

2 The Lindon City Council held a regularly scheduled meeting on **Tuesday, December 6,**
4 **2016, beginning with a work session at 6:00 p.m.** in the Lindon City Center, City
Council Chambers, 100 North State Street, Lindon, Utah.

6 **WORK SESSION** – 6:00 P.M.

8 Conducting: Jeff Acerson, Mayor

10 **COUNCILMEMBERS PRESENT** **ABSENT**

Jeff Acerson, Mayor
12 Matt Bean, Councilmember
Carolyn Lundberg, Councilmember
14 Van Broderick, Councilmember
Jacob Hoyt, Councilmember
16 Dustin Sweeten, Councilmember
Adam Cowie, City Administrator
18 Kristen Colson, Finance Director
Cody Cullimore, Chief of Police
20 Kathryn Moosman, City Recorder

22 **DISCUSSION: Lindon Days & Aquatics Center financial reports.** The Lindon City
Council met with the Parks and Finance Directors to review reports from the 2016
24 Lindon Days and Aquatics Center season. No motions will be made as this item is for
discussion only.

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28 Heath Bateman, Parks and Recreation Director and Kristen Colson, Finance
Director were in attendance to address the Council. Mr. Bateman began with a report on
Lindon Days. He noted attendance was up at all events and the weather was good which
30 made for a good environment for the fair. Josh Walker, the designated “fund raiser”
raised around 22,000 which helped offset some of the costs. He noted Mr. Walker did a
32 great job along with vendor sponsors who helped to raise money. Ms. Colson stated the
fair was subsidized \$25,561.00 this year which is less than the \$30,000 that was put into
34 the account in past years.

36 Mr. Bateman stated the car show needs to stay on Monday and keep the low key
events Tuesday and Wednesday because Thursday, Friday and Saturday are the busy
38 days. There was then some discussion on the different types and levels of bands and their
fees for the concert in the park agreeing some rotation may be an option to consider.
There was also some discussion on having the rodeo queens be from local communities
40 so they are closer and more available for events. In conclusion, Mr. Bateman stated
Lindon Days is pretty full and he feels it is a good week of activities. He noted they can
42 look at the budget again in February.

44 Mr. Bateman then referenced the Aquatics Center Report prepared by Ms. Colson
followed by some general discussion. Mr. Bateman noted admissions (day pass users)
went up with 50% more nonresidents than residents attending. He also reported that
46 season passes and flow rider admissions (1,000) also went up. Mr. Bateman stated there
were 46 days over 89 degrees and about 32 days over 90 degrees and 18 days over 95

2 degrees with not many rain days stating the good weather played a factor in the increase
in admissions. There was also some discussion regarding the swim team with Mr.
4 Bateman noting they may need to increase the wage for the coach to get and keep a good
coach for the swim team.

6 Mr. Bateman explained from 2010 to 2016 expenditures for salary and wages has
gone up significantly. He reported it has been tough getting lifeguards at the lower wages
8 so they had some fee increases to get more lifeguards and they also let them work more
hours. He noted they are committed to lower some of the salaries and wages but to still
10 provide a safe environment for the employees and patrons. Mr. Bateman reported they
used less PARC tax money this year and the General Fund was subsidized \$21,108.00.
12 He noted that Alan Walker, Pool Manager, will be here another year which is great as he
represents the city well. He also reported on the parts, repairs and services at the facility.
14 Mr. Bateman also gave an update on lights at the pool and the bid process. Mr. Cowie
commented to keep in mind the Aquatics Center is an aging piece of infrastructure and as
16 much as we want to make it revenue positive the reality is it is going to be extremely
difficult to do that in years where there is high maintenance (pumps, parts, etc.). Mr.
18 Walker also referenced the breakdown of season pool pass use (resident and non-
resident) followed by discussion. Mr. Bateman concluded by stating their overall goal is
20 to break even and to take the burden off the general fund.

22 Following some additional discussion Mayor Acerson called for any further
comments from the Council. Hearing none he moved on to the regular City Council
session at 7:00 pm.

24 **REGULAR SESSION** – 7:00 P.M.

26 Conducting: Jeff Acerson, Mayor
28 Pledge of Allegiance: Cole Blackhurst, Boy Scout
Invocation: Carolyn Lundberg, Councilmember

30 **PRESENT**

ABSENT

32 Jeff Acerson, Mayor
Matt Bean, Councilmember
34 Carolyn Lundberg, Councilmember
Van Broderick, Councilmember
36 Jacob Hoyt, Councilmember
Dustin Sweeten, Councilmember
38 Adam Cowie, City Administrator
Kristen Colson, Finance Director
40 Cody Cullimore, Chief of Police
Hugh Van Wagenen, Planning Director
42 Kathryn Moosman, City Recorder

- 44 1. **Call to Order/Roll Call** – The meeting was called to order at 7:05 p.m.
46 2. **Presentations/Announcements** –
a) **Mayor/Council Comments** – There were no announcements at this time.

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- 3. **Approval of Minutes** – The minutes of the regular meeting of the City Council meeting of November 15, 2016 were reviewed.

COUNCILMEMBER HOYT MOVED TO APPROVE THE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF NOVEMBER 15, 2016 AS AMENDED. COUNCILMEMBER SWEETEN SECONDED THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

COUNCILMEMBER BEAN AYE
COUNCILMEMBER LUNDBERG AYE
COUNCILMEMBER BRODERICK AYE
COUNCILMEMBER HOYT AYE
COUNCILMEMBER SWEETEN AYE
THE MOTION CARRIED UNANIMOUSLY.

