The Lindon City Council held a regularly scheduled meeting beginning at 7:00 p.m., on
Tuesday, January 02, 2007, in the Lindon City Center, City Council Chambers, 100 North State Street, Lindon, Utah.

Conducting: Jeff Acerson, Mayor
Pledge of Allegiance: Ott Dameron
Invocation: Lindsey Bayless

PRESENT
Jeff Acerson, Mayor
Eric Anthony, Councilmember
H. Toby Bath, Councilmember
Lindsey Bayless, Councilmember
Bruce Carpenter, Councilmember
Ott H. Dameron, City Administrator/Recorder
Debra Cullimore, Deputy Recorder

ABSENT
Jerald Hatch, Councilmember
Adam Cowie, Planning Director

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

MAYOR PRO-TEM RECOGNITION – By direction of the Mayor and City Council, the appointment of a Mayor Pro-Tem will be rotated quarterly among the City Council members. Councilmember Bruce Carpenter will assume the duties of the Mayor Pro-Tem for January through March of 2007.

Mayor Acerson explained that the Mayor Pro-Tem assignment is rotated quarterly between Councilmembers. Councilmember Bruce Carpenter agreed to fulfill the responsibilities of the assignment during the first quarter of 2007.

MINUTES – The minutes of the regular meeting of December 19, 2006 were reviewed.

COUNCILMEMBER BATH MOVED TO APPROVE THE MINUTES OF THE DECEMBER 19, 2006 MEETING. COUNCILMEMBER ANTHONY SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

OPEN SESSION -

Mayor Acerson called for comments from any resident present who wished to address an issue not listed as an agenda item. There was no public comment.

MAYOR’S COMMENTS/REPORT –

Mayor Acerson commented on the funeral of former President Jerald R. Ford held earlier in the day. He noted that he was able to watch a portion of the service on television, and was impressed by the unity of other elected leaders, as well as the reverence shown for the service of President Ford. Mayor Acerson observed that the
National Day of Mourning provides an opportunity for citizens to reflect what is important, and to remember those who serve the country.

CONSENT AGENDA –

No items.

CURRENT BUSINESS –


Michael R. Stoddard of CPA Network, LLC will present the City’s annual audit report to the Council.

Mr. Dameron explained that Finance Director/Treasurer, Kristen Colson, was called out of town for a family emergency, and was not able to attend this meeting. Mike Stoddard of CPA Network LLC was present to review results of the recently completed financial audit with the Council. Mr. Stoddard reviewed various sections of the audit report. The Audit Opinion indicates that the financial records of the City are clean, and that the City is currently in good financial health. Mr. Stoddard noted that the financial reports which are completed throughout the year are also high in quality. He explained that the figures shown in the final audit report are highly aggregated, and recommended that the Council review the June 30 financial reports for further information regarding the financial interests of the City.

Mr. Stoddard stated that the Management Analysis section of the report was prepared by Ms. Colson. He suggested that Ms. Colson attend a future meeting to give an overview of the Management Analysis. Mr. Stoddard stated that both Mr. Dameron and Ms. Colson have an in depth knowledge of the financial activities in the City, and are the best resource for additional information.

Mr. Stoddard went on to highlight several areas of the final audit report. He noted that two years ago, the City financials were converted to a new format which includes long term assets. The report this year shows the City’s assets exceeding liabilities by 41 million dollars. He noted that total assets increased by 5.2 million during the year, with 1.8 million coming from business type activities, and 3.48 million being generated by governmental activities.

Mr. Stoddard explained the format of the financial statement, which lists expenditures first. He noted that the governmental model differs from the business model due to a difference in priorities. He explained that the theory behind business operations is to generate revenue and control costs in order to manage the bottom line of the business. The goal for governmental organizations is to provide essential services, and to show the cost of those essential services and how the costs were defrayed. Mr. Stoddard observed that any costs not covered by revenue which is generated by various City programs is typically covered by property, sales and use, and franchise tax revenues.

