

A Meeting of the Nibley City Council held at Nibley City Hall, 455 W. 3200 S. Nibley, Utah, on Thursday, June 4, 2015.

The following actions were made during the meeting:

**Councilmember Hellstern motioned to approve the appointment of Brett Swenson to the Nibley City Planning and Zoning Commission. Councilmember Hansen seconded the motion. The motion passed unanimously 4-0; with Councilmember Hellstern, Councilmember Hansen, Councilmember Jacobsen, and Councilmember Beus all in favor.**

**Councilmember Beus made a substitute motion to hire Matt Regen's services as Nibley City auditor for fiscal year 2014-15. Councilmember Hellstern seconded the motion. The motion tied 2-2; Councilmember Jacobsen was against, Councilmember Hellstern was in favor, Councilmember Beus was in favor, and Councilmember Hansen was against. Mayor Dustin broke the tied and voted in favor of the motion. The motion passed 3-2.**

**Councilmember Beus motioned to approve the first reading of Ordinance 15-04—An Ordinance providing for the compensation of elected and statutory officers of Nibley City. Councilmember Hellstern seconded the motion. The motion passed unanimously 4-0; with Councilmember Beus, Councilmember Hellstern, Councilmember Hansen, and Councilmember Jacobsen all in favor.**

**Councilmember Hansen motioned to approve Resolution 15-06—A Resolution amending the budget for various funds of Nibley City for the fiscal year 2014-15, adopting the budget for the various funds of Nibley City and other budgetary matters for fiscal year 2015-16 and adjusting certain fees and payments for services for first reading. Councilmember Jacobsen seconded the motion. The motion passed unanimously 4-0; with Councilmember Hansen, Councilmember Beus was in favor, Councilmember Hellstern was in favor, and Councilmember Jacobsen all in favor.**

**Councilmember Jacobsen motioned to support Nibley City Mayor, Shaun Dustin moving forward in negotiating an inter-local agreement with 7 cities to participate in Logan City treating Nibley's wastewater. Councilmember Hellstern seconded the motion. The motion passed unanimously 4-0; with Councilmember Jacobsen, Councilmember Hellstern, Councilmember Hansen, and Councilmember Beus all in favor.**

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#### OFFICIAL MINUTES OF THE MEETING

Minutes were taken by Deputy City Recorder Cheryl Bodily

#### **Call to Order**

Mayor Shaun Dustin called the Thursday, June 4, 2015, Nibley City Council meeting to order at 6:30 p.m. Those in attendance included Mayor Shaun Dustin, Councilmember Kathryn Beus,

Councilmember Bryan Hansen, Councilmember Ron Hellstern, and Councilmember Larry Jacobson. David Zook, Nibley City Manager, Justin Maughn, Nibley City Public Works Director, Diane Marvin, Nibley City Accounting Clerk, and Stephen Nelson, Nibley City Treasurer, were also in attendance. Councilmember Amber Whittaker was excused from the meeting.

### **Approval of agenda; and approval of the May 21, 2015 meeting minutes**

Mayor Dustin asked the City Council to modify the order of the agenda.

Councilmember Jacobsen made a motion to approve the previous meeting's minutes and the evening's agenda. Councilmember Hellstern seconded the motion. The motion passed unanimously 4-0; with Councilmember Jacobsen, Councilmember Hellstern, Councilmember Hansen, and Councilmember Beus all in favor.

### **Discussion and Consideration of an Appointment to the Planning and Zoning Commission**

Brett Swenson was present at the meeting. Mr. Swenson introduced himself to the City Council and public present.

Councilmember Hellstern made a motion to approve the appointment of Brett Swenson to the Nibley City Planning and Zoning Commission. Councilmember Hansen seconded the motion.

Councilmember Hellstern asked for the duration of Mr. Swenson's appointment. Mr. Zook said Mr. Swenson was taking the chair held by Commissioner Mark Lawver who was reappointed in January 2014 and would have served until December 31, 2018. This would be a 3.5 year appointment.

The motion passed unanimously 4-0; with Councilmember Hellstern, Councilmember Hansen, Councilmember Jacobsen, and Councilmember Beus all in favor.

### **Discussion and Consideration of a Letter of Engagement with Matt Regen, CPA, PC for City Audit Services**

Mr. Matt Regen was present at the meeting.

