

**MINUTES OF THE WORK AND REGULAR BUSINESS MEETING OF THE
GRANTSVILLE CITY COUNCIL, JANUARY 18, 2006. HELD AT
GRANTSVILLE CITY HALL, 429 E. MAIN, GRANTSVILLE, UT 84029**

Work MEETING: 6:00 P.M. (CLOSED)

Robin made the motion to enter into a closed meeting to discuss litigation. Todd seconded the motion. All voted in favor, motion carried.

Mayor and Council Present: Mayor Byron Anderson; Council Members: Robin Baird, Wayne Butler, Todd Castagno, Brent Marshall, and Paul Rupp.

Appointed Officers and Employees Present: City Recorder Wendy Palmer, Attorney Ronald Elton.

Citizens and guests present: 6:00:Stockton City Mayor Rydalch, Cassie Medura, Scott Lilja.

Discussion of litigation between Grantsville City and Tooele RDA. Scott Lilja and Cassie Medura Attorneys for Grantsville City. Attorney reported to the Council that they will be deposing 10 people within the next 30 days and should be ready for trial by October 2006.

Robin made the motion to adjourn the closed session work meeting at 7:00 p.m. and convene the open session of the regular City Council Business meeting.

REGULAR BUSINESS MEETING 7:00 P.M.

Mayor and Council Present: Mayor Byron Anderson; Council Members: Robin Baird, Wayne Butler, Todd Castagno, Brent Marshall, and Paul Rupp.

Appointed Officers and Employees Present: 7:00 p.m. City Recorder Wendy Palmer, Attorney Ronald Elton. Treasurer Susan Gustin, Tom Randle Accountant, Gary Pinkham Planning Commission Chairman,

Citizens and guests present: Wade Watkins and Danny Barlow Auditors from Pinnock, Robbins, Posey and Richins. Mark and Andrew Nelson, Jeff Coombs and Myron Bateman, Engineer Craig Neeley, Alex Buxton Financial Advisor

PUBLIC HEARING:

Consideration of Water and Wastewater Impact fees and the resolution amending the culinary water & wastewater capital facilities plan for Grantsville City: Mayor opened the public hearing at 7:00 p.m. Mayor asked for any public comment. No comment being offered Mayor Anderson closed the public hearing at 7:01 p.m.

APPROVAL OF MINUTES: Todd made the motion to approve the minutes of the previous meeting held 1-4-06. Brent seconded the motion. All voted in favor, motion carried.

PRESENTATION AND APPROVAL OF 2005 FISCAL YEAR AUDIT: Wade Watkins and Danny Barlow from Pinnock, Robbins Posey and Richins were present to discuss the 2005 fiscal year audit of Grantsville City financial statements.

Mr. Watkins presented the Independent Auditors report by stating that Grantsville City Financial Statements are in compliance with the regulations of the State of Utah Money Management requirements. Grantsville City Corporation complied in all material respects, with the general compliance requirement identified above for the year ended June 30, 2005.

Mr. Barlow presented the Management and Discussion and Analysis: Financial Highlights are that the Total Net assets increase by \$1,879,493 this was due to the sewer line that was moved from the RDA to the Sewer account. Revenues exceeded expenditures. Bonded debt decrease due to pay off of the City Hall bond and the Road Bond. As well as payment on the water and sewer revenue bonds, total net assets in the

Business type activities increase by \$2,257,268. Total Revenues from all sources were \$5,647,253.

Mr. Barlow explained audit recommendations to the Mayor and Council:

Perpetual Care fund should be married to the General fund and the enterprise account should be closed.

Purchase orders should be attached to checks that the purchase order applies to.

Manual Check register should be presented to the City Council monthly so they are aware of the manual checks that are written.

Outstanding checks need to be cleared up.

Accountant needs to prepare the financial statements for the Audit. Pinnock Robbins Posey and Richins are not to be booking adjustments and then auditing the adjustments. Council will write a job descriptions and hire accordingly.

MBA and Road Bonds budgets were over expended due to the pay off of their debt. Budgeting is to include proposed payoff expenses. Even though the money is in savings to spend.

