



## ALPINE CITY COUNCIL MEETING AGENDA

**NOTICE** is hereby given that the **CITY COUNCIL** of Alpine City, Utah will hold a meeting on **Tuesday, January 13, 2015 at 7:00 pm** at Alpine City Hall, 20 North Main, Alpine, Utah as follows:

### I. CALL MEETING TO ORDER\*

- A. **Roll Call:** Mayor Don Watkins
- B. **Prayer:** Troy Stout
- C. **Pledge of Allegiance:** By Invitation

**II. PUBLIC COMMENT:** The public may comment on items that are not on the agenda.

### III. CONSENT CALENDAR

- A. **Approve the minutes of December 9, 2014**

### IV. REPORTS AND PRESENTATIONS

### V. ACTION/DISCUSSION ITEMS

- A. **Independent Audit Report – Greg Ogden, CPA:** Greg Ogden will present the audit report for Alpine City.
- B. **Acceptance of the Independent Audit Report:** The City Council will consider accepting the independent audit report.
- C. **Annexation Statement – Intent of the City Council to Allow Only CE-50 Zone (County CE-1 Zone) Annexations in the Comprehensive Annexation Study Area:** The City Council will consider making a statement that the City will only annex properties currently in the County CE-1 Zone (one home per 50 acres) into Alpine's CE-50 zone (one home per 50 acres).
- D. **Alpine City Support of the Citizen Efforts for a Referendum on the County Pine Grove Zoning Decision.** The Council will consider supporting the petition to repeal Utah County's rezoning of the Pine Grove property located northeast of Alpine city limits.
- E. **ULCT's Transportation Resolution.** The Council will consider approving a resolution to encourage the state of Utah to address comprehensive transportation funding
- F. **Moderate Income Housing Report.** Jason Bond will present a report on Alpine City's moderate income housing plan.
- G. **Questar/Burgess Park Natural Gas Line Route.** The City Council will consider rerouting the natural gas line in Burgess Park.
- H. **FY 2014-2015 Budget Development Process and Discussion.** Rich Nelson will introduce the budget process for the next fiscal year.
- I. **Lambert Park South Trailhead Discussion.** The Council will discuss building a trailhead on the south end of Lambert Park.

### VI. STAFF REPORTS

### VII. COUNCIL COMMUNICATION

**VIII. EXECUTIVE SESSION:** Discuss litigation, property acquisition or the professional character, conduct or competency of personnel.  
**ADJOURN**

\*Council Members may participate electronically by phone.

Don Watkins, Mayor  
January 9, 2015

THE PUBLIC IS INVITED TO PARTICIPATE IN ALL CITY COUNCIL MEETINGS. If you need a special accommodation to participate, please call the City Recorder's Office at (801) 756-6241.

CERTIFICATE OF POSTING. The undersigned duly appointed recorder does hereby certify that the above agenda notice was posted in three public places within Alpine City limits. These public places being the bulletin board located inside City Hall at 20 North Main and located in the lobby of the Bank of American Fork, Alpine Branch, 133 S. Main, Alpine, UT; and the bulletin board located at The Junction, 400 S. Main, Alpine, UT. The above agenda notice was sent by e-mail to The Daily Herald located in Provo, UT, a local newspaper circulated in Alpine, UT. This agenda is also available on our web site at [www.alpinecity.org](http://www.alpinecity.org) and on the Utah Public Meeting Notices website at [www.utah.gov/pmn/index.html](http://www.utah.gov/pmn/index.html)

# PUBLIC MEETING AND PUBLIC HEARING ETIQUETTE

Please remember all public meetings and public hearings are now recorded.

- All comments **must** be recognized by the Chairperson and addressed through the microphone.
- When speaking to the Planning Commission, please stand, speak slowly and clearly into the microphone, and state your name and address for the recorded record.
- Be respectful to others and refrain from disruptions during the meeting. Please refrain from conversation with others in the audience as the microphones are very sensitive and can pick up whispers in the back of the room.
- Keep comments constructive and not disruptive.
- Avoid verbal approval or dissatisfaction of the ongoing discussion (i.e., booing or applauding).
- Exhibits (photos, petitions, etc.) given to the City become the property of the City.
- Please silence all cellular phones, beepers, pagers or other noise making devices.
- Be considerate of others who wish to speak by limiting your comments to a reasonable length, and avoiding repetition of what has already been said. Individuals may be limited to two minutes and group representatives may be limited to five minutes.
- Refrain from congregating near the doors or in the lobby area outside the council room to talk as it can be very noisy and disruptive. If you must carry on conversation in this area, please be as quiet as possible. (The doors must remain open during a public meeting/hearing.)

## Public Hearing v. Public Meeting

If the meeting is a **public hearing**, the public may participate during that time and may present opinions and evidence for the issue for which the hearing is being held. In a public hearing there may be some restrictions on participation such as time limits.

Anyone can observe a **public meeting**, but there is no right to speak or be heard there - the public participates in presenting opinions and evidence at the pleasure of the body conducting the meeting.

**ALPINE CITY COUNCIL MEETING**  
**Alpine City Hall, 20 N. Main, Alpine, UT**  
**December 9, 2014**

**I. CALL MEETING TO ORDER:** Mayor Don Watkins called the meeting to order at 7:00 pm.

**A. Roll Call:** The following were present and constituted a quorum:

Mayor Don Watkins

Council Members: Lon Lott, Will Jones, Roger Bennett, Kimberly Bryant, Troy Stout

Staff: Rich Nelson, Charmayne Warnock, David Church, Shane Sorensen, Jason Bond, Chief Brian Gwilliam

Other: Craig Skidmore, bob Antrim, Paul Kroff, Jeff Call, Steven Day, Bruce Harvey, Jane Griener, Mike Russon, Darren Kowarn, Michelle Delatorre, Frank Delatorre, Bruce R. Baird, Fraser Bullock, Cedar Jordan, Aaron Russ, Rick Helstrom, Kevin Mulvey, Ron Madson.

**B. Prayer:** Will Jones

**C. Pledge of Allegiance:** Brian Gwilliam

**II. PUBLIC COMMENT:** Matt Wang said he was a resident of Alpine and was a member of the UVU Botany Club. He said he wanted to talk about the proposed rezoning of Pine Grove and the ecological effects it would have on the declining mule deer population in the state. If the area was rezoned it would be taking habitat from the deer, not to mention what it would do to the plant community. Disturbances in the land enabled greater seed dispersal of invasive plants. The area was adjacent to the wilderness and it was important to keep those invasive plants out of the wilderness. Invasive plants such as cheat grass were already a problem in Utah. In an area where a lot of water was coming down, it created a bigger problem. There were a lot of trees like Siberian Elm and Russian Olive popping up all over. They were a problem around water sources because they used a lot more water. Setting aside science and ecology, he said believed they had a beautiful gift and they needed to protect it for future generations. He then quoted Aldo Leopold from the Sand County Almanac. "We abuse land because we believe it is a commodity belonging to use. When we see land as a community to which we belong, we use it with love and respect."

Kimberly Bryant asked if there was a way to take these things into consideration when they did go forward on a development.

Steven Day said he lived on Pfeifferhorn and he wanted to talk about the Questar issue under public comment because he was unable to be present later in the meeting. The easement agreement Questar proposed allowed them to do anything with the property. One of his big concerns was the safety issue. They wanted to put in not just a gas meter but a gas regulator that would release gas into the air. It was a high pressure gas line which was a significant safety concern. No one wanted poisonous gas in their neighborhood with the potential for fire or explosion. There were good alternatives. They didn't have to place it in their neighborhood. He said property values would take a dramatic hit that wouldn't begin to be offset by the \$37,000 Questar was offering for the easement.

**III. CONSENT CALENDAR**

**A. Approve minutes of November 11, 2014**

**B. Water Conservation Plan**

**C. Annual Meeting Schedule**

Roger Bennett said he had a comment on the Water Conservation Plan. He had noticed that the residents in Box Elder subdivision paid a significantly lower water rater during winter months than the other residents in Alpine. He said he could understand why they got a lower rate in the summer because they didn't have access to pressurized irrigation and had to use culinary water for outdoor use. But he didn't understand why they got a break during the winter months. Shane Sorensen said that was the way the original deal was worked out. According to the study, it was paying for itself. Mr. Bennett said he would like to reconsider the winter rate when they did the next water study.

1 Will Jones said the report referenced a Water Conservation Committee. Did they have one? Shane Sorensen said it  
2 was basically him. They had to update the report every five years. This was the third plan. The springs that went into  
3 pressurized irrigation were Box Elder Spring, Grove Spring, and Schoolhouse Springs.

4  
5 **MOTION:** Roger Bennett moved to approve the Consent Calendar. Troy Stout seconded. Ayes: 5 Nays: 0. Roger  
6 Bennett, Will Jones, Troy Stout, Lon Lott, Kimberly Bryant voted aye. Motion passed.

7  
8 **IV. REPORTS AND PRESENTATIONS:** None

9  
10 **V. ACTION/DISCUSSION ITEMS**

11  
12 **A. Questar Property Purchase and Conditional Use Site Plan - approximately 600 N. Pfeifferhorn**

13 **Drive:** Mayor Watkins said this item had been on the agenda several times and there was a lot of public comment at  
14 previous meetings. At this meeting, he wanted to give the Council time to discuss the issue.

15  
16 Lon Lott said that at the previous meeting, Troy Stout had made a motion to allow a temporary easement, but it  
17 didn't pass. He said it had seemed that a lot of the comments and concerns expressed at the meeting had been based  
18 on old information for an option that was no longer on the table. He said that David Church was to work with  
19 Questar in drawing up a contract that would protect the City from the carte blanche use of the easement. Rick  
20 Helstrom had said they were only going to put in an underground vault. The agreement could reflect that.

21  
22 Mr. Lott said he felt it was in the best interest of the City to allow Questar a wider easement and give them room to  
23 put in the new pipeline. They were going to revegetate it so it would look better than it did right now with the debris  
24 and garbage from neighboring construction. Another issue they needed to consider would be to make it easier for  
25 Questar to go down the street rather than through people's yards. If they altered the easement, it would give the City  
26 an opportunity to square it off. Mr. Lott suggested the Council also consider asking Questar to put in some plantings  
27 to camouflage the existing equipment.

28  
29 Troy Stout asked if the abandoned pipe would remain in the ground. Rick Helstrom said it would be emptied and  
30 abandoned but remain in place. He showed a drawing of what would be underground and what the above-ground  
31 electrical cabinet would look like. He didn't have the dimensions on it.

32  
33 Troy Stout asked if there was an option to have the vault located farther up and away from the houses. Mr.  
34 Hellstrom said they were trying to find a place as level as possible. Since it was underground, water was an issue.

35  
36 The engineer for Questar said another reason they chose this site was because of the readily available power and it  
37 was closer to the street, which would allow them to work as needed. Also, if it was situated farther up the canyon it  
38 would be sheltered and they wouldn't be able to see if someone was tampering with it. This was in an open location.

39  
40 Mr. Hellstrom added that if the City wanted landscaping, there would need to be a water source.

41  
42 David Church reminded the Council that there was an existing agreement with Questar that was entered into in  
43 1947. It was very brief and basically gave them full rights to use the easement for whatever purpose they saw fit. A  
44 new agreement would supercede it and could impose more restrictions on what could be done in the easement. He  
45 said the issue the City Council was deciding was whether or not to sell Questar some additional easement. Questar  
46 would be putting in their improvements whether or not the City sold them the additional easement.

47  
48 Jeff Call said the City had fought diligently to protect open space over which they had no control. This was one open  
49 space the City did control. He said he had built a brand new home up there worth a lot of money. He had several  
50 special needs children. He asked the Council to put themselves in his spot. He didn't care about landscaping. What  
51 concerned him was the legal document. He was afraid that as the easement got larger, they may put more structures  
52 on it. He said he'd like to review the legal agreement to make sure it protected the people so nothing more could be  
53 built up there.

54  
55 Kimberly Bryant said she agreed with Troy Stout. She didn't see why they couldn't move it farther up the canyon  
56 where there weren't any houses.

1  
2 Roger Bennett said he supported allowing a wider easement to prevent someone from building a structure right next  
3 to the pipeline.  
4

5 **MOTION:** Lon Lott moved to accept the proposal from Questar and expand the easement to 30 feet and reroute  
6 the easement to square with Pfeifferhorn rather than diagonally, and abandon the diagonal easement. An easement  
7 agreement would be negotiated with Questar in which no facility would be built above ground. They would also  
8 request that Questar provide a landscaping plan to hide the above-ground electrical box. Roger Bennett seconded.  
9 Ayes: 3 Nays: 2. Lon Lott, Roger Bennett, Will Jones voted aye. Kimberly Bryant and Troy Stout voted nay.  
10 Motion passed  
11

12 **B. Oberee Annexation Petition:** David Church said the City had received a petition to annex  
13 approximately 190 acres into Alpine City limits. It was the old Pack property at the north end of Grove Drive.  
14 Shane Sorensen showed where it was located on the map. Mr. Church said the property was in Alpine City's  
15 Annexation Declaration Area and was contiguous to the City. The Council could vote to either accept or reject the  
16 petition. If they voted to accept the petition, it did not mean the property would be automatically annexed. They  
17 were only voting to begin the process. If they accepted the petition, it would need to be checked by the county and  
18 certified by the City Recorder. If it was certified, there would begin a 30-day protest period where it would be  
19 advertised in the newspaper for several weeks. At the end of the protest period, the City Council would have a  
20 public hearing and would vote to either accept the annexation or reject it.  
21

22 Mr. Church said that in the past when a property was in the annexation area, they would run the development plan  
23 through the Planning Commission process at the same time. If the City and the developer couldn't agree on the  
24 development plan, the City Council could vote against the annexation. He said the same property had come to the  
25 City years earlier and run through a long process, but the Council and the developer couldn't agree on a development  
26 plan. At that time the landowner withdrew the application. He said these were new owners who were petitioning for  
27 annexation.  
28

29 Will Jones recused himself from the issued because he was representing the landowner.  
30

31 Troy Stout asked what the options were. If the City did not want to annex it, it could go to the County and be subject  
32 to their zoning and possibly become a detriment to the City.  
33

34 Kimberly Bryant said she felt they should at least begin the process and study it.  
35

36 **MOTION:** Lon Lott moved to accept the Oberee Annexation Petition to begin the process. Roger Bennett  
37 seconded. Ayes: 4 Nays: 0. Lon Lott, Roger Bennett, Kimberly Bryant, Troy Stout voted aye. Will Jones abstained.  
38 Motion passed.  
39

40 **C. Possible Annexation of Alpine Cove and surrounding properties:** David Church said this area was  
41 not in Alpine City's Annexation Declaration Area. They would first have to amend the Annexation Policy Plan to  
42 include it in the Declaration Area. That would be a two-step process. It would first go through the Planning  
43 Commission and the City Council to amend the Plan, and then they would solicit a petition from the landowners.  
44 The owners of a majority of the land would have to petition for annexation.  
45

46 Rich Nelson suggested that before they took any formal action, they should form a committee and approach the  
47 landowners to see if there was an interest in annexing into Alpine.  
48

49 Will Jones asked who put this item on the agenda? Mayor Watkins said it was a request from the president of the  
50 Alpine Cove Homeowners Association.  
51

52 Ron Madson passed out a letter that the Alpine Cove Homeowners Association sent to the County Commission  
53 stating that Alpine City was considering a comprehensive annexation plan that would include the Pack properties,  
54 Alpine Cove, the Melby properties, and Pine Grove. They requested the County approve a 60-day continuance on  
55 any decision on the rezone request made by Patterson Construction for the Pine Grove property to allow Alpine City

1 to consider a comprehensive plan. He said the people who were primarily impacted by a rezoning should be the ones  
2 to make a decision.

3  
4 The Council discussed the proposal and made a motion.

5  
6 **MOTION:** Kimberly Bryant moved to instruct the Planning Commission to amend Alpine City's Annexation  
7 Policy plan to include Alpine Cove, the Melby properties and Pine Grove, and instruct David Church to write a letter  
8 to the County Commissioners saying that Alpine City was considering annexing the aforementioned land. Troy  
9 Stout seconded. Ayes: 4 Nays: 0. Kimberly Bryant, Roger Bennett, Lon Lott, Troy Stout voted aye. Will Jones  
10 abstained stating he had a conflict of interest. Motion passed.

11  
12 **D. Demolition of abandoned home:** The home on the corner of Canyon Crest and Healey (811 S.  
13 Canyon Crest Road) had been abandoned a number of years ago. Since that time it had been vandalized and turned  
14 into a place where people used drugs. David Church said the owner of the home had been contacted and sent a  
15 Notice of Dangerous Structure and Order to Repair or Demolish by certified mail The owner was going to demolish  
16 the home until he found out what the cost would be. It was proposed that the City demolish the home and recover  
17 the cost with a lien on the property when it was sold. The estimated cost to demolish the home along with removal  
18 of asbestos was about \$25,000. David Church said it was an appropriate use of government power.

19  
20 Mayor Watkins said he felt the City had an excellent chance of getting their cost back. It was a home on a three-acre  
21 parcel.

22  
23 **MOTION:** Kimberly Bryant moved to demolish the abandoned house located at 811 S. Canyon Crest Road based  
24 on the finding that there were issues with vandalism and drugs. Troy Stout seconded. Ayes: 5 Nays: 0. Kimberly  
25 Bryant, Troy Stout, Lon Lott, Roger Bennett, Will Jones voted aye. Motion passed.

26  
27 David Church said staff would call the homeowner and tell him that the City Council had voted to demolish the  
28 home and place a line on the property.

