

MINUTES OF A REGULAR CITY COUNCIL  
MEETING HELD AT THE CITY HALL  
SEPT. 1, 1987

Meeting was called to order at 7:05 p.m. by Mayor Kevin Steadman. Those in attendance were: Mayor Steadman, Councilmen Pust, Jones, Openshaw and Goudy. Councilman Adcock arrived at 7:15.

Councilman Pust gave the Pledge of Allegiance and Councilman Goudy offered the invocation.

After a discussion of and minor corrections in spelling & grammar Councilman Goudy motioned to approve the minutes of July 15 & 21, 1987. Jones seconded and there was a unanimous vote of approval. Councilman Openshaw then motioned to approve the minutes of July 30 and August 18, Pust seconded, unanimous vote.

Steve Bateman-Payson Hospital : Wanted to know if there was a need for a clinic in Santaquin and how to best expedite such a clinic. There would be no monetary benefit for the Hospital to have a clinic here--it would be for the benefit of the citizens. The clinic would be open 3-5 days a week and have either a Doctor or a Physicians Assistant or Nurse Practitioner there during those days. There are Doctors on the Hospital staff who are interested in being in Santaquin right now. There will be a questionnaire sent to the residents in the next week or two by the Hospital. The councilman were asked their opinion and all were in favor. The City would not be required to do anything but encourage the action. Some concern was expressed about insurance coverage and whether companies would pay for the type of service rendered. The Council went on record as endorsing the move. Mr. Bateman will continue to do his research and homework to determine whether it would be feasible.

Bart Olson Annexation : Councilman Jones has been closest to the request. He asked if the meter <sup>was now connected to</sup> the Greenhouse. Mr. Olson said that it was not and agreed not run water into the county. (Mr. Jones motioned that that Mr. Olson annexation be approved, Openshaw seconded, unanimous vote.)

*Jones: You understand that you are not allowed to run water into the County - Olson's.*

Clint Ercanbrack-Larger water line to his property in the County : Mr. Jones was also familiar with this situation and felt it could be worked out. (Need to <sup>restructure</sup> have water turned on only at certain times.) A new meter will be installed for the new water only, the old meter being a year-round meter. If property is sold the contract is null and void and would have to be renegotiated with the new owners. Any violation of the special agreement will be cause for termination of the contract also. Ercanbrack will pay for the cost of the new meter. <sup>hookup</sup> The water can be turned on beginning no earlier than Sept 15 of each year and will be turned off April 1 of each year, unless there is an excess supply of water. Any water pressure problems in the area will be cause for renegotiation ~~of the contract~~. Councilman Jones motioned that the City enter into an agreement with Clint Ercanbrack to provide him with city water in a 2 inch line. (Openshaw seconded, vote unanimous.)

*The contract to be declared null & void.*

Janice Wheellock-proposal to make museum in Old School : Art Classes, Sons/Daughters of the Pioneers, display areas, receptions, parties etc could be held in the building. LDS Stakes could alternate with displays. She would like to invest some money, herself but doesn't have enough. Lamar suggested that there is not enough money in the whole area to fix it up. Sherman suggested that she take a tour and see how badly damaged it is. It would be cheaper to build new than to refurbish that area. She had also plans for a health club in the newer part of the building, not being aware that there were plans for that section.

Mrs. Wheellock was invited to take a tour of the building on Sat., 9/5/87. Mayor Steadman expressed appreciation for her concern for the old building.

Senior Citizens request for funds-State Fair & Circus : LaRue Jarvis requested checks be made for 14 people to go to the State Fair and the Ice Capades on Sept 12 and to the Circus on Sept 26. Mrs. Goudy clarified that the funds would be reimbursed by ticket sales to the Sr. Citizens. Mrs. Goudy then motioned that the Sr. Citizens be accomodated as requested, Lamar seconded and the vote was unanimous.

Dave Ashby-Pro-Benefit : Introduced 2 associates; Bill Childs, V.P., and Errol Phillips, Administrator of Special Benefits. Yearly review of the group is now done. 10 Familis are now on our insurance which doesn't give us much buying power in the insurance market. Survey by CPA group reported in July, 1987 newsletter shows that payroll costs \$14.00 per check per employee per payroll period before checks go into the computer. Mr. Ashby made some suggestions which would save the City some money in the coming year: One would be for the City to provide its own unemployment coverage, as it has been doing for Workers Comp coverage. Cities are not obligated to carry unemployment Insurance but can be self-funded. This would save 1.8%. Another suggestion would be for employees to increase the amount of their contribution to the Insurance premium-from \$12.50 per period to \$25.00 per period. The City is now paying \$101.28 per employee per period for Group Health Ins., and a total of 125.61% of payroll for costs of Pro-Benefit including 3% for Pro Benefit fees. Estimate that a minimum of \$9600.00 per year is being saved by using Pro-Benefit rather than the City doing it. There are no other Cities using the Pro-Benefit program. Figures were shown that indicate that the City cost would be about 138% as opposed to the 126% they are doing it for. Low Option on the Insurance would save some money per month.

