

**MINUTES
ALTA TOWN COUNCIL MEETING
THURSDAY, DECEMBER 10, 2015
10:00 AM
ALTA COMMUNITY CENTER
ALTA, UTAH**

1. The Mayor called the meeting to order at 10:00 am. Mayor Tom Pollard and Council members Cliff Curry, Harris Sondak and Elise Morgan were present. Paul Moxley was excused.
2. Presentation, discussion and action on the 2014/2015 Financial Statements and Audit of the Town of Alta – Ross Youngberg & Alawna Echols – Eide Bailly: 00:00:45

Ross Youngberg explained that the report is a bit “thicker” this year because there is a new item that is required to be reported as part of the financial statements; the Town’s pension liability is now required to be reported on the books of the Town of Alta and appears in the general fund.

Ross explained that on page 16 of the statement is the report of the Town’s liabilities, assets and equity. There is a line item on that page that states the Town’s “net pension obligation” which is \$193,385. The State Retirement system determined, calculated and provided that number to the Town of Alta. This is a new standard put out by the Government Accounting Standard’s Board and all governmental entities throughout the country now have to follow that standard. This number is fluid and will change from year to year with changes in the market value of the State Retirement System’s accounts.

Ross explained that the Town is part of a multi-employer pension plan run by the State of Utah and participates in the Tier 1 and Tier 2 plans. The liability amount listed in this statement is the amount that is underfunded in the State Retirement System related to the Town’s portion of the total liability for the URS system. The Town would not incur this full cost unless all the Town’s employees were to retire at the same time.

The Mayor clarified that this is an underfunded amount that relates to the state retirement fund. If over the next ten years the rate of the return of URS investments in this fund go up the pension obligation to its members will go down.

Ross went over the two types of systems at the State Retirement System; Tier 1 and Tier 2.

Harris asked if the Town was required to have a defined benefit program with URS as opposed to a defined contribution plan. Kate explained that the Town chose to participate in the non-contributory Tier 1 plan when the Town joined URS. When the Town joined in 2007, the Town bought back two years for the employees: went back to 2005.

Harris asked if there was a state requirement that the state retirement fund be fully funded. Ross did not think so because you cannot predict what the market will do that could affect the investments of the fund; all members of URS are sharing in the risk associated with the investments of the fund. Ross went over some of the assumptions that were used by the State Retirement fund to arrive at the Town’s liability.

Cliff Curry commented on the assumptions made by URS in determining what the Town's liability was with regard to its retirement obligation. Cliff encouraged the Town to take a good look at this during the budgeting process.

The Mayor asked Ross if the Town should set aside funds in a separate account to fund this liability. Ross thought that would be a good idea. Ross also opined that the job of addressing this liability is a big discussion among all public entities.

Harris opined that many entities went to a defined contribution plan as opposed to a defined benefit plan for this reason; it puts the market risk on the individual instead of the payer or the Town of Alta.

There was discussion about the recent acquisition of the land from the Forest Service. Ross explained that the Town will record this asset based on the land's fair value. It will not be recorded in fiscal year 2014/2015 because the Town took ownership of the land in the summer of 2015. John explained that when the Town took acquisition of the land, it included the bus stop and the Tom Moore toilet building.

Alawna Echols went over some of the additional highlights in the report which are outlined included the three auditors' reports; #1 was the report on the on the financial statements which includes any the auditors opinion, #2 was the compliance report and #3 was the internal control report.

Harris referred to page #8 and asked about the difference between the 2014 net position and the 2015 net position. Ross explained that when a new standard such as the pension liability is put in place, you have to go back to the beginning of the year or July 1, 2014. The net pension liability at the beginning of July 2014 was greater than the net pension liability at June 30, 2015; the liability is fluid.

Ross clarified that during the fiscal year ending June 30, 2015 the Town did in fact increase its equity.

Ross also commented that the rate of the Town's contribution to URS on behalf of the employees will be going up as well which will affect the total liability to the Town.

Alawna reviewed the internal control report and noted that there were two material weaknesses/findings; the auditors make certain balance adjustments during the course of the audit and the lack of segregation of duties of the staff.

Harris asked about the corrective action plan on the first finding; training. Kate explained that every year she tries to make more of the required entries before the auditors start their process and sometimes the auditors find additional entries that should have been made by staff. As it relates to training, the auditors work with Kate to educate and train her on the process of making the required entries.

Alawna explained that most of the additional entries made by the auditors during their process are "accrual entries".

Hearing no further comments or questions, there was a motion by Elise Morgan to approve the financial statements as presented by Eide Bailly. There was a second by Harris Sondak and the motion was carried.