- 4. **Consent Agenda** – No items.
- 5. **Open Session for Public Comment** – Mayor Acerson called for any public comment not listed as an agenda item. There were no public comments.

CURRENT BUSINESS

- 6. **Review & Action – Financial Audit Report for Fiscal Year 2015-16.**
Representatives from Keddington & Christensen, LLP and Lindon City Finance Director, Kristen Colson, will present for the Mayor and Council’s acceptance the city’s annual financial audit report, included as part of the Comprehensive Annual Financial Report (CAFR), for fiscal year ended June 30, 2016.

Adam Cowie, City Administrator, led this agenda item by explaining in accordance with State Law, the City is required to annually have a complete financial audit performed by an independent auditing firm. Keddington & Christensen, LLP (K&C) has performed the audit for the 2015-16 fiscal year ending June 30, 2016. He noted over the past several months their firm has been reviewing the City’s financial records, policies, and procedures. He mentioned there are two findings from the audit that will be reviewed and explained tonight. Mr. Cowie stated staff recommends that the City Council accept the FY 2015-16 audit as presented. He then turned the time over to Angie Broadhead representing K&C and Kristen Colson, Lindon City Finance Director, to present the audit report and answer any questions.

Kristen Colson, Lindon City Finance Director, and Angie Broadhead, representing Keddington & Christensen, LLP, addressed the Council at this time. Ms. Broadhead noted this is the fourth year that Keddington & Christensen has performed the audit for the city and they appreciate having Lindon City as a client. She noted as part of the audit they are required to report certain items concerning the audit to those who are in charge of city governance; whom they consider as the City Council who is over the City and they are responsible for the financial statements. Ms. Broadhead stated it is their responsibility to perform tests and procedures to obtain reasonable assurance of whether

2 or not there is a fair presentation of the financial position of Lindon. She stated that the
4 audit went well and she is happy to report that they gave a clean opinion and they believe
6 the financial statements are a fair presentation of the financial position of Lindon City
dated June 30, 2016. She noted their job is not to speculate on the future of the city or if
they believe the city is healthy financially or operating effectively; that is outside the
scope of their engagement.

8 Ms. Broadhead then gave a summary of what an audit entails. She explained that
whenever they perform an audit they always look at the internal controls over the
10 financial reporting that are the mechanisms or processes that are put in place that protect
employees and help keep them honest and protect accounting records from error or fraud;
12 they sometimes test them to plan the audit and zero in on the riskier areas that are more
prone to error or fraud to give a better audit. They also look at the controls over cash
14 disbursements, controls over cash receipting, controls over payroll, controls over journal
entries etc. She noted while looking at these areas if they see a weak or deficient area in
16 the controls they would report that to the Council and give a recommendation on how to
fix that as it is a changing environment and important to keep an eye on those things. Ms.
18 Broadhead stated when they do an audit there is more to it than just the numbers, there
are also qualitative aspects as well and they look to see if management accounting
20 policies are sound and if there is a reliable accounting system to produce the financial
data and that the financial disclosures are consistent and clear.

22 Ms. Broadhead stated they believe management has done a good job with those
things and it went really smoothly and they had open access which is very important as
24 they take fraud very seriously and re-iterated if they had found something the Council
would already know about it, although fraud is rare (3%) and usually is found by a tip.

26 Ms. Broadhead then went over the State compliance audit guide. She noted that
every year the state auditor revamps and re-issues the state compliance guide as there are
28 new laws and old laws to test for compliance etc. She noted this year there are two
findings. The first is that the general fund balance is too high by \$518,000 dollars (too
30 many assets in the general fund). Ms. Colson explained in order to avoid going past the
maximum there was a transfer of \$500,000 to the road fund for future capital projects,
32 however the road fund is considered part of the general fund. She noted they are looking
at changing the road fund so it is not considered part of the general fund but a capital
34 improvement project fund. Mr. Cowie stated this would be a simple fix with approval and
passage of a resolution. Ms. Broadhead stated the second finding is with the expenditures
36 (capital projects fund) on the public safety building as the expenditures exceeded the final
budget by \$208,370.00. Ms. Colson explained this was because of a timing issue as the
38 project is being split between fiscal years. Councilmember Bean pointed out these two
findings are not really severe items.

40 Ms. Broadhead concluded by stating, in their opinion, the financial statements
referred to above present a fair and respective financial position of the governmental
42 activities of Lindon City. Ms. Broadhead summarized that all in all the audit went very
well and smoothly with no difficulties and she believes there are no large errors in the
44 financial statements. She noted there was open access and staff was timely with their
responses and very helpful.

46 Ms. Broadhead complemented Ms. Colson and Mr. Cowie and staff for their
diligent efforts and for being forthright with open access and ensuring that the audit went

2 very smooth this year. Ms. Broadhead emphasized that they work for the City Council
and if they ever have any questions or concerns to please let them know.

4 Mayor Acerson thanked them for their hard work and for the valuable information
presented. He then called for any further comments or discussion from the Council.
6 Hearing none he called for a motion.

