

NOTICE AND AGENDA

Notice is hereby given that the City Council of the City of Santaquin will hold a City Council Meeting on Wednesday, April 6, 2011, in the Council Chambers, 45 West 100 South, at 7:00 pm.

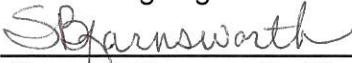
AGENDA

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. INVOCATION/INSPIRATIONAL THOUGHT
4. CONSENT AGENDA
 - a. Minutes
 1. March 16, 2011
 2. March 23, 2011
 - b. Bills
 1. \$23,374.71
5. FORUM, BID OPENINGS, AWARDS, AND APPOINTMENTS
Public Forum is held to a 30-minute maximum with each speaker given no more than 5 minutes each. If more than 6 Speakers, time will be adjusted accordingly to meet the 30 minute requirement
6. FORMAL PUBLIC HEARINGS
7. UNFINISHED BUSINESS
 - a. Discussion and possible action with regard to issuing a Notice to Proceed to Condie Construction for the Main Street Project
8. BUSINESS LICENSES
9. REPORTS OF OFFICERS, STAFF, BOARDS, AND COMMITTEES
10. NEW BUSINESS
 - a. Authorization for the Mayor to sign the RB&G Engineering, Inc contract pertaining to the 400 E/Main Street Project
 - b. Discussion and possible action with regard to the 2011 Municipal Recreation Grant Program
11. INTRODUCTIONS AND ADOPTION OF ORDINANCES AND RESOLUTIONS (Roll Call Vote)
 - a. Resolution 04-01-2011 "A Resolution Adopting the Santaquin City Employee Policies & Procedures Handbook"
 - b. Resolution 04-02-2011 "A Resolution Setting the Fee Schedule for Santaquin City"
 - c. Resolution 04-03-2011 "A Resolution to Enter Into a Non-Exclusive Lease Agreement With DIGIS, LLC"
 - d. Resolution 04-04-2011 "A Resolution outlining the Santaquin City Landfill Conversion and Public Closure"
12. PETITIONS AND COMMUNICATIONS
13. REPORTS BY MAYOR AND COUNCIL MEMBERS
 - a. Mayor DeGraffenried
 - b. Council Members
14. EXECUTIVE SESSION (May be called to discuss the character, professional competence, or physical or mental health of an individual)
15. EXECUTIVE SESSION (May be called to discuss the pending or reasonably imminent litigation, and/or purchase, exchange, or lease of real property)
16. ADJOURNMENT

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 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 CENTER
POST OFFICE
ZIONS BANK

**MINUTES OF A COUNCIL MEETING
HELD IN THE COUNCIL CHAMBERS
APRIL 6, 2011**

The meeting was called to order by Mayor James E. DeGraffenried at 7:00 pm. Council Members attending: Filip Askerlund, James Linford, Rick Steele and Brent Vincent. Martin Green arrived at 8:25 pm due to being out of town.

Others in attendance: City Manager Ben Reeves, Public Safety Director Dennis Howard, Carl Van Ausdal, Debra Van Ausdal, Idonna Crook, Maureen Ross, LaVon Ross, Lisa Greenhalgh, Marilyn Clayson, Teresa Fowden, Nan Smith, Barbara Bean, Janet Kelley, Francell Pierce, JoAnne Bradford, Norman Taylor, Keith Broadhead, Roger Kaufman, Marianne Stevenson, Jana Hedelius, Jennifer Hedelius, Dennis Underwood, Anna Jackson, Catherine Underwood, Mary Shepherd, Clarice Peterson, Kenyon Farley, Ricky Wall, Carla Carter, Carwynn Carter Candi Higley, Matt Carr, and other unidentified individuals.

PLEDGE OF ALLEGIANCE

City Manager Reeves led the Pledge of Allegiance.

INVOCATION/INSPIRATIONAL THOUGHT

Mr. Carr offered an Invocation.

CONSENT AGENDA

Minutes

March 16, 2011

March 23, 2011

Bills

\$23,374.71

Council Member Linford moved to approve the Consent Agenda. Council Member Askerlund seconded the motion. Council Members Askerlund, Linford, Steele and Vincent voted in the affirmative.

FORUM, BID OPENINGS, AWARDS, AND APPOINTMENTS

Mr. Broadhead indicated he is here to report and to let the Council know those in attendance are with him and are a small portion of those who have signed the petition to recall the sewer bonds. He reported there were 674 signatures on the petition. He said "That doesn't include the ones that are scared to sign because they are going to be on jury duty. It doesn't count the ones afraid because there is going to be retaliation, and relatives of City Employees that are afraid there will be retaliation towards them. So it is my thought that we could probably pick up another hundred or so if those people would sign".

Mr. Broadhead reported the petition was turned into the County this morning. He understands that the names will be certified by the County and returned to the City Recorder who will then present the petition to the Mayor and Council Members.

