

Milford City Council Meeting
Tuesday, December 15, 2020, 4:00 PM
Milford City Hall, 26 South 100 West
Milford, Utah 84751

Members Present: Mayor Nolan Davis, Council Members Ian Spaulding, Scott Symond, Les Whitney, and Shane Yardley.

Absent: Council Member Russell Smith

Staff: City Administrator Makayla Bealer, City Recorder Monica Seifers, Administrative Assistant Lisa Thompson, Attorney Leo Kanell, and Foreman Benjamin Stewart

Visitors (Official Roster): Chad Atkinson – via Zoom, Jessie Ralphs and Ben Coray – via Zoom, Michelle Evans – via Zoom

Call to Order

Mayor Davis called the meeting to order at 4:00 p.m. followed by the Pledge of Allegiance.

Visitors

a. Chad Atkinson – Presentation of Financial Statement for FY 2019-2020 – 4:02

Chad Atkinson presented the 2020 Audit report for Milford City via Zoom. The city has a few projects involving federal funding which meant extra work for the City Administrator, he thanked her for the extra efforts. The Independent Auditor's report provided a clean opinion on the financial statements which is the highest level of assurance, from an audit perspective. There is one significant deficiency reported on page 55 of the financial report pertaining to the water project. Essentially, there was a new culinary water project this year and we found that there were some transactions that were not properly reported in the city's financial accounting system. It was determined that the bank had funds in an escrow account that was not passed on to Makayla. The transactions were recorded during the audit process. The recommendation is when the city has these larger projects that they coordinate with the auditor to see that these large transactions are adjusted prior to the audit. He doesn't anticipate that this would be an issue moving forward, but it did present itself for FY 2020. Mayor Davis inquired how the city would get the information if the city were to do another substantial project in the future. Chad explained that when a new bank account is created for the city on these projects, the city would just need to get the information from the bank, since the city does not have control over the account. Administrator Bealer added, for clarification, that Zion's Bank put the funds into the PTIF account so the city doesn't physically have the money in their possession, it is just "tagged" for the project. In the future the city will just need to contact the state to see if there are any accounts in the PTIF for the city and get the information to report on the city's financials. This did not have an affect on the opinion of the audit but was reported as a finding.

The Fund Balance is in excess of the state threshold. This probably hasn't happened for the City of Milford for quite a while, but the fund balance is higher than allowed by the state. This is the best finding that there is, but it is in excess of the allowable amount. Moving forward the city will just need to appropriate the funds into projects and expenses and that will bring the balance down.

Cash Management was another finding, there is a report filed with the Money Management Council at the state and on that report all the city's bank accounts are listed along with balances. This relates to the finding with the water project account. The city hadn't identified the account tied to the city's name on the report. This will easily be resolved by reporting it on the next report.

There is a federal single audit that is still in the process of completion. The city had expenditures that were federally funded and required a separate audit. The final report will be provided in a separate report but at this point there are no problems or issues detected.

Financial Highlights:

Net change in position for the Water Fund was a gain of \$170,087 while Sewer Fund increased \$49,450. All the funds have positive increases apart from the debt services; all operated within their approved budgets.

General Fund – the city currently has 3.7 months of operating reserves on hand in the Unassigned Fund Balance which is above the recommended minimum, so that is good.

There were some unspent funds in FY 2018 for the new administrative building which caused a spike in the Restricted Fund Balance. Otherwise there has been substantial improvement made to the fund balances since FY 2016.

Water Fund – The net investment in capital assets had an increase due to the culinary water project. Unrestricted designated funds have been set aside for future projects. The unrestricted funds are about nine months of reserves. The restricted fund balance is for unspent impact fees. The Water Fund seems to be stable in and improving its financial position.

Sewer Fund – The Sewer Fund shows a decline in the net investment in capital assets due to the depreciation of assets, this will continue to trend. Unrestricted designated is reserved for future projects. The unrestricted is about 26 months of reserves, so they are in good shape. The restricted fund balance is for impact fees that have not been expended yet. All trends look good, except capital assets, as they are depreciating, but that is to be expected.