8 COUNCILMEMBER LUNDBERG MOVED TO ACCEPT THE AUDIT
REPORT AS PRESENTED FOR FISCAL YEAR ENDED JUNE 30, 2016.
10 COUNCILMEMBER BRODERICK SECONDED THE MOTION. THE VOTE WAS
RECORDED AS FOLLOWS:

12 COUNCILMEMBER BEAN AYE
COUNCILMEMBER LUNDBERG AYE
14 COUNCILMEMBER BRODERICK AYE
COUNCILMEMBER HOYT AYE
16 COUNCILMEMBER SWEETEN AYE
THE MOTION CARRIED UNANIMOUSLY.

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7. **Public Hearing — Ordinance #2016-23-O; LCC 17.48 Lindon Village
20 Commercial Zone.** The Council will review and consider Ordinance #2016-23-O
amending Chapter 17.48 of the Lindon City Code to create the Lindon Village
22 Commercial zone ordinance for regulation of uses along the 700 N. corridor.

24 COUNCILMEMBER BRODERICK MOVED TO OPEN THE PUBLIC
HEARING. COUNCILMEMBER SWEETEN SECONDED THE MOTION. ALL
26 PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

28 Hugh Van Wagenen, Planning Director, began by stating the next three agenda
items are tied together but will be presented separately. First is the text itself (ordinance),
30 next is the zoning map and last is the land use table. He noted this is a follow up to the
700 North Steering Committee recommendations of the future development of the 700
32 North commercial corridor and Ordinance 2016-23-O is the first step in implementing
those recommendations.

34 Mr. Van Wagenen mentioned that several property owners have inquired of staff
how their property will be affected by the change and several were present at the
36 Planning Commission meeting. There were questions about heights of buildings, how
many additional requirements may be placed on development in the zone, and traffic on
38 700 North. In the end, there was no opposition to the ordinance language as presented
and no additional comment has been received since the Planning Commission meeting.
40 He explained the Lindon Village Commercial Zone builds upon the 700 North
Commercial Corridor Districts that were established in 2015 and much of the ordinance
42 reflects the General Commercial Zone, but there are a handful of non-permitted uses in
the LVC Zone that are permitted in the CG Zone as follows:

- 44 1. Motor Vehicles
2. New and used car dealerships
46 3. Tire shops
4. Lube & tune shops

- 2 5. Light equipment, truck, and car rentals
- 6. Indoor gun ranges
- 4 7. Assisted living centers

6 Mr. Van Wagenen noted the ordinance also specifies setbacks and height for the
7 zone as well as the Commercial Design Standards. He also noted that several formatting
8 and typographical errors are being corrected within LCC 17.48. For example, any
reference to “Commercial Design Guidelines” has been changed to “Commercial Design
10 Standards.” Councilmember Bean pointed out a minor wording issue in Section
11 17.48.025D. He noted the ordinance content looks great. Councilmember Broderick
12 asked on all three items coming up if the property parcels (owners) in question have been
13 notified as to what can occur here. Mr. Van Wagenen stated there were a handful of
14 property owners at the planning meeting following up with the notices that were sent and
15 most just had general questions. He pointed out that everyone within 300 ft. got a notice
16 showing the affected property owners who are subject to this change. Ultimately there
were inquiries with no one opposed to what was being presented.

18 He noted that Ron Anderson (who is a large property owner) said he is not
opposed to the changes but he would want to be careful that the city doesn’t put too many
20 requirements and restrictions on the corridor, as a property owner, for future sales.
Councilmember Hoyt asked what the thought is timewise when to look at the changes in
22 architecture. Mr. Van Wagenen stated that is next on the punch list. There was then some
general discussion regarding this issue including ancillary uses on the corridor.

24 Mayor Acerson called for any public comments at this time. Linda Matheson,
resident in attendance, questioned if large storage facilities will be allowed on the
26 corridor. Mr. Van Wagenen stated storage facilities are not permitted on the corridor and
there are limitations.

28 Mayor Acerson called for any further public comments. Hearing none he called
for a motion to close the public hearing.

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32 COUNCILMEMBER BRODERICK MOVED TO CLOSE THE PUBLIC
HEARING. COUNCILMEMBER HOYT SECONDED THE MOTION. ALL PRESENT
VOTED IN FAVOR. THE MOTION CARRIED.

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36 Mayor Acerson called for any further comments or discussion from the Council.
Hearing none he called for a motion.

38 COUNCILMEMBER LUNDBERG MOVED TO APPROVE ORDINANCE
AMENDMENT #2016-23-O WITH THE GRAMATICAL CHANGES AS NOTED.
40 COUNCILMEMBER BRODERICK SECONDED THE MOTION. THE VOTE WAS
RECORDED AS FOLLOWS:

- 42 COUNCILMEMBER BEAN AYE
- COUNCILMEMBER LUNDBERG AYE
- 44 COUNCILMEMBER BRODERICK AYE
- COUNCILMEMBER HOYT AYE
- 46 COUNCILMEMBER SWEETEN AYE

THE MOTION CARRIED UNANIMOUSLY.

2 8. **Public Hearing — Ordinance #2016-21-O; Zone Map Change.** The Council
4 will review and consider Ordinance #2016-21-O amending the Zoning Map to
 create the Lindon Village Commercial zone along the 700 N. corridor.

6 COUNCILMEMBER BRODERICK MOVED TO OPEN THE PUBLIC
HEARING. COUNCILMEMBER SWEETEN SECONDED THE MOTION. ALL
8 PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

10 Mr. Van Wagenen began by stating this is the second step of three (zone map
change) Ordinance 2016-21-O. He then referenced the uses in the Lindon Village
12 Commercial zone and the creation of the Lindon Village Commercial zone. This request
is that the General Plan designation remain unchanged at this time. Lindon City Code
14 indicates that the General Commercial (CG) zone provides areas in appropriate locations
for retail and service oriented businesses, and shopping centers which serve community
16 and regional needs. Lindon City Code indicates that the Mixed Commercial (MC) zone is
to provide areas within the City where low intensity light industrial, research and
18 development, professional and business services, retail and other commercial related uses
may be located.

