

2 The Lindon City Council held a regularly scheduled meeting on **Tuesday, December 21**
3 **2010** in the Lindon City Center, City Council Chambers, 100 North State Street, Lindon,
4 Utah, 84042.

5 Conducting: James A. Dain, Mayor
6 Pledge of Allegiance: Cody Cullimore
7 Invocation: Jerald Hatch

8 **PRESENT**

9 **ABSENT**

10 James A. Dain, Mayor
11 Lindsey Bayless, Councilmember
12 Bret Frampton, Councilmember
13 Jerald I. Hatch, Councilmember
14 Mark L. Walker, Councilmember
15 Ott H. Dameron, City Administrator
16 Cody Cullimore, Chief of Police
17 Debra Cullimore, City Recorder

18 Bruce Carpenter, Councilmember

19 The meeting was called to order at 7:00 p.m.

20 **MINUTES** - The minutes of the regular meeting of December 7, 2010 and the special
21 meeting of December 14, 2010 were reviewed.

22 COUNCILMEMBER HATCH MOVED TO APPROVE THE MINUTES OF
23 THE MEETING OF DECEMBER 7, 2010 AND DECEMBER 14, 2010.
24 COUNCILMEMBER FRAMPTON SECONDED THE MOTION. THE VOTE WAS
25 RECORDED AS FOLLOWS:

26 COUNCILMEMBER BAYLESS AYE
27 COUNCILMEMBER FRAMPTON AYE
28 COUNCILMEMBER HATCH AYE
29 COUNCILMEMBER WALKER AYE

30 THE MOTION CARRIED UNANIMOUSLY WITH ONE ABSENT.

31 **OPEN SESSION** - Citizens comments

32 Mayor Dain called for comments from any audience member who wished to
33 address an issue not listed as an agenda item. There was no public comment.

34 **MAYOR'S COMMENTS/REPORT** –

35 Mayor Dain had no items to report at this time.

36 **CONSENT AGENDA** –

37 No Items

CURRENT BUSINESS -

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1. **Review and Action** – *Regarding the Proposed Public Safety Building Impact Fee.* This item is a request by Mayor Dain for discussion and possible action to table the proposed Public Safety Building Impact Fee and all matters related to the proposal. If this item is tabled, the public hearing noticed for January 18, 2010 will be cancelled. By tabling the item, more time will be allowed for gathering information and coordinating with interested parties.

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Mr. Dameron explained that the Public Safety Impact Fee has been a topic of great interest in recent weeks. He noted that the City has met with interested parties on several occasions to address concerns, but has been unable to reach a consensus on a course of action which would be acceptable to those opposing the fee. He stated that staff recommends that this item be tabled to allow time for additional investigation into options for implementation of the fee, and discussion with interested parties.

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Mayor Dain stated that he met with the President of the Homebuilders Association, Paul Magleby, to discuss concerns of that organization. Mayor Dain refuted several statements which were included in an email distributed by an organization opposing the fee, including a statement that the impact fee analysis cost the City \$130,000 to complete. He clarified that the \$130,000 cost shown in the study represents the professional fees such as architecture, bond counsel and engineering associated with construction of the new facility. The cost of the impact fee study is approximately \$2,000. The email also indicated that Lindon City has the highest tax burden in Utah County, which is untrue. Property tax rates in Lindon are lower than average, and the City has not implemented a zoo, arts and parks tax as many other municipalities have. The City does benefit from higher than average sales tax revenue per capita, which is the result of prudent planning on the part of the City. The inaccurate information in the email also indicated that the facility would include jail facilities, which can not be paid for using impact fee revenue. Mayor Dain explained that the new proposed public safety facility will include holding cells where prisoners can be secured prior to transport to the Utah County Jail, but jail cells where prisoners are detained for extended periods of time will not be part of the facility.

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Mayor Dain stated that while he and the City Council recognize the need for the new facility and the need to implement the impact fee, he feels that it would be beneficial to all parties to delay action on this issue to allow time for further discussion to resolve concerns. Councilmember Walker agreed that it would be beneficial to proceed with consideration of an impact fee slowly following further investigation and discussion.

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Councilmember Bayless noted that the City has made a commitment to Orem City to expand Public Safety facilities to better accommodate the fire service provided through a contract between Orem and Lindon. She noted that residents have benefited for the professionalism of the service provided by Orem Department of Public Safety, and that the City needs to maintain that level of service and comply with terms of the agreement. However, she concurred that it would be a good decision to delay implementation of the impact fee pending further discussion and investigation. She noted that the fee should be implemented at the appropriate time to avoid current residents bearing the full burden of expansion of services as the population grows and expansion of services becomes necessary.

