

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY IMPROVEMENT DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE UTAH 84047 ON OCTOBER 11, 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, DISTRICT CLERK**

Meeting was called to order at 12:07 PM by Chairman Quinn Sperry.

1. PUBLIC COMMENTS

No one in attendance

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 September 13, 2017.

3. ATTORNEY REPORT

- a. Mr. Bell handed out the Ethics Training Policy and discussed the basics of the policy. Mr. Bell stated he would like to bring this item back to the Trustees quarterly to keep everyone up-to-date on the policy. Mr. Bell first discussed the penalties of accepting anything of value. Mr. Bell stated accepting any amount of money is just not worth it; depending on the value it could cost you a fine or even prison time and you shall lose your job.

Mr. Bell stated the Ethics Act was adopted in 1969 and there are two sections; there has been a number of amendments since 1969. The Act establishes standards of conduct where there are actual or potential conflicts of interest between public duties and private interest.

The purpose of the Act is to strengthen the faith and confidence of the people of Utah in the integrity of their government.

Mr. Bell discussed a few possible violations of the Act:

- Accept employment or engage in any business or professional activity that would induce employee to improperly disclose controlled information gained by reason of official position.
- Improperly disclose private, controlled or protected information gained by reason of official position.
- Offering donation, payment or service to agency in exchange for approval; written disclosure when donation is made “without condition”.

4. GENERAL MANAGER/ENGINEERING REPORT

- a. Mr. Powell stated the District does not have a written vehicle policy that details how the District vehicles are to be used. Mr. Powell handed out a draft of the Auditor’s Alert and a proposed copy of the Midvalley Improvement District Vehicle policy (1.1.9 Vehicle Policy) to be added to the Policy Manual after the Trustees have approved it. Mr. Powell stated the policy describes the guidelines for using District vehicles. District employees are allowed to drive District vehicles if they meet all of the requirements set forth in the Employee Manual, section 8.3.

There are two categories for vehicles: 1) Employees who use District vehicles as an indispensable part of their job and 2) Employees who are given District vehicle as a benefit attached to their job.

Mr. Powell stated he has been allowed, by the Trustees, to use his vehicle for personal use. Mr. Powell will now keep a log book of personal use and calculate using the guidelines in IRS Publication 15B, Chapter 3 Fringe Benefit Valuation Rules, and Lease Value Rule.

Upon motion made by Ms. Smith, Seconded by Mr. Hale and passed unanimously, the Board approved to accept Resolution No. 2017-10-11 A Resolution of the Board of Trustees of the Midvalley Improvement District Relating to the Use of a District-Owned Vehicle by the General Manager, with date correction.

- b. Mr. Powell stated collection system workers are exposed to dangerous aerosols that contain bacteria viruses, chemicals, hydrosulfide, etc. At present the employees are paying 8% of their health insurance where at one time the District picked up 100% of the insurance. There are districts in the area; Sandy Suburban and Olympus that pick up 100% of the cost and Olympus picks up 100% of single coverage. Mr. Powell would like to recommend that the Board pay 100% of the employees’ and families insurance. Mr. Sperry asked what the total amount would be for the District to pay the insurance at 100%; Mr. Christensen stated the cost would go up \$19,000.

Mr. Sperry was concerned that the District has the proper safety equipment for the employees to keep them protected. Mr. Powell stated the District does provide the employees with protective equipment and the employees use the equipment.

Upon motion made by Mr. Hale, Seconded by Ms. Smith and passed unanimously, the Board approved beginning January 1, 2018, that the Board pay 100 percent of the employees' health insurance.

- c. Mr. Powell stated he has talked to other districts in Salt Lake County and found that most are planning up to a 5% increase for their employees. Mr. Powell has not done the employees evaluation so does not have a recommendation for merit raises. Mr. Hale thought the cost of living increase was going up 1 ½% but was not sure he would like to strike a balance with cost of living and other districts. Mr. Sperry brought up doing a straight merit increase and not a cost of living increase. Mr. Hale stated he would like the employees to be compensated by the work they do and how they perform their job.

Upon motion made by Mr. Hale, Seconded by Ms. Smith and passed unanimously, the Board approved a 5% maximum salary increase per employee which will include 2% COLA and 3% Merit.

- d. Mr. Powell stated we have a 2016 Ford XLT for sale but have not received any formal bids; the District is asking \$37,000. The Trustee recommended to re-advertise and change the price to \$35,500.
- e. The District Christmas party will be noon on December 13th, before the December board meeting, at Longhorn Steakhouse in Midvale. The December 13th board meeting will start at 2:30 PM.

Mr. Powell stated in the past the District has given the employees gift cards for Christmas and this year the employees will be charged payroll taxes on the card. The Trustees approved to give the employees a \$50 gift cards.

5. REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS

Upon Motion made by Ms. Smith, Seconded by Mr. Hale and passed unanimously, the Board ratified the September 2017 cash disbursement for \$270,459.76 and September 2017 employee earnings summary for \$65,973.

6. CHIEF FINANCIAL OFFICER'S REPORT

Mr. Christensen mailed out the tentative 2018 budget to the Trustees and asked if they had any questions. Mr. Christensen stated there were not any big changes to the budget from last year.

Mr. Christensen informed the Board the District won the Government Finance Officers Association "Distinguished Budget Presentation Award". We are only the second district to win this award in all of Utah, the first was UTA with their large accounting staff.

Mr. Christensen had a handout which shows a 5 year actual budget and 6 years overall budget showing the current budget and the proposed 2018 budget. The District expects impact fee revenue to be about the same as the prior year as the District is 97% built out and there are no large developments expected. The slip-ling project for 2018 will be increased by \$200,000.

Mr. Sperry asked under "Five Year Forecast" page 24 of the 2018 Operating Budget what was going to be done on Fairmeadows Drive. Mr. Powell stated this is an 8" line and every joint is off-set and the crew has trouble cleaning and televising the line. Mr. Sperry stated he represents Fairmeadows and will let the District know if there will be a conflict of interest.

Upon motion made by Ms. Smith, Seconded by Mr. Hale and passed unanimously, the Board approved the 2018 Tentative Budget.

Mr. Hale complimented Mr. Christensen and staff on the tentative budget, the diagrams made it easy to understand, one of the nicest budgets he has seen.

7. OPERATION'S REPORT

- a. Mr. Powell reported on construction in the District stating the property on 7800 South (East of Harmon's) has been cleared. The project at Levine Farms is underway with the sewer lines in. The project at 7985 South 700 East is also underway with a building going up.

8. TRUSTEES

- a. Mr. Hale requested the District have the construction done on 764 E Ft. Union Blvd before Midvale City repaves the street; Mr. Powell will talk to the City.

9. CLOSED MEETING

- a. N/A

10. GENERAL MANAGER (Additional Info)

Mr. Powell stated we had the copper tubing stolen from the air conditioning unit and the cost to repair will be approximately \$500. A recommendation was to put a cage around the air conditioners and hopefully that would eliminate additional problems.

Adjourn Upon unanimous vote by the Board, the meeting was adjourned at 1:51 PM.