Mr. Broadhead continued by saying, "I am hoping this time when a decision is made, the Council makes it and not the Administration". Mr. Broadhead stated that most of the Council knew now but didn't know then that the last petition was filed and "two days later you awarded a contract to a contractor to build this thing knowing there was a petition filed, at least some of you did". Mr. Broadhead said "they ended up in court over this thing and he had to call some of the Council Members and tell them he was suing them. They had no idea". He said the way he understands it, after they went to court there was no mention of what happened in court. Mr. Broadhead added "he thinks this thing needs to be decided by the City Council when it comes back from the

County". Mr. Broadhead said "he wanted to mention a little of why he's involved in this thing". He said originally he was not, he was in the background. "There were a couple of names on the applications filed, and I got it confirmed by one of them, for lack of a better word, threats of a lawsuit from the City Council if they kept their names in the petition. The way I understand the Constitution, the Citizens have a right to do this. When I heard there was some bullying going on, I put my name in and somehow I evolved to the top and it is my name that has took you to court. But there was 8 of us that applied. The things we have heard out in the City, it would have been good for all of you to go but the thing the people are most mad about is the rates went up in October over 120%, they are wondering why, and what they are getting out of their money. Then when we tell them about the extra \$900,000 and the \$9.9 that we are borrowing, they wonder if this thing is ever going to end and there are a lot of questions I think need to be answered. It's my opinion that the City Council accept this petition, whether it is certified or not and let it go to a vote and then the information will get out to the people. I know you have tried. You have had 58 meetings, read it in the newsletter. People don't care until it hits their pocketbook and it did and they are quite angry about it. In fact a lot of people have asked why there isn't two petitions, some to remove members of this body. We aren't going to get into that fight, but that is how mad some of these people are". His recommendation was that, "with the 675 which is 100 more than voted for the Mayor in the last election, the City Council just do the right thing right now, either drop this project, look for Plan B or at least let it go to the ballot which is in November and get some more public hearings going so both sides can talk to this thing. With that, that's my report and thank you for your time".

Council Member Askerlund asked, "Keith, I'm concerned about what you said when you talked about retaliation. Who said that?" Mr. Broadhead answered, "We have heard it from a lot of people. I am not going to sit here and name names". Council Member Askerlund said, "I am not asking you to name names, I want to know". Mr. Broadhead said, "They're afraid, and this is public information now, that when it comes back, that somebody in this City is going to read down through the names and start calling people asking why did you do this to me. That retaliation is one. Another is relatives of employees that work here, if I sign it what's going to happen to my relative that works here, is someone going to go after them and retaliate". Council Member Askerlund said he would hope that would never happen. Mr. Broadhead said, "We would hope so but with what's happened to get me to this point, I don't know if that can be trusted or not".

Council Member Vincent asked Mr. Broadhead how many signatures were required for the petition. Mr. Broadhead responded "I should have said that. The Supreme Court did not require it. The State statute when we first started into this thing required 25% of the people that voted in the last Governors election, which was 246. While we were doing this the Legislature met and they changed it to 25% of the people who voted in the last Presidential election. That brought us up to 464. So we are well over it. We are thinking even with the 10% boot out, we will still have the correct number that would be needed. One other thing I have heard is the Supreme Court said that you have to go back to court and fight this. I was there and never heard that. I think you have the opportunity to go back if you would like but they did not require you, they're not going to come arrest you if you don't come back to court. I think the City Council have the last say in this thing and they should make that decision".

Mr. Kaufman addressed the Mayor and Council Members. He said "I've been a resident here in Santaquin for over 27 years. First of all let me thank everybody here for the great job that you think you are doing. I know you wouldn't be here and dedicate your time to this job if you didn't try

to mean well. But I support the endeavor of blocking the new sewer. Over the years that I have lived here I've seen the progress, and I understand that progress costs money. But if you look at these people, the majority of them are on a fixed income. I'm still working, thank the Lord, but I am going to be on a fixed income sometime too. And you all will too if you're not already there. I think our money would be better spent, I mean, look, we have 8600 residents in Santaquin now. We don't even have a grocery store, for Lord's sakes. I think the money's well spent somewhere else right now, honestly. I know I am not happy with my City bill but I know I have to pay for the services that are provided to me. How much is this new sewer bond going to cost me? Does anybody know?" Mayor DeGraffenried told him the cost would be the \$20.00 and that would be it. Mr. Kaufman continued by saying, "\$20.00 a month, what can I do with \$20.00 per month. I go to Payson and back to get my groceries a couple of times. I support this block on this sewer lagoon sewer proposal. I just hope in your hearts that you are not doing this for personal gain because over the years I've lived here I've seen it happen. People get in the City Council, the Mayorship, and it ends up being a personal gain. Now nobody can deny that and I can name you names if you want me to name names but I won't. I will put in the paper if you want to see that. I've served my country and I've served, worked a full career and I've tried to live my life as honest as possible straight forward and God bless you to make the right decision on this one. Thank you."

Ms. Jackson reported the Miss Santaquin pageant is scheduled for May 14th with 9 girls participating. She excused Miss Santaquin Shelby Judd from attending this evening as she is out of town attending school. Ms. Judd will be holding a 5K on Saturday to promote her Miss Utah Platform "Alzheimer Awareness". The 5K information is available on the City Website.

