

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

5 Conducting: Jeff Acerson, Mayor

6 Pledge of Allegiance: Ott Dameron

7 Invocation: Lindsey Bayless

8 **PRESENT**

**ABSENT**

9 Jeff Acerson, Mayor

Jerald Hatch, Councilmember

10 Eric Anthony, Councilmember

Adam Cowie, Planning Director

11 H. Toby Bath, Councilmember

12 Lindsey Bayless, Councilmember

13 Bruce Carpenter, Councilmember

14 Ott H. Dameron, City Administrator/Recorder

15 Debra Cullimore, Deputy Recorder

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

17  
18  
19 **MAYOR PRO-TEM RECOGNITION** – *By direction of the Mayor and City Council,*  
20 *the appointment of a Mayor Pro-Tem will be rotated quarterly among the City Council*  
21 *members. Councilmember Bruce Carpenter will assume the duties of the Mayor Pro-*  
22 *Tem for January through March of 2007.*

23  
24  
25 Mayor Acerson explained that the Mayor Pro-Tem assignment is rotated quarterly  
26 between Councilmembers. Councilmember Bruce Carpenter agreed to fulfill the  
27 responsibilities of the assignment during the first quarter of 2007.

28  
29 **MINUTES** – The minutes of the regular meeting of December 19, 2006 were reviewed.

30  
31 COUNCILMEMBER BATH MOVED TO APPROVE THE MINUTES OF THE  
32 DECEMBER 19, 2006 MEETING. COUNCILMEMBER ANTHONY SECONDED  
33 THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

34  
35 **OPEN SESSION** -

36  
37 Mayor Acerson called for comments from any resident present who wished to  
38 address an issue not listed as an agenda item. There was no public comment.

39  
40 **MAYOR'S COMMENTS/REPORT** –

41  
42 Mayor Acerson commented on the funeral of former President Jerald R. Ford held  
43 earlier in the day. He noted that he was able to watch a portion of the service on  
44 television, and was impressed by the unity of other elected leaders, as well as the  
45 reverence shown for the service of President Ford. Mayor Acerson observed that the  
46

2 National Day of Mourning provides an opportunity for citizens to reflect what is  
important, and to remember those who serve the country.

4 **CONSENT AGENDA** –

6 No items.

8 **CURRENT BUSINESS** –

- 10 1. **Review and Action** – *Financial Audit Report for Fiscal year 2005-2006.*  
12 Michael R. Stoddard of CPA Network, LLC will present the City’s annual audit  
report to the Council.

14 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  
16 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  
18 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  
20 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  
22 that the Council review the June 30 financial reports for further information regarding the  
financial interests of the City.

24 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  
26 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  
28 the best resource for additional information.

30 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  
32 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  
34 governmental activities.

36 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  
38 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  
40 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  
42 programs is typically covered by property, sales and use, and franchise tax revenues.

44 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.

2 Mr. Stoddard went on to review the Management Comments for the year. He  
3 stated that the first finding addressed is the lack of segregation of duties for cash receipts.  
4 He explained that the audit made recommendations for cash handling procedures. An  
5 outside review of cash handling procedures was also performed by Rick Hennage of Utah  
6 Valley State College. Mr. Hennage made additional recommendations to the Audit  
7 Committee regarding cash handling procedures. Councilmember Carpenter made the  
8 point that lack of segregation of duties in previous years was not the result of an oversight  
9 or lack of management. He explained that historically, there was not sufficient City staff  
10 to allow the recommended level of segregation of duties. Mr. Stoddard agreed. He stated  
11 that the City has taken reasonable steps in the past to mitigate potential problems  
12 associated with lack of segregation, but that current recommendations are the beginning  
13 of a more formal segregation process. Mr. Stoddard noted that phase one of the  
14 recommendations has now been implemented by the City, and that further  
15 recommendations will be phased in during the next fiscal year. He clarified that the  
16 comments associated with lack of segregation are not damaging comments, but show  
17 healthy growth in the City.

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

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

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

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

45 **COUNCILMEMBER CARPENTER MOVED TO APPROVE THE AUDIT**  
46 **REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2006. COUNCILMEMBER**

2 ANTHONY SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE  
MOTION CARRIED.

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

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

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

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

22 **COUNCIL REPORTS** –

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

26 Councilmember Hatch was not present at the meeting.

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

30 Councilmember Bayless had no items to report.

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

34 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  
36 information. He will report on the findings of the study at a later date.

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

40 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  
42 meeting regarding treeing of 700 North. The presentation will make  
recommendations for both type and frequency of trees on the corridor.  
44 Councilmember Anthony stated that the trees will help create a beautiful gateway  
area to the City.  
46

**GENERAL PLAN, STREETS & SIDEWALKS, PUBLIC BUILDINGS –**

Councilmember Carpenter had no items to report.

**ADMINISTRATOR’S REPORT –**

Mr. Dameron reported on the following items:

1. A Transportation Summit will be held Thursday, January 4<sup>th</sup> 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 25<sup>th</sup>, with bids being opened on February 15<sup>th</sup>. 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.

2 **Executive Session** – *The City Council will meet privately to discuss personnel –*  
3 *including the character, professional competence, or physical or mental health of an*  
4 *individual. (UT Code 52-4-5(1)).*

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

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

13 **ADJOURN** –

14 COUNCILMEMBER BAYLESS MOVED TO ADJOURN THE MEETING AT  
15 9:22 P.M. COUNCILMEMBER BATH SECONDED THE MOTION. ALL  
16 PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

17 APPROVED – February 16, 2007

18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
\_\_\_\_\_  
Ott H. Dameron, City Administrator/Recorder

\_\_\_\_\_  
Jeff Acerson, Mayor