Cash Balances – Governmental Cash is up from previous year. Business Type increased due to loan funding for the water project. This spike is temporary and will decrease as the cash is expensed toward the project.

Mayor Davis thanked Chad for the work on the audit and the great relationship with the accounting firm. Council Member Symond asked how Chad felt about the city's audit. Chad stated that he felt good about the situation at the city, Makayla and the staff are great and have a good handle on the city's finances; they are watching the budget. He did not feel there were any issues with the budget. The projects that have federal funding or other strings attached can sometimes pose issues so the city should be aware of any contracts or agreements they enter into. He feels good about the city's position. Council Member Spaulding addressed the fund balance being in excess of the allowable amount, asking what the council should be doing to address it. Makayla explained that there was money budgeted for the 400 South street project in FY2020 that was not expended because the project was pushed back to meet up with the new fire department building. That is a huge part of the excess funds in the General Fund. She asked Chad for his thoughts on financing the new backhoe versus paying for it. He felt it was appropriate to finance the equipment over a three-year period since once the purchase was made the cash would be gone.

Mayor Davis praised the city staff, crew, and council and stated that the city has never had an audit that came back saying we have too much money. We have had some bad years in the past, this was a collective effort and he is appreciative of the efforts by everyone.

Council moved the agenda to Old Business- Culinary Water Project 4:27 – 4:33 for an update from Jesse Ralphs who was participating via Zoom.

b. Michelle Evans – Discuss partial grant option to help with a city activity guide – 4:33

Mrs. Evans participated via Zoom. The Utah Ramblers brand was launched last May. The Activity Guide, which is a 64-page full cover spread, was just completed. This is the first of this kind ever for our county and covers all the ranges. The travel council would also like to do a city guide; it was recommended that all cities be included in one booklet versus doing individual cities. It won't be near as big as the activity guide but will include all lodging, restaurants, activities, etc. inside the city. Michelle asked if the city would like to participate explaining that she went after a grant so the only cost to the city would be \$350 and someone from the city to participate in the layout. Council Member Spaulding asked if it was a one-time \$350 commitment. Michelle explained that it was about a \$20K setup to lay it out and get the initial setup; once it is setup, say we need to update or print more she could go for more grants but it should not be as cost extensive. If we participate now, 3000 copies would be provided for Milford. There will also have an E-book available for online and email distribution. Council Member Spaulding was in favor of the city guide. Mayor Davis agreed stating that Mrs. Evans had done a lot of work over the past year; he felt it was a good idea to pursue a city guide. City Administrator cited that there was money in the budget that could be used for the activity guide. Michelle will be starting on the design in January so she would like to have the city volunteer as soon as possible. She added that Beaver County Tourism is on Facebook and Utah Ramblers on Instagram.

- **MOTION:** Council Member Scott Symond moved to approve the city's portion of \$350 for the city activity guide and appoint someone to work with Michelle Evans on the design and layout. Motion was seconded by Council Member Les Whitney. All in favor, motion carried.

The agenda went to Old Business – splash pad 4:49 for Megan McMullin who was participating via Zoom.

Consent Issues

a. Consent issues including bills and payroll, and Minutes of November 17, 2020 were presented for consideration for approval.

- **MOTION:** Council Member Scott Symond moved to approve the consent issues as presented. Motion was seconded by Council Member Les Whitney. All were in favor, motion carried.

New Business

a. Appointment of Library Board Members

Larry Roberts left a vacancy on the board when he moved. The Library Board recommends appointing Natalie Hardman.

- **MOTION:** Council Member Les Whitney moved to appoint Natalie Hardman to the Library Board. Motion was seconded by Council Member Scott Symond. All were in favor, motion carried.

b. Approval of various board members for 2021

- **MOTION:** Council Member Les Whitney moved to approve the various board members for 2021. Motion was seconded by Council Member Ian Spaulding. All were in favor, motion carried.

c. Opening and selection of surplus bids for library shelves

One sealed bid was received. Mayor Davis opened and presented a bid from John Carter which was accompanied by the minimum bid amount of \$10.00, in cash.