FORMAL PUBLIC HEARINGS

Nothing

UNFINISHED BUSINESS

Discussion and possible action with regard to issuing a Notice to Proceed to Condie Construction for the Main Street Project

City Manager Reeves reviewed the Notice to Proceed with the Mayor and Council Members. He indicated Condie Construction has 15 days from the Notice of Award to get the required documents into the City. Council Member Steele was told that UDOT requires lanes of travel be open at all times. The one time a lane shutdown will be required is not related to this project. The lane restrictions will be in conjunction with the bridge deck project. There will be a minimum of two and maximum of four 40 hour periods that Main Street will be shut down under the bridges. Traffic will be rerouted during this time. UDOT will try to schedule the shutdown over a weekend when traffic will be at a minimum. During the lane restrictions, the two projects will be coordinated so travel will be impacted as minimally as possible. Holidays and celebration events have been planned into the project timeframe so the contractors are well aware of these issues.

Council Member Linford moved to authorize the Mayor to sign the Notice to Proceed to Condie Construction for the Main Street Project as soon as documents are in place. Council Member Steele seconded the motion. Council Members Askerlund, Linford, Steele and Vincent voted in the affirmative.

BUSINESS LICENSES

Nothing

REPORTS OF OFFICERS, STAFF, BOARDS, AND COMMITTEES

Mr. Carr reported the Planning Commission reviewed the proposed SITLA Land Conceptual Development Plan. Upon review, the Planning Commission sent the information on to the Council Members with a positive recommendation.

The Planning Commission also reviewed the Santaquin Seasons Subdivision, which was also sent to the City Council Members with a positive recommendation. Mr. Carr indicated there was a discussion held with regard to the 150 South Road, with the understanding that the Council Members would have the final say as to the redesign of the road.

NEW BUSINESS

Authorization for the Mayor to sign the RB&G Engineering, Inc contract pertaining to the 400 E/Main Street Project

Council Member Vincent voiced his concern as to this contract not going through the bid process. He was told that RB&G completed the initial soil testing of the project. The soil testing was performed before the project funding source was updated. RB&G is a preferred provider for UDOT and has completed the UDOT procurement process and was selected to complete the testing when the project was federally funded. Now that the project is a County funded project, the Council Members can choose any soil testing company they prefer.

Council Member Linford moved to grant Authorization for the Mayor to sign the RB&G Engineering, Inc contract pertaining to the 400 E/Main Street Project. The motion died due to lack of a second.

Council Member Linford moved to grant Authorization for the Mayor to sign the RB&G Engineering, Inc contract pertaining to the 400 E/Main Street Project. Council Member Askerlund indicated he was frustrated that the Council Members were not informed in the choice of the company. Council Member Askerlund seconded the motion. Council Member Steele voiced his concern that UDOT would not allow the City's employees to perform the inspections. Council Members Askerlund, Linford, and Steele voted in the affirmative. Council Member Vincent voted against the motion. The motion passed by majority vote.

Discussion and possible action with regard to the 2011 Municipal Recreation Grant Program

City Manager Reeves reviewed the memo provided by Shannon Hoffman with regard to the 2011 Municipal Recreation Grant Program. See attachment "A" for the full memo.

Council Member Vincent voiced his support for upgrading the hood/venting system at the Snack Shack. Council Members Vincent, Askerlund and Steele would like the proceeds from the Snack Shack sales be used to better the programs that are played on the fields that the Snack Shack services.

Council Member Steele moved to support the installation of the hood/venting system at the Snack Shack to meet Health Department Regulations & Building Codes so that the grill and fryer can be used. Council Member Askerlund seconded the motion. Council Members Askerlund, Linford, Steele and Vincent voted in the affirmative.

INTRODUCTIONS AND ADOPTION OF ORDINANCES AND RESOLUTIONS (Roll Call Vote)

Resolution 04-01-2011 "A Resolution Adopting the Santaquin City Employee Policies & Procedures Handbook"

Council Member Askerlund said he had a number of questions and comments with regard to the proposed handbook. He asked his questions and requested some word changes.

Council Member Askerlund moved to approve Resolution 04-02-2011, "A Resolution Adopting the Santaquin City Employee Policies & Procedures Handbook". Council Member Linford seconded the motion. Council Members Council Members Askerlund, Linford, Steele and Vincent voted in the affirmative through a roll call vote.

Resolution 04-02-2011 "A Resolution Setting the Fee Schedule for Santaquin City"

Council Member Askerlund moved to approve Resolution 04-02-2011, "A Resolution Setting the Fee Schedule for Santaquin City". Council Member Steele seconded the motion. Council Members Askerlund, Linford, Steele and Vincent voted in the affirmative through a roll call vote.

Council Member Green arrived at 8:35 pm.

Resolution 04-03-2011 "A Resolution to Enter Into a Non-Exclusive Lease Agreement with DIGIS, LLC"

Council Member Askerlund moved to table Resolution 04-03-2011, "A Resolution to Enter into a Non-Exclusive Lease Agreement with DIGIS, LLC" until all documentation is presented to the Council. Council Member seconded the motion. Council Members Askerlund, Green, Linford, Steele and Vincent voted in the affirmative.