20 Mr. Van Wagenen then referenced the parcels that Lindon City is requesting
approval of a Zone Map amendment to reclassify from General Commercial (CG) and
22 Mixed Commercial (MC) to the Lindon Village Commercial (LVC) zone.

24 Mayor Acerson called for any public comments. Hearing none he called for a
motion to close the public hearing.

26 COUNCILMEMBER BRODERICK MOVED TO CLOSE THE PUBLIC
HEARING. COUNCILMEMBER HOYT SECONDED THE MOTION. ALL PRESENT
28 VOTED IN FAVOR. THE MOTION CARRIED.

30 Mayor Acerson called for any further comments or discussion from the Council.
Hearing none he called for a motion.

32 COUNCILMEMBER HOYT MOVED TO APPROVE THE APPLICANT’S
34 REQUEST TO CHANGE THE ZONING MAP FROM GENERAL COMMERCIAL
(CG) AND MIXED COMMERCIAL (MC) TO LINDON VILLAGE COMMERCIAL
36 (LVC), AT APPROXIMATELY 700 NORTH FROM 650 WEST TO 2000 WEST AS
PER ORDINANCE 2016-21-O. COUNCILMEMBER LUNDBERG SECONDED THE
38 MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

COUNCILMEMBER BEAN AYE
40 COUNCILMEMBER LUNDBERG AYE
COUNCILMEMBER BRODERICK AYE
42 COUNCILMEMBER HOYT AYE
COUNCILMEMBER SWEETEN AYE
44 THE MOTION CARRIED UNANIMOUSLY.

46 9. **Public Hearing — Ordinance #2016-22-O; Land Use Table changes for LVC
zone.** The Council will review and consider Ordinance #2016-22-O amending

2 Standard Land Use Table to regulate specific land uses within the Lindon Village
Commercial zone.

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COUNCILMEMBER BRODERICK MOVED TO OPEN THE PUBLIC
6 HEARING. COUNCILMEMBER SWEETEN SECONDED THE MOTION. ALL
PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

8

10 Mr. Van Wagenen, explained this is the third step (Ordinance 2016-22-O) in
implementing these recommendations. In an effort to not further “crowd” the Standard
12 Land Use Table, two simple changes were added in order to reflect the new Lindon
Village Commercial Zone. The column with the “Commercial” header received an
asterisk which is explained at the bottom of each page with the words, “Lindon Village
14 Commercial Zone use permissions are found in LCC 17.48.025.”

16 The language found in LCC 17.48.025 is reflected in Ordinance 2016-23-O and
states the following:

18 *Permitted Land Uses: Permitted, conditional, and non-permitted uses in the LVC Zone
mirror those uses as reflected in the Standard Land Use Table for the General
20 Commercial (CG) Zone with the exception of the following uses which are not permitted
in the LVC Zone:*

- 22 A. *Motor Vehicles/Trucks/Marine – New Vehicle Dealership*
- 24 B. *Used Cars/Trucks – Used Vehicle Sales Lots*
- C. *Auto Lube & Tune-up*
- 26 D. *Auto Tire Shops/Tire Sales/Tire Services*
- E. *Light Equipment Rental & Leasing; Automobile & Light-Truck Rental*
- 28 F. *Indoor Gun Ranges*
- G. *Assisted Living Facilities, Large or Small as defined by LCC 17.72*

30 He noted these are the only changes to permitted uses for the new Lindon Village
Commercial Zone from the current General Commercial zones. This will tie the zone
32 creation together. Mayor Acerson called for any public comments. Hearing none he
called for a motion to close the public hearing.

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COUNCILMEMBER HOYT MOVED TO CLOSE THE PUBLIC HEARING.
36 COUNCILMEMBER BEAN SECONDED THE MOTION. ALL PRESENT VOTED IN
FAVOR. THE MOTION CARRIED.

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40 Mayor Acerson called for any further comments or discussion from the Council.
Hearing none he called for a motion.

42 COUNCILMEMBER BEAN MOVED TO APPROVE ORDINANCE
AMENDMENT 2016-22-O AS PRESENTED WITH CHANGES RELATED TO THE
44 LAND USE TABLE. COUNCILMEMBER SWEETEN SECONDED THE MOTION.
THE VOTE WAS RECORDED AS FOLLOWS:

46 COUNCILMEMBER BEAN AYE
COUNCILMEMBER LUNDBERG AYE

2 COUNCILMEMBER BRODERICK AYE
 COUNCILMEMBER HOYT AYE
 4 COUNCILMEMBER SWEETEN AYE
 THE MOTION CARRIED UNANIMOUSLY.

6

10 **10. Review & Action — Employee Merit Increases.** The City has previously
 8 approved and budgeted for a 3% employee merit increase effective January 1,
 2017. Per past practice, the City evaluates fiscal constraints and economic
 10 indicators mid-fiscal year to determine if merit increase recommendations are still
 12 feasible. Given a healthy economic outlook, strong revenues, and healthy General
 Fund reserves the City Administration recommends the merit increases be applied
 as approved in the FY2017 budget.

