

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY IMPROVEMENT DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE UTAH 84047 ON AUGUST 9, 2017 AT THE TIME OF 12:00 Noon, PRUSUANT TO NOTICE.

BOARD OF TRUSTEES PRESENT

**QUINN SPERRY - CHAIRMAN
ROBERT HALE
SONDRA SMITH**

OTHERS PRESENT

**MARK F. BELL, DISTRICT ATTORNEY
BRAD M. POWELL, DISTRICT MANAGER
M. CATHY KINGSBURY, TREASURER
BRENT E. CHRISTENSEN, CHIEF FINANCIAL OFFICER, OFFICE CLERK
MARC V. JONES, OPERATION'S SUPERVISOR
JOHN T. MORGAN**

Meeting was called to order at 12:17 PM by Chairman Quinn Sperry.

1. PUBLIC COMMENTS

Mr. John Morgan was in attendance to discuss his bid for the backhoe, Mr. Morgan was high bid. The backhoe item will be discussed under the General Manger's report.

2. MINUTES

Upon motion made by Mr. Hale, Seconded by Ms. Smith and passed unanimously, the Board approved the minutes of the Board Meeting held on June 14, 2017.

3. ATTORNEY REPORT

Mr. Bell stated he has nothing to report but there are items under the General Manager's report he will discuss.

Mr. Hale thanked Mr. Bell for his work on legal matters and keeping the board informed.

4. GENERAL MANAGER'S REPORT

Mr. Powell stated the 2016 F150 Lariat (short bed) was advertised on KSL Cars for \$43,000 or best offer. The vehicle was sold the first day for the asking price of \$43,000. The replacement vehicle should be delivered to the District the first of September. Mr. Powell stated the capital cost for the District is \$10 a month to drive the vehicles under the District's current purchase and re-sale program.

Mr. Powell informed the Board the backhoe, 2014 Case 580 Super N Backhoe Loader, was advertised for sale on KSL Classified with a bid opening August 3, 2017 at 3:00 PM. The advertisement states "asking \$90,000 or best offer and backhoe will be sold to the highest bidder," there was no mention of minimum bid. There were two closed bids received by Mr. Powell, one from Russell Heward for \$47,000 and one from John T. Morgan for \$71,100.

Mr. Morgan stated he was the high bidder and believes the backhoe should be sold to him at the price of \$71,100, his bid offer. Ms. Smith stated since the KSL advertisement does not state a minimum bid and as Mr. Morgan is the high bidder he should be able to purchase the backhoe at the \$71,100 price.

Mr. Bell ask for a moment to look at the District's procurement policy.

Upon motion made by Mr. Hale, Seconded by Ms. Smith and passed unanimously, the Board moved to table this item for later in the meeting until Mr. Bell can review the procurement policy.

Mr. Powell stated the slip-lining project has not started. The contractor, PEC said they plan on starting in September and will have the project complete by the end of the construction season.

Mr. Powell stated the Board had previously authorized him to make changes to the Employee Manual and he has added a "Whistleblower Policy" as Chapter 12.

Upon motion made by Mr. Hale, Seconded by Ms. Smith and passed unanimously, to ratify the Whistleblower Policy as Chapter 12 to the Employee Manual.

Mr. Bell stated he is ready to go back to the backhoe bid item. Mr. Bell stated according to the procurement policy, the Procurement Officer, Mr. Powell is required to dispose of surplus of property in a "commercially reasonable manner". Mr. Bell stated the backhoe bid could be terminated and could be reposted at a later date or sale to the high bidder.

Upon motion made by Mr. Hale, Seconded by Ms. Smith and passed unanimously, the Board approved to accept Mr. Morgan's bid of \$71,100 for the 2014 Case 580 Super N Backhoe Loader.

Mr. Powell stated the District does not currently have an overall policy manual that is a quick source of reference for the day-to-day management and operation of the District. The District does have very comprehensive policies for employees, procurement and safety policies.

Mr. Powell sent a draft copy of the policy manual to each of the Board of Trustee members and has received comments and recommended edits. The edits have been incorporated into the final document.

Mr. Bell recommended to the Trustees they approve Resolution 2017-08-09-A and direct the General Manager to continue to keep the policy manual updated. Mr. Bell recommended a member of the staff have an item on the agenda, every month or every other month, to present a District policy; example Mr. Jones could talk about the safety program or Mr. Christensen could discuss the finance manual.