2 Mayor Dain commented on the high level of service provided to Lindon residents
by the Lindon City Police Department and Orem Department of Public Safety. He
4 agreed that the issue should be revisited in the future, and the fee implemented at the
appropriate time. He called for further discussion from the Council. Hearing none, he
6 called for a motion.

8 COUNCILMEMBER FRAMPTON MOVED TO TABLE THE PROPOSED
PUBLIC SAFETY BUILDING IMPACT FEE INDEFINITELY, TO BE
10 RECONSIDERED AT A LATER DATE. COUNCILMEMBER HATCH SECONDED
THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

12 COUNCILMEMBER BAYLESS AYE
COUNCILMEMBER FRAMPTON AYE
14 COUNCILMEMBER HATCH AYE
COUNCILMEMBER WALKER AYE

16 THE MOTION CARRIED UNANIMOUSLY WITH ONE ABSENT.

18 Mayor Dain noted that this action will cancel the January 18, 2011 Public
Hearing, and that the City will start the noticing process again at some time in the future.

- 20 2. **Review and Action** – *Financial Audit Report for Fiscal Year 2009/2010.*
Michael R. Stoddard of the firm “CPA Network, LLC” and Kristen Colson,
22 Finance Director, will present the city’s annual financial audit report for the fiscal
year 2009/2010 to the Mayor and Council.

24 Mr. Dameron observed that Mr. Stoddard had not yet arrived at the meeting. He
26 suggested that the Council move ahead with other agenda items and return to this item
upon Mr. Stoddard’s arrival.

28 COUNCILMEMBER BAYLESS MOVED TO HOLD THE AUDIT REPORT
30 UNTIL LATER IN THE MEETING. COUNCILMEMBER FRAMPTON SECONDED
THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

- 32 3. **Discussion** – *Community Center Programming and Time-Line.* This is a request
34 by Dan Seder, Parks and Recreation Director, for more follow-up discussion
relative to the Lindon Community Center programs, rentals, and timing for
36 activities in the Center.

38 Parks and Recreation Director, Dan Seder, was present for this discussion with the
Council. Mr. Seder noted that the information contained in his recommendation is
40 similar to information reviewed by the Council during previous discussions regarding
fees and programming at the Community Center. He noted that the City has received
42 approximately 40 applications for the Recreation Program Director position, with
approximately 15 of those applicants meeting the minimum qualifications. He explained
44 that he is requesting direction from the Council regarding rental of the facility prior to
completion of remodeling.

2 Mayor Dain observed that the process of remodeling may present some safety
concerns if the facility were in use during the remodel. He also noted that he would like
4 to form an Arts Council prior to starting programming at the facility. He explained that
the remodel project should be ready to go out for bids in mid February, with the project
6 taking approximately 2 months to complete. He felt that it would be appropriate to delay
use of the facility until the remodel is complete.

8 The Council went on to discuss rate structures and policies which will not
compete with local businesses for events such as weddings. The Council also discussed
10 the possibility of fee waivers for residents who meet specific criteria. Mayor Dain also
requested that the Cultural Arts Center, formerly the chapel, be identified separately from
the Senior Citizens Center.

12 Discussion regarding specific programming and fees will continue with the Arts
Council once that body is formed. Councilmember Frampton will represent the City
14 Council as a member of the Arts Council. Once hired, the Program Director will also
work with the Arts Council to formulate programming and fees.

16 **AUDIT REPORT** –

18 Mr. Stoddard had arrived at the meeting at this time. The Council returned to this
20 item for Mr. Stoddard's presentation. Mr. Stoddard was accompanied by City Finance
Director, Kristen Colson.

22 Mr. Stoddard explained that the auditor's opinion assigns responsibility to Lindon
City for management of the financial statements. He noted that more responsibility will
24 shift to the City in coming years, and that in a period of several years the City will take
full responsibility for preparing the financial statements with the auditor issuing an
26 opinion on the statements prepared by the City. This year, Ms. Colson is preparing a
statistical section and a letter of transmittal as part of the Comprehensive Annual
28 Financial Report (CAFR). Details of the financial statements will be reviewed in greater
detail at the time the CAFR is presented.

30 Mr. Stoddard went on to review specific information in the audit report. He
explained that revenue which was loaned to the General Fund from Enterprise Funds to
32 provide liquidity to the City during the economic downturn was shown as funds in on
balance sheets, which would have exceeded the 18% maximum fund balance allowable
34 by state law. Those revenues have been re-classed as loan revenue. The loan funds are
available for use at any time, providing the necessary liquidity without exceeding the
36 maximum fund balance. Funds will be converted to transfers in if and when use of the
loan revenue becomes necessary. The City Council has the authority to repay the loans to
38 the Enterprise Funds in the future if they determine it would be beneficial to do so. Mr.
Stoddard stated that none of the revenue allocated by the loans has been used at this time.

