

**Pleasant Grove City
City Council Regular Meeting Minutes
September 6, 2016
6:00 p.m.**

PRESENT:

Mayor: Michael W. Daniels

Council Members: Dianna Andersen
Eric Jensen
Cyd LeMone
Ben Stanley
Lynn Walker

Staff Present: Scott Darrington, City Administrator
Sheri Britsch, Library and Arts Director
Denise Roy, Finance Director
Deon Giles, Parks and Recreation Director
Mike Smith, Police Chief
Kathy Kresser, City Recorder
Tina Petersen, City Attorney
Dave Thomas, Fire Chief
Daniel Cardenas, City Planner
Mario Gonzalez, Assistant Engineer
David Larson, Assistant to the City Administrator

Others: Jason Hunter, Strawberry Days Association
Deny Farnworth, Strawberry Days Rodeo
Lisa Young, Strawberry Days Committee Chair

The City Council and Staff met in the City Council Chambers at 86 East 100 South, Pleasant Grove, Utah.

1) **CALL TO ORDER**

Mayor Daniels called the meeting to order and noted that all Council Members were present.

2) **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Council Member LeMone.

3) **OPENING REMARKS**

The opening remarks were given by Council Member Jensen.

4) **APPROVAL OF MEETING'S AGENDA**

City Administrator, Scott Darrington, reported that Items 10C and 10D will be continued indefinitely. Staff anticipates that those items will come back in a couple of weeks; however, he advised the Council to indicate an indefinite time frame within the motion. He also noted that Jason Hunter, from the Strawberry Days Association, will arrive around 7:00 p.m.

ACTION: Council Member Stanley moved to approve the agenda with the aforementioned changes. Council Member Jensen seconded the motion. The motion passed with the unanimous consent of the Council.

5) **OPEN SESSION**

Mayor Daniels opened the open session. Seeing no public comments, he then closed the open session.

6) **CONSENT ITEMS**

- a) **City Council Meeting Minutes:
City Council Minutes for the August 9, 2016 Meeting
City Council Minutes for the August 16, 2016 Meeting
City Council Minutes for the August 23, 2016 Meeting**
- b) **To consider approval of payment vouchers for (August 23, 2016 & September 1, 2016)**

ACTION: Council Member Jensen moved to approve the consent items. Council Member Andersen seconded the motion. The motion passed with the unanimous consent of the Council.

7) **BOARD, COMMISSION, COMMITTEE APPOINTMENTS**

There were no appointments.

8) **PRESENTATIONS**

There were no presentations.

9) **PUBLIC HEARING ITEMS**

There were no public hearing items.

10) **ACTION ITEMS READY FOR A VOTE**

- A) **TO CONSIDER FOR ADOPTION A RESOLUTION (2016-040) AUTHORIZING THE MAYOR TO SIGN AN INTERLOCAL UTAH COUNTY CDBG AGREEMENT; AND PROVIDING FOR AN EFFECTIVE DATE.**

Administrator Darrington explained that the Community Development Block Grant (CDBG) is a federal program that backs several municipalities in Utah County by meeting various needs such as infrastructure and providing money for senior projects. They have specific criteria for allowing the expenditures of these funds. The process is funneled through the Mountainland Association of Governments (MAG). MAG reviews the applications and determines how to distribute the money. The proposed agreement is intended to renew that relationship so that Pleasant Grove City can continue using CDBG as a resource, if they so choose. The most recent funds they are in the process of obtaining are for the Library elevator, as well as various projects at the Senior Center. It was determined that there was a sewer line installed at one point with the use of CDBG money. Administrator Darrington explained that in order to qualify for infrastructure projects, they have to verify the income level of those that live in the area. The sewer project was completed in relation to this requirement.

In response to a question from Mayor Daniels, Administrator Darrington clarified that the resolution is for a general renewal to participate and is not specific to any one project. Council Member Stanley asked if there are restrictions or obligations to which the City is bound by the agreement. He mentioned language in the resolution that relates to a policy prohibiting the excessive use of law enforcement. Staff and the elected officials briefly discussed whether the language was included in the resolution by error.

Jessica DeLora, MAG Representative, confirmed that the language to which Council Member Stanley was referring was indeed a HUD requirement. Police Chief, Mike Smith, stated that the Pleasant Grove Police Department has policies that address use of force, which are not just specific to demonstrations. He explained that the Pleasant Grove Police Department pays a third party to review their policies and make sure that they are in line with current case laws and state laws. Therefore, the policies of the Pleasant Grove Police Department are in line with the language in the proposed resolution. Chief Smith was comfortable with the resolution as presented.

Ms. DeLora explained that MAG administers the CDBG program on behalf of Utah County. As an urban County, they are entitled to grants from HUD, and public safety policies and low income requirements apply to all cities and towns in Utah County. Exceptions include Provo, Orem, and Lehi who receive their own grants due to their population size. Ms. DeLora explained that the resolutions are entered into by all cities and towns in Utah County, with the exception of a few municipalities that have opted out of the program.