- **MOTION:** Council Member Ian Spaulding moved to accept the bid of \$10.00 for the metal shelves submitted by John Carter. Motion was seconded by Council Member Scott Symond. All were in favor, motion carried.

d. Approval of Facility Use Memorandum of Understanding with Beaver County School District
Tabled.

e. Opening and selection of bids for Swim Pool Heater and LED Pool Lights

Two sealed bids were received. Mayor Davis opened and presented the first bid from Sharky LLC for the heater in the amount of \$15,261 and a bid for the LED lights in the amount of \$6,921.32. He opened and presented a bid from Charron Heating and Cooling for the heaters only in the amount of \$21,252.00.

- **MOTION:** Council Member Scott Symond moved to accept the bids submitted by Sharky LLC for the heater in the amount of \$15,261; and for LED lights in the amount of \$6,921.32. Motion was seconded by Council Member Shane Yardley. All were in favor, motion carried.

f. Approval of purchase of CAT Backhoe and authorization of signatures

Administrator Bealer explained that the John Deere backhoe was returned to Honnen. We decided to purchase rather than lease, it is on order through Wheeler but is on back order. Wheeler has offered another backhoe for the city to use until theirs is ready. The cost of the backhoe is \$89,980; Administrator Bealer and Mayor Davis have discussed it and felt that financing the equipment would be the best for the city. A down payment of \$20,000 would be made with remaining balance paid in two payments falling in January 2022 and July 2022. Council Member Ian Spaulding felt that financing was the best option. Administrator Bealer explained that while the city was over budget in the General Fund, there will be a few projects that will be completed soon; she would like to keep the General Fund in good health and prevent it from going back in the wrong direction.

- **MOTION:** Council Member Ian Spaulding moved to authorize the Mayor and Administrator to sign the contract for the purchase of the CAT Backhoe when it arrives. Motion was seconded by Council Member Scott Symond. All were in favor, motion carried.

g. Consideration and approval of Utah State Treasury Withdrawal

Administrator Bealer stated that the annual bond payments were due in the amounts of \$10K for the Library Bond and \$51,380 for the Water Bond.

- **MOTION:** Council Member Les Whitney moved to authorize the withdrawal from the State Treasury for the bond payments. Motion was seconded by Council Member Ian Spaulding. All were in favor, motion carried.

Old Business

a. Culinary water project – 4:27

Jesse Ralphs participated via Zoom. The development of the well has been a long stretched activity. It has gone a little slower than anticipated. The test pump was done yesterday. The step test was done last week. The conclusion was 1500 gpm which is a great producing well; it drew down to 395' which is well above where the pump will be set. Initially there were concerns with pumping sand, as this well was developed it took a little more development to get the gravel pack to consolidate but it appears to have done that very well. We are at the finish line now; everything is setting the stage to move forward with the project. There were no questions on the well so Jesse moved forward citing that the project would be advertised soon, the advertisement would be ready for publication within

the next week with the bid opening January 21. The contractor selection will follow with work commencing late February – early March.

Council returned to Visitors – Michelle Evans at 4:33

b. Splash pad – 4:49

Megan McMullin participated via zoom. She proposed the idea of setting up a donation website after the holidays, citing GoFundMe, that would be strictly for the splash pad. She had a list of ideas including: letters to businesses requesting donations; camp chairs with Tiger logos that could be sold; raffles; tournaments, 5K's or chalk runs; working with the Lions Club on fundraising efforts. She would like to narrow the list down to the best money-making efforts.

