

PUBLIC NOTICE
TOWN OF LEEDS PUBLIC HEARING AND
TOWN COUNCIL MEETING

The Town Council of Leeds will hold a Public Hearing during the Town Council Meeting on,
Wednesday, December 8, 2004, at the Leeds Town Hall, 218 North Main Street at **7:00 p.m.**
Public welcome to attend.

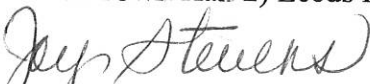
AGENDA

1. Call to Order
2. Roll Call
3. Pledge
4. Approval of Agenda and Minutes
5. Public Hearing (Motion to open and close)
 UDOT Transportation Enhancement grant regarding improvements and enhancements along
 Leeds Main Street.
6. Action on Public Hearing
7. Treasurer Elaine Murphy
 Jerry Buckner-GASB Statement No. 34
 Financial report
 Discuss Capital Facilities Plan and Impact Fees
8. Clerk/Recorder Joy Stevens
 End of year report:
 Businesses Licenses, Building Permits, Conditional Use Permits and Dog Licenses.
9. Mayor Norma Gier
 Approve expenditure of \$185.00 for Utah Trails & Pathway Conference
10. Council Member Darrell Nelson
 Planning Commission Items
11. Council Member Dale Barnes
12. Adjournment

In compliance with the Americans with Disabilities Act, the Town of Leeds will make reasonable accommodations for persons needing assistance to participate in this public meeting. Persons requesting assistance are asked to call Town Hall at 879-2447 at least 48 hours prior to the meeting.

Certificate of Posting

The undersigned Clerk/Recorder does hereby certify that the above notice was posted in three public places within Leeds Town limits on this 7th day of December, 2004. These public places being
1) Leeds Town Hall 2) Leeds Post Office 3) Waltons Plaza


Joy Stevens, Clerk/Recorder

TOWN OF LEEDS
Minutes of the Town Council Meeting
December 8, 2004

1. CALL TO ORDER:

Mayor Norma Gier called the meeting to order at 7:00 p.m.

2. ROLL CALL:

Present was Mayor Norma Gier, Council Members Dale Barnes and Darrell Nelson. Also present was Clerk/Recorder Joy Stevens.

3. PLEDGE OF ALLEGIANCE:

Dale Barnes

4. APPROVE AGENDA AND MINUTES

Motion by Darrell Nelson to approve the agenda and minutes of November 10, and November 16, 2004. Seconded by Dale Barnes. Passed unanimously.

5. PUBLIC HEARING:

UDOT Transportation Enhancement Grant regarding improvements and enhancements along Leeds Main Street.

Motion by Dale Barnes to open the public hearing. Seconded by Darrell Nelson. Passed unanimously. Mayor Gier gave a brief background concerning the Leeds Water Co. pressurizing the irrigation water and Washington County Water Conservancy District installing a water line down Main Street. Because Main Street will be disturbed due to these two projects, it will be resurfaced and reconfigured. This will create a four-foot area on one side that would be ideal for installing decorative lighting, benches, drought-tolerant plants and trees, pavers, etc. Other communities are doing beautification projects to enhance their streets. With the Leeds Water Co. installing a pressurized water system the open irrigation ditch will be eliminated. The irrigation ditch runs on the east side of Main Street. The ditch is a health and safety hazard. Council Member Darrell Nelson stated at least two children have drowned in the ditch.

For all of these reasons Leeds Town is seeking a grant from UDOT regarding improvements to Main Street.

LoAnn Barnes, Leeds Chairman of the grant committee, stated the opportunity is here in the form of this enhancement grant to beautify Leeds Main Street. Barnes then introduced Brent Gardner of Alpha Engineering, Nathan Merrill of Utah Dept. of Transportation, Larry Reber of St. George Landscaping. Brent Gardner is affiliated with the pressurized irrigation project of the Leeds Water Co. Main Street is a Utah State road so Nathan Merrill is here to help with the guidelines that must be followed. Larry Reber is here to give some insight on landscaping ideas.

Discussion focused on the Town of Leeds and surrounding area having considerable historical significance. Suggestions were to have a bike path on one side of Main Street. When the water lines are in and the pavement back on the road there will be 58' of pavement which will provide for a center turn lane, the two travel lanes and 10' of parking on both sides. Time line for the completion of the water lines is the middle of May.