3. Mayor's Report: 00:34:52

The Mayor reported on the following matters:

- The ski season opened for Thanksgiving; we had some good snow fall.
- The Mayor commended Jake and his UDOT staff for his approach to the maintenance of the road.
- The Town had its kick off road meeting with representatives with all participating agencies in attendance.
- The Town met again with the Forest Service on possible changes to the operational plan of the summer road. Updates will follow throughout the winter.
- Mountain Accord has been quiet of late. There has been discussion about moving some of the Mountain Accord funding into some short term improvement projects in the canyons. A small group met to come up with ideas for these types of projects.
- The UTA ski bus service starting on December 6th.
- There was discussion on the impact that UBER and other online transportation companies are having in the canyons. There were questions on whether or not UBER drivers should be required to get business licenses from the Town of Alta. Piper will research this and report back in January.
- There was not much to report on from the last two UFA board meeting.
- Kate reminded the Council that there will be a swearing in ceremony the first week in January. Kate will contact the Council to arrange for a time and place.

4. Treasurer's Report: 00:46:05

Marc Dippo read the report for the last month.

Hearing no questions or comments, there was a motion by Cliff Curry to approve the report as submitted. There was a second by Elise Morgan and the motion was carried.

5. Departmental Reports: 00:48:48

Town Administrator's Report: John reported on the following:

- The fiber and cable near the bridge on the upper bypass road.
- UBER is starting ski service along the Wasatch Front. Cliff commented that UBER defines each one of their drivers as independent contractors so he feels that they each should be required to get a business license from the Town. Harris asked if the Town could find out how Salt Lake City handles the licensing of UBER.
- No members of the Alta Planning Commission are up for reappointment until next year.
- The Local Elected Official Day is January 27th. The Mayor and Council were encouraged to attend.
- A Sewer System Management Plan is now required of the Town. John will present the final draft to the Council for their review and action either in February or March of 2016.
- There was an update on building permits issued this year. Elise asked when the crane at Powder Ridge was coming down. John reported that it should be gone before X-mas.

- It was suggested that the Town have an onsite construction management plan in place. John and Clarence will work on this matter.
- John attended the League of Cities and Town's legislative luncheon that was held on December 9, 2015.
- There was discussion on the hold harmless on our sales tax collection and the fact that it will end on June 30, 2016.

Assistant Town Administrator's Report: Chris Cawley reported on the following matters.

- The Town is holding its second annual health insurance fair at the Community Center today. Fourteen people have signed up appointments.
- A variety of agencies including the Utah Avalanche Forecast Center, Forest Service, and UDOT are collaborating to put together a winter time disperse recreation ambassador program. Its focus would be to engage with backcountry skiers and educate them on back country control work and other situations they may encounter in the backcountry. Chris will keep the Council up to date on this program.
- It was verified that AM530 is still used and messages go out on that radio station.
- The Town has had conversations with an organization out of Truckee California that lobbies the federal government on issues related to climate change and other issues. They have asked the Town to weigh in the federal coal program and to reform the lease rates that coal companies pay to lease land and extract coal. Their goal is to increase those rates and pass some of those funds on to local governments. Harris will be communicating with this organization.
- There was an update on the Town's website project.

UFA Report:

- It was a slow month as it relates to call column.
- It was a busy month as it relates to their training.
- UFA is nearing the end of their business inspection process in the Town of Alta
- UFA recommended that everyone make sure that their wood burning stoves and chimneys are keep clean and that ashes are disposed of appropriately.

Marshal's Report: Mike Morey reported on the following.

- A BCI audit was conducted on Alta Central and a few items need to be addressed. The department is working on better procedures to address these matters.
- Alta Central puts out many alerts using social media such a twitter. The public was encouraged to join this feed. Alta Central also does text alerts and puts updates on the Town's website.
- The Town has hired Travis Skinner as its part time deputy.

6. Town Council Minutes – November 12, 2015: 01:16:16

There was a motion by Cliff Curry to approved the minutes of the November 12, 2015 Town Council meeting. There was a second by Elise Morgan and the motion was carried.

7. Town Council Meeting/Election Canvass – November 17, 2015: 00:16:32

There was a motion by Harris Sondak to approve the minutes of the November 17, 2015 election canvass meeting. There was a second by Elise Morgan and the motion was passed.

8. Update on Community Core Planning Project – Chris Cawley: 01:16:50

Chris reported that the contract with the consultants has been signed by both the Town of Alta and WFRC. The consultants have been hard at work strategizing how to assign various staff and resources to the scope of work.