Mr. Stoddard then reviewed the combined ending fund balances. He stated that the ending fund balance is shown at 9.9 million dollars, which represents an increase of 2.2 million dollars over the 7.7 million dollar balance the previous year.
Mr. Stoddard went on to review the Management Comments for the year. He stated that the first finding addressed is the lack of segregation of duties for cash receipts. He explained that the audit made recommendations for cash handling procedures. An outside review of cash handling procedures was also performed by Rick Hennage of Utah Valley State College. Mr. Hennage made additional recommendations to the Audit Committee regarding cash handling procedures. Councilmember Carpenter made the point that lack of segregation of duties in previous years was not the result of an oversight or lack of management. He explained that historically, there was not sufficient City staff to allow the recommended level of segregation of duties. Mr. Stoddard agreed. He stated that the City has taken reasonable steps in the past to mitigate potential problems associated with lack of segregation, but that current recommendations are the beginning of a more formal segregation process. Mr. Stoddard noted that phase one of the recommendations has now been implemented by the City, and that further recommendations will be phased in during the next fiscal year. He clarified that the comments associated with lack of segregation are not damaging comments, but show healthy growth in the City.

Mr. Stoddard stated that the one finding of concern in the current year audit relates to an excess balance of $181,000 in the General Fund. He stated that any excess revenues in the General Fund should be transferred to the Capital Improvement Fund.

Mr. Stoddard noted that the cost of employee benefits will likely continue on an upward trend. He observed that employee benefits represent an increasing percentage of overall costs, and may need to be addressed at some time in the future. He noted that a decrease in benefits may translate into an increase in wages, resulting in no net savings to the City.

Councilmember Anthony asked Mr. Stoddard to summarize the “high points” of the audit. Mr. Stoddard stated that he appreciates working with Lindon City staff. He observed that the focus of audits at one time was segregation of duties and internal controls only. He commented that large companies, such as Enron, did not get into financial trouble due to lack of internal controls and segregation of duties. He noted that the foundation of financial health of an entity is based on the “internal control environment” and the culture of the entity. Mr. Stoddard stated that Lindon City has an incredibly high level of integrity in the management of the City, and that City staff are eager to address any problems as they arise.

Mayor Acerson noted that the City was presented with the Distinguished Budget Finance Award for the second year. He observed that the award was made possible through the efforts of Mr. Dameron and Ms. Colson. He also commented that City employees appreciate working for the City due to the quality of benefits and the positive environment. Councilmember Carpenter noted that it is the intent of the City to retain valuable employees, and that quality benefits are one of the elements which will encourage employees to continue employment at the City. The Council thanked Mr. Dameron for his efforts. Mayor Acerson thanked Mr. Stoddard for his time and expertise in completion of the audit, and in presenting the results to the Council. Mayor Acerson called for further comments or discussion. Hearing none, he called for a motion.

COUNCILMEMBER CARPENTER MOVED TO APPROVE THE AUDIT REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2006. COUNCILMEMBER
ANTHONY SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

Stacy Johnson of the Pleasant Grove Review introduced herself to the Mayor and Council. Ms. Johnson stated that she will be attending Lindon City meetings for the newspaper for approximately the next four months.

2. **Review and Action – Councilmember Assignments.** Mayor Acerson will present any proposed assignment changes for Councilmembers for 2007.

Mayor Acerson asked Councilmembers if there were any questions or concerns regarding current assignments. He noted that he had no sense of discontent regarding current areas of responsibility. All Councilmembers present expressed that they were willing to continue with their current assignments. Mayor Acerson called for further comments or discussion. Hearing none, he called for a motion.

COUNCILMEMBER ANTHONY MOVED TO APPROVE EXISTING ASSIGNMENTS FOR AREAS OF RESPONSIBILITY FOR COUNCILMEMBERS. COUNCILMEMBER BAYLESS SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

**COUNCIL REPORTS –**

**WATER, SEWER, SOLID WASTE, HOUSING CONSORTIUM –**

Councilmember Hatch was not present at the meeting.