14

16 Adam Cowie, City Administrator, led this agenda item by explaining the 2016-
 2017 Lindon City Budget included funding a 0.3% Cost of Living Allowance (COLA)
 increase effective July 1, 2016 and a 3.0% merit increase effective January 1, 2017. The
 18 City Council asked that the merit increase be reevaluated upon the completion of the
 2015-2016 fiscal year audit when we could evaluate the June 30, 2016 financial situation
 20 and ascertain if economic trends would continue as anticipated. He noted the 2015-2016
 fiscal year audited financial statements shows revenue exceeding expenses by \$444,780
 22 in the General Fund. The General Fund reserves are healthy with a fund balance of
 \$2,404,141, which exceeded the State maximum of 25% of the total revenue. Indications
 24 show that the economy is stable and Lindon City’s sales tax revenue is expected to meet
 our projections.

26 Mr. Cowie went on to say the U.S. Department of Labor states the Consumer
 Price Index (CPI) has increased 1.6% from October 2015 to October 2016. The Utah
 28 Division of Workforce Services reported a 3.0% increase in employment statewide and
 5.0% in Utah County, with a statewide unemployment rate of 3.2%, Carrie Mayne, Chief
 30 Economist at the Department of Workforce Services said “the state continues to operate
 at a low level of unemployment, signaling the potential for sustained growth well into
 32 2017” (“Utah’s Employment Summary: October 2016”, Department of Workforce
 Services). He noted the unemployment rate in Utah County is a comparable 3.1%.

34 Mr. Cowie stated in light of these financial indicators, he is recommending that
 the City Council approve a merit increase for city employees. He noted the merit increase
 36 would only be for employees who qualify through their performance evaluations and
 would be a maximum of a one-step increase on the wage schedule (3.0% for employees
 38 that are not a step) but in the mid-high range. The increase would be effective January 1,
 2017. He then referenced the maximum fiscal impact of the merit increase on both wages
 and benefits as follows:

<u>Fund</u>	<u>Cost of Merit Increase</u>
General Fund	53,724
44 Water Fund	3,714
Sewer Fund	976
46 Storm Water Fund	2,020
Recreation Fund	5,167

2 Kristen Colson, Finance Director, addressed the Council at this time. She
explained there are two (2) bonds, secured by sales tax revenue, which can be prepaid.
4 Jason Burningham with Lewis Young Robertson and Burningham has confirmed this.
The Sales Tax Revenue Bonds, Series 2005, were used to construct 700 North Street and
6 install water and storm drainage lines. The bonds are scheduled to mature June 1, 2025.
The interest rate on these bonds are 3.75%. She noted this bond series is subject to a pre-
8 payment penalty (“redemption premium”) calculated according to a formula set out by
the purchaser of the Bonds, Bank of America. Bank of America provided an estimated
10 penalty for December 1, 2016 of \$198,688.92.

Ms. Colson stated there is a sufficient surplus of water impact fees to make the
12 extra payment necessary to pay off the water portion of the debt. However, the Storm
Water Fund does not have a sufficient fund balance to make this extra payment. It is
14 possible for the Storm Water Fund to receive a loan from the General Fund or the Water
Fund and repay the loan following the debt service payments of the Series 2005 bonds
16 and with significantly less (or no) interest payments. (For example, the Storm Water
Fund could make 8 annual payments of about \$38,300 with a 1% interest rate and save
18 about \$1,250/year, which would be about \$10,000 through 2025.)

Ms. Colson further explained that the Sales Tax Revenue Bonds, Series 2016,
20 were used to construct the Public Safety Building. The debt service payments are being
made from the general fund. The bonds are scheduled to mature March 1, 2031. The
22 interest rate varies 1.00% - 2.45% for maturities 2017 through 2026. The maturities 2026
through 2031 are currently at 1.48%, but are subject to interest rate adjustments on March
24 1, 2021 and March 1, 2027. This means that \$945,000 of this bond series is subject to
unknown interest rate adjustments which we assume will increase. We could use the
26 remaining proceeds from the sale of the property (estimated to be \$928,005.20, which
would be \$2,500,000 less the \$1,571,994.80 used for the Series 2005 bonds payoff) plus
28 fund balance (about \$16,994.80) to payoff the final five years of maturities of the Series
2016 bonds. She noted the net savings, if we use the proceeds from the sale of the
30 property to payoff the debts as listed above in this fiscal year, would be approximately
\$327,849 even after the pre-payment penalty. If we payoff the Series 2005 bonds this
32 fiscal year, but transfer the \$945,000 (net savings) for the Series 2016 bonds payment to
the debt service fund with the intention of making that payment March 1, 2021, prior to
34 the first interest rate adjustment, the interest savings would change to \$270,062 after the
pre-payment penalty.

Ms. Colson mentioned in paying off these bonds, this would also save the City the
36 bond trustee fees being paid annually to US Bank. The annual fee is currently \$1,900 per
38 year per bond. This fee could be increased in the future. Retiring the 2005 series bonds 8
years early and the 2016 series bonds 5 years early would save \$24,700. In addition to the
40 savings listed above, paying off the 2005 bond series would also make about \$212,000
per year available in the Road Fund that is encumbered until 2025 for debt service
42 payments. It would also mean that we are no longer paying debt service on a road that we
do not own. Ms. Colson then mentioned some options for the use of the funds from the
44 sale proceeds as follows:

- 46 • Fund pending capital projects such as sidewalk construction and road reconstruction,
- Fund capital projects currently planned for the next 5-7 years, or

- 2
- Purchase capital assets.