Council Member Stanley inquired as to why some cities have some opted out. Ms. DeLora explained that some cities have acted based on their political stance regarding the taking of federal money. Council Member Stanley asked about the population threshold. Ms. DeLora noted that it is 50,000. She explained that Utah County was at one point part of the small cities CDBG program administered through the State of Utah. Once the County became large enough population-wise, they pulled out of the program because they became eligible to receive more direct funding. Likewise, once Provo, Orem, and Lehi reached that threshold they withdrew and are now able to get more direct funding for projects within their own respective communities. These cities are now considered to be sub-recipients of the CDBG grant funding.

Council Member Stanley stated that when people have concerns about accepting federal money, it is often tied to concerns about possible strings attached. On that note, he asked Ms. DeLora if she had any sense of what those strings might be in this case. Ms. DeLora stated that while there are some regulations that need to be adhered to when accepting federal money, all of those logistics are managed by MAG. Some regulations relate to low income requirements, while others relate to construction projects where cities are required to follow the regulations set forth by the Department of Labor. Ms. DeLora explained that each project goes through a review process to ensure that applicants are following federal rules and regulations. Council Member Stanley stated that because he has heard concerns from the public on the matter, it may justify more thorough discussion on whether to participate. Ms. DeLora clarified that entering into the agreement with MAG makes Pleasant Grove eligible to apply for and receive grants if they choose to do so within a three-year window. However, as a city they are not required to submit any applications just because they have entered into the agreement. All applications will be submitted at the discretion of the City.

Administrator Darrington noted that the CBDG grant is partially funding the Library elevator. He stated that this is one example of a project where if it had to be fully funded by City, it would have been pushed back due to insufficient funding. Mayor Daniels remarked that he has attended MAG meetings where grants were administered. He explained that there is a subcommittee of Mayors and County officials that review each application. He noted that Provo, Orem, and Lehi are not represented on the committee. The three larger cities have separate application dates and they typically apply for more infrastructure-related projects for low income neighborhoods. However, before any funding is awarded, certain criteria have to be met. Once they qualify, there is a numerical process and designation given to applications. Mayor Daniels stated that MAG hasn't run into any issues with the criteria in the past.

Council Member Stanley asked if there was a list of other cities that have opted out of participating in the CBDG program. Ms. DeLora stated that it was a short list of smaller communities. Furthermore, those particular communities opted out because they are higher income communities that didn't see much benefit in the program.

ACTION: Council Member LeMone moved to adopt a Resolution (2016-040) authorizing the Mayor to sign an interlocal Utah County CDBG Agreement; and providing for an effective date. Council Member Andersen seconded the motion. A voice vote was taken, with Council Members Andersen, Jensen, LeMone, Stanley, and Walker voting "Aye". The motion carried unanimously.

B) TO CONSIDER FOR ADOPTION RESOLUTION (2016-041) AUTHORIZING THE MAYOR TO SIGN AN INTERLOCAL COOPERATIVE AGREEMENT WITH UTAH COUNTY, PROVO CITY, OREM CITY, AMERICAN FORK CITY, ALPINE CITY, SPANISH FORK CITY, SANTAQUIN CITY, LEHI CITY, SPRINGVILLE CITY, PAYSON CITY, MAPLETON CITY, SALEM CITY, SARATOGA SPRINGS CITY, LINDON CITY, HIGHLAND CITY, THE CITY OF CEDAR HILLS AND LONE PEAK PUBLIC SAFETY DISTRICT REGARDING UTAH COUNTY MAJOR CRIMES TASK FORCE; AND PROVIDING FOR AN EFFECTIVE DATE. *Presenter: Chief Smith.*

Police Chief, Mike Smith, explained that Pleasant Grove has been part of the Utah County Major Crimes Task Force for over 22 years. The Task Force deals primarily with the illegal production, manufacturing, the sale and use of controlled substances, as well as gang activity and large scale crimes. Pleasant Grove is able to utilize the Task Force for these types of operations if there is large scale crime. Chief Smith stated that typically, each city assigns at least one of their officers to serve on the Task Force. As such Pleasant Grove has one officer who has been given that full-time assignment. Some of the larger cities have more than one officer as well. Assignments are usually for a couple of years at a time in order to rotate personnel. Chief Smith stated that the Task Force has been a great asset to City. The Task Force deals with issues that Pleasant Grove City doesn't have the resources, technology, or manpower to do on their own. He noted that each year the Task Force removes millions of dollars' worth of drugs off the streets.