Noticing of budget hearings: Seven Day notice requirement for budget hearings. The city's notice was for 6 days.

Building permit surcharges were improperly remitted. This has been rectified.

Brent made the motion to approve the audit for June 2005 as presented. Todd seconded the motion. All voted in favor, motion carried. Brent would like a work meeting to help him better understand the audit. Mayor stated he would schedule it.

MYRON BATEMAN – DIRECTOR OF TOOELE COUNTY HEALTH

DEPARTMENT: Mr. Bateman expressed to the Mayor and Council that the Tooele County Health Department is here to serve all of Tooele County. Mr. Bateman reviewed some of the services that the Health Department provides. Mr. Bateman stated that he has applied for \$300,000 of CDBG funding to provide additional office and parking space for the Health Department. Paul asked if the Health Department was going to open a satellite office in Grantsville. Mr. Bateman stated that he had not thought about that but would consider it.

CONSIDERATION OF RESOLUTIONS/ORDINANCES:

- a. A resolution approving the adoption by the Municipal Building Authority of Grantsville City, UT of parameters resolution authorizing the issuance and sale of not more than \$2,000,000 lease revenue bonds, series 2006, and related matters. Alex Buxton Grantsville City Financial advisor for this bonding with the Community Impact Board presented the resolution for review, approval and signatures. Robin made the motion to adopt the parameters resolution for the City Council. Wayne seconded the motion. All voted in favor, motion carried.

Robin made the motion to close this City Council Meeting temporarily while they convene a Municipal Building Authority Meeting. Wayne seconded the motion All voted in favor motion carried.

Chairman and Board members Present: Chairman Byron Anderson; Board Members: Robin Baird, Wayne Butler, Todd Castagno, Brent Marshall, and Paul Rupp.

Appointed Officers and Employees Present: Secretary Wendy Palmer, Attorney Ronald Elton, and Treasurer Susan Gustin.

Citizens and guests present: Wade Watkins and Danny Barlow Auditors from Pinnock, Robbins, Posey and Richins. Mark and Andrew Nelson, Jeff Coombs and Myron Bateman, Engineer Craig Neeley, Alex Buxton Financial Advisor Tom Randle Accountant, Gary Pinkham Planning Commission Chairman,

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Robin made the motion to adjourn the Municipal Building Authority meeting and reconvene the regular City Council meeting. Paul seconded the motion. All voted in favor, motion carried.

CONSIDERATION OF CO-LOCATION AGREEMENT FROM T-MOBILE:

Robin informed the Council that he has contacted T-Mobile and told them that the City will charge an additional \$750.00 for the added cell antenna that Cingular is planning to install on T-Mobiles current tower. Robin contacted Cingular and talked with a representative informing her that Grantsville City is planning to assess \$750.00 per month lease fee for the location of the Cingular cell antenna on the current T-Mobile cell tower. Robin stated that the Cingular representative would be getting back with Robin. Robin will report back at the next meeting.

CONSIDERATION OF THE MUNICIPAL UTILITY TAX: Mayor Anderson informed the Council that he received a letter from the Utah League of Cities and Towns asking the cooperation of cities in considering reduction of their municipal utility tax due to the 40% increase in natural gas prices. Mayor Anderson asked Recorder Palmer to explain her worksheet to the Council. Recorder Palmer stated that the overall increase in revenue that could be expected would be at \$29,000 a year. This figure is strictly a guess because the city has not received the revenue from the rate increase yet. Recorder Palmer stated that this natural gas rate increase will affect Grantsville City as well and we must deduct the propose increase in expense to the city from the estimated revenue increase. Recorder Palmer stated that reducing the Municipal Energy Tax from 6% to 5% would net as close to a zero increase in revenue that the city could expect. Council determined to take no action at this time. It was the consensus of the City Council that we should wait to see what the actual increase in revenues the natural gas price hike will create.

