

SMITHFIELD CITY COUNCIL

DECEMBER 4, 2013

The Smithfield City Council met in a regularly scheduled meeting at 96 South Main Street, Smithfield, Utah on Wednesday, December 4, 2013. The meeting began at 6:05 P.M. and Mayor Darrell Simmons was in the chair.

The following council members were in attendance: Dennis Watkins, Barbara Kent, Kris Monson, and Jeff Barnes. Brent Buttars arrived at 7:14 P.M.

City Manager James Gass and City Recorder Justin Lewis were also in attendance.

The opening remarks were made by Council Member Watkins.

VISITORS: David Barnes, Kelly Cannon (The Herald Journal), Johnny W. McCoy, Cathy Long, John Long, Melissa Draper, Michael Kidman (Jones Simkins, LLC), Jacob Barker (Jones Simkins, LLC), Nanette King, Lowell King, Joyce Pitcher

CONSIDERATION OF CONSENT AGENDA

APPROVAL OF THE MINUTES OF THE NOVEMBER 13, 2013 CITY COUNCIL MEETING

After consideration by the council, the Mayor declared the consent agenda for the November 13, 2013 city council meeting minutes as approved.

RESIDENT INPUT

Melissa Draper came before the council to thank the council for allowing the Young Entrepreneur Fair to happen at the Civic Center. It was well attended by local youth and there were 83 children and 37 families that attended. Some people from Price were even planning on attending but got turned away at Sardine Canyon due to poor road conditions from a winter storm.

Kris asked Melissa what was sold at the fair? Aloe Vera plants, marshmallow shooters, and some services were sold according to Melissa. An artist that lives up the canyon came and played a harp. There were cakes, caramels and fudge sold as well. A family dressed up like the Harry Potter Family and sold stained wood wands. One person was selling handmade wreaths and they were so popular that he is going to another fair as well to sell wreaths. There was also some jewelry sold as well. Melissa thanked the Herald Journal for their support and coverage of the event. All of the kids learned a lot according to Melissa.

Barbara asked Melissa if she was planning on doing the fair again? Melissa stated she hoped it would be an annual event but it was put together by a loose organization of parents. As part of a school assignment the kids had to plan and carry out a fair. Melissa was hopeful that someone

would take over next year as their children reached that age. Lots of people attended looking for Christmas gifts and stocking stuffers.

Barbara asked Melissa to please let the council know if it was going to take place next year. Barbara had noticed the fair in the Herald Journal and it was a very positive activity. Barbara asked Kelly Cannon from the Herald Journal to thank those involved for covering the fair. The Mayor commented that it was a very nice article.

CONSIDERATION AND APPROVAL OF ORDINANCE NO. 14-01. AN ORDINANCE ESTABLISHING THE MEETING TIME AND PLACE FOR CITY COUNCIL, PLANNING COMMISSION AND RDA MEETINGS IN 2014.

Mayor Simmons stated that Ordinance No. 14-01 is setting the date, time and place for the city council, planning commission and RDA meetings for the calendar year 2014. Justin stated that the meetings would be the same as in 2013 and any changes to the meetings would be advertised as needed and when applicable.

A motion to adopt Ordinance No. 14-01, an Ordinance setting the date, time, and place for the city council, planning commission and RDA board meetings for the 2014 calendar year was made by Kris, seconded by Barbara and the vote was unanimous.

Yes Vote: Watkins, Kent, Monson, Barnes

No Vote: None

Absent: Buttars

DISCUSSION REGARDING THE CREATION OF A VOLUNTEER RESOURCE CENTER

Mayor Simmons explained that there is a need for a resource center for emergency management. There needs to be a way for the city and the local faith based groups to come together in a time of need and the current need is to have a resource center. The group would consist of the Police Chief, Fire Chief, some of the faith based groups as well as the local CERT Team.

Jay Downs explained that members of the CERT group can handle some medical issues but that emergency management is much more than just being a member of CERT. How can all of these groups be coordinated? Some have a construction background and others have differing backgrounds. The faith based groups have small localized groups for a specific area. There is a need to have a volunteer resource center to manage all of these volunteer groups. Rather than creating a new department it would be brought in under the Emergency Management team. The concept has been discussed with the Mayor and CERT would be brought in as well to help coordinate according to Jay. The center would be a management tool.

The Mayor asked Jay to discuss concerns of liability. Jay explained that there is a Good Samaritan Act that covers people with certain skills but that have limited training. CERT falls

under that act because of their limited training. Volunteer groups are still considered volunteers. This new center would manage all of the volunteers. The Mayor stated that members of CERT have been worried about a possible liability issue.

Mayor Simmons explained that this center would help to integrate the entire city into one city wide system. The center would help to avoid confusion during a chaotic event. Currently, there are concerns of who leads out? Who is to be communicated with? There are many chaotic events in the world right now and any of them could hit the city at any time. Jeremy Hunt concurred with the Mayor, there needs to be one person that people answer to and right now that is not the case. People don't know who to talk to right now in the event of an emergency. There needs to be a single point of contact. The Mayor agreed that there needs to be a general order of how things proceed in a disaster.

The Mayor asked Jay who in the city would be in charge of the resource center? This entire process is going to take some planning. Jay explained that Jeremy Hunt is the emergency manager for the city and he would oversee the resource center as part of his job. The key is to identify people in the city who can help in certain areas. Dale Cox has expertise in radio communications and could oversee that area for the entire city. There would be one main person for CERT as well as a construction coordinator. The main directors such as Dale would then work with the local faith based groups to coordinate on a smaller level as the faith based groups already have a plan in place in these types of events. The members of each team would be strategically placed throughout the city and they would communicate with the leader of the group. There would be different layers and different disciplines in each area. The key is to get everyone organized and then have everything in place. The goal is to get everyone to work together.

