SPECIAL CITY COUNCIL MEETING

Tuesday, June 30th, 2026, at 5:00 p.m.

Council Chambers at City Hall and Online

MINUTES

Mayor Olson called the meeting to order at 5:00 p.m.

ROLL CALL

Councilors present included Art Adcock, Travis Keel, Jeff Siddoway and Lynn Mecham
Absent Brian Del Rosario

Others present included City Manager Norm Beagley, Assistant City Manager Jason Bond, City Recorder Stephanie Christensen, Finance Director Shannon Hoffman and Dustin Holden

PLEDGE OF ALLEGIANCE

City Manager Norm Beagley led the Pledge of Allegiance.

INVOCATION/INSPIRATIONAL THOUGHT

Councilor Art Adcock offered an invocation.

DECLARATION OF POTENTIAL CONFLICTS OF INTEREST

No members of the City Council expressed any conflict of interest.

FORMAL PUBLIC HEARING – Public Hearing FY2025-2026 Budget Amendment #3

Councilor Lynn Mecham made a motion to open the public hearing for FY 2025-2026 Budget Amendment #3. Councilor Art Adcock seconded the motion.

Councilor Adcock	Yes
Councilor Del Rosario	Absent
Councilor Keel	Yes
Councilor Mecham	Yes
Councilor Siddoway	Yes

The motion passed.

PUBLIC HEARINGS

Dustin Holden addressed the Mayor and Council regarding the legal parameters of the budget amendment, stating his comments stemmed from a beginner's perspective in municipal finance. Utilizing a Socratic method, he asked if the amendment explicitly transfers Pressurized Irrigation (PI) impact fees into the PI fund to pay for debt service, pointing out that the meeting packet described the transfer as covering the "entire" pressurized irrigation service payment.

Mr. Holden cited Utah Code Section 11-36A-602, which dictates that impact fees may only be spent on system improvements identified in an explicitly adopted facilities plan. He also cited Utah Code Section 11-36A-305(1)(d), which establishes that impact fees may service debt only if that debt directly financed those growth-related system improvements. He noted that the only active PI impact fee facility plan reference he could find was from March 2026, and it indicated the notice had been canceled. He questioned whether the specific PI debt being settled was issued to finance a growth-related improvement in that plan, warning that if any part of the debt financed the replacement or repair of the existing system, impact fees cannot legally cover the entire payment. He urged the Council to verify these legal details before standing behind the vote.

City Manager Norm Beagley clarified that the language in the packet means the transfer covers 100% of the allocated transfer amount, not 100% of the City's total PI debt service. He explained that the total debt service is significantly larger than incoming impact fee revenues, and impact fees do not accumulate fast enough to cover the entire payment(s). City Manager Beagley emphasized that Santaquin City's impact fees are watched and undergo strict annual independent audits as well as direct oversight by the State of Utah. He verified that the City is explicitly compliant with state law and does not, and legally cannot, spend impact fees on staff time, general operations, system monitoring, or electricity, etc. in any municipal system.

Councilor Travis Keel made a motion to close the public hearing. Councilor Jeff Siddoway seconded the motion.

Councilor Adcock	Yes
Councilor Del Rosario	Absent
Councilor Keel	Yes
Councilor Mecham	Yes
Councilor Siddoway	Yes

The motion passed.

RESOLUTION

Resolution
1. Resolution 06-09-2026 - A Resolution Approving the Santaquin City Fiscal Year (FY) 2025-2026 Budget Amendment #3

Finance Director Shannon Hoffman presented a line-by-line review of the final revenues and structural transfers making up the third budget amendment for the fiscal year:

General Fund Revenue Increases:
- **Prior Year Property Tax:** Increased revenue driven by an upward trend in delinquent or late property tax payments being settled at the end of the year.
- **Sales Tax ($134,000):** Generated by an unexpected revenue surplus from a local business. Pursuant to a pre-existing development agreement, this exact revenue must immediately flow back out under debt service that has funded corresponding local infrastructure.
- **Building Permits:** Achieved a revenue surplus driven by large commercial builds in the industrial park and an increase in multi-unit residential developments.
- **Garbage & Recycling Collection:** Extra revenue came in due to higher participation, which directly balances out against matching expenditure increases within the Sanitation Department to cover the service bills.
- **Interest Earnings:** Significantly outperformed conservative fiscal projections. Finance Director Hoffman explained projections were initially kept low due to three major variables: anticipated drops in overall interest rates, expected large cash drawdowns for impending capital projects, and a state mandate requiring the city to pull millions of dollars out of its general Public Treasurers' Investment Fund (PTIF) and segment it into a separate, dedicated PTIF account to isolate interest

earned on developer project fees/bonds (which must be refunded to developers upon (project &) warranty completion).

- Firetruck Interest Earnings Factor: City Manager Norm Beagley added that staff anticipated paying $1.7 million for a new fire truck much earlier in the (fiscal) year. Because delivery was delayed until the beginning of June 2026, the city earned unexpected interest on that $1.7 million for nearly 11 additional months while it sat in the account. City Manager Beagley noted this (specific) interest revenue will not repeat next year and has been adjusted for in the upcoming budget.

Departmental Expenditures & Transfers Out:

- **Sanitation Department:** Adjusted upward to pass through the extra garbage and recycling collection revenues to cover the final utility service bills.
- **Capital Vehicles ($220,000):** Transferred into the fund balance to secure the necessary money earmarked for purchasing next year's municipal snowplow.
- **Capital Roads ($300,000):** Transferred from the General Fund to meet a contractual development agreement obligation for a road project up in Santaquin Estates. Director Hoffman noted this was money the City knew it owed but needed to properly allocate a funding source for.
- **Capital Computers:** Utilized fund balance to cover unexpected tech overages, including unexpected server rotations and a near complete replacement cycle of laptops for the entire Police Department.
- **Capital Repair & Replacement ($660,000):** Allocated to the Pressurized Irrigation fund to pay for the ongoing ULS (Utah Lake System) Pipeline Project. Finance Director Hoffman noted this ledger entry looks unique because the city originally intended to put $418,000 into fund balance, but due to the $660,000 PI project utilization, it reflects pulling $200,000 from the fund balance instead.
- **Main Street Project:** Adjusted due to a standard fiscal year crossover, where specific grant revenues and project expenditures fell into a different fiscal window than initially projected.
- **PI Fund Impact Fees:** Revenue projections were adjusted downward because a large portion of recent growth consisted of commercial builds and multi-family units, which do not carry the same PI impact fee weight as standard single-family residential homes.
- **Community Services (CS) Accounts:** Symmetrically balanced out across sports events, museum administration, classes, and senior citizen programs; increased revenues from higher participation directly covered matching operational costs.
- **Fire Department Grants & Maintenance:** Accounted for an unexpected $9,300 wildland fire grant utilized for purchasing department radios, and a $10,000 grant received for an emergency shelter. Additionally, extra county fire fees were utilized to cover budget gaps in state Medicaid assessments and an additional $9,000 in emergency equipment maintenance driven by mechanical vehicle failures.

Council Discussion:

Mayor Olson stated the Fire Department maintenance costs were driven by aging apparatus. The department is keeping vehicles running that are over 30 years old, well past the standard 15-to-20-year useful lifespan defined by the National Fire Protection Association (NFPA), and these vehicles do not meet modern NFPA standards.

City Manager Norm Beagley clarified the status of two separate trucks to clear up public confusion:

1. **Ladder Engine:** A new engine (ladder truck) costing $1.7 million was officially completed and paid for at the beginning of June. It replaces an aging engine/unit whose electronics board and major computer failed a few years ago; because parts were obsolete, finding a shop to rebuild the board caused massive administrative headaches.
2. **Pumper Engine:** A separate pumper truck has been approved and ordered, but due to manufacturing supply chains, it is 36 to 38 months away from delivery and future final payment.

City Manager Beagley emphasized that the department currently operates three vehicles over 30 years old, highlighting a continual need for apparatus replacement, alongside upcoming ambulance needs.

