

1 Minutes of the Centerville City Council **work session** held Tuesday, May 30, 2017 at 5:50 p.m.
2 in the Centerville City Council Chambers, 250 North Main Street, Centerville, Utah.

3
4 **MEMBERS PRESENT**

5
6 Mayor Paul A. Cutler

7
8 Council Members Tamilyn Fillmore
9 William Ince
10 Stephanie Ivie
11 George McEwan
12 Robyn Mecham

13
14 **STAFF PRESENT**

15 Steve Thacker, City Manager
16 Lisa Romney, City Attorney
17 Jacob Smith, Assistant to the City Manager
18 Katie Rust, Recording Secretary
19 Marcus Arbuckle, Keddington & Christensen

20 **FY 2018 BUDGET**

21
22 Marcus Arbuckle presented fund balances as of April 30, 2017. The Cemetery
23 Perpetual Care Fund (PCF) is set up, and the Storm Drain Capital Improvement Fund has been
24 combined with the Drainage Utility Fund. He explained that monthly reports have been
25 reformatted with a reference to the Caselle accounting system, with the intent that every line on
26 the monthly reports will match the corresponding line in the accounting system. Lisa Romney,
27 City Attorney, commented that State statute dictates the City Council is to receive monthly
28 financial reports and detailed quarterly reports.

29
30 The Council and staff discussed negative balances in the Telecom and Sanitation
31 Funds, with direction to staff to research the causes. Councilwoman Fillmore suggested it
32 would be helpful if monthly reports indicate how much of the fiscal year has elapsed as a
33 percentage. She also asked if a loan system has been set up between the RAP Tax Fund and
34 Park Impact Fee Fund for the Community Park Expansion so that impact fees can pay back the
35 RAP Tax Fund for the project over time.

36
37 City Manager Thacker explained transfers to and expenditures from the Capital
38 Projects/UTOPIA Fund (renamed UTOPIA Projects Fund). Councilwoman Fillmore stated she
39 would appreciate a more detailed breakout on the revenue summary page of the monthly report
40 for the General Fund. Mr. Arbuckle responded he can put a little more detail on the summary
41 page, with a complete breakout later in the report. The Council discussed ongoing reporting of
42 fixed assets purchased and sold by the City.

43
44 Mr. Thacker said he estimates expenditures over revenues in the General Fund at the
45 end of FY 2017 will be \$50,000-\$100,000. The Council agreed it would be helpful to add a
46 column to the summary page of the monthly reports that reflects the period total. Councilman
47 McEwan commented that he views delinquent property tax owing as a measure of hardship in
48 the community, and said he would like to see a separate value for delinquent property tax in the
49 reports.

50
51 Mr. Thacker explained the tax increment reporting process through the County. He
52 explained that Jason Burningham has been involved in generating a report of the four current
53 tax increment agreements and what has happened since they became effective. Councilwoman
54 Fillmore said she is glad to hear an analysis is being done, and she hopes an analysis will take
55 place annually.

1 Councilwoman Fillmore said she remembers the former Finance Director expressing the
2 opinion that the County undervalued growth in Centerville RDA areas, and she remembers that
3 he fairly recently reported an adjustment had taken place at the County. She asked if it would
4 be possible to confirm that the valuation was adjusted. Mr. Thacker explained that the tax
5 increment haircut for the Parrish Lane Area in FY 2018 will reduce from 70% to 60%, and
6 discussed tax increment estimates in the FY 2018 Proposed Budget with the Council.
7 Councilwoman Fillmore said she feels the City should start looking at being prepared to fund
8 betterments when the overpass is redone by UDOT.
9

