

MINUTES OF A REGULAR MEETING
OF THE SANTAQUIN CITY COUNCIL
HELD NOVEMBER 18, 1986

Mayor Herb Lloyd called the meeting to order at 7:00 o'clock p.m. The following Councilmen were also present: Sherman Jones, Clara Goudy, Raymond Rowley, Art Adcock and LaMar Openshaw. The Mayor stated that the meeting was a regularly called meeting and that notice of the time, place and agenda of the meeting had been provided the Payson Chronicle, the Daily Herald and the Deseret News by mailing copies of the Notice and Agenda at least two days before to each of them, and to the governing body by mailing of the agenda and information to their homes. City Recorder/Clerk Sam Sellers recorded the meeting.

Sam Sellers offered the invocation and Mayor Lloyd led the pledge of allegiance.

Earl Andrews - Audit of 1985-1986 fiscal year. Mr. Andrews explained that his opinion of the city's books showed that the city conformed to generally accepted accounting principles.

Mr. Andrews explained that the cash position of the city is solvent. He also said that the Senior Citizens' moneys were well cared for and in proper order.

Mr. Andrews said that, during the last year, the city received a letter from the State Auditor who requested the city to spend its oversupply of fund balance. He said that the city has accomplished this.

Mr. Andrews explained that revenues is one of the most important parts of any operations. He said that the Council has done some things since the first of this year to assist in this, which were noted in the footnotes. He explained that the Council has saved about 10% of the cost of payroll by leasing the city's employees with Pro-Benefit. Mr. Andrews said that it is now more imperative than ever to do at least annual, preferably two times per year, employee evaluations. He said that these are needed for merit raises when warranted and also become absolutely necessary to justify dismissals.

Mr. Andrews explained that the Council needs to make sure the purchase orders are filled out in advance of the purchase so that it is attached to the bill. He said that this should be done to comply with the city's purchase order ordinance.

Mr. Andrews said that the computer has the capability to list the city's fixed assets and to maintain an inventory and that this should be completed and kept in force.

Mr. Andrews also explained that the Federal Revenue Sharing program has been done away with. He said that this is a loss of \$51,097.00 to the city and the Council will now have to come up with revenues in order to compensate for this loss. He stated that this is equivalent

to 47% of the total property tax collections. Mr. Andrews stated that, for the city to operate at the same level of service, the Council will have to raise property taxes or some other form of revenue to replace the Revenue Sharing.

Mr. Andrews stated that the Council has already gone to leasing its employees, which cut about 10% of this 47%, but that there were still about 37% which the Council will have to come up with.

Mr. Andrews said that another thing which has happened, and which the city already has their attorney working on, is that one of the franchise holders hasn't paid their franchise taxes for 2 to 3 years. He said that this is the cable TV franchise. He stated that this is collected from the people, but is not being passed to the city. Mr. Andrews recommended that the city revoke the franchise due to not paying this and then send them a notice to condemn and take over the system. He said that the profits could be used to recover some of the loss in Revenue Sharing.

Walt Callaway asked how long the city has know about this. Mayor Lloyd said that he had asked this to be taken care of last April and that since this time the attorneys have been negotiating. Walt Callaway asked why this was let go that long. Mayor Lloyd said that this question would have to be raised with past administrations.

Mr. Andrews said that the enterprise operations of the city is usually more resondant to the citizens and the profits from them can be used to finance general government operations. He explained that he understands that the city is considering its own electric utility and strongly recommended that the city do so. He also said that the city's gas franchise expires in 2003 and recommended that the city review the possibility of taking this over as well. Mr. Andrews explained that the gas supply from Mountain Fuel to this area would not be adequate to maintain a proper industrial site. He said that the city is only 8 miles from an interstate pipeline and an excellent supply of natural gas.

Mr. Andrews expained that the rental properties which the city owns have returned a fair amount of interest.

Mr. Andrews stated that the city ought to look into instigating a Motor Pool Fund again by using the leased equipment the city now has. He said that these leases could be refinanced through Revenue Bonds at lesser interest and the moneys could be put into the Motor Pool Fund to create immediate investment capital.

Mr. Andrews explained to the people present that if the public would support the Council the city could get General Obligation Bonds for about 5 1/4% to 5 3/4% and Revenue Bonds for about 6 3/4% to 7 1/2%. He said that this is cheaper than the 8% plus which the city has had to pay in the past.

Walt Callaway asked about the Swimming Pool Fund moneys. Mr. Andrews

stated that, as of June 30, 1986, the \$10,000 was still intact. Mayor Lloyd pointed out that, subsequent to this time, this money has been allocated to the General Fund expenditures for the current year. Mr. Andrews explained that a pool would now cost in excess of \$1 1/4 million, so the \$10,000.00 would not even be enough to make a start.

Mr. Andrews stated that Santaquin is a small city and they do not think it would be cost effective to add a lot more personnel in order to comply with all the required financial controls. He said that their opinion was, with three people in the office, the city has adequate internal control. He said that the Council acts as the first line audit by checking each invoice prior to its being paid.

* Report on Library ramp to students. Councilman Rowley explained that the city's proposed ramp structure, which will be to repour the sidewalk to the front door of the city offices and then to build a ramp inside. This would also require a sliding door to keep the populace out of the office area while there are no office personnel present. Councilman Rowley suggested building the ramp and then returning the balance of the \$800.00 to the students. The Council suggested that the hearing on the old school might change this plan if the city moves to the old school. The students decided to wait for the hearing.

