

NOTICE

Notice is hereby given that the Mayor and City Council will hold a Work Session on Wednesday, January 15, 2014 in the Council Chambers, 45 West 100 South, beginning at 6:00 pm.

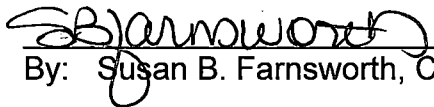
DISCUSSION ITEMS

1. Council Meeting Agenda
2. General Discussion

If you are planning to attend this Public Meeting and, due to a disability, need assistance in understanding or participating in the meeting, please notify the City Office ten or more hours in advance and we will, within reason, provide what assistance may be required.

CERTIFICATE OF MAILING

The undersigned duly appointed City Recorder for the municipality of Santaquin City hereby certifies that a copy of the foregoing Notice and Agenda was e-mailed to the Payson Chronicle, Payson, UT, 84651.



By: Susan B. Farnsworth, City Recorder

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**MINUTES OF A COUNCIL WORK SESSION
HELD IN THE COUNCIL CHAMBERS
JANUARY 15, 2014**

The meeting was called to order at 6:00 pm by Mayor Kirk Hunsaker. Council Members attending: Keith Broadhead, David Hathaway, Mandy Jeffs, and Nick Miller. Council Member Matthew Carr arrived at 6:10 pm.

Others attending: City Manager Ben Reeves, Director Dennis Marker, Director Dennis Howard and Brent Norton.

DISCUSSION ITEMS

City Manager Reeves reviewed the proposed budget adjustments which will be on the agenda in February (see attachment "A" for a copy of the presentation).

Council Meeting Agenda

The agenda items were reviewed with Director Marker reviewing the Resolutions and Ordinances which will be addressed during the regular meeting.

General Discussion


There wasn't enough time for a general discussion.

The meeting adjourned at 6:54 pm.

Approved on February 5, 2014.



Kirk Hunsaker, Mayor



Susan B. Farnsworth, City Recorder

2013-2014

Budget Amendment (#1) (Draft)

A Tale of Two Stories...

Operational vs. One-Time Events





Operational

The 2013-2014 fiscal year is looking fairly good

Growth is up as well as Sales Taxes and other leading indicators

As of 12/31 (6 mo. of the fiscal year) we have the following balances

Fund	Revenue	Expenditures	Net
General	\$2,367,250	\$2,082,652	\$284,598
Water	\$520,845	\$502,440	\$18,406
Sewer	\$737,258	\$333,332	\$403,926
PI	\$391,747	\$389,030	\$2,716
Total	\$4,017,100	\$3,307,454	\$709,646

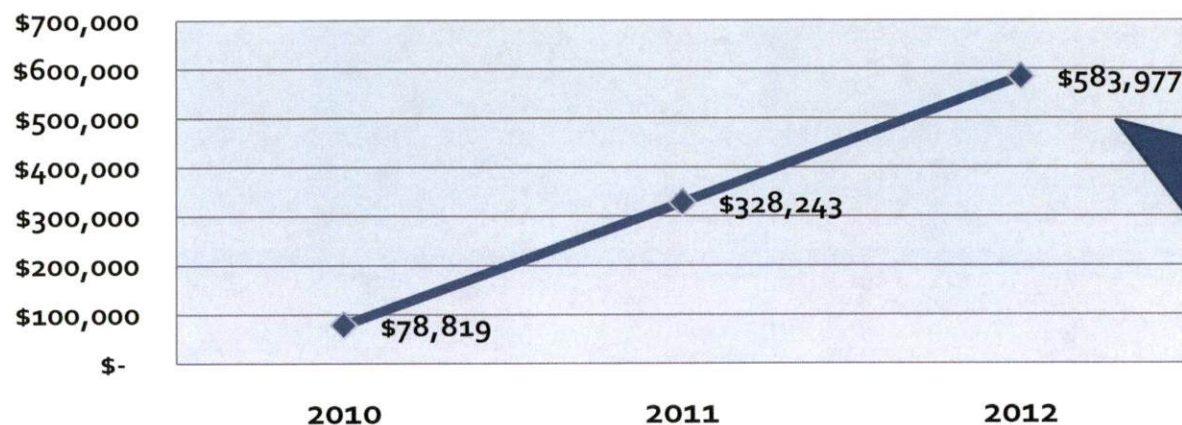
Of course, we should remain vigilant as always, our operational position is cautiously optimistic.