The Mayor commented that different resources in the city will be gathered together in a more formalized setting to meet and talk about the different scenarios that may occur. The leaders would need to know who talks to whom and when they need to communicate with each other. The meeting would be educational and could expand as the center grows.

Barbara suggested that some of the planning could occur through local Eagle Scout projects.

Mayor Simmons commented that there are many good people willing to help and the key is to get everyone communicating and coordinated. Jay expressed concern that right now everyone is just going in different directions.

Barbara asked if there will be a physical location for the center such as the fire station? Jay explained that it all depends on the disaster; floods would stage in one area, earthquakes might require a different area and if there was a chemical spill on the highway for example that would be a different area. Different groups would be called upon for different reasons depending on the type of emergency.

Jeremy stated one of the keys is the single point of contact. Right now the city just hopes people show up in the event of an emergency. Jay explained that with his job consisting of both the city and the county that he would be going to the biggest priority area first. People in the city will be counted on to help if there is a big emergency locally.

Kris liked the idea of mobilizing the CERT group and getting people thinking ahead for these types of events. Jeremy stated the center gives people a reason to mobilize and gather together for training purposes.

Barbara explained that she had helmets and vests for her kids from years ago and no longer needs them. Who can use this stuff currently? Kris commented it is good to find and check out that stuff again as people have probably just put it away somewhere and not even sure where the stuff is in an emergency.

Jay explained that the emergency management team would consist of the public works director, city manager, fire chief and police chief. The entire team would be woven together to know who is in charge and what is expected of the leaders and what the volunteers can do.

The Mayor stated the center will allow for a much stronger cohesive group in the city. The city has dealt with flooding in the past but not dealt with a major catastrophe. The city needs to be ready as there are some events that will affect all 10,000 residents and the city needs to be more prepared than they currently are. The center will be a work in progress.

Jay again commented the key is to get everyone working together and right now that would not happen. The city needs to organize everyone.

The Mayor informed the council he hopes to have the footprint of the center in place by January and then improve on it each month moving forward.

Jay commented that he wanted to come before the council first with the proposal so that a lot of time and effort would not be wasted if for some reason the council did not think the resource center was a good idea. The Mayor commented that the resource center needs to be established and there are a lot of capable people willing to make it happen and help out as needed.

AUDIT REPORT FROM JONES SIMKINS, LLC ON THE FINANCIAL STATEMENTS FOR THE PERIOD OF JULY 1, 2012 THROUGH JUNE 30, 2013.

Mike Kidman, audit manager for Jones Simkins, LLC, came before the council to discuss the results of the audit for the period ending June 30, 2013.

Mike explained that the copy that was being presented to the council was just a draft copy at this time as the finalized copy had not yet be signed off on by the second audit partner but all of the numbers are correct and the only thing that was being finalized was some internal control steps.

Mike informed the council he would go through some of the highlights of the financials of the last year but that the Mayor and council could contact him anytime with questions or concerns.

Mike stated that the audit went very well and he was very pleased with the interaction of the audit staff and the city staff. The audit might be the best in several years as it flowed very well. Mike thanked Jim Gass for his great job in keeping track of all the infrastructure work.

Mike informed the council that Justin Lewis has the skills needed to move the city forward in its financial preparation and that the time spent in consulting work was down from prior years and that was a good thing and a past goal of the firm and the city.

Mike commented that Pages 1 and 2 explain what the audit consists of and how it is presented. Those pages also talk about the government auditing standards for internal control and compliance as well.

Mike explained that Page 5 would be considered the “Readers Digest” version of what occurred in the city in the last budget year and that Jim did an excellent job in preparing that information. That section is the best prepared of all of the firm’s clients. That section is well written and informative and Mike encouraged the council to read the entire section when they have time.

Mike commented that Pages 17 and 18 are the government prepared statements. The audit consists of the preparation of the financial statements in three perspectives; a business perspective, a fund perspective which focuses on what carries over and third, a budgetary perspective. Pages 17 and 18 show the assets and the liabilities. There is also some new terminology on those pages such as “Total Net Position” which means the same thing as equity. Those pages also show the capital assets as well as the money that is restricted and unrestricted. Changes in Net Position are listed on Page 18 which shows the health of the funds in increases or decreases. Having decreases for one year is not bad but for several years would be bad. Page 19 shows the fund perspective of the financials. The focus is to look at the fund balance which shows whether items are committed, assigned or unassigned and what is available. The General Fund is in fine shape. The only warning sign that Mike could see is in the Recreation Fund and there is a balance of \$1,248 in that fund. There is not much excess in that fund and it is something to be worked on with the next year and the following years. If there was a big nasty surprise of an expense it could lead to a large deficit. Page 21 shows the changes in the fund balances. The line to review is the third line from the bottom. The Recreation Center had quite a significant decrease. In the middle of Page 24, it shows the income and loss in each of the enterprise funds. The sewer and golf funds both showed a loss. It is not much to be concerned with on a one time basis. The golf course did show an operating loss and there is a change in the sewer fund when impact fees and interest are included. The “Operating Income” line is the best line to review. When there is negative operating income then a reserve is not being built to the extent of depreciation. Depreciation is not being funded when that occurs and that means that a big capital addition project would have to be done with debt. Depreciation must be funded and it is a choice the council has to make. It is always a good discussion of where the city is going and

where the council want to be. On a one year basis there is not a reason to panic; trends over time are the key to watch.

Mayor Simmons asked if trend lines are reviewed? Jim stated he is always reviewing various different trends and Mike has made some good points. The depreciation for the sewer fund is over 40 years and the goal is always to stay positive then in 40 years the funds would be there to fund the new system. The city is currently expending some sewer funds for new treatment options and a lift station. There is currently over \$1,600,000 in the sewer reserve fund but it can be spent quickly. The public always has concerns about the rates being lower but it is important to build a reserve as Mike has stated. Jim explained it is better to save now rather than borrow later.

