



## NORTH BONNEVILLE CITY COUNCIL

Mayor Brian Sabo  
Councilmember Terry Norris  
Councilmember Margie Lee

Councilmember Travis Randall  
Councilmember Judie Whitcomb  
Councilmember John Acton

### City Council Meeting Minutes January 14, 2020 7:00 p.m.

**\*\*\*HEAR RECORDING FOR WHOLE AUDIO – RECORDING DIDN'T WORK FOR FIRST 17 MINUTES\*\*\***

**Meeting Call to Order:** 7:00 pm

**Roll Call:** Present; Mayor B. Sabo, Councilmembers J. Acton, T. Randall, T. Norris. Absent;  
Councilmembers M. Lee, J. Whitcomb

**Pledge of Allegiance**

**Agenda Changes & Additions:** B. Sabo adds consensus to approve Germaine LaFleur for the PDA Board, Consensus for Ken Woodrich to give the Open Meetings/Public Records training for Councilmembers, and excuse J. Whitcomb and M. Lee

**Public Hearings:** N/A

**Consent Agenda:**

- **Approval of December 10, 2019 meeting minutes. Approval of the December 2019 2<sup>nd</sup> Half Vouchers, Approval January 1st half Vouchers:** For dates following Dec. 10<sup>th</sup>, 2019 council meeting (13<sup>th</sup> month) and December 10<sup>th</sup>, 2019 council minutes; Motion by T. Randall, second by T. Norris. **Passed 3-0.**  
For the January 1<sup>st</sup> half voucher approval; Motion by T. Randall, second by J. Acton. **Passed 3-0**

**Guest Presentations:** N/A

**Public Comment:** N/A

**Councilmember Comments:** T. Randall thanks all for coming and mentions the new electric rates.

**Mayor's Comments:** B. Sabo states that the Complete the Streets grant is now finalized. We must keep the stop sign for 6 months, then we can start procedures to change to a yield sign due to our low traffic. He also wants citizens to be aware that there have been needles found in the park and in various city trash cans, and to please be careful and look before you stick your hand in. Please report all findings like this immediately to City Hall.

**City Clerk Report:** D. Adams mentions that end of year procedures are nearly complete and we are looking into quotes for IT upgrades and a change in the utility program we are using. Ken W. recommends looking closely at the warranty and liability sections of the contract with Radcomp before deciding on them. Not a fan of their master service agreement.

**City Attorney's Report:** N/A

**Unfinished Business:**

- **Josh Good State of the PDA Report: \*\*\*please refer to audio for full detail\*\*\*** Josh Good performed an analysis of the state of the Cannabis Corner/PDA. Overall, human capital was positive based on interviews of the employees of the store. There seems to be a disconnect between employee effort and the results of the business. Looking at the P&L's, 2015-16 was in the black and 2018-19 showed losses of over 50k. Instead of making positive changes to run the business, they incurred more debt to run the business. There was unaccounted for income in

2018 but haven't received the report that was asked for explaining those numbers. Sales were lower than 2018 for the first half of 2019 and the second half was slightly higher than 2018. The overall health of the business seems to be better at the Stevenson location, especially due to the change in the rent amount. The method of moving could have been better for savings. Ken W. asks if there was ever a balance sheet presented and Josh states that it was asked for but never delivered. B. Sabo says that the new board is aware of this and working on it. Josh continues that the company has almost always spent more than they make. Policies state that it is not allowed to use loan funds to float the business. At one point, they had tried to pay some money to the Spencer's on one of the loans, but the Spencer's refused the payment because there was an issue with the amount. This money seems to have been just returned to the store as "income" with no vote of the board. This matter has not been resolved and it continues to accrue at 10% interest. There were some conflicts of interest regarding members of the board at the time the loan was extended and one of the terms was that the creditor required the board to rent a space in their building for the PDA office. B. Sabo mentions that there was a letter written to council prior to 2018 stating the conflict of interest, but they made the decision to go forward with the loan anyway. Josh continues that even with some adjustments for the difference in rent, the business still has a regular loss of around 15k to recover. His ideas for cost saving moving forward are to reduce the store hours, reduce the hours of the Executive Director and move to hourly, and possibly move from the PERS program to SS. The meeting tomorrow will include discussing these options. He has asked for a report on hourly sales and was told that's not something they track, even though it was being tracked for the first two years. This is one of the things the previous board failed to hold the Executive Director accountable for. Ken W. asks why and how there are no POS reports available. Josh explains that he's asked for these numbers multiple times and never received them. There is assumption that these are available, but employees just may not know how to run the reports from their system. Ken W. states that good management would have these numbers in mind nightly. Josh states that the Director should work all hours at the business location rather than home for better visibility and employee trust. It was discovered that product in the back room is NOT LOCKED UP and Josh was told that they only inventory quarterly. The suggestion would be to lock up back product and inventory, move out needed product daily and inventoried daily. A timeclock is also recommended for employee accountability and lessening payroll mistakes. Both of these suggestions were met with opposition. The suggestion is also to run any hiring/firing decisions through the board. Ken W. states that there must be a separation of board and manager, but they still can have input on oversight. Josh maintains that payroll adjustments are needed including the fact that a failing business doesn't need to allow any overtime pay and that a winter reduction of hours would be an improvement. Ken W. and Tom J. insert that we must work on retiring the debt. Josh reiterates that one of the loans didn't even have a vote of the board, but the President of the board and the secretary signed the note. Mayor Sabo also includes that the note language was changed. Josh states that poor decisions were made under questionable terms. There should not have been money used or loaned without a vote of the board. Josh maintains that there should be time-based goals and check-ins and that there is still hope to turn the business around with some restructuring and tighter procedures. He will also continue to consult for the board if they choose. Councilmember J. Acton says that he has faith that the new board will be of help. Josh continues on to suggest that the 15k paid toward employee health insurance may change if there aren't improvements. There has been pushback and delays every step of the way. Ken W. suggests to the board members in attendance that Josh may be good to keep and would be less expensive than having to go through receivership. Mary Helms of the PDA board says that the Mayor's help to resolve this has been valuable.