Mayor Daniels asked about a recent drug case in the City. Chief Smith indicated that drug cases happen frequently and explained that there have been a few cases where the Task Force has dealt with dab labs. He noted that there have been several marijuana dab labs that have been taken down. They are highly volatile and dangerous and the process requires a high level of butane. Chief Smith explained that most marijuana has a THC level of 20%, whereas the marijuana in the dab labs has a THC level closer to 90%. The drug is produced in gummy and other chewable forms and many overdoses have occurred. The Task Force recently took down an operation that was taking place through the U.S. Postal System. Chief Smith explained that the City's involvement with the Task Force has been very beneficial to the citizens and noted that the Board of Directors is comprised of Department Chiefs, including himself.

Council Member Stanley noted that according to the agreement, the Task Force is partially funded through CDBG grant funds. Chief Smith explained that the Task Force seeks grant funding from a variety of sources, depending on the nature of the project. There was further review of the language included in the resolution.

In response to a question from Council Member Andersen, Chief Smith explained that about 15 years ago the Task Force was financially based out of Pleasant Grove. Since then the responsibilities have shifted to Orem City where the administrative staff is housed. It was noted that the Sheriff's Office also shares in the administrative responsibilities of the Task Force.

City Attorney, Tina Petersen, noted that the City can withdraw its participation from the Task Force at any time. Mayor Daniels' understanding was that Pleasant Grove's participation was somewhat minimal but the benefit to the City has been huge. The program brings a lot of resources to the community for a crime level that is significant. Chief Smith added that the Task Force also has partnerships with Homeland Security, DEA and the FBI. Homeland Security is involved to the point that the Task Force even has access to a helicopter anytime it is needed. The helicopter was originally stationed in Colorado; however, due to the work load in Utah County it was permanently reassigned to the area.

Council Member Stanley asked what the Task Force's budget was for the entire County, and what Pleasant Grove contributed. Chief Smith was unable to provide that information but explained that the amount the City pays is based on the City's per capita income. Chief Smith recalled that

the City pays approximately \$11,000 per year. When paying overtime hours for the detective, the City usually reclaims those funds in reimbursements at the end of the year.

ACTION: Council Member Jensen moved to adopt Resolution (2016-041) authorizing the Mayor to sign an Interlocal Cooperative Agreement with Utah County, Provo City, Orem City, American Fork City, Alpine City, Spanish Fork City, Santaquin City, Lehi City, Springville City, Payson City, Mapleton City, Salem City, Saratoga Springs City, Lindon City, Highland City, the City of Cedar Hills and Lone Peak Public Safety District regarding Utah County Major Crimes Task Force; and providing for an effective date. Council Member Walker seconded the motion. A voice vote was taken, with Council Members Andersen, Jensen, LeMone, Stanley and Walker voting “Aye”. The motion carried unanimously.

C) TO CONSIDER FOR APPROVAL A COMMERCIAL SUBDIVISION CALLED THE GROVE PLAT A LOCATED AT APPROXIMATELY 700 SOUTH 1350 WEST IN THE GROVE ZONE, INTERCHANGE SUBDISTRICT. (SAM WHITE’S LANE NEIGHBORHOOD) Presenter: Director Young *This item was continued indefinitely.

D) TO CONSIDER FOR APPROVAL THE ASEA OFFICE PHASE 1 SITE PLAN LOCATED AT APPROXIMATELY 700 SOUTH 1350 WEST IN THE GROVE ZONE, INTERCHANGE SUBDISTRICT. (SAM WHITE’S LANE NEIGHBORHOOD) Presenter: Director Young *This item was continued indefinitely.

E) TO CONSIDER FOR APPROVAL A FINAL PLAT CALLED ALLRED ACRES PLAT C, INCLUDING A VACATION OF LOTS 1-3 OF ALLRED ACRES PLAT A, LOCATED AT APPROXIMATELY 1393 NORTH 500 EAST IN THE R1-20 ZONE. (BIG SPRINGS NEIGHBORHOOD) Presenter: City Planner, Daniel Cardenas.

City Planner, Daniel Cardenas, presented the staff report and displayed an aerial map of the subject property. He explained that there used to be three lots, which were acquired by the same owner. The property lines were adjusted accordingly, which required a new subdivision plat. Planner . Cardenas explained that the applicant met all requirements of the request, including square footage requirements. It was noted that the smallest lot is 21,000 square feet. The City’s Engineering Department reviewed the proposal and determined that all requirements have been met with the exception of a 20-foot easement along the west property line, which will need to be extended prior to recordation of the plat. Staff is working with the applicant to make the modification. Staff recommended approval, pending the final necessary engineering approvals and the extension of the easement along the western property line.

The applicant, Al Mickelson, gave his address as 1393 North 500 East and identified which lots were included when he purchased the subject property about 30 years ago. He identified where they have operated their farm and explained that their intent is to purchase the rear property in order to continue operating the farm, for which he has large animals. Mr. Mickelson stated that staff has been cooperative in the process and he appreciated their help. He agreed to extend the easement along the western property line and mentioned that there is a grove of trees near the

canal. He offered to purchase the property in order to preserve the trees rather than having them removed to make way for more development. Mr. Mickelson concluded that he has no intent to ever develop the subject property.

