

Minutes of the meeting of the Logan Municipal Council convened in regular session on Tuesday, November 17, 2009 at 5:30 p.m. in the Logan Municipal Council Chambers, 290 North 100 West, Logan, Utah. Chairman Laraine Swenson conducting.

Council members present: Chairman Laraine Swenson, Tami W. Pyfer, Jay Monson, Dean W. Quayle and Herm Olsen. Administration present: Mayor Randy Watts, City Attorney Kymber Housley and City Recorder Teresa Harris.

### **OPENING CEREMONY.**

Curtis Broadbent led the audience in the pledge of allegiance.

Chairman Swenson welcomed those present. There were approximately 92 citizens in the audience at the beginning of the meeting.

**Meeting Minutes.** Minutes of the Council meeting from November 3, 2009 were reviewed and approved with minor changes.

**Meeting Agenda.** The meeting agenda was approved. Chairman Swenson announced at tonight's meeting there would be one public hearing regarding a proposed rezone.

### **QUESTIONS AND COMMENTS FOR MAYOR AND COUNCIL.**

Citizen Mary Morrill talked about the proposed Senior Park Center. She represents the neighborhood in that area and asked about the upcoming hearings and when those are scheduled and also the petition process. She attended the planning meeting and feels the neighbors concerns were not being heard and she would like to have a more open dialogue.

Chairman Swenson said suggested that Ms. Morrill contact the Planning Department and meet with them to discuss the concerns of the neighborhood. This issue will not come to the City Council but it will go to the County Council for a hearing.

City Attorney Housley stated this is a conditional use permit being requested and it's in the design process. The code is written for a 40 foot height restriction unless changed with a conditional use permit and through the design review they can request to go higher which in this case it was approved at a height of 58 feet. There are 15 days to appeal the Planning Commission's decision and then it goes back to the Board of Appeals and if that decision is appealed it will go to the District Court.

### **MAYOR/ STAFF REPORTS.**

Mayor Watts announced that 100 East is open for traffic and he recommended that if going back to 700 South on to only make a right hand turn on Main Street because making a left hand turn is very dangerous. Work on this road will continue this summer.

Mayor Watts announced that green waste pickup ends this week for the season.

Those wanting a tour of the City Hall building can contact the Mayor's office at 716-9002. Councilmember Pyfer also offered to take people through on a tour.

Chairman Swenson announced that winter parking rules are in affect and prohibited parking in the park strips in single family residential zones will be enforced. The Parking Authority also asked that it be clarified that cars need to be moved, even if you have a parking permit every twenty one hours.

Councilmember Quayle announced the 7<sup>th</sup> Annual Interfaith Thanksgiving Service this Sunday, November 22 at 7:00 p.m. at the Tabernacle. This event is free and open to the public. He also announced that Susan Springer will be the new Rector of St. John's Episcopal Church. This event will take place on Tuesday, December 1, 2009.

## **COUNCIL BUSINESS.**

**Meeting Schedule.** Chairman Swenson announced that regular council meetings would be held the first and third Tuesdays of the month at 5:30 p.m. The next regular council meeting is Tuesday, December 1, 2009.

### **Youth City Council - Oath of Office for Executive Council and Officers.**

City Recorder Teresa Harris gave the Oath of Office to the Executive Council and Officers of the Logan City Youth City Council.

Chairman Swenson thanked the Director of the Youth City Council Tara Alder for her work with this group and the service they provide for the community.

Chairman Swenson recognized Scout Troop 367 from the Mt. Logan Stake and also Scout Troop 381 from Country Manor who are in attendance at tonight's meeting.

### **Presentation of the Comprehensive Annual Financial Report (CAFR) – Audit Committee Chair and Auditors.**

Chairman Swenson introduced Curtis Broadbent who serves as Chairman on the audit committee. Mr. Broadbent introduced Ed Erickson and Aaron Higson from the firm of Hansen, Bradshaw, Malmrose and Erickson and are the external auditors who gave an audit report to the Council.

Mr. Erickson reported the Comprehensive Annual Financial Report (CAFR). He said he appreciated the opportunity to do this report and to work with the City of Logan. He pointed out two items in the CAFR regarding the opinion page which he states is a "clean opinion" on the City's financial report and is the best opinion they can give on the City's financial statement. The paperwork has been prepared properly for City government. Regarding the management discussion and analysis, Logan City has enough liquid assets (\$70 million dollars) to pay all of their liabilities including long term bonds if needed. Logan is in a very strong financial situation. He stated that 2009 has been a difficult year and there was a decrease in revenues, most of this was in the capital grant area. Expenses

increased 4% which is reasonable. Bonded debt declined from \$52 to \$48 million dollars and bonded debt is decreasing which is very good. Regarding the general fund area, the major funds of the City went up and the unreserved fund balance is at 18% of total revenues. State law requires a minimum of 5% and a maximum of 18% and Logan City is in a good position at 18% in the fund balance and he commended the City on having this amount.