* Public hearing on the disposition of the old school building. Mayor Lloyd explained that the governing body wanted to get a feel for what the citizens wanted the city to do with the old school. Some of the ideas were to tear the whole school down and then sell building lots. Tear down the old section on the west and preserve the east part and the kitchen area. Jim DeGraffenreid explained that the city could possibly get into the school for about \$200,000.00, which is probably less than the amount it would cost to expand the current facility.

Walt Callaway said that the school board agreed to tear the whole facility down. Mr. Sellers said that the agreement was only for the old section on the west and the kitchen part. He said that the city would be responsible to tear down the east part of the building.

The Council asked Mr. Sellers to send the school board a letter explaining that the governing body would like to meet with them concerning tearing down the east part of the old school.

The Council meeting recessed from 8:15 p.m. to 8:30 p.m.

Prior minutes. The minutes of November 4, 1986, were reviewed by the Council. Councilman Adcock moved that the minutes be accepted and Councilman Goudy seconded. The motion passed unanimously.

Ray Rowley - waterline. Councilman Rowley stated that the city had allowed water to the old homesite west of Karl Greenhalgh's home in the past and felt they should allow this now without requiring shares of water in exchange for culinary water. Mayor Lloyd said that he

felt the same way.

Councilman Goudy asked if this feeling would prevail for anyone else and Mayor Lloyd said that it should.

Councilman Jones explained that Councilman Rowley would not have a water right, but just a water connection similar to other connections in the County.

Councilman Jones moved that the city allow Councilman Rowley a water connection based on the old line already having been in to this piece of property as long as Councilman Rowley pays the additional expenses for the connection. Councilman Adcock seconded the motion and Councilmen Jones, Adcock, Goudy and Openshaw voted in favor with Councilman Rowley abstaining. The motion passed.

Business licenses. The following license was reviewed:

Blazer B Scouts from the 4th Ward.....Christmas tree selling....no fee.

Councilman Goudy moved that this license be approved and Councilman Adcock seconded. The motion passed unanimously.

* Councilman Jones. Councilman Jones explained that he had received a motion to dismiss and an answer from the city's attorney on the Genola case. He said that the answer was very well done and he feels much better about the city's case.

Councilman Jones said that he felt the east wall of the old west part of the old school building should be left temporarily until the city could get financing to renovate this building.

Councilman Rowley. Councilman Rowley mentioned that he has been asked to be on a committee studying the possibility of going to a four day school week.

Councilman Adcock. Councilman Adcock suggested having the city crew put the Christmas lights up now while the weather is mild, rather than waiting until it might get colder. Councilman Openshaw stated that he wanted them to wait until after Thanksgiving to put these up.

Councilman Adcock asked if the Council were going to sponsor a potluck Christmas party for the city employees this year. Councilman Openshaw said that he is not in favor of this and Councilman Jones said that there are more than enough parties as it is.

Councilman Adcock suggested sending the auditor's suggestions on the Cable TV to the city attorney. Mr. Sellers said that he would do so.

Councilman Adcock asked if the Council were going to have both meetings in December and they said that they would.

Councilman Goudy. Councilman Goudy explained that Ramona Rosenlund attended a business license seminar and found that there could be no exception made for Dean Elsberry's situation without opening the city up. She said that Mrs. Rosenlund found that the city should close him down and do it now. Councilman Goudy explained that a letter had been sent to Mr. Elsberry on the 7th of November giving him 30 days to come into conformity or to close down.

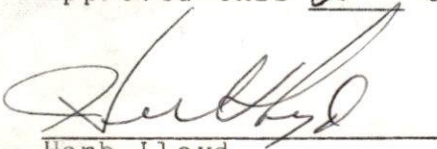
Current bills. The following bills were reviewed by the Council:

AT&T Information.....	\$ 11.50
Chris Radio & Coomunications.....	210.00
Mountain Bell.....	166.15
Mountain Fuel.....	288.73
Mountainlands.....	150.92
Payson Tire & Service.....	10.00
Macey's Sack 'n Save.....	44.56
Utah Power & Light.....	1,632.53
US Steel Corp.....	120.00
Valley Asphalt, Inc.....	149.46
Dyna Systems.....	106.49
84 Lumber.....	167.63
Smith's.....	107.85
Children's Literary Association.....	10.00
Branch Veterinarian Laboritory.....	5.00
Stringham's Hardware.....	267.36
Larry Butler.....	2,653.00
Child's Ranches.....	450.00
Chase Manhattan Services.....	7,932.04
Jay O. Peterson.....	3.24
Utah State Treasurer.....	573.00
B. Dalton.....	50.80
Guen Vellinga.....	30.00
Book Club Associates.....	6.02
Johnson & Jackman.....	351.75
Smith Uniform.....	169.50
Tonc & Associates.....	19,912.70
Totals.....	\$35,560.33

Councilman Jones moved that the bills be approved for payment and Councilman Adcock seconded. The motion passed unanimously.

Councilman Rowley moved that the meeting be adjourned and Councilman Jones seconded. The motion passed unanimously at 9:10 p.m.

Approved this 2nd day of December, 1986.


Herb Lloyd
Mayor

Attest:



Sam Sellers
City Recorder/Clerk