4 She also pointed out that most of the City’s capital outlay needs are in the enterprise funds where user fees provide the funding.

6 There was then some general discussion by the Council regarding paying down the debt and the options available including road funding. Councilmember Hoyt also
8 asked Ms. Colson if paying down the 2005 bond is the right answer as we are eleven years into the amortization table. He would also like to compare the two amortization
10 tables side by side (2016 and 2005) and add in the prepayment penalty to ensure the right decision is made. Mr. Cowie pointed out the two best options are presented. Following
12 discussion the Council agreed there is still time to make a decision.

14 In conclusion, Mr. Cowie pointed out they focused on the general fund but they could also pay for capital improvement projects that are in the enterprise fund (i.e. new sewer lift station). He noted he will get with the City Engineer and get more information
16 (roads) and bring it back for further discussion. He noted the numbers presented are pretty concrete.

18 Mayor Acerson called for any further comments or discussion from the Council. Hearing none he moved on to the next agenda item.

20

22 **13. Review & Action — Lindon City Justice Court Judge Compensation.** The Council will review and consider the proposed Justice Court Judge’s
24 compensation for the new term of Justice Court Judge W. Brent Bullock. Mayor Acerson has met with Judge Bullock and they have agreed upon the compensation package prior to the required retention election in November. Judge Bullock was
26 successfully retained in the 2016 General Election and able to continue with a new term as the Justice Court Judge for Lindon City. Judge Bullock will be
28 sworn-in at the Dec. 20, 2016 Council meeting.

30 Mr. Cowie referenced the letter outlining the terms of compensation that were agreed upon earlier this year between Mayor Acerson and Judge Bullock. He noted per
32 State Code the salary of a Judge may not be decreased during the Judges term. He explained as this is the beginning of a new term for the Judge, the City negotiated with
34 the Judge to adjust the annual salary due to a decrease in work load in the Lindon City Justice Court compared to when he was first appointed over a decade ago. Judge
36 Bullock’s salary was previously based on two-days of court per week and the justice court has since been consolidated to one-day per week.

38 Mr. Cowie further explained in April of this year Mayor Acerson and the Judge discussed workloads in correlation with salary levels recommended by the State
40 Administrative Office of the Courts and came to an agreement on compensation as outlined in the letter. He noted the Judge submitted paperwork to continue as a Judge and
42 to also participate in the Retention Election in November, therefore, having been successfully elected the City will swear-in the Judge with his new term beginning
44 January 2, 2017. Mr. Cowie expressed that the City appreciates the experience and knowledge of Judge Bullock and appreciates his continued willingness to serve as the
46 Judge for the Lindon City Justice Court.

2 Mayor Acerson called for any comments or discussion from the Council. Hearing
none he called for a motion.

4
6 COUNCILMEMBER BRODERICK MOVED TO APPROVE THE
COMPENSATION FOR JUDGE W. BRENT BULLOCK AS OUTLINED.
8 COUNCILMEMBER HOYT SECONDED THE MOTION. THE VOTE WAS
RECORDED AS FOLLOWS:

10 COUNCILMEMBER BEAN AYE
12 COUNCILMEMBER LUNDBERG AYE
14 COUNCILMEMBER BRODERICK AYE
16 COUNCILMEMBER HOYT AYE
18 COUNCILMEMBER SWEETEN AYE

20 THE MOTION CARRIED UNANIMOUSLY.

22
24 **14. Review & Action — Resolution #2016-21-R; Public Safety Surviving Spouse
Trust Fund Agreement.** The Council will review and consider Resolution
26 #2016-21-R authorizing the Public Safety Surviving Spouse Trust Fund
28 Agreement with the Utah Department of Public Safety in which the City will
30 annually contribute approximately \$1,500 to enable continuing insurance
32 coverage for spouse and children to be covered by the Trust if a ‘line of duty
34 death’ occurs with one of Lindon’s police officers.

36 Mr. Cowie, explained this item is based on recent State legislation that requires
38 local governments to pay for medical insurance for the spouse and children of a public
40 safety officer who is killed in the line of duty (insurance coverage for a spouse is required
42 to continue for life). He noted the Utah Department of Public Safety created a trust fund
44 for cities to pay into, with the intent of covering medical insurance premiums for family
46 members (for participating entities). Mr. Cowie commented the City would be obligated
to cover premiums for the first two years after a line of duty death with the Trust
reimbursing premium costs to the City for any year thereafter. The costs to participate in
the Trust is \$95 per public safety officer per year (about \$1,500 per year). This equates to
about one-month of typical medical premiums for family coverage.

36 Mr. Cowie stated that staff feels this program is supportive of our public safety
38 officers and beneficial from a financial standpoint if such a tragedy were ever to occur to
40 one of our officers. He noted as Lindon does not directly employ any fire fighters this
42 benefit only extends to police officers at this time. He pointed out if the City were to hire
44 its own fire fighters we would be obligated to include them in the annual payment per the
46 agreement. He stated staff is recommending the Council approve the agreement and the
annual budget expenditure. Chief Cullimore agrees this is a great idea and is well
received by officers across the state.

