

Heber City Corporation
City Council Meeting
January 7, 2010

6:30 p.m.

WORK MEETING

The Council of Heber City, Wasatch County, Utah, met in **Work Meeting** on 01/07/2010, in the City Council Chambers in Heber City, Utah.

Present:	Mayor	David R. Phillips
	Council Members	Nile Horner Robert Patterson Alan McDonald Benny Mergist
Excused:		Eric Straddeck
Also Present:	City Manager	Mark K. Anderson
	City Recorder	Paulette Thurber
	City Engineer	Bart Mumford
	City Planner	Allen Fawcett
	Chief of Police	Ed Rhoades

Mayor Phillips indicated Councilman Straddeck had asked to be excused as he was in Kansas City.

Budget Meeting – January 12 – 6:00 p.m.: Mayor Phillips reminded the Council of this meeting, which was scheduled for next Tuesday. Anderson said he was putting information together. The purpose of the meeting was to inform the Council how the City performed the first six months of the year and talk about what changes might need to be made for the remainder of the fiscal year. He continued the options that might be considered were: cut operating expenses, personnel, and/or transferring monies from other funds to keep the un-appropriated surplus at a level the Council was comfortable with. Councilman McDonald wondered if there were monies out there in a pot that could be pulled from. Anderson talked about the Corridor Preservation Funds with Wasatch County. He said that the City had also bought Sage Acres lot 1 to protect the eastern bypass. He indicated the minutes from numerous meetings expressed the desire to get monies from the Corridor Preservation Fund. Anderson talked about the need for a COG (Council of Governments) meeting to discuss the allocation of those funds and reporting the proposed budget to the State. He said the money the City had with WWET was mostly spent on the irrigation project at the Cove at Valley Hills. He said they had a \$45,000 bill they would like the City to pay but the City wanted them to use reserve funds from when they administered the secondary system.

Councilman Mergist asked about airport monies. Anderson said Smedley was working on that and was trying to put together a conference call with Mayor Phillips and a person in Provo. Councilman Horner wanted a break down of monies associated with the airport hangars. Mayor Phillips asked Anderson to spell out where the money came from and where it had gone back to.

Day at the Legislature – January 27 – Rudy Giuliani - Keynote Speaker: The Council was reminded of this and told if they wanted to attend to let Anderson know so they could be registered.

December Sales Tax Collection \$117,940.23 – FY 2008 - \$121,035.79 – 97%: Mayor Phillips said the December numbers were the best comparison over the last six month as the average had been about 82%. Anderson indicated the numbers were still short \$90,000 off what was projected. He indicated \$8,000 more was budgeted than last year's actual collections.

Review proposed letter of indemnification to the Wasatch County Housing Authority: Anderson presented a letter proposed to be submitted to Wasatch County in relation to the indemnification of taxes owed by Ivory Homes on affordable housing lots. He said Brad Mackay, representative of Ivory Homes, was in attendance tonight and might want to address the issue. The Council was okay with the letter as presented.

Discuss call from Chris Gamvroulas of Ivory Homes – Clarify motion of the Council: Anderson said he had a call from Gamvroulas yesterday and again tonight and that was why Mayor Phillips and he were late to the 5 o'clock meeting. He said Ivory Homes had expressed disappointment with not being invited to the meeting on January 4. Anderson said he wanted to clarify the motion about building permits being issued. He wondered if the motion was to go into effect immediately or not until March 1. Councilman McDonald said it was as of January 4th. Discussion about fees and penalties on the \$12,000 as of March 1. Anderson clarified to Brad Mackay that, based on legal counsel review, the motion was to not allow building permits to be issued until the taxes were paid.

Mackay felt there had been a lot of miscommunication and said there had been a lot of e-mails and calls between the residents and Ivory Homes in the last few days. He said he wanted to clarify some things. He said starting back from the first of the project Mike Stewart was the developer of the project and the affordable housing component was part of the Annexation and Subdivision Agreements. He said the choice was either a payment-in-lieu of affordable housing or provide lots to the City. Stewart chose to provide lots. Stewart moved forward with Phase 1 which included three of the affordable housing lots. At that point, Ivory Homes bought the Subdivision. Councilman McDonald wondered if the taxes were current at that time. Mackay said Phase 2 was revised and the Subdivision was re-platted and two more affordable lots were created at that time. About that time the City wanted sidewalk installed so the kids could walk to school safely, which Ivory did a year ahead of schedule. Then Phase 3 and Phase 4 were platted. At this time the warranty period for Phase 1 and 2 was still open and part of the requirement for approval of Phase 3 and 4 was to deed the affordable housing lots over. Right before Christmas, the Phases 1 and 2 of the Subdivision was released from warranty.

Brad Mackay questioned why the lots were assessed taxes since they were platted as affordable housing lots. Mackay talked about the extra things Ivory had done, (valves and sidewalk) and said Ivory had always been fair in their dealings with the community. Mackay said he felt the City was holding a hard line on this issue and was disappointed because they had given so much to the City in other areas.

Councilman McDonald encouraged Ivory to approach the County and ask them about waiving the taxes. Mackay wondered if the City would go with them as partners to the County. Mayor Phillips said the Council would talk about this. Mayor Phillips said the City was not opposed to the County making these taxes go away. However, he said it was not the City's obligation to go to the County. He continued the relationship with Ivory had been good up until the tax issue and said he appreciated the sidewalk being built a year early.

Brad Mackay again asked Council to discuss the issue and then go with them to the County to see what could be done. He felt if the City went with them as partners that would help. Councilman Horner said he was not willing to go with them. If they had turned the lots over three years ago, the taxes would not have been assessed and the affordable housing homes could have taken place by now. Councilman Horner suggested that with the C.R.O.W.N. Homes project, those lots were not going to have taxes on them for 15 years. Consequently, with the late taxes, that would make it 20 years. Gary McDonald said he did not think that was correct but he would check. He thought that as soon as those homes were built, there would be taxes on them.

Mayor Phillips said he would talk to the Council at the end of the meeting about their feelings as far as going with Ivory Homes to the County Council. Councilman McDonald suggested the Council wanted this issue to go away and so did Ivory, so maybe something could be worked out.

Councilman Mergist recalled what Gamvroulas had said about deeding the lots back to them, he would pay the taxes, and then build the homes. Councilman Mergist said this really was not the City's issue and the City was putting its neck on the line with this issue. It was agreed the only reason the City was trying to help with this was so the \$900,000 tax credit could be given to affordable housing.

As there was no other business, the Work Meeting of the Heber City Council adjourned.

Paulette Thurber, City Recorder