

City of Washington Terrace

Minutes of a Regular City Council meeting

Held on December 6 , 2022

City Hall, 5249 South 400 East, Washington Terrace City, Utah

MAYOR, COUNCIL, AND STAFF MEMBERS PRESENT

Mayor Mark C. Allen

Council Member F. Carey Seal

Council Member Jeff West

Council Member Jill Christiansen – arrived at 5:33 p.m.

Council Member Scott Barker

Council Member Randy Ferlin

Finance Director Shari' Garrett

City Manager Tom Hanson

City Recorder Amy Rodriguez

Lt. Colby Ryan, Weber County Sheriff

Others Present

Gary Keddington

1. WORK SESSION

5:00 P.M.

Topics to include, but are not limited to:

ANNUAL FINANCIAL & INDEPENDENT AUDITOR'S REPORT

Gary Keddington, from the firm of Christensen and Keddington presented the review of the City's annual comprehensive financial and independent auditor's report for fiscal year ended June 30, 2022.

He highlighted the Engagement letter, outlining what his role is and explained that the audit performed is a financial audit, reviewing finance numbers. He stated that the city's are required to have a financial audit since we are stewards over other people's money. He stated that his field is governmental accounting. He explained the scope and objectives of the audit.

He stated that they audit to make sure that we are following our accounting rules, and creating the report. Keddington stated that he works in the governmental world and understands the rules of government. Keddington stated that the management's discussion and analysis is very important for Council to read. He stated that it is an executive summary as to what has happened in the past year in the City.

Keddington explained the responsibilities of the auditor for the financial statements. He stated that they determine the highest risk areas and review internal controls. He stated that if we have good processes, we will have good financials. The auditors look for risk areas in which they may fail, and try to determine what the outcome would be if it did fail.

Keddington stated that they auditors question staff, Council, and Mayor concerning fraud concerns,

46 which remain confidential.

47 Keddington stated that they identify risks. He stated that there is an assumption that people will
48 manipulate their revenues. Another assumption is management override of controls.

49 Keddington stated that there are no controls over the financial statement, close and reporting,
50 because this is the job of the Finance Director and there is no other person in the department who
51 would be able to review. To have this control, another CPA firm would need to come in and review
52 all the journals. He stated that they design their procedures to review this risk. He stated that fifty
53 percent of his audits have this risk, as they are smaller communities.

54

55 Keddington stated that there are two parts to compliance. One is federal grants compliance
56 and the other is state compliance. He stated that one of the state compliance areas are budget
57 compliance, fund balance, court processes and internal control, impact fees, URS, and other
58 restrictions. Keddington stated that there is a finding on government fees this year. He stated that
59 the revenues and expenses need to be tracked for each type of fee we are charging. He stated that
60 the accounting rules do not require us to track expenses, however, the state does. He stated that this
61 is a new law and if we do account for the expenses, we would have a finding on the other side. He
62 stated that it is a lose-lose for every city. He stated that you cannot restrict internal funds.

63 He stated that he believes this state rule has backfired because it turns out that cities are finding that
64 they are not charging the actual cost of the fee and are now raising their fee due to this requirement.

65 Garrett stated that the state is wanting to make every fee that we charge subject to tracking of
66 where it came in and where it went to, making this impractical. Keddington stated that there is no
67 state law that this compliance is tied to.

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69 Keddington stated that it is not illegal to do enterprise fund transfers as long as the rules are
70 followed. Keddington stated that the second notice that was submitted was distributed to the users
71 but there was an oversight as to not have the notice on the website.

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73 Keddington stated that those were the only two findings. The governmental fee and the posting of
74 the second notice.

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76 Garrett stated that our score for the Fraud Risk Assessment is 335 which is at the low level of risk
77 based on the assessment. Keddington stated that he believes that there are two areas of hotlines for
78 fraud (internal or external). He stated that the state has a hotline that anyone can call and report
79 suspicion of fraud. He stated that the internal side is difficult to manage. He stated that the city
80 attorney would have to manage the internal hotline. He stated that we could do it, however, we
81 would have to be extremely careful. Garrett stated that we could implement this hotline, however,
82 there will be a cost to running the hotline. Keddington stated that he recommends having
83 employees or customers contact the state hotline.

84

85 Keddington stated that having a formal internal auditor needs to be done correctly and clearly
86 defined. He stated that there is a cost involved. He stated that a formal audit committee would need
87 to be done correctly and it would be dependent on if the individuals involved understood the audit
88 process and governmental audits.

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90 Keddington stated that his opinion is that the financial statements are in accordance with the
91 compliance that they need to be.

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MAYOR, COUNCIL, AND STAFF MEMBERS PRESENT

Mayor Mark C. Allen
Council Member F. Carey Seal
Council Member Jeff West
Council Member Jill Christiansen
Council Member Scott Barker
Council Member Randy Ferlin
Finance Director Shari' Garrett
City Manager Tom Hanson
City Recorder Amy Rodriguez
Lt. Colby Ryan, Weber County Sheriff

Others Present

Gary Keddington, Charles and Reba Allen, Amy Miller, Ulis Gardiner, Zunayid Zishan, Rosemary Lesser

2. ROLL CALL 6:00 P.M.

3. PLEDGE OF ALLEGIANCE

4. WELCOME

5. CONSENT ITEMS

5.1 APPROVAL OF AGENDA

5.2 APPROVAL OF NOVEMBER 15, 2022, MEETING AND NOVEMBER 19, 2022, COUNCIL RETREAT MINUTES

Items 5.1 and 5.2 were approved by general consent.