ACTION: Council Member Stanley moved to approve a final plat called Allred Acres Plat C, including a vacation of Lots 1-3 of Allred Acres Plat A, located at approximately 1393 North 500 East in the R1-20 Zone, subject to all final planning, engineering and fire requirements being met, as well as the continuation of the existing easement along the western property line. Council Member Walker seconded the motion. The motion passed with the unanimous consent of the Council.

11) ITEMS FOR DISCUSSION

A) **DISCUSSION OF RELATIONSHIP WITH STRAWBERRY DAYS ASSOCIATION. *Presenter: Administrator Darrington.***

Mayor Daniels thanked the Strawberry Days Association, on behalf of the City, for their willingness to meet tonight in order to help them understand where they are financially on Strawberry Days.

Attorney Petersen explained that she has reviewed binders of minutes to research which entities are involved in Strawberry Days. She noted that the following three entities are involved when discussing the Strawberry Days Celebration:

1. The Strawberry Days Association.
2. The Strawberry Days Rodeo Association.
3. Pleasant Grove City.

It was reported that the Strawberry Days Association was incorporated in 1962 as a Utah Corporation. As such, it is a separate entity from Pleasant Grove City, which is a municipal corporation. Attorney Petersen explained that there is nothing in the files indicating that the Strawberry Days Association was ever dissolved. In addition, the incorporation documents state that they are to exist for 99 years. In response to a question from Mayor Daniels, Attorney Petersen explained that attached to the incorporation documents is a certification from the Utah State Division of Corporations accepting the Strawberry Days Association's status request.

The Strawberry Days Association was originally formed not just to handle the Strawberry Days celebration, but also to perform other civic service. They have restored the G, the time and temp sign, the log cabin, fireworks, fire and ambulance equipment, playground equipment, and restoration of the rodeo grounds. Attorney Petersen explained that it appears from the documents on file that the Chamber of Commerce and the local Stakes of the Church of Jesus Christ of Latter-day Saints were the main contributors of officers, time, and volunteer labor to make the celebration a success. Their incorporation documents indicate how officers in the association will be chosen.

The “Committee” members are also identified. Their fiscal year is the calendar year, which is very different from the City’s, which is from June 30 to July 1.

The City has not been involved in managing the Strawberry Days Association, nor does the City have any knowledge or control over the Association’s by-laws. The City has in its files minutes from a 1988 Strawberry Days Association Meeting where it was noted that the by-laws were being changed and that the notice of changes needed to be mailed out 30 days prior to voting. The documents also indicate that the City of Pleasant Grove was not involved in the changes.

Attorney Petersen explained that the Strawberry Days Association has operated as its own separate entity in almost all situations. 1991 shows a revolving line of credit with First Security Bank in favor of the Strawberry Days Association and Pleasant Grove City as co-signer; thereby identifying two separate entities. The Strawberry Days Association maintains its own checking account. At the end of the celebration each year, a reconciliation is prepared between the City and the Strawberry Days Association. If the City owes money to the Strawberry Days Association for items the Association paid for that were the City’s responsibility, an invoice is prepared and presented to the City from the Strawberry Days Association. A check is then issued to the Strawberry Days Association for the reimbursement amount. This same process also takes place vice/versa, which is consistent with the two entities being separate. It was noted that the Strawberry Days Association has entered into contracts with various vendors as well. Attorney Petersen explained that this is not the first time duties and finances have needed to be clarified over the years. The file contains minutes from a meeting in 1988 that covers many of the topics regarding responsibilities and who pays for what. It was noted that many of these same items are still being discussed and clarified today. A financial recap for 1987/1988 was also provided in the file.

Attorney Petersen explained that the City has traditionally been responsible for and paid for certain items connected to the celebration. The City has been in charge of the costs associated with Miss Pleasant Grove Pageant. The City pays for the pageant, the float, etc. The City also pays for the fish to stock the pond for Huck Finn Days and the power at the Downtown Park for the Carnival. The City pays for some of the portable restrooms used during the celebration as well.

The Strawberry Days Rodeo Association has also been incorporated as a separate corporate entity through the State and has always operated separately from the City and the Strawberry Days Association. They have always held their election of committee members and have handled their own finances separately from the City. The Rodeo Association has made capital improvements to the rodeo grounds over the years and paid for them. Some of the improvements have been paid for by the City as well. The City purchased the Rodeo grounds in 1952 for approximately \$15,700.00. Mayor Daniels asked when the Rodeo Association became incorporated. Attorney Petersen explained that it took place in the late 1940s.

Attorney Petersen explained that in 2013, in an effort to begin the process of clarifying the roles and responsibilities of the various entities that have traditionally been involved in organizing the Strawberry Days Festival, the City adopted an ordinance making the Strawberry Days Committee a permanent Committee. However, the ordinance was not intended to change the nature of the Strawberry Days Association as a separate entity.

