

NOTICE

Notice is hereby given that the Mayor and City Council will hold a Work Session on April 04, 2012 in the Council Chambers, 45 West 100 South, beginning at 6:00 pm.

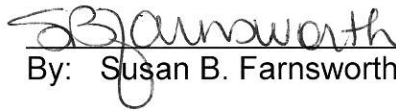
DISCUSSION ITEMS

1. City Council Meeting Agenda Items
2. Review of Bond Refinancing Options
3. 2012-2013 Budget Schedule
4. 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

Posted:

City Offices

Post Office

Zions Bank

**MINUTES OF A COUNCIL WORK SESSION
HELD IN THE COUNCIL CHAMBERS
APRIL 04, 2012**

The meeting was called to order by City Council Member Richard Payne at 6:02 p.m. Council Members attending: Keith Broadhead, Matthew Carr, James Linford, Richard Payne, and Rick Steele. Mayor DeGraffenried entered the meeting at 6:42.

Others attending: City Manager Ben Reeves, Public Works Director Wade Eva.

DISCUSSION ITEMS

City Council Meeting Agenda Items

Change Order #1

Wade Eva reviewed Change Order #1, the addition of an anti-surge valve. Mr. Eva said this valve is like an insurance policy for the pumps. The valve is able to dump excess water in the event of a surge, and allows water back in when needed so the pumps do not burn up.

Cost for the change in valves is \$2100. The bids for the East Side Pump came in much lower than anticipated, so funds are available. Ben Reeves said that although the City was scheduled to pay a percentage of the total cost, when the Public Safety building was done CDBG asked the City to keep the amount saved, due to the paperwork issues involved.

Ben Reeves said this valve change had been suggested and accepted at the Pre-Construction meeting. It has been brought to the Council for ratification. Mr. Reeves suggested moving this item to the consent agenda.

Employee of month awards

Mr. Reeves said one of the awards for the Parks and Recreation department listed on the agenda was a mistake. Leisure Services won department of the year and outstanding young professional, and was nominated for outstanding program of the year.

Mr. Reeves said he would be out of the office next week, Susan Farnsworth and Linda Midgley would be training the week after, and Dennis Marker would be gone the following week. Rather than change the regular schedule, Mr. Reeves recommended the meetings proceed normally, with Mr. Marker attending City Council next week, Shannon Hoffman or someone else take minutes the meeting scheduled for April 18th, and Mr. Reeves attending the week after. This item could be added to the consent agenda as well.

Mr. Reeves said Kim Lefler from Payson would be at the meeting to share her work on the Communities that Care program, which is designed to help children avoid drugs. This program takes a holistic approach, with cities working together with the schools and other entities. This program has been successful in north Utah County. Mr. Reeves said there is no line item for this donation, but it could be worked into the budget if the Council decides to move forward with it.

Training

Jeremy Roos gave the Council some basic training on the new tablets.

Review of Bond Refinancing Options

Ben Reeves distributed a budget update. He said this page was normally derived by the auditors in their year end auditing statements, but the new programs enabled the City to generate their own. Mr. Reeves reviewed the City's long term debt. He said that during the Waste Water Treatment Facility bonding process, the funding partners had suggested opportunities existed to retire some of the debt. Jonathan Ward of Zion's Bank had put together a packet with interest rate variations, showing that this was an opportune time to refinance. The PI bonds, currently at 3.5%, could be lowered to 2.9%. Mr. Reeves reviewed the differences in refinancing by direct and non-direct placements. He said Mr. Ward had asked for a list of system items, such as reservoir size, the number of connections and future planned improvements; and when that is put together, the City will meet with Mr. Ward to discuss refinance options.

With direct placement, the savings would be around \$15,000 a year, about \$199,000 over the life of the loan. Closing costs would run around \$50,000, which would be rolled into the loan. The City would not need to keep reserve balances if this is done, just an insurance policy. In answer to a question from Council Member Broadhead, Mr. Reeves said some of the reserve could be used to pay on the loan. Council Member Linford discussed the 4-18 call date, saying typically the new date would be close to the same time. He said it made sense to refinance.

Council Member Steele asked about the building lease on the property across from the public safety building. Mr. Reeves said the City cannot go into a mortgage, so typically did a lease. The same thing had been done for the Goudy property.

Mr. Reeves said the City would need to ensure the existing sewer debt could be paid off early. As they were trying to retire the lagoons all in one project, refinancing made sense if the property would not be sold for several years.

2012-2013 Budget Schedule

Mr. Reeves distributed proposed timelines for the 2012-2013 budget schedules, with and without tax increases. He said data was being collected from the departments. Department heads had been given packets with a history of actual spending for the last seven years, this year's budget, actuals so far this year, and a spreadsheet for line items planned. Mr. Reeves reviewed the timeline, including the changes a tax increase would make.

State guidelines for a possible tax Increase were reviewed. Council Member Linford asked if tax increases would be offset with fee reductions. Mr. Reeves said that would be up to the Council. Any increase would take effect in November. Mr. Reeves stressed that one time savings should not be spent on recurring costs. Council Member Payne asked if the Council could see the budget in revisions. Mr. Reeves said that would be possible.

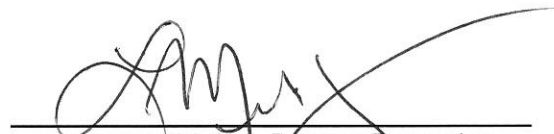
General Discussion

No items for general discussion were brought to the attention of the Council.

The meeting adjourned at 6:55 p.m.

Approved on April 18, 2012.


James E. DeGraffenried, Mayor


Linda Midgley, Deputy Recorder

2012-2013 Budget Schedule

(Without Tax Increase)

- | | |
|--|---|
| • February | Council Establishes Goals & Directives (Retreat) |
| • March & April | Gather Input from Department Heads |
| • April 1 st – April 25 th | Creation of Draft Budget (Pre-Cuts) |
| • <u>April 25th</u> | Budget Work Meeting - Policy direction setting by Council |
| • April 19 th - May 1 st | Update of Draft Budget (Preparation of Balanced Budget) |
| • <u>May 2nd</u> | Council Meeting – Mayor's Presentation of Draft Budget |
| • May 3 rd - May 9 th | Council's Detailed Review of Draft Budget |
| • May 9 th | Budget Work Meeting – Council to propose modifications |
| • May 11 th - May 16 th | Revision of Budget into Tentative Form |
| • <u>May 16th</u> | Council Meeting – Council to adopt Tentative Budget |
| • <u>June 6th</u> | Council Meeting – Public Hearing & Possible Adoption |
| • June 13 th | Possible work meetings if Council determines that changes are needed based on public comments |
| • <u>June 20th</u> | Council Meeting – Adoption of final budget (<i>if not approved 6/6</i>) |
| • June 21 st | Budget filed with State Auditor's Office |

2012-2013 Budget Schedule

(With Tax Increase)

- | | |
|--|---|
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| • <u>June 6th</u> | Council Meeting – Public Hearing on Tentative Budget |
| • June 13 th | Possible work meetings if Council determines that changes are needed based on public comments |
| • June 22 nd | Notify County Auditor of Intent to go through Truth in Taxation |
| • July | Place two ads in a newspaper of general circulation |
| • <u>August 1st</u> | Council Meeting – Public Hearing on Tax Increase & Possible adoption of final budget (to include or exclude proposed tax increase) |
| • <u>August 15th</u> | Council Meeting – Adoption of final budget (<i>if not approved 8/1</i>) |
| • August 17 th | Budget filed with State Auditor's Office |