

MINUTES OF A REGULAR COUNCIL MEETING
HELD IN THE SENIORS CENTER
NOVEMBER 3, 1998

The meeting was called to order by Mayor Keith Broadhead at 7:00 P.M. Council members present: Frank Staheli, Marianne Stevenson, and Kirk Greenhalgh. Council member Adams arrived at 7:28 P.M. Council member Dennis Howard was excused.

Others in attendance: City Manager/Police Chief Tom Austin, City Engineer Brad Jorgensen, Sunrise Representatives Greg Potter, Val Kofoed, and Dan Crawford, Neal Caines, Denise Windley, Donna Bott, Idonna Crook, Randall Ercanbrack, Morris Ercanbrack, Dallas Young, Sandra Hartford, Linda Brinkerhoff, Eric Maynes, Filip Askerlund, Rulon Rodda, Charlie Hopkins, Barry Prettyman, Jesse Conway, Don Lister, Sue Tibbetts, and other unidentified individuals.

The pledge of allegiance was led by Council member Greenhalgh.

Val Kofoed offered the prayer.

Resolution 11-1-98 requires a public hearing which will be held next Council meeting.

Linda Brinkerhoff voiced concerns with regard to poisoning of small animals.

Donna Bott questioned what reconstruction plans have been made for the bowery located behind the City Center. Mayor Broadhead indicated a decision has not been made but the bowery will most likely be rebuilt. She also asked for clarification on the Park rental fees. The current fee is \$100 per day with an additional \$50 refundable deposit.

Chris Gifford recommended the reconstruction of the bowery being an Eagle Project.

Neal Caines asked for suggestions from the Mayor and Council as to how the park, located in the Orchard Cove Subdivision, should be designed. The issue will be discussed at greater length as the subdivision is constructed.

Council member Staheli moved to accept Mayor Broadhead's recommendation to appoint Filip Askerlund as Planning Commission Interim Chairperson. Council member Greenhalgh seconded the motion with an unanimous vote.

Dan Crawford reviewed with the Mayor and Council a Water Source Protection proposal. Council member Adams moved to approve the Water Source Protection proposal with Sunrise Engineering with a change of the wording to read the amount not to exceed \$9000 along with the addition of a hourly wage. Council member

Stevenson seconded the motion with an unanimous vote.

Council member Adams moved to approve the Contract for Engineering and Technical Services, Sewer Model Proposal (Work Release #2), and the Gas Company Management and Sales (Work Release #3) with Sunrise Engineering. Council member Greenhalgh seconded the motion. Council member Staheli asked for further clarification on the fees. The vote was unanimous.

Greg Potter reviewed with the Mayor and Council the need for a Storm Drain Master Plan. Sunrise Engineering will draft a scope of work proposal for review during the January Council Work Session.

Council member Staheli moved accept the Santaquin LDS Church Annexation Petition. Council member Adams seconded the motion with an unanimous vote.

Council member Stevenson moved to table the Ercanbrack Addition Annexation Petition with referral of the Concept Plan to Planning and Zoning for them to address concerns of the sewer and the zoning of the existing building. Council member Greenhalgh seconded the motion with an unanimous vote.

The Mayor and Council were reminded to sign the Harriet Hallet Single Lot Split Mylar Map.

Representatives for the Eastside Subdivision had questions on the time frame of approval of the subdivision plans. City Engineer Jorgensen will create a water model for the proposed project.

Council member Adams moved to accept the Letter of Certification for the Carter II annexation. Council member Stevenson seconded the motion with an unanimous vote.

Council member Staheli moved to approve Final Plat Maps for CarriageTowne Orchards "B", "C", and "D" upon approval by the City Engineer. Council member Adams seconded the motion with an unanimous vote.

Council member Stevenson moved to accept the CDBG Project of the City Library with a second from Council member Adams. Council member Greenhalgh, Stevenson, and Adams voted in favor of the project with Council member Staheli voting against. (See Attachment "A")

Council member Greenhalgh moved to approve Orchard Cove Plat "B" and "D" amended upon the approval of the City Engineer. Council member Stevenson seconded the motion with an unanimous vote.

Council member Adams moved to approve payment of the bills in the amount of \$95,389.28 minus the phone bills for Jarad and Aaron. Council member Staheli seconded the motion with an unanimous vote.