10 Mr. Thacker provided a report of RDA "Gap" Revenue and Transfers for FY 2016 and FY
11 2017 (attached), showing a projected unrestricted cash/fund balance of \$65,089 at the end of
12 June 2017. He encouraged the Council to not demand repayment of the extra \$15,000 paid by
13 the City to Salmon immediately, but allow repayment over time. Mayor Cutler said he would feel
14 fine deducting the \$15,000 from next year's increment payment to Salmon, but he does not feel
15 there is any reason to give longer. Councilwoman Fillmore emphasized the need to document
16 what happens for future reference. A majority of the Council indicated support for deducting the
17 \$15,000 from next year's payment.
18

19 Mr. Thacker stated that, in trying to maximize the funds available for street maintenance,
20 and given the projected positive RDA balance, he does not recommend any of the proposed
21 transfers to the Transportation Fund. Councilwoman Fillmore said that, considering the
22 upcoming property tax increase discussions, she would feel comfortable transferring the
23 expenses to the Transportation Fund to better show the City's need for street maintenance
24 funds. Mr. Thacker recommended scheduling a RDA/ACB meeting on June 6th prior to the
25 regular Council meeting to review and approve the proposed actions. A mechanical engineer
26 will also be present to explain the needs of the Performing Arts Center HVAC system.
27

28 Mr. Arbuckle reported that RAP Tax fund transfers are scheduled to take place every
29 three months for CenterPoint, and a similar transfer schedule will be set up for the Whitaker
30 Museum account. Mayor Cutler mentioned the request for RAP Tax funds from the Bountiful
31 Davis Arts Center (BDAC) and Summerfest. Mr. Thacker pointed out that the City has not yet
32 established an application process for RAP Tax funds. The Mayor suggested the Council leave
33 the \$500 in the FY 2018 Budget for Summerfest, and a majority of the Council appeared to
34 agree. Councilwoman Fillmore pointed out that BDAC provides a service for many citizens that
35 is not provided in Centerville, and she would be comfortable increasing the donation to \$1,000
36 in acknowledgment of that service. A majority of the Council indicated a desire for clarification
37 regarding Bountiful RAP Tax donations to CenterPoint.
38

39 Mr. Arbuckle reported that \$37,000 has been transferred into the Perpetual Care Fund
40 (PCF). Mr. Thacker recommended the Council allow cemetery revenues to continue to go the
41 General Fund in the current fiscal year, but in the next fiscal year allow all cemetery care funds
42 to go directly to the PCF. Councilman McEwan commented that continuing the PCF seems
43 pointless since it will never be able to meet the needs for which it was created. Councilwoman
44 Ivie suggested changing the name to the Cemetery Care Fund. Ms. Romney pointed out the
45 PCF will still have a purpose since the City will continue to collect funds for cemetery care at
46 time of burial. Councilwoman Fillmore stated that future Councils may have money they want to
47 add to the PCF. The Mayor and a majority of the Council expressed a desire to capture and
48 code the funds correctly as soon as possible. Councilman Ince proposed leaving 10%-50% in
49 the General Fund. Mayor Cutler commented that this is a tight budget year, and the City needs
50 to be able to fund maintenance. The Council confirmed the desire to begin recording cemetery
51 care funds in the PCF in the current year.

1 Mr. Thacker reported that more Class C funds will be received than previously expected.
2 Councilman McEwan compared the budget to a moving target at this point, and asked about the
3 last possible day the Council can adopt the final budget. He said he would like to make sure the
4 Council has done its due diligence considering the upcoming proposed property tax increase
5 discussions. Councilwoman Fillmore commented that the property tax increase will not be
6 enough to really take care of the City's needs; rather, it will be a number the Council thinks will
7 be palatable to the community. Mr. Thacker provided a projection of annual streets costs
8 (attached). Councilman McEwan stated that the property tax increase has to happen, and he
9 wants the City fund balance numbers to be as accurate as possible when discussing the
10 appropriate increase amount. Mr. Thacker suggested Jake Smith prepare a report of what he
11 learned from UDOT and ULCT about Class C revenue estimates.
12

