

MINUTES OF AN EMERGENCY CITY COUNCIL
MEETING HELD IN THE CITY HALL
SEPT. 4, 1987

Meeting was called to order by Mayor Kevin Steadman at 7:05 p.m.
Those in attendance were: Councilmen Adcock, Goudy, Jones, Openshaw & Pust.
The Invocation was offered by Joe Pust, The Pledge of Allegiance was led by Kevin Steadman.

Resolving the Budget Deficit : Mayor Steadman stated that after our regular yearly audit for the fiscal year ended June 30, 1987, there is a deficit of approximately \$45,000.00. About a month ago the budget was balanced with no tax increase but since that time the auditor has discovered some errors which bring about the deficit of the \$45,000.00. Last Wed night the Auditor informed the City that there was a possibility to enter a tax hike to overcome the problem. At that meeting the Council discussed ways to overcome the problem, either by cutting services or installing the tax hike. Mayor Steadman continued by stating that he had learned within the last 2 hours that the City general fund had, in the past, loaned monies to the water fund which the water fund could now partially repay with the result of balancing the budget.

Last Wednesday there was one cut made of a City employee which would reduce the deficit by \$14,000 to \$31,000. Mr. Adcock stated that after talking to Mr. Southerland of the County Auditors Office, he felt that there was a very slim chance or possibility of the tax increase as it was too late for the County to do all that was necessary to incorporate it into their system before the Oct. 1 deadline. If the City were to begin to do all that was necessary to have the hearing, notifications, advertisement, etc. there is no guarantee that the County could change the tax notices and the City would then be stuck with the expense and no way to pay for it.

There were many citizens present and they had questions concerning where the deficit came from, whether it couldn't be made up over five years, why the management letter says, every year, that we need to collect the franchise taxes from the Cable TV company, if there shouldn't be someone worrying about the way in which the \$45,000 was lost, why the Purchasing system was not being properly implemented, and etc. The questions being satisfactorily answered by the Mayor and Council, the discussion continued about the information received from the Auditor earlier today. Mrs. Rosenlund stated that the tax increase was still a viable option with time to have everything done for a public hearing on Sept. 22.

Mayor Steadman then polled the council for their opinion on how to solve the deficit problem. Pust was not in favor of a tax increase, and stated this reduction of employees is not permanent but will reverse when the budget is again under control. Jones was also against the tax increase as he thought there were other solutions. The employee reduction was his choice & although it was not good, the City had been run by 2 employees in prior years. Goudy stated that she wanted to go for the tax increase and also cut back so as to build up a surplus. Openshaw stated that he will never go for a tax increase because once a tax is levied it is never rescinded, there is too much waste in government and people get greedy. He would like to see the funds borrowed from the water fund but couldn't see how that was possible. Adcock stated that he has always been in favor of a tax increase because he wants Santaquin to be a viable City. He doesn't want to live under County Zoning and etc.

Mrs. Rosenlund suggested that the employees in the Water and Street depts be paid 75% from the Water rather than 50%. This would save a lot of money over the year. It is justifiable also because in the Winter the employees are working mostly in the water department anyway.

At this point Earl Andrews entered and was given time to explain the option he came up with today. There is \$163,000 that the general fund has given the water fund over the years. It has come from different sources including the revenue sharing monies. Of that total some could be brought back into the general fund because there is a large fund balance available. Earl said that \$40,000-45,000 could be transferred without any problem. He suggested that an excess of funds be transferred (over what it appears is needed immediately) so that the general fund could enjoy a surplus in case of an emergency. He then explained to the citizenry and to the council the reasons for the shortfall.

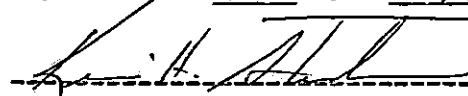
Mayor Steadman then asked for a motion. Sherman Jones stated that he would like to keep the Mayor/Council compensation intact and that the City should keep 3 employees for the winter. That would mean releasing another employee from the Parks/Cemetery. Jones then motioned to make an equity transfer of \$35,000 from the water fund to the general fund and that one more employee from the Parks & Cemetery Dept. be released. Openshaw seconded, vote unanimous.


Jones stated that it would be necessary to hire employees back in the Spring and that would be left up to the Councilman in charge to determine with the Foreman when that time would be.

Openshaw motioned for dismissal of the meeting, Jones seconded, vote was unanimous.

Dismissed at 8:39 p.m.

Approved this 15 day of Sept, 1987.


Kevin H. Steadman, Mayor

ATTEST 
Charles T. Greenland, City Recorder/Clerk