

Minutes of the Salem City Council Meeting held on November 21, 2017 in the Salem City Council Chambers.

MEETING CONVENED AT: 6:00 p.m.

CONDUCTING: Mayor Randy A. Brailsford

COUNCIL PRESENT:

Mayor Randy A. Brailsford
Councilperson Cristy Simons
Councilperson Seth Sorensen
Councilperson Soren Christensen
Councilperson Sterling Rees
Councilperson Craig Warren

STAFF PRESENT:

Jeffrey Nielson, Finance/Recorder
Jason Sant, Assistant City Attorney
Matt Marziale, Public Works Director
Chief Brad James
Allison Taylor

OTHERS PRESENT

Kelly Peterson, Howard Chuntz, Steven Boothe, Karen Boothe, Emily Burton

1. VOLUNTEER MOTIVATIONAL/INSPIRATIONAL MESSAGE

Mayor Brailsford asked if anyone would like to give a motivational or inspirational message. He wished everyone a Happy Thanksgiving. Councilperson Sterling Rees stated he would like to offer a motivational message in the form of a prayer.

Mayor Brailsford stated that he is grateful for the councilmembers, they are great people and always do what they feel is best for the citizens and the community. They are looking out for our resident's safety and well-being. He is thankful for the men and women that serve our great nation. The mayor is thankful for our city employees, they do a good job for our community. He is grateful for our public safety, for our police department, our EMTs and our fire department, he has been blessed to work with them for the last 24 years. We have a great organization. He is also thankful for our citizens and volunteers, we have a great community full of volunteers. He prays for the less fortunate, and hopes that they will be taken care this Thanksgiving. God bless everybody this holiday season.

2. CANVASS 2017 MUNICIPAL ELECTION RESULTS

Jeff Nielson displayed the election results.

For Mayor:

Josh Thayer - 29 votes

Kurt Christensen - 1,186 votes

Soren Christensen - Write in- 851 votes.

For Councilmember:

Sterling M. Rees - 1,408 votes
Garrett McLean Jones - 660 votes
Howard Chuntz – Write in- 769 votes
Tim Degraw - Write in- 664 votes.

Jeff Nielson stated that we had a 56% voter turnout. Using vote by mail, we had a 22% increase over past elections. Howard Chuntz recommended we put something in the newsletter commending our citizens for the great voter turnout. The mayor and council thought this was a good idea.

MOTION BY: Councilperson Craig Warren to approve and canvass the 2017 election results as presented.

SECONDED BY: Councilperson Seth Sorensen.

VOTE: All Affirmative (5-0).

3. 2018 COUNCIL AGENDA CALENDAR

MOTION BY: Councilperson Cristy Simons to approve the 2018 council agenda calendar. Councilperson Soren Christensen asked if it was ok to have only one council meeting in July. Jeff Neilson stated that it was. Mayor Brailsford asked if there were any more questions on the motion.

SECONDED BY: Councilperson Sterling Rees.

VOTE: All Affirmative (5-0).

4. FY 2017 AUDIT REPORT

Jeff stated that the auditors had been involved in an accident on the way to the meeting. They are from Logan and the wreck was in Clearfield, so instead for waiting for them, they were going to try to Skype or call in. Diana Cannell from Allred Jackson called in on speaker phone to present the audit. Mayor Brailsford thanked her for calling in, he hoped she was ok after the accident. Diana stated she was fine. She said she would rather be here in person and was sorry she was not. She commented she would mail the bound reports. Diana expressed her appreciation for Jeff and the staff. She stated it is a lot of work to do an audit. Jeff and the staff are always extremely professional and always get them everything and anything they need. She asked Jeff to please pass that along to the staff. She then presented the audit report to the mayor, council, staff, and the public. She stated that the report will be sent to the state who also reviews the audits. She stated that financially the city is doing great.