Mike explained that different communities have different philosophies in regards to collecting a reserve or having debt. Some communities have major debt but if they have a big failure in the infrastructure then it causes problems as they have no funding to fix the problem. Having a reserve gives flexibility as well as sometimes it allows for better loan interest rates and options when the city is able to pay part of the project up front. The right amount of reserve balance is a discussion item for the city manager, city recorder and city council to determine. Looking at the long term capital improvements plan will help. There is not an easy answer and it is a complicated discussion.

Mike explained that Pages 28 through 39 are notes about the statements as well as explanations on city receivables and city payables. Pages 57 through 60 are the budget section of the document. The golf fund and sewer fund both had a little more expense than budget and it was just something Mike wanted the council to be aware of.

Mike stated that Page 73 is in regards to Internal Controls and Compliance. There are not any compliance issues. The Internal Control standard that is established is very high and asks for perfection and the city is in good shape but not perfect. The main point that needs to be addressed is documentation and this problem is a problem for most small entities as they don't have a lot of documentation. Mike explained that it is a tall order to reach the goal but with the support of the council he believed it was a goal that Justin could accomplish given the time to do it. The process cannot be completed over night but could be resolved over time. Mike reminded the council this is not something new and has been a concern for quite a while but not a big concern.

Mike commented that the requirements of the State Of Utah Auditor's Office have become more complex and that information is listed on Pages 77 and 78. The state has issued a book that is over 100 pages of what they want reviewed and tested. This area of the audit is taking more and more time each year but there were not any findings in this section. The city is doing what needs to be done and it is quite an effort to stay on top of the state requirements. Mike recommended that the city continue to work with his firm on the new changes that are coming in this regard. Requirements are always changing. The new state auditor is very active in this area and has implemented many changes.

Mike informed the council of the four page Management Letter that is a required communication and talks about how things were implemented, how the audit went, the new terminology changes, and how certain estimates are made. Some items require that management make the best educated guess on certain items. In the Disclosures portion it discusses if the audit was difficult due to working with the city staff which there were not any issues. This area also talks about if there were any significant audit adjustments and this year there were just a few. The requirements also state that it is required to state if there were any disagreements on the financials between the city staff and the audit staff and there were not any.

Mike informed the council of four recommended suggestions. There could be a better segregation of duties on certain items and this has been a recommendation in the past as well to be reviewed. Mike commented that with Justin coming aboard that having a fresh set of eyes reviewing the process and analyzing the process will be good. Mike suggested that as Justin works on improvements in this area that he keep the council informed of what is going on. Another concern was the timeliness of refunding utility deposits. The city states that deposits will be refunded after two years and in some cases this was not being monitored as closely as it should be. The document also lists the budget being over on a couple of funds but they were close enough it is for information purposes and not a finding. There are not any control problems in this regard. Mike explained it is really hard to come out at zero on some of the funds as it takes estimates on budgetary items.

Mike asked Jim if he had any questions or concerns regarding the budget? Jim stated that he did not.

Mike suggested that the park impact fee cash account be monitored more closely as in the past there had been some projects that were paid for by the General Fund but tracked through the impact fee projects. The new state auditor is making a big emphasis on the tracking of impact fees. Mike suggested that a transfer be made to clear up this issue and if the impact fees were ever reviewed it would be less complicated. Jim informed Mike and the council that he had been tracking the expenses over time but the transfer of the cash allocation between the General Fund and the Park Impact Fee Fund had not yet occurred. The issue has been that the city workers have done a lot of work in the past on park projects and the wages have been paid by the General Fund. Those wages could have been paid by the Park Impact Fee Fund. All of the tracking of the time and hours has been accounted for correctly but the transfer of cash between the funds had not yet occurred but would be done right away. Mike said that was something good to consider and good to have clarity in that area. The state auditor will really be monitoring impact fees as part of his directive to his staff.

Dennis asked Mike if the State of Utah reviews the financials of the city on an annual basis? Mike commented that the financials are available on the state website for public review but that the state examines certain areas on a yearly basis. The new state auditor has put more of an emphasis on his workers going out and reviewing what and how CPA firms are doing their jobs. The state auditor wants to know if firms are doing the procedures as they need to be done in

regards to auditing city financials. The state auditor wants to make sure that the CPA firms are doing what is required and how it is required.

Dennis stated that since the state auditor was reviewing the CPA firms do they ever come out and to the cities as well? Mike commented that he had seen that happen a few times and knew of one instance in Cache Valley and it resulted in a CPA losing his license. Usually, this only occurs when a citizen group calls and complains that they don't think the CPA firm really did any work or a complete audit.

Dennis stated that from what he had heard from Mike that the numbers looked good overall.

Dennis asked if the depreciation timelines of 40 years and maybe 5 years are ever reviewed? Mike stated that the state does not focus on depreciation issues or timelines and more so on complaints as they want to make sure the work is being done correctly. The state evaluates the CPA firms to make sure they are doing their job based on professional standards that have been established. The CPA firms do the audit based on a specific set of established auditing standards.

Dennis asked if the state was mainly concerned that the auditing staff was meeting state requirements as opposed to coming out and checking up on the city's? Mike commented that was correct and that the new state auditor has put a bigger emphasis on impact fee analysis and all CPA firms are very aware of it.

Dennis asked if the audit was more of a verification that the city was performing as it should be either well or not well? Mike stated that was the case and why random sampling is done. Justin explained that the audit is very detailed as the auditors will come in and pull random invoices, checks and all large invoices to make sure they are handled properly. They will double check amounts and vendors to make sure they are legitimate. The process is quite detailed as many different statements and documents are provided for review and clarification.

Justin commented that the financials for Smithfield are much more complex than most communities with a population of 10,000 people and asked Mike if he agreed? Mike commented that every year he does not think the Smithfield audit should take as many hours as it does but the city has a lot going on and there are many different funds to keep track of. Smithfield's financials are very complex compared to a lot of other local communities. The dollars spent and collected in the city have really changed in the last few years. Mike stated this is a very big audit for a little community.

