

MINUTES of a special City Council meeting of Wellsville City held Tuesday, August 24, 2010, at the Wellsville City Offices at 75 East Main. City officials present were Mayor Thomas G. Bailey, Councilmen Ron Case, Colin Harrison, and Carl Leatham. City Manager/Recorder Don Hartle was also present. A copy of the Notice and Agenda was mailed to the Mayor and Council members and emailed and faxed to the Herald Journal on August 20, 2010. The meeting was called to order at 6:00 p.m. by Mayor Thomas G. Bailey.

Others Present: City Engineer Chris Breinholt

Opening Ceremony: Carl Leatham

The Council reviewed the agenda. Don Hartle stated that he needed to add a discussion concerning a pressure station that is to be built on 1600 South. Colin Harrison made a motion, seconded by Ron Case, to approve the agenda with the addition.

YEA 3

NAY 0

Ron Case  
Colin Harrison  
Carl Leatham

Mayor Thomas G. Bailey asked Don Hartle to discuss the new reservoir with the City Council. Don Hartle stated that the City had received 2 bids on the revenue bonds, and that inasmuch as the State Board of Water Resources was guaranteeing that we would not have an effective interest rate higher than 4%, that he had told the financial consultant, before the bids for the bonds was out that he would not approve a variable interest rate. The City received 2 financing proposals for the bonds; one was from Zions Bank with interest at 3.5%, but subject to change every 5 years. The other bid was from Bank of Utah, with an interest rate of 4.405%. However, the State Board of Water Resources will give us a grant for \$70,000 bringing the effective interest rate to 4%. Both bids require that we provide a \$56,000 reserve up front, so therefore, the \$56,000 must also be borrowed.

At 6:12 p.m., Councilman Gary Bates arrived at the meeting.

Mr. Hartle then reviewed with the City Council the newsletter that he has written to be mailed out at the end of August in the utility billing. Said newsletter explains the need to raise culinary water rates, and an overview of the water department and its capital expenses since the inception of Water Impact Fees on July 1, 1997. A copy of the Bid Opening report was given to the City Council showing the bids that were received on July 6, 2010:

Gerber Construction	\$ 998,011.00
Jacobsen Construction	1,048,974.00
COP Construction	915,885.00
Brubaker Construction	998,062.00
Darrell W Anderson Construction	900,759.53
Whittaker Construction	944,194.00
Raymond Construction	864,404.97
Spindler Construction	851,155.14
ABC Construction	869,139.05

City Engineer Chris Breinholt then discussed with the City Council the bids and the documents that must be approved by the City Council and signed by Mayor Thomas G. Bailey, so that they can then be signed by the contractor. The City Council discussed the matter for some time. After discussion, Colin Harrison made a motion, seconded by Carl Leatham, that the City Council approve the low bid of \$851,155.14 submitted by Spindler Construction and authorize the signing of all documents associated with the project.

YEA 4

NAY 0

Gary Bates  
Ron Case  
Colin Harrison  
Carl Leatham

Don Hartle then informed the City Council that the City Engineer has the new water pressure station designed on 1600 South. That himself, City Engineer Chris Breinholt, Perry Maughan, and Tom Maughan had decided not to put the project out on a published bid, but to have Whittaker Construction, Rupp Trucking, ABC, and Clayton Grover submit sealed bids on the project for labor only to install the station. The Maughan Boys Corporation (Perry Maughan and Tom Maughan) has asked to be included on the bidder's list. Mr. Hartle had informed them that several of the Council members had expressed concerns about previous projects and the perception residents have about them doing work for Wellsville City as contractors and not as City employees. It was discussed for some time about the perception residents have about this and the fact that it concerns other contractors, as they feel that The Maughan Boys Corporation has an inside track, inasmuch as they have to approve the design and contract documents before it is put out to bid. It was discussed for some time the fact that the City must adopt a policy for any City employee to do work as a contractor for the City. After discussion, Ron Case made a motion, seconded by Colin Harrison, that the City Council approve the addition of the Maughan Boys Corporation as a bidder in addition to the 4 others mentioned for this project only, and that it is subject to approval by the City Attorney. The Maughan Boys Corporation will not be allowed to bid on any other project until the City adopts a formal policy on City employees submitting bids or doing work for the City as an independent contractor.

**YEA 4**

Gary Bates  
Ron Case  
Colin Harrison  
Carl Leatham

**NAY 0**

Mayor Thomas G. Bailey expressed his concern about the recent rezone of property owned by Scott Enierson on the west side of the Wellsville Dam. The current code requires that all lots must have the required frontage, at the current required setback of 30 feet. In this case, at the 30-foot setback, the lot will then be narrowed down to something like 40 feet. Mayor Bailey feels that the required frontage should be maintained to at least the back of the home. The matter was discussed and the City Council agreed to have Carl Leatham bring it up with the Planning Commission for their consideration of amending the code.

Carl Leatham expressed his concern about the bright yellow gates that have been installed at the entrance to the new walking trail at 600 South 100 East across from his home. He would like to have them a different color. Several City Council members stated that they had not seen them, but will go look at them.

At 6:48 p.m., Ron Case made a motion, seconded by Carl Leatham, to adjourn the meeting.

**YEA 4**

Gary Bates  
Ron Case  
Colin Harrison  
Carl Leatham

**NAY 0**

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Thomas G. Bailey  
Mayor

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Don Hartle  
City Manager/Recorder