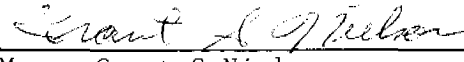


Councilman Max Bennett MOVED and Councilman Morrison SECONDED a motion to adjourn. The motion carried unanimously. The Mayor adjourned the meeting at 10:30 p.m.



Mayor Grant S Nielson



City Recorder Dorothy Jeffery

MINUTES OF A PUBLIC HEARING HELD MARCH 3, 1983

PRESENT:

Grant S Nielson	Mayor
Max Bennett	Council Member
Don Bird	Council Member
Don Dafoe	Council Member
Ruth Hansen	Council Member
Willis Morrison	Council Member

OTHERS PRESENT:

Vance Bishop	City Administrator
Warren Peterson	City Attorney
Dorothy Jeffery	City Recorder
Pat Davies	City Clerk
Louise Nielson	Guy Boulton
Steven R. Jackson	Michael Styler
Verdell Bishop	Richard Turner
Walter Reid	June Reid
Ted Stagg	Calvin Dutson
Gilbert Trujillo	Dan Hansen
Lucille Hansen	Newell Knight
Eldon Eliason	Mr. & Mrs. Ed Lyman
Lenore McCall	Dennis Westwood

Mayor Nielson called the hearing to order at 7:00 p.m. and stated that the purpose of the hearing was to receive comment on whether or not Delta City shall become a part of the West Millard Hospital District.

At the request of Mayor Nielson, City Attorney Warren Peterson restated the purpose of the hearing and explained that when the attempt was made in 1977 to convert the West Millard Hospital District to a special services district, certain statutory procedures had not been followed. To correct the error, the county has adopted a resolution to create a special services district and has asked the Delta City Council to adopt a resolution allowing Delta City to be included within the District. The Delta City Council has been asked by certain Delta citizens to exercise care in turning over to the county commission powers to tax property

located within Delta City and also the power to issue bonds payable from taxes imposed on property in Delta City. The city council felt that the citizens of Delta should be allowed to express their opinion on this significant issue of whether the Delta City Council should adopt a resolution to include the City of Delta within the West Millard Hospital District.

In answer to a question as to the intentions of the hospital board toward the extended care unit, Mr. Verdell Bishop said that the present board has no thought but to keep the extended care running as it has. He stated that although the extended care unit is not a money making proposition, the hospital will keep it running as long as directed to do so by the county commissioners.

In answer to questions, Verdell Bishop explained that the offices for the present doctors are owned by the hospital and rented to the doctors. Mr. Bishop further stated that IHC (Intermountain Health Care) was joined for ease of buying supplies, for help in paying for malpractice insurance, for management purposes and for negotiating with IPP. Mr. Bishop stated that the hospital district board, and not IHC, sets hospital policy.

County Steven Jackson explained that there are two methods of appointing board members, either by election or by appointment, and the method used is determined by the county commissioners.

Mr. Newel Knight inquired about investments made by the West Millard Hospital. Mr. V. Bishop introduced the hospital auditor, Ted Stagg and asked Mr. Stagg to give a history of a charitable remainder trust entered into by the hospital.

Mr. Stagg stated: "In 1965 the shares of stock of the sheep company were made available to the hospital. That land and livestock company was liquidated and the proceeds from that liquidation created the corpus of the trust fund at that time. The trust fund was created, I believe in September of 1965. The trust agreement provided that there were 7 beneficiaries of that trust fund, each who were to be paid an amount based on a cost of living index all of their lifetime. Upon their death, their interest as beneficiaries of the trust fund would revert to West Millard Hospital. In response to the question about investments, I believe, when the money was first made available to the board of trustees in 1965, a decision was made to invest $\frac{1}{2}$ of the money in mutual funds and $\frac{1}{2}$ in real estate. An office building was bought in Salt Lake. The building was owned and operated by the trust fund for a number of years and sold in 1978 or 1979. The investment portfolio of that trust fund has been in mutual bonds, various common stock, treasury bills, real estate investment and has changed over the years as dictated by the board of trustees administering. The total assets of the trust fund on the audit report prepared, as of December 31, 1982 were \$780,000.00. The trust fund as it originated in 1965, amounted to \$564,000.00. A substantial amount of money has been paid to those trust fund beneficiaries over the years, by the trust fund and, or the hospital. The obligation as dictated in that trust agreement was that until those beneficiaries die, the trust fund has an obligation to pay them on a quarterly basis. Each of the

charitable remainder trusts, 7 beneficiaries, each had a dual beneficiary. They were to be paid from the proceeds of the trust fund through the lifetimes of the dual beneficiaries and were paid 6% interest on the amount that they put on. That had to be adjusted annually by a cost of living index until it reached a ceiling of 10%. I believe that since approximately 1963, that county ordinances provide that where counties are owning assets or contributing money to the operations of organizations like the hospital, they have been required to have an audit. I know that your hospital has been audited. Our auditing firm has audited the hospital and the trust fund from 1970 through 1980."

The Mayor stated that the city has requested that the county review the audits and other documents and County Commissioner Styler agreed that this would be done.

The City Attorney reported that the city council has directed the mayor, who solicited the help of the city administrator, the city auditor and the city attorney, to look into the effect of the city joining the hospital district formally. The city review of the financial statements and other materials has reached a point at which the city has turned all of those materials over to the county. Those things will be carefully reviewed and a public report will be made available, possibly by the county and the hospital district.

The citizens were asked if the city should proceed and adopt the resolution? It was determined that the city should be a part of the hospital district, but not at this time.

The Mayor adjourned the hearing at 7:52 p.m.

Grant S Nielson

Mayor Grant S Nielson

Dorothy Jeffery
City Recorder Dorothy Jeffery

MINUTES OF A REGULAR CITY COUNCIL MEETING HELD MARCH 7, 1983

PRESENT:

Grant S Nielson
Max Bennett
Don Bird
Don Dafoe
Ruth Hansen
Willis Morrison

Mayor
Council Member
Council Member
Council Member
Council Member
Council Member

OTHERS PRESENT:

Vance Bishop
Warren Peterson

City Administrator
City Attorney