Jim explained to Mike that the Recreation Fund is monitored very closely and the little amount left in the reserve is by design. The General Fund has to support the Recreation Fund on a yearly basis. The city budgets approximately \$70,000 to \$100,000 as a transfer from the General Fund to the Recreation Fund on a yearly basis. It is hard to judge what will be required as the number of kids participating in programs, what programs will be played or run is not even determined for several months after the budget starts. The General Fund provides the Recreation Center Fund

with the funds they need to break even and this year it was very close. Last year, the reserve was around \$10,000 but the city did not want to transfer much more than necessary. Mike stated that was good clarification and good points made by Jim and the key is just not to run a deficit. The Mayor commented that the Recreation Center is really growing in use. Jim commented that the General Fund is transferring less and less money each year to that fund.

Mayor Simmons asked for a clarification of the paperwork that needs to be completed or documentation that needs to be updated. Mike commented that documentation requirements are scaled to the size of the entity. The main documentation requirements are of internal control processes and Mike stated it is hard for small organizations to get to that area and have time to document processes. Mike explained that this documentation is very helpful for organizations that have high turnover but the process of what each job in the organization consists of can be summed up in two or three pages. Any change in this regard would be considered an improvement for the city. Mike stated that his firm did agree with the GAO that the city needed better documentation processes and it was something that had not been tackled in the past. The policies all exist and are used every day but they are just not written down. The jobs and what is required for each job needs to be documented. Justin has the ability to fix this issue given the time to do it.

Mayor Simmons thanked Mike for giving a good report and coming before the council.

The Mayor asked Mike if he could recall the recommendations from last year and if any of them had been resolved? Mike commented that some of the state compliance issues got fixed and some of the segregation of duties issues were fixed as well. Mike commented that some of the segregation of duties were previous issues and he was not sure if Dean knew how to fix them or how to proceed to get them resolved. A fresh set of eyes will give a new perspective in this area. Jacob Barker commented that Justin was already making some of these changes over the last few months. Mike commented that he knew more changes would be coming in future months as well.

The Mayor asked Mike if he had any major concerns? Mike stated that if he had any more concerns that the issues would have been elevated to findings.

Mike commented that the reports to the state would be filed by the end of the month and that the numbers on the draft won't change. Justin commented that the only item left in the process was the signature of the second partner on approving the documents.

A motion to accept the audited financial statements for the period of July 1, 2012 through June 30, 2013 from Jones Simkins, LLC was made by Dennis, seconded by Jeff and the vote was unanimous.

Yes Vote: Watkins, Kent, Monson, Barnes

No Vote: None

Absent: Buttars

Mike stated that the signed off copy of the financials would be finished and taken care of by the start of next week at the latest.

DISCUSSION WITH HEIDI DUNKLEY REGARDING A PIECE OF PROPERTY BORDERING THE CITY LIMITS.

Heidi Dunkley came before the council to discuss a piece of property that she is considering purchasing that is located in Cache County but that she wants to have annexed into the city. Heidi wants the property to be in the city and not have to deal with water right or septic tank issues. There is a sewer and water stub nearby at the Greg Nyman residence. Heidi is aware that a survey will be required but came before the council to find out the possibility of the property being annexed before she and her husband spent any money on the project. Heidi informed the council that originally the Cache County Planner thought the road was private but had located a document showing it is a county road.

****Council Member Buttars arrived at the meeting.****

Heidi explained that if they purchased the property that they would own the hillside on the north side of the road as well. Lloyd Facer has been plowing the road for years and maintaining it as the road accesses his gravel pit for his business. There is one section of the river that comes within six to eight feet of the road and Heidi explained she was not sure what to do in that area or if it was a concern. Heidi asked Jim for clarification on the 60 feet needed for a road.

Jim explained that based on review of an aerial photograph that one home could be built on the south side of the gravel road. The property is up Birch Canyon and adjoins the city limits but is not in the city. In order to utilize the two service lines, water and sewer, from the subdivision the lot needs to be in the city limits. In order to use the services as the ordinance is currently written and where the property is not in the city limits the lot owner would be required to provide two shares of water with a value of around \$12,000. The water share requirement would go away if the lot was located within the city limits and there is only one building lot. The width of the city street must be 50 feet but in the past the city has required 60 feet. Jim stated the existing gravel road is most likely a county road but that he had not seen any paperwork to clarify that concern. If the property was annexed it would require a dedicated right of way for the building lot. The city must decide if they want to annex the property. There are also a couple of items the city needs to consider about the property. The city would be responsible for the road if it is turned over to the city. The city already owns a section of the road and the road would be extended the length of this lot. The city would be responsible at that point. Jim suggested that if the city accepts the road they also accept it on the condition it is not maintained by the city in the winter. Another concern is that Birch Creek comes right next to the road. It is very narrow at that point and could cause some issues with the road. The best option would be to realign the creek. Jim estimated the area in question to be about 75 feet and suggested the creek be moved away from the road. Jim commented there is probably not a benefit to the city or a detriment to the city if the parcel is annexed; if the road right of way and creek issue by the road are resolved. The

parcel is not in a flood plain. Jim commented that he had told Heidi she should speak to the council about the parcel before possibly spending thousands of dollars on it.

Barbara asked how much of the property would become city road? Jim commented around 200 feet or 100 yards at the most.

Kris asked if the total size of the parcel is around 1.5 acres? Heidi stated that was correct and that the property is on both the north and south of the road and has a hillside on both sides.

Jim stated that the road right of way would have to be 50 feet at the narrowest but he suggested 60 feet.

Heidi asked how far back from the road would the home need to be located? Jim stated he was not sure but some due diligence needs to be done first as the curve of the road would need to be considered as well.