40 Mr. Stoddard reviewed profit and loss statements and capital projects. He noted
there was minor concern regarding several departments which slightly exceeded budgets.
42 He explained that this may be a function of the 'learning curve' former Finance Director
Jamie Bennee may have experienced regarding finalizing year end budget numbers, and
44 that there is nothing of great concern in the year end numbers. Mr. Dameron noted that
the over expenditures were due in large part to outstanding obligations that carried over

2 from the previous year, which gave an appearance of over expenditures in the current year.

4 Findings listed in the Letter of Compliance to the State of Utah include; failure by the Justice Court to file a required report (which was a single incident and not an ongoing issue), departments showing over budget at year end, and a re-class of funds associated with Heritage Trail. Mr. Stoddard clarified that none of the findings are of serious or continuing concern.

8 The Council went on to discuss tax revenue. Mr. Stoddard observed that over the past year, tax revenue sources have stabilized. Mayor Dain observed that the property tax adjustment implemented by the Council in 2009 has effectively brought that particular revenue source better in line with expenditures associated with providing essential services. He observed that the tax adjustment was the proper course of action to help stabilize the finances of the City.

14 Mayor Dain asked Mr. Stoddard his opinion on future economic growth. Mr. Stoddard stated that in his opinion, the economic recovery will be complex and will take another two to three years. The Council discussed the impact of the global economy on local revenue streams.

18 Mr. Dameron noted that with the tragic loss of Jamie Bennee, the City could not have experienced a smoother transition than to have Ms. Colson back in her position. The Council expressed appreciation to Ms. Colson and Mr. Stoddard for their work and the audit report. The Council will review the Comprehensive Annual Financial Report on January 18, 2011.

- 24 4. **Review and Action** – *Sewer Bond Loan Authorization Letter*. This is a request by staff for the Mayor and Council’s approval of the “Loan Authorization Letter – Project Cost and Loan Origination Fee Acceptance form for Projects Funded through the Utah State Revolving Fund Program.” This is a necessary step in the bonding process for the sewer upgrade project. The motion should state that the Mayor is authorized to sign the document.

30 COUNCILMEMBER WALKER MOVED TO APPROVE THE SEWER BOND
32 LOAN AUTHORIZATION LETTER AND AUTHORIZE THE MAYOR TO SIGN
34 THE DOCUMENT. COUNCILMEMBER HATCH SECONDED THE MOTION. THE
VOTE WAS RECORDED AS FOLLOWS:

36 COUNCILMEMBER BAYLESS AYE
38 COUNCILMEMBER FRAMPTON AYE
COUNCILMEMBER HATCH AYE
COUNCILMEMBER WALKER AYE

THE MOTION CARRIED UNANIMOUSLY WITH ONE ABSENT.

- 40 5. **Review and Action** – *Partial One-time COLA “Catch-Up”*. This is a request by staff for the Mayor and Council’s consideration of a partial one-time COLA “catch-up” for the employees. The lump sum payment will be made to employees using unbudgeted revenue received through the lease of the Community Center. Due to an increase in sales tax revenue over the past four months and other indicators showing improvement in the economy, the lease revenue is not needed

2 to meet debt service or other obligations. The employees are our most important
asset and have worked loyally and short-handed for three years without
4 compensation recognition. This request is for 2.2%.

6 Mr. Dameron explained that the Council has discussed this issue over time, but
wanted to delay taking any action until the economic outlook had improved. He
8 observed that City employees have not received any COLA or performance increases in
the past three years. Staffing has also been reduced due to a hiring freeze, which has
10 required all City employees to take on added responsibilities. This proposal is to provide
a 2.2% one time COLA 'catch-up' to City employees using un-budgeted revenue which
12 was generated through a lease agreement with Karl G. Maeser Academy for the
Community Center. The total unbudgeted revenue generated through the lease agreement
14 is \$42,725. The total cost of the COLA payment to employees would be \$54,056.19,
with a total impact to the General Fund of \$41,566.26. Additional payments would be
16 made from Enterprise Funds for their respective employees. This one time payment will
not increase base pay rates for employees, and creates no future financial obligation for
the City.

18 Mayor Dain observed that the most important asset of the City is great employees.
He noted that employees have worked without pay increases for three years without
20 complaint, and have stepped up to fill gaps left by open positions. He noted that the
Council has committed on more than one occasions that employees would be the first
22 priority when funds became available. He noted that the intent of the lease agreement
was not to generate revenue, but to assist the school in their transition. However, based
24 the combination of the unbudgeted revenue and the improvement in the overall economic
outlook, it is appropriate to use the available funds to fairly compensate employees. He
26 recommended that the Council approve this one time payment for the 'best employees a
city could ask for.'