Council member Stevenson moved to approve the Minutes of October 20, 1998 with a second from Council member Staheli and an unanimous vote.

Mayor Broadhead reported Salt Lake City is accepting bids on used Christmas decorations. The Mayor and Council party will be held Wednesday, December 9th.

City Manager Austin indicated the new ambulance will be delivered on November 16. Payment is due upon delivery.

Council member Adams indicated he had received a call with regard to the Cable Company digging in a Resident's yard for the installation of cable lines.

Council member Stevenson moved to adjourn with a second from Council member Adams and an unanimous vote.



Keith Broadhead, Mayor



Susan B. Farnsworth
City Recorder

**Position Paper on
The Propriety of Giving and Receiving Federal Grant Monies
Prepared by Frank Staheli
(To be included in the minutes of the Santaquin City Council for 11-3-98)**

Much good has been and is being done in Santaquin with grant monies received from the United States government. The building currently used as city hall was built with the help of federal dollars. The water system was rebuilt in part through the use of federal aid. A significant portion of the sewer system was paid for with federal grant money. In this paper, however, I wish to discuss the largely unseen disadvantages of federal grants.

The Hidden Cost. Recent research indicates that 76% of every welfare dollar taken in by the Federal Government is lost through bureaucratic mismanagement. Looked at another way, if the government did not attempt to redistribute grant money, we would have four times as much of it to go around, albeit it would most likely not be distributed evenly across the country.

Let's assume that "Municipality A" wishes to receive \$240,000 from the federal government. It's easy to see the \$240,000 short-term benefit to Municipality A. What is much more difficult to see, though, is the cost of that money, which had to come from somewhere else. For the \$240,000 that Municipality A received, \$1,000,000 was taken from someplace else. That is \$1,000,000 that could have been used by someone else to build 2 or 3 City Halls or a 6 or 7 homes, or buy 50-60 cars or 1 million loaves of bread. Municipality A may say in defense, 'It was only one or two pennies from each taxpayer's pocket, so it was not a burden at all.' Municipality A is not the only municipality that wants federal funding however. If we take into consideration the wants of Municipality A, Municipality B, Municipality C, and all of the other municipalities, it adds up to a tremendous amount. Instead of pennies per taxpayer, the cost per taxpayer amounts to thousands of dollars.

Additionally, it is a natural inclination for people to care more about the money they earn than the money that is given to them. Money I work for is considered part of my ongoing budget, while money that is given to me, such as a birthday present or winning a lottery, is considered a windfall. I generally don't use my windfall money as frugally as my earned money.

Utah does bring back slightly more than \$1 from the federal government for every dollar we pay in taxes. However, a very small portion of this is in the form of grants. Most of that \$1 comes back to Utah through defense contracts, a valid function of the Federal Government. Therefore, Utah could easily keep more "grant" money in the State by not being taxed in the first place by the National Government for the grant money we get back.

History of Federal Aid. Edward Gibbon, in *The Decline and Fall of the Roman Empire*, referred to the term "bread and circuses," to identify the gradually developing perception in Rome that government was responsible to provide everything from sustenance to entertainment to its citizens. It became so pervasive that everyone felt entitled to something, without feeling an obligation to contribute something back. This concept over a period of time destroyed prosperity in and contributed to the downfall of Rome.

In our time, the Soviet, Chinese, and Eastern Bloc economies failed because they were based on the same concept that the national government could architect a more efficient economy if it redistributed wealth as it saw fit. The United States is exhibiting a similar indication of impending failure; in the past (such as during the Great Depression) poverty in the United States was not a corollary of criminal tendency, while today poverty and crime seem to be becoming more and more related. The reason: since the United States switched in the 1930's from the principle of Free Enterprise to the idea of being the provider of welfare handouts, the poor have developed a lessening aversion to taking money and property from other people, since that is where their welfare money comes from anyway. (Actually, the general populous now exhibits this tendency, but the poor are more consistently faced with the dire need of adding to their sustenance.) And the end result becomes the requirement by state and local governments to fund more and more police resources at an increasing cost to the taxpayer.

Currently, world-wide aid by the World Bank and the International Monetary Fund have resulted consistently in creating economic shambles of the countries that have accepted the assistance, because they have developed the attitude that if they fail, there will always be more assistance. According to Forbes magazine, the only country in Asia that is economically stable is the only country that refuses to take such assistance, Taiwan.