Resolution 04-04-2011 "A Resolution outlining the Santaquin City Landfill Conversion and Public Closure"

City Manager Reeves indicated BFI Representatives have interest at the local level in leasing the landfill property. He indicated information on the closure could be included in the City Newsletter. It is the recommendation from the Staff to facilitate a closure to the Public only. If the landfill is closed to the public, there will be a reduction in the monthly landfill fee.

Council Member Askerlund moved to approve Resolution 04-04-2011, "A Resolution outlining the Santaquin City Landfill Conversion and Public Closure". Council Member Vincent seconded the motion. Council Members Askerlund, Green, Linford, Steele and Vincent voted in the affirmative through a roll call vote.

PETITIONS AND COMMUNICATIONS

Nothing

REPORTS BY MAYOR AND COUNCIL MEMBERS

City Manager Reeves reported the City is anticipating a significant increase in the employee health insurance. There is an option of participating in a Health Care Exchange. The time frame to participate in the exchange will be about the same as the time frame associated with receiving the increase amount. Additional information will be shared as it is available.

Mayor DeGraffenried

Nothing

Council Members

Council Member Vincent asked what is being done with regard to the possibility of flooding issues. He was told that Community Development Director Dennis Marker as well as the Public Works department will be meeting with County Representatives tomorrow to discuss this issue further.

Council Member Vincent indicated he would also like a future discussion with regard to accepting money in lieu of water. He would like to have a fee established.

Council Member Vincent questioned what the intentions of the Mayor and Council Members were with regard to the sewer petition. He was told the City would need to wait until the County Representatives have reviewed the sewer petition signatures before action is taken on the issue. Council Member Vincent indicated he listened to the court audio and he didn't hear any recommendation to return to the courts. He indicated in an editorial from the "wonderful friend the Daily Herald" it stated that HB477 was more important than this. He said, "To the citizens this is way more important." He asked City Manager Reeves if he was misquoted again. City Manager Reeves indicated he hadn't spoken with anyone with regard to the editorial. He reiterated to the Council Members that the "costs are killing us". City Manager Reeves said, "There are many procedures that they could use to move forward. There is allowing the Supreme Court to evaluate the merits of the case, which they have never heard; going through a bond validation which Salt Lake City has done; and there is a Declaratory Judgment type of an action where we can just go and get an evaluation on the merits right off the bat". City Manager Reeves said, "It was important to note that the costs are killing us. I am in the position here of trying to go through the budget, trying to figure out even from an operational stand point from this year to next year where we are going to be. I have serious concerns that I need to bring before you and talk to you about how we can try to project the same level of service we have for the citizens without increasing revenues and at the same time figure out where to make potential cuts if there are going to be cuts. There are implications all over the place with regard to this. There is the implication that right now, yes they did obtain 674 signatures but many reports have come back that a lot of mistruths were stated during that. For example, we've had reports back that people were told that if you did not sign this petition that rates would go to \$80.00 or above. That is a complete mistruth. If we go forward with this project, we are mandated, required by USDA that we cannot go over \$42.00 per month as an average. The only increase can be a cost of living increase. But because that was put out to the public, people were fearful and said okay, I don't want to see my rates go up so I will sign this. How much of that was prevalent or how much it was not, I don't know. All I know is that was the report that came back".

Council Member Vincent asked, "Are we going to put it on an agenda as a discussion item? How are we going to handle it?"

Council Member Linford indicated they needed to see what the County had to say.

Council Member Vincent asked, "If they come back with the number required for their petition, the decision is in our court, right?"

City Manager Reeves stated, "In good faith when the Supreme Court made their ruling, we knew at that time that we could go out and we could have the same type of petition and get signatures that would state that yes, they are for that or I was misled when I filed it and I want to retract my name off of the petition. We knew we could go through that type of a process. We also could have

had a huge PR campaign to try to educate the public as to why this is so detrimental in waiting. We could have done a lot of things but we didn't do any of those things because we didn't want to inhibit any of the efforts they had, we didn't want to step on any toes, we wanted to fully comply with the Supreme Court because in the very first portion of the Supreme Court, the Chief Justice asked Tony Rampton why they didn't want to just get to the merits of this case. He asked why they wanted to go out and do this petition." City Manager Reeves read the quote, "Within the first 5 minutes the Chief Justice questioned Mr. Rampton, saying that 'it made sense in terms of practicality to get to the merits sooner than later when it came to the issue of referability, and I am a little bit puzzled by your position, that you would rather go back and get your petition packets and get your signatures, and then have this fight, and then request the Court to treat this, as, assuming we jurisdiction, a petition of Declaratory Judgment on the merits of the case. Why wouldn't you rather have us get to the merits if a procedural method exists by which we could do this at this point in the proceedings'. Mr. Rampton's only reply was that 'until we know we can get the signatures the question as to Legislative versus Administrative, Constitutionality, etc., etc, don't have to be addressed by the court. The Chief Justice said 'That's true, the issue is abstract, but I am puzzled by the notion that you would rather spend the time and money to get the petitions, assuming you are confident of your ability to do that, then run the risk that when the merits are addressed, that was all for not. Mr. Rampton replied, 'Frankly, your Honor, these two issues of Legislative verses Administrative and the constitutionality of the statue are both significant issues. They have not been thoroughly briefed. They should be thoroughly briefed, which I would much prefer to have the court state, as Justice Zimmerman did (he was referring to another case), 'Find out if you can get the signatures, if you can, then let's address the issue of constitutionality and referability of the issue, but brief it properly. This case was presented on an expedited basis to the Court. I can assure you that my brief is not thorough. It is not complete'. Another Justice stated to Mr. Rampton, 'I didn't think it was that bad.' and then they went into the timing issue".