Councilperson Craig Warren asked for the floor. Mayor Brailsford replied that Councilperson Warren had the floor. He asked that the minutes be as detailed as possible. Councilperson Warren thanked Diana for taking his call earlier to clarify some of his questions. To the people, although there aren't many in the audience tonight. He stated that in the past 4 or 5 months there were a number of stories being circulated about this council, the employees and the mayor being corrupt and dishonest. One of the stories that came to him through a citizen prior to the election and so he did a little research about this story.

This story was filled with half-truths, misrepresentation of the facts, and quite honestly outright lies. The person that brought the story to him, and he wants this to be on public record, not in someone's living room. He has a lot of respect for this person, he is a good friend. He called Councilperson Warren up and he asked him about it point blank and they had a good honest discussion. He didn't know this story was going around. The story was we fired our previous auditors because they would not play ball with us and fudge our books. Then we hired Allred Jackson because they would. Mayor Brailsford asked Diana how long Allred Jackson had been with us. Councilperson Warren stated since 2009. Diana stated about 8 years now. Councilperson Warren stated that he and this citizen had a discussion and he did some research and read through all of the summaries of the last 20 years of audits, even though he has only been on the council for 6. He wanted to have Diana here so she could explain some things. This citizen wouldn't tell him who the source was, but that they trusted the source implicitly and that if he would contact one of the candidates they would confirm the story for him. He decided not to contact the candidate, again not being in a public meeting. He did the research, he called the citizen back and he told them what he had found. The citizen and he, agreed to disagree on what he had found out. He asked Jeff if anyone had come in and asked for the audit reports in the last 4 or 5 months. Jeff replied no. Councilperson Warren said the story is out there, saying we're corrupt. Now no one is going to call him corrupt, there is no corruption going on here if you know what corruption means. The story continued to go around the city. He believes it affected somewhat of our election. He wanted the auditor here to ask her some questions, he also called Diana today, full disclosure, and he and she discussed this because he had some questions for her. He asked her what a finding is in an audit, now supposedly we failed this audit with our old auditors and that is why we fired them, because we failed an audit. He asked if we have failed an audit in her 8 years. She replied that we have not failed an audit. . He asked Diana if you could fail an audit. She replied you can receive a qualified or a disclaimer of opinion, and either of those are kind of deemed to be that your financial statements are not adequate. Now she has not gone back to see what we received from our other accountants, but from them we have only received unqualified. There has never been any instance that they have found in any of the years they have done it that they have found any inappropriate activity, any fraudulent activity, and if they did they are required in writing to communicate that with the council. That is government auditing standard. If that ever happens, it will be put in writing so there is full disclosure for you to know exactly what is going on. That has never been the case with Salem, she wishes she could say that with all her municipalities, because that is not the case. They have about 15 municipalities throughout the state they audit, so they are very experienced in governmental accounting. She is pleased to say that Salem has always been good to work with. Councilperson Warren thanked her. He asked Jeff why we had changed our audit company, back in 2009. Jeff stated that in fiscal year 2009 the auditors at the time, Jeff felt we were put on the back burner of priority. The company was Gilbert and Stewart, and they had been with us 20 to 30 years, we had never changed auditors, he had heard it was always good to change them out every so often. That year we did not receive our audit report until the very last minute. The audit report was a complete and we had a good audit report for the city. When they finally gave it to us Jeff felt that they didn't really care about us and so he asked the council if they could go out and do an RFP, request for proposal. They got about 12 companies that wanted to come and do our audits. A committee then went through the RFP's and narrowed it down to about 8 of them. The committee interviewed them and narrowed it down to Allred Jackson. But it wasn't

