

The **Beaver City Council** met in a **work session** at **5:00 p.m.** in the Beaver City Center located at 30 West 300 North on **Tuesday, March 22, 2022**. The following members of the Council were present: Mayor Matt Robinson, Council Members Alison Webb, Lance Cox, Hal Murdock and Owen Spencer. Also, present were City Manager Jason Brown via electronic device, City Treasurer Stacey Phelps and City Recorder Anona Yardley. Council Member Tyler Schena was excused.

ECONOMIC DEVELOPMENT – AIRPORT ROAD INDUSTRIAL PARK

Manager Brown asked Beaver County Assessor, Trent Brown, for a property tax evaluation of the Airport Industrial Park. His valuation for the first one-acre parcel was \$82,500 and \$10,000 for an additional acre connected to the same property. Manager Brown and Mayor Robinson had a conference call with Zions Bank and the Beaver County School District proposing a Community Redevelopment Agency (CRA) for the city industrial park. They seemed fairly positive about the possibility but will need to have more information provided by Beaver City before their April meeting. Polymule delivered over 60,000 lbs. of equipment for their operation today which will be stored in the airport SRE building until their building is ready. They will be delivering more equipment next week. Dennis with Red Canyon Manufacturing met with Nate Robinson this morning to go over the building design. Marcus Keller from Zions Bank Financing will meet with Manager Brown and Mayor Robinson to discuss the creation of a CRA. Mayor Robinson commented that Tushar Contracting will be meeting with Manager Brown after their conversation with Red Canyon. Mayor Robinson summarized the formation of the CRA with tax increment financing. It would be developed by Beaver City and approved by all other taxing entities which are the Beaver County School District and Beaver County. It must be approved by all taxing entities in order to move forward. A Property Improvement Development (PID) is also being looked at for a way to issue different types of bonds offering tax incentives. The contractor of the building will be entering into a private contract with manufacturers for construction of the building. Beaver City's financial team will be working to set up the financing necessary. Red Canyon Manufacturing does outdoor recreation equipment. Red Canyon/Polymule does thermal plastic manufacturing. This business is projected to bring twelve to twenty new jobs into the area over a two to three-year period. The purpose of this venture is to turn non-taxable real estate into very valuable commercial taxable land. Beaver City's contribution is the development of the park and the infrastructure. Each of the council members expressed their support and concerns about the financing and the project. The power supply is a concern for development in this area. Beaver City's financial team will be working on this issue and helping to establish the type of financial help that will best serve the development of this area.

FEBRUARY, 2022 FINANCIAL REVIEW

City Treasurer Stacey Phelps presented the financial statement for February, 2022 with a power point. All the funds have spent more than revenues received except the impact fee funds, water fund and perpetual care. Next month will be the end of the quarter. Mayor Robinson asked that Treasurer Phelps develop a power point with comparisons from past years and possibly past quarters. Manager Brown would like to include the balance sheet with the end of quarter review in April. Council Members were appreciative of the power point type presentation. It was easier to understand when condensed.

The **Beaver City Council** met in a **regular session** at **6:00 p.m.** in the Beaver City Center located at 30 West 300 North on **Tuesday, March 22, 2022**. The following members of the Council were present: Mayor Matt Robinson, Council Members Alison Webb, Lance Cox, Hal Murdock and Owen

Spencer. Council Member Tyler Schena was excused. Also, present were City Manager Jason Brown via electronic device, City Attorney Justin Wayment via electronic device, City Treasurer Stacey Phelps, and City Recorder Anona Yardley.

The opening prayer, pledge and thought were offered by Recorder Yardley.

CITY COUNCIL MINUTES APPROVED

Minutes of the previous **regular council meeting** were presented. Council Member Murdock motioned and Council Member Spencer seconded to approve the minutes of **March 8, 2022** as presented. All voted in favor. None opposed.

BILLS APPROVAL

Bills were presented and reviewed by the City Council. Council Member Webb motioned and Council Member Cox seconded to approve the proposed bills for **March 14, 2022** as presented. All voted in favor. None opposed.

CONFLICT OF INTEREST STATEMENT

No conflicts were voiced at this time.

FY2021 FINANCIAL AUDIT PRESENTATION – KIMBALL & ROBERTS

Rick Roberts presented the FY2021 financial audit. He discussed the opinion of the audit firm and the findings. The balance sheet was looked at very extensively. The audit didn't find any evidence of fraud. Management is responsible for the internal control and the auditor is to state an opinion on that control. The reason for the audit is to compute a materiality level for each fund. There may be immaterial errors that can be fixed during the audit but all other adjustments to the financial statement should be done before the audit. There are four major parts of the audited financial statement: 1. The basic financial statement stating net position of each fund. 2. Cash Flow Statement. 3. Long term debt with required cash reserves. 4. Budget – beginning and ending. Mr. Roberts reviewed each of these aspects of the audit with the council briefly.

Mr. Gabe Miller reported that the assets had major adjustments. Many of the assets that were in each fund were no longer relevant and many did not exist while other assets were fully depreciated. This caused a reclassification of assets in all funds. The adjustment to the depreciation on accounts was also material and caused a finding for the city in the audit. Management has revised their plan for accumulating assets with the implementation of a new module in the accounting software. The council thanked Kimball and Roberts Accounting for their presentation. The FY2022 audit is schedule for August of 2022.

