

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT
5455 West Old Highway Road, Mountain Green, Utah
Minutes for Wednesday, November 2, 2016
Board of Trustees Meeting, 7:00 P.M.

Board Members Present: Zane Gray, Wendy Eliason, Blair Larsen, Lannie Jolley and Gary Ross. **Excused:** Shane Rice and Lynn Peterson. **Employee's Present:** Robert Volk and Janet Boudrero **Guests Present:** none

Chair: Board Chairman Zane Gray welcomed those present and proceeded to chair this meeting.

Invocation: Zane Gray

Public Comment Period: None

Item # 1. Discussion/Decision: Rollins Ranch Phase 4A – Two year acceptance
Rollins Ranch Phase 4A has reached the two year mark for turnover of ownership from developer to the District. Oakwood Homes has had the sewer mains cleaned and videoed and the Manager has reviewed the videos and completed the physical inspection of all the sewer manholes and collars and found them all to be acceptable. There were no signs of deficiencies, damage, significant settling, cracks or separations in any of the lines or manhole installations.

The value of the sewer infrastructure for this development is \$63,041.00, which will be added to District's Assets as of the date of acceptance.

During board discussion on this item, the comment was made that the lines and manholes are in great shape and good to go, and the developer was very cooperative with the process. Lannie then made a motion to accept the two year ownership for Rollins Ranch Phase 4A. Gary seconded the motion. Motion passed. All voted in the affirmative.

Item # 2. Discussion/Decision: Rollins Ranch Phase 4B – Two year acceptance
Rollins Ranch Phase 4B will not reach the two year turnover mark until June of 2017 but the Board agreed in the August 3, 2016 meeting to allow Oakwood Homes to turn over the ownership to the District at the same time as Rollins Ranch 4A, because the two development phases are directly connected. The Manager reported that he has reviewed all videos and completed a physical inspection and all was approved except for one repair that was necessary to remove a glob of concrete from the trough of one manhole. Other than that, there were no other deficiencies or damages or settling.

The value of the sewer infrastructure for this development is \$34,291.00, which will be added to the District's assets as of the date acceptance.

After board discussion on this item, Gary made a motion that the MGSID accept ownership of the sewer infrastructure in Rollins Ranch Development, Phase 4B into the District, as of this date. (November 2, 2016.) Wendy seconded the motion. All voted in the affirmative. Motion passed.

Item # 3. Discussion/Decision: Trunk Line - Two year acceptance

The interceptor Trunk Line that extends from the bank to the connection at the sewer plant headworks was completed in November 2014 and has reached the two year turnover point where the District can accept ownership.

Robert reported that Gardner Development has had the line cleaned and videoed and he has reviewed the videos and completed a physical inspection of all sewer manholes. There were no signs of deficiencies, damages, significant settling, cracks or separations in any of the lines or manhole installations. Robert also reported that due to the arrangement of trades and certificates with this project, the value of the Trunk Line was already added to the District assets in 2014.

Robert showed board members on maps exactly where this line is and where it connects in with the other line near the bank.

Gary shared information regarding a public meeting that is being held in Morgan County on December 1, 2016, to discuss possibilities of future growth and development in Mountain Green. Board members were very interested in attending this meeting.

After board discussion Blair made a motion that the District accept the Trunk Line as explained in Item # 3 and take ownership of it as of today's date. (Nov. 3, 2016). Wendy seconded the motion. All voted in the affirmative. Motion passed.

Item # 4. Discussion/Decision: Board Member compensation

Board members have been compensated \$50.00 per attended meeting since board approval in April, 13, 2006. It is now time to be reviewed for a possible increase or as an incentive for improving monthly meeting attendance. Robert emphasized that any changes needs to be completed in November so they can be incorporated into the 2017 Budget for the District's December Budget Public Hearing.

While board members shared their thoughts and most felt it was an appropriate time to increase this item they didn't want to appear greedy. Blair remarked that he is fine with what the members are currently receiving.

Robert provided Information including figures and guidelines from other cities and Special District's that he has received from our attorney. He also shared some of Mr. Call's suggestions regarding compensation. Mr. Call said that the maximum amount compensated would be \$5,000 per year which would apply to the larger boards. Mr. Call also suggested that any figure between \$100 and 200. would be considered appropriate.

Robert added that because Board Members are remunerated for their time, they will need to decide whether they would rather be considered as an independent contractor and issued a 1099 or as an employee and have taxes and withholding taken out up front. Most of the other municipalities and Districts treat Board Member compensation as payroll and have the standard deductions withheld up front.

Board members next shared their thoughts and concerns regarding this item. Gary stated that he feels that it is in the public's best interest to have people present, and the process works much better when more people are present. He stated that we should take this more serious and make sure it is done right and hopefully it could increase attendance and moral. He also inquired about the budget and what has been budgeted.

Robert explained that any increase in compensation would have an effect on the budget, but he would try to find a way to fit it in without changing the overall expenses.

Zane expressed that he feels it is a good opportunity to discuss an increase. He also said that when he first started he did not expect compensation but feels that with the time and length of some meetings he is in favor of discussing an increase in compensation.

Wendy expressed that she agrees with Gary and feels like it could be an incentive and it could be what keeps our board filled and said that if we run it more like a business we could possible get better attendance.

Lannie expressed that he feels it would be appropriate at this time for the board to increase the board members compensation, but to monitor it on a quarterly basis.