Kent Walker-Architect for Old School : Sr. Citizens suggested that the walk-in freezer be sold as it is too big for their use. Another change would be to change the lights in the gymnasium to flourescents. City Recorder will be handling the administration of the grant. A restroom will be provided for the area where the City Offices will be. Handicapped access to the building will be from the West into the Sr. Citizens area. A larger lunch room has been designed and a City Council room provided which will be large enough to handle a very large percentage of Council Meetings. The Library has been provided for also in the School Library. The Police Dept. office would be taken from a corner of the library. The cost of the Sr. Citizens center has been increased to approx \$120,000.00. The City Center portion would cost approx \$170,000.00 as presented.

Earl Andrews-City Budget & Audit : There is an approx \$45,000.00 shortfall in the City Budget as compared to the figures used in May. Interest from the account in the State Treasurers fund was not credited 4 different months. This made a difference of \$4-5,000.00. Payroll system isn't working as Earl would like. City still has 4 people on payroll and Mr. Andrews stated that he would just as well do 400 as 4. He suggested a change one way or the other. Payroll system violated all internal controls by entering journal entries by hand which created many errors. Streets benefits were posted to the Recorder expenses, no check has been written yet to the ULGT for Workers Comp insurance. Some time cards were missing, evaluations have not been done and should be. Cash disbursements testing showed a petty cash expenditure without any documentation whatever-no approval or support or Council clearance. Batch 06 in the amount of over \$30,000.00 was not properly recorded on the books. The

computer was never commanded to post it to the General Ledger. This was the major problem in the budget balances as these errors were not known at the time the budget was being finalized. An inventory of all fixed assets should be on the computer. Mrs. Goudy has a physical inventory at her home which she will bring to the Office. Revenue sharing is the major loss of revenue. Over the past 20 years it has been counted for meeting the budget. Since 1968 the Consumer Price Index has tripled but taxes in Santaquin have scarcely doubled according to someone quoted in the minutes of a previous Council Meeting. Franchise taxes have not been completely collected, although some progress has been made. The Cable TV taxes have not been brought up-to-date. The franchise taxes from UP & L will be decreasing slightly because of a recent rate reduction. The City Court must have a formal Docket book as the current record is not adequate and is subject to a lot of errors. The General Fund has a deficit of \$2159.00 which must, by law, be recovered in the current budget year because it is less than 5% of the total revenue. In planning the budget for the current year a revenue source from fund balance of \$40,746 was counted but was not there so the total deficit is approx \$43,000.00. Formerly, the law called for the City Council to be personally liable for the deficit but the law now indicates a malfeasance in office charge with a \$1000.00 fine. Mr. Andrews stated that there was another alternative, which would be to disincorporate the City. This would eliminate a great deal of expense but would also bring many undesirable effects on the citizens of Santaquin, so with little discussion that alternative was rejected. With a dissolution would come a request for the formation of Municipal service districts for the water, sanitation, cemetery & perhaps the parks. Mayor Steadman asked Mr. Andrews where he suggested some reductions in expenses could come. The Sr. Citizens were allocated \$3200.00 and only needed \$980 so there is a surplus of \$2720, firing all workers in the streets dept. would save \$34550 by the end of the budget year, firing all workers in the parks dept. would save \$36192, firing the cemetery worker would save \$21811 (graves would be opened & closed by contract, paid for with the fee charged to the family of the deceased), this cuts over \$95,000 from the budget. (Earl suggested that the cuts be moderated from his but in the same - *RE STATE TARI This Santa*) Earl stated that the Animal Control, Safety and Fire Control are paying for themselves with the revenues they generate. He suggested that a public information campaign be mounted to inform the citizens that a tax increase had been planned and due to the public sentiment it wasn't implemented, now it is time to cut services because there are no funds to meet the budget as planned.

Earl continued his discussion of the audit by saying that the water fund payment to the General fund wasn't made this year until June 25, which payment also happened to be in the batch which was lost, as previously discussed. He suggested that the payment be made earlier in the year this year in order for the General fund to be in the black as it should be.

A discussion was held concerning the advantages/disadvantages of having Pro-Benefit for the City. Councilman Jones motioned that no decision be made at this time but that the City have other, competitive plans come to council meeting so that a comparison could be made. Goudy suggested that by eliminating wages for the City Council and Mayor \$5437 could be saved.

After a lengthy discussion on various possibilities for cuts it was determined that another meeting would be best to complete the business of the Council. Wednesday Sept 2, 1987 was set for an emergency meeting of the City Council at 7:00 p.m.

Dave Smith has resigned from the Planning & Zoning Commission, Sherman Jones motioned that Lynne Smith be appointed to that Commission in his place. Joe Rust seconded, the vote was unanimous.

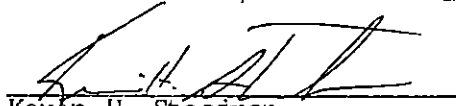
The Accounts Payable were reviewed and Councilman Adcock motioned that they

be paid, Pust seconded, vote unanimous.


Openshaw motioned for dismissal, Goudy seconded, vote unanimous.

Time 11:00 p.m.

Approved this 15 day of Sept, 1987

  
Kevin H. Steadman  
Mayor

ATTEST:

  
Charles T. Greenland  
City Recorder/Clerk