

KAYSVILLE CITY COUNCIL
MARCH 17, 2016

Minutes of a special meeting of the Kaysville City Council held MARCH 17, 2016 at 5:30 p.m. in the City Council Chambers of the Kaysville City Municipal Center.

Council Members present: Mayor Steve Hiatt, Susan Lee, Larry Page, David Adams and Jake Garn.

Absent: Council Member Chris Snell

Others present: City Manager John Thacker, Finance Director Dean Storey, Engineer Andy Thompson, Zoning Administrator Lyle Gibson, City Recorder Maria Devereux, Ramona Porter, Carole Walker, Walt Parrish, Hazel Parrish, Cheryl Garbet, Margaret Brough, and Mike MacFarlane.

Mayor Hiatt explained the purpose of the special meeting is to review and discuss purchasing procedures. He allotted 90 minutes for the discussion, and noted that the meeting is a continuation of the Saturday work session. He noted that Council Member Snell isn't currently able to attend the meeting but will be able to join later via phone.

REVIEW AND DISCUSSION OF PURCHASING PROCEDURES

Mayor Hiatt invited the Council to begin the discussion.

Council Member Lee stated that the Council temporarily modified the Council approval limit, from \$50,000 to \$15,000.

Council Member Garn stated that clarification is needed, since there were no materials provided before the Council meeting. He explained that the policy includes open market procedures, informal and formal procedures. He asked for clarification of how lowering the amount to \$15,000 is to be interpreted and applied. He suggested the Council consider workflow processes and how that impacts the process. He discussed balance and level of control, and the appropriate level of control in regard to the size of community in Kaysville City.

Council Member Adams and Council Member Garn agreed that finding the right balance of financial controls are important for the City with procedures, updatable, regularly revised and reviewed and in conformance with other statutory requirements.

Council Member Adams stated that purchasing procedures should be a living document.

Council Member Garn noted that competitive bids, are good for consistency, and promotes efficiency and level of quality.

Council Member Page noted that specifics are needed and the document cannot be too general with too much latitude. He stated that there is a need as a government entity to be specific, the City deals with taxpayer's money and the Council represents them. He discussed a concern that many have is the lack of opportunity to bid; everyone should be able to fairly bid and provide service. He suggested the Council give input and address items they have concerns about. He

suggested that this is a good opportunity to review concerns and gather a consensus. Council Member Page agreed that a balance is needed with procurement procedures and doesn't feel the Council needs to be in charge of rewriting new procedures. He agreed with Council Members Garn and Adams that a balance is needed.

Council Member Adams discussed and referred to the State of Utah's Procurement Code and suggested that he would like the Council to find a medium between the State of Utah's document and Kaysville City's procurement policies. He suggested that the Council review the State Code and adopt the best procedures that would fit with Kaysville City.

Council Member Garn noted that controls are needed for RFP's and other bids. He suggested that it isn't necessary to adopt all the elements of Utah State Code in Kaysville since the applicable portions are already required by municipalities. He noted the advantage of a broad policy is that it is highly efficient, and noted the disadvantage of a broad policy is that there can be too much room for interpretation. He noted that the Council should make sure Kaysville city procedures are meeting minimum requirements under State Code.

Council Member Garn questioned who needed to be a part of the decision making process. Should the City Council have an advise and consent role and utilize city staff by having them do the jobs they are paid to do and have them bring a draft back to the Council for review rather than the Council writing the document.

Council Member Lee suggested the Council review the document and give their input and then meet or give to staff for compilation. She explained that this is a good starting point and gives an opportunity for this to be done right. She asked if there is a template for municipalities.

Finance Director, Dean Storey, explained the history of the purchasing procedures and policies that were adopted in 1989. At that time there was a flow chart. Based upon input from other cities purchasing procedures, in 2010, text was added and the flow chart was modified.

Mayor Hiatt asked if the current purchasing manual was unchanged from 1989 to 2010. Dean Storey advised that it was unchanged.