because the prior auditor had failed us, they did not fail us, in fact if you read the minutes, they gave us a very good audit, and they told us we were doing great. We just felt it was time to change, and change is always good, especially with auditors and he just felt we weren't a priority at the time. Councilperson Warren stated he had another question for Diana, has any Salem city employee, city councilmember, or mayor ever contacted their company and asked them to do anything dishonest or fraudulent. Diana stated no, and if they did they would probably fire us as a client. She stated we just don't deal with stuff like that. She stated they have their reputation to protect and if anyone ever asked us to something like that they would not work with them. Councilperson Soren Christensen stated that was a good answer. Councilperson Warren stated that the part of this too, for those of you in the room or those of you reading the minutes, and he hopes this gets in the minutes, he talked to Diana today about Jeff. Councilperson Warren asked Diana for an honest opinion of Jeff, so he asked her to relay what she had said earlier today about Jeff and working with him and his employees. Diana stated that Jeff has been great to work with, if anything Jeff is over the top to make sure they know if there is anything unusual, he is always informed us what has happened this year so can we look at it. We know both coming in anything we need to be putting more time into, spending doing some additional procedures. He is very, very forthcoming. She wishes she could say that with all of the entities she works with. She has done this enough years, she has been doing this a long time and you kind of get to know who is trying to slip something underneath the tracks, and you know the ones that are really going to tell you everything that they know, and Jeff is that kind. He is the kind that will just say hey I may have done this wrong, and she says great let's take a look at it. But he will let them know ahead of time so it's not like we found this in a strange account and have to ask about it. Jeff is very upfront and she really appreciates the way he handles them. Honestly, he is a great, great person to work with. Councilperson Warren stated that he knows he is too. He said the sad thing about this is Jeff's name was brought up in this whole half-truth misrepresentations and lies story, and that is what really concerned him and really and made him a little upset, a lot upset, because Jeff is, working with him for 6 years, he is one of the honest, and he wants to say this in front of him, you are one of the most honest, upfront, upstanding guys and to have your name torn apart for political reasons made him angry. He stated that he knows we all want to go home and get started with Thanksgiving, here are the facts, and there is no evidence anywhere in our audits that show collusion, dishonesty or corruption by employees, the mayor or the city council. We have not failed an audit in 20 years. Its right here if you want to research it, he invites people to come and do this before they start these stupid stories. Salem City's accounting practices are solid. The accounting practices will continue to be scrutinized by honest auditors, elected officials, and employees of Salem City, we will be fine tuning, that's what the findings are for. The story circulated for political purposes regarding dishonesty, fraud and corruption in Salem City's Financial dealings and auditing process is utterly false. It is not true. And if anyone wants to come and talk to him, saying that it is, he invites them to. He doesn't think anybody will, and if they do, they will have a good honest discussion about it and go through the books. He thanked Diana for her time, he said that he was sorry Allred Jackson had been brought into this, but since they had been he figured it was fair for her to give their side of things and answer honest questions. Diana stated that they appreciate the opportunity as well, she would much rather give them good information than to have other things going around.

Mayor Brailsford thanked Diana for the report, he wished her a Happy Thanksgiving. She stated that if anyone had any questions to please give her a call. Mayor Brailsford stated that 6 years ago when Councilperson Craig Warren was elected they worked on creating the website. Every month the budget is put on the website. The minutes of every council meeting are put on the website. He stated that transparency goes both ways. He stated that all residents are welcome at council meeting. We have the red alert system and use that to inform our citizens, the reverse 911 call when something important happens. The website has a lot of information on it. We put out signs on the highway. He encouraged citizens to come to the council meetings and learn for themselves what is going on in our city. They can see what we are spending on and look at the budget. They can see the debates that happen over issues. He stated that 2 years ago when Matt wanted to build the new recreation building, it was discussed many times. It turned into the Activity Center, a place we use for our seniors and our youth. It has a lot of functions. He remembers when people were upset over the Loafer View Complex and the Community Center. Mayor Brailsford stated that he is very thankful for the good councilmembers that serve our city.

MOTION BY: Councilperson Craig Warren to approve 2017 audit report.

SECONDED BY: Councilperson Soren Christensen.

VOTE: All Affirmative (5-0).

ADJOURN CITY COUNCIL MEETING

MOTION BY: Councilperson Soren Christensen to adjourn council meeting.

SECONDED BY: Councilperson Craig Warren.

VOTE: All Affirmative (5-0).

MEETING ADJOURNED AT: 6:51 p.m.

Jeffrey Nielson, City Recorder