Mr. Zook said the City Council discussed city audit services its desire to hire the city auditor at the May 7 City Council meeting. Mr. Zook said the standard format for hiring an auditor is through a letter of engagement and such a letter had been drafted and was presented to the Council for approval and ready for the Mayor's signature. Mr. Zook said Matt Regen had been serving as the city auditor for the past two years and had been auditing the City's financial reports. He said that Mr. Regen was present and prepared to answer any questions about the services he provides. Mr. Regen described his education and backgrounding in auditing.

Councilmember Jacobsen made a motion to engage Matt Regen as Nibley City Auditor until further notice. Councilmember Hansen seconded the motion.

Councilmember Beus said she felt that she had misunderstood the City Council's direction at the last meeting and had understood that they would be reviewing and considering multiple candidates including Mr. Regen. Mayor Dustin discussed the five year term of engagement for the city auditor and said that Mr. Regen was in his second year with the city. He said that he was working under the impression that when Mr. Regen's term expired that then they would go to the full selection process. Councilmember Jacobsen discussed the approach he felt was appropriate and read from the previous meeting's minutes. Mayor Dustin said that a previous City Council had delegated authority to the city manager to hire the auditor and he understood that this wasn't the approach the current City Council wanted to follow. Mayor Dustin suggested the options the City Council could follow moving forward. He didn't feel he previous City Council was in violation of procedure. Councilmember Hansen said he had looked at previous meeting minutes and understood that the City Council only needed to look at contracts that were over \$25,000. Councilmember Jacobsen said that according to Nibley's contracts process they didn't need to open this to a competitive bid and agreed with Councilmember Beus that the City Council needed to hire the auditor. Councilmember Hellstern asked Mr. Regen for his work experience with other entities. Mr. Regen said he worked for approximately 15 other governments and typically wanted to maintain confidentiality and was hesitant to discuss who he worked for but did say he audited for River Heights and Lewiston City. Councilmember Jacobsen asked if Mr. Regen was involved with the city's finance in any other way. Mr. Regen said he wasn't and noted that independence was a big deal. He described what an auditor did. Councilmember Jacobsen asked what qualifications were typically required to be an auditor. Mr. Regen described his qualifications and certifications.

Councilmember Jacobsen referred back to his motion that was stated to be for an indefinite period of time. He thought they should put an end date and thought it was a good idea to switch the auditor every so often. Mayor Dustin said he understood that there wasn't a typical auditor cycle for government audits but accounting practice for the private industry were typically 5 years. Mr. Zook

Councilmember Jacobsen made a motion to amend to hire Matt Regen's services as Nibley City auditor for and up through fiscal year 2014-15 and 2015-16. Councilmember Hansen seconded the amended motion.

Mayor Dustin asked Councilmember Jacobsen if the intent of the motion was to have the City Council engage in reviewing the letters of engagement for future auditors even if the contract was below \$25,000. Councilmember Jacobsen said that was left up to the City Council and said he wanted the City Council to make the decision as to who the Nibley City auditor was. This meant, cast a vote that said they hired "this person" for audit services. It didn't mean what they would do for the interview, RFP, or RFQ process; Council made the decision as to who would be the auditor. Councilmember Jacobsen said the intent of his motion was for the City Council to engage the services of Matt Regen to perform the function of city auditor through and including fiscal year 2015 and 2016. Councilmember Jacobsen said State code directed that the City Council

cil always hire the auditor and he was only getting them through the audits for the next two years. He said the next vote to hire the city auditor also needed to come to the City Council.

Councilmember Beus asked if it was a big deal or a big disadvantage to get other proposals right now. Mayor Dustin suggested that Councilmember Beus could make a substitute motion. Councilmember Jacobsen discussed the auditor hiring process at his job with a private company. He said they found that when they had an auditor that met their needs with the tax process and state requirements they were happy to stay with that auditor for 4-5 years and wanted to stick with that auditor until they came to the time they wanted to see if there was something that was missing from their audit. Mayor Dustin said he liked the idea of the auditor being there longer than any of their terms to avoid making the auditor a “political football”.

Councilmember Beus made a substitute motion to hire Matt Regen’s services as Nibley City auditor for fiscal year 2014-15. Councilmember Hellstern seconded the motion. The motion tied 2-2; Councilmember Jacobsen was against, Councilmember Hellstern was in favor, Councilmember Beus was in favor, and Councilmember Hansen was against. Mayor Dustin broke the tied and voted in favor of the motion. The motion passed 3-2.