City Manager Reeves indicated the Supreme Court couldn't get to the merits of the case because of the procedural issues. It was anticipated that the issue would be returned to the Supreme Court because of the two comments of the Chief Justice. That is why the City didn't go out and obtain signatures in the reverse. Had the City done that and obtained the signatures, they might not have the required number of signatures. He indicated just the cost of the project materials is going up. The cost of the "battle" thus far is equivalent to the amount of money collected in a year of residential property taxes.

Council Member Askerlund said, "I have sat here now and listened to and participated in, voiced my opinion numerous times on this whole process. I've listened to good friends say they voted because they felt the majority was for it. I have had other good friends in previous years ask why this couldn't be put on the ballot and not you but others who were in your position indicated to this Council, not this Council, but the Council, that it was cost prohibitive, that it was too late, the ballots had already been printed and I wonder now 3 ½ going on 4 years later how much money we would have saved had we followed that suggestion by Council Member Green and put it on the ballot. I honestly in my heart of hearts feel like this is so divisive for the community and if it doesn't affect our ability to get the bonds". Mayor DeGraffenried and Council Member Linford interjected by stating that if it was voted down there wouldn't be any bonds. Council Member Askerlund continued by saying, "Mayor, listen, I asked you if this was put on a ballot if that affected our ability, if the people issuing the bonds would wait for that, and you told me yes". Mayor DeGraffenried indicated, "if it passes". Council Member Askerlund said, "The time between now

and the election, they were okay with, as long as it was voted and approved, the bonds were still there". Mayor DeGraffenried and Council Member Linford stated in the affirmative but the costs are increasing each day. Council Member Askerlund stated, "As far as the costs are concerned, the question I have is what is more important, is it the ability of the citizens of this community to say yea or nay or the costs and therein lies the question, is it not? So if we have the ability to put it on the ballot and let them decide and the people vote and they say yes we want it. It seems to me that all the issues are gone. Yes, we have spent some money we didn't need to but by the same token had we put it on the ballot 4 years ago we wouldn't have spent that money. So maybe it is penance due for not having done it that way to begin with. The Mayor indicated to me 2 weeks ago that had it been on the ballot on the last election he would have supported it. I just think that we look like we are disenfranchising the people of this community to have a say and yes, we've spent \$2 million dollars and we've lost \$300,000 but, bottom line, what's more important?"

Mayor DeGraffenried said he believed the citizens have a right but the majority of the citizens didn't show up when the Council passed or approved all the documents with regard to the project, they authorized the Mayor and Council Members to proceed and act on their behalf. He doesn't believe the problem is going to a vote. The problem is what is going to be done with the waste as the lagoons are at capacity. Mayor DeGraffenried said, "I don't care what somebody else says, they are at capacity. We need to buy new ground and we need to do other things to make it work. If this fails because of emotion, the rates will not be at \$20.00 dollars, they will be up to \$80.00 dollars and will not be able to fix it because our bond rate leaves, and we have no bonds because we turned down over \$6 million dollars worth of grants". Council Member Askerlund asked the Mayor, "Are you saying that if this were on the ballot and voted down and now we have to come up with Plan B, that there is absolutely no funds anywhere available to fund or partially fund whatever Plan B is?" Mayor DeGraffenried indicated the City's bonding rate drops, which makes it difficult to obtain private bonds and we would never get this type of bond again. Council Member Askerlund was told the bond rate would drop because we have had bonding partners that have spent the past 4 years working with us to put this together and they will basically tell us to go to hell. City Manager Reeves indicated what the Mayor was getting at is that if the City doesn't have the support of the funding partners to give the City the low interest loans that we currently have and enjoy because they have gone through all the NAPA processes will not be available. He reported he just received the construction permits from the Department of Water Quality. If in fact the City chooses to go a different route and the City doesn't have the support of their funding partners the City will have to go to the private market. Right now the rates in the private market are in the 2 to 4% range instead of the 1% range. Council Member Linford indicated Zion's Bank Representative Jonathon Ward indicated it would be very difficult to get the funding required through that avenue. One of big concerns is that the City has spent the funds which would have been required to be used as matching funds if a different funding process were to be explored.