29  
30 **E. Utah County Dispatch Special Service District Contract:** Rich Nelson said the Utah County  
31 Dispatch District proposed construction of a new Dispatch Center, and had developed a plan for the new center.  
32 Alpine City was a member of the Utah Valley Dispatch Special Service District. The City's share of the cost would  
33 be \$95,074

34  
35 Rich Nelson said the Council had already discussed the proposal for a new Dispatch Center at their meeting of  
36 September 23, 2014 and approved the expenditure. The contract was on the agenda for approval that evening.

37  
38 **MOTION:** Kimberly Bryant moved to approve the Dispatch Building Contract with Utah County Dispatch Special  
39 Service District. Troy Stout seconded. Ayes: 5 Nays: 0. Kimberly Bryant, Troy Stout, Will Jones, Lon Lott, Roger  
40 Bennett voted aye. Motion passed unanimously.

41  
42 **F. Election by Mail:** In the previous election, several counties and cities in Utah implemented an Election  
43 by Mail rather than having registered voters vote at the polls. City Recorder Charmayne Warnock said more and  
44 more registered voters were opting to vote by absentee ballot or were voting early. Fewer people were showing up at  
45 the polls on election day. The cost of a vote-by-mail election was greater than the traditional practice of voting at  
46 the polls. However, the turnout was higher when registered voters voted by mail. In the last election the percentage  
47 of residents who voted by mail was 68%. The percentage of the remaining registered voter who voted early or at the  
48 polls on election day was 30%.

49  
50 **MOTION:** Troy Stout moved to preserve the current way of voting. Kimberly Bryant seconded. Ayes: 5 Nays: 0.  
51 Troy Stout, Kimberly Bryant, Lon Lott, Roger Bennett, Will Jones voted aye. Motion passed unanimously.

52  
53 **G. Planning Commission Appointments:** Mayor Watkins said the terms of Planning Commission  
54 Members Steve Cospers and Steve Swanson were expiring in January 2015. He said he had spoken with them and  
55 they were both willing to continue to serve. He recommended that the Council reappoint them to the Planning

1 Commission since there were critical issues coming up in the next few years and he felt their experience would be  
2 needed.

3  
4 **MOTION:** Troy Stout moved to reappoint Steve Cospser and Steve Swanson to the Planning Commission for a  
5 term of four years. Kimberly Bryant seconded. Ayes: 5 Nays: 0. Troy Stout, Kimberly Bryant, Lon Lott, Roger  
6 Bennett, Will Jones voted aye. Motion passed unanimously.

7  
8 **H. Ilangeni Plat Amendment:** Will Jones had declared a conflict of interest, recused himself, and sat in  
9 the audience.

10  
11 Mayor Watkins said the main focus would be on City Council discussion. The public hearing where they received  
12 comments was held at the previous meeting. The history of Ilangeni Estates and Three Falls had been reviewed at  
13 the previous meeting.

14  
15 David Church had prepared a Resolution approving the amendment of the Ilangeni Estates subdivision plat, which  
16 the Council could approve or deny. Mr. Church reviewed the Resolution, which included Exhibit A showing the  
17 amended plat.

18  
19 Relative to the Fort Canyon Road, Mr. Church said the Resolution would enable the developer to connect the road in  
20 Ilangeni Estates to the Fort Canyon right-of-way. The water, sewer and road would be upgraded at minimal cost or  
21 no cost to the City. The off-site Fort Canyon Road was substandard but the Resolution included a proposal to  
22 resolve that issue.

23  
24 There was no second access out of the subdivision; the proposed amendment provided a secondary access road  
25 through Alpine Cove. Mr. Church said the next significant change was with the open space. The recorded Ilangeni  
26 plat showed all the open space as private property. The amendment plat dedicated a significant amount of the open  
27 space as public with public trails. In exchange for the public open space, etc. the developer was entitled to an  
28 increased number of lots provided the lots met the required slope and frontage. The proposed plat showed 54 lots.

29  
30 Mr. Church said that one goal the City had asked the developer to accomplish was access to the Beck property  
31 which was 80 acres on the northwest corner of the development. It had been landlocked by the Ilangeni  
32 development. The amended plat provided a right-of-way to the Beck property.

33  
34 Mr. Church said the petition to amend the Ilangeni plat met all City ordinances and the state law for amendments,  
35 and moved them forward on the derelict parcel. Without the amendment, he didn't know how they would get  
36 services to the 37 lots in the Ilangeni development, which had been on hold since 1984 when the developer went  
37 broke. The Resolution presented a series of findings necessary for the plat amendment. The developer would  
38 submit a final plat in the configuration of Exhibit A, which would be submitted to the County. There would be up to  
39 54 lots, possibly less depending on whether or not the lots met the slope and frontage requirements. There would  
40 458 acres of open space, some of which would be improved, and 103 acres of private open space with a  
41 conservation easement. The private open space would provide a buffer between the lots and the public open space.  
42 There would be an agreement that a building permit for a lot could not be issued until the lot was fully improved  
43 with services and frontage on an improved road.

44  
45 Mr. Church said there would be fairly complicated improvement agreement that would need to be approved by  
46 February 15, 2015. If there was no agreement reached, the Resolution would be void.

47  
48 Regarding the Beck interest, David Church said Alpine City's ordinance required a stub road to be built to an  
49 adjacent property unless the developer could show that it would be unfair for the developer to pay for it. The  
50 proposed road would cost three million dollars and that did not include extending water and sewer to the property.  
51 He said he could not see how that road would benefit the owners of Ilangeni Estates. The developer did not create  
52 the need for the road, nor did the proposed development impact the Beck property because it had previously been  
53 landlocked. It was his finding that it would be unfair to require the developers of Three Falls to build the road to the  
54 Beck property. However they were dedicating sufficient open space that the Becks could build the road. The  
55 petitioners had suggested a location for the road, but the Becks had identified a place that they believed would be a

1 better location for the road. The owners of Ilangeni were opposed to it because it went through a drainage area and  
2 would destroy a number of lots.

3  
4 The improvement agreement would require the developers to mark the boundaries between private and public open  
5 space.

6  
7 Troy Stout said he liked the agreement. The language about Sliding Rock would be tough on the community. He  
8 said he wished there was a way that Sliding Rock would not be destroyed.

9  
10 David Church said Sliding Rock had always been on private property and was currently on private property. Under  
11 the proposal, it would remain as private open space in a conservation area. It would not be dedicated to the public.  
12 He said that the letter from Bruce Baird pointed out that when the HOA was established, he expected them to be  
13 even more protective of private property rights.

14  
15 Kimberly Bryant said that several years ago there had been proposal on the ballot that Alpine City bond and  
16 purchase the Sliding Rock area. The citizen voted against the bond. The City didn't buy it and it wasn't their  
17 property. She said she had grown up going down Sliding Rock. It was a wonderful place. She loved it and the kids  
18 loved, but it did not belong to the public and never had. She said her mother had commented that it was great when  
19 just people from Alpine were using it, but now half the state was using it. People up Fort Canyon had hundreds of  
20 people driving up there. As emotional as the situation was, Sliding Rock did not belong to them. She said the  
21 amended plan was so much better than the original Ilangeni Estates because it provided public open space and trails.  
22 She hoped that they would not destroy Sliding Rock. It would be okay if they could alter it enough that people  
23 couldn't slide down it, but not destroy the beauty of the place.

24  
25 Troy Stout said he concurred with Kimberly Bryant. He'd like to see them refrain from destroying it.

26  
27 Lon Lott asked what the legal ramification might be for stating that it would be unfair to require the petitioners to  
28 pay the cost of an extended roadway. David Church said the Beck family could appeal the decision of the City  
29 Council through the land use authority and through district court. He said Alpine City's name would be on the  
30 Appeal but they would tender the defense to the owners of Three Falls.

31  
32 Mr. Lott said he'd received emails that Alpine was going to destroy Sliding Rock tonight. During the public hearing  
33 at the previous Council meeting, there was little mention of Sliding Rock. Most of the people present were from Fort  
34 Canyon and were concerned about the traffic and number of lots. They weren't opposed to the development. They  
35 just wanted to know how the City was going to handle traffic issues. There was already a bottleneck down by the  
36 roundabout when the school was in session. This subdivision would further increase traffic. What was the City going  
37 to do about that?

38  
39 Roger Bennett said he was comfortable with the proposed Resolution. He felt it was a win/win situation.

40  
41 **MOTION:** Troy Stout moved to support and pass Resolution No. 2014-11 approving the petition to amend and add  
42 to the Ilangeni Estates subdivision plat as written. Roger Bennett seconded. Ayes: 4 Nays: 0. Troy Stout, Roger  
43 Bennett, Kimberly Bryant, Lon Lott voted aye. Will Jones abstained. Motion passed.

44  
45 Mayor Watkins invited Bryce Higbee to speak. Mr. Higbee was a member of the Planning Commission and was  
46 unable to be present at the public hearing held by the City Council on November 11th. He said he wanted to talk  
47 about Sliding Rock. When the Ilangeni plat amendment came to the Planning Commission, they made a  
48 recommendation that Sliding Rock be public open space. They were completely taken aback when it was proposed  
49 that it be private open space and they were going to destroy it. He said decisions had been made really quickly  
50 relative to Sliding Rock, and he felt it should have been discussed more thoroughly. There should have been more  
51 public input.

52  
53 David Church said that if the City did own it, they would still put up No Trespassing signs. They would never open  
54 it and encourage people to slide down it.

1 Troy Stout said one of the issues was the traffic and trying to control what was happening up there. The nearby  
2 landowners had become frustrated with it.

3  
4 Kimberly Bryant said they had posted No Parking signs along the road and people parked along the narrow road  
5 anyway. Perhaps if the public had shown more respect it would be different.

6  
7 Bryce Higbee said there were more injuries at the pond and the pond would still be there. The landowner would  
8 have to come up with a comprehensive way to control what went on up there.

9  
10 **Annual Meeting Schedule:** Regarding the Annual Meeting schedule that was passed under the Consent  
11 Calendar, Will Jones asked if Alpine Days would be the on the first week of August and if that would conflict with  
12 Highland City's celebration. He suggested eliminating the City Council meeting scheduled for August 11th.

13  
14 **MOTION:** Troy Stout moved to eliminate the City Council meeting scheduled for August 11, 2015. Will Jones  
15 seconded. Ayes: 5 Nays: 0. Motion passed.

## 16 VI. STAFF REPORTS

17  
18  
19 Rich Nelson thanked the Youth Council for decorating the doors of City Hall for Christmas. He said the City would  
20 start enforcing the landlord utility billing requirement as set up in the ordinance. They had several instances where  
21 renters left without paying utility bills and the landlord wouldn't cover it. In some cases there were hefty utility bills  
22 that were left unpaid and the City had to absorb the loss. They would start requiring the landlord to be responsible.

23  
24 Jason Bond said that at the last Planning Commission meeting they made a recommendation to adopt the Moyle  
25 Park Master Plan. If Council members were interested in seeing the plan before it was an agenda item, he would go  
26 over it with them. Rich Nelson said they would just email it out to them.

27  
28 Shane Sorensen reported that the warm weather had been great for finishing up a lot of projects, but he hoped it  
29 snowed so they would have the needed water.

30  
31 David Church said that if they were going to prepare an Annexation Declaration Policy in a timely way, they needed  
32 to take it to the Planning Commission as soon as possible. It was a complicated and time consuming project. They  
33 had to look at every piece of property and how they would provide services. Rich Nelson suggested they talk to the  
34 property owners first and make sure they wanted to be annexed.

35  
36 Regarding the Pine Grove rezoning request, David Church said that if the County approved the rezoning request, it  
37 didn't bind the City in the type of zoning they might offer, but it may not necessarily be what the landowner wanted.  
38 Either way, there would still be traffic issues. If it was in the City, the City would get the impact fees to improve  
39 roads. If it was in the county, they would still have the traffic but no fees.

## 40 VII. COUNCIL COMMUNICATION

41  
42  
43 Troy Stout said he wanted the state to come out and look at the traffic flow problem at the intersection of Canyon  
44 Crest Road and SR-92. They needed to do something to accommodate the right-hand turn lane.

45  
46 Will Jones reported on the following items:

- 47  
48
- 49 • Lambert Park: They had done some trail work in Lambert Park and found material in the retention basins  
50 they could use to repair the erosion in the roads. Landon Wallace had helped put in two new bridges and  
51 repaired eroding trails. They needed someone to take over repairing the picnic tables as an Eagle project.  
52 He would like to have a Lambert Park Trail Day to get rid of thistle and other invasive weeds.
  - 53 • Alpine Recovery Lodge: He would like an annual report from the Alpine Recovery Lodge. That was  
54 supposed to be one of the requirements of the approval.
  - 55 • Cemetery: He would like to work with the LDS Stakes to spend a day of volunteer work prior to Memorial  
Day. The painting and repair work could be Eagle projects.

- 1 • They had formed a committee to study commercial uses in Alpine. It was headed by Judi Pickell; David
- 2 Adams and Lon Lott would also serve on the committee.
- 3 • Trail and Parks Master Plan: Troy Stout would serve on the Trail and Park Master Plan Committee along
- 4 with Dave Fotheringham.
- 5

6 Kimberly Bryant said the sale of luminaries was coming up. She encouraged the Council and others to tell their  
7 neighbors about this Alpine tradition. She said they also needed to let the police force know they appreciated them.  
8 Law enforcement was taking a hit after recent shootings, and their morale was down.

9  
10 Lon Lott said that after he was appointed as the clean air czar, he had attended numerous meetings on the problem.  
11 The state was actively engaged in trying to clean thing ups. One of the things they could do was remind people to  
12 call the health department before burning to make sure it was a burn day.

13  
14 **VIII. EXECUTIVE SESSION:** None held.

15  
16 **MOTION:** Will Jones moved to adjourn. Kimberly Bryant seconded. Ayes: 5 Nays: 0. Motion passed.

17  
18 The meeting was adjourned at 9:45 pm

## ALPINE CITY COUNCIL AGENDA

**SUBJECT: Independent Audit Report**

**FOR CONSIDERATION ON: January 13, 2015**

**PETITIONER: Richard Nelson, City Administrator, and Alice Winberg, City Financial Officer**

**ACTION REQUESTED BY PETITIONER:**

**INFORMATION: Each year the City is required to have an outside independent audit performed. This year the City has hired Greg Ogden, CPA to perform the independent audit. A copy of the audit and management letter is attached. Greg will make the presentation of the audit and answer questions. The Council will need to accept the audit after the presentation.**

***RECOMMENDED ACTION: The City Council accepts the outside independent audit and management letter.***

**ALPINE CITY, UTAH  
MANAGEMENT LETTER  
JUNE 30, 2014**

**GREG OGDEN, CPA  
1761 EAST 850 SOUTH  
SPRINGVILLE, UT 84663  
(801) 489-8408**

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

December 15, 2014

Honorable Mayor  
Members of the City Council  
Alpine City, Utah

Council Members:

While planning and performing my audit of the basic financial statements of Alpine City, Utah (City) for the year ended June 30, 2014, I noted matters regarding compliance with requirements of the *Utah Code* and the City's internal control over financial reporting which need to be addressed by the City's management.

My findings from the audit are attached. If the weaknesses and deficiencies noted in this management letter are left uncorrected, an unacceptable amount of errors could occur without detection.

This report is intended solely for the use of the management of Alpine City. However, this report is a matter of public record and its distribution is not limited.

By its nature, this report focuses on exceptions, weaknesses and problems. This focus should not be understood to mean that there are not also various strengths and accomplishments. I appreciate the courtesy and assistance extended to me by the personnel of the City during the course of my audit, and I look forward to a continuing professional relationship. I would be pleased to discuss any of these matters with you at your convenience and, if desired, to assist you in implementing any of these suggestions.

  
Greg Ogden,  
Certified Public Accountant

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### STATE COMPLIANCE FINDING

#### 2013-1 FINDING – SEWER, STORM DRAIN, AND STREET IMPACT FEES

The City is required to spend or encumber impact fees within six years of collecting them. The City has unspent sewer, storm drain, and street impact fees which were collected more than six years ago. Cities are allowed to hold impact fees longer than six years if they identify in writing 1) an extraordinary and compelling reason why the fees should be held longer than six years, and 2) an absolute date by which the fees will be expended.

#### RECOMMENDATION

I recommend that a written justification for holding the impact fees longer than six years be prepared. Otherwise the fees should be refunded to those from whom they were collected.

#### RESPONSE - ALPINE CITY

The City has been updating its Master Plans and has projects scheduled to be done in each of these areas.

### INTERNAL CONTROL DEFICIENCIES

#### 2014-1 FINDING – INTERNAL CONTROLS OVER CLOSING

Several material closing entries were not posted prior to the start of the audit. These included entries to reverse the prior year closing entries and to adjust current year revenues, expenditures, budget amounts, and fund balances in accordance with accounting principles generally accepted in the United States of America.

#### RECOMMENDATION

I recommend that the financial statements be carefully reviewed prior to the start of the audit: 1) to determine that all prior year adjustments that need to be reversed have been properly reversed and; 2) to ensure that all closing entries necessary to adjust the financial statements to be recorded in accordance with generally accepted accounting principles have been posted.

#### RESPONSE - ALPINE CITY

Alpine City agrees that the financial statements need to be carefully reviewed prior to the start of the audit. The City was going through a Financial Officer transition period prior to the start of the audit and this was not addressed properly. The City has now hired a very competent Financial Officer. This issue has been addressed by the Financial Officer and Management.

**2014-2 FINDING - DRAFT FINANCIAL STATEMENTS**

The City hired the auditor, with oversight from management to draft the City's basic financial statements and related footnotes. Management then reviewed, approved and accepted responsibility for the financial statements.

**RECOMMENDATION**

Management should continue to carefully review the financial statements so they can feel confident approving and accepting responsibility for them.

**RESPONSE - ALPINE CITY**

Alpine City agrees. Management will continue to carefully review the financial statements so that they can feel confident in approving and accepting responsibility for them.