Heidi informed the council there is a 30 foot easement from Mike Christiansen in that area.

Jim explained that Heidi is inquiring about the required setbacks of the property. If the road is dug further into the hill on the north then most likely a retaining wall will be required. Most of the traffic in that area right now is foot traffic.

Heidi stated the parcel is part of the General Plan and Jim stated that was correct.

Dennis commented that when the road is dedicated there will be property on both the north and south side of the road. Dennis asked Jim if there needs to be "X" amount of square feet on the south side to allow for a home? Jim stated that there would be two lots created and the north lot would be unbuildable.

Dennis asked if it would be annexed as a one acre agricultural piece? Jim stated it would be annexed in as A10 and would be considered a non-conforming lot.

Dennis commented that the first step after being annexed would be to rezone the property and the property on the north side of the road would not be included? Jim stated that was correct; there would be two separate lots. The south lot would have some minimum requirements that would need to be met.

Dennis asked if the Master Plan showed the area to the east of this property being developable? Jim stated there is quite a bit of property to the east of this parcel.

Dennis asked if the water, sewer and road sizes all need to be considered in anticipation of expansion to the east? Jim stated that would not be possible as the service lines to this lot were only a 1" water line and 4" sewer line.

Dennis asked if black top would be required for this road? Jim stated that if anything was done it would be a double chip seal down the road.

Heidi asked if the road could still be plowed by Lloyd Facer? Should they plow it? Heidi explained she was willing to sign an agreement about snow removal. Jim stated that was up to the council to decide and could be changed at any time; it could be part of an annexation agreement if needed.

Jeff stated that most likely realigning the creek would require the Ballards to work with the Army Corp of Engineers.

Jim commented that there would most likely be the need for a bridge as well and that would require working with the state engineer.

Jeff stated it is much harder to work with the Army Corp of Engineers and takes much longer time wise.

Jim informed Heidi that she needs to investigate everything that has been discussed and the cost associated with it and see if there will be enough acreage leftover after everything that is required is completed for it to be worthwhile for what they are trying to accomplish.

Heidi asked Jim who she would go to about realigning the river? Jim stated he could provide her some information and that he city needs to decide what they expect as well.

Heidi asked the best way to proceed at this point? Jim recommend that she review the lot, options for where the creek could go, and where the house would fit. At that point, come up with a plan for the council to review. Jim suggested creating a plan or sketch of the area for review. The council needs a picture or plan to see what is proposed and where.

Kris stated she was willing to go up and look over the area as well.

Heidi stated there used to be a bridge on the property. Heidi knows the size of lot they want for the house but with the creek realignment that could affect it. The total acreage of the lot is about 1.75 acres.

Mayor Simmons asked for Heidi to prepare a sketch with the proposed location of the road, house, bridge and creek.

Brent asked for clarification on where the water and sewer are located? Jim explained they were stubbed to the end of Greg Nyman's property.

Brent asked if a fire hydrant would be required? Jim stated the stubbed lines were only service lines and that there was a fire hydrant on the corner down from the property.

Brent stated this needs to be developed as a city lot not a country lot. Jim stated it must be buildable by the city's definition and that the sketch would be very important for the council to review.

DISCUSSION AND POSSIBLE VOTE ON RESOLUTION NO. 13-09, A RESOLUTION UPDATING THE EMPLOYEE PERSONNEL MANUAL.

The Mayor stated the proposed Resolution was in regards to updating and making changes to the Personnel Manual.

Jim explained that the Personnel Manual is reviewed every two to three years. This year he would like to propose a major change to the manual. Jim reminded the council that it had been mentioned previously but the change would be to abandon the benefit of sick leave and vacation time and switch to "Personal Time Off" or PTO. By consolidating these two benefits into just one it would help to eliminate a lot of the management problems for the managers as well as the employees. The concern in the past has primarily been for the use of sick leave. There have been many struggles in the past of what sick leave can and cannot be used for. There are times when it is used correctly and probably times when it has not been used correctly. There have been issues when one employee sees another employee down town and one of them was using sick leave and that has created a problem.

Jim explained that other entities have run into this same problem and have switched to PTO.

Jim went through the proposed Resolution and showed the first two pages of the existing manual would be removed and these were the areas that contained Annual Leave and Sick Leave. PTO could be used for any reason whether sick or just wanting a day off of work. This proposed change would be the same for both permanent full-time employees as well as permanent part-time employees.

Jim explained how the accrual system would change with PTO. The current policy allows for up to 12 days of sick year to be earned annually and it was based on the number of years employed by the city. The new proposal would allow for six days of PTO to be accrued per year but six days of sick leave would be lost per year. The annual leave accrual would pretty much stay the same.

Jim explained that employees will still be required to work with their supervisor's to schedule their days off.

Jim stated that PTO would be accrued on a monthly basis through hourly increments which is the same as the current policy. PTO would not be accrued during time off for disability or during Worker's Compensation leave. PTO could be used for short falls on paychecks when the employee is not getting their full check through Worker's Compensation or disability.

Jim advised the council to review Section “H” of the proposal as it lists the “Exceptions to PTO”. If employees miss more than four work days they will need a medical statement or evidence of injury of why they were not at work. Jim read Item Number 4 in Section “H” that states “Any employee who misses two days of work without notice to their Department Head will be considered to have abandoned their job/voluntarily quit”.

Jim explained that the current policy allows employees to accumulate up to 1,440 hours of sick leave. Sick leave was not a use it or lose it policy. Accrued sick leave can be helpful for someone with a serious illness such as cancer or if they needed a knee replacement and would be out for a few weeks. Accrued sick leave was there for larger medical issues. Jim commented that several employees had reached the current limit of 1,440 hours and not received any more for several years and he was one of those that it applied too. The hours were accrued just in case an employee needed them for a long term issue. If the policy is changed then the accrual would go away. Many of the employees have been very faithful in coming to work when sick and accruing their hours in case of an emergency situation.

