

**PANGUITCH CITY COUNCIL MINUTES**

**JUNE 10, 2008  
CITY COUNCIL - 6:30 P.M.**

**LIBRARY CONFERENCE ROOM  
25 SOUTH 200 EAST  
PANGUITCH, UTAH 84759**

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Present at the City Council meeting were Mayor J. Arthur Cooper, City Manager Allen K. Henrie, City Recorder Cindy B. Johnson, City Council Members John Orton, Nick Reynolds, Tim Smith, Lori Talbot and Attorney Barry Huntington. Eric Houston was absent.

**OPENING CEREMONY** The opening ceremony was conducted by Nick Reynolds.

**ADOPTION OF THE AGENDA**

Nick Reynolds moved, seconded by Lori Talbot to adopt the agenda as outlined. The motion passed with all in favor.

**APPROVAL OF THE MINUTES**

Tim Smith moved, seconded by Lori Talbot to approve the minutes as corrected. The motion passed with all in favor.

**UP COMING MEETINGS** There were no upcoming meetings to report.

**POLICE REPORT** Sheriff Danny Perkins reported that they have gotten a bit busier. The Utah Highway Patrol is planning on attending the balloon festival to help our local law enforcement with the events going on. There will also be four patrolman on motorcycles who will participate in the parade.

Sheriff Perkins also reported that we got through the memorial weekend without any four wheeler accidents. The officers are going to step up the control of ATV's and motorcycles. They are going to be more aggressive with issuing citations to offenders.

There are still problems at the one way street on the East side of the Elementary School with people not stopping and also traveling in the wrong direction.

**4<sup>TH</sup> OF JULY CELEBRATION - HIGH SCHOOL SENIORS** Senior Class President, Carly Owens, was in attendance to find out what the senior class needs to do for the 4<sup>th</sup> of July celebration. Allen K. Henrie explained what the schedule has been in the past. They can stick with the past schedule or do something totally different. Allen also told her that they need to get posters up right away so people can plan their day.

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The city will donate \$500.00 to the seniors. They will get \$250.00 before the celebration and \$250.00 after the events are over and cleaned up.

**Tim Smith moved, seconded by John Orton to donate \$500.00 to the senior class to put on the forth of July celebration. They will get \$250.00 before the event and \$250.00 after things are cleaned up. The motion passed with all in favor,**

**PUBLIC HEARING - 2008/2009 BUDGET ADOPTION** Mayor Cooper declared the public hearing open at 7:00 p.m. He asked the public or council if they had any comments.

John Orton feels strongly about the tractor situation and feels the city should only pay the county \$1,250.00 for the tractor. He also is not in agreement with the requested \$10,000.00 yearly increase by the county Sheriff's Office.

Currently the city pays the county \$100,000.00 per year for police coverage and have been for approximately 10 years. The county is asking for an increase of \$10,000.00.

The reason that John does not agree with the increase is because none of the other communities in the county pay for police coverage at all. Until the other communities start to pay he will not go along with the increase and feels the city council should refuse to pay any additional money.

A letter was received from Garfield County regarding the \$10,000.00 law enforcement increase they are seeking. Allen K. Henrie read the letter to the city council.

Tim Smith feels as John Orton does and would like to negotiate this increase with the county. Tim would also like to see the other communities in the county pay their fair share.

Mayor Cooper declared the public hearing closed at 7:15 p.m.

**Tim Smith moved, seconded by Nick Reynolds to adopt the 2008/2009 budget as last drafted. The motion passed with all in favor.**

**HORSES RACES - BRADY EYRE** Brady Eyre was in attendance to ask for a donation for the annual horse races. The event will be held on June 28, 2008, during the balloon festival.

**John Orton moved, seconded by Nick Reynolds to donate \$1,000.00 to the upcoming horse races. The motion passed with all in favor.**

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**OLD FIRE STATION - BECKY GREGG** This matter was dealt with in the previous city council meeting but the city council members had some concerns. Barry Huntington explained what had happened previously.

May 27, 2008 - City Council meeting

John Orton moved, seconded by Lori Talbot to move into executive session at 6:50 p.m. to discuss the sale of real property. Those invited in were Becky Gregg, Mayor J. Arthur Cooper, City Manager Allen K. Henrie, City Recorder Cindy B. Johnson, City Council Members Eric Houston, John Orton, Nick Reynolds, Tim Smith, Lori Talbot and Attorney Barry Huntington. The motion passed with all in favor.

Nick Reynolds moved, seconded by Tim Smith to come out of executive session at 7:15 p.m. The motion passed with all in favor.

Tim Smith moved, seconded by Eric Houston to accept the proposal made by Becky Gregg to purchase the old fire station at 4% interest amortized over 30 years due in five. Panguitch City has the option to rent the shop at \$300.00 per month. The motion passed with all in favor.

Randy and Becky Yard had some questions and concerns regarding the executive session and felt the matter should have been discussed in regular city council.