He found no material weaknesses in control procedures and Logan City is in compliance in all areas of internal control. He gave a “clean opinion” in this area also.

The State of Utah requires reporting on the city’s compliance with various State legal requirements. They found one very minor noncompliance issue which is a deficit fund balance in the special improvements fund and this fund will receive special assessments in the coming year and there is an amount due back to the general fund. The auditors are required to report this and is a technical issue but is not uncommon.

Mr. Erickson expressed his appreciation for the opportunity to complete this audit for Logan City. They conduct audits for eight other cities in Utah and Logan City is the first. He feels the audit went very well and the City’s finance department was well prepared and very organized. He feels that Logan City is very well managed from a fiscal standpoint and the staff is very technologically savvy in relation to finance issues.

Curtis Broadbent reported that the audit committee was established on July 1, 2008 by ordinance with the specific charge to review the annual and quarterly financial reports, review and monitor internal controls and make recommendations as the committee feels appropriate, oversee hiring and performance of the external auditors and review other financial matters as appropriate. The audit committee consists of a Chairman, who is independent of Logan City and a voting member, two City council members, one of which is a voting member, Mayor-voting member, City Finance Director-non voting and others from time to time at the discretion of the committee.

The current chairman, Curtis Broadbent has never been employed by Logan City. He is a licensed Utah CPA though not in public practice. His career has been in financial management, the last 22 years of which were with Nucor Corporation as Controller at Nucor Steel and Nucor operations. Among other duties, he was responsible for financial reporting and the implementation and monitoring of internal accounting controls.

The Audit Committee has met at least quarterly to review the City’s quarterly financial reports. They have reviewed various internal accounting controls, focusing their attention during the past years on cash receipts and disbursements and the reporting of those activities in the financial statements. They found no material weaknesses or deficiencies in either the financial reporting or internal controls that they review.

They have reviewed and discussed the June 30, 2009 financial reports presented this evening with both the City financial management and with the external auditors. They have also discussed the City’s internal controls and any recommendations made by the auditors with the city financial management and with the external auditors and are satisfied with the recommendations and implementation of the same.

The Audit Committee notes that all fund balances are positive as they should be. The Audit Committee also notes that the general fund unreserved balance is at the 18% maximum level per Utah State statute. They strongly recommend that the unreserved general fund balance be maintained at this level going forward.

The Audit Committee also met with the external auditors in executive session without any of the City finance personnel present. The current external auditors are involved with the audits of numerous other Utah cities some of which are considerably larger than Logan. The external auditors comment was that the Logan City financial functions and related financial reporting is among the best, if not the best, that they have encountered in their experience. Mr. Broadbent said that the City Council and Logan citizens can and should be confident that financial transactions of the City are being properly accounted for and reported.

Copies of the CAFR are available for the public to view in the Logan City Library and also on the Logan City website.

Chairman Swenson thanked Finance Director Richard Anderson and his staff for a job well done. She also thanked Mr. Broadbent and the external auditors for their report.

## **ACTION ITEMS.**

### **Logan-Cache Airport Master Plan.**

This was not a public hearing.

Community Development Director Jay Nielson stated the Logan-Cache Master Plan is a draft and is presented to the Council as background information for the project of the rezone that will be discussed later in tonight's council meeting. Giving the Council this information now is to show how this project is directly connected to the proposed project. He met with the Cache County and Logan City School District and they are very interested in the plan and the potential of the economic development opportunities that are there and they could benefit from. When the City Council chose to annex this land two years ago, the ability of development of this land was put into place. It was suggested it be written on the plats that are recorded for development around the airport that this is an airport area and people should be noticed and aware there will be noise and as the airport increases there will be increased noise.

Councilmember Olsen stated that any Logan City children living in the proposed area will have that component of their property tax going to Cache County and not the school they attend or the school district. The Logan City money will go to the Cache County school district which he feels is an "abomination" but he isn't sure how to change this policy.

Councilmember Monson concurs and asked if the local legislature can get involved in this issue?

Councilmember Olsen stated the easier solution is that the Cache County School District have the courage and the integrity to step forward and acknowledge that if children in that district are part of that school district they should surrender that money.