Dean Storey noted that with input from citizens, contractors and the State Auditor's office, the City changed the text document to closely match the flow chart. The change was adopted in May 2012. The procedure in place is in line with other municipalities. He would like to know the level of oversight the Council would like to have. It was suggested that anything over \$15,000 should be brought to the City Council and that is what the City is currently operating under. He noted that there is still some confusion whether that is true with the formal contract procedure. Dean Storey suggested the Council determine what threshold the Council is comfortable with before expenditures are made.

Council Member Garn noted that he looked through other municipal agencies about purchasing agreements, he is looking for clarification, he noted that most Cities turn over the purchasing threshold decisions to their Mayor, in a strong Mayor form, or to the City Managers. He noted that it doesn't appear that other City Councils approve threshold decisions.

Dean Storey noted that it is similar to what the City currently has in place; \$50,000 and up needs to have direct Council approval, for service contracts, anything over \$25,000 needs to be approved by the Council.

Council Member Page stated that we don't have contracts with professional services, technical services, etc. but knows that most cities have contracts. He would like to see yearly contracts and specialized contracts for specialized needs. He agrees with most everything being said here today and noted that the procedures need to be simple enough and strong enough to set borders for efficiency. He suggested that no major overhaul is needed; he wants to make it more efficient for everyone.

Council Member Garn discussed that any professional contract needs to have a deadline and noted that contract provisions, and a regular period where the contract is reevaluated is a good standard.

Council Member Garn discussed that hiring a City Attorney may be beneficial instead of contracting out legal services.

Council Member Page stated that in regard to legal services, we have had the same firm for quite some time. He asked if there is a contract and noted that other firms would like to bid on legal services in Kaysville City. He noted that the City could justify a City Attorney as long as it is efficient.

Council Member Garn and Council Member Adams discussed defining the scope of purchasing procedures and stating that as the government, they need to make the process less complex to prevent slowing processes and increasing cost.

Andy Thompson, City Engineer, stressed the importance of having the ability to get work done quickly and efficiently instead of going through lengthy approvals.

Council member Lee suggested the Council reconvene and make a solid document with input from all. She noted that in regard to policy and procedures it is helpful if they know what is expected. She stated another possible solution would be to pay someone else to put this together.

Council Member Page stated that the City Council should form a committee to create this policy that everyone can be happy with. He noted that it is important to be comfortable as a governing body to make sure it is done right. He suggested the City needs to be involved and that if the leadership of the City like it and help create it, it will be accepted by City personnel more readily.

Mayor Hiatt discussed a committee of staff and Council, to work with concerns that were addressed and bring a draft back for Council consideration.

Council Member Lee explained that the best idea is to work together and suggested a committee with staff and Council Members. She asked who would like to be on the committee.

Mayor Hiatt noted that he has heard discussion of tasking the new City Manager with it, but likes Council Member Page's suggestion that it would be appropriate to have a committee with staff members and members of the Council.

Council Member Page suggested that a committee be formed with the City Council and City staff members to collectively create a policy that the Council and staff are happy with.

Council Member Garn and Council Member Adams agreed they both want a policy that protects the City and makes the City more efficient. They want a document that has been vetted, is well thought out and orderly created.

Mayor Hiatt asked that Council Member Adams and Council Member Garn be part of the committee, as well as Finance Director Dean Storey, to draft purchasing procedures, and report back to the Council for review and approval. He asked if there is a recommendation for other staff to be included.

Council Member Adams nominated Andy Thompson for the committee.

Mayor Hiatt mentioned it might be helpful to have others that might be directly affected on the committee.

Council Member Lee made a motion to form a committee as suggested, to draft Purchasing Procedures, second by Council Member Page.

The vote on the motion was as follows:

Council Member Lee, Yea
Council Member Snell, (absent)
Council Member Page, Yea
Council Member Adams, Yea
Council Member Garn, Yea

The motion passed unanimously.

Council Member Lee made a motion for adjournment at 6:45 p.m., second by Council Member Adams and passed unanimously