The Town Council members and Leeds citizens in attendance questioned Nathan Merrill

about the diamond interchange Leeds desperately needs. The interchange has been on Leeds wish list for several years. Growth and projected growth for Leeds is quite significant at this time and an interchange is needed to lessen some of the traffic on Main Street.

Larry Reber presented several drawings of possible landscape designs for Main Street. Discussion then went to the various kinds of desert plants, trees, rocks, bike paths, benches and possible placement of historical artifacts.

The Leeds residents in attendance were all very much in favor of applying for a grant to beautify Main Street and make it a more welcoming and well groomed community.

Mayor Gier and the Town Council members expressed how much they would like Leeds to have a beautiful Main Street that everyone in the community would be proud of.

Motion by Dale Barnes to close the public hearing. **Seconded** by Darrell Nelson. **Passed unanimously.**

6. ACTION ON PUBLIC HEARING:

Motion by Dale Barnes to pursue this and apply for the grant to beautify Leeds Main Street. **Seconded** by Darrell Nelson. **Roll call vote. Mayor Gier aye. Dale Barnes aye. Darrell Nelson aye. Motion passed unanimously.**

7. TREASURER ELAINE MURPHY:

a) **Jerry Buckner-GASB Statement No. 34.** Jerry Buckner, Leeds Town auditor explained to the council the GASB Statement and State of Utah requirements for compliancy. Buckner and Murphy are currently working on the GASB Statement. Discussion then went to a full audit versus an audit review.

Motion by Darrell Nelson to adopt a \$1,000.00 threshold straight line method for depreciation and useful life span. **Seconded** by Dale Barnes. **Motion passed unanimously.**

Motion by Dale Barnes to approve an audit review rather than a full audit. **Seconded** by Darrell Nelson. **Passed unanimously.**

b) **Financial Report.** Treasurer Elaine Murphy handed out the financial report to the Council Members for their review.

c) **Discuss Capital Facilities Plan and Impact Fees.** Murphy encouraged the Council to review and revise the current Capital Facilities Plan and Impact Fee. Discussion focused on changing the impact fees and updating the use of the fees.

8. CLERK/RECORDER JOY STEVENS:

Stevens handed out the end of the year report concerning business licenses, building permits, conditional use permits and dog licenses.

9. MAYOR NORMA GIER:

Approval to expend \$185.00 for LoAnn Barnes to attend the Utah Trails & Pathway Conference. **Motion** by Darrell Nelson to approve the expenditure of \$185.00 for LoAnn Barnes to attend the Utah Trails & Pathway Conference. **Seconded** by Dale Barnes. **Roll call vote. All aye votes. Motion passed unanimously.**

10. COUNCIL MEMBER DARRELL NELSON:

Planning Commission Items:

Nelson said the Planning Commission discussed the funds that Silver Reef Highlands have set aside for park improvements in the Silver Reef area. The park money needs to be used or the Town will have to refund the money back to the developer.

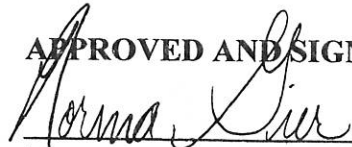
11. COUNCIL MEMBER DALE BARNES:

Nothing further at this time.

12. ADJOURNMENT:

The meeting adjourned at 10:07 p.m.

APPROVED AND SIGNED THIS 8th DAY OF DECEMBER 2004



Mayor Norma Gier



Joy Stevens Clerk/Recorder

**TOWN OF LEEDS PUBLIC HEARING
ATTENDANCE SIGN IN SHEET**

DATE: 12-8-04

PLEASE PRINT NAME AND ADDRESS

1. Loraine Barnes
2. Nathan Merrill USOT 1470 N. Appost Rd, Cedar City
3. Brent Gardner Alpha Eng 148 E. Tabernacle St. George
4. Gary Bucher Helen Bucher MD's 90 E 200N St George
5. John & Elsie Beck 115 S. Main Leeds
6. Jan Madison 242 Vista Leeds
7. George Ludell 95 Cherry Ln. Leeds
8. Kirk McCullough 255 So Main Leeds
9. LARRY B. REBER St. GEORGE, UT
10. Robert Weight 195 So Main
11. Thomas E. Stirling 25 So. main
12. Elaine Murphy 99 E. Center St. Leeds.
13. _____
14. _____
15. _____
16. _____
17. _____
18. _____
19. _____
20. _____
21. _____