**ALPINE CITY, UTAH  
BASIC FINANCIAL STATEMENTS AND  
REQUIRED SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITOR'S REPORTS  
YEAR ENDED JUNE 30, 2014**

**ALPINE CITY, UTAH**  
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**YEAR ENDED JUNE 30, 2014**

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**ALPINE CITY, UTAH**  
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**GREG OGDEN, CPA  
1761 EAST 850 SOUTH  
SPRINGVILLE, UT 84663  
(801) 489-8408**

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor  
Members of the City Council  
Alpine City, Utah

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Alpine City, Utah (City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-13 and 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Alpine City, Utah's financial statements taken as a whole. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued a report dated December 15, 2014, on my consideration of the City's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

  
Greg Ogden,  
Certified Public Accountant  
December 15, 2014

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This document is a narrative overview and analysis of the financial activities of Alpine City for the fiscal year ending June 30, 2014. Alpine City management encourages readers to consider the information presented here in conjunction with the financial statements which follow this section. To help the reader with navigation of this report, the city's activities are classified in the following manner: government activities refers to general administration, parks, streets, garbage, planning etc, while business-type activities refers to operations such as the sewer, storm drain, water, and pressurized irrigation.

### FINANCIAL HIGHLIGHTS

- The total net position of Alpine City increased by \$4,440,927 totaling \$66,489,281. The governmental net position increased by \$3,329,318 and the business-type net position increased by \$1,111,309.
- The total net position of governmental and business-type activities is \$66,489,281 and is made up of \$55,403,015 in capital assets, such as land, infrastructure and equipment, and \$11,086,266 in other net position. The \$11,086,266 in other net position is made up of \$2,360,704 which is restricted for capital projects, debt service and endowments. Finally, the remaining \$8,725,562 is unrestricted assets.
- Total long-term liabilities of the City decreased by \$313,599. The long term debt for government activities decreased by \$3,969. The business-type activities long term debt decreased by \$309,630.

### REPORTING THE CITY AS A WHOLE

This discussion and analysis is intended to serve as an introduction to Alpine City's basic financial statements. Alpine City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

**The government-wide financial statements** are designed to provide readers with a broad overview of Alpine City's finances, in a manner similar to a private-sector business.

- The statement of net position presents information on all of Alpine City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Alpine City is improving or deteriorating. However, you will also need to consider other nonfinancial factors.
- The statement of activities presents information showing how the City's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Both of the government-wide financial statements distinguish functions of Alpine City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The government-wide financial statements can be found on pages 13-15 of this report.

## REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Alpine City also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds** - These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation included with the fund financial statements.

The only major governmental funds (as determined by generally accepted accounting principles) are the General Fund and the Capital Projects Fund. The balances of the governmental funds are determined to be nonmajor and are included in the combining statements within this report.

- **Proprietary funds** - Alpine City maintains one type of proprietary fund, the enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Alpine City uses enterprise funds to account for its Pressurized Irrigation Utility, Culinary Water Utility, Sewer Utility and Storm Drain Operation. As determined by generally accepted accounting principles, the pressurized irrigation, culinary water, storm drain and, sewer enterprise funds meet the criteria for major fund classification.

- **Fiduciary funds** - These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting method used for these funds is much like that used for proprietary funds.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Alpine City, assets exceed liabilities by \$66,489,281.

By far the largest portion of Alpine City's net position (83%) reflects its investment in capital assets (e.g., land, buildings, infrastructure assets, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**STATEMENT OF NET POSITION**

(In thousands of dollars)

	<u>2013-2014</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2012-2013</u>
Current and Other Assets	\$ 5,848	\$ 4,869	\$ 7,460	\$ 6,954
Capital Assets	36,320	34,159	23,683	23,446
Deferred Outflow	-	-	319	346
Total Assets	<u>42,168</u>	<u>39,028</u>	<u>31,462</u>	<u>30,746</u>
Long-term Debt Outstanding	140	144	4,667	4,977
Other Liabilities	996	1,221	147	233
Deferred Inflow	1,191	1,152	-	-
Total Liabilities	<u>2,327</u>	<u>2,517</u>	<u>4,814</u>	<u>5,210</u>
Net Position:				
Net Invested in Capital Assets,	36,320	34,159	19,083	18,536
Restricted	1,676	1,477	684	595
Unrestricted	1,845	876	6,881	6,405
Total Net Position	<u>\$ 39,841</u>	<u>\$ 36,512</u>	<u>\$ 26,648</u>	<u>\$ 25,536</u>

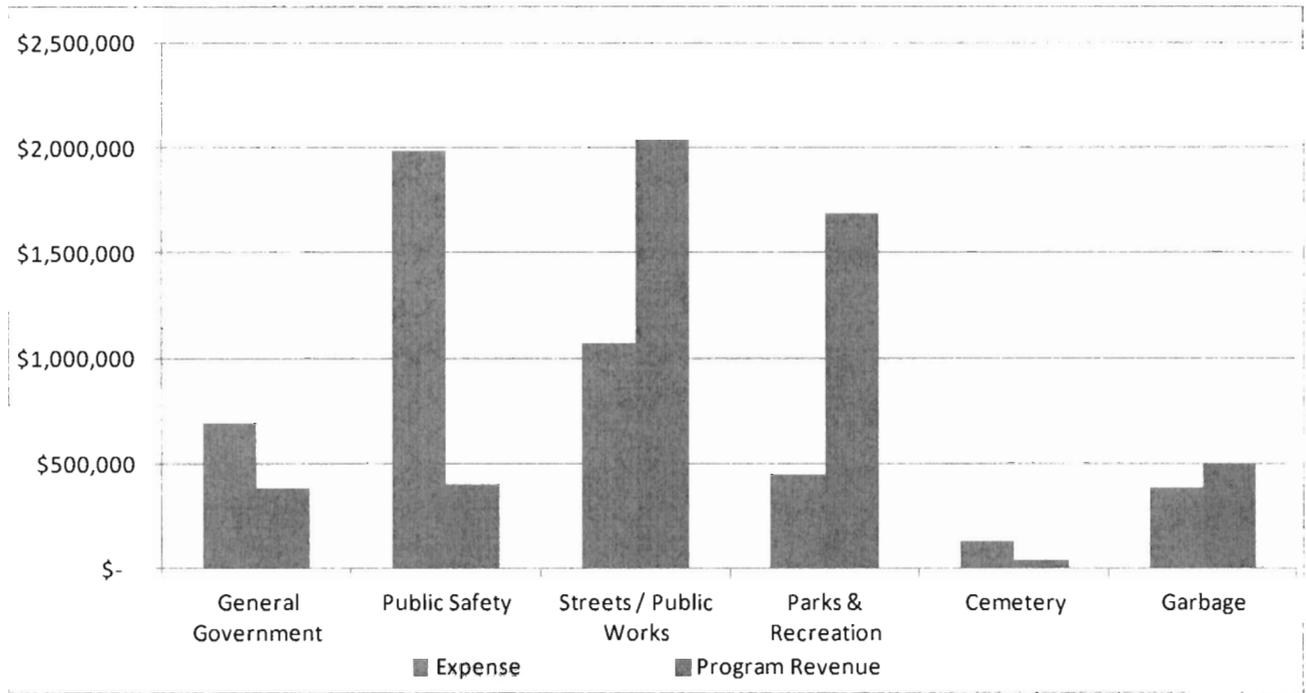
## CHANGES IN NET ASSETS

(In thousands of dollars)

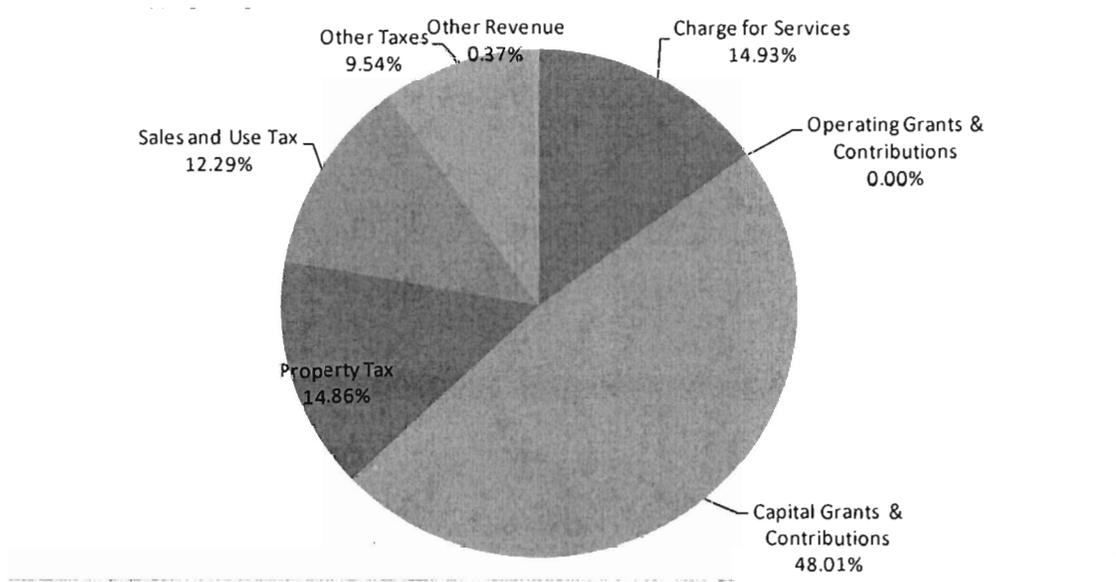
	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<u>2013-2014</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2012-2013</u>
Revenues				
Program Revenues				
Charges for Services	\$ 1,201	\$ 1,065	\$ 2,615	\$ 2,526
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	3,862	690	988	168
General Revenues				
Property Taxes	1,196	1,208	-	-
Sales and Use Taxes	988	946	-	-
Other Taxes	767	758	-	-
Other Revenues	30	26	34	42
Total Revenues	<u>8,044</u>	<u>4,693</u>	<u>3,637</u>	<u>2,736</u>
Expenses				
General Government	693	574	-	-
Public Safety	1,982	1,856	-	-
Streets/Public Works	1,071	1,083	-	-
Parks and Recreation	450	360	-	-
Cemetery	138	112	-	-
Garbage	388	457	-	-
Interest Expense	1	1	-	-
Water	-	-	644	644
Sewer	-	-	879	899
Pressurized Irrigation	-	-	824	906
Storm Drain	-	-	169	150
Total Expenses	<u>4,723</u>	<u>4,443</u>	<u>2,516</u>	<u>2,599</u>
Increase in Net Position Before Transfers	3,320	250	1,121	137
Transfers	10	10	(10)	(10)
Change in Net Position	<u>3,330</u>	<u>260</u>	<u>1,111</u>	<u>127</u>
Net Position Beginning	36,512	36,252	25,536	25,409
Prior Period Adjustment	-	-	-	-
Net Position Ending	<u>\$ 39,842</u>	<u>\$ 36,512</u>	<u>\$ 26,647</u>	<u>\$ 25,536</u>

The following graphs display the government-wide activities as reflected in the above tables. Program revenues included in the first graph are fees charged for specific services performed by the various governmental functions. General revenues such as property taxes, sales and uses taxes, etc. are not included.

### Expense and Program Revenues - Governmental Activities

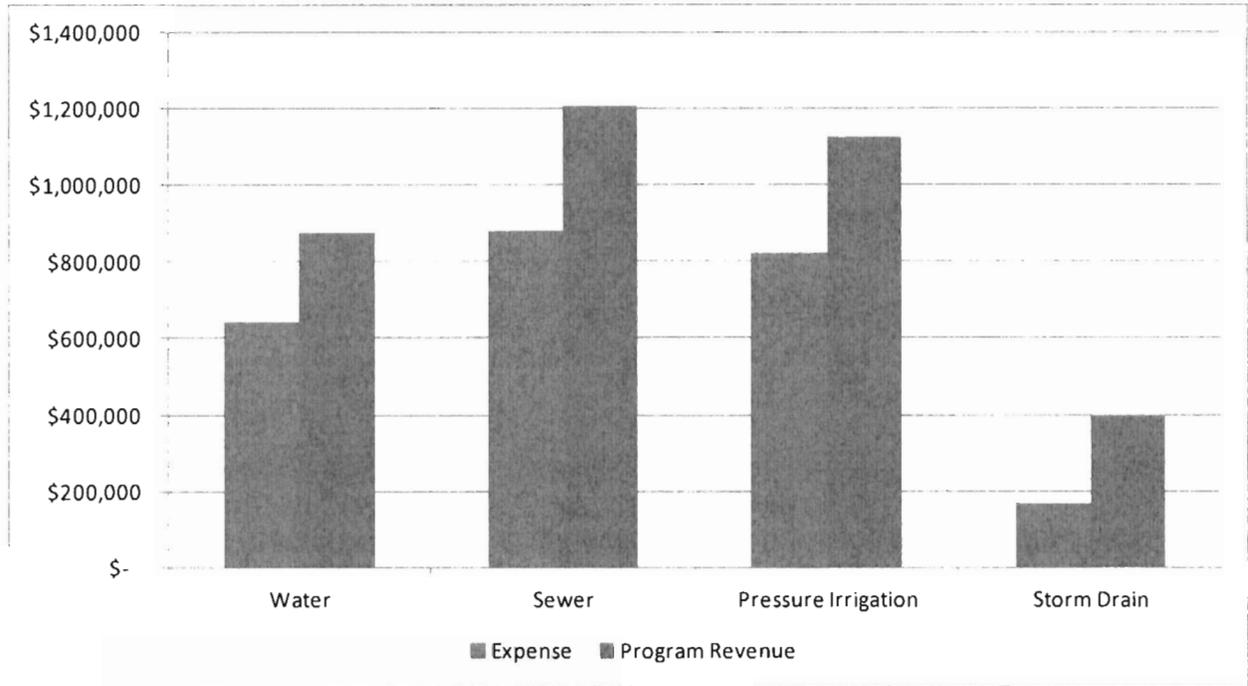


### Revenues By Source – Governmental Activities

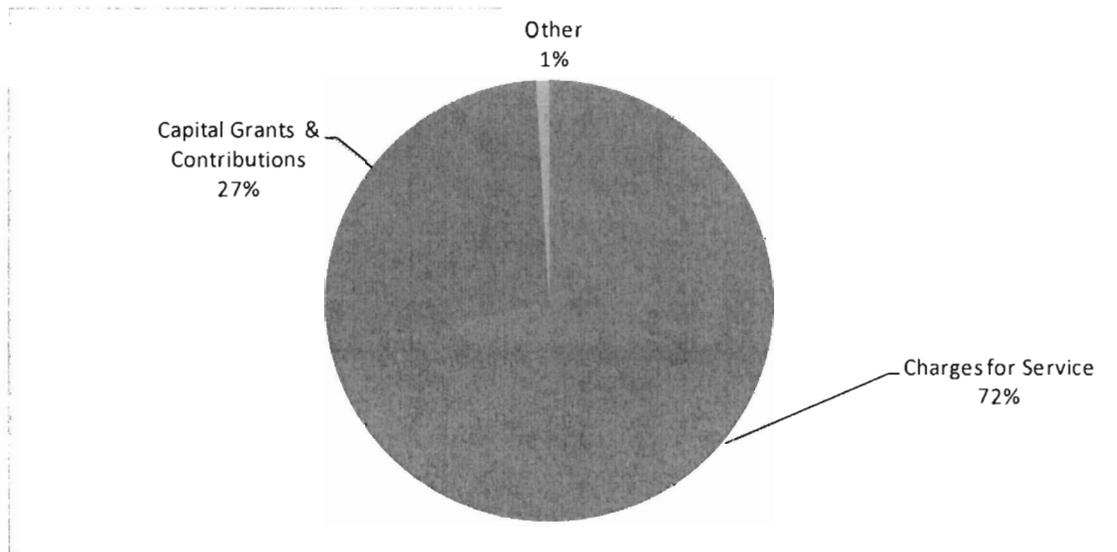


It can be seen from the following charts, the majority of revenues in the business-type activities are in charges for services, with 72 percent of the revenues coming from this source. The revenues from capital grants and contributions represent the value of infrastructure systems donated to the City via subdivisions being developed.

**Expense and Program Revenues – Business-Type Activities**



**Revenues By Source – Business-Type Activities**



## **ANALYSIS OF GOVERNMENT'S FUNDS**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. As of June 30, 2014, the City's governmental funds (General, Capital Projects and Debt Service) reported combined fund equity of \$3,661,221. The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenses are accounted for in this fund.

As stated earlier, the City maintains several enterprise funds to account for the business-type activities of the City. The separate fund statements included in this report provide the same information for business-type activities as is provided in the government-wide financial statements. However, the difference is that the fund statements provide much more detail.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

During the fiscal year, the General Fund original budget was amended to:

- Add for the additional costs for attorney and consultant fees associated with the Patterson lawsuit
- Add funds for the primary elections in 2013
- Add for the additional costs for emergency services related to quail fire expense
- Add funds for building department due to increase in permits and inspections
- Add for the additional costs to street department for overtime due to flooding and the cost for holiday lighting
- Add funds for parks and recreation for expenditures related to the Quail fire rehabilitation grant
- Add revenue from the USDA EWP Grant-This was reimbursement for the Quail Fire/EWP Project

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital assets - Alpine City's investment in capital assets for its governmental and business-type activities as of June 30, 2014, amounts to \$60,003,015 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, infrastructure (streets, sidewalks, curb and gutter, bridges, etc.), and machinery and equipment. The total increase in the City's investment in fixed assets for the current year was \$2,397,876.

Major capital asset events during the current fiscal year included the following:

- Experienced significant flooding and debris flows out of Box Elder and Wadsworth Canyons with four different storm events between July 5 and September 7, 2013. In response to these issues the City completed Phase 2 of the Emergency Watershed Protection Project including two major flood conveyance and storm drain pipelines, numerous flood channel improvements and flood control structures in the amount of \$966,616, in addition to other in-kind project work by the City's Public Works Department and donations from other parties.