Mr. Christensen stated the Accounting and Finance Policies and Procedure Manual (the Accounting Manual) documents the accounting and finance policies already in place and used by the District. The Accounting manual documents that the District has adopted and follows national accounting standard requirements, state laws, the State Auditor's Office recommended policies and procedures, the Utah Retirements policies, and documents the related compliance. The District's internal controls are documented to show how the District ensures compliance with the required rules and regulations. The District has good internal controls in place to ensure compliance. Mr. Christensen stated this is a working document and will probably change every year for the next couple of years.

Upon motion made by Mr. Hale, Seconded by Ms. Smith and passed unanimously, the Board approved Resolution No. 2017-08-09-A, A Resolution of the Midvalley Improvement District adopting a Policy Manual Governing the District's general policies and procedures, and adopting a policy manual governing the District's Accounting and Finance Policies and Procedures.

Mr. Powell states every year the Utah Association of Special Districts has a conference, this year the conference will be held November 1-3, 2017 at the Davis Conference Center in Layton. The Utah Code requires that all board members receive training at least the first year in serving on the board and the training will be offered November 1st at this conference.

REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS

Upon Motion made by Ms. Smith, Seconded by Mr. Hale and passed unanimously, the Board ratified the June 2017 cash disbursement for \$223,130.26 and June 2017 employee earnings summary for \$65,973.

Upon Motion made by Ms. Smith, Seconded by Mr. Hale and passed unanimously, the Board ratified the July 2017 cash disbursement for \$172,149.87 and July 2017 employee earnings summary for \$62,223.

OFFICE REPORT

Ms. Kingsbury reported the lien certifications for September 1, 2016 through August 31, 2017 will be certified with Salt Lake County on September 1, 2017.

CHIEF FINANCIAL OFFICER'S REPORT

Mr. Christensen stated he sent the Trustees the quarterly financial statements and balance sheet which shows everything the District owns and owes. Mr. Christensen reviewed the balance sheet with the Board.

Mr. Christensen handed out the 2nd quarter Profit & Loss YTD-Comparison to Prior Year Report, he explained some of the differences from 2016 to 2017. Mr. Christensen explained service fees went up, salaries went up 10% along with health benefits, engineering fees are down because last year there were the impact fee study and no bond expenses.

Mr. Christensen handed out the 2nd quarter Profit & Loss YTD-Budget Vs Actual report. Mr. Christensen stated the District is very consistent in their spending and the majority of expenses are in line with the budget. The District's PTIF fund is paying pretty well right now, and the District's investments are earning a half to three-fourths higher percentage of interest income than the FTIF fund.

Mr. Christensen reported after updating the Accounting and Finance Manual, he observed that the duties Mr. Christensen and Ms. Kingsbury were performing did not match the District's official job titles. Mr. Christensen recommended that he become the District Clerk and Ms. Kingsbury become the Treasurer. Resolution 2017-08-09-B lists the duties that are required by law, but there are actually more duties and responsibilities both the District Clerk and the Treasurer will be doing.

Upon Motion made by Ms. Smith, Seconded by Mr. Hale and passed unanimously, the Board approved Resolution No. 2017-8-9-B, A Resolution of the Board of Trustees of the Midvalley Improvement District relating to the duties of the District Clerk and District Treasurer.

SUPERVISOR'S REPORT

Mr. Jones reported construction in the District is picking up; White Pines (8000 South) 9 units and they have started construction. There are 36 units proposed for the property on 7800 South, behind Harmon's, construction has not started. There will be new construction on 8400 South 600 East with 16 units proposed but construction has not started. IOP has started construction at 7985 South 700 East. Enterprise on State Street has started there two story building and they will be moving our sewer main line.

Emergency Item

Mr. Powell reported the District's copy machine is no longer working, it will need to be replaced as soon as possible. The code on the machine indicates the drum needs to be replaced. Mr. Powell would like to replace the machine. Mr. Bell would like Mr. Powell to look and see who has the State Contract. Mr. Bell recommends a record be kept of items purchased through State Contract.

Adjourn Upon unanimous vote by the Board, the meeting was adjourned at 1:39 PM.