**TRAILS, PLANNING, ZONING, BD OF ADJ, ADMINISTRATION –**

Councilmember Bayless had no items to report.

**PUBLIC SAFETY, COURT, BUILDING INSPECTIONS –**

Councilmember Bath noted that he had received a copy of the Public Safety District Feasibility Study report, but had not yet had time to review the information. He will report on the findings of the study at a later date.

**PARKS, RECREATION, ENGINEERING, LINDON FAIR, NEWSLETTER –**

Councilmember Anthony stated that the Tree Advisory Board will be prepared to make a presentation to the Council at the January 16, 2007 City Council meeting regarding treeing of 700 North. The presentation will make recommendations for both type and frequency of trees on the corridor. Councilmember Anthony stated that the trees will help create a beautiful gateway area to the City.
ADMINISTRATOR’S REPORT –

Mr. Dameron reported on the following items:

1. A Transportation Summit will be held Thursday, January 4th from 12:30 until 5:00 p.m. at the Utah County offices. Mr. Dameron will notice the meeting to allow all Councilmembers to attend if possible.

2. Quarterly coordination meeting will be held with Pleasant Grove on Monday, January 8, 2007 at 5:30 p.m. in the Pleasant Grove City Council Chambers. Councilmember Bath and Councilmember Anthony will attend.

3. City offices will be closed on Monday, January 15, 2006 in observance of Human Rights Day.

4. The Council reviewed the Project Tracking List.

5. The Council discussed the possibility of starting all City Council meetings at 6:00 rather than 7:00. Following discussion, the Council felt that meetings should continue to begin at 7:00, with the exception of periodic Work Sessions which will begin at 6:00 p.m.

6. Water meters will be read monthly on large water users to ensure that charges are based on actual usage rather than estimates.

7. The culvert associated with the 200 East street rehabilitation project will be bid out and completed in February. The remainder of the project will be advertised for bid on January 25th, with bids being opened on February 15th. Recommendations for the bid award will be reviewed by the Council during the February 20, 2007 regular City Council meeting. Councilmember Anthony inquired as to whether breaking out the project is cost effective. Mr. Dameron stated that it can be cost effective, but that in this case the purpose of breaking the project out is for expediency.

8. The Citizen Survey regarding a possible recreation complex will be mailed to residents on Friday, January 5, 2007. Residents will be asked to return the survey by February 12, 2007. Analysis of the surveys will take place through February 16, 2007, and a public meeting will be held at 6:00 p.m. on February 20, 2007 prior to the regular City Council meeting to discuss the results of the survey.

9. Chris Hillman will be scheduled to attend a future City Council meeting to discuss the results of the Public Safety District Feasibility study as soon as all relevant information is received by Mr. Hillman and included in the study.

10. The North Point Solid Waste Special Service District has paid their 50% portion of road improvements on 2800 West.

COUNCILMEMBER BATH MOVED TO APPROVE THE PAY VOUCHERS. COUNCILMEMBER BAYLESS SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED.
Executive Session – The City Council will meet privately to discuss personnel – including the character, professional competence, or physical or mental health of an individual. (UT Code 52-4-5(1)).

COUNCILMEMBER BAYLESS MOVED TO TEMPORARILY ADJOURN THE REGULAR CITY COUNCIL MEETING AND MOVE INTO EXECUTIVE SESSION AT 8:08 P.M. COUNCILMEMBER BATH SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

COUNCILMEMBER CARPENTER MOVED TO ADJOURN THE EXECUTIVE SESSION AND RECONVENE THE REGULAR CITY COUNCIL MEETING AT 9:22 P.M. COUNCILMEMBER ANTHONY SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

ADJOURN –

COUNCILMEMBER BAYLESS MOVED TO ADJOURN THE MEETING AT 9:22 P.M. COUNCILMEMBER BATH SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

APPROVED – February 16, 2007

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Ott H. Dameron, City Administrator/Recorder

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Jeff Acerson, Mayor