42 Mayor Acerson called for any comments or discussion from the Council. Hearing
none he called for a motion.

44
46 COUNCILMEMBER BRODERICK MOVED TO APPROVE RESOLUTION
#2016-21-R TO PARTICIPATE IN THE PUBLIC SAFETY SURVIVING SPOUSE
TRUST FUND AND DIRECT STAFF TO UPDATE THE FY2017 BUDGET

2 ACCORDINGLY. COUNCILMEMBER LUNDBERG SECONDED THE MOTION.
THE VOTE WAS RECORDED AS FOLLOWS:
4 COUNCILMEMBER BEAN AYE
COUNCILMEMBER LUNDBERG AYE
6 COUNCILMEMBER BRODERICK AYE
COUNCILMEMBER HOYT AYE
8 COUNCILMEMBER SWEETEN AYE
THE MOTION CARRIED UNANIMOUSLY.

10

15. **Review & Action — North Union Canal Repair Funding.** The Council will
12 review and consider appropriating up to \$90,000 of Water Fund reserves for
repairs to the North Union Canal within Lindon City limits. If approved, the City
14 will present an option to the North Union Irrigation Company to request fronting
of the funds to complete the repairs during the winter of 2016-17 and request
16 repayment by the company through a formal agreement.

18 Mr. Cowie led this agenda item by explaining we have been looking for solutions
to water losses and leaks known to be occurring along the North Union Canal which is
20 operated by the North Union Irrigation Company. He noted that Lindon owns about 60%
of the shares in the irrigation company. The City also receives the majority of its
22 secondary water through the canal and has a significant vested interest in the long-term
viability of the canal and its ability to adequately deliver water to the City secondary
24 system. Mr. Cowie stated the long-term solution to prevent water loss and leakage from
the canal is to pipe it, however, piping is extremely expensive and estimated to cost
26 \$1.125+ million to pipe just the section from the Lindon Zone 3 Irrigation Reservoir to
the south city boundary. He pointed out that piping the entire canal from the mouth of
28 Provo Canyon is estimated to exceed \$10 million. Mr. Cowie then explained the process
involved with the use of this “Aqualastic” product.

30 Mr. Cowie further explained the city is applying for grant funding to assist with a
piping project, but needs to find a reasonable solution to the leakages before next the
32 watering season (2017). In lieu of piping the canal the ‘Aqualastic’ product outlined in
the fliers (included in the staff report) appears to be the best solution to retain water in the
34 canal with the least cost. He noted the product installed is estimated to cost about
\$85,000. He pointed out if the Council approves the funding appropriation staff will then
36 present the product and offer from the City to front the cost of repairs to the Canal Board
and request that they enter into an agreement to repay the proportional fronted costs over
38 time. If, for some reason, the North Union Canal Board does not authorize the City to
install the Aqualastic product the City will not have to expend the funds, but would still
40 be faced with its proportional share of fixing the leaks in the canal in some other fashion.

42 Following some general discussion Mayor Acerson called for any further
comments from the Council. Hearing none he called for a motion.

44 COUNCILMEMBER SWEETEN MOVED TO APPROVE BUDGETING
\$90,000 FROM THE WATER FUND RESERVES TO FRONT THE COSTS OF
46 CRACK REPAIRS TO THE NORTH UNION CANAL WITH THE REQUEST THAT
THE NORTH UNION CANAL BOARD ENTERS INTO AN AGREEMENT TO PAY

2 BACK THE CITY FOR ITS PROPORTIONAL SHARE OF THE COSTS.
3 COUNCILMEMBER BRODERICK SECONDED THE MOTION. THE VOTE WAS
4 RECORDED AS FOLLOWS:
5 COUNCILMEMBER BEAN AYE
6 COUNCILMEMBER LUNDBERG AYE
7 COUNCILMEMBER BRODERICK AYE
8 COUNCILMEMBER HOYT AYE
9 COUNCILMEMBER SWEETEN AYE
10 THE MOTION CARRIED UNANIMOUSLY.

12 **16. Review & Action — Liquor License Consent.** The Council will review and
13 consider a Reception Center Liquor License local consent form as required by
14 State Code, authorizing the Mayor to sign the consent form. The business request
15 the consent is the NOAH’s reception center located at 1976 W. 700 N.

16
17 Adam Cowie, City Administrator, led this agenda item by explaining Per State
18 Code the City appears obligated to give consent for a State approved liquor license unless
19 a variance for proximity to schools, churches, etc. is needed, and since no proximity
20 variance is needed at this location the City Attorney recommends that the consent be
21 authorized by the City Council and signed by Mayor Acerson. He noted this was
22 reviewed by the City Attorney, Brian Haws and Mr. Haws doesn’t feel this can be denied
23 as the consent is required to be in compliance and regulated per Utah State code. He
24 noted an email was sent separately from the staff report to the Council stating Mr. Haw’s
25 opinion on this issue. Mayor Acerson commented this is the city’s legal counsel’s opinion
26 and we need to trust his legal expertise.

27 Mayor Acerson called for any further comments or discussion from the Council.
28 Hearing none he called for a motion.

29
30 COUNCILMEMBER BEAN MOVED TO APPROVE THE RECEPTION
31 CENTER LIQUOR LICENSE CONSENT FORM FOR NOAH’S RECEPTION
32 CENTER LOCATED AT 1976 WEST 700 NORTH, LINDON AND AUTHORIZE THE
33 MAYOR TO SIGN THE FORM. COUNCILMEMBER LUNDBERG SECONDED
34 THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

35 COUNCILMEMBER BEAN AYE
36 COUNCILMEMBER LUNDBERG AYE
37 COUNCILMEMBER BRODERICK AYE
38 COUNCILMEMBER HOYT AYE
39 COUNCILMEMBER SWEETEN AYE
40 THE MOTION CARRIED UNANIMOUSLY.

