

MINUTES OF FRANCIS TOWN COUNCIL MEETING
MEETING HELD AT FRANCIS TOWN RECREATION BUILDING JANUARY 20, 2009

The Francis Town Council convened in regular session on Tuesday, January 20, 2009 in the Francis Town Recreation Building. Mayor John Bergen called the meeting to order at 7:00 PM.

Present:	Mayor:	John Bergen
	Council:	John Keyes
		Lorin Prescott
		Lee Snelgrove
		Tim Butikofer
	Town Clerk:	Lynette Hallam
	Attorney:	Kraig Powell
	Engineer:	Scott Kettle
	Planner:	Alison Weyher
	Others attending:	Tal Adair, Kit Burton, Alton Frazier, Nella Longacre, Collette Madsen, Jim Madsen, Chad Mitchell, Bruce Riches, Kendall Rockhill, Luke Thomas and Kyle Walker

Consent Agenda – Approval of 12/16/08 Town Council minutes

John Keyes made the motion to approve the consent agenda Lorin Prescott seconded the motion. The motion passed with a unanimous vote. Voting in favor: Mayor Bergen, Tim Butikofer, John Keyes, Loren Prescott and Lee Snelgrove.

**Public Hearing – Potential annexation of Parcel CD-2197-A-1, also known as the Dade Rose Annexation, located at approximately 3400 So. Willow Way
CANCELLED**

Mayor Bergen explained that at the request of the Applicant this matter has been postponed until a later date.

Presentation of Financial Audit – Audit for Fiscal Year ended 6/30/08, Mike Ulrich – Ulrich & Associates

Mike Ulrich explained this year's report is a little bit different from past audit reports. Since Francis has changed to Pelorus software systems, Pelorus has prepared the financial statements and given them to Ulrich & Associates. In turn, Ulrich has audited the statements and completed the audit for June 30, 2008.

Mr. Ulrich directed the Council's attention to Page 1, paragraph 3 of the financial report which declares that the financial position of Francis Town is fairly stated. On Page 18 Mr. Ulrich pointed out the balance sheet for governmental funds. Mr. Ulrich explained that the carryover shown in the total fund balances must be at least 5 per cent but no more than 75 per cent of the total budget. When Francis becomes a City, the upper percentage will be 18 per cent. The City will have probably three to five years to bring the balance

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down or the government will take it back, require that taxes be lowered, etc.. Because of the probability of becoming a city, Francis should probably try not to accumulate too much in excess fund balances. The Capital Projects Fund does not have any restrictions as long as there is a definite plan for the money. On Page 19 revenues and expenditures are shown; Francis had an excess of \$42,042. Of that amount \$30,425 was put in the Capital Projects Fund. These excess funds can be used as a rainy day fund, but Mr. Ulrich cautioned about putting too much in there.

Mike Ulrich called attention to Page 42 of the report which showed the General Fund budgeted and actual. The revenues stayed pretty close to what was budgeted. A negative in the revenue accounting means it is over, more funds were received than were budgeted. On the expenses side a positive number means the expenses were under the projected amount. The overall picture is that Francis stayed within the budget.

Mr. Ulrich directed the Council to Page 23 where the Proprietary Funds are accounted for. This fund acts differently than the general fund. The revenues were \$285,916, expenses were \$221,495 leaving an operating income of \$64,421. If Francis has to replace waterlines, the amount that is accounted as depreciation accumulates funds for such replacements. In Mr. Ulrich's opinion, the Enterprise Fund looked good. On page 36 the debt funds are summarized including a payout schedule.

The last page, Mike Ulrich explained, was the State Legal Compliance Report. The auditor in this letter reported Francis Town is in compliance with State requirements.

Lee Snelgrove asked where the Town can improve as far as the financial situation. Mike Ulrich stated it could be little timelier. Mr. Ulrich explained this has been a transitional year with the new software program and coordination between he and Pelorus; things will be timelier in the future. Mr. Snelgrove asked again what the Council and staff could do to improve. Mr. Ulrich opined that the report looked really good and everyone is doing a great job. There is a good balance in the financials, the Town wants to have enough in reserve to maintain that standing.