Council Member Askerlund indicated there has got to be money out there available to help with our situation. City Manager Reeves said that is exactly what would have to happen. He continued by saying, "the short term fix that we would invest our money into, kind of like the UDOT situation that you guys are so frustrated with - why put a light in, why are they now talking about a tight diamond formation which would replace the light, why do things and then have to redo things - that is the frustration we keep having and yet we are government and that is exactly what we would be walking into. The problem we are having with the lagoons in the first place, from years ago, prior to my time, is that they were put where they were, and they were not done to sufficient capacity and consequently we are here today. It should have been years down the road but we

are here today, over capacity 2.4 times the amount of application. Is it an issue people care about? It isn't recreation. My toilet flushes. But the day their toilet doesn't flush, it is too late to fix it, and then it is an issue. Do we really want to be here again in 5 years when we have a solution that is long term in nature, is not going to raise rates any higher than we currently have, that guarantees that the rates will not be raised any higher than they currently have been, that brings \$6 million dollars of capital improvement into our City that comes from other sources, federal dollars that we've paid, our tax dollars that we've gone out and luckily have come back. Most cities don't get that money to come back. Doesn't it make sense to make a long term fix, stand behind the decisions made as leaders in tough times and make a decision on behalf of the City that is in the best interest as far as the long term benefit? We know that \$42.00 is not going to go up. But we also know that it is based upon 0% growth. That means every new home that comes in that starts paying utility bills, every impact fee paid can help pay down that debt faster, which is to say that the \$42.00 with this plan could come down. The impact fees would go across. If the Council would raise impact fees because we have the authorization to do so per the Capital Facilities Plan, to its fullest amount, maybe it inhibits new businesses coming in but it helps the Citizens that are here to pay down that debt faster. Make new growth pay for new growth. I am not advocating one thing or another. You are the Council, you decide. But what it really comes down to is that this is something that people take very personally on all sides. This is something that people have vested their heart and soul into to build relationships to get support, to get dollars behind it. The only reason we are here is because of the delay the first time. We had a delay because someone torpedoed it in the USDA which put the whole funding stream into a flux and delayed the whole project". "Had there been no increase because of the bid prices, we wouldn't even be here, because in May the Parameters Resolution was passed at \$9 million dollars. But you know what? Even if we vote to approve this in November and we go back out to bid again and let's say the bid is higher, then we have to go out and raise that again which means we will be going back to the funding partners asking for more money and we would have to go back to do a new Bond Parameters Resolution and those who are against it could petition to get rid of that bond and this legal nightmare never ever goes away. People say why don't you put your money towards a grocery store? Why don't you put your money towards a hotel? There is no way we should approve one more building permit right now. We should not have approved the Dairy Queen. We should not approve anything else because we are in jeopardy of failing the system. The minute we fail, it is catastrophic. It is like an airplane, it isn't like there is a minor failure and you can land, you crash and burn. You are done. If the toilet doesn't flush, it won't affect those living in Summit Ridge, it affects those of us who live in the lower valley. I'm sure when you guys flush, I will experience it. The thing is, we have a solution for which so many people have shown support - Governors, Federal Agencies, State Agencies, grants coming in from every side. What I'm saying right now is probably what needs to be said to every Citizen of Santaquin, then they probably could vote on it and go forward. I think if we have that passionate discussion with each one and talked about the merits and gave answers to their personal questions, they would come to the same realization that this is a good direction for the City. In order to go out to 9100 people we would need to have quite a PR campaign. Maybe that is what you want to decide. If it is, that's fine. But we need to get a lot of information out to a lot of people to convince them of this and even when we got there, there is nothing to say if the rates went up, we can't loan anymore because we can't borrow any more".

Council Member Askerlund said, "Ben, let me stop you for a second. Not to disagree with you, because what you're saying is true, but we went through that process, we went through the PR campaign, like the Mayor said, we didn't get anybody here". City Manager Reeves stated people

didn't listen because they didn't have the rate increase yet. He said "We probably honestly should have had a better PR campaign the last several months. But we have been advised time and time again by our Legal Counsel not to do that because we don't want to have a legal case go before the media. We don't want to fight a legal case in the media, so we didn't do it. We have had a few Mayor's newsletters that have had some general type things. As the Mayor can attest there are some that I have written that addressed the issue much more harshly that Brett wouldn't approve. Not that it needs to be a harsh subject but the facts need to get out there. Here are these issues and the issues are being enhanced. Meaning it is absolutely not true that the rates would go up to \$80.00 with this project. But why is this being told to the public, that they would? It is absolutely not true that the Mayor is benefiting from this. That is out there in the public right now".