Mon. Dec. 13, 2004

MAIN STREET BEAUTIFICATION COMMITTEE MEETING

ATTENDING: Loanne Barnes, Norma Gier, Jan Madison, Elaine Murphy, Gloria Parnell

GRANT APPLICATION DEADLINE :

In Salt Lake by Jan. 7, 2005

UDOT MEETING

Larry Montoya - in charge of decorative lighting for UDOT. Will meet at Town Hall Dec 21, 9:00 a.m. CELL: 801-633-6405 OFFICE: 801-965-4924

Prepare questions in advance of meeting

Should we work on only parts of Main and not the entire street?

Should we utilize side streets, maybe even more than Main?

Should we try to include a bike trail?

Who should we hire to design a landscape plan?

Who will do what within this time line?

Is Brent Gardner the best - he's doing engineering already, town can save money with Brent, better if one engineer does whole project, better use of time/money.

Brent may be willing to wait for payment until grant is received.

Brent may be able to write grant

Can we write it as a categorically excluded project?

GRANT REQUIREMENTS

1. Project proposal or application signed off by UDOT regional director.
2. Letters of support from Main St. residents
3. Site plan in significant detail
4. Larger scale vicinity map
5. For trails, map showing how trails fit into existing or planned trail network for area
6. Photos, selected letters showing broad support: property owners Town Council.
7. Donor letters showing soft match (labor, etc.)
8. Letter from 5 County, Ron Thompson, LDWA, Irrigation Co.
9. Letter from UP&L?

OTHER REQUIREMENTS

Agenda of relevant meetings

Public Hearing minutes

Completed attempt to maintain form

Environmental review

Method of how to maintain project

Estimated maintenance budget

Narratives: brief project description, funding sources from town (local match) expanded description, project benefits, relationship to service transportation (Highway 91), why should

project be funded (include in letter of support from Town), project support (list of all letters), name of person who will maintain, estimated yearly maintenance budget, environmental impact or assessment, project schedule, cost estimates.

12 copies

Pictures

Find out from UDOT whether we can eliminate turn lane in favor of bike lane

LETTER REQUIREMENTS

What about a form letter with a petition? Would that satisfy this requirement?

AREA OF BEAUTIFICATION

Entrance to exit, south to north

SUGGESTIONS

Stone benches

Pylons like by CCC camp

Paver bricks between walk/curb

Town Hall: water feature, paved parking,

Sidewalk from Main to Park

JOB ASSIGNMENTS

Set up meeting with Brent Gardner (done: Thur. Dec. 16, 10:00 a.m., Town Hall)

Petition

Other letters

LOANNE BARNES WILL BE IN CHARGE OF PROJECT

Meet with Brent Gardner

Clarify time line

Clarify Brent's fees and payment schedule

Loanne and Jan will do petition/letter for Main Street residents' approval

DATE: December 16, 2004

TO:

FROM: Norma Gier, Leeds Mayor. Leeds Town Council: Dale Barnes, Dave Harbour, Darrell Nelson, Gloria Parnell

RE: Leeds Main Street Beautification Project

The Town of Leeds and surrounding area are of considerable historical significance. Leeds is the site of one of the best preserved Civilian Conservation Corps (CCC) Camps in the United States. It is located one block off Main Street and is accessible only from Main Street. There are other historical homes fronting Main Street. Visitors to the Silver Reef silver mining area as well as Oak Grove Park must travel Main Street to access those locations. Also accessible via Main Street are the historical Catholic and Protestant Cemeteries. Because Main Street is also part of the old state Highway 91, it realizes considerable traffic for those using it to access Highway 18, Quail Creek Reservoir and Highway 91. As development occurs in Leeds, subdivisions currently under construction will utilize Main Street for ingress and egress to those subdivisions.