- Resurfaced streets with asphalt overlays within the Silverleaf subdivision in the amount of \$135,574.
- Completed an HA5 Mineral Bond project on City streets in the amount of \$72,348.
- Completed a chip seal project on Main Street, Heritage Hills Drive and other City streets in the amount of \$112,570.
- Completed a micro surface project focused on maintenance of sixteen cul-de-sacs in the amount of \$51,745.
- Participated in construction of the Alpine Boulevard connection, which completed the Alpine Boulevard master planned street, in the amount of \$39,000.
- The City signed a lease for a CAT 303.5E mini excavator for the amount of \$6,000 per year.
- Upgraded the Box Elder Booster Pump Station in the amount of \$28,000.
- Upgraded the City's SCADA System (Supervisory Control and Data Acquisition) which monitors the culinary water, pressurized irrigation and sewer systems in the amount of \$144,000.

ALPINE CITY'S CAPITAL ASSETS  
(Net of Depreciation, in thousands of dollars)

	<b>Governmental</b>		<b>Business-type Activities</b>	
	2013-2014	2012-2013	2013-2014	2012-2013
Capital Assets Not Being Depreciated				
Land	\$ 19,818	\$ 19,002	\$ 400	\$ 400
Water Shares	-	-	58	58
Capital Assets Being Depreciated				
Buildings and Structures	1,633	1,626	215	215
Improvements and Infrastructure	30,278	27,914	32,230	31,353
Machinery, Equipment and Vehicles	925	897	576	567
Construction in Progress	-	-	41	-
Total	52,654	49,439	33,520	32,593
Less Accumulated Depreciation	(16,334)	(15,280)	(9,837)	(9,147)
Total Capital Assets	\$ 36,320	\$ 34,159	\$ 23,683	\$ 23,446

Additional information on the City's capital assets can be found in the footnotes to this financial report and also the supplemental section.

Long-term debt - At June 30, 2014, the City had total debt outstanding of \$4,807,269. The majority of Alpine City's long term debt, \$4,600,000 is debt secured solely by specific revenue sources (i.e., revenue bonds within the Water and Pressurized Irrigation Funds).

**ALPINE CITY'S OUTSTANDING DEBT**  
(In thousands of dollars)

	<b>Governmental</b>		<b>Business-type Activities</b>	
	2013-2014	2012-2013	2013-2014	2012-2013
Revenue Bonds	\$ -	\$ -	\$ 4,600	\$ 4,910
Capital Leases	-	-	-	-
Compensated Absences	140	144	67	67
Total	<u>\$ 140</u>	<u>\$ 144</u>	<u>\$ 4,667</u>	<u>\$ 4,977</u>

Additional information on the outstanding debt obligations of the City can be found in the footnotes to this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

- The Unemployment rate for Utah County (of which Alpine is part) was 4.0% compared with the State unemployment rate of 3.3%.
- Alpine is continuing to see an increase in building permits and the occupation of vacant homes.
- The major projects budgeted for next year includes the following:
  - Street Maintenance Projects: \$283,000
  - 100 South Street Improvement Project: \$131,000
  - 600 North Sewer/Storm Drain Project: \$189,000
  - Moyle Park Restroom: \$45,000
  - Fort Creek Estates Storm Drain: \$69,000

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Alpine City's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to:

City Administrator  
20 N Main St  
Alpine, UT 84004

## **BASIC FINANCIAL STATEMENTS**

**ALPINE CITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

	Governmental Activities	Business Type Activities	Totals
<b>ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$ 2,782,802	\$ 6,559,832	\$ 9,342,634
Accounts Receivable	1,371,278	215,531	1,586,809
<b>TOTAL CURRENT ASSETS</b>	<b>4,154,080</b>	<b>6,775,363</b>	<b>10,929,443</b>
<b>NONCURRENT ASSETS</b>			
Restricted Cash and Cash Equivalents	1,694,276	684,369	2,378,645
Capital Assets			
Non Depreciable	19,818,003	498,703	20,316,706
Depreciable Assets (net of Depreciation)	16,502,476	23,183,833	39,686,309
<b>TOTAL NONCURRENT ASSETS</b>	<b>38,014,755</b>	<b>24,366,905</b>	<b>62,381,660</b>
<b>TOTAL ASSETS</b>	<b>42,168,835</b>	<b>31,142,268</b>	<b>73,311,103</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	<b>-</b>	<b>319,469</b>	<b>319,469</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	<b>42,168,835</b>	<b>31,461,737</b>	<b>73,630,572</b>
<b>LIABILITIES AND DEFERRED INFLOW OF RESOURCES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable and Accrued Expenses	846,183	146,887	993,070
Unearned Revenues	150,289	-	150,289
<b>TOTAL CURRENT LIABILITIES</b>	<b>996,472</b>	<b>146,887</b>	<b>1,143,359</b>
<b>NONCURRENT LIABILITIES</b>			
Due Within One Year	52,884	392,323	445,207
Due in more than One Year	87,062	4,275,000	4,362,062
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>139,946</b>	<b>4,667,323</b>	<b>4,807,269</b>
<b>TOTAL LIABILITIES</b>	<b>1,136,418</b>	<b>4,814,210</b>	<b>5,950,628</b>
<b>DEFERRED INFLOW OF RESOURCES</b>	<b>1,190,663</b>	<b>-</b>	<b>1,190,663</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES</b>	<b>2,327,081</b>	<b>4,814,210</b>	<b>7,141,291</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	36,320,479	19,082,536	55,403,015
Restricted	1,676,335	684,369	2,360,704
Unrestricted	1,844,940	6,880,622	8,725,562
<b>TOTAL NET POSITION</b>	<b>\$ 39,841,754</b>	<b>\$ 26,647,527</b>	<b>\$ 66,489,281</b>

See the accompanying notes to the financial statements

**ALPINE CITY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>FUNCTIONS/PROGRAMS</b>				
<b>Governmental Activities</b>				
General Government	\$ 692,942	\$ 201,724	\$ -	\$ 186,261
Public Safety	1,981,754	408,070	-	-
Streets	1,071,233	-	-	2,037,245
Parks and Recreation	450,081	46,778	-	1,638,195
Cemetery	138,205	43,825	-	-
Garbage	388,431	500,698	-	-
Interest on Long-Term Debt	1,426	-	-	-
<b>Total Governmental Activities</b>	<b>4,724,072</b>	<b>1,201,095</b>	<b>-</b>	<b>3,861,701</b>
<b>Business-type Activities</b>				
Water	644,334	588,455	-	286,183
Sewer	878,818	966,221	-	239,047
Pressurized Irrigation	823,604	881,129	-	243,616
Storm Drain	169,519	178,968	-	218,909
<b>Total Business-type Activities</b>	<b>2,516,275</b>	<b>2,614,773</b>	<b>-</b>	<b>987,755</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 7,240,347</b>	<b>\$ 3,815,868</b>	<b>\$ -</b>	<b>\$ 4,849,456</b>

General Revenues  
Property Taxes  
Vehicle Taxes  
Sales Taxes  
Franchise Taxes  
Unrestricted Investment Earnings  
Miscellaneous  
Transfers  
Total General Revenues and Transfers  
Change in Net Assets  
Net Assets - Beginning  
  
**Net Assets - Ending**

**Net (Expense) Revenue and Changes in Net Assets**

**Primary Government**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (304,957)	-	\$ (304,957)
(1,573,684)	-	(1,573,684)
966,012	-	966,012
1,234,892	-	1,234,892
(94,380)	-	(94,380)
112,267	-	112,267
(1,426)	-	(1,426)
<b>338,724</b>	<b>-</b>	<b>338,724</b>
-	230,304	230,304
-	326,450	326,450
-	301,141	301,141
-	228,358	228,358
<b>-</b>	<b>1,086,253</b>	<b>1,086,253</b>
<b>338,724</b>	<b>1,086,253</b>	<b>1,424,977</b>
1,195,719	-	1,195,719
107,443	-	107,443
988,350	-	988,350
659,781	-	659,781
15,416	34,555	49,971
14,685	-	14,685
9,500	(9,500)	-
2,990,894	25,055	3,015,949
3,329,618	1,111,308	4,440,926
36,512,136	25,536,219	62,048,355
<b>\$ 39,841,754</b>	<b>\$ 26,647,527</b>	<b>\$ 66,489,281</b>

**ALPINE CITY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	<u>Governmental-type Activities</u>			Total Governmental Funds
	General	Capital Projects	Nonmajor Governmental Funds	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,235,380	\$ -	\$ -	\$ 1,235,380
Accounts Receivable	1,371,278	-	-	1,371,278
Restricted Cash and Cash Equivalents	695,336	1,547,422	998,940	3,241,698
<b>TOTAL ASSETS</b>	<b>\$ 3,301,994</b>	<b>\$ 1,547,422</b>	<b>\$ 998,940</b>	<b>\$ 5,848,356</b>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 103,787	\$ 11,126	\$ 17,941	\$ 132,854
Developer Completion Bonds Payable	115,989	-	-	115,989
Infrastructure Protection Bonds Payable	-	597,340	-	597,340
Unearned Revenue	-	150,289	-	150,289
<b>TOTAL LIABILITIES</b>	<b>219,776</b>	<b>758,755</b>	<b>17,941</b>	<b>996,472</b>
<b>DEFERRED INFLOW OF RESOURCES</b>	<b>1,190,663</b>	<b>-</b>	<b>-</b>	<b>1,190,663</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES</b>	<b>1,410,439</b>	<b>758,755</b>	<b>17,941</b>	<b>2,187,135</b>
<b>FUND BALANCE</b>				
Non-Spendable	-	-	520,238	520,238
Restricted	695,336	-	460,761	1,156,097
Assigned	-	788,667	-	788,667
Unassigned	1,196,219	-	-	1,196,219
<b>TOTAL FUND BALANCES</b>	<b>1,891,555</b>	<b>788,667</b>	<b>980,999</b>	<b>3,661,221</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 3,301,994</b>	<b>\$ 1,547,422</b>	<b>\$ 998,940</b>	<b>\$ 5,848,356</b>

See the accompanying notes to the financial statements

**ALPINE CITY**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

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TOTAL GOVERNMENTAL FUNDS BALANCES \$ 3,661,221

*Amounts reported for governmental activities in the statement of net position are different because*

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. 36,320,479

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. (139,946)

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 39,841,754

**ALPINE CITY**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Governmental-type Activities</u>			
	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 2,951,293	\$ -	\$ -	\$ 2,951,293
Licenses and Permits	419,360	-	-	419,360
Intergovernmental	1,790,542	-	-	1,790,542
Charge for Services	705,748	-	24,675	730,423
Fines and Forfeitures	51,312	-	-	51,312
Interest	6,193	4,869	4,354	15,416
Miscellaneous	9,938	4,747	-	14,685
<b>TOTAL REVENUES</b>	<b>5,934,386</b>	<b>9,616</b>	<b>29,029</b>	<b>5,973,031</b>
<b>EXPENDITURES</b>				
General Government	468,223	-	186,261	654,484
Public Safety	1,981,754	-	-	1,981,754
Streets	289,063	10,000	-	299,063
Parks and Recreation	235,500	-	-	235,500
Cemetery	113,899	-	-	113,899
Garbage	388,431	-	-	388,431
Capital Outlay	1,559,106	27,370	10,670	1,597,146
Debt Service				
Interest and Finance Charges	-	1,426	-	1,426
<b>TOTAL EXPENDITURES</b>	<b>5,035,976</b>	<b>38,796</b>	<b>196,931</b>	<b>5,271,703</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<b>898,410</b>	<b>(29,180)</b>	<b>(167,902)</b>	<b>701,328</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Impact Fees	-	-	453,645	453,645
Transfers from Other Funds	9,500	543,829	-	553,329
Transfer to Other Funds	(543,829)	-	-	(543,829)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(534,329)</b>	<b>543,829</b>	<b>453,645</b>	<b>463,145</b>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND USES</b>	<b>364,081</b>	<b>514,649</b>	<b>285,743</b>	<b>1,164,473</b>
BEGINNING FUND BALANCE	1,527,474	274,018	695,256	2,496,748
<b>ENDING FUND BALANCE</b>	<b>\$ 1,891,555</b>	<b>\$ 788,667</b>	<b>\$ 980,999</b>	<b>\$ 3,661,221</b>

See the accompanying notes to the financial statements

**ALPINE CITY**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND USES - TOTAL GOVERNMENTAL FUNDS	\$ 1,164,473
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*Amounts reported for governmental activities in the statement of activities are different because*

Governmental funds report capital outlays as expenditures. In the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	2,161,176
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Some revenues and expenses reported in the statement of activities do not add to or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.	<u>3,969</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL FUNDS	<u>\$ 3,329,618</u>
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**ALPINE CITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,599,421	\$ 2,599,421	\$ 2,951,293	\$ 351,872
Licenses and Permits	187,000	187,000	419,360	232,360
Intergovernmental	320,000	1,819,738	1,790,542	(29,196)
Charge for Services	633,116	633,116	705,748	72,632
Fines and Forfeitures	61,500	61,500	51,312	(10,188)
Interest	9,800	9,800	6,193	(3,607)
Miscellaneous	10,000	10,000	9,938	(62)
<b>TOTAL REVENUES</b>	<b>3,820,837</b>	<b>5,320,575</b>	<b>5,934,386</b>	<b>613,811</b>
<b>EXPENDITURES</b>				
General Government	476,300	508,200	468,223	39,977
Public Safety	1,928,108	2,013,497	1,981,754	31,743
Streets	286,500	296,500	289,063	7,437
Parks and Recreation	229,975	239,975	235,500	4,475
Cemetery	133,175	133,175	113,899	19,276
Garbage	400,700	400,700	388,431	12,269
Capital Outlay	433,000	1,584,420	1,559,106	25,314
Interest	800	800	-	800
<b>TOTAL EXPENDITURES</b>	<b>3,888,558</b>	<b>5,177,267</b>	<b>5,035,976</b>	<b>141,291</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<b>(67,721)</b>	<b>143,308</b>	<b>898,410</b>	<b>755,102</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	9,500	9,500	9,500	-
Transfer to Other Funds	(150,000)	(543,829)	(543,829)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(140,500)</b>	<b>(534,329)</b>	<b>(534,329)</b>	<b>-</b>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND USES</b>	<b>(208,221)</b>	<b>(391,021)</b>	<b>364,081</b>	<b>755,102</b>
<b>FUND BALANCE ALLOCATION</b>	<b>208,221</b>	<b>391,021</b>	<b>-</b>	<b>(391,021)</b>
<b>EXCESS (DEFICIT) OF RESOURCES OVER CHARGES TO APPROPRIATIONS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 364,081</b>	<b>\$ 364,081</b>

See the accompanying notes to the financial statements

**ALPINE CITY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Business-type Activities - Enterprise Funds				Total Enterprise Funds
	Water	Sewer	Pressure Irrigation	Storm Drain	
<b>ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>					
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	\$ 2,244,552	\$ 1,406,666	\$ 2,536,676	\$ 371,938	\$ 6,559,832
Accounts Receivable, Net of Allowance for Uncollectible	42,244	83,283	75,916	14,088	215,531
<b>TOTAL CURRENT ASSETS</b>	<b>2,286,796</b>	<b>1,489,949</b>	<b>2,612,592</b>	<b>386,026</b>	<b>6,775,363</b>
<b>NONCURRENT ASSETS</b>					
Restricted Assets					
Cash and Cash Equivalents	151,833	344,614	-	187,922	684,369
Capital Assets					
Water Shares	58,400	-	-	-	58,400
Land	219,000	16,000	-	164,905	399,905
Construction in Progress	31,847	8,551	-	-	40,398
Building and Structures	169,103	45,971	-	-	215,074
Improvements	11,863,432	6,220,951	10,431,513	3,713,884	32,229,780
Machinery, Equipment and Vehicles	275,512	159,444	141,130	-	576,086
Less Accumulated Depreciation	(4,167,409)	(2,257,882)	(2,597,275)	(814,541)	(9,837,107)
<b>TOTAL NONCURRENT ASSETS</b>	<b>8,601,718</b>	<b>4,537,649</b>	<b>7,975,368</b>	<b>3,252,170</b>	<b>24,366,905</b>
<b>TOTAL ASSETS</b>	<b>10,888,514</b>	<b>6,027,598</b>	<b>10,587,960</b>	<b>3,638,196</b>	<b>31,142,268</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Deferred Charges on Refunding	-	-	319,469	-	319,469
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>319,469</b>	<b>-</b>	<b>319,469</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	<b>10,888,514</b>	<b>6,027,598</b>	<b>10,907,429</b>	<b>3,638,196</b>	<b>31,461,737</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts Payable	3,800	37,311	28,076	1,756	70,943
Customer Deposits Payable	41,000	-	-	-	41,000
Accrued Interest Payable	-	-	34,944	-	34,944
Compensated Absences	23,560	20,207	19,530	4,026	67,323
Current Portion of Long-Term Debt	-	-	325,000	-	325,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>68,360</b>	<b>57,518</b>	<b>407,550</b>	<b>5,782</b>	<b>539,210</b>
<b>NONCURRENT LIABILITIES</b>					
Bonds Payable	-	-	4,275,000	-	4,275,000
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>4,275,000</b>	<b>-</b>	<b>4,275,000</b>
<b>TOTAL LIABILITIES</b>	<b>68,360</b>	<b>57,518</b>	<b>4,682,550</b>	<b>5,782</b>	<b>4,814,210</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets Restricted	8,449,885	4,193,035	3,375,368	3,064,248	19,082,536
Capital Projects	151,833	344,614	-	187,922	684,369
Unrestricted	2,218,436	1,432,431	2,849,511	380,244	6,880,622
<b>TOTAL NET POSITION</b>	<b>\$ 10,820,154</b>	<b>\$ 5,970,080</b>	<b>\$ 6,224,879</b>	<b>\$ 3,632,414</b>	<b>\$ 26,647,527</b>