The Town has put together an advisory committee who will be meeting three times over the course of the next few months. After the first advisory committee meeting in early January, a public scoping meeting will be held. All the meetings will be open to the public.

The advisory committee will be made up of representatives from the lodges, a non-hotel lodging business, a Grizzly Gulch resident, a couple of residents from the area west and adjacent to the commercial core, the ski area, the Town Council and the Planning Commission. Representatives from the Forest Service and UDOT have been asked as well to join this committee.

9. Resolution 2015-R-11 – A resolution approving the Town of Alta Health Reimbursement Arrangement Plan and Summary Plan Description – Kate Black: 01:19:40

Kate Black explained that the Town of Alta set up a high deductible/Health Saving Account (HSA) plan when it renewed its health insurance with BlueCross & BlueShield. The HSA will be administered by Health Equity. In addition to offering an HSA for the full time employees, the Town will be setting up a Health Reimbursement Account (HRA). This plan will be administered by National Benefits Services (NBS).

The HRA is funded by the Town of Alta and the funds available to our employees through this account can only be used after the employee reaches their deductible.

NBS is managing the HRA account for the Town and charges the Town a fee to manage the funds and do complete all the necessary reporting that is required by federal government. The Town will also be paying the administrative fee for each employee that participates in the HRA.

The agreement and the account with NBS will retroactively go into effect on December 1, 2015 and will run through November 30, 2016: this is the Town's health plan year.

The resolution in front of the Council gives the Mayor authority to create the HRA account, to have NBS manage it and finally gives him the authority to sign this agreement with NBS on behalf of the Town of Alta.

Kate explained that the funds in the HSA and HRA set aside for each employee help fund the employee's deductible and out of pocket maximum.

Hearing no questions on this matter, there was a motion by Harris Sondak to approve Resolution 2015-R-11 which approves the Health Reimbursement Arrangement Plan and Summary Plan Description. There was a second by Elise Morgan and the motion as carried.

10. Resolution 2015-R-12 – A resolution amending the Flexible Spending Account Plan of the Town of Alta herein described as amendment #6 – Kate Black: 01:24:00

Kate explained that NBS was managing the Town’s Flexible Spending Account (FSA) and by law we cannot have both a FSA and a HSA. Accordingly, the Town is phasing out its FSA which runs out at the end of December 2015 but is continuing the Plan documents with NBS because we want to continue to offer an employee the opportunity to have a FSA for child care expenses. The Town also wants to afford its employees the opportunity to take out their health care premiums pretax from their checks. Therefore, the Town is amending its plan with NBS by removing the health care FSA, keeping the FSA dependent care plan and keeping the pre-tax deductible for premiums option for its employees.

Hearing no comments or questions, there was a motion by Elise Morgan approving Resolution 2015-R-12 amending the Town of Alta’s Flexible Spending Account Plan herein described in amendment #6. There was a second by Harris Sondak and the motion was carried.

11. Presentation by the Alta Chamber & Visitors Bureau of their Financial Compilation for 2014/2015 – Maggie Sullivan; 01:25:37

Maggie explained that this year they completed a compilation instead of a full blown audit which saved them quite a bit of money.

Maggie went over the revenues and expenses for the Council; the report is attached to the minutes for reference.

Cliff Curry asked for a breakdown of the funds spent on marketing on the spread sheet. Maggie did say that a good portion of those funds were spent on the website and a few ad campaigns. She will provide that information to staff who will forward it on to the Mayor and Council.

12. New Business: 01:29:07

There was no new business brought by the Council members.

13: Citizen Input: 01:29:28

Mark Haik brought up the following matters:

- Mark addressed the Community Core Planning Project as it relates to the staff outlining the current conditions to the contractor, more specifically the status of the Town’s water system as it relates to some questions on water rights filed with the state engineer. Mark urged the staff to seek a legal opinion on these matters related to water rights.
- Mark urged the Town to plan/fund for the pension liability that was outlined in the presentation of the Town auditors in this meeting.

- Mark also urged the Council to provide a budget item to fund the planning effort that is underway by the Planning Commission; the Town does not have funds to produce the exhibits and professional counsel for some of the land status items.
- Mark urged the Town to publish a yearly calendar for the Planning Commission meetings.

14: Motion to adjourn: 01:34:35

Hearing no further business before the Town Council, Cliff Curry made a motion to adjourn the meeting. Elise Morgan seconded the motion and it was carried.

Approved on this 11th day of February, 2016.

s/Katherine S.W. Black
Town Clerk