### New Business:

- **Excuse J. Whitcomb:** Motion by T. Randall, second by J. Acton. **Passed 3-0**
- **Excuse M. Lee:** Motion by T. Randall, second by T. Norris. **Passed 3-0**
- **Approve Germaine LaFleur for the PDA Board:** B. Sabo introduces Germaine LaFleur. She has been interviewed by the Mayor and submitted a letter of interest. Germaine states that she is a 3-year resident and wants to give her time to the community. She mentions that she is good with analysis and people. Ken W. asks if she has retail experience to which the answer was no. J. Acton asks about current work and Germaine responds that she works for Insitsu in engineering. She claims that she knows this is a challenge but is looking forward to working with a good team. **All three councilmembers in favor.**
- **2020 Mayor Pro-Tem Selection:** Motion to nominate J. Acton due to maturity and desire to help the community. Second by T. Randall. **Passed 3-0**
- **Ordinance 1122 Amending Chapter 6.04 animal control:** Motion by T. Randall, second by J. Acton. B. Sabo states that the leash law has been reworded to include the definition of a “leash” to not include an “electronic leash”. Tom J. also mentions that “public place” is better defined. Josh Good asks about enforcement and fines to which Tom responds that it’s \$100+cost and fees. Deanna mentions that Pat Bell is our code enforcement officer, but that we are working on a ticket book and details. Mary Helms asks who people should report violations to and Deanna responds that violations can be submitted in writing to City Hall. **Passed 3-0**
- **Ordinance 1123 Amending Chapter 2.08 Appointive Offices:** Motion by T. Randall, second by J. Acton. B. Sabo says that there are two titles exempt from the Union being City Clerk/Treasurer and Office Manager. This combines the City Clerk/Treasurer/Office Manager duties into one title of “Chief Administrative Officer” or “CAO”. **Passed 3-0**
- **Ordinance 1124 Amending Chapter 1.05 Mayor and Councilor Compensation:** Motion by J. Acton, second by T. Randall. B. Sabo is asking for the in-lieu of insurance payment to cover insurance costs. **Passed 3-0**
- **Resolution 537 Amending Resolution 528 Exhibit B & C Water and Sewer Fees:** Motion by J. Acton, second by T. Norris. B. Sabo explains that we are raising 5.6% overall, which still puts us at one of the lowest rates around – second to Clark County base rates. The rates for newly constructed water and sewer connections are also being raised and have been lower than most areas for many years. **Passed 3-0**
- **Heritage Trails Foundation Request for Property Contract Adventure Park:** Ken W. is putting together a property contract for the Trails Foundation Adventure park proposed location. They need to still seek funding, but need conditions outlined per contract to receive the city money that will only be released to them upon raising the beginning funds. Ken W. asks for a bulleted list of expectations, costs, budget, etc. B. Sabo mentions that there will be at least two more public meetings regarding the Adventure Park, along with other workshops and meetings held by the Trails Foundation. **All three councilmembers in favor.**
- **PDA Request to waive monthly tax payments to city during restructure:** Motion by J. Acton, second by T. Randall. The new PDA board is asking to suspend the payment in lieu of taxes that was agreed upon after the location move outside of North Bonneville while they restructure. **Passed 3-0**
- **Approval of Ken Woodrich giving open meeting and public record training for councilmembers:** Motion by J. Acton, second by T. Norris. **Passed 3-0** \*It is added that the training is also an online feature and we can opt to watch the videos instead of having Ken come out, but we will schedule a date to do so.

**Closing Public Comment: N/A**

**Closing Council Comments:** J. Acton asks if the Spencer loan was worked out and josh replies that a certified letter to discuss was sent three weeks ago and not yet responded to. T. Randall thanks all for coming.

**Adjournment:** 9:10pm