Jim informed the council that he had talked to some other cities and for this situation they had created a “Personal Leave Bank” or PLB. The current accrued hours the employees have would be put in this PLB. Article III, Line Item “B” would state how hours would be accrued in the future and the limit would be 240 hours. Existing employees would start off with their accrued hours, if applicable. If hours are used from the PLB and go below 240 hours, for those with more at the start, they would never be able to go above the 240 hour mark again.

Jim explained that the PTO that is accrued throughout the year could be transferred into the PLB but the total amount of transferred hours could not exceed the limit of 240 total hours.

Justin informed the council that he would not speak in behalf of Chief Downs or Chief McCoy since they were in attendance but that the other managers; Doug Petersen, Eric Kleven, Chad Daniels and Brett Daniels had reviewed the proposed change several times and offered input and they were all in support of the change. The managers had been able to take the proposal to the employees in their departments for review as well and it received a favorable response.

Justin also explained that the PTO will give the employees options and choices of how and when their time is spent. There will no longer be instances where it is questionable about whether sick leave can or cannot be used. Justin stated in his opinion it was a good change to make for both the city and the employees.

Jim informed the council that Article III, Section “C” explained when the hours accrued in the PLB could be used. Jim specifically pointed out Section “C”, Line Item 2, “Prior to using PLB hours, employees must first use 40 hours of earned PTO, comp time, or a combination of both for each separate incident”. This would keep employees from taking advantage of the use of hours from the PLB. PLB hours can be used as a salary bridge as explained in Section “C”, Line Item 3.

Mayor Simmons asked if this system would be very similar to an AFLAC type system? Jim stated that was correct as the PLB could be used after 40 hours of PTO or comp time had been utilized.

Jim explained that in the past, if an employee stayed with the city until they retired through URS that the city would pay out 20% of the Accumulated Sick Leave. An employee could get a check for 20% of 1,440 hours if they had accumulated that many. It was an incentive to accrue the hours and not abuse the current system. Article III, Section "C", Line Item 4, shows that an employee would still be paid for their accrued time saved and they would be paid either 20% of the hours accrued or up to 240 total hours.

Jim explained that currently the Public Works Department had rotating hours depending on the time of year. In the summer, the Public Works Department switched their hours to 6:00 A.M. to 4:30 P.M., Monday through Thursday. This had not been an official policy in the past but was being added as a proposal to the updated manual. In the past, Jim explained he had made this request to the council yearly and if approved the yearly request to the council would not have to be made.

Jim read the new workday as proposed in Article II, Section "B", Line Item 1, would be "The regular workday from October 1 through April 30 shall begin at 7:00 A.M. and end at 3:30 P.M., with a 30 minute lunch period, Monday through Friday, for all public works employees. From May 1 to September 30 the regular workday for public works employees shall begin at 6:00 A.M. and end at 4:30 P.M., Monday through Thursday".

Jim asked Jay Downs to speak to the council about the addition of a new Article V, "Pager On Call". Jay explained that currently the department offers coverage from 7:00 A.M. to 10:00 P.M. and pays a "Pager On Call" fee outside of those hours. The employees carry a pager and respond from their homes when needed. The county is currently paying this fee which is paid at \$1.75 per hour. Due to the new 30 hour rule being in effect a person on call for two nights would already have 18 hours to count against the 30 hour rule. Jim explained this section is not a net cost to the city as the county pays this portion. There was not a policy in this regard in the past.

Jim informed the council that the per diem for meals had not changed for about 12 years and the following was being proposed: change breakfast reimbursement from \$7.00 to \$8.00 and lunch from \$8.00 to \$10.00 and leave dinner at the current rate of \$15.00.

Jim explained that currently mileage reimbursement is included in the Prevailing Fee Schedule and the council is the primary recipient of this reimbursement as the city tries to make sure an employee is always using a city owned vehicle for work related travel. The current rate that is reimbursed by the city is \$0.38 per mile. Justin stated the current IRS reimbursement rate is \$0.565 per mile for 2013. The new proposal would remove this item from the Prevailing Fee Schedule and add to the Personnel Manual. Mayor Simmons suggested that it be worded that the current rate of reimbursement is the rate allowed by IRS guidelines.

Police Chief McCoy came before the council and informed the council that he had passed this concept along to the entire police department for review. As employees they liked the idea as it gave the employee more control over their time off. They specifically appreciated the sick time off change as currently all sick leave must be approved by a supervisor. Now the PTO can be used for any reason. All of the police department employees liked the concept as presented. All of the employees understood it is a benefit to the employee and thanked the council for reviewing it and allowing the employee to have more flexibility in their schedule.

Jim stated he was concerned about the Police Department specifically with this change as most of the officers are young and don't have much to put in the PLB. Chief McCoy stated they liked the idea of being able to accrue some hours in the PLB and it was not a use it or lose it system. Mayor Simmons commented that the PLB was a nice offer as he is on a PTO system where he works and it is a use it or lose it system. It is a nice benefit to the employees.

Jim informed the council this policy would not conflict with jury duty, military leave or bereavement.

Mayor Simmons thanked Jim for his work on the proposal as it had been reviewed over several months. The Mayor thanked Chief McCoy for expressing his opinion and the opinion of his department. Jay informed the council that the Fire Department had reviewed the proposal as well and approved of it.

Kelly Cannon asked if maternity leave would be changed? Jim stated it would not be affected as only vacation time and sick leave would be changed; everything else would stay the same.

Dennis stated he liked the PTO concept but had a concern about the public works hours. Dennis expressed concern that as written if there are Friday or Saturday burials that overtime would have to be utilized for the burials. Jim explained that graves for Friday burials are normally dug on Thursday and it takes two employees about three hours. The fees charged for weekend burials was much higher than weekly burials because of the extra costs involved. Jim explained that normally burials are handled by a part-time cemetery employee and overtime is not applicable.