13 The Council has a public hearing for the FY 2018 Proposed Budget scheduled for June
14 6th. Ms. Romney advised the Council that a decision regarding the proposed property tax
15 increase needs to be made by June 6th because the Council is already behind on messaging
16 and public outreach. An ordinance or resolution setting the levy should be certified by the City
17 Recorder and sent to the County Auditor by June 15th. Staff will attend a meeting and obtain
18 more information regarding the truth in taxation process on the morning of June 6th. Council
19 members Ivie and Ince stated there will definitely be a property tax increase, but they cannot yet
20 say what the increase will be. Ms. Romney suggested it could be to the Council's advantage to
21 save the tax increase announcement until after the budget public hearing, so that comments at
22 the public hearing in June are focused on the Tentative Budget. Councilwoman Fillmore
23 pointed out that the Council is unanimous in believing a property tax increase is needed, which
24 she believes sends a strong message to the community. Ms. Romney clarified that the action
25 the Council would take on June 6th is directing staff to begin the truth in taxation process. A
26 County mailer regarding tax increases will be distributed after June 22nd, and the City can hold a
27 public hearing for the proposed property tax increase between August 4th and 15th. She advised
28 the Council to hold a special meeting on August 8th for the public hearing, and make a final
29 decision on August 15th. Ms. Romney added that State statutes allow truth in taxation and final
30 budget public hearings to take place on the same night. Council members Ivie and Fillmore
31 said they agree with the suggestion to hold the public hearing for the Tentative Budget before
32 announcing the proposed property tax increase. It was suggested that a link be placed on the
33 City website to an informational video put together by the County.
34

35 Mr. Thacker commented that the FY 2018 Tentative Budget shows revenues greater
36 than expenditures. However, he suggested it might be a good idea to relabel the revenues over
37 expenditures as "funds yet to be allocated" to show revenues and expenditures as equal. Ms.
38 Romney suggested staff could prepare a list of proposed revisions to the Budget to present with
39 the Tentative Budget prior to the public hearing. A majority of the Council appeared to agree
40 with Mr. Thacker's suggestion to relabel revenues over expenditures as "funds yet to be
41 allocated".
42

43 ADJOURN AND CLOSED MEETING

44
45 Mr. Arbuckle left the work session at 8:19 p.m. At 8:20 p.m., Councilwoman Ivie made a
46 **motion** to move to a closed meeting in the Council chambers to receive legal advice from the
47 City Attorney. Councilman Ince seconded the motion, which passed by unanimous vote (5-0).
48 In attendance at the closed meeting were: Paul A. Cutler, Mayor; Council members Fillmore,
49 Ince, Ivie, McEwan, and Mecham; Steve Thacker, City Manager; Lisa Romney, City Attorney,
50 Jacob Smith, Assistant to the City Manager; and Katie Rust, Recording Secretary.

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Marsha L. Morrow
Marsha L. Morrow, City Recorder

6-30-2017
Date Approved

Katie Rust
Katie Rust, Recording Secretary



Annual Streets Cost

\$/sf		50 years	75 years	100 years	150 years	200 years
\$0.08	Crack Seal	\$64,621	\$64,621	\$64,621	\$64,621	\$80,776
\$0.25	Slurry Seal	\$201,939	\$201,939	\$201,939	\$201,939	\$252,424
\$2.00	Overlays	\$403,878	\$538,505	\$605,818	\$673,131	\$302,909
\$9.00	Rebuilds	\$1,817,453	\$1,211,635	\$908,726	\$605,818	\$454,363
	TOTAL	\$2,487,891	\$2,016,699	\$1,781,104	\$1,545,508	\$1,090,472

Davis County Cities who have had a Property tax increase by TNT

Clearfield City	2016 to maintain property tax rate
Fruit Heights	2015
Kaysville	2014
Sunset City	2010
Syracuse	2007 – they are going to discuss whether to do one this year
West Point	2016 – they have had one every year since 2011 except for 2012 & 2013
Woods Cross	2016
Clinton	2014 – 25% for roads
North Salt Lake	2016
West Bountiful	2011
Farmington	2003
Bountiful	2001