Council Member Askerlund indicated that statement had been out in the public since the beginning. City Manager Reeves said this has had a huge negative impact on the Mayor's ability. "The Mayor being Mayor has impacted his ability in a negative way to do business in Santaquin. He doesn't bid on things in Santaquin. He has issues with the fruit growers now. He has taken a personal hit by this thing. He is being defamed by people going out saying that the Mayor has his fingers in the till which I passionately want to say, here on the record, here in City Council, that I have worked with multiple Mayors and Mayor DeGraffenried has integrity. I enjoy working here for one reason, he is a good man and he has great integrity. I have worked with Mayors who aren't and it is a difficult position to be in, but the public is going out there and telling these lies and we can't do anything about it because our attorney says no, you can't. What are we supposed to do? You know Mayor DeGraffenried is making a decision based on things that would impact himself, his 8 kids, his brothers and sisters, his nieces and nephews. It has a greater impact probably on Mayor DeGraffenried than virtually any other family in the City of Santaquin. And yet he would do things that would negatively impact him and his family? These are the things being propagated. Yes, we need a PR campaign regardless, because you know what? Whether this is on the election or not, this is on the election. This is what people will run on. This is going to be a divisive thing, regardless. There could be a polarizing swing. Coming from a City who has seen a polarizing swing, going from a UN free zone to writing a referendum kicking every single member of the City Council out, then to coming back the other direction, it is not fun to be on that rollercoaster. I was hired at the tail end of it and it was bad. All I am saying is you men are all men of integrity, and I care for each one of you and I think that all of you have run for City Council because you care about the City and you want to see what's best for it. And I think the divisiveness on the Council is indicative of the divisiveness of the public and if we don't stand as leaders and make a decision that is in the best interest of the City then you might as well just toss it in. There is no reason to try to secure a grocery store because they don't want to come into us. There is no reason to do anything else. I don't care if you decide to go with the sewer in this direction or another. But I dang well would love to see the Council come and be unified behind something. It seems like the only thing that unifies our Council and our Citizens is when we get kicked in the teeth by Payson. So I sure hope that we can come together".

Council Member Green stated, "I sit here and years ago a past City Council had an opportunity to do something with the sewer. Another band aid was put on the existing situation. And here we are again in a situation where another City Council is trying to deal with that situation. If we don't go forward with this, you know hindsight is really great, I would love to go back three and a half or four years ago when that question was brought up and have maybe a different outcome. But as I have sat here for the past three and a half years, and I don't have all the numbers in front of me, the unanimous votes that have taken place, by this City Council, moving this forward, the Public

Committee that was put together, to come up with this idea in the first place, of which direction we were going to go with the MBR, the countless meetings we had in the Seniors Center, open to the Public for everyone to know, see and understand what was going on, it is frustrating to me that we sit here. If this was about a Recreation Center, ball field or something to that effect, I would be 100% to say that is going to affect my property tax, it's got to go to an election. We have dragged this thing so long that at some point, each one of us was elected by the majority, to stand up for what is right for the City. I have a very difficult time knowing that there is slander going on in the City about this project and about people on the Council. I really think it is unfair. The other thing I have a very difficult time with is as we went through the interview process in trying to come up with a City Manager, an individual that sat in front of us was asked if he were the City Manager, would he be behind the sewer treatment plant, and he looked at the Mayor and said, Mayor I would be 100% behind this new sewer treatment plant. And yet that same individual is part of bringing this about right now. As hard of a decision as this is, I personally feel we made a decision and hopefully we are unified. My biggest fear, as the Mayor has indicated, is that we are so far into this I don't know where we would come up with money to put another bandaid out on the lagoons. And how much more that is going to cost everybody and then another City Council is going to be sitting here in 5 years or 2 years or however long it takes until that bandaid breaks and we are faced with a situation similar to where we are now and where are we going to get the money to do it? As difficult as it is, I think it is time to stand up, and as hard as it is to be leaders, and just move forward. I made a comment to some people the other night who came over with some concerns about the petition and I said this situation with our sewer is life or death for Santaquin City. They looked at me with a stunned look. I said if this sewer treatment plant doesn't go forward you will not get a grocery store, you won't get any other commercial business because there is nowhere else to flush your toilet and they didn't realize it was that kind of a situation. As we have sat here over the past three and a half years voting unanimously to move this project forward and now all of a sudden we want to hit the emergency brake and say no, I don't want to do this anymore and I have a difficult time with that".

Mayor DeGraffenried said the other thing he has looked at so much is the openness of the process. Information mailers were sent to every individual home every time a public hearing was scheduled with regard to this issue but no one responded. So we go ahead and we spend the money. It has taken 3 ½ years to get where we are and it is time to proceed. We don't have another 4 years to put new funding together. We have a lift station that we were hoping we could nurse along until this project is complete so we wouldn't have to spend the \$880,000 to repair it. The station will not be needed when the new system comes online. Mayor DeGraffenried continued by saying, "We are at the point where we don't have the time to go back. Have I taken a beating over this thing, I'll say I have. I am amazed at all the things I've done". He said he has started keeping a record of all the things he is accused of. He said, "That is interesting, that I am part owner of the Dairy Queen. I think it is quite interesting that one of my relatives from Flat Iron has the job and he is passing me \$1,000,000 under the table". He said by the time he heard all the things that supposedly have happened, he thought, "Holy Smokes, I've been a busy boy". He indicated at the time of the last reelection, he had one individual tell him he would make his life miserable. That individual is doing a "pretty good job". We are at the point that we have issued a Notice of Award but no contracts have been signed. With all the funds the City has received, it doesn't cost the City any more money to have a good project than it would to have a second rate project.

City Manager Reeves stated, "When a City goes into another City, you become subject to that City. There is no doubt about it. Dennis Marker received a copy of a letter that was sent from Salem to Elk Ridge when Elk Ridge was in the process of annexing property, saying you guys own 17% of our facility and if you exceed this we are going to charge you \$5,000 per month, we are going to go after you for this or that. We can give you a copy of the letter if you want. If made it so Elk Ridge could not act as a City because it was now subject to another City. Rate fees, rate increases all that stuff. Considering the discussions we have had with Payson just this last week, do we really want to be subject to Payson? I have nothing against Payson, they are a great community and we pay all of our sales taxes, we do all of these things and I would think we would have a good relationship and yet we were kicked in the teeth this last week".