Becky Gregg presented the city with a proposal to purchase the old fire station and the city accepted it.

John Orton doesn't think there should have been a problem.

Bobbi Bryant addressed some concerns about how the city handled this matter and that if the city is going to carry loans out at 4% she would have been very interested. She stated that if she were going to purchase something she would have financing in place.

Lori Talbot stated that the idea of the city being a financial institution really scares her.

Tim Smith asked Attorney Barry Huntington if legally we are okay. Tim feels we should not get into anything that involves private business but we made a deal and we should stick with it.

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Bobbi Bryant asked about liability responsibilities and who is responsible for insurances. Randy Yard asked how the city can change the terms from what was advertised.

Tim Smith stated that if the city could go back we would. If there is ever a time when we don't feel comfortable with something we need to table the item until some research has been done on the subject.

Becky Yard feels that Becky Gregg should have the investors step up. This would solve this entire problem.

Barry is working on the purchase agreement. Becky Gregg is to start paying rent from May 15, 2008 until purchase agreement is signed.

Bobbi Bryant wrote a letter to Allen K. Henrie and requested that the letter be submitted as part of the minutes. The letter is as follows:

Hi Allen - Sorry I could not be at the meeting last night but I have a previous commitment on Tuesday nights. You know how much I love this wonderful town and how I want to do my part in making it a better place to live for EVERYONE. This is even more so since I know have a shop on Main Street. I believe it should be obvious to everyone that I have made a big investment in the improvements of the building I bought as I want to see Main Street become a shopping destination for not only Southern Utah but other areas, as well.

1. That being said I want to express my concerns about the lease/purchase of the Old Firehouse building.

1. The ad that was published for only one week. My question-is that legal? I thought when a public building went up for bid it needed to be published for 30 days. Perhaps Barry can clarify this question.

2. When the ad did run for that week it stated the terms as follows: "Lease payments will go toward purchase price and the lease can go for 2 years." I now find out that during Executive Session the City Council changed the terms of that agreement to 5 years and will be carrying the financing at an unbelievably low interest rate of 4% for 30 years. I don't believe changing the terms is legal unless it is advertised again to the public. Nor do I feel these terms are in the best interests of the citizens of Panguitch. I would like to have the opportunity of buying a building at 4% amortized for 30 years with a balloon in 5 years but I don't know of any lending institution that would go for such terms especially in today's volatile real estate market. The icing on the cake is that the City will be paying this buyer \$300 a month to keep the current shop in the back. That

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information was not divulged in the advertisement either. All the ad said was "Panguitch City will retain control of the rear of the building where the current shop is located. Lessee will have control of the front part of the building." You cannot change terms without letting the public know.

3. Have the proper steps for a lease/option been taken? Credit check run on potential buyers? Proof of liability insurance before occupancy? What amount of down payment was required? How are future or potential mechanics liens addressed in this lease/option? How has the city addressed forfeiture of the lease/option and penalties for such.

4. Is the lease/option that has been drafted between the City of Panguitch and this buyer public knowledge? Can I review it?

5. During Executive Session last night were all the council members informed that there was another buyer who has cash in hand, who is extremely credit worthy and ready to close within a matter of days?

Would you please forward this to all the council members, city attorney and then verify the same back to me.

Thanks for hearing me out, Allen. Again, I want to protect the interests of the city as I believe all the council members want to do the same. Let's make this a legal transaction and fair to all the citizens of the city.

Bobbi Bryant

Bronco Bobbi's

37 North Main

Panguitch UT

690-0044

**CITIZEN COMMENT** There was none.

**MULTI PURPOSE EVENT CENTER** It is quiet at the Triple C right now. We have several events coming up. The price of gas will probably hurt us some.

There has been ten pictures hung in the conference room and has really brightened it up.

**PENDING BUSINESS** The pending business list was edited.

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DEPARTMENT REPORTS

**Quilt Walk** - The Quilt Walk Festival will begin on Wednesday evening this week.

**Main Street** - John Orton thanked the businesses for all they do. Becky Yard invited him to come into her store for a cup of coffee. John said he would come in if she promised her it would be Folgers.

**Secondary Water System** - Pressure seems to be good this year.

**Softball** - There have been some concerns regarding the softball teams wanting to play and running into problems.

**BIDS** - The bids on the sewer and water that is going to be installed up to the new UDOT shed were opened earlier today. The apparant low bidder was Brett George at \$29,891.00.

**CURRENT BILLS** The council reviewed the current bills to be paid. Lori Talbot had a question on the cell phone bill. Allen K. Henrie explained. There was also a question on the tractor bill.

John Orton moved, seconded by Nick Reynolds to pay the current bills. The motion passed with all in favor.

ADJOURNMENT

Meeting adjourned at 7:55 p.m.

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J. Arthur Cooper, Mayor

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Cindy Johnson, City Recorder