See the accompanying notes to the financial statements

# ALPINE CITY

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities - Enterprise Funds				Total Enterprise Funds
	Water	Sewer	Pressure Irrigation	Storm Drain	
<b>OPERATING REVENUES</b>					
Charge for Services	\$ 515,469	\$ 960,346	\$ 874,034	\$ 162,201	\$ 2,512,050
Connection Fees	7,715	5,875	3,382	-	16,972
Miscellaneous	65,271	-	3,713	16,767	85,751
<b>TOTAL OPERATING REVENUES</b>	<b>588,455</b>	<b>966,221</b>	<b>881,129</b>	<b>178,968</b>	<b>2,614,773</b>
<b>OPERATING EXPENSES</b>					
Salaries, Wages and Benefits	268,652	236,483	214,316	55,377	774,828
Operations	120,551	514,754	286,891	28,679	950,875
Depreciation	255,131	127,581	221,961	85,463	690,136
<b>TOTAL OPERATING EXPENSES</b>	<b>644,334</b>	<b>878,818</b>	<b>723,168</b>	<b>169,519</b>	<b>2,415,839</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(55,879)</b>	<b>87,403</b>	<b>157,961</b>	<b>9,449</b>	<b>198,934</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Impact Fees	51,142	30,937	141,652	57,386	281,117
Interest Income	11,956	8,227	11,921	2,451	34,555
Interest Expense	-	-	(100,436)	-	(100,436)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>63,098</b>	<b>39,164</b>	<b>53,137</b>	<b>59,837</b>	<b>215,236</b>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>7,219</b>	<b>126,567</b>	<b>211,098</b>	<b>69,286</b>	<b>414,170</b>
Capital Contributions	235,041	208,110	101,964	161,523	706,638
Transfers to Other Funds	(6,000)	(3,500)	-	-	(9,500)
<b>CHANGE IN NET ASSETS</b>	<b>236,260</b>	<b>331,177</b>	<b>313,062</b>	<b>230,809</b>	<b>1,111,308</b>
<b>TOTAL NET POSITION AT BEGINNING OF YEAR</b>	<b>10,583,894</b>	<b>5,638,903</b>	<b>5,911,817</b>	<b>3,401,605</b>	<b>25,536,219</b>
<b>TOTAL NET POSITION AT END OF YEAR</b>	<b>\$ 10,820,154</b>	<b>\$ 5,970,080</b>	<b>\$ 6,224,879</b>	<b>\$ 3,632,414</b>	<b>\$ 26,647,527</b>

See the accompanying notes to the financial statements

**ALPINE CITY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Business-type Activities - Enterprise Funds				Total Enterprise Funds
	Water	Sewer	Pressure Irrigation	Storm Drain	
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>					
Receipts from Customers	\$ 551,508	\$ 986,499	\$ 894,667	\$ 181,617	\$ 2,614,291
Payment to Suppliers	(117,323)	(512,973)	(258,831)	(26,923)	(916,050)
Payment to Employees	(269,201)	(237,563)	(213,775)	(53,919)	(774,458)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>164,984</b>	<b>235,963</b>	<b>422,061</b>	<b>100,775</b>	<b>923,783</b>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>					
Transfer to/from other funds	(6,000)	(3,500)	-	-	(9,500)
<b>NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	<b>(6,000)</b>	<b>(3,500)</b>	<b>-</b>	<b>-</b>	<b>(9,500)</b>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>					
Impact Fees	51,142	30,937	141,652	57,386	281,117
Acquisition of Capital Assets	(96,911)	(60,141)	(51,778)	(14,977)	(223,807)
Changes in Debt	-	-	(279,767)	-	(279,767)
Contingent Liability	(47,574)	-	-	-	(47,574)
Interest Expense	-	-	(177,921)	-	(177,921)
<b>NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(93,343)</b>	<b>(29,204)</b>	<b>(367,814)</b>	<b>42,409</b>	<b>(447,952)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>					
Interest Income	11,956	8,227	11,921	2,451	34,555
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>11,956</b>	<b>8,227</b>	<b>11,921</b>	<b>2,451</b>	<b>34,555</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>77,597</b>	<b>211,486</b>	<b>66,168</b>	<b>145,635</b>	<b>500,886</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>2,318,788</b>	<b>1,539,794</b>	<b>2,470,508</b>	<b>414,225</b>	<b>6,743,315</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 2,396,385</b>	<b>\$ 1,751,280</b>	<b>\$ 2,536,676</b>	<b>\$ 559,860</b>	<b>\$ 7,244,201</b>

See the accompanying notes to the financial statements

**ALPINE CITY**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Business-type Activities - Enterprise Funds</u>				<u>Total Enterprise Funds</u>
	<u>Water</u>	<u>Sewer</u>	<u>Pressure Irrigation</u>	<u>Storm Drain</u>	
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ (55,879)	\$ 87,403	\$ 157,961	\$ 9,449	\$ 198,934
Adjustments					
Depreciation	255,131	127,581	221,961	85,463	690,136
Changes in Net Assets					
Accounts Receivable, Net	(41,247)	20,278	13,538	2,649	(4,782)
Accounts Payable	3,228	1,781	28,060	1,756	34,825
Customer Deposits Payable	4,300	-	-	-	4,300
Compensated Absences	(549)	(1,080)	541	1,458	370
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>\$ 164,984</b>	<b>\$ 235,963</b>	<b>\$ 422,061</b>	<b>\$ 100,775</b>	<b>\$ 923,783</b>
 <b>NONCASH TRANSACTIONS</b>					
Contributions of Capital Assets from Developers	\$ 235,041	\$ 208,110	\$ 101,964	\$ 161,523	\$ 706,638

See the accompanying notes to the financial statements

**ALPINE CITY, UTAH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Alpine City, Utah (City) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The following is a summary of the more significant of the City's accounting policies.

Financial Reporting Entity

Alpine City was incorporated in 1855 under the laws of the State of Utah. The City is a municipal corporation governed by an elected five-member Council and Mayor. The City provides municipal services under the following organizational structure:

General Government: Mayor and City Council, City Administrator, Justice Court, Treasurer and Recorder

Public Safety: Police, Fire and Emergency Medical Services, (through Lone Peak Public Safety District), Building Inspection, Planning and Zoning

Public Works: Streets, Water, Sewer, Garbage, Pressurized Irrigation and Storm Drains

Parks and Recreation: Parks, Cemetery and Recreation

The reporting entity is comprised of the primary government and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City.

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position, a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

*Government-wide Financial Statements* – The government-wide financial statements include the statement of net position and statement of activities. These statements report financial information for the City as a whole. For the most part, the effect of interfund activity has been removed from these statements. Individual funds are not displayed but the statements distinguish governmental activities, which normally are supported by taxes and general revenues, from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

The statement of net position presents the financial position of the governmental and business-type activities of the City at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and are clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

## NOTE 1 - (CONTINUED)

The statement of activities reports the expenses of a given function or segment offset by program revenues directly connected to the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include 1) charges to customers who directly benefit from goods or services provided by a given function or activity; 2) operating grants and contributions which finance annual operating activities, including restricted investment income; and 3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets.

For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which function the revenues are restricted.

Taxes, interest, and other revenue sources not properly included with program revenues are reported as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

*Fund Financial Statements* – During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental and proprietary funds.

Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

*Fund Accounting* – The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses two types of categories: governmental and proprietary.

Governmental Funds – Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or may not be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance.

The City reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The *capital projects fund* accounts for the acquisition or construction of major capital facilities of the City (other than those financed by proprietary funds).

Proprietary Fund – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

The City reports the following major proprietary funds:

The *water fund* accounts for the activities of the City's water production, treatment and distribution operations.

The *sewer fund* accounts for the activities of the City's sewer treatment operations.

## NOTE 1 - (CONTINUED)

The *pressure irrigation fund* accounts for the activities of the City's pressurized irrigation distribution operations.

The *storm drain fund* accounts for the activities of the City's storm drain operations.

### Measurement Focus

*Government-wide Financial Statements* – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

*Fund Financial Statements* – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

### Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting, At the fund reporting level, governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue and in the presentation of expenses versus expenditures.

*Revenues – Exchange Transactions* – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase "available for exchange transactions" means expected to be received within 60 days of year-end.

*Revenues – Non-exchange Transactions* – Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales tax, property tax, grants, and donations. On an accrual basis, revenue from sales tax is recognized in the period in which the taxable sale taxes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected by June 30, 2014 for property taxes and within 60 days for other non-exchange transactions) before it can be recognized.

## NOTE 1 - (CONTINUED)

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: sales taxes, property taxes, special assessments, and federal and state grants.

*Unearned Revenue* – Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The City has recorded a grant receivable of \$296,944 for restoration costs related to the Quail Fire. This unearned revenue is expected to be collected in the next fiscal year.

*Expenses/Expenditures* – On the accrual basis of accounting, expenses are recognized at the time they are incurred, if measurable. On the modified accrual basis, expenditures are generally recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

### Assets, Liabilities and Fund Equity

#### Cash, cash equivalents, and investments

Cash and cash equivalents include cash on hand, demand deposits with banks and other financial institutions, and deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts. The City's investment policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the Utah Public Treasurer's Investment Fund (Fund) and other investments allowed by the State of Utah's Money Management Act. Investments are reported at fair value. The Fund operates in accordance with state laws and regulations. The reported value of the City's cash in the Fund is the same as the fair value of the Fund shares.

Cash equivalents are defined as short-term highly liquid investments that are both readily convertible to known amounts of cash and so near maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with maturities of three months or less, when purchased, meet this definition.

#### Restricted assets

Cash which is restricted to a particular use due to statutory, budgetary or bonding requirements is classified as "restricted cash" on the statement of net position and on the balance sheets. Restricted cash would be spent first and then unrestricted resources would be used when the restricted funds are depleted.

#### Receivables

All trade and property tax receivables are reported net of an allowance for uncollectible amounts, where applicable.

#### Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

## NOTE 1 - (CONTINUED)

### Capital assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds or contributions. The City reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the governmental fund financial statements. Capital assets utilized by proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the proprietary fund's statement of net position.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are capitalized at historical cost, if purchased, and at fair market value at the date of the gift, if donated. Improvements to capital assets are capitalized. Major additions are capitalized, while maintenance and repairs which do not improve or extend the life of the respective assets are charged to expense.

All reported capital assets are depreciated except for land, right-of-ways, water rights, and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of improvements and replacements.

Capital asset depreciation is recognized using the straight-line method over the estimated useful lives as follows:

<u>Classification</u>	<u>Range of Lives</u>
Buildings and structures	20-50 years
Improvements and infrastructure	10-50 years
Machinery, equipment and vehicles	5-15 years

### Compensated absences

Accumulated unpaid vacation is accrued as incurred based on the years of service for each employee. Vacation is accumulated on a monthly basis. Proprietary funds expense all accrued vacation amounts when incurred. Governmental funds report an expenditure as the vacation is paid. Compensated leave time may be accrued up to 160 hours. The accumulated sick leave is earned at a rate of one day per month. Sick pay amounts are charged to expenditures when incurred. Employees may accumulate up to 90 days of sick leave. Employees who retire are offered the choice to be paid 25% of accumulated sick leave at retirement or to have City pay the cost of the employee's health insurance for one month for every two days of sick leave until the employee can qualify for Medicare.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated absences liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only when it is due to for payment in the current fiscal year.

### Long-term liabilities

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

## NOTE 1 - (CONTINUED)

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of these funds. Bonds are recognized as a liability in the governmental fund financial statements only when they are due for payment in the current fiscal year.

### Fund equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

*Fund Balance* – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are divided into five categories as follows:

Non-spendable – This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained. Fund balance amounts related to inventory, prepaid expenses and permanent endowments (such as cemetery perpetual care) are classified as non-spendable.

Restricted – This classification includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. The City's remaining balances of Class C roads and impact fees are restricted.

Committed – This classification includes amounts that can only be used for specific purposes established by formal action of the City Council, which is the City's highest level of decision making authority. Fund balance commitments can only be removed or changed by the same type of action (for example, resolution) of the City Council. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City has not committed any fund balance amounts.

Assigned – This classification includes amounts that the City intends to be used for a specific purpose but are neither restricted nor committed. These are established by the City Council. This classification includes the remaining positive fund balances for governmental funds other than the general fund.

Unassigned – This classification holds the remainder of the fund equity and is the amount available for the city to spend.

*Net Position Flow Assumptions* – The City has established a flow assumption policy to use restricted net position first before using unrestricted net position.

## NOTE 1 - (CONTINUED)

*Fund Balance Flow Assumptions* – The City has established a flow assumption policy to use restricted fund balance before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, it is the City's policy to use the fund balance in the following order: 1) Committed, 2) Assigned, and 3) Unassigned.

*Net Position* – The net position represents the difference between assets and liabilities. The net position component, net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. The net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The balance of the net position is reported as unrestricted.

### Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund. All other revenues and expenses are classified as non-operating including investment earnings, interest expense, and the gain or loss on the disposition of capital assets.

### Contributions of Capital

Contributions of capital reported in proprietary fund financial statements and the government-wide financial statements arise from outside contributions of capital assets (e.g. developers), and grants or outside contributions of resources restricted to capital acquisition and construction.

### Inter-Fund Transactions

During the course of normal operations, the City has transactions between funds to subsidize operations in certain funds, to allocate administrative costs, to construct assets, to distribute grant proceeds, etc. These transactions are generally reflected as operating transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds and after the non-operating revenues/expenses section in proprietary funds.

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

### Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results may differ from those estimates.

## NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

### Explanation of certain differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and of governmental activities in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets.

#### Capital Asset Differences

When capital assets (land, buildings, improvements and equipment) are purchased or constructed for use in governmental fund activities, the costs of those assets are reported as expenditures in the governmental funds. However, those costs are reported as capital assets in the statement of net position. The details of these differences are presented below:

Land	\$ 19,818,003
Buildings and Structures	1,633,091
Improvements and Infrastructure	30,278,347
Machinery, Equipment and Vehicles	924,565
Less Accumulated Depreciation	<u>(16,333,527)</u>
Net Capital Asset Difference	<u>\$ 36,320,479</u>

#### Long-Term Liability Differences

Long-Term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund balance sheet. All liabilities (both current and long-term) are reported in the statement of net position. The details of these differences are presented below:

Compensated Absences	\$ <u>(139,946)</u>
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### Explanation of certain differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund financial statements include a reconciliation between changes in fund balances in the governmental funds and changes in net position in the government-wide statement of activities. This difference primarily results from the long-term economic focus of the statement of activities versus the current financial resource focus of the governmental fund financial statements.

#### Capital Outlay and Depreciation Differences

Capital outlays are reported as expenditures in the statement of revenues, expenditures and changes in fund balances. They are reported as capital assets, with the costs allocated over the useful lives of the assets, as depreciation, in the statement of activities. The details of these differences are reported below:

Capital Outlay	\$ 1,597,146
Developer Contributions	1,617,514
Depreciation Expense	<u>(1,053,484)</u>
Net Difference	<u>\$ 2,161,176</u>

## NOTE 2 - (CONTINUED)

### Long-Term Debt Issuance and Repayment Differences

The change in long-term compensated absences is not reported in the statement of revenues, expenditures and changes in fund balance. This change is reported in the statement of activities. The detail of this difference is reported below:

Change in Compensated Absences	\$ <u>3,969</u>
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## NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### Budgetary Information

Prior to the first regularly scheduled meeting of the City Council in May, the Mayor and the City Manager submit to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and proposed sources of revenues.

Between May 1 and June 22, the City Council reviews and adjusts the proposed budget. On or before June 22, a public hearing is held and the budget is legally adopted through passage of a resolution, unless a property tax increase is proposed. If a property tax increase is proposed, a hearing must be held on or before August 17, which does not conflict with other taxing entities that have proposed a property tax increase. At this time the final balanced budget is adopted.

Under Utah State law, the City's budget establishes maximum legal authorization for expenditures during the fiscal year. Expenditures are not to exceed the budgeted amounts, including revisions, except as allowed by the code for certain events.

The Mayor, in conjunction with the appropriate department head, has the authority to transfer budget appropriations within and between any divisions of any budgetary fund. The City Council has the authority to transfer budget appropriations between individual budgetary funds by resolution. A public hearing must be held to increase the total appropriations of any one governmental fund type; however, after the original public hearing, operating and capital budgets of proprietary fund types may be increased by resolution without an additional hearing.

Annual budgets for the general fund, all debt service funds and capital projects funds were legally adopted by the City and prepared on the modified-accrual method of accounting. Annual budgets for the proprietary funds were legally adopted by the City and prepared on the accrual method of accounting.

Although Utah State law requires the initial preparation of budgets for all City funds (both governmental and proprietary), it only requires the reporting of comparisons of actual results to budgets for the general fund and any major special revenue funds.

### Tax Revenues

Property taxes are collected by the County Treasurer and remitted to the City in two to three installments in November, December, and a final settlement in the first quarter of the calendar year. Taxes are levied and are due and payable on November 1<sup>st</sup> and are delinquent after November 30<sup>th</sup> of each year, at which time they become liens if not paid. An accrual of uncollected current and prior year's property taxes beyond that which was received within 60 days after the fiscal year end has not been made, as the amounts are not deemed to be material.

### NOTE 3 – (CONTINUED)

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly. An accrual has been made for all taxes received by the State for the period ended June 30<sup>th</sup> and thus due and payable to the City.

Franchise taxes are charged to various utility companies doing business with the City including telephone, cable television, gas utility, and electric utility companies. The fees are remitted on a monthly, quarterly, or annual basis. An accrual has been made for all fees due and payable to the City at June 30<sup>th</sup>.

