Minutes of the Centerville **City Council** meeting held Tuesday, May 20, 2014 at 7:00 p.m. in the Centerville City Hall Council Chambers, 250 North Main Street, Centerville, Utah.

MEMBERS PRESENT

Mayor	Paul A. Cutler
Council Members	Ken S. Averett Tamilyn Fillmore John T. Higginson Stephanie Ivie Lawrence Wright
STAFF PRESENT	Steve Thacker, City Manager Lisa Romney, City Attorney Jacob Smith, Management Assistant Kevin Campbell, City Engineer Katie Rust, Recording Secretary
STAFF ABSENT	Blaine Lutz, Finance Director/Assistant City Manager
VISITORS	Fred Philpot, Lewis Young Robertson & Burningham Interested citizens (see attached sign-in sheet)

PLEDGE OF ALLEGIANCE

PRAYER OR THOUGHT Councilman Lawrence Wright

YOUTH CITY COUNCIL

Lisa Summers, Youth Council Advisor, introduced the eight outgoing Youth Council members and recognized them for outstanding service: Brooke Larsen, Nena Fillmore, Samantha Kimball, Rebekah Cutler, Mikell Wilcox, Melissa Noble, Melissa Arnold, and Hope Newman. Brooke Larsen, Youth Mayor, reported on the Youth Council's 2013-2014 activities.

SUMMERFEST

Emma Dugal, representing the Bountiful Davis Arts Council, gave a visual presentation highlighting Bountiful Davis Arts Council 2013 activities, and invited Centerville residents to attend the Summerfest activities scheduled for August 6th-9th this year. Ms. Dugal expressed appreciation for Centerville's continued support of the festival.

OPEN SESSION

Dale McIntyre – Mr. McIntyre stated he feels the 2004 vote to commit Centerville to UTOPIA was done without a whole lot of input from the citizens of Centerville. He continued that the Council is now considering the Macquarie proposal, asking citizens to commit $18-20 per month in a utility fee, with a promise that it will increase. He stated he does not think having only an eleven-member citizen committee comment to the Council is appropriate.

Mayor Cutler responded that the Council welcomes additional input. A public question-and-answer open house will be held regarding UTOPIA and Macquarie on June 5th at 7:30 p.m. The Council will also hold a formal public hearing on June 17th, which he expects will be well attended. He remembers the original UTOPIA decision involving extensive public involvement over many months. The upcoming utility bill will contain an invitation to the June 5th open house and information about the June 17th public hearing.

Patricia Hedrick – Ms. Hedrick asked if there are alternatives to the Macquarie partnership. She suggested Centerville take over the debt itself, with citizens paying a "debt expense" of $10 per month, as an alternative to outsourcing to Australia. She said she is not sure of the legality of charging citizens a fee for services they are not currently choosing to receive. Ms. Hedrick expressed the concern that Centerville could go bankrupt and she does not want to lose the City. She asked if there is a deadline for the Council's decision regarding Macquarie.

Mayor Cutler responded that no written alternatives have been received at this time, but he expects alternatives to eventually come from the private sector. The UTOPIA Finance Committee is studying the feasibility of a city separating itself from the other UTOPIA cities and what its relationship to the other cities would be. The Mayor added that Provo has done what she suggested with its debt expense, and it is an option the Council can consider. Macquarie's responses to the questions submitted by the City are available on the City website. June 26th is the deadline to decide if Centerville will continue to associate with Macquarie.

Lisa Sommer – Ms. Sommer, Director of the Whitaker Museum, reported on the success of the tea party held on Mother's Day weekend at the Whitaker Museum.

William Ince – Mr. Ince asked if the citizen advisory committee formed to discuss and advise the Council regarding the Macquarie proposal will continue to meet through further phases of the process.

Mayor Cutler responded the Committee will be reporting to the Council on June 3rd. He added that if the arrangement seems to function well he would be in favor of asking the Council to allow the citizen committee to continue working on the issue.