City Manager Reeves indicated he was hopeful to go into an Executive Session to discuss personnel issues but it appeared there wasn't enough time to allow it. He indicated his directive from the last budget meeting was that the Council Members didn't want to raise fees or taxes or implement any kind of revenue that would have any negative impact on the residents. City Manager Reeves said he agreed whole heartedly but stated "we need to see how we can cut costs going forward. We have cut costs year after year. We need to see how we can potentially cut costs this next fiscal year. You look at roads, you look at other issues and the only other issue I can see would have an effect on employees, which would require an Executive Session Discussion. Individual decisions the Council makes along the way don't seem to be big or have an impact. But at the end of the day, for somebody, somewhere, some line item can't be fulfilled. And I am trying my very best to figure this out and I have a plan here of where I think we can make some cost cutting but it is up to the Council to decide this.

Council Member Askerlund indicated he didn't object to going into an Executive Session, he would like to hear it. Two weeks ago the issue was tabled until this evening. He indicated he would like to hear what City Manager Reeves had to say.

Mayor DeGraffenried stated, "I am in favor of going back to the Utah State Supreme Court. Not because that is the thing that is going to make me popular by all means. But I think that's the thing that we need to do because of where we are sitting now and it has taken 3 ½ years of getting to where we're at. I am sorry we have people that are worked up to the point that they want to send a petition out to get rid of us as Council. Sometimes I think that would be a good idea, let someone else have this kind of fun. The point is, I think it is the right thing to do. We need to move forward".

Council Member Askerlund asked the Mayor if he was convinced that the Court would rule in the City's favor and rule that it was an Administrative Action. City Manager Reeves said, "if the Court gets to the merits of the case". Mayor DeGraffenried said, "If we go to court and they say no, that's not the case, put it out to vote, then it goes out to a vote". Council Member Askerlund asked how much the City had spent in legal fees to get to that point, from today, and how much it would cost to pursue it through the courts. He was told that if it went to the Supreme Court it wouldn't cost a whole lot but if it went the other route it would cost 3 or 4 years of court and lawsuits. The City is going to the Supreme Court because the petitioner is requesting it. Because of the procedural operations of how they move, if they don't get to the merits of the case, The City can go back to the Supreme Court the other route but it takes time to get there. There are two ways by which we would get there, it just takes time. We are hopeful that the Supreme Court would look aside of the procedural issues, recognize the cost is being incurred by the Citizens and just rule on the merits of the case. Council Member Askerlund asked, "Best case scenario, it goes to the Supreme Court,

not taking into account what the ruling is, just taking about legal fees, what are we looking at"? The cost would be for Legal Counsel Rich's time to appear before the Court. He was prepared the first time he appeared.

Council Member Steele asked, "If it does go to the Supreme Court and they rule on it, does it still come back to the Council"? He was told two things could happen; if they choose to review the merits of the case, and the City prevails, then it is done. If they choose to rule against the City then it goes to the election. If it goes to the courts and they don't listen to the merits of the case because it is procedural, then it comes back to the City Council to determine one of three different actions; a Bond Validation Act, which Salt Lake City just went through with a petition they had a favorable finding on, a Declaratory Action which would go through the District Court and then on to the Supreme Court, or put out to an election. The Council would decide on which action to take.

EXECUTIVE SESSION (May be called to discuss the character, professional competence, or physical or mental health of an individual)

At 9:39 pm Council Member Askerlund moved to enter into an Executive Session. Council Member Vincent seconded the motion. Council Members Askerlund, Green, Linford, Steele and Vincent voted in the affirmative.

Those attending: Mayor DeGraffenried, Council Members Askerlund, Green, Linford, Steele, and Vincent and City Manager Reeves.

At 10:52 pm the regular meeting resumed.

EXECUTIVE SESSION (May be called to discuss the pending or reasonably imminent litigation, and/or purchase, exchange, or lease of real property)

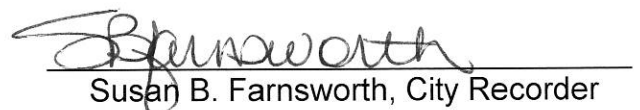
Nothing

ADJOURNMENT

At 10:53 pm Council Member Linford moved to adjourn. Council Member Askerlund seconded the motion. Council Members Askerlund, Green, Linford, Green, Steele and Vincent voted in the affirmative.

Approved on April 20, 2011.


James E. DeGraffenried, Mayor


Susan B. Farnsworth, City Recorder



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CLOSED EXECUTIVE SESSION AFFIDAVIT

I, James E. DeGraffenried, Mayor of Santaquin City, do hereby certify that the Executive Session held on April 6, 2011, was called to discuss the character, professional competence, or physical or mental health of an individual.


James DeGraffenried, Mayor

4/6/11
Date