Audit Report

Furthermore the Audit report also indicates that we have a much more healthy General Fund. This has not always been the case. Utah State Law requires that Municipalities maintain a Fund Balance of 5-18% of the Next Year's Anticipated Revenues in their Fund Balance. Due to the Recession and due to the clean up of our accounting records to fully retire the old "Natural Gas Fund", Santaquin City has struggled to restore health to its General Fund

General Fund Balance



According to the Audit Report, our current Fund Balance is \$1,132,402.

\$300,000 of this money is our "One-Time" money that was set-aside for roads



Risks

With all of the attention on the General Fund, we have been depleting our Revenue Funds (e.g. Water, Sewer, Pressurized Irrigation). While the balances in these funds meet Utah State requirements and Bond Coverage Ratios, Johnathan Ward has cautioned us that we would be well advised to strengthen these funds to improve their ability to fund future projects. (e.g. credit scoring if you will).

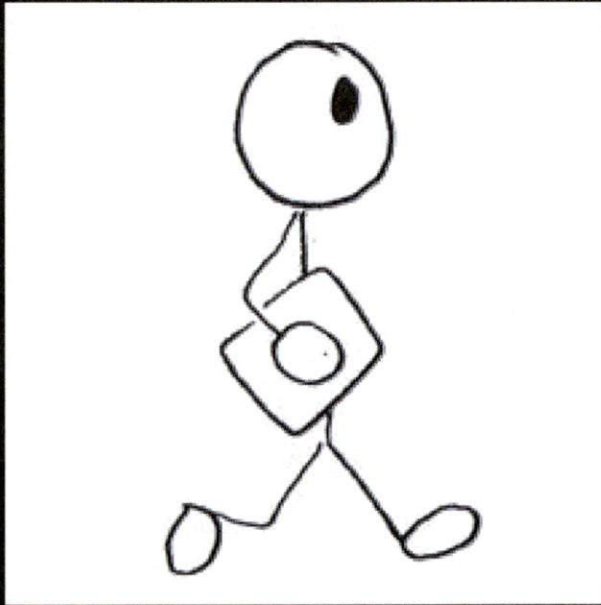


So what are the “One-Time Events”

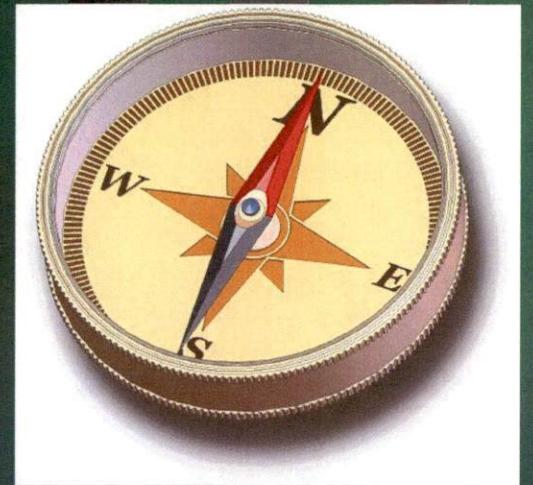
- WRF Engineering \$181,051
- Fire Department Payroll Liability \$119,103
- Fire Department Turnout Gear \$39,600
- Municipal Energy Tax (Previous Year) \$84,262
- Municipal Energy Tax (Current Year) \$90,000

- Account for the Property Tax Increase
- Transfer Monies into the Roads SSD

Your Direction is Needed...



1 2 3 4



WRF

- We are currently working with JUB and Flatiron to complete punch list items with an anticipated completion date of 1/31/2014.
- JUB will issue a letter to Santaquin City indicating that the plant was "Built to Specifications" and that they "Recommend Acceptance"
- Santaquin City will pass a Resolution "Accepting" the project as "Complete"
- This starts a 60-Day Period for Sub-Contractor to file any outstanding liens (if any)
- Currently, of the \$181,051, the city contracted with JUB, we have an outstanding balance we owe them of \$21,375.
- We are also currently holding the final payment of a little more than \$400K to Flatiron until their punch list is complete.
- We also anticipate a final invoice from SKM for SCADA work.

RECOMMENDATION: We have a Second Budget Amendment for the WRF later in the year after we close the financials on the project. I feel there is sufficient reserves in the Sewer Fund, sufficient growth in the Sewer Impact Fee Fund, (and sufficient reserves in the General Fund if absolutely necessary) to cover project closeout.

All other One-Time Items have been Included in Budget Amendment #1