Main Street looks very much the same as it has for years. The most recent improvement, occurring about seven or eight years ago, was the installation of sidewalk along one side of Main. There is nothing special about the appearance of Main Street that would attract the positive attention of visitors and residents. In fact, in some parts, Main Street creates a negative impression.

Leeds Town is seeking a UDOT _____ Grant to create a very positive, welcoming, image, one that will also give our town its own personality. This is vital as no one entering or leaving Leeds can do so without traveling all or part of Main Street. Now is also the ideal time for Leeds to pursue such a grant as there is a water line to be installed down Main by the Washington County Conservancy District. Also, the Leeds Irrigation Company is installing a pressurized water system which will eliminate the open irrigation ditch that now exists on the east side of the street. That ditch is a health and safety hazard. At least two children have drowned in the ditch and vehicles have driven into it which has required towing to remove them. Eliminating the ditch will also remove trash buildup in the ditch which often causes water to overflow into the street as well as creating a negative image.

Because Main Street will be disturbed due to the above two projects, it will be resurfaced and reconfigured. This will create a four-foot area on one side that would be ideal for installing decorative lighting, benches, drought-tolerant plants and trees, pavers, etc. One consideration is to incorporate the pylons on the corner of Mulberry and Main showing the location of the CCC Camp. That design could be used along the length of Main as it is such an important part of Leeds' history.

Leeds Town is also actively pursuing a trails system, one that would tie the CCC Camp, Main Street and other areas from the planned system at Red Cliffs Recreation Area to Leeds, Silver Reef, Oak Grove Park and beyond. Leeds definitely wants to be part of Washington County's Trails System due to our somewhat central or pivotal position in the County.

This letter is Leeds' support of, and intention to create a Main Street that will be a unique, extremely attractive, and welcoming sight for residents and visitors alike. This can only be done with the securing of a grant. Thank you for your consideration of this project as you allocate grant funds.

Sincerely,

June 2000

GASB STATEMENT No. 34 AND NEW AUDIT GUIDE

Auston G. Johnson, CPA, State Auditor

In June of 1999, we met as an AICPA task force to rewrite the AICPA audit guide "Audits of State and Local Government Units" (ASLGU). Since GASB Statement 34 (the new reporting model) had just been adopted, we needed a new audit guide that would address the very significant changes caused by its implementation.

One year later, the new audit guide is drafted and in the process of being reviewed by the task force members. Following the task force review, the draft guide will be reviewed by "outsiders" and will hopefully be available in the spring of 2001. Since the new guide addresses the world after Statement 34, the AICPA will continue to support the current ASLGU for a few more years. With the transition to Statement 34 occurring over several years, there will need to be two guides during the transition period.

A number of areas in the new guide have been expanded including: infrastructure, depreciation, required supplementary information, auditing of estimates, revenue recognition, and materiality, just to name a few. Materiality has been a heavily discussed item, not just because of Statement 34, but because the way we have worded the auditor's report does not match up with the way we have planned the audit. The current auditor's report opines on the financial statements taken as a whole, but the audit has been planned at the fund type level or, in practice, by columns.

Under the new reporting model, financial statements are presented using different formats, there are entity-wide statements, and there are fund level statements. Auditing by columns will no longer work the way it has in the past. For instance, there are no fiduciary funds shown in the entity wide statements, and the entity wide statements will include all governmental fund types in one column including all capital assets. All proprietary fund types will be shown in a second column, and component units will be shown in a third. The total column in this presentation will be a true total column and not "memorandum only".

Because of these reasons (and others), the expanded discussion in the new audit guide will deal more with qualitative factors in establishing materiality. Misstatements of relatively small amounts that come to the auditor's attention could have a material effect on the financial statements. Governments as well as auditors will want to consider the qualitative factors as well as quantitative measures in establishing materiality.

We realize that these changes will be stressful to local governments as well as auditors. The State Auditor's Office plans to have extensive training for financial statement preparers and auditors beginning next year. The training, as currently envisioned, will be full day sessions getting down to the nitty-gritty of putting statements together, and performing the audits. The training will be regional and will probably be during the summer months. As we are able to finalize our plans for next year, we will provide you more information.