Dennis asked Jim how many public works employees there are? Jim stated there were nine or ten and that things always happen on Friday but that Ryan Gleason works five days per week for that department and can help where needed on Fridays.

Dennis asked Jim if this was a binding agreement for the future or what happens if the council wants to change it? Jim stated that the manual can be updated at any time. Dennis told Jim if he was comfortable with how it was written that he was fine with it. Jim also explained to the council one of the reasons that the employees have city paid cell phones is so they can be called when or if needed; even on a day off. Jeff stated that it sounded like everyone was very accepting of it.

A motion to adopt Resolution No. 13-09, a Resolution amending the Personnel Manual, was made by Jeff, seconded by Dennis and the vote was unanimous.

Yes Vote: Watkins, Kent, Monson, Barnes, Buttars

No Vote: None

CITY MANAGER REPORT

Jim informed the council that the Christmas lights had been installed on the trees at Central Park as high as can be reached which is around 60 feet. The trees are approximately 100 feet tall. Jim explained that next year the city might use Cache Valley Electric to help as this year they allowed the city the use of one of their trucks and a worker for a day; free of charge.

The playground equipment for Sunset Park has arrived and will be stored in the Civic Center for the winter.

The Public Works Department has started to build the rock retaining wall at Sunset Park and hopefully it will be completed next week.

The railing has been installed at the Civic Center and it looks great. Josh Wright did a great job welding and fabricating it. The sides have been installed and now the south end can be built as exact measurements were needed after installing the sides. There is a man gate on the one corner as well. The front (north) panels can be unbolted and removed if equipment needs to access the area.

Jim informed the council that 200 tons of salt had been received and it was half salt and half Redmond salt. That total is about 1/3 of what will be needed for the winter months. By combining the two products together it should save around 30% on the cost.

The bid opening for the well project will be on December 10th. This is just for the well being removed.

A new furnace was installed in the Youth Center; it was not an anticipated project. When starting up the two furnaces for the winter; the one would not start up and had to be replaced. Most likely, the other one will need to be replaced next year. The furnace is around 20 years old. The old one that is still working had some issues last year so hopefully it will last another year. The cost for the new furnace was \$1,950 and it was installed by Rory Lutz and Lutz Heating. The new furnace is 95% efficient.

The light fixtures have arrived for the Youth Center and hopefully Matt Downs will get them installed next week.

There has been some painting in the Youth Center under the bleachers and it is still being worked on and completed.

Verizon had hoped to start working on the installation of the new cell phone tower this winter but it now appears it will be spring before that occurs. The signal strength for all Verizon users should be even better when the tower is installed and operational. Brent asked if this was the same project that had been discussed a few years before? Jim stated that was correct; they shelved the project and are now back and ready to get it done. Verizon had to pay the city \$2,000 to renew their application and they are now moving forward with the project.

Jim stated he was finishing up the Tree City USA application and he thought it was the 20th year. Jeff commented that it was actually the 21st year.

Jim reminded the council that the city employee Christmas party is on the 16th at the golf course clubhouse. The party would be from noon to 2:00 P.M. Justin Hamilton and Chip, who runs the snack bar currently, will be doing the catering for the event.

Jim informed the council that in the past gift certificates had been given to the employees for Christmas and this year they would receive gift cards purchased from Lee's that can be used anywhere.

The street lights on 600 South would be installed, hopefully, within the next couple of weeks according to Jim. Rocky Mountain Power had been paid \$164 to get the project moving along. Five lights would be installed at this time and a sixth could be added later; if needed. Dennis commented that five should be good.

COUNCIL MEMBER REPORTS

Dennis provided the council with who was in charge of each city newsletter in 2014 and when the information needed to be submitted by. For reference purposes down the road; the information was included on the cloud as well if someone forgets.

Barbara thanked those involved in the Senior Ball. The Youth Council tried to find a band two or three times and were not able to get one but one of the Youth Council members played the guitar. Several of the senior citizens that attended asked if in the future the time could be moved up so it started while it was still light outside, maybe around Veteran's Day or even in October like it was one year in the past. Kris asked why the time of the event could not be moved up? Barbara said that could be a possibility to move it up to 5:00 P.M. or so rather than 6:30 P.M. when it started this year. Brent reminded Barbara that it would have to be on a Saturday night if the time was moved up to 5:00 P.M. since the Lion's Club helps with the food and most of the Lion's Club members have jobs. Barbara said not as many people attended as in the past due to the weather but that those that came appreciated the evening and what was offered.

Kris reminded the council that the annual Night of Giving was on Saturday, December 7th at 6:00 P.M. There were still a few tickets available at Lee's Marketplace. It is a great event that supports "Sub For Santa". There were many local donations for the fundraiser.

Kris informed the council that she had spoken with the gentleman that has the 25 beehives and the person is aware that the city is monitoring his operation. Most of the hives are currently in California and he does not plan to bring them all back to his location. Kris had researched and found some ordinances from other communities and the maximum number allowed elsewhere was eight beehives. One key was to keep a running water source. Kris stated she did not want to put an ordinance in place unless the city had too. Brent asked why not put an ordinance in place? Kris responded that it just made another issue for the city to have to enforce and some ordinances are specific and some are vague in regards to beehives. Kris stated she hoped it could be resolved without putting an ordinance in place.

Jeff read an email from Phyllis Smith regarding the possible removal of two Austrian Pine trees that Jim had asked the council for an opinion on.