Lannie then made a motion that we increase the monthly meeting compensation starting in January of 2017, in the amount of \$125.00 per meeting attended with the necessary payroll taxes taken out upfront. The Board compensation is to be reviewed at the end of the year along with the budget. Hopefully this will create an incentive for better meeting attendance and for better future recruitments. Gary then seconded the motion for discussion.

Blair expressed that personally he feels like it would not make a difference and he doesn't have a problem with bringing it back later when board members terms change, but he has a personal conflict with raising his own compensation and will not vote for this increase. After more discussion, Wendy, Lannie and Gary voted in the affirmative. Blair abstained. Motion passed

Blair went on record as being opposed to the increasing of board members compensation.

Item # 5. Discussion/Decision: Rates

As part of the yearly budget process, monthly rates should be reviewed so in the event of any changes made they could be addressed in our December Public Hearing. The

2014 study determined that a rate of \$47.00 per month would cover all our administrative, operations and depreciation costs as well as allow some savings for the resident's portion of the new facility to be built in the future, and the Board at that time decided to put in two dollar a year stepped increases over the next five years instead of making a single substantial increase.

After going over the projections, Robert recommended that the board allow the standing approved rate increase to \$40.00 per month to take effect in January 2017, then complete a new rate review by next year to allow for any potential changes to be approved at the December 2017 Public Hearing for the 2018 budget.

After more discussion Wendy made a motion to approve the scheduled 2017 rate increase which is in place for forty dollars per month. Blair seconded the motion. Motion massed. All voted in the affirmative. Motion passed.

Item # 6. Discussion/Decision: 2017 Cost of Living Adjustment – Wage Step Program

Board members discussed this at some length. Robert stated that reviewing and discussing annual Cost Of Living Adjustments (COLA) for employee wages is a necessary part of every budget in every business, and an annual review is required by the District's own written policies. It should not be should an antagonizing point of contention. The problem is that our policies do not quantify the adjustment amount and a large debate ensues over how much of an adjustment there should be, if any at all.

In order to avoid this consternation , he is recommending that the Board tie the District's annual Cost Of Living Adjustment (COLA) to the Social Security and Retired Military COLA adjustments that are announced every October. This Social Security COLA is extremely conservative and at least four of our Board Members have their retirement incomes administered by the same guidelines. The 2017 Social Security COLA was just published and it will adjust by point zero three percent from the 2016 rates. Not three percent, but three tenths of one percent.

By tying the District's annual wage COLA to the Social Security COLA, the Board is meeting the District policy requirement to review and adjust the wage program every year, and the question of 'how much' to adjust is answered in a way that should be acceptable to even the most conservative viewpoint.

After discussion Lannie made a motion to use the existing social security cost of living adjustment rate as the guideline establishing the increase for whatever it might be and that we adopt that as our COLA adjustment and adjust it each year starting January 2017. Blair seconded the motion. Motion passed.

Item # 7. Discussion/Decision: 2017 Preliminary Budget

Robert has already reviewed the 2017 Preliminary Budget previously with our Board Chair Zane Gray and Vice Chair, Lannie Jolley so they could both provide their input.

He then presented several of the District's growth statistics along with the 2017 Preliminary Budget to the other Board Members that were present. He stressed that his goal is to try and keep expenses level to last year's budget and use the increased income for necessary savings programs.

Robert stated that our annual depreciation will increase by about \$8,000. He has estimated that our income should increase to around \$ 34,600.

After more discussion by board members Gary made a motion to approve the 2017 Preliminary Budget as presented with the two changes. Lannie seconded the motion. Motion passed. All voted in the affirmative.

Item # 8. Annual Christmas Dinner

Board members briefly discussed that arrangements have been made for our annual Christmas Dinner for Thursday, December 1, 2016, at Maddox Restaurant at 6:00 p.m.

Gary then made an announcement that Morgan County is having a special planning meeting for the Mountain Green area on the same night as our scheduled party, on December 1, 2016. Several board members expressed that they would like to be able to attend this meeting and the decision was made to reschedule the Christmas dinner for another evening.

Janet was asked to try and reschedule for Monday, December 5th or Tuesday, December the 6th at preferably Taggart's and also checking with Gray Cliff Lodge or Corbin's in Layton.

Item # 9. Discussion: Board Member required training

Board members briefly discussed the required board training which has been completed by: Zane Gray, Lannie Jolley, Wendy Eliason, Blair Larsen and Gary Ross.

Item # 10. Discussion: District Operations - October 2016

Board Members reviewed the District Operations for October and had no questions.

Item # 11: District Statistics as of October 31, 2016

Board members reviewed the District Statistics for October 2016 and compared the number of Impact Fees received to date.

Item # 12: Discussion/Decision: Review and approval of the September 7, 2016 and October 5, 2016 Minutes.

After review of board minutes from September 7, 2016 and October 5, 2016 Gary made a motion to approve the minutes with one correction for the October 5th minutes. Blair seconded the motion. Motion passed.

Gary then moved to approve the changes for the minutes from September 7, 2016 with the exception of adding the full description of Cola in the second paragraph on bottom. Wendy seconded the motion. Motion passed.

Item # 13: Discussion: December 7, 2016

Board members were reminded that our next meeting will be our Budget Hearing and will be held promptly at 6:00 P.M on Wednesday, December 7.

See you all here!

6:00 P.M. - MGSID PUBLIC HEARING

7:00 P.M. – REGULARLY SCHEDULED BOARD MEETING

Meeting Adjourned: 9:40 P.M.

Signed: _____ --