Lee Snelgrove made the motion to accept the financial audit report from Ulrich & Associates. John Keyes seconded the motion. The motion passed with a unanimous vote. Voting in favor: Mayor Bergen, Tim Butikofer, John Keyes, Loren Prescott and Lee Snelgrove.

After Mike Ulrich and Kyle Walker (Pelorus) left the meeting, Mayor Bergen pointed out the financial highlights listed on page five, concerning the increase in net assets. The mayor concluded this good performance was due to the efforts of the Town Clerk.

Public Hearing – To consider a potential project for which funding may be applied under the Permanent Community Impact Board for a Town Hall.

Scott Kettle outlined that one of the requirements in applying for funds from the Community Impact Board is to have a public hearing. Impact Board funds are from the

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mineral lease royalties returned to the state by the federal government. Mr. Kettle stated it may be difficult to get a grant because our County does not have these interests to contribute. The Board also grants low-interest loans for projects.

Scott Kettle reported it will take around \$600,000 to build the office building. The application will be for a 50/50 grant/loan. The Board may opt to make the whole amount on a loan. Mr. Kettle informed the Council he was working with a representative from Zions Bank who will go over the financial side to let the Board know our financial position.

Tim Butikofer inquired how much of a grant the Town would be able to get. Scott Kettle replied that Brian Baker, Zions Bank, felt it would be no more than 50/50; another person felt it may be more like 20/80 grant to loan.

Mayor Bergen opened the public hearing after he explained some background on the Community Impact Board (CIB). The mayor reported he had traveled to Manila some time ago to a meeting with the CIB with the objective to get Francis Town on their minds. The prospects of getting funds, at that time, were very favorable. If the Board doesn't get the funds out, the State takes them.

Tal Adair asked how it is proposed to let the rest of the town know about the building. Scott Kettle stated there may be at least one more public hearing. The Town Clerk pointed out the notice for this hearing had been published in the local paper and posted at three locations and on the town website. Mr. Adair declared the Town Hall is the central hub of community now and in the future. Mayor Bergen stated as things move down through the process and there are more definite details, copies of the plan will be distributed.

Chad Mitchell pointed out he had no idea what will be included in the building—a community center or what. Mayor Bergen said the building would house the central functioning of the Town. It will provide a meeting place for Staff. A Council Chambers will be included. The office is now located in a single wide trailer and the Town has not been able to put their best foot forward with that facility.

Lee Snelgrove offered the Council desired to have something somewhat similar to Kamas; it will be where business is taken care of.

There being no further public comment, the mayor closed the public hearing.

Tim Butikofer voiced concern about overextending the Town in light of the current economic situation. Scott Kettle stated the application is due February 1st. Those applications will be considered for funding in June. At that time, we can decide not to take the grant or loan. Lee Snelgrove asked if the grant/loan is turned back if it will disfavor the Town in the future. Mr. Kettle opined it would not. Mr. Butikofer asked how long the Town could hold on to grant if on is received. Mr. Kettle said the Town will be allowed 18 months to complete the project. Scott Kettle stated that all the costs will be included in the cost estimate for the application. John Keyes asked if the Town

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had considered any other sources. Scott Kettle felt CIB is the best option. CDBG does not fund this type of projects.

John Keyes made the motion to proceed with the application for the grant/loan with CIB. Lorin Prescott seconded the motion. The motion passed with a unanimous vote. Voting in favor: Mayor Bergen, Tim Butikofer, John Keyes, Loren Prescott and Lee Snelgrove.

Approve payment of bills and Adjourn

John Keyes made the motion to approve payment of the bills and adjourn. Lee Snelgrove seconded the motion. The motion passed.

The Francis Town Council meeting adjourned at 8:00 PM.

These minutes were approved at the February 17, 2009 Council meeting.

John Bergen, Mayor

Lynette Hallam, Town Clerk