DC Cities who have never had a property tax increase through TNT

Layton City

RDA "Gap" Revenue and Transfers - FY16 & FY17 YTD

Combined Cash/Fund Balance (4/30)	\$	568,815	
Restricted Cash (4/30)	\$	(524,941)	
Reverse net impact of 2 deposits and DS payment	\$	88,263	
Bountiful City RAP Tax payment	\$	79,309	
UDOT refund of deposit	\$	107,869	
	\$	<u>319,315</u>	
Transfer RDA exp to TRF	\$	89,311	
Transfer RDA exp to DUF	\$	67,975	
Subtotal Transfers	\$	157,286	(see detail below)
Adjusted Unrestricted Cash/Fund Balance	\$	476,601	

May & June Expenses/Obligations

Tax Inc to Dayton-West (MTC)	\$	(150,757)
Tax Inc to Legacy Crossing Theater, et. al	\$	(146,159)
Tax Inc to Land Rover	\$	(31,029)
Maverik Trailhead Cost-share	\$	(45,000)
Professional Services	\$	(5,000)
Remainder of Admin Service Charge	\$	(28,567)
Gala	\$	(2,500)
FEA Engineering	\$	(2,500)
Subtotal May/June Obligations	\$	<u>(411,512)</u>

Projected Unrestricted Cash/Fund Balance \$ 65,089

Transfer Details

Proposed Transfers		TRANSFER TO:	CURRENT ACCOUNT
FPS Northern Utah - Fire Protection Service	\$ 1,085.00	TRF From 09/01/15 to 5/26/2017	PROFESSIONAL SERVICES
Harris Service	\$ 970.00	TRF	PROFESSIONAL SERVICES
Bankcard Center (both FPS Northern Utah)	\$ 721.00	TRF 1/11/2017, 3/10/2017	PROFESSIONAL SERVICES
Water Damage	\$ 17,879.77	TRF 3/02/2017-4/24/2017	TRF-ELIGIBLE EXPENSES
Reimbursement for Water Damage	\$ (3,239.77)	TRF 3/27/2017	INSURANCE REIMBURSEMENT
FEA ENGINEERING ASSOCIATES LLC	\$ 10,345.00	TRF 07/09/2015-01/04/2016	ENGINEERING-(DCPA HVAC)
South Davis Sewer	\$ 1,320.00	TRF 07/01/2015-01/01/2017	MISC SUPPLIES
Deuel Creek Irrig	\$ 1,715.27	TRF 04/07/2016, 04/06/2017	MISC SUPPLIES
REALLOCATE INS PREMIUMS (property ins)	\$ 3,713.84	TRF 7/31/2015	INSURANCE
MORETON & COMPANY (property ins)	\$ 12,654.00	TRF 7/1/2016	INSURANCE
Harris Service (already authorized 10/20/15)	\$ 40,758.02	TRF 10/09/2015 - 4/14/2016	SDPAC Project (DCPA)
Alpha Graphic (Pole banner mod)	\$ 1,389.31	TRF 11/23/2106	SDPAC Project (DCPA)
ESI Engineering	\$ 22,509.80	DUF 07/09/2015-05/04/2017	Barnard Creek Culvert
Various Suppliers	\$ 45,465.05	DUF 07/08/2016-05/09/2017	Barnard Creek Culvert
Total	\$ 157,286.29		
Other Eligible Transfers			
ESI Engineering - Parrish Ln Corridor Traffic Study	\$ 8,080.00	Transp. Func 09/28/2016-04/10/2017	ENGINEERING-MARKETPLACE
ACME Construction	\$ 4,203.00	Transp. Func 10/17/2016	RDA IMPROVEMENTS
UDOT	\$ 9,135.38	Transp. Func 01/27/2016 and 10/12/2016	1250 & Parrish Intersection
Total	\$ 21,418.38		