REPORTING INFRASTRUCTURE IN THE NEW REPORTING MODEL

As we have reported in prior issues of the Newsletter, local governments will be implementing a new reporting model for their financial statements within the next four years. We have previously discussed some of the new reporting requirements and the implementation schedule. In this issue, we will discuss the new reporting requirements for infrastructure.

Local governments are not currently required to report infrastructure assets on their financial statements. However, under the new model, local government financial statements will be required to report both capital assets and infrastructure assets on their balance sheets.

Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, sidewalks, and lighting systems.

There are three major issues related to reporting infrastructure. These include identifying the infrastructure assets, placing a value on the infrastructure, and determining how to depreciate the infrastructure assets.

Identifying Infrastructure Assets

Local governments should begin immediately identifying infrastructure assets owned by the entity. For many smaller local governments this may be a relatively easy task. A municipality may have a limited number of roads, bridges, sidewalks, and lighting systems owned and maintained by the municipality. On the other hand, larger municipalities and counties may have extensive infrastructure that will require significant resources to identify.

It may be necessary for some entities to classify certain types of infrastructure into several subclassifications for placing values on, and depreciating those assets. For example, roads can have several subclasses such as main arterial, arterial, secondary, and dirt roads, etc. On the other hand the classification called "roads" may include curb and gutter, lighting systems, and sidewalks. The way an entity classifies its infrastructure will depend upon its needs and situation.

The new standard requires that most local governments retroactively identify infrastructure assets that were acquired or significantly reconstructed, or that received significant improvements in fiscal years ending after June 30, 1980. However, local governments with total revenues less than \$10,000,000 for the first fiscal year ending after June 15, 1999 are not required to retroactively report infrastructure. But all entities are required to record and report additions to infrastructure after they implement the new reporting model.

Placing a Value on Infrastructure Assets

A much more difficult task than identifying infrastructure assets is placing a value on those assets.

Ideally, local governments will have records that go back 25 or 30 years that document the cost of infrastructure assets. In reality, few local governments will have records that go back that far. The Governmental Accounting Standards Board (GASB) recognizes the difficulty that may be encountered in placing values on infrastructure assets. Therefore, the transition provisions have been designed to minimize the costs of implementing the new model while nevertheless requiring infrastructure assets to be reported.

Governments may use any approach at valuing infrastructure assets that complies with the intent of GASB Statement 34. One suggested approach is to estimate historical cost using current replacement cost. This is done by calculating the current replacement cost of a similar asset and deflating this cost through the use of price-level indexes to the acquisition year or estimated acquisition year if the actual year is unknown. GASB provides the following example:

In 1998, a government has sixty-five lane miles of roads in a secondary road subsystem, and the current construction cost of similar roads is \$1 million per lane-mile. The estimated total current replacement cost of the secondary road subsystem of a highway network, therefore, is \$65 million (\$1 million x 65). The roads have an estimated weighted-average age of fifteen years; therefore, 1983 is considered to be the acquisition year. Based on the U.S. DOT, FHWA's Price Trend Information for Federal-Aid Highway Construction for 1983 and 1998, 1983 construction costs were 69.03 percent of 1998 costs. The estimated historical cost of the subsystem, therefore, is \$44,869,500 (\$65 million x 0.6903). In 1998, the government would have reported the subsystem in its financial statements at an estimated historical cost of \$44,869,500 less accumulated depreciation for fifteen years based on that deflated amount.

Determining How to Depreciate Infrastructure Assets

Another significant challenge will be determining how to depreciate infrastructure assets once they have been identified and valued. Again, GASB states that governments may use any established depreciation method. Depreciation may be based on the estimated useful life of a class of assets, a network of assets, a subsystem of a network, or individual assets. In determining useful lives of assets, governments may use (a) general guidelines obtained from professional or industry organizations, (b) information for comparable assets of other governments, or (c) internal information. A government should also consider an asset's present condition and how long it is expected to meet service demands.

Continuing the example from above, assume that in 1998 the road subsystem had a total estimated useful life of twenty-five years from 1983 and therefore has an estimated remaining useful life of ten years. Assuming no residual value at the end of that time, straight-line depreciation expense would be \$1,794,780 per year ($\$44,869,500 \div 25$) and accumulated depreciation in 1998 would be \$26,921,700 ($\$1,794,780 \times 15$).