### NOTE 4 - DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits as well as time deposits. Investments are stated at cost or amortized cost, which approximates fair value. Each fund's portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents" which also includes cash accounts that are separately held by several of the City's funds. Deposits are not collateralized nor are they required to be by State statute.

Deposits and investments for City government are governed by the Utah Money Management Act (*Utah Code Annotated*, Title 51, Chapter 7) (The Act) and by rules of the Utah Money Management Council (the Council). Following are discussions of the City's exposure to various risks related to its cash management activities.

#### Custodial Credit Risk

*Deposits.* Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be recovered. The City's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the City to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of June 30, 2014, \$188,789 of the City's bank balances of \$438,789 were uninsured and uncollateralized.

#### Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The City's policy for limiting the credit risk of investments is to comply with the Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard & Poors; bankers acceptances; obligations of the U.S. Treasury and U.S. government sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate securities rated "A" or higher by two nationally recognized statistical rating organizations as defined in the Act.

The City government is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subjected to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

## NOTE 4 – (CONTINUED)

The following are the City's investments at June 30, 2014:

<u>Investment Type</u>	<u>Fair Value</u>
State of Utah	
Public Treasurer's Investment Fund (PTIF)	\$ <u>11,276,778</u>
Total Investments	\$ <u>11,276,778</u>

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City manages its exposure to declines in fair value by investment mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The act further limits the remaining term to maturity of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less. Maturities of the City's investments are noted above.

The deposits and investments described above are included on the statement of net position as per the following reconciliation:

Deposits	\$ 443,621
Investments	11,276,778
Cash on Hand	<u>880</u>
Total	\$ <u>11,721,279</u>
Cash and Cash Equivalents	\$ 9,342,634
Restricted Cash and Cash Equivalents	<u>2,378,645</u>
Total	\$ <u>11,721,279</u>

## NOTE 5 - RECEIVABLES

Accounts receivable and the associated allowances for uncollectible accounts at June 30, 2014 are presented in the schedule below.

Property taxes are levied on January 1 of 2014, are due in November of 2014, and are budgeted for the 2014 fiscal year. Even though they are not intended to fund the 2014 fiscal year, they must be recognized as an asset because the City has an enforceable claim to the revenue. The property taxes that have been remitted to the City within 60 days of the end of the current fiscal period have been recognized as revenue. The uncollected, measurable amounts have been accrued as deferred revenue.

Franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other items are considered to be measurable and available only when cash is received by the City.

**NOTE 5 – (CONTINUED)**

The following is a summary of receivables at June 30, 2014:

	Governmental Activities	Business-type Activities	Total
Accounts Receivable	\$ 46,461	\$ 215,531	\$ 261,992
Property Taxes Receivable	1,209,118	-	1,209,118
Class C Road Receivable	63,441	-	63,441
Traffic Fines Receivable	2,530	-	2,530
Franchise Taxes	<u>49,728</u>	<u>-</u>	<u>49,728</u>
Total	<u>\$ 1,371,278</u>	<u>\$ 215,531</u>	<u>\$ 1,586,809</u>

**NOTE 6 - CAPITAL ASSETS**

The following schedule presents the capital activity of the governmental activities for the year ended June 30, 2014.

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets not being Depreciated				
Land	\$ 19,001,595	\$ 816,408	\$ -	\$ 19,818,003
Capital Assets being Depreciated				
Buildings and Structures	1,626,631	6,460	-	1,633,091
Improvements and Infrastructure	27,914,431	2,363,916	-	30,278,347
Machinery, Equipment and Vehicles	<u>896,689</u>	<u>27,876</u>	<u>-</u>	<u>924,565</u>
Total	49,439,346	3,214,660	-	52,654,006
Less Accumulated Depreciation	<u>(15,280,043)</u>	<u>(1,053,484)</u>	<u>-</u>	<u>(16,333,527)</u>
Governmental Activities Capital Assets, Net	<u>\$ 34,159,303</u>	<u>\$ 2,161,176</u>	<u>\$ -</u>	<u>\$ 36,320,479</u>

The following schedule presents the capital activity of the business-type activities for the year ended June 30, 2014.

<u>Business-type Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets not being Depreciated				
Land	\$ 399,905	\$ -	\$ -	\$ 399,905
Water Shares	57,900	500	-	58,400
Construction in Progress	-	40,398	-	40,398
Capital Assets being Depreciated				
Buildings and Structures	215,074	-	-	215,074
Improvements and Infrastructure	31,353,214	876,566	-	32,229,780
Machinery, Equipment and Vehicles	<u>566,714</u>	<u>9,372</u>	<u>-</u>	<u>576,086</u>
Total	32,592,807	926,836	-	33,519,643
Less Accumulated Depreciation	<u>(9,146,971)</u>	<u>(690,136)</u>	<u>-</u>	<u>(9,837,107)</u>
Business-type Activities Capital Assets, Net	<u>\$ 23,445,836</u>	<u>\$ 236,700</u>	<u>\$ -</u>	<u>\$ 23,682,536</u>

## NOTE 6 – (CONTINUED)

Depreciation was charged to the functions/programs of the primary government as follows:

Governmental Activities	
General Government	\$ 40,780
Streets	774,433
Parks and Recreation	214,273
Cemetery	<u>23,998</u>
Total Depreciation for Governmental Activities	<u>\$ 1,053,484</u>
Business-type Activities	
Water	\$ 255,131
Sewer	127,581
Pressurized Irrigation	221,961
Storm Drain	<u>85,463</u>
Total Depreciation Expense-Business-type Activities	<u>\$ 690,136</u>

## NOTE 7 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one type of deferred outflows. The City reports deferred charges on refunding of \$319,469. The deferred charges on refunding resulted from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of refunded or refunding debt.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of deferred inflows of resources. Property taxes to be collected in November were unavailable in the current fiscal year. Accordingly, these property taxes are deferred and will be recognized as an inflow of resources in the period that the amounts become available. These amounts are reported in the governmental funds balance sheet and in the government-wide statement of net position.

## NOTE 8 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	Governmental Activities	Business-type Activities
Accounts Payable	\$ 132,854	\$ 70,943
Customer Deposits Payable	-	41,000
Accrued Interest Payable	-	34,944
Developer Completion Bonds Payable	115,989	-
Infrastructure Protection Bonds Payable	575,340	-
Open Space Bond Payable	<u>22,000</u>	<u>-</u>
Total Accounts Payable and Accrued Liabilities	<u>\$ 846,183</u>	<u>\$ 146,887</u>

**NOTE 8 – (CONTINUED)**

The City collects deposits from those wishing to develop subdivisions within the City. The City also collects deposits from developers to ensure that the City's infrastructure is protected during construction. These amounts are deposited into the City's bank account. The original deposit is returned to the developer after the related project is completed.

**NOTE 9 - LONG-TERM DEBT**

The following is a summary of changes in long-term debt of the City for the year ended June 30, 2014:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Compensated Absences	\$ 143,915	\$ 2,241	\$ 6,210	\$ 139,946	\$ 52,884
	<u>\$ 143,915</u>	<u>\$ 2,241</u>	<u>\$ 6,210</u>	<u>\$ 139,946</u>	<u>\$ 52,884</u>
<u>Business-type Activities</u>					
Revenue Bonds					
2010 Water Revenue Refunding	\$ 4,910,000	\$ -	\$ 310,000	\$ 4,600,000	\$ 325,000
Compensated Absences	66,953	1,999	1,629	67,323	67,323
	<u>\$ 4,976,953</u>	<u>\$ 1,999</u>	<u>\$ 311,629</u>	<u>\$ 4,667,323</u>	<u>\$ 392,323</u>

Long-term debt and obligations payable at June 30, 2014 were as follows:

	<u>Interest Rate</u>	<u>Maturity Dates</u>	<u>Current Portion</u>	<u>Long-term Balance</u>
<u>Governmental Activities</u>				
Compensated Absences			\$ 52,884	\$ 87,062
<u>Business-type Activities</u>				
Bonds Payable				
Water Revenue Bonds, Series 2010, Dated July 2010, (original amount-- \$5,875,000)	3.20% to 5.25%	2026	\$ 325,000	\$ 4,275,000
Compensated Absences			67,323	-
Total Business-type Activities Long-term Debt			<u>\$ 392,323</u>	<u>\$ 4,275,000</u>

In prior years, the City defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the City's financial statements. On June 30, 2014, \$5,130,000 of bonds outstanding are considered defeased.

**NOTE 9 – (CONTINUED)**

Principal and interest requirements to retire the City's long-term obligations are as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Government-wide</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ -	\$ -	\$ 325,000	\$ 139,774	\$ 325,000	\$ 139,774
2016	-	-	335,000	129,874	335,000	129,874
2017	-	-	345,000	119,674	345,000	119,674
2018	-	-	355,000	109,174	355,000	109,174
2019	-	-	365,000	99,513	365,000	99,513
2020-2024	-	-	1,980,000	331,820	1,980,000	331,820
2025-2026	-	-	895,000	32,270	895,000	32,270
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,600,000</u>	<u>\$ 962,099</u>	<u>\$ 4,600,000</u>	<u>\$ 962,099</u>

**NOTE 10 - FUND EQUITY**

*Net Investment in Capital Assets* – The net investment in capital assets reported on the government-wide statement of net position as of June 30, 2014 is as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Cost of capital assets	\$ 52,654,006	\$ 33,519,643
Less accumulated depreciation	16,333,527	9,837,107
Book value	36,320,479	23,682,536
Less capital related debt	-	4,600,000
Net investment in capital assets	<u>\$ 36,320,479</u>	<u>\$ 19,082,536</u>

*Restricted Fund Equity* – The Class “C” Roads allotment from the state excise tax is restricted for construction and maintenance of City streets and roads. The City's bond covenants require certain restrictions of retained earnings in the pressure irrigation fund. Utah State statute requires unexpended impact fees held at year-end to be restricted for future expansion in the charging department or fund. A perpetual trust fund is designed to provide future operating costs for the cemetery. Funds are collected at the time a lot is sold and a percentage of the fee is transferred to the trust fund. In addition, funds have been assigned for various capital projects.

**NOTE 11 - RETIREMENT PLANS**

Plan Description

Alpine City contributes to the Local Governmental Contributory Retirement System and to the Local Governmental Noncontributory Retirement System cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). The Systems provide refunds, retirement benefits, annual cost of living adjustments, death benefits, and refunds to plan members and beneficiaries in accordance with retirement statutes established by the State Legislature.

## NOTE 11 – (CONTINUED)

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Noncontributory Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

### Funding Policy

Alpine City is required to contribute a percentage of covered salaries to the respective systems (13.99% to the Contributory and 17.29% to the Noncontributory). The contribution requirements of the Systems are authorized by statute and specified by the Board.

Alpine City's contributions to the various systems for the years ending June 30, 2014, 2013, and 2012 respectively were; for the Local Governmental Contributory Retirement System, \$7,684 \$5,157, and \$341; for the Local Governmental Noncontributory Retirement System, \$120,889, \$116,995 and \$98,895, respectively. The contributions were equal to the required contributions for each year.

## NOTE 12 - DEFERRED COMPENSATION PLANS

The City sponsors a defined contribution deferred compensation plan administered by Utah Retirement Systems under the Internal Revenue Code Section 401(k) for some City employees covered by the State's contributory retirement plans. The plan, available to all permanent full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The 401(k) deferred compensation monies are not available to the City or its general creditors. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment. The City participates at rates between 0% and 8.25% depending on the employee's contributions. The rate of City participation can be changed by the City Council. During the years ended June 30, 2014, 2013, and 2012 contributions totaling \$2,740, \$2,646 and \$848, respectively were made to the plan by employees and \$7,615, \$4,216, and \$3,158, respectively by the City.

The City sponsors a defined contribution deferred compensation plan administered by the Utah Retirement Systems under the Internal Revenue Code Section 457 for city employees covered by the State's noncontributory retirement plans. The plan, available to certain permanent full and some part-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available until termination, retirement, death, or unforeseeable emergency. The 457 deferred compensation monies are not available to the City or its general creditors. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment. During the years ended June 30, 2014, 2013 and 2012 contributions totaling \$10,319, \$5,973 and \$3,900 respectively, were made to the plan by employees.

The City sponsors a Roth Individual Retirement Account (Roth IRA) deferred compensation plan administered by Utah Retirement Systems for some City employees. The plan permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Roth IRA compensation monies are not available to the City or its general creditors. The contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment. During the years ended June 30, 2014, 2013, and 2012 respectively contributions totaling \$9,920, \$6,030 and \$4,580 were made to the plan by the employees.

**NOTE 13 - RISK MANAGEMENT**

Alpine City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City joined together with other governments in the State of Utah to form the Utah Local Governments Trust (ULGT), a public entity risk pool currently operating as a common risk management and insurance program for Utah State governments. The City pays an annual premium to ULGT for its general insurance coverage.

The City also carries comprehensive general liability insurance coverage through a commercial insurance company. Settled claims from this risk type have not exceeded coverage in any of the past three fiscal years.

**NOTE 14 - OPERATING TRANSFER RECONCILIATION**

The operating transfers among the funds were as follows:

	<u>In</u>	<u>Out</u>
General Fund	\$ 9,500	\$ 543,829
Capital Projects	543,829	-
Water	-	6,000
Sewer	-	3,500
	<u>\$ 553,329</u>	<u>\$ 553,329</u>

The transfers from the water and sewer fund to the general are for administration charges. The \$543,829 transfer from the general fund to the capital projects fund was made to preserve cash for future capital projects.

**NOTE 15 – SUBSEQUENT EVENTS**

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 15, 2014, the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**ALPINE CITY**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	Special Revenue	Permanent Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Restricted Cash and Cash Equivalents	\$ 478,702	\$ 520,238	\$ 998,940
<b>TOTAL ASSETS</b>	<b>\$ 478,702</b>	<b>\$ 520,238</b>	<b>\$ 998,940</b>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 17,941	\$ -	\$ 17,941
<b>TOTAL LIABILITIES</b>	<b>17,941</b>	<b>-</b>	<b>17,941</b>
<b>FUND BALANCE</b>			
Non-Spendable	-	520,238	520,238
Restricted			
Impact Fees	460,761	-	460,761
<b>TOTAL EQUITY</b>	<b>460,761</b>	<b>520,238</b>	<b>980,999</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 478,702</b>	<b>\$ 520,238</b>	<b>\$ 998,940</b>

**ALPINE CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Capital Projects - Impact Fees	Permanent Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Charges for Services	\$ -	\$ 24,675	\$ 24,675
Interest	1,794	2,560	4,354
<b>TOTAL REVENUES</b>	<b>1,794</b>	<b>27,235</b>	<b>29,029</b>
<b>EXPENDITURES</b>			
General Government	186,261	-	186,261
Capital Outlay	10,670	-	10,670
<b>TOTAL EXPENDITURES</b>	<b>196,931</b>	<b>-</b>	<b>196,931</b>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(195,137)	27,235	(167,902)
<b>OTHER FINANCING SOURCES (USES)</b>			
Impact Fees	453,645	-	453,645
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>453,645</b>	<b>-</b>	<b>453,645</b>
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND USES	258,508	27,235	285,743
<b>BEGINNING FUND BALANCE</b>	<b>202,253</b>	<b>493,003</b>	<b>695,256</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 460,761</b>	<b>\$ 520,238</b>	<b>\$ 980,999</b>

**SINGLE AUDIT REPORTS**

**GREG OGDEN, CPA  
1761 EAST 850 SOUTH  
SPRINGVILLE, UT 84663  
(801) 489-8408**

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Honorable Mayor  
Members of the City Council  
Alpine City, Utah

**Report on Compliance for Each Major Federal Program**

I have audited Alpine City's (City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June, 30, 2014. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

My responsibility is to express an opinion on compliance for each of the City's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the City's compliance.

**Opinion on Each Major Federal Program**

In my opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

## Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Greg Ogden  
Certified Public Accountant  
December 15, 2014

**ALPINE CITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>TOTAL EXPEN- TURES</u>
<u>U.S. Department of Agriculture</u>			
Passed through Natural Resources Conservation Service			
Emergency Watershed Protection Program	10.923	68-8D43-12-35	\$1,021,220
Emergency Watershed Protection Program	10.923	68-8D43-12-34	<u>105,000</u>
Total Department of Agriculture			<u>1,126,220</u>
TOTAL FEDERAL ASSISTANCE			<u>\$1,126,220</u>

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE A-BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Alpine City under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Alpine City, it is not intended to and does not present the financial position, changes in net position, or cash flows of Alpine City.

**NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**ALPINE CITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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**SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on the financial statements of Alpine City.
2. No significant deficiencies relating to the audit of the financial statements are reported in the management letter.
3. No instances of noncompliance material to the financial statements of Alpine City were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the independent auditor's report on compliance for each major program and on internal control over compliance required by OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Alpine City expresses an unmodified opinion on all major federal programs.
6. The audit disclosed no findings that are required to be reported in accordance with section 510(a) of OMB Circular A-133, as reported in Section C of this schedule.
7. The program tested as a major program was: Emergency Watershed Protection Program - CFDA number 10.923.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Alpine City did not qualify as a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

None Reported.

**C. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None reported.

## **STATE COMPLIANCE REPORT**

**INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH THE  
STATE COMPLIANCE AUDIT GUIDE ON:**

- **COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS**
- **INTERNAL CONTROL OVER COMPLIANCE**

**Honorable Mayor**  
**Members of the City Council**  
**Alpine City, Utah**

**REPORT ON COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS**

**I have audited Alpine City, Utah's (City) compliance with the applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, which could have a direct and material effect on the City for the year ended June 30, 2014.**

**General state compliance requirements were tested for the year ended June 30, 2014 in the following areas:**

<b>Budgetary Compliance</b>	<b>Impact Fees</b>
<b>Fund Balance</b>	<b>Open and Public Meetings Act</b>
<b>Justice Courts</b>	<b>Budget Notice and Format</b>
<b>Utah Retirement System</b>	
<b>Enterprise Fund Transfers,</b>	
<b>Reimbursements, Loans and Services</b>	

**The City did not receive any major assistance programs from the State of Utah during the year ended June 30, 2014.**

**Management's Responsibility**

**Management is responsible for compliance with the general state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs.**

**Auditor's Responsibility**

**My responsibility is to express an opinion on the City's compliance based on my audit of the compliance requirements referred to above. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and**

material effect on the City and its major state programs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance with general state compliance requirements. However, my audit does not provide a legal determination of the City's compliance.