****Included below is the email from Phyllis Smith.****

Mayor and Council,

As chair of the Smithfield Tree Committee, I would like to respond to Jim Gass' proposal to remove the two large Austrian pines flanking the "Tidy Town" award. I disagree with the proposal for the following reasons:

1. View of the Youth Center. Removing these two trees will NOT present a view of the Youth Center. All the other trees (equally large or larger) on the site also "block the view." Also, unfortunately, there is nothing desirable about the view of the old tabernacle. Should a major restoration of the building and extensive landscaping (including moving of the parking lot) surrounding and in front of the building ever be planned, removing some trees might be justified.
2. View of the "Tidy Town" award. The pine south of the award has some branches interfering with small tower. Removing lower branches of the tree will solve this problem and also allow more air and light into the area. There is no need to remove the entire tree on either side unless it is decided to enlarge the award area with more extensive landscaping of shrubs, perennials, and small trees. If anyone actually ever uses the bench to sit on, the trees provide shade.
3. View of the library. The trees are well to the north of the library. While removing the trees in question may make the library more visible several blocks to the north, what is the point? The building itself is not obstructed in any way, nor is it beautifully landscaped so that a long distance view is desirable.
4. Purpose of the trees. These large trees serve our city in several ways.
 - a. A lovely memorial bench (donated by Glen Thornley family) is located under the northern most tree, a location chosen by the donors. Removing the tree leaves the bench in full sun and awkwardly situated.
 - b. Air filters. Trees are the number one source of removing pollution from the air. These trees are positioned next to our busiest road ergo largest source of air pollution.
 - c. Storm water filtration. Root systems aerate the ground, allow water penetration and filtration

as well as stabilizing the soil and reducing run-off.

d. Shade and cooling. Trees are the best natural coolers. Located next to pavement, these trees add moisture and shade to cool the air.

e. Removing these trees and planting others elsewhere would take many years before equal canopy size would be reached. A large tree is not truly replaceable.

In conclusion, unless immediate and extensive landscaping is planned for this area, I think the trees should be branched up and left in place.

Sincerely,
Phyllis Smith

Jim stated he appreciated the opinion and that is why he had taken this issue to the council for input.

Jeff asked if any additional landscaping would be completed in the area the trees were located if they were removed? Jim stated that the one Austrian pine was leaning quite a bit to the east and there is no sense of openness in the area. The area was much more open when the trees were smaller so the thought was just to remove those two trees at this time.

Mayor Simmons asked if there was any danger from either of the trees in question? Jim stated there was not.

Barbara asked if either of the trees were diseased? Jim stated he did not believe so but that since they are older they do have a lot of needles dropping all the time.

Barbara asked if anyone had an idea how old they were? Jim commented that they were very old and that the Tidy Town Award area was installed in 1983 or 1984. The two trees are the only Austrian pines in that area.

Jeff commented that the others trees in the area were much taller.

Barbara asked if there was Christmas lights on them? Jim stated that there were lights on the trees.

Mayor Simmons asked Jim how the grass growing underneath the trees was affected? Jim stated it was sketchy in some areas as a lot of shade was provided and that the trees have a shallow root system so some of the roots are exposed. Barbara commented that things don't grow under pine trees.

Barbara asked if the trees had ever been pruned? Jim stated not recently.

Kris asked what started this conversation about removing the trees? Jim commented that it is the time of year the city does some tree pruning and removal and it was just asked to be considered for appearance reasons.

Mayor Simmons asked if either of these trees was the one that had the top broken out of it several years ago? Jim stated that no, that tree was in the south east corner of the park.

Barbara stated that as the area where the old city office building is designed and the area across the road by Callaway's is included that maybe this area could be included in the design process as well.

Jim mentioned he was glad someone from the tree committee had reviewed the request.

Kris stated that she did like the idea of adding some trees with color if these trees were removed and others planted.

Jim suggested that no new trees be planted until the library project is completed and the area will be easier to visualize and see where things can be placed. Barbara stated she thought the trees should be left until later on when the library project was completed.

Brent did not have any business to bring before the council.

MAYOR'S REPORT

Mayor Simmons did not have any additional items to discuss.

A motion to adjourn at 8:33 P.M. was made by Kris.

SMITHFIELD CITY CORPORATION

Darrell G. Simmons, Mayor

ATTEST:

Justin B. Lewis, Recorder

SMITHFIELD CITY CORPORATION
96 South Main
Smithfield, Utah 84335

AGENDA

Public Notice is given that the Smithfield City Council will meet in a regularly scheduled meeting at 96 South Main, Smithfield, Utah on Wednesday, **December 4, 2013**. The meeting will begin at 6:00 P.M.

Welcome and Opening Ceremonies by Council Member Watkins

1. 6:03 P.M. Consideration of the Consent Agenda
Approval of Minutes from the November 13, 2013 City Council Meeting
 2. 6:05 P.M. Resident Input
 3. 6:15 P.M. Consideration and approval of Ordinance No. 14-01. An Ordinance establishing the meeting time and place for city council and planning commission meetings in 2014.
 4. 6:20 P.M. Discussion regarding the creation of a Volunteer Resource Center.
 5. 6:30 P.M. Audit report from Jones Simkins, LLC on the financial statements for the period of July 1, 2012 through June 30, 2013.
 6. 6:45 P.M. Discussion and possible vote on Resolution No. 13-09, a Resolution updating the Employee Personnel Manual.
 7. 7:00 P.M. Discussion with Heidi Dunkley regarding a piece of property bordering the city limits.
 8. 7:15 P.M. City Manager Report
 9. 7:25 P.M. Council Member Reports
 10. 7:40 P.M. Mayor's Report
- Adjournment

Items on the agenda may be considered earlier than shown on the agenda.

Smithfield City Council Meeting Minutes, December 4, 2013

In accordance with the Americans with Disabilities Act, individuals needed special accommodation for this meeting should contact the City Recorder at 792-7990, at least (3) days before the date of this meeting.

Prepared, posted in the City Office and library, emailed to each Council Member, emailed to the Herald Journal, Smithfield Sun, and forwarded to be posted on the City Web Site on 12/02/13, and the Utah Public Meeting Notice website.