Mayor Daniels echoed Attorney Petersen's remarks. He stated that the legal backdrop demonstrates three legal entities that work together but are completely separate in their jurisdiction and financial responsibilities. He explained that it is important to understand that Strawberry Days is managed and run by volunteers. As such, the City needs to respect the fact that they are volunteers and not exercise dominion or control of any kind. Mayor Daniels stated that tonight the Council would like to better understand finances and what the City has contributed financially and how to set a framework moving forward. Administrator Darrington remarked that it is incredible that an event as large as Strawberry Days is managed by a force of volunteers.

Administrator Darrington explained that he recently met with Council Member Andersen, Lisa Young, Deny Farnworth and Jason Hunter, to better define the roles of each participating entity. He explained that the City has participated in different ways. For example, they have provided staff support from the Police, Fire, Parks, and Recreation Departments. In reviewing the man hours contributed to the event, the City's contribution totaled approximately \$52,000. Administrator Darrington stated that without the staffing contribution, Strawberry Days would not be at the high quality level that it is. He explained that the City also participates in the Miss Pleasant Grove Pageant, which is run by Terry Marchbanks. The City funds the Miss Pleasant Grove pageant, scholarship, parade float, for a total contribution of approximately \$22,000. It was noted that while Ms. Marchbanks is also on the Strawberry Days Committee, the pageant is a separate event.

Administrator Darrington explained that the Strawberry Days Association has in years past used the City's sales tax exemption number. He stated that the City has a Tax Identification Number, which is different from the sales tax number. The Strawberry Days Association has not used the Tax Identification Number. Jason Hunter explained that the only time he has given the City's Tax Identification Number out is when a contract with the City specifically requests a W-9. Administrator Darrington explained that while there has been an intermingling of activities between the Strawberry Days Association and the City, the City's primary role is to execute the event in a successful manner. He suggested that it might be a good idea for the Strawberry Days Association to establish its own tax identification and sales tax exemption numbers.

Administrator Darrington explained that the Strawberry Days Association has its own bylaws, which were reviewed in 2013. He explained that Former Mayor Call had a draft copy of the updated bylaws, but they were never formally adopted. Administrator Darrington commented that if the by-laws were adopted they aren't being followed. Also in 2013, as previously mentioned, the Strawberry Days Committee was formed at which time the City appointed the Chair and Vice Chair. As part of the effort to separate entities, Administrator Darrington suggested that the Strawberry Days Committee start appointing their own leadership moving forward. Once the specifics are better defined, Administrator Darrington recommended that the City enter into an agreement with the Strawberry Days Association. As a City, they will then contractually obligate themselves to provide certain personnel in order for the event to take place.

With regard to the Rodeo Association, staff noted that the City owns the rodeo grounds. The City does not charge the Rodeo Association to use the rodeo grounds. The Rodeo Association has used their revenues to reinvest in various capital improvements on the rodeo grounds, such as lights and

bleachers. Administrator Darrington explained that it would be wise to establish a defined contractual agreement between the City and the Rodeo Association as well, and to create a five-year capital plan. He noted that the previous year the City helped pay for improvements to the rodeo grounds. It was recognized, however, that the Rodeo Association has made most of the improvements themselves.

B) FINANCIAL REPORT TO CITY COUNCIL. *Presenter: Jason Hunter of Strawberry Days Association.*

Jason Hunter gave his address as 680 East 300 North and noted that he is the Treasurer of the Strawberry Days Association, the Financial Chair of the Strawberry Days Committee, and Acting Treasurer for the Strawberry Days Rodeo Association. Mr. Hunter explained that the Strawberry Days Association formed as a legal entity in June 1962. The group was organized to meet the following five purposes:

- Working as a unit towards better civic and recreational development.
- To build the general area of Pleasant Grove and Lindon as the outstanding residential area upon the Wasatch Front.
- To build closer relations between all religious and civic clubs and organizations in the general area.
- To publicize and promote our celebration as a major event in the State of Utah.
- To develop and expand existing recreational facilities in this area.

Mr. Hunter explained that the Strawberry Days Association has a long history of helping with the Strawberry Days celebration. While many other cities have to spend a lot of money to put on their various celebrations, Pleasant Grove helps defray the cost to the taxpayers by utilizing the Strawberry Days Association. The Strawberry Days Rodeo was formed in the 1940s. Mr. Hunter explained that at one point the Rodeo Association owned the property where the rodeo grounds are now located, but it was sold back to the City in 1950s. Mr. Hunter explained that the Strawberry Days Association doesn't have the same legal requirement the City has to answer GRAMA requests or to disclose financial information to the City Council or citizens. However, the Strawberry Days Association recognizes that the citizens of Pleasant Grove are their primary stakeholders. In the interest of transparency and openness to their stakeholders, Mr. Hunter presented a summary of operations for both the Strawberry Days Association and the Rodeo Association for the past three years he has acted as the Treasurer for both groups. Due to the sensitive nature of vendor contracts and sponsorship agreements, he would not be sharing line item details. However, he invited any member of the City Council to make an appointment to review the books, if the need arises.