Mayor Dustin said based on the motion and guidance from the City Council, Mr. Regen would complete the 2015 audit city staff would bring an RFP format back to the City Council in a couple of months. Mr. Zook said there would be sufficient time if they did this process in the first part of next year. Councilmember Jacobsen said he didn’t think they should do that process until they saw the audit for 2014-2015 and reviewed Mr. Regen’s work. Councilmember Jacobsen thought they should come back in January to discuss the City Council’s involvement in the process of hiring the 2015-16 auditor.

**Public Hearing—A public hearing to receive comment concerning increasing the compensation of elected and statutory officers**

Mayor Dustin said he had proposed that City staff, elected and statutory officials receive a 2% Cost of Living Adjustment (COLA) and, in particular, wanted to depoliticize elected official compensation and avoid big lump sum adjustments.

Mayor Dustin recognized Scout, Conner Waite with Troop 228 who was working on his Citizenship in the Community Merit badge.

Mayor Dustin opened the public hearing at 7:17 p.m.

Corlyss Drinkard of 3896 South 640 West said that this was a great step forward in regularizing how compensation would be computed. She said it was a good, rational way of computing compensation. Directing her comment to the City Council and Mayor Dustin, Ms. Drinkard said she felt that they should get the pay raise and to “go for it.”

Mayor Dustin closed the public hearing at 7:19 p.m.

**Discussion and Consideration of Ordinance 15-04—An Ordinance Providing for the Compensation of Elected and Statutory Officers of Nibley City (First Reading)**

Mayor Dustin read Ordinance 15-04 to the City Council and public present.

Councilmember Beus made a motion to approve the first reading of Ordinance 15-04—An Ordinance providing for the compensation of elected and statutory officers of Nibley City. Councilmember Hellstern seconded the motion.

Councilmember Jacobsen discussed and shared research from the Bureau of Labor Statistics regarding the cost of living and wage inflation changes over a 12 month analysis. He said he felt a 2% increase was appropriate for a wage inflation adjustment even if the cost of living didn't justify it. He said he had provided this data with the budgetary process and with increased salary for city employees and staff in mind.

Councilmember Beus asked where the city had come up with 2% and said the State was at 3%. Mr. Zook said it had been standard practice and didn't know if it was originally based on this type of data. He believed it was based on being a fair amount. Councilmember Jacobsen stated that it looked fair this year

After the end of the discussion, Mayor Dustin called for a vote on the motion:

Councilmember Beus was in favor, Councilmember Hansen was in favor, Councilmember Hellstern was in favor, and Councilmember Jacobsen was in favor. The motion passed unanimously 4-0.

**Public Hearing—A public hearing to receive comment concerning the Fiscal Year 2014-2015 Budget**

Mayor Dustin read the Nibley City Fiscal Year 2015-2016 Mayor's Budget Message to the City Council and public present.

Mr. Zook presented the changes that had been made to the proposed budget since the initial presentation on May 7, 2015. He said the changes had been highlighted in yellow in the notes provided in the back of the budget. Mr. Zook proceeded to review the changes that had been made.

Mayor Dustin opened the public hearing at 7:57 p.m.

Barbara Wilden thanked the City Council for the things she did like. She told the Mayor that he could get more people here to City Council meeting's by proposing to increase the property tax rates. Mrs. Wilden talked about her annual family reunion and described how her family loved Cache Valley and Nibley. She discussed the nice streets, trees, and flowers and expressed her gratitude. Mrs. Wilden discussed the growth projection and said she was pleased with what had been done with Heritage West and felt they needed more land preservation like this. She appreci-

ated the forward thinking of the City Council and Mayor. Mrs. Wilden discussed the recent water emergency and the response by city staff. Mrs. Wilden said the money that had been appropriated in the last 10 years had been well spent and she expressed her appreciation of Nibley City and it's staff. She said her only wish was that they continue in this way.

Mayor Dustin closed the public hearing at 8:02 p.m.

**Discussion and Consideration of Resolution 15-06—A Resolution amending the budget for various funds of Nibley City for the fiscal year 2014-15, adopting the budget for the various funds of Nibley City and other budgetary matters for fiscal year 2015-16 and adjusting certain fees and payments for services (First Reading)**

Mayor Dustin read Resolution 15-06 to the City Council and public present.

Councilmember Hansen made a motion to approve Resolution 15-06 for first reading. Councilmember Jacobsen seconded the motion.

Mr. Zook mention that the property tax rate on number 5 was a place holder and would likely change after the projections from the County.