Mayor Olson expressed his approval of the financial arrangement, noting the City is holding the line well.

Councilor Travis Keel made a motion to approve Resolution 06-09-2026 – A Resolution Approving the Santaquin City Fiscal Year (FY) 2025-2026 Budget Amendment #3. Councilor Art Adcock seconded the motion.

Councilor Art Adcock	Yes
Councilor Brian Del Rosario	Absent
Councilor Travis Keel	Yes
Councilor Lynn Mecham	Yes
Councilor Jeff Siddoway	Yes

The motion passed.

CONVENE OF THE COMMUNITY DEVELOPMENT AND RENEWAL AGENCY OF SANTAQUIN CITY (CDRA)

Mayor Olson stated we needed to convene into the Community Development and Renewal Agency of Santaquin City (CDRA). Councilor Lynn Mecham made a motion to enter into the Community Development and Renewal Agency of Santaquin City (CDRA) Board Meeting. Councilor Art Adcock seconded the motion.

Councilor Adcock	Yes
Councilor Del Rosario	Absent
Councilor Keel	Yes
Councilor Mecham	Yes
Councilor Siddoway	Yes

The motion passed.

The CDRA Board meeting began at 5:22 p.m.

FORMAL PUBLIC HEARING – CDRA FY 2025-2026 Budget Amendment #1

Board Member Lynn Mecham made a motion to open the public hearing for FY 2025-2026 Budget Amendment #3. Board Member Jeff Siddoway seconded the motion.

Councilor Adcock	Yes
Councilor Del Rosario	Absent
Councilor Keel	Yes
Councilor Mecham	Yes
Councilor Siddoway	Yes

The motion passed.

PUBLIC HEARINGS

No public comments were offered.

Board Member Lynn Mecham made a motion to close the public hearing. Board Member Jeff Siddoway seconded the motion.

Councilor Adcock	Yes
Councilor Del Rosario	Absent

Councilor Keel	Yes
Councilor Mecham	Yes
Councilor Siddoway	Yes

The motion passed.

RESOLUTION

Resolution
2. Resolution 06-03-2026 CDA - A Resolution Adopting of Community Development and Renewal Agency of Santaquin City FY 2025-2026 Budget Amendment #1

Finance Director Shannon Hoffman explained that this amendment represents a basic fiscal year crossover for revenues and expenditures. No new capital projects or initiatives were introduced; it simply balances the ledger for funds that ended up being spent in the current fiscal year rather than the prior one.

Mayor Olson expressed pride in the agency's trajectory, noting that the CDRA was established in 2022 and did not receive functional funding until 2024. He highlighted that it has already successfully managed millions of dollars to achieve incredible infrastructure improvements for the City while being held to the same strict budgetary standards as other funds.

Board Member Art Adcock made a motion to approve Resolution 06-03-2026 CDA – A Resolution Adopting of Community Development and Renewal Agency of Santaquin City FY 2025-2026 Budget Amendment #1. Board Member Travis Keel seconded the motion.

Councilor Art Adcock	Yes
Councilor Brian Del Rosario	Absent
Councilor Travis Keel	Yes
Councilor Lynn Mecham	Yes
Councilor Jeff Siddoway	Yes

The motion passed.

Board Member Lynn Mecham made a motion to adjourn the CDRA session and reconvene as the City Council. Board Member Jeff Siddoway seconded the motion.

Councilor Art Adcock	Yes
Councilor Brian Del Rosario	Absent
Councilor Travis Keel	Yes
Councilor Lynn Mecham	Yes
Councilor Jeff Siddoway	Yes

The motion passed.

ADJOURNMENT
Councilor Art Adcock made a motion to adjourn the meeting. Councilor Jeff Siddoway seconded the motion.

Councilor Art Adcock	Yes
Councilor Brian Del Rosario	Absent

Councilor Travis Keel	Yes
Councilor Lynn Mecham	Yes
Councilor Jeff Siddoway	Yes

The motion passed.

The meeting was adjourned at 5:27 p.m.

ATTEST:

Daniel M. Olson, Mayor

Stephanie Christensen, City Recorder