#### Opinion on General State Compliance Requirements

In my opinion, Alpine City, Utah, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City for the year ended June 30, 2014.

#### Other Matters

The results of my auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *State Compliance Audit Guide* and which is described in my management letter dated December 15, 2014 as item 2013-1, under the heading State Compliance Finding. My opinion on compliance is not modified with respect to this matter.

#### *REPORT ON INTERNAL CONTROL OVER COMPLIANCE*

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing my audit, I considered the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, noncompliance with a general state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**City's Response to Findings**

The City's response to the findings identified in my audit is described in the accompanying letter to management. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

**Purpose of Report**

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose

  
Greg Ogden,  
Certified Public Accountant  
December 15, 2014

**GOVERNMENT AUDITING STANDARDS REPORT**

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor  
Members of the City Council  
Alpine City, Utah

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund, and the aggregate remaining fund information of Alpine City, Utah (City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued my report thereon dated December 15, 2014.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, I do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify a deficiency in internal control, described in the schedule of findings and questioned costs in the management letter that I consider to be a significant deficiency. It is listed under the heading of Internal Control Deficiencies as finding #2014-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations,

contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Alpine, Utah's Response to Findings**

Alpine City, Utah's response to the findings identified in my audit is described in the accompanying management letter. I did not audit Alpine City, Utah's response and, accordingly, I express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Greg Ogden  
Certified Public Accountant  
December 15, 2014

**ALPINE CITY COUNCIL AGENDA**

**SUBJECT: Annexation Statement – Intent of the City Council to Allow Only CE-1 Zone (County CE-5) Annexations in the Comprehensive Annexation Study Area.**

**FOR CONSIDERATION ON: January 13, 2015**

**PETITIONER: Mayor Don Watkins**

**ACTION REQUESTED BY PETITIONER: That the City Council let those landowners in the Comprehensive Annexation Study Area know that the City Council will only support annexation into the City if the landowners want their land to be brought into the City with a CE-1 zone classification. Otherwise, the City would not approve the annexation petition. This is not a change in the Annexation Policy Declaration; this is just a statement of intent. If this is approved, staff will begin the process of amending the Annexation Policy Declaration to show this.**

**INFORMATION: See attached map of the area covered in the Comprehensive Annexation Study Area.**

***RECOMMENDED ACTION: The Council will need to decide if they want to approve this intent language or not.***

**ANNEX ?**

***yes!***

**CHANGE CRITICAL ENVIRONMENTAL ZONING?**

***NO!***

Alpine City would love to annex county property that is zoned critical environmental as long as it stays protected CE-1 zone. It is my opinion, landowners will only allow us to annex if we change the zoning to allow many more homes.

The county must take responsibility when they change CE-1 zoned land and allow homes to be built on it. Especially when that land is in an area close to costly mudslides and devastating fires. Alpine City should not take on this potential liability.

Alpine is currently being sued by a homeowner who believes Alpine City should accept liability for damage to their home from the last fire and floods.

I was very disappointed Utah County Commissioners allowed over 50 potential home sites above Lambert Park near areas hit hard by fires and floods just two years ago. While we as citizens will always run to assist neighbors in harms way, we cannot be financially liable for decisions made by the county.

Loss of property tax and impact fees by not annexing would be minimal compared to stated financial liabilities. In addition, services in this area could draw heavily from our Alpine City budget. For example, our snowplows would spend much of their time on the hillsides.

**WATER! WATER! WATER!** In my opinion we will be stretched in order to meet the water demands of future homes already planned in our city. Yes, CUP water is an option but it could come at a very high cost to all of Alpine citizens.

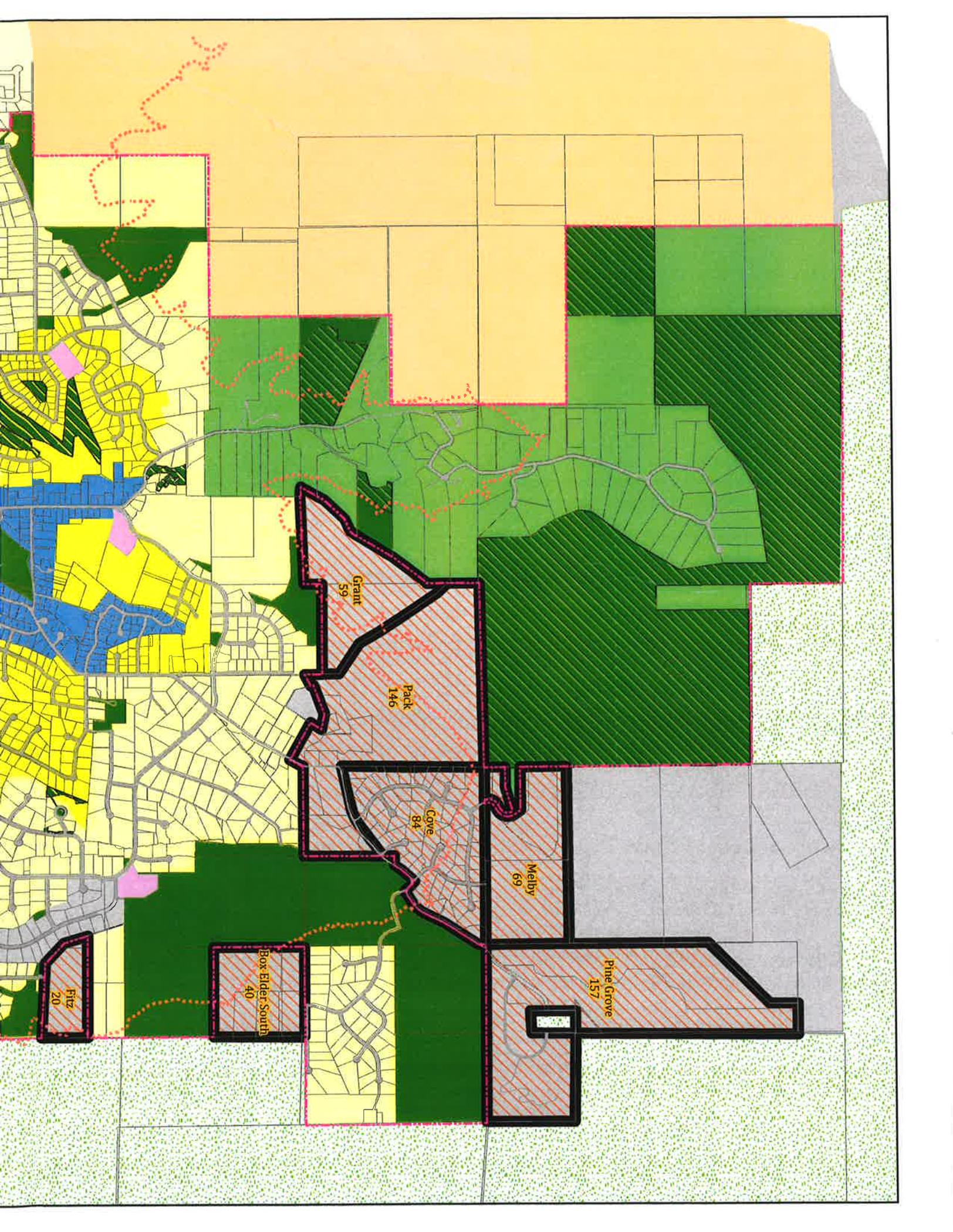
TRAFFIC! TRAFFIC! TRAFFIC! The brunt of rezoning is often felt most by our downtown residents.

Please support me and council members Kimberly Bryant, Troy Stout and Lon Lott in supporting the Referendum. We support annexation only if the CE-1 stays in place. We do not support zone changes to CE-1

Please join with us and give the vote back to the people.

GO TO [WWW.WEDECIDEUTAH.COM](http://WWW.WEDECIDEUTAH.COM)

WE NEED YOUR HELP NOW!



Grant  
59

Pack  
146

Cove  
84

Melby  
69

Pine Grove  
157

Box Elder South  
40

Fitz  
20

**ALPINE CITY COUNCIL AGENDA**

**SUBJECT: Alpine City Support of the Citizen Efforts for a Referendum on the County Pine Grove Zoning Decision.**

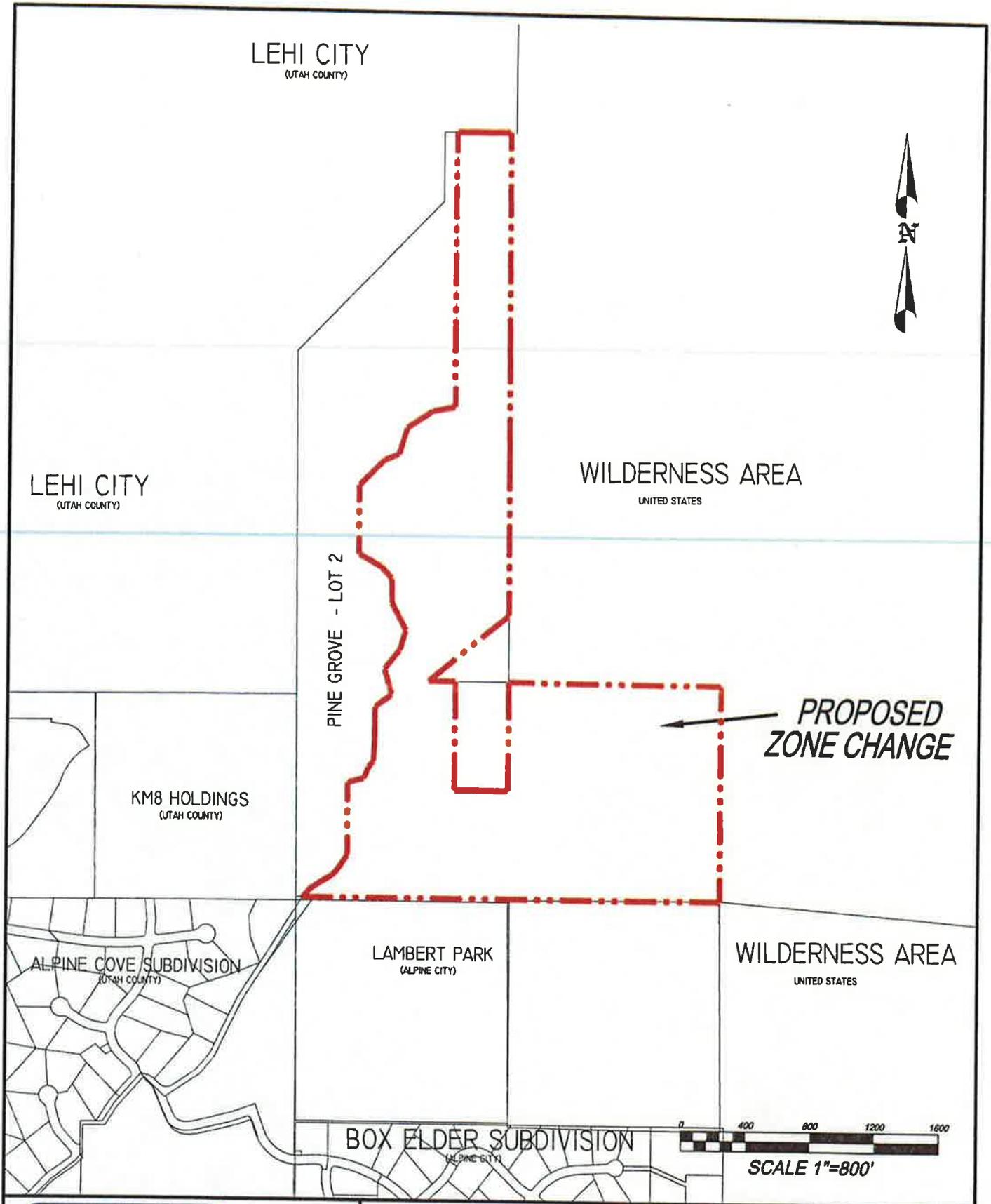
**FOR CONSIDERATION ON: January 13, 2015**

**PETITIONER: Mayor Don Watkins**

**ACTION REQUESTED BY PETITIONER: That the City Council approve a motion of support for the group trying to put together a referendum on the County Pine Grove zoning decision.**

**INFORMATION: Last month the County Commission approved a zone change request for county land located in what is referred to as the Pine Grove area north of the City rodeo grounds. The County Commission voted to amend the Utah County Zone Map from the Critical Environment (CE-1) Zone to the Critical Environment (CE-2) and Transitional Residential (TR-5) Zones for property located in Section 8, T4S, R2E. (See attached map of the area). This would allow for more density in housing if the area were to be developed. A group called WEDECIDEUTAH has been organized to see if they can get the required signatures to place this issue on the ballot as a referendum.**

***RECOMMENDED ACTION: The City Council needs to decide if they want to support this group in their efforts to get the required number of signatures to make this referendum.***



11038 N Highland Blvd  
Suite 400  
Highland Ut, 84003  
office (801) 482-1277  
cell (801) 616-1677

**PINE GROVE LOTS 1 & 3  
ZONE CHANGE  
Vicinity Map**

DATE  
9/25/14

FIGURE  
**4.C.3**

## ALPINE CITY COUNCIL AGENDA

**SUBJECT: ULCT's Transportation Resolution.**

**FOR CONSIDERATION ON: January 13, 2015.**

**PETITIONER: Rich Nelson, City Administrator.**

**ACTION REQUESTED BY PETITIONER: That the City Council support the ULCT's Transportation Resolution.**

**INFORMATION: The ULCT would like each city in the state to support a resolution asking the State Legislature to consider ways to increase transportation funding for state and local government during its next session. Alpine City is in need of additional transportation funding. Attached is a copy of the proposed resolution.**

***RECOMMENDED ACTION: The City Council approve the transportation resolution and let our representatives know that the City needs additional transportation funding.***

**RESOLUTION NO. R2015 – 01**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALPINE, UTAH, ENCOURAGING THE STATE OF UTAH TO ADDRESS COMPREHENSIVE TRANSPORTATION FUNDING.**

**WHEREAS**, a safe and efficient transportation system creates the foundation for economic growth and improved quality of life; and

**WHEREAS**, the creation and maintenance of transportation infrastructure is a core responsibility of State and local government; and

**WHEREAS**, Utah's population is expected to grow by 1 million residents by 2040; and

**WHEREAS**, Utah's residents demand new comprehensive transportation options such as bike lanes, multi-use paths, off-road trails and transit in addition to traditional roads; and

**WHEREAS**, research from the Utah Department of Transportation indicates that road maintenance efforts save cities from road rehabilitation that costs six times as much as maintenance, and saves cities from road reconstruction that costs ten times as much as maintenance, and

**WHEREAS**, investing in transportation results in tremendous economic development returns for both municipalities and the state; and

**WHEREAS**, improving comprehensive transportation in Utah will reduce private vehicle usage which will in turn lead to improved air quality; and

**WHEREAS**, poor air quality discourages economic development, business recruitment and tourism visits, and contributes to asthma and other health ailments; and

**WHEREAS**, nearly 1 in 10 Utah adults suffer from asthma and struggle to breathe during poor air quality days; and

**WHEREAS**, nearly 57% of Utah adults are overweight, approximately 200,000 Utahns have diabetes, and diabetes and obesity related health care costs in Utah exceed \$1 billion; and

**WHEREAS**, investing in safe and connected trails, bike lanes, sidewalks, and multi-use paths will encourage Utahns to be more active, spend more time with their families via active transportation, and result in improved personal and community health; and

**WHEREAS**, the current motor fuel tax of 24.5 cents and 1% local option sales tax are insufficient to satisfy current and future transportation needs; and

**WHEREAS**, Utah has led the nation in creating an Unified Transportation Plan to address these comprehensive transportation and quality of life issues and the City now asks the State and local governments to work together to find comprehensive funding solutions that will address transportation, economic development, air quality, and health needs.

**THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ALPINE, UTAH:**

**SECTION 1. Comprehensive Transportation Funding.** The City Council supports

proposals which meet comprehensive local transportation needs, promote the Unified Transportation Plan, and provide for future growth. The City supports studying a transportation funding option which would allow for the statewide implementation of a quarter cent (\$0.0025) local options sales tax to be used for transportation. The City also supports studying motor fuel taxes, "B and C" road funding, and other transportation funding options. Motor fuel taxes are not equitably borne by road users with the advent of higher MPG vehicles, electric and hybrid vehicles, and other fuel-saving technologies. Additionally, since the motor fuel tax has not been adjusted since 1997 and is not indexed, the current purchasing power is inadequate. The City requests the Utah Legislature to carefully examine all funding options.

**SECTION 2. Comprehensive Transportation Options.** The City supports the expansion of the uses for which transportation funding can be spent to reflect the individual needs and discretion of local governments. Transportation, air quality, and public health can be enhanced when active transportation and transit are eligible for transportation funding. Examples of items that could be eligible may include trails, bike lanes, sidewalks, safety equipment, traffic calming, signage, and lighting. Investment in active transportation options will encourage residents to travel via walking, biking, and transit, result in a healthier population, reduced car emissions, decreased health care costs, and improved quality of life. The City supports additional funding mechanisms that will result in expanded active transportation infrastructure. The City also supports continued investment in public transit as outlined in Utah's Unified Transportation Plan. Transit can help relieve traffic, promote walkable communities, and improve air quality.