CAPITAL IMPROVEMENT PROJECT LIST UPDATE

Manager Brown has been looking for funding through Jones and DeMille for the Grove Water Project. In so doing, two other places were identified for water needs; the Head House Well Building and Main Street on the north end of town and a crossing at 200 South Main. Beaver City will apply for up to \$2.5 Million grant through the Division of Drinking Water. The funding could be up to 90% grant. Applications are due mid-April. For this reason, Beaver City needs to update the current CIP list to include this project. The CIP list will need to be submitted next week to Five County. It can't be considered for funding without being on the list. Beaver City is classified as a disadvantaged community according to Jones and DeMille. With this classification, close to 100% grant could be received on this type of project. Beaver City was not funded for the Rodeo Grounds Restroom Project so it was moved to a lower priority. Council approval is needed to approve the change to the CIP List. Council Member Cox motioned and Council Member Murdock seconded to accept the addition of the Grove Water Project and other portions to the CIP List. All present voted in favor. Council Member

Schena was excused. The motion passed by a majority vote.

OUTSIDE CITY WATER SERVICE – CHRIS NOBLE

Mr. Chris Nobel appeared before the council to request that his outside the city water connection be extended to a new smaller home on the same property as his larger home. Manager Brown read the city code about water connections. Mr. Nobel lives in Beaver County with a zone of RE-1 which allows a home up to 2,000 sf to be built on this property. However, the piece of property can't be divided. The old home will not be a business. They tried building a casita on the old home but there isn't enough room on the property to construct it next to the larger home. Beaver City's ordinance as written does not allow two homes on the same water connection. Attorney Wayment will study this ordinance more fully and issue an opinion. This matter will appear on the next city council agenda for further consideration.

PID BOND RESOLUTION OR IBD BOND RESOLUTION

Mayor Robinson read the following verbiage provided by Beaver City's bonding attorneys.

“CONSIDERATION FOR ADOPTION OF A RESOLUTION OF THE CITY COUNCIL OF BEAVER CITY, UTAH (THE “CITY”) AUTHORIZING THE ISSUANCE AND SALE OF A CONDUIT BOND ISSUANCE OF NOT MORE THAN \$10,000,000 AGGREGATE PRINCIPAL AMOUNT OF THE CITY'S INDUSTRIAL DEVELOPMENT REVENUE BONDS, SERIES 2022 (RED CANYON PROJECT) TO FINANCE ALL OR A PORTION OF COSTS OF ACQUISITION, CONSTRUCTION, EQUIPPING AND FURNISHING OF A UTILITY CARTMANUFACTURING FACILITY; AND RELATED MATTERS.” Attorney Wayment explained that this resolution provides a way for the city industrial park to move forward and allows reimbursement to the city for this project in the form of a bond. This is a way to promote industrial growth in small communities. It also allows investors the opportunity to buy the bonds taking advantage of lower interest rates and provide tax incentives to purchasers of the bonds.

Council Member Cox motioned and Council Member Webb seconded to approve Resolution 3-22-2022 allowing Beaver City to move forward with the financing of the development of the Red Canyon Development Project in the Airport Industrial Park. Council Members Cox, Webb, Spencer and Murdock voted yea by roll call vote. Council Member Schena was excused. The motion passed with a unanimous vote.

INDEPENDENCE DAY CELEBRATION PLANNING

Council Member Cox and Recorder Yardley explained the two proposals for the band for the July 4 festivities. After discussion on this matter, it was decided to hire the band bringing their own lights and sound. Beaver City would provide the power and the trailer. Recorder Yardley will request the contract and promotion photography from the band. Independence Day will be on a Monday this year. The fireworks have been ordered.

Council Comments

Council Member Webb – Reported that the Easter Egg Hunt flyer was sent out for approval to the council members.

Recorder Yardley asked that the council put on the next agenda a consent item for the Beaver Civic Arts Auction of two individual swim passes for the 2022 pool season. The council agreed that this could be put on the agenda and issued before that date.

CLOSED SESSION: Council Member Webb motioned and Council Member Cox seconded to move

into closed session to discuss the purchase, exchange, or lease of real property when public discussion of the transaction would disclose the estimated value of the property under consideration or prevent the public body from completing the transaction. Council Members Murdock, Spencer, Webb, and Cox voted yea by roll call vote. Council Member Schena was excused. Motion passed with a majority vote. The Council moved into closed session at 5:23 p.m. and moved out at 5:46 p.m.

Council Member Webb motioned and Council Member Cox seconded to move into closed session to discuss pending litigation. Council Members Cox, Webb, Spencer, and Murdock voted yea by roll call vote. Council Member Schena was excused. Motion passed with a majority vote. The Council entered closed session for the above reason at 7:55 p.m. and moved out at 8:08 p.m.

Council Member Cox motioned and Council Member Murdock seconded to adjourn the meeting. All voted in favor. None opposed. The Council Meeting was adjourned at 8:10 p.m. The next scheduled regular Council meeting will be held Tuesday, April 12, 2022 at 5:00 p.m.



APPROVED: _____
MATTHEW ROBINSON
MAYOR

ATTEST: _____
ANONA S. YARDLEY
CITY RECORDER