6. CITIZEN COMMENTS

Amy Miller, representing the United Methodist Church, updated that the craft boutique raised enough money to go through the fight against hunger. She stated that there will be a candlelight service on Christmas Eve at 7:00 p.m.

Z asked thoughts on rank choice voting, stating that he feels that it is a fairer way to vote. He stated that several cities are already using this procedure for voting. Mayor Allen suggested that he contact Rodriguez, or any Council Member on their thoughts on that process.

Representative Rosemary Lesser stated that she will be representing half of Washington Terrace as of January 1st and will work with the city to gather funds and distribute it to the City. She stated that she will always have her eyes and ears out for the residents of Washington Terrace City. She extended an open invitation to contact her at anytime. She will be participating in executive appropriations. She is working to eliminate the state sales tax on groceries. She will also be working on pre-natal care.

7. NEW BUSINESS

7.1 PRESENTATION/DISCUSSION: INDEPENDENT AUDITOR'S REPORT

Gary Keddington, from the firm of Keddington & Christensen, presented the scope and outcomes of the annual financial audit for fiscal year ended June 30, 2022.

Keddington stated that the work session was focused on procedures and responsibilities of the audit. He stated that he will report on how the audit went. He stated that there were two findings, one concerning government fees and how they are being tracked. He stated that there are no accounting rules, or state law requiring this rule. He stated that the other concerned the enterprise fund transfer second notice. He stated that there were no accounting issues or disputes with management.

Keddington stated that this year leasing compliance had been implemented and stated that our policies are already in the financial realm that they need to be.

He stated that there were a few small things that were found, and a list is available to Council. He stated that they were very small and many of them were very normal findings.

Keddington stated that his opinion is that the financial statements are in compliance with the accounting rules that we need to be and are applied to us.

Council Member Barker asked if the Mayor was included in the fraud assessment questions and if he was receiving the responses. Keddington stated that if they are not answered, he will not issue an opinion until they are answered.

7.2 DISCUSSION/MOTION: APPROVAL OF THE CONSOLIDATED PLAN – CAPITAL INVESTMENT PLAN PROJECT PRIORITIZATION

Rodriguez stated that each year staff meets to review and prioritize capital investment projects that are in the TCIP plan that are eligible for the CDBG grant. The goal is to maximize our grant funding potential for the projects in the plan. Projects chosen for CDBG applications must help fulfil long term goals of the city as well as regional goals. Rodriguez stated that one of the ranking criteria is priority of our projects and how high they rank on the jurisdiction priority list. Rodriguez explained that the City contributes a 38.5 percent match to the grant funding, so we typically chose projects that we have planned for so that we will be able to fulfil our match contribution requirement. Rodriguez stated that this year, staff is planning to apply for the second and final phase of the AMI water metering system. She noted that with the remaining funds available, we would like to apply for a truck for the fire department brush equipment will bring the applications to Council in January before final submittal.

**Motion by Council Member West
Seconded by Council Member Barker
To approve the Consolidated Plan
Capital Investment Plan Project Prioritization
Approved unanimously (5-0)**

7.3 DISCUSSION/MOTION: APPROVAL OF AMENDMENT TO THE CITY CONTRACTING AND PURCHASING POLICY TO INCLUDE THE PROVISION OF “SOLE SOURCE” PROCUREMENT PRACTICES

Rodriguez stated that the City has a purchasing and contracting policy that outlines the circumstances when purchases can be approved by a Department Head, the City Manager, or

when they need to come before Council for approval. It also outlines the conditions in which a formal sealed bid should be sent out.

Rodriguez explained that the policy allows for some exemptions to the formal bidding process, as in the case of emergency repairs. She stated that another example would be if the contractor or equipment was on the state approved contract list because the state has already completed the bidding process for us.

Rodriguez stated that staff would like to add another exception to the policy, which is a non-competitive sole source procurement. This would be in circumstances where there is only one source who would be able to provide the equipment or service needed. Rodriguez explained that documentation would be needed to justify why there is only one source for the service. Also, it would have to be determined that there are no conflicts of interests involved in the decision.

Rodriguez stated that the City Manager would make the decision as to whether a project is eligible for sole source procurement. The Council would be made aware when this practice is used.

**Motion by Council Member Christiansen
Seconded by Council Member Seal
To approve the amendment to the Contracting and
Purchasing Policy to include Sole Source Procurement Practices
Approved unanimously (5-0)**

7.4 DISCUSSION/MOTION: APPROVAL TO PURCHASE AMI EQUIPMENT FROM MOUNTAINLAND SUPPLY COMPANY USING SOLE SOURCE PROCUREMENT PRACTICES

Rodriguez stated that in order to be able to partner with Weber Basin Water for our collective goals of real time water metering, we need to have compatible equipment that can be used with their towers and system. Weber Basin Water did their evaluation process and chose Sensus meters for their AMI system. The City will need to use Sensus equipment as well. Rodriguez stated that if we don't partner with Weber Basin Water, we would not be able to afford the new metering system.