Composite methods may also be used to calculate depreciation expense. Composite methods refer to depreciating a group of similar assets or dissimilar assets of the same class using the same depreciation rate. Initially a depreciation rate for the composite is determined. Annually, the determined rate is multiplied by the cost of the grouping of assets to calculate depreciation expense.

As an alternative to depreciation of infrastructure assets, governments may use the "modified approach" for reporting these assets. There are two requirements that must be met to avoid the requirement to depreciate infrastructure assets. First, the government must manage the infrastructure assets using an asset management system that has certain characteristics. And second, the government must be able to document that the infrastructure assets are being preserved approximately at (or above) a condition level

established and disclosed by the government. We will discuss the modified approach for reporting infrastructure assets in more detail in our next edition of the Newsletter.

The good news is that only those governmental entities with revenues in excess of \$10,000,000 for fiscal years ending June 30, 1999 or December 31, 1999 must retroactively report infrastructure. That includes approximately the 19 largest cities, the 19 largest counties, 27 school districts, and about 10 special districts. However, all entities are required to record and report additions to infrastructure following the implementation date for that entity.

FUND ACCOUNTING

In this issue we continue with the third article in a series on fund accounting. This series should be helpful for all sizes of government entities. Our reason for writing this series is to help government accountants and bookkeepers understand the accounting environment and requirements for local governmental units. This article will discuss the capital projects fund.

Before discussing the capital projects fund it must be pointed out that government accounting standards set forth that governmental units can have any number of funds, but that the least number possible should be used. Governments should establish and maintain those funds required by law and sound financial administration. Unnecessary funds will only result in undue complexity and inefficient financial administration.

The Capital Projects Fund

A capital projects fund is mostly an optional fund. When a state or local government undertakes significant capital acquisitions or construction, it may want to use a capital projects fund. Significant capital acquisitions might include the purchase of land, buildings, equipment, and vehicles. It would also include the construction of buildings. The purchase of something which is expensive and lasts over one year is usually considered a capital asset. It is difficult, if not impossible, to save enough money in the general fund for such a purchase, because the size of a general fund's fund balance is limited by law.

The fund balance of a capital projects fund has no restrictions making it possible to save enough in the fund to allow for the purchase of expensive items. That is the purpose of the capital projects fund. The fund also allows the government to account separately for such capital activities. However, a capital projects fund is not required in Utah, except that it's the only realistic and legal way to save for major capital facilities, equipment, and vehicles. A capital projects fund should never be used as a "slush fund," a place to put funds to remain under the legal limit in the general fund. All monies put into and saved in a capital projects fund must be earmarked by the governing board (commission, council, trustees) for the future purchase of specific acquisitions. It is not required, however, that all savings for a capital acquisition be included in this fund, for example, routine acquisitions like office furniture may be saved for and reported in the general fund. Once the government is ready to make the purchase, the payment may be made right out of the capital projects fund, or the payment may be made out of the general fund after the money has been transferred from the capital projects fund into the general fund.

GASB's Codification, G60.105 states that capital grants or shared revenues from other governments restricted for capital acquisitions or construction, other than those associated with enterprise and internal service funds, should be accounted for in a capital projects fund. In this case "should" means must.

GASB RESCINDS YEAR 2000 DISCLOSURE REQUIREMENTS

The Governmental Accounting Standards Board has rescinded the requirements for local governments to report on Y2K preparedness in their financial statements.

As it turned out, most local governments either took adequate measures to prevent Y2K problems, or their systems were not as vulnerable as some feared they might be.

During 1998 and 1999 GASB issued Technical Bulletins requiring state and local governments to include disclosures in their financial reporting regarding steps they were taking to prepare themselves to ensure that they could continue operating when computer clocks turned over to the year 2000. This was a concern since many computers and computer programs were designed using only two digits to indicate the year. Many programs, it was feared, would interpret the digits 00 to mean the year 1900, resulting in chaos.

However, the transition from 1999 to 2000 resulted in very few system breakdowns and some very minor headaches. Therefore, since this has become a nonissue, GASB has rescinded Technical Bulletins 98-1 and 99-1, and Y2K preparedness disclosures will no longer be required for financial statements issued after February 22, 2000.