Councilmember Monson feels we should continue writing letters to our local legislature, even if we do it every year and we should continue asking for this to change.

Councilmember Pyfer recommended talking with the Utah League of Cities and Towns and see if they can help.

City Attorney Housley stated it should be clarified that these children are in the Cache County School District and they might choose to go to Logan Schools and that's where the disparity happens.

Councilmember Monson feels the school district boundaries should be the same as the city boundaries.

Councilmember Olsen stated that's the way it was until 1996 when the law was changed and elected officials were not aware in the law meant that even though Logan City annexes a piece of property the school district doesn't have to surrender that tax base and he feels a mistake was made.

Councilmember Monson will contact the Utah League of Cities and Towns and our representative from the State School Board and voice this concern.

No action will be taken tonight on the Logan-Cache Airport Master Plan.

### **Revenue Sharing Agreement regarding Common Parcel on Logan/Providence Boundary.**

This was not a public hearing.

City Attorney Kymber Housley stated this is for Parcel Two that overlaps Logan and Providence boundaries and at this point he is asking for a "head nod" from the City Council to go forward and negotiate a sales tax agreement with Providence. We are not sure at this time what development will go on this piece of property (Parcel Two).

This was not an action item. The Council was in agreement to move forward to negotiate a sales tax agreement with Providence.

### **PUBLIC HEARING – Consideration of a proposed rezone of Promenade which is the area of Phase 1 (10.3 acres) from Agriculture to Multi-Family Medium with a density limitation of 4.5 units/acre and a requirement to be owner occupied at 2800 North Airport Road in the Agricultural (AG) zone – 09-80.**

Chairman Swenson opened the meeting to a public hearing.

Chairman Swenson closed the public hearing.

Councilmember Olsen asked about input from the Utah Department of Transportation (UDOT) and the Cache Metropolitan Planning Organization (CMPO).

Community Development Glen Goins responded that at this time the best response is that UDOT and the CMPO are not opposed with a development moving forward. Whatever development goes in they should be able to facilitate based on what comes in after the zone change and they will determine later after a specific plan is presented.

Councilmember Olsen is concerned that 10<sup>th</sup> West and Airport Road cannot accommodate the development in this area.

Mr. Goins responded there will be an impact on 10<sup>th</sup> West and at some future point when we get specific development plans, those things can be a determining factor. If they cannot meet those factors the development might have to be downsized until the road can be upgraded.

Community Development Jay Nielson stated the design review process, which this development has not done yet, will address traffic related issues and consequential improvements.

Councilmember Monson stated in regards to the proposed Senior Housing project he is upset that the City Council will never address this project. He likes the project idea but doesn't like the design of the building and feels that it's not right for downtown Logan.

Mr. Nielson stated that the building has been re-designed and is a well designed facility.

Mr. Housley stated that unless it involves a rezone this project will not come to the City Council.

Mr. Goins said there is a portion that could be rezoned but for now it has been left out. This will be a five story building.

Councilmember Olsen was excused from the meeting at 6:30 p.m.

**ACTION.** Motion by Councilmember Pyfer, seconded by Councilmember Monson to approve Res 09-80 as presented. Motion carried 4-0 (Councilmember Olsen absent).

#### **WORKSHOP ITEM.**

**Budget Adjustment FY 2009-10 appropriating: \$61,000 grant for After School Clubs; \$30,500 grant for After School Clubs; \$87,414 grant for After School Clubs; \$2,000 Historic Markers Grant for historic preservation; \$214,000 for Energy Efficiency Grant; \$259,000 for Health Care Management Fund; \$30,000 for Council Chamber Improvements – Richard Anderson – 09-83.**

Finance Director Richard Anderson explained the proposed budget adjustment. The first items are related to grants. The energy efficiency grant is for the electrical fund to replace traffic signals and efficiency upgrades at the fire department. The \$259,000 is not creating new spending but is the dental portion of the City's health management fund

and this was budgeted in the general fund. Next is the Council's request to make the Council Chamber more efficient. The cost is \$30,000 which will come out of the capital projects fund.

Chairman Swenson stated that before money for the Council Chamber is expended she would like the Council to approve the design and make any recommendations.

Public Works Director Mark Nielsen stated a change in the design could impact the cost but he will move forward and get the Council the information requested.

This will come back as an Action Item at the December 1 Council meeting.

**OTHER CONSIDERATIONS.**

**ADJOURN.**

There being no further business to come before the Council, meeting adjourned at 6:35 p.m.

Teresa Harris, City Recorder