28 Councilmember Bayless commented on the work of City employees who do their
jobs with dedication and professionalism. She noted that the lease revenue does not
30 impact the City budget, and that it allows the Council to make good on commitments to
employees. Councilmember Walker agreed that employees are an asset to the City, and
32 that this use of the funds is appropriate. Mayor Dain called for further comments or
discussion. Hearing none, he called for a motion.

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36 COUNCILMEMBER BAYLESS MOVED TO APPROVE A PARTIAL ONE
TIME 2.2% COLA CATCH UP PAYMENT FOR CITY EMPLOYEES.

38 COUNCILMEMBER WALKER SECONDED THE MOTION. THE VOTE WAS
RECORDED AS FOLLOWS:

40 COUNCILMEMBER BAYLESS AYE
COUNCILMEMBER FRAMPTON AYE
42 COUNCILMEMBER HATCH AYE
COUNCILMEMBER WALKER AYE

44 THE MOTION CARRIED UNANIMOUSLY WITH ONE ABSENT.

46 **COUNCIL/ADMINISTRATOR REPORTS -**

Mr. Dameron reported on the following items:

1. City offices will close at noon on Thursday, December 23rd and will reopen Tuesday, December 28, 2010. City offices will also be closed Friday, December 31st for the New Years holiday.
2. The Council reviewed the Project Tracking List. Several items have been added which outline a variety of activities of the Planning and Building Departments.
3. The Justice Court is transitioning to a new software program which will require a high level of coordination between the court and administration. Staff attended training recently, and the City anticipates a smooth transition.
4. The General Plan and Recreation survey results have been sent to the Mayor and Council by email. Results will be discussed during the January 4, 2011 City Council meeting.
5. The Council will review a model ordinance regarding development in the area of Utah Lake during the January 4, 2011 meeting.
6. The City is no longer negotiating with Mel Olsen regarding acquisition of his property.

COUNCILMEMBER FRAMPTON – Councilmember Frampton reported that the Housing Consortium will meet after the first of the year to finalize allocation of funds. He also reported that the baseball field maintenance issue will be resolved after the first of the year.

COUNCILMEMBER HATCH – Councilmember Hatch had no items to report.

COUNCILMEMBER WALKER – Councilmember Walker had no items to report.

COUNCILMEMBER BAYLESS – Councilmember Bayless had no items to report.

COUNCILMEMBER CARPENTER – Councilmember Carpenter was not present at the meeting. Chief Cullimore reported on Police Department activities. He reported that as a result of the efforts of the SMART Coalition, which Officer Darrell Bingham participates on, 94% of doctors are now participating in the prescription drug database, as opposed to 28% participation previously. The database eliminates a major source of drug abuse. The City has participated in other events to address prescription drug abuse, including two drug take back events held in Lindon in the past year, and participation with state programs to better train officers to detect impaired drivers.

Chief Cullimore reported on a new program the Police Department will implement in 2011. Youth Education Series, YES, will provide monthly classes for youth and their parents. In January, Officer Darrell Bingham will give a drug abuse presentation. February's class will be presented by Judge Bullock and will provide information regarding youth laws, crimes and punishment. In March, Chief Cullimore will provide training on decision making, consequences, and the positive or negative

impacts of decisions on life. Events will be advertised through the City newsletter and website, as well as through the schools.

The cement base for the Veteran’s Memorial has been completed, and the granite has been shipped. The project is expected to be approximately \$20,000 over budget. Additional private donations are being pursued to cover the full expenses.

Mr. Dameron requested discussion regarding realignment of the 400 North and State Street intersection which will be done as part of the UDOT State Street widening. He explained that the west side of the intersection will be realigned as part of the project, but that the east side will not be altered at this time. He noted that a light post on the east side of the intersection is planned by UDOT, but will not be in the appropriate location for future realignment of the east side of the intersection. He inquired as to the Council’s feelings on negotiating with the owners of The Pizza Factory to buy a small piece of property to locate the light in the appropriate location for future expansion. He noted that location of the light in the appropriate spot will be far less costly than relocating it in the future. Staff will discuss the possibility with the business owners and report back to the Council.

COUNCILMEMBER BAYLESS MOVED TO APPROVE THE PAY VOUCHERS. COUNCILMEMBER FRAMPTON SECONDED THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

COUNCILMEMBER BAYLESS AYE
COUNCILMEMBER FRAMPTON AYE
COUNCILMEMBER HATCH AYE
COUNCILMEMBER WALKER AYE

THE MOTION CARRIED UNANIMOUSLY WITH ONE ABSENT.

ADJOURN –

COUNCILMEMBER HATCH MOVED TO ADJOURN THE MEETING AT 9:17 P.M. COUNCILMEMBER BAYLESS SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

Approved – January 4, 2011

Debra Cullimore, City Recorder

James A. Dain, Mayor