42 **17. Review & Action — Rocky Mountain Power Easement for Vineyard**
43 **Infrastructure.** The Council will review and consider a requested power line
44 easement on city-owned property at approximately 600 S. 2000 W (city property
45 by Lindon Marina). The easement will be used for new power that will serve the
46 Town of Vineyard infrastructure needs.

2 Mr. Cowie, stated the Town of Vineyard has been working with Rocky Mountain
4 Power to install additional power lines to various projects within Vineyard. The Vineyard
6 Engineer approached Lindon City to obtain an easement through Lindon's property on
8 behalf of Rocky Mountain Power. He then discussed the details of the easement and
possible compensation alternatives. Mr. Cowie then recommended continuing this item
due to lack of sufficient information and in order to get more concrete compensation.

8 Mayor Acerson called for any further comments or discussion from the Council.
Hearing none he called for a motion.

10
12 COUNCILMEMBER HOYT MOVED TO CONTINUE THE POWER
EASEMENT FOR ROCKY MOUNTAIN POWER. COUNCILMEMBER
14 BRODERICK SECONDED THE MOTION. THE VOTE WAS RECORDED AS
FOLLOWS:

16 COUNCILMEMBER BEAN AYE
18 COUNCILMEMBER LUNDBERG AYE
20 COUNCILMEMBER BRODERICK AYE
COUNCILMEMBER HOYT AYE
COUNCILMEMBER SWEETEN AYE

20 THE MOTION CARRIED UNANIMOUSLY.

22 **COUNCIL REPORTS:**

24 **Chief Cullimore** – Chief Cullimore reported some of his officers were involved in the
recent shooting in American Fork noting it was a cooperative effort by local jurisdictions.
26 He also reported the police department canine will be certified by mid January.

28 **Councilmember Hoyt** – Councilmember Hoyt reported the recent Tree Lighting
30 Ceremony was great and the attendance was the highest to date. He commended the
Historic Preservation Commission for doing a great job with this event. He also reported
32 the council's invitation to the Chamber of Commerce Christmas party will be coming
soon. He noted the Chamber is going well and moving ahead on track. He noted the
Council is always invited to attend all Chamber events.

34 **Councilmember Broderick** – Councilmember Broderick expressed that the tree lighting
36 ceremony was a fun event and he appreciates all the work that goes into it. He also
reported he attended the NUVAS meeting that was held at the city building and the
38 Director handled the meeting in a great manner and he was very impressed.
Councilmember Lundberg suggested adding something about the animal shelter into the
40 newsletter to bring positive exposure to the shelter. Councilmember Broderick also
reported he will be attending the Engineering meeting on December 13th.

42 **Councilmember Bean** – Councilmember Bean reported there is a vacancy on the
44 Planning Commission. Commissioner Matt McDonald has some other obligations and
had to resign. He noted to let him know of any suggestions for his replacement.

2 **Councilmember Lundberg** – Councilmember Lundberg mentioned the UIA and
UTOPIA financial statements noting some of her questions regarding the reports. Mr.
4 Cowie stated the new UTOPIA Director, Roger Timmerman, will be coming to the next
City Council meeting and she can ask him her questions.

6
8 **Councilmember Sweeten** – Councilmember Sweeten asked for an update on the public
works positions. Mr. Cowie stated that Kolten Giles has been hired in the sewer
department with the other position being down to two finalists. Councilmember Sweeten
10 also brought up an issue of cutting regulations in the city by a certain percentage and
suggested that the Council look at the ordinances to try and make them less restrictive;
12 this is something to be thinking about as there are some items that may be removed
without jeopardizing the public. He also referenced several instances he has had
14 personally where he felt there was over-regulation by the city. There was then some
discussion by the Council regarding this subject. Mr. Cowie suggested compiling any
16 issues or concerns and bringing them back collectively as an agenda item for discussion.
Councilmember Sweeten also commented about the sub-contractor on the pickle ball
18 courts and conveyed the reasons why they were delayed (late) and noting the directive
was not clear so he feels it the contractor was not at fault. Mr. Cowie stated he will check
20 into the issue and get back to him.

22 **Mayor Acerson** – Mayor Acerson reported he had the opportunity to watch a mock knee
replacement at the IHC Outreach meeting in American Fork that was very interesting. He
24 also met with UDOT and they are hoping some good things will come with that (700
North traffic lights). He also gave an update on the Lexus Dealership connector road and
26 the parking situation.

28 **Administrator's Report:**

Mr. Cowie reported on the following items followed by discussion.

30 **Misc. Updates:**

- 32 • December newsletter
- 34 • January newsletter article: Councilmember Lundberg - Article due to Kathy
Moosman last week in December.
- 36 • Sewer Lift Station #7 (Ivory lift station) – Project was approved by the Planning
Commission, bid out with bids received from five bidders, and awarded by Ivory
Homes to Gerber Construction for \$2,336,500.
- 38 • Shadow Mountain utility easement and development agreement finalized and
recorded.
- 40 • Republic Services – invited council for tour of SLC transfer station owned by
Republic. Suggested dates: Tues. Dec 20th, or Wed. Dec 21st. Late morning or
42 early afternoon.
- Geneva park property sale update
- 44 • Main Ditch piping update for subdivision along Gillman Lane
- Employment openings update: Part time Court Clerk, Public Works
- 46 • Project Tracking List
- Fire Call Report