Mayor asked State Representative Ronda Menlove to address the Council on the Utility Tax and Sales Tax issues that are currently before the State Legislature. Mrs. Menlove stated that she was unaware of the Utility Tax issues but would look into them and contact the Mayor with her findings. Mrs. Menlove explained the Sales Tax on food issue to the Council. Mrs. Menlove stated that if the sales tax were removed from food an 1.5% increase of sales tax would be added to the current sales tax rates for non-food items. Paul suggested that the legislature just reduce the sales tax overall on everything by 1%. Brent suggested that the legislature reduce income tax for everyone. Mayor Anderson explained that he felt that from a meeting he was in concerning the State Tax Surplus that the State forgets that Cities only have two tax revenue sources and the State has three because of income tax. Mayor thanked Mrs. Menlove for coming.

WATER AND SEWER IMPACT FEES: Mayor Anderson asked Jason Burningham and Engineer Craig Neeley to address the Council to go over the water and sewer impact fee study and capital facility plan. Jason Burningham stated that after review of the financial requirement that Grantsville City has determined to be a need the water impact fee will increase from \$1275 per ¾ inch connection to \$2828.00. The sewer will increase from \$1175 for a ¾ inch connection to \$2276. The Impact fee study does not affect the Water Source requirements. The growth estimates were based on 2.94% growth. Mr. Neeley stated that he used historical data rather than the data that Nicole Cline was using. Mr. Neeley stated that the capital facilities plan is to be reviewed in 5-6 years anyway

and if growth increases more than the projections it can be adjusted. It was recommended that the Council review the Capital Facilities plan annually. Mr. Burningham informed the Council that the Auditors needed to be aware of the capital facilities plan to understand that the Impact fees are being designated as required by law. Recorder Palmer stated that she would talk with them about the capital facilities plan. Mr. Burningham stated that the current impact fee requirement for water source appears to be reasonable.

FIRE STATION CONSTRUCTION BUDGET: Brent and Wayne informed the Council that the Fire Station construction budget is currently just over 1.5 million for the base structure. The off-site and finishing elements of the structure will bring the total to 2 million. Brent and Wayne were concerned that the Council should amend the 1.5 million dollar ceiling on the budget to the full 2 million. They did not want to be in violation of the ceiling motion made in December. Attorney Elton explained that the Council has just approved a parameters resolution that will allow for the full 2 million.

APPROVAL OF BILLS: Paul made the motion to approve the bills as presented. Robin seconded the motion. All voted in favor, motion carried.

COUNCIL INFORMATION AND UPDATES: Mayor informed the Council that he has been made aware of a Weed Control Committee within the County and he would like to appoint Larry Bolinder to this committee. Mayor will place this on the next agenda for the Council to consider.

Brent stated that he and the Fire Chief toured the J. Ruben Clark home to see if the basement would work for the fireman's business meetings. The Fire Chief thought it would work fine. And the fireman would also like to store the Christmas decorations in the basement as well. Brent asked the Council if they would be all right with the Ladies Auxiliary meeting at the home as well. Paul expressed his concern with the Ladies Auxiliary using the home because they are ladies and not emergency prepared. Paul stated that the electrical is not grounded. Council determined that as long as the ladies did not need any major electrical needs that they could meet at the home as well. Brent stated that the agreement with the State Road Shed is almost ready to sign. The agreement will allow for the Grantsville Trucks to be stored in a couple bays on the East side of the State Road Shed Facility. Brent stated his concern about the EMT class costing money for the residents to attend and the Fireman are training the Hospital EMT's for emergency management for free. Seems like a trade should be worked out.

Robin stated that he had another conversation with Derek Ellis with Mountain Vista. Mayor and Robin would like to have this item on the next agenda for discussion. Robin and the Mayor requested that Recorder Palmer invite Mike Warner and Shauna Kertamus to this meeting. They requested Recorder Palmer to put all of the minutes and agreements together for the packet for the Council to review.

ADJOURN: Paul made the motion to adjourn at 9:50 p.m. Wayne seconded the motion. All voted in favor, motion carried.

Wendy Palmer, City Recorder

Byron Anderson, Mayor