Mr. Hunter stated that the Strawberry Days Association is not his full-time job. He spends over 100 hours a year volunteering for the organization. Many committee members do the same. Due to the demands and time required of volunteers to run the events, some of the administrative

workings of the Strawberry Days Committee are completed in the months following the actual events. Mr. Hunter clarified that the Strawberry Days Association has its own Tax Identification Number. There have been times when bills, such as port-a-potties and dumpsters are sent to the City but the Strawberry Days Association has paid the invoices directly so that taxpayers don't have to shoulder the cost. On a few occasions, the Strawberry Days Association has used the City's sales tax exemption certificate. However, for all other invoices that are sent directly to the Strawberry Days Association, sales taxes are paid. As he previously mentioned, Mr. Hunter explained that there have been times when a W-9 has been requested from a customer. On contracts that are also signed by the City Manager, Mr. Hunter has provided the City's Tax Identification Number on a W-9.

Mr. Hunter explained that he recently discovered that a former treasurer failed to renew the Strawberry Days Association with the Utah Division of Corporations and Commercial Code. He discussed this directly with the State and they are in the process of renewing that registration. Since Mr. Hunter became the Treasurer three years ago, they have worked on putting controls in place to safeguard the funds. These controls have included a separation of custody and authority on all check signing, automation of transactions, cash controls, etc. They have also worked with the City to define the individual roles of each participating Strawberry Days entity. They will continue to look for ways to improve and looked forward to continuing their relationship.

Mr. Hunter presented other contributions made by the Strawberry Days Association over the past three years:

- Well over 10,000 volunteer hours each year have been spent on improvements to the City and supporting the various Strawberry Day events.
- Over \$240,000 has been spent improving the Rodeo Grounds and Equipment.
- \$60,000 has been spent funding citizen activities including Huck Finn Days (with the exception of the pond fish), the Art Contests, the Baby Contest, Little Miss Strawberry Days, the Guns and Hoses run, and the Parade.
- \$13,500 has been awarded in Scholarships to worthy students involved in volunteer activities. The applications are available through the Pleasant Grove and Timpanogos High Schools.
- Over \$13,000 has been given to "Tough Enough to Wear Pink" a cancer fighting organization.

Mr. Hunter explained that the primary revenue sources include rodeo tickets and concession sales, carnivals, and many private sponsors. The Strawberry Days Association does not receive any direct taxpayer funds, though there are some items that are collected through the City and distributed to the Strawberry Days Association, and vice versa. Mr. Hunter reiterated that the Strawberry Days Association does not do the Miss Pleasant Grove Pageant, nor do they do any of the recreation programs. He explained that the Strawberry Days Association has worked with the City's accounting team over the past three years to match revenues with expenses.

Mr. Hunter explained that non-cash items are not recorded on the Strawberry Days Association or Rodeo Association books, with the exception of bathroom improvements made in 2014. Mr. Hunter explained that his goal since becoming the Treasurer was to get all the cash and non-cash items recorded so that they can have a true accounting of the benefits and costs of the two Associations. It has, however, been difficult to determine fair market value for many non-cash items. The Strawberry Days Association has done a better job of asking providers to provide this information in order to track it in the Strawberry Days Association's records. Mr. Hunter presented Statements of Activities for both the Strawberry Days Association and Rodeo Association for the years 2014, 2015, and 2016. Each chart included total revenues, gains, and other support, as well as expenses and changes to net assets.

Mr. Hunter explained that the rodeo takes place regardless of the weather. As such, the Rodeo Association keeps a minimum of one-year cash expenses on hand. He stated that it is literally a rainy day fund. With the exception of 2014 when the City paid for a portion of the restroom facility, all of the major improvements to the rodeo grounds were paid for and provided for by Rodeo Association Members. The Rodeo Association builds up its fund balance so that it can pay for improvements as it goes, thereby avoiding debt. The Rodeo Association tries to complete a project every two to three years, depending on the project. Mr. Hunter presented the following list of upcoming CIPs, which were not listed in any particular order:

- North Concession Stands / Public Entrance area.
- Improved and expanded seating;
 - ADA accessible and viewable seating
 - Safer Seating.
- Parking improvements.
- Announcer's Stand.
- Contestant areas improvements.
- Stock area improvements

Council Member Stanley remarked that the Strawberry Days Association is a wonderful organization. He commended members of public who volunteer with this committee. Council Member Stanley proceeded to recite segments of meeting minutes spanning several years in an effort to provide context for his forthcoming questions. In response to comments from Council Member LeMone, Council Member Stanley posed the following questions:

1. Should Strawberry Days be a separate entity?
2. Does the City want to have a Strawberry Days Chairman appointed by the Mayor and Council, or is the City okay with the current system?

3. Should the City carry liability for the event?
4. Should the City have financial oversight of Strawberry Days?

Council Member Stanley continued to read segments of previous meeting minutes.