Rodriguez stated that this is a case of sole source procurement. This item has been brought to Council several times during the CDBG process, however, since there were no other distributors of the product that we needed, the City did not see a reason to go out to bid. Rodriguez stated that the CDBG state representatives have reviewed our justification and backup documentation from Weber Basin and are in agreement that this is a non-competitive bid circumstance. Rodriguez stated that since we did not go out to bid, we are asking Council to approve the purchase for the AMI equipment from Mountain land Supply Company using the sole source procurement practice.

**Motion by Council Member Barker
Seconded by Council Member Ferlin
To approve the purchase of the AMI equipment
From Mountainland Supply Company using sole source**

Procurement Practices
Approved unanimously (5-0)

7.5 DISCUSSION/MOTION: APPROVAL TO PURCHASE PICKLEBALL COMPLEX LIGHTING FROM L.W.E.

Hanson stated that it was determined that we have the capacity to install the lighting in phase one. Hanson stated that contracts for public improvements can be approved by the city manager after three estimates have been received. Staff has followed purchasing policy and has selected a contractor to install the light projects for the pickleball courts. Hanson stated that the lighting project protects dark skies and lights the court appropriately.

Hanson stated that the amount of the lighting is \$68278 for the lighting of the court. Hanson stated that the bases need to be put in place as part of the concrete so that the lights can be installed.

Council Member Barker confirmed that we are not adding any more money to the money that is set aside for this project. We are using the capacity within the budget.

Hanson stated that the lighting for the road and parking lot will be accomplished in phase two.

Hanson stated that although he has the authority to approve the contract, he would like to bring it to Council attention for approval.

Motion by Council Member Barker
Seconded by Council Member West
To approve the purchase pickleball complex lighting
From L.W.E
Approved unanimously (5-0)

7.6 MOTION: APPROVAL OF THE 2023 ANNUAL MEETING SCHEDULE

Rodriguez explained that state law requires that an annual meeting schedule be set each year. Rodriguez supplied the calendar for 2023, noting that there is only one meeting in July and December due to holidays.

Council Member Barker asked if the Council retreat dates are agreed by Council. They were agreed upon.

Motion by Council Member Christiansen
Seconded by Council Member Barker
To approve the 2023 annual meeting schedule
Approved unanimously (5-0)

8. COUNCIL COMMUNICATION WITH STAFF

Council Member Christiansen asked if there was an online code violation email online. Hanson stated that we will put it under the "I want to..." section of the website.

Council Member Seal stated that there is a concern on 5600 South and Adams Avenue regarding turning through 4 lanes to turn north. He stated that a couple contacted him to see if we could contact the owner of the property to cut back some of the trees to make it safer to pull out, as the

trees are obstructing their views. Hanson stated that he will speak with Meibos to have the trees cut down and do a “field trip” to view the area. Council Member Barker recommended crossing by the light by the hospital.

9. ADMINISTRATION REPORTS

Hanson stated that the Sheriff’s office will be using a sprinter van for the mobile command for the drones. Hansons stated that the radio for that van was taken out of our VIPS vehicle and they are looking at replacing that with a hand held radio. Hanson stated that we may be using the County VIPS vehicle in the future.

Hanson stated that the Moderate Income Housing Plan will be in place before the CDBG opportunity. Hanson stated that the proposals have been reviewed and they will go before a public hearing on December 27th. Hanson stated that there is state legislation requiring us to pick three areas in a list of objectives that we would like to focus on. Mayor Allen asked about mixed use in the RDA/CDA area. Hanson stated that if we could get appropriate parking it may be interesting to look into. He stated that RDA/CDA is sometimes restrictive with use of funds.

Hanson stated that warning notices went out concerning winter parking regulations. Hanson stated that violations will be given moving forward. Hanson stated that for safety and liability reasons, we will not plow streets if there are a lot of cars on the road. Mayor Allen stated that he passed out over 170 notices in one quadrant of the City on December 1st.

Hanson stated that there is an opportunity in the newsletter this month to receive tickets to the Terrace Playhouse. Hanson stated that we received a grant from the Communities that Care and we purchased around \$1000 worth of tickets. Hanson stated that we were given \$2000 worth of tickets. Hanson stated that the goal is to encourage family involvement and help avoid addictive behaviors.

Hanson gave an update on the RAMP grant and the application will be on the January 3,2023 agenda.

10. UPCOMING EVENTS

December 10th : Candy Cane Run 8:00a.m.
December 26th : City offices closed for Christmas Holiday
December 27th: Planning Commission Meeting 6:00 p.m.

11. ADJOURN THE MEETING: MAYOR ALLEN

**Motion by Council Member Barker
Seconded by Council Member Christiansen
To adjourn the meeting
Approved unanimously (4-0)
Time: 7:25 p.m.**

Date Approved

City Recorder