Wherever government redistribution of wealth has been tried, despite the short-term benefits that occur, economic turmoil has been the long-term result. The Founding Fathers were devoted students of history and were aware of the problems of Governments becoming the arbiter of 'specific welfare', or welfare that is not of a general nature. Thomas Jefferson, in warning of such an inclination to government handouts, advised politicians and citizens alike to "...prevent the government from wasting the labors of the people, in the pretense of taking care of them..."

For over 100 years, the United States Federal Government recognized that it was not its place to be the dispensary of welfare handouts. Only with the advent of Franklin Roosevelt's New Deal did such a concept become commonplace. With Lyndon Johnson's Great Society, the practice became pervasive, and now there exists virtually no one old enough to remember what government was like before the advent of the New Deal or wise enough to glean from the pages of history the problems that such programs introduce into society. Government has largely taken over an industry that was once the effective domain of charitable institutions and private foundations.

Responsibility of the Federal Government versus State Governments. The powers of the United States government are few and defined. Where any perceived ambiguity exists regarding the text of the United States Constitution, ample discourse exists to explain the intent both of those who wrote and those who ratified the Document. The Constitution's Ninth Amendment reads:

The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people.

Furthermore, the Tenth Amendment unambiguously states:

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

The enumerated powers of the Congress, in whom "All legislative powers" are "vested," as found in Article I, Section 8 of the Constitution, do not authorize the United States government to use its properly derived taxing authority for the purpose of redistributing wealth. The idea of wealth redistribution was entirely foreign to the intent of the Constitution as understood by the people of the original 13 states who ratified the Document.

It would, therefore, only possibly be within the authority of State governments to exercise a redistributive power of any sort, but only if the State in question had--in its properly ratified Constitution--authorized itself such a redistributive power.

The only portion of the Constitution that could be misinterpreted as authorizing wealth redistribution is the General Welfare clause in Article I Section 8. This clause allows the Federal Government to provide those things that will, in its estimation, contribute generally to the overall welfare of the United States. Any other form of welfare must be termed "specific welfare."

The Federal Debt. It is true that we paid something in to the system, and that we should get something back. But as illustrated above, if we as a nation buy into the federal grant concept, we must be willing to accept only about 1/4 of what we pay in, because the rest of our money goes to pay for its inefficient administration. Furthermore, the money we pay in taxes is paid in general taxes. We don't pay a Federal Grant Tax and a Roads Tax and a Something-Else Tax. It all goes to the same place. The Federal Government to whom we owe our taxes is responsible for a \$5,000,000,000 debt. So conceivably, any excess tax revenue should be responsible to help

service that debt.

Burden of Local Governments. It is a maxim that people seldom enjoy having their taxes raised. But the farther away the tax-raising governing body is from the people, the more difficult it is for them to mount an effective protest against an unfairly raised tax.

The most effective government is that which is performed at the most local level possible. It is not effective government, for example, for Washington, D.C. to determine Santaquin's Zoning Laws, to build its roads, or to police its streets. Therefore, to pay for the bulk of government services which should be provided at the local level, the bulk of taxes paid should be to local municipalities.

The average American family is taxed too heavily. The entity to blame for the burden of the Santaquin taxpayer, however, is NOT the City of Santaquin, but rather Washington, D.C. But when Santaquin sees a need to raise taxes, to provide for such natural functions as smoothly paved roads and police protection, the local residents naturally cry foul, because their taxes are too high already.

The local/federal proportion of governance is out of balance, and it will never return to its equilibrium if localities continue to take ill-gotten money from the federal government while pretending that no imbalance exists. We lose the only moral high-ground we have in the struggle for governmental balance if we accept 'specific welfare' from Washington.

Conclusion. The long-term results of governments handing out welfare have always been disastrous. If we wish to leave a legacy to our posterity, we must learn from the multiplicity of failed social experiments by nations and other entities that ventured down this ill-conceived road.

We may put on our rose-colored, short-term glasses and say that a problem does not exist or that it is not large enough to become concerned about, and we may have long since passed on before the composite wounds of "bread and circuses" inflicted upon this nation become fatal, but perhaps when it is only too late will we or our posterity learn that the only modern experiment in liberty failed only because it was short-circuited by short-term thinking.