ACTION: Council Member LeMone moved that the Members of City Council ask Council Member Stanley to stop reading the minutes from previous years and ask questions that are relevant to tonight's discussion. Council Member Jensen seconded the motion. Council Members LeMone, Jensen, Andersen and Walker voted "Aye". The motion carried unanimously. Council Member Stanley did not participate in the vote.

Council Member Stanley was grateful for the interest of the public in asking questions and thought they had done so in an attitude that is appropriate for the City. He explained that by in large, the public is comfortable with the scholarships offered through the Miss Pleasant Grove Pageant because there is transparency and it uses City finances, which are available for public review. However, in speaking to non-pageant scholarships, Council Member Stanley stated that Mr. Hunter mentioned \$13,500 in non-pageant scholarship funds. He asked Mr. Hunter to clarify if \$13,500 was the total amount of non-scholarship funds and further explain their sources.

Mr. Hunter explained that the scholarships are provided by the Rodeo Association and \$1,500 is awarded to three qualified individuals, for a total of \$4,500 per year. Mr. Farnworth stated that he started the Rodeo Association Scholarship Program with Scott Fugal. He described the application process and noted that the Rodeo Association distributes applications to two different local high schools. When reviewing applications, the names of the applicants are redacted so that he and Mr. Fugal do not know whose applications they are reviewing. Mr. Farnworth explained that it is a service oriented scholarship awarded to youth who demonstrate significant volunteerism. It is not awarded in recognition of standard Eagle Scout projects.

Mayor Daniels asked if the scholarship money is raised and donated by the Rodeo Association. Mr. Farnworth answered affirmatively. He explained that they receive a certain amount of revenue from seating. When the Rodeo Association reviews finances at the end of the year, they award a certain amount back to the community in scholarships. When they first started the scholarship program, they awarded three, \$1,000 scholarships, which came directly out of Rodeo Association funds. Two years ago, they only had two people apply so they awarded two, \$1,500 scholarships. Mayor Daniels commented that if a separate, legal entity is raising funds and making a donation to a scholarship pageant, the City of Pleasant Grove should not be requesting information about what they are doing with that money.

Council Member Stanley stated that the reason he gets questions from the public is because some citizens see the intertwining of entities, as indicated in previous sets of meeting minutes. Some members of the public have the perception that the surplus from the Strawberry Days Rodeo could be used to reduce or minimize some of the subsidies the City provides. Mr. Farnworth replied that this concern is understandable and explained that it has taken several years for the Rodeo Association to get where they are today. He stated that the Rodeo Association wants to do

everything in their power to help unify all of the entities that coordinate the Strawberry Days celebration. Mr. Farnworth explained that the Rodeo Association's goal is money, because with more money they can get more seats, and with more seats they can accommodate more families at the rodeo. The Rodeo Association implemented the kids' free night on Wednesday, with the exception of last year because it wasn't financially viable. Therefore, they sold seats at \$1.00 each in order to keep the Rodeo a family-friendly event. Mr. Farnworth explained that ultimately, their goal as an association is to promote families and family participation to keep the rodeo tradition alive for generations.

Mayor Daniels advised Council Member Stanley that in the spirit of cooperation between the volunteer and separate legal entities, that they show respect and humility in the way questions are asked. He stated that the City is asking for volunteers to participate in providing information. The Council is not in the position to command or demand anything. The Council needs to help educate the public that these organizations are not owned or managed by the City but rather, they work together in a cooperative effort.

Council Member Stanley stated that the public has questions about how the scholarships are advertised. Lisa Young, from Pleasant Grove High School, stated that the scholarship applications are presented to the school by Mr. Fugal or Mr. Farnworth and the applications are displayed with all other scholarship applications in the Counseling Center. School staff then personally distributes the applications and advertises them on the school's website. It was noted that the school distributed over 300 applications last year. Council Member Stanley asked how the applications are evaluated. Mr. Farnworth reiterated that the names of the applicants are redacted and they are evaluated in a non-bias manner.

In response to a question raised by Council Member Stanley, it was reported that Jeff Matthews was the previous Treasurer and he held the position for five years prior. Council Member Stanley asked Mr. Hunter to elaborate on cash controls the Strawberry Days Association has implemented in recent years. Mr. Hunter elaborated on points previously made. Council Member Stanley asked how many members of the Strawberry Days Association have payment authority. Mr. Hunter declined to answer and stated that the reason for not providing that information was because it is not within the purview of the City Council to be privy to such information.

Mayor Daniels reminded Council Member Stanley that the Strawberry Days Association is a separate, legal entity, and their presence tonight is due at the invitation of the Council. It is not a hearing, and the Council's intent is not to question them in an authoritarian manner. There was further deliberation.