Council Member Spaulding stated this was a good start, he asked if specifics such as location, who would maintain it, etc. had been looked at or is it something that needs to be addressed? Administrator Bealer explained that during the July 2020 meeting, the city council did discuss the proposed splash pad. Lisa had contacted the company that installed the splash pad in Panguitch and their quote was \$213K. Council Member Spaulding felt that if it is going to be a city project the fundraising efforts would need to be in line with the city's fundraising policies. Mayor Davis asked where the city was going to get the funds for the annual maintenance; it is going to be an added cost to the city with no fees collected for its use. Administrator Bealer stated that she would like to see enough funding raised to put money into a maintenance fund for the splash pad. Eventually the money raised will go away; the city will have to look at other ways of operating and maintaining it. The city will ultimately be responsible for the funds raised so Administrator Bealer suggested that the city's Instant Payments site be used for online donations. Council Member Spaulding agreed that the Instant Payments site would be best and would provide the compliance rules. He also suggested providing the community with updates on the project and the funding raised. He supported the creation of the committee to get the project started. Megan McMullin has had a few people show interest in serving on the committee. The city will notice what the intent of the committee is and call for volunteers. Council Member Ian Spaulding suggested Megan McMullin head the committee.

➤ **MOTION:** *Council Member Ian Spaulding moved to approve the Splash Pad creation committee. Motion was seconded by Council Member Les Whitney. All in favor, motion carried.*

Administrator Bealer stressed the importance of tracking all donations received very carefully so that if the funding is not received to go through with the project, the donations can be returned. She also urged that any fundraising efforts are setup through the city directly, rather than an individual doing it through a personal account. Council Member Whitney was in favor of a donation site that could take donations rather than going to the businesses since they were hit recently with COVID 19. Council Member Les Whitney was concerned with asking businesses for donations when so many were affected by COVID 19 and received funds from the CARES Act.

Council returned to Consent Issues – 5:06

c. HB 31 – Water Supply and Surplus Water Amendments – 5:22

Attorney Kanell – hoping that the league will send information down. If not, city will need to transfer resolution to an ordinance and designate our service area by ordinance.

Ordinance and Resolutions

a. None.

Staff and Council Reports

Staff Member Reports and Comments

Leo Kanell ~ City Attorney

- No report or comment.

Makayla Bealer ~ City Administrator

- Armstrong Consultants did their final walk through at the airport this week.
- Currently advertising for lifeguard and concessionaire - closing January 13, 2021
- UDOT signs: Robert Dowell emailed her, UDOT will be installing 1 solar and 1 power electronic feedback sign. The cooperative agreement will be emailed to the council.
- LGRP refund from PEHP was received in the amount of \$4,064.00.
- United Way donated funds for the purchase of a historical filing cabinet to hold historical items to be available at the Library, but secured when not in use.
- Age assistance program is accepting applicants until January 15, 2021. Meals on Wheels has been delivering flyers and applications to each person currently receiving meals. Staff has also advertised around town and on the city social media platforms. Staff is willing to do whatever necessary to assist the consumers with their applications.
- City office rentals: we have had inquiries on the availability of the building. Does the council want to allow it or continue to restrict it? Council Member Spaulding was not ready to open it up; Council Member Whitney agreed. Council discussed the governor's orders. Attorney Kanell explained that the hospital had a similar discussion and arrived at the conclusion that they would rather see smaller groups meeting in larger areas than in private homes where they cannot social distance. If the 50% capacity is encouraged then he felt it would be fine. The council decided to allow the rental of the facility at 50% capacity due to the governor's orders.

Monica Seifers ~ City Recorder

- No reports or comments.

Lisa Thompson ~ Administrative Assistant

- No reports or comments.

Ben Stewart ~ City Foreman

- No reports or comments.

Council Member Russell Smith

- Not in attendance.

Council Member Ian Spaulding

- No report or comments.

Council Member Scott Symond

- Complimented the council for what they have done with the budget.

Council Member Les Whitney

- Compliment the staff and crew for the hard work done with the Christmas Lights, they look great. He has received good feedback on the light parade.

Council Member Shane Yardley No reports or comments.

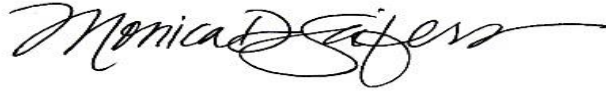
- No reports or comments.

Mayor Davis

- No reports or comments.

Meeting Adjournment ~ *as there was no further business the meeting adjourned at 5:36 PM.*

APPROVED by City Council the 19th day of January, 2021.

A handwritten signature in black ink, reading "Monica D. Seifers". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

MONICA D. SEIFERS, City Recorder