**SECTION 3. Coordinating Efforts.** The City encourages City staff to work with State elected officials, the Utah Transportation Coalition, and the Utah League of Cities and Towns.

**SECTION 4. Distribution of this Resolution.** A copy of this resolution shall be sent to the Governor, the President of the Utah State Senate, the Speaker of the Utah House of Representatives, the municipality's State Senators and State House Representatives, and the Executive Director of the Utah League of Cities and Towns.

**SECTION 5. Effective Date.** This Resolution shall become effective upon passage.

**APPROVED BY THE CITY COUNCIL OF THE CITY OF ALPINE, UTAH, ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015 BY THE FOLLOWING VOTE:**

	YES	NO	ABSTAIN	ABSENT
ROGER BENNETT	_____	_____	_____	_____
KIMBERLY BRYANT	_____	_____	_____	_____
WILL JONES	_____	_____	_____	_____
LON LOTT	_____	_____	_____	_____
TROY STOUT	_____	_____	_____	_____

Mayor: \_\_\_\_\_  
Don Watkins

Attest: \_\_\_\_\_  
Charmayne Warnock, City Recorder

Approved as to form:

\_\_\_\_\_  
City Attorney, David Church

# ALPINE CITY COUNCIL AGENDA

**SUBJECT:** Alpine City Moderate Income Housing Biennial Review

**FOR CONSIDERATION ON:** January 13, 2015

**PETITIONER:** Jason Bond, City Planner

**ACTION REQUESTED BY PETITIONER:** For Council information and discussion

**INFORMATION:** Pursuant to Utah Code Section 10-9a-401, Alpine City is required biennially review the moderate income housing element of its general plan and its implementation. A report setting forth the findings of the review has been prepared and attached for the City Council to review and comment on. If approved, a copy of the report will be sent to the Department of Workforce Services and the Mountainland Association of Governments.

***RECOMMENDED ACTION:*** *For Council information and discussion.*



# Alpine City Moderate Income Housing Biennial Review

## January 13, 2015

### Introduction

On September 25, 2007, Alpine City adopted a moderate income housing plan as part of the general plan pursuant to Utah Code Section 10-9a-401. This plan included (1) an estimate of the existing supply of moderate income housing, (2) an estimate of the need for moderate income housing for the next five years as revised biennially, (3) a survey of the total residential land use, (4) an evaluation of how existing land uses and zones affect opportunities for moderate income housing, and (5) a description of the city's program to encourage an adequate supply of moderate income housing.

Alpine City is currently in the process of updating its general plan which will include the update of the moderate income housing element.

This document constitutes the biennial review mandated by Utah Code Section 10-9a-408.

### Legal Authority

#### **10-9a-408. Biennial review of moderate income housing element of the general plan.**

- 1) The legislative body of each city shall biennially:
  - a) Review the moderate income housing plan element of its general plan and its implementation; and
  - b) Prepare a report setting forth the findings of the review.
  
- 2) Each report under Subsection (1) shall include a description of:
  - a) Efforts made by the city to reduce, mitigate, or eliminate local regulatory barriers to moderate income housing;
  - b) Actions taken by the city to encourage preservation of existing moderate income housing and development of new moderate income housing;
  - c) Progress made within the city to provide moderate income housing, as measured by permits issued for new units of moderate income housing; and
  - d) Efforts made by the city to coordinate moderate income housing plans and actions with neighboring municipalities.
  
- 3) The legislative body of each city shall send a copy of the report under Subsection (1) to the Department of Workforce Services and the association of governments in which the city is located.

- 4) In a civil action seeking enforcement or claiming a violation of this section or of Subsection 10-9a-404(5)(c), a plaintiff may not recover damages but may be awarded only injunctive or other equitable relief.

### **10-9a-408(2)(a) Efforts made by the city to reduce, mitigate, or eliminate local regulatory barriers to moderate income housing**

Alpine City is a unique community. It is tucked up in the northeast corner of Utah County with mountains on practically three sides of the city. The land is very expensive in Alpine. There is not much opportunity for low or moderate-income employment within the city and there is extremely limited public transportation opportunities. There is not a high demand for moderate-income housing and providing it will continue to be a challenge.

However, Alpine is providing the opportunity for every single-family residence to rent out an accessory apartment. An accessory apartment is defined as “A subordinate dwelling unit within and part of a principle dwelling and which has its own cooking, sleeping and sanitation facilities.” This use is listed as a conditional use within every zone of the City. The capability of having an accessory apartment anywhere in Alpine is something that not many other cities are able to make available to its residents.

Additionally, Alpine has recently lowered sewer impact fees and has worked with low-income residents to not require them pay any increases in utility rates.

### **10-9a-408(2)(b) Actions taken by the city to encourage preservation of existing moderate income housing and development of moderate income housing**

Since January 2014, Alpine City has done extensive work to educate the residents on why it is important to register their accessory apartments. The most important reason is to ensure safety through compliance with building codes. Annual registration keeps track of the amount of units located in the city. If an accessory apartment is not renewed, the building inspector will be required to inspect it when it is being used again which will ensure the safety of each individual unit. If an accessory apartment is maintained properly, the existing stock of this type of moderate-income housing will be preserved and will continue to be an option for low-income residents within the city.

As part of the general plan update, the city has explored the option of detached accessory dwelling units. This would further promote the development of new moderate income housing units and provide a more desirable option than an attached accessory apartment.

### **10-9a-408(2)(c) Progress made within the city to provide moderate income housing, as measured by permits issued for new units of moderate income housing**

At the time the moderate income housing element of the general plan was adopted in 2007, there were about 60 accessory apartments registered with the city. That number has increased to 118 currently registered accessory apartments. That is an average of 8.3 additional units per year since 2007.

### **10-9a-408(2)(d) Efforts made by the city to coordinate moderate income housing plans and actions with neighboring municipalities**

Because of Alpine City's character as a rural bedroom community with little economic development bordered mostly by undeveloped and Forest Service land, it has relied heavily on neighboring municipalities in both Utah and Salt Lake counties to facilitate the needs of moderate income households. Alpine simply doesn't have the commercial activity or other features such as colleges and universities that generate moderate income jobs and the corresponding need for moderate income housing. It also lacks the infrastructure, such as public transportation, that moderate income populations require.

**ALPINE CITY COUNCIL AGENDA**

**SUBJECT:** Questar HP Gas Line Replacement – Alignment through Burgess Park

**FOR CONSIDERATION ON:** January 13, 2015

**PETITIONEER:** Questar Gas

**ACTION REQUESTED BY PETITIONER:** Approve proposed alignment of HP gas main.

**APPLICABLE STATUTE OR ORDINANCE:** N/A

**PETITION IN COMPLIANCE WITH ORDINANCE:** N/A

**INFORMATION:** Questar Gas is finalizing the alignment of the HP gas line replacement throughout the City. The existing HP gas line runs through two of the newer baseball fields and a playground in Burgess Park. City Staff recommends that the alignment be changed to a location around the perimeter of the park and outside of the baseball fields. Either alignment will impact some trees and some trail. Questar Gas will restore or replace what is disturbed by the construction.

<p><b>RECOMMENDATION:</b> Approve the proposed alignment for the HP gas main in Burgess Park.</p>
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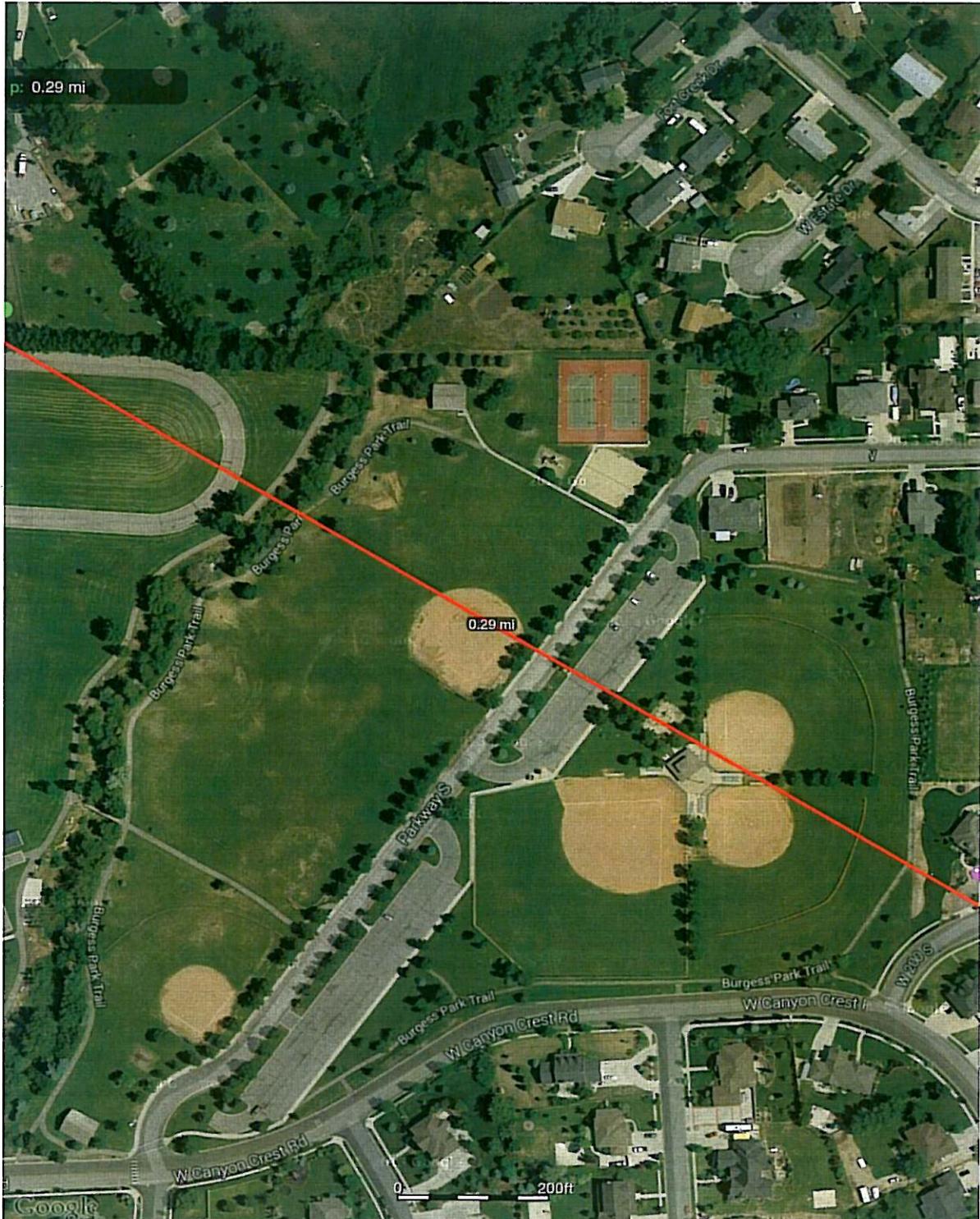
# BURGESS PARK - EXISTING PIPELINE

Name of the project: FL24 existing

Generated by Measure Map on Nov 13, 2014, 8:15:37 AM

Area: 0 sq ft

Perimeter: 0.29 mi



# BURGESS PARK - PROPOSED ALIGNMENT



Google earth



## ALPINE CITY COUNCIL AGENDA

**SUBJECT: Budget Development Outline for the Fiscal Year 2015-2016 City Budget**

**FOR CONSIDERATION ON: January 13, 2015**

**PETITIONER: Rich Nelson, City Administrator, and Alice Winberg, City Chief Financial Officer**

**ACTION REQUESTED BY PETITIONER: For Council information and discussion**

**INFORMATION: Each year the City Council approves a fiscal year budget for the City. The City fiscal years run from July 1<sup>st</sup> to June 30<sup>th</sup>. Attached is a sheet outlining the monthly steps in the budget development process. At the January 27<sup>th</sup> City Council meeting a discussion will be held on City Council goals and objectives for the next fiscal year. We will also discuss what Council and staff suggest are both the major and minor fiscal issues facing the City, the 5-Year Budget Plan, the assumptions attached to that plan and the Fund Balance goals for the Enterprise Funds and the Capital Improvement Fund. It has already been suggested by the Council that they would like to go out for bid for the outside audit; to go for bid for inspection services; and to have a discussion on the allocation of man hours for pressurized irrigation services. If the Council has other ideas they would like to discuss in the budget process this would be a good time to bring them up.**

***RECOMMENDED ACTION: For Council information and discussion.***

**January**

- Review fund balance goals
- Update 5-year Budget Projections
- Goals and levels of service identified.

**February**

- Departments create a balanced budget.

**March**

- Individual meetings with Mayor and City Council members to review balanced budget
- Incorporate Feedback

**April**

- City Council budget work session(s).

**May**

- Tentative Budget is presented to the City Council and public hearings take place

**June**

- Final Budget is adopted on or before June 22.

**July**

- New fiscal year starts on July 1

**ALPINE CITY COUNCIL AGENDA**

**SUBJECT:** Lambert Park South Trailhead Discussion

**FOR CONSIDERATION ON:** January 13, 2015

**PETITIONEER:** City Staff

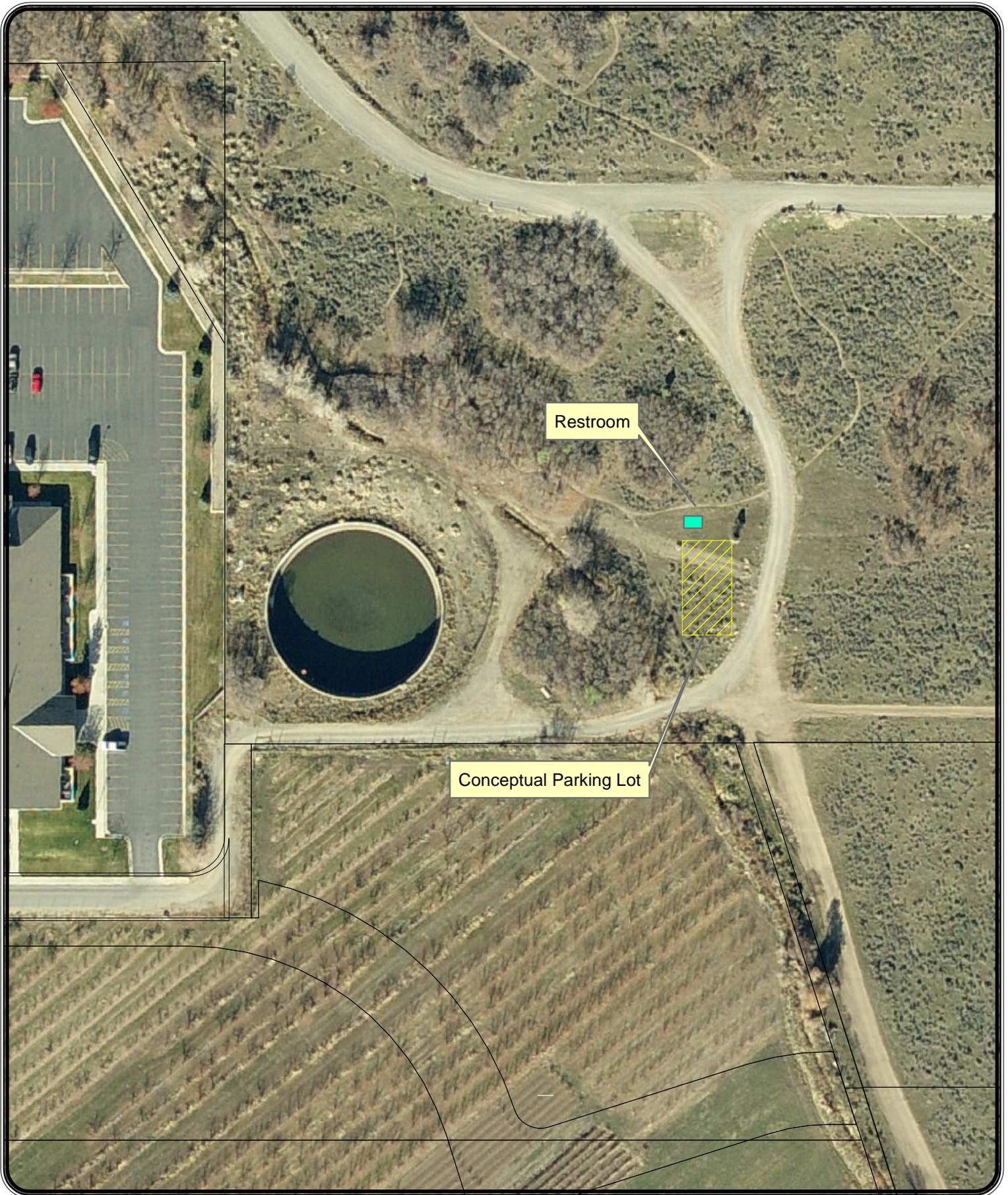
**ACTION REQUESTED BY PETITIONER:** Discuss potential for construction of a trailhead at the south end of Lambert Park.

**APPLICABLE STATUTE OR ORDINANCE:** N/A

**PETITION IN COMPLIANCE WITH ORDINANCE:** N/A

**INFORMATION:** With the sewer line under construction through Lambert Park for the Box Elder South development, sewer service will soon be available for this area. The City has discussed in the past the idea of constructing a trailhead at the south end of Lambert Park, including a small parking area and restroom. Since a portion of this area will be disturbed with the construction of the sewer line, City Staff thought it might be a good time to discuss the trailhead again. If the City Council is in favor of the idea, then details for the proposal can be prepared and sent through the process for approval. Potential funding should also be discussed.

**RECOMMENDATION:** Discuss the idea of a trailhead at the south end of Lambert Park.



Lambert Park  
South Trailhead/Parking Lot Concept