Council Member Stanley thanked Mayor Daniels for his input. He stated that he has never been adversarial with any of his questions during his time on the City Council. He has asked questions as part of his responsibility to the public. He stated that there are many members of the public who would disagree with the assessment and analysis of the independence of the three organizations. Council Member Stanley felt there was a responsibility to review and provide oversight, which is what the citizens have been clamoring for over a decade. Mayor Daniels stated that there is a way to handle the situation in a legislative manner. If there is a legal question involved, the court system can determine whether they are truly legal, separate entities. However,

as elected officials they cannot assume that is the case. Council Member Stanley thanked Mr. Hunter for the offer to review the books with anyone who is interested and expressed interest in meeting with Mr. Hunter.

Lisa Young asked if the City is headed toward a legal discussion in court. Mayor Daniels asked the City Council if any of them were considering a legal challenge as to whether the entities that have been documented and described by Attorney Petersen, are subject to the authority of the City and City Council.

Council Member Andersen did not care about what has happened in past. She was grateful that so many citizens donate hundreds of volunteer hours. She explained that the discussion began because she and Mr. Farnworth were chatting about how to fix the bleachers, in light of a girl who fell through them this summer. She stated that the bleachers are heavily used and need repair. At the end of the conversation it had become clear to Council Member Andersen that each of the entities needs to meet to clearly define roles and responsibilities. She was eager to be part of that process. Council Member Andersen stated unequivocally that she was not in favor of having a legal discussion right now about Strawberry Days.

Council Member Walker also was not in favor of having a legal discussion about Strawberry Days. He recognized several members of the audience who have played key roles in Strawberry Days, and expressed that this celebration defines their community. Council Member LeMone was not in favor of having a legal discussion about Strawberry Days.

Council Member Jensen thanked those present for their volunteerism. He stated that Mr. Farnworth has always been open and honest with him anytime questions have been raised. Council Member Jensen stated that it does no good to bring up issues from the past. He expressed appreciation for Mr. Hunter and Mr. Farnworth's time tonight and stated that he is definitely not interested in pursuing a legal discussion about Strawberry Days.

Council Member Stanley was interested in getting to the truth, which has a virtue of its own. He wanted to have his questions answered so that he can respond to questions from the public. He was happy to do that in whatever context people are the most comfortable. Council Member Stanley echoed previous comments about volunteerism.

Mr. Hunter said that while he would be happy to sit down and review financials with Council Member Stanley, they may need to discuss certain boundaries. Mr. Hunter stated that he and Council Member Stanley have already had conversations regarding the Strawberry Days Association. He is now being accused of fabricating financial records by someone else with whom Council Member Stanley has had a conversation. Mr. Hunter was very hesitant to meet with Council Member Stanley alone and not be on the record because of how things have been twisted to this point. Mr. Hunter stated that while he would be happy to meet with Council Member Stanley, as a separate legal entity, there are answers that the public will not be privy to unless they become a part of the Strawberry Days Association. If this means that the City decides that they no longer want to use the Strawberry Days Association, then the City Council has the authority to sever that relationship.

Council Member LeMone asked Council Member Stanley what his end goal was in reviewing the financials of the Strawberry Days Association. There was further deliberation between the two Council Members.

Mayor Daniels again thanked Mr. Hunter and Mr. Farnworth for their presentation and remarks. He stated that the majority of the Council would like to interface on the areas where they may be unclear on responsibilities and how to better define roles moving forward. Mr. Farnworth stated that this was also the goal of the Rodeo and Strawberry Days Associations. Mr. Farnworth concluded by stating that the Strawberry Days celebration would not be possible without the City's Fire, Police, and Parks and Recreation Staff.

12) REVIEW AND DISCUSSION OF THE SEPTEMBER 13, 2016 CITY COUNCIL WORK SESSION MEETING AGENDA

The agenda for the aforementioned City Council Work Session Meeting was briefly reviewed.

13) NEIGHBORHOOD AND STAFF BUSINESS

NAB Chair, Libby Flegal, announced that the Heritage Jubilee will be held the following Saturday from 10:00 a.m. to 2:00 p.m. Chief Thomas reported that the fire on the mountain the previous day was outside of Pleasant Grove's jurisdiction. Cedar Hills responded initially, but County hand crews were also called in. The County also brought in several helicopters and planes to put out the fire. Chief Thomas pointed out that it was a tremendous show of force for such a small fire, thus showing the value of the neighborhood that was at risk.

14) MAYOR AND COUNCIL BUSINESS

There was no further Mayor and Council business.

15) SIGNING OF PLATS

There were no plats signed.

16) REVIEW CALENDAR

There were no further calendar items.

17) ADJOURN

ACTION: Council Member Stanley moved to adjourn. Council Member LeMone seconded the motion. The motion passed with the unanimous consent of the Council.

The meeting adjourned at 8:17 p.m.

The minutes of September 6, 2016 City Council meeting were approved by the City Council on October 4, 2016.

Kathy T. Kresser, City Recorder, MMC

(Exhibits are in the City Council Minutes binders in the Recorder's office.)