Councilmember Beus asked how Mayor Dustin intended to sell the City Council on hiring a new full-time staffer for recreation. Mayor Dustin said he didn't see it as a new staffer. He said the city currently had three people working on city recreation items part time and he viewed this as a consolidation. He discussed the increase of costs in going from part-time to full-time and how he intended for this full-time person to work with and coordinate with the volunteer hours that were offered to the city. Councilmember Beus asked for a descriptions of what the responsibilities of this person would be. Mayor Dustin read the responsibilities from the line items included in the proposed budget. Mayor Dustin said the city would be a better steward to Nibley citizens by having someone who is a direct steward and who was directly responsible for being responsive for all of these things.

Mr. Zook described the benefit that this position would provide to Nibley's office staff and said this position would eliminate some of the hidden costs of current Nibley staff fulfilling some of these recreation duties. Mr. Zook said he agreed with Mayor Dustin and believed what made a city successful was focusing on their strengths and said one of Nibley's strength was recreation and building a better community. He said he felt this person would make Nibley a better place to live.

Mayor Dustin described his intent with increasing the Mayor's discretionary fund.

The motion passed unanimously 4-0; Councilmember Hansen was in favor, Councilmember Beus was in favor, Councilmember Hellstern was in favor, and Councilmember Jacobsen was in favor.

Councilmember Jacobsen requested a recess at 8:30. Mayor Dustin called for a 5 minutes recess at 8:30 p.m. The meeting resumed at 8:38 p.m.

### **Presentation regarding proposed Interlocal Wastewater Treatment Agreements**

Mayor Dustin said that the proposed agreements (Logan versus Hyrum) presented dramatic differences in cost and dramatic differences in governance. Mayor Dustin summarized the background of Nibley's current wastewater treatment with Logan. Mayor Dustin said the agreement with Hyrum and Providence would give Nibley shared governance and ownership which meant they had a vote in how the system was operated and would own a portion of the system. Mayor Dustin described the situation with Logan; there was an agreement to form a rate committee that would vote on the rate with mechanisms to determine what that rate was with voting based on revenue and Nibley would have no ownership in the Logan facility. Mayor Dustin expressed that he would rather be an owner than a renter; he would rather be a member of a self governing group but had to consider that financial matters. Mayor Dustin said Logan had codified that Nibley residents would pay the same rate that Logan residents would pay for sewer treatment. He said Logan had also provided that their agreement couldn't change without Logan plus two other cities so there was some protection with the agreement with Logan. He said it came down to how much they wanted to pay to own and to vote. Mayor Dustin discussed the rate differences of going with Logan versus going with Hyrum and said on that basis he hesitantly recommended they go with Logan.

Councilmember Jacobsen asked Mayor Dustin to clarify the discrepancy with the numbers he had provided to the City Council in their City Council packets (\$10/month with Logan City versus \$30/month if Nibley were to partner with Providence and Hyrum). Councilmember Jacobsen read from the notes that had been given to the City Council prior to the meeting "*The latest estimate from the Department of Water Quality is that residential sewer bills would increase by approximately \$10 per month due to the costs associated with Logan City Building a new treatment plant. The latest estimates from Zions Bank Public Finance are that residential sewer bills would increase by approximately \$30 per month if Nibley were to partner with Providence and Hyrum to upgrade the Hyrum plant and construct new main lines to connect from Nibley to Hyrum.*" Mayor Dustin described the assumptions he had made when calculating those numbers and described his refined assumptions of how the rates would be calculated.

Councilmember Hellstern asked if there were any indications from the more northern communities of which way they were leaning. Mayor Dustin said he had observed that no one was excited with what Logan had proposed but the significance of the options and concessions Logan had provided with governance were significant in the context of what they had provided in the past and in the ability of those concessions to protect them. He said at the last meeting he felt Providence and Hyrum would go with the decision that was in the best interest of their residents. Councilmember Jacobsen said the increase to do their own plant with Providence and Hyrum was \$12-17 more and they had better assurances that Logan would treat them the same way they treat their sewer paying residents. He felt they should get on with it and go with the cheapest cost as long as Logan treated Nibley residents fairly.

