that people tend to keep automobiles longer than they used to which makes a significant difference in registration fees. Fines and forfeitures are trending downward on a net basis and expenditures are continuing to grow. Overall, the 2013 budget is running well within expected limits.

Councilman Tyler asked if the City had received the annual liquor funds.

Mr. Fawcett said they have not been received, but are expected to come in slightly less than last year.

A complete financial report is available on the City's website.

## 3.3 **November Police Report**

- 3.3.1 Police Support Specialist Sheila Jennings presented the statistics for the month of November. She reported that procedures have changed which will help to prioritize calls. 911 calls were down from November but up from the previous year. The Utah Crime Report was recently published and shows that Cottonwood Heights is doing well compared to neighboring cities.

Councilman Shelton stated that the City's statistics may be as high as they are because citizens are encouraged to report crimes.

Ms. Jennings responded that it is difficult to say if it is a good or bad statistic because the City wants crimes to be reported. Arrest data remained the same as the previous month for adult arrests and juvenile arrests were half of what they were during the previous month. It was reported that the City's neighborhood watch groups are currently working on a Crime Prevention Plan.

A complete police report is available on the City's website.

## 3.4 **Unified Fire Report**

- 3.4.1 Assistant Chief Mike Watson presented the Unified Fire Report for the month of November. He reported that Station 110 and Station 116 were very busy with fire and medical calls. He noted that it was the busiest November in the last five years in terms of fire calls. Station 116 had 55 calls with a total of 54 Advanced Life Support (ALS) calls resulting in 23 transports; and 1 Basic Life Support (BLS) call. Station 110 received a total of 129 ALS calls resulting in 60 transports and 6 BLS calls resulting in 2 transports. Station 110 was busy with medical and heavy rescue training and conducted a live fire burn. Three station tours were given to preschool groups. Station 116 hosted a group of girl scouts and conducted 25 business inspections and medical and rescue training.

Chief Watson presented the monthly safety message and addressed winter dangers including fireplaces, furnaces and space heaters. He indicated that most residential fires occur during the winter.

Councilman Tyler indicated that Station 110 gets many more calls than 116 and asked if small boundary adjustments could be made to even out the calls between stations.

Chief Watson responded that a very large adjustment would be necessary to make any sort of difference. He indicated that the stations assist each other when necessary.

A complete UFA report is available on the City's website.

#### 4.0 **ACTION ITEMS**

##### 4.1 **Consideration of Ordinance No. 197 Adopting the Annual Meeting Schedule for 2013**

4.1.1 Mayor Cullimore explained that the proposed ordinance establishes the Annual Meeting Calendar for 2013. City Council business meetings are held on the second and fourth Tuesdays of each month with work sessions on the first and third Tuesdays. The Council does not meet on the fifth Tuesday except for certain months such as January and July and will not meet the last two Tuesdays of December.

4.1.2 **MOTION:** Councilman Peterson moved to approve Ordinance No. 197. The motion was seconded by Councilman Tyler and passed unanimously on a roll call vote.

##### 4.2 **Consideration of Resolution No. 2012-68 A Resolution Indicating the City's Intent to Adjust Its Common Boundary with the City of Holladay; Providing for the Publication of a Notice of Public Hearing and the Holding of a Public Hearing; and Providing for Related Matters**

4.2.1 Mayor Cullimore said that the proposed resolution would adjust the boundary with the City of Holladay by moving Cottonwood Heights' boundary to the north on the east side of 3000 East in order to pick up property that Cottonwood Heights purchased.

Councilman Bracken asked about the process that has to occur before this will go into effect.

City Attorney Shane Topham explained that this is the initial step and a public hearing will need to be conducted.

4.2.2 **MOTION:** Councilman Tyler moved to approve Resolution No. 2012-68. The motion was seconded by Councilman Shelton and passed unanimously on a roll call vote.

##### 4.3 **Consideration of Resolution No. 2012-69 A Resolution Indicating the City's Intent to Adjust Its Common Boundary with Sandy City; Providing for the Publication of a Notice of Public Hearing and the Holding of a Public Hearing; and Providing for Related Matters**

4.3.1 Mayor Cullimore stated that the proposed resolution also involves a boundary adjustment along Creek Road with Sandy City and is an effort to clarify city boundaries.

4.3.2 **MOTION:** Councilman Shelton moved to approve Resolution No. 2012-69. The motion was seconded by Councilman Bracken and passed unanimously on a roll call vote.

#### 5.0 **CONSENT CALENDAR**

##### 5.1 **Approval of Minutes for November 20, 2012, November 27, 2012, and December 4, 2012.**

5.1.1 Approval of the minutes was continued to the next business meeting.

6.0 **ADJOURN BUSINESS MEETING AND RECONVENE WORK SESSION IN ROOM 250**

6.1 **MOTION:** Councilman Bracken moved to adjourn the business meeting and reconvene the work session. The motion was seconded by Councilman Tyler and passed unanimously on a roll call vote. The business meeting adjourned at 8:19 p.m.

Minutes approved: January 8, 2013