After more discussion regarding the projected sewer rates associated with each option, Mr. Zook showed how the rates could be calculated:

Logan:

$$30 \text{ (base cost)} + 12 \text{ (current Logan treatment)} + 10 \text{ to } 15 \text{ (new costs to Logan)} \\ = \$52 \text{ to } \$57 \text{ per month}$$

Hyrum:

$$30 \text{ (base cost)} + 39 \text{ (connection and buying into Hyrum)} = \$69 \text{ per month.}$$

Mayor Dustin discussed transfer fees to Logan, ownership of the Logan plant, and allocating administrative costs to Logan. He said Logan had said they wouldn't budge on these items. Mayor Dustin discussed transfer fees and said he didn't feel they were right but that they were legal and he felt the other cities that had participated in the sewer study would probably look into changing the law that allowed transfer fees. Mayor Dustin discussed the positives that had come out of the meeting that had been held with five other community Mayors.

#### **Discussion and Consideration of an Inter-local agreement with Logan City for the provision of wastewater treatment services**

Mayor Dustin said he was asking for the power to go in and sign an agreement with Logan based on two principle issues; rates had to match, the agreement couldn't be modified without the vote of three cities.

Councilmember Jacobsen said he wanted to make sure the rates charged to Logan residents didn't also include collection and transfer fees. The City Council and Mayor Dustin discussed and edited wording in the inter-local agreement with Logan City.

Councilmember Jacobsen made a motion to support Nibley City Mayor, Shaun Dustin moving forward in negotiating an inter-local agreement with 7 cities to participate in Logan City treating Nibley's wastewater. Councilmember Hellstern seconded the motion. The motion passed unanimously 4-0; with Councilmember Jacobsen, Councilmember Hellstern, Councilmember Hansen, and Councilmember Beus all in favor.

#### **Discussion and Consideration of an Interlocal agreement with Hyrum and Providence Cities for the provision of wastewater treatment services**

Mayor Dustin said he would continue negotiations with Hyrum and Providence cities until such time as an agreement is signed with Logan.

#### **Staff and Council Reports**

Mayor Dustin discussed the City Council meeting schedule with Mr. Zook's help. Mayor Dustin suggested they shift the meeting to 5:30 p.m. for the week of Heritage Days. The City Council decided they would hold their next meeting at 5:30 p.m. Mayor Dustin noted that the next City

Council meeting was scheduled for July 2, 2015 and said Councilmember Whittaker was resigning her seat on June 12 giving the City Council 30 days to fill her seat. He would like to give consideration to those interested in this seat and asked if the City Council should shift their meeting to July 9. The City Council decided they would hold the first City Council meeting in July on the 9th.

Councilmember Hansen noted that today was the Happy National Doughnut Day and thanked the Hryrum Senior Center for their treat.

Councilmember Hellstern reported on the receipt of a \$500 from the National Wildlife Federation for the purchase of trees to be given away at Heritage Days which he passed to Mr. Zook. Councilmember Hellstern also reported on the receipt of \$250 for the nomination of the Willow Tree at the Heritage West fence line being accepted by the state, from Rocky Mountain Power Association vouchers, for additional tree purchases. Anderson Seed and Garden had said they would accept those.

Mr. Zook reminded the City Council of Heritage Days and directed them to the city website for the most information.

Mr. Zook noted that the filing period for three City Council seat and said that Monday at 5:00 p.m. was the last day to file. Councilmember Jacobsen said that he was running. Mr. Zook noted that Allan Cook and Tim Ramirez had also filed.

Mr. Zook updated the City Council on the water emergency and Nibley's insurance coverage.

Mr. Zook discussed the ground breaking at the Neighborhood Non-Profit Housing Corporation development. He discussed that those houses had been a significant portion of Nibley's growth and 50-70 houses a year.

Mr. Zook reported on Nibley's audit by the Utah Retirement System. He said they had been praised and been told they had done a good job.

Mr. Zook reminded the City Council of the Community Cleanup that was ongoing through the weekend. He discussed the weed enforcement letters that had been sent out and the outreach to clean up other areas of Nibley.

Mr. Zook displayed pictures of the new permanent green waste recycle area in Nibley. Councilmember Hansen asked if it had camera surveillance. Mr. Zook said it would.

Mayor Dustin said he would be in Alaska Sunday through Tuesday and suggested they appoint a Mayor Pro Tempore. He asked Councilmember Beus to accept a nomination of Mayor Pro Tempore.

Councilmember Jacobsen asked for general consent to appoint Councilmember Beus Mayor Pro Tempore, June 6-9. General consent was given by the City Council.

There was general consent to adjourn the meeting at 9:52 p.m.

Attest: \_\_\_\_\_  
Deputy City Recorder