MINUTES REVIEW AND ACCEPTANCE

The minutes of the May 6, 2014 work session and regular City Council meeting were reviewed. Councilwoman Fillmore made a **motion** to approve both sets of minutes. Councilman Higginson seconded the motion, which passed by unanimous vote (5-0).

SUMMARY ACTION CALENDAR

a. Commence warranty period for MTC Lot 2 Amended Subdivision
b. Commence warranty period for Chitose Johnson Subdivision
c. Consider Assignment Agreement between the City and Wal-Mart Real Estate Business Trust regarding Lot 1 of the Centerville Wal-Mart Subdivision and Planned Center

Councilman Averett made a **motion** to approve all three items on the Summary Action Calendar. Councilman Higginson seconded the motion, which passed by unanimous vote (5-0).

PROPOSED MACQUARIE/UTOPIA PUBLIC PRIVATE PARTNERSHIP

Mayor Cutler suggested the possibility of holding the public hearing on June 17th at the nearby elementary school if a large group of attendees is anticipated. He emphasized that the decision before the Council is whether or not to move forward with negotiations (i.e. to Milestone Two), not whether or not to impose a utility fee. Councilwoman Fillmore responded that attendance at the June 5th open house could help indicate the number of citizens to expect at the public hearing. Council members Ivie, Higginson, and Wright expressed support for holding the public hearing at City Hall. The Council discussed the desired format for the open house.

Mayor Cutler reported that at a recent meeting of UTOPIA mayors, about half of the mayors expressed confidence that their cities will move forward to the next phase. Mayor Cutler responded to a question from Councilwoman Ivie explaining that if a city decides to back out after moving forward with Milestone Two, it will be responsible to the other member cities for its portion of the Milestone One expense. Cities that decide to move forward with Milestone Two will be required to put 25% of the Milestone One expense in escrow. Councilwoman Fillmore stated she would like more details regarding Macquarie's economics and where their revenue would come from in the partnership. The Mayor responded that Macquarie will make money through the utility fee as long as they deliver the service as agreed. Division of the revenue from up-selling will be negotiated during Milestone Two. Macquarie has suggested a 30% up-selling take-rate as the baseline for success. The target would be a 50% uptake rate. If the network is not delivered as guaranteed, utility fees could be discounted. The way Macquarie has written the proposal, a lot of the risk is on the ISPs to perform. The Mayor explained possible profit-sharing models that have been discussed by the cities, and the fact that the different cities will be attracted to different models. Councilman Wright stated he is deeply concerned about getting involved in a utility fee model with the City functioning as collector. He also expressed concern with Macquarie's guaranteed profit through increases in the utility fee over time. Councilwoman Fillmore stated she feels it will be important to stress that the utility fee would make it possible for a majority of the community to save money and would put the City in a better financial position. Councilman Wright added that being trapped in a 30-year commitment regarding the utility fee also needs to be communicated.

The Council agreed to continue the discussion later in the meeting.

IDLE FREE ZONE CONCEPT

Councilwoman Fillmore introduced Becki Wright, a representative of the PTA at Stewart Elementary. Ms. Wright gave a presentation regarding the negative effects of idling vehicles. She recommended the Council authorize staff to:

(1) give permission for idle free signs to be placed on public property in the city;
(2) adopt a City-wide resolution in support of the initiative;
(3) educate the public by promoting benefits of being idle free in the City newsletter;
(4) allow signs to be posted in other drive-through locations throughout the city.

The signs that state "turn your key be idle free" are provided by Utah Clean Cities at no cost to the city. Councilman Wright stated he is in favor of any initiative that would benefit the community through education, as long as it does not involve an ordinance that would force citizens to comply. The Mayor expressed support for all four suggestions. Councilwoman Fillmore suggested Ms. Wright talk to businesses in the city as part of the education effort. Councilman Wright suggested the City draft a resolution as a show of support, but remain

sensitive to businesses that rely on drive-through business. The Mayor stated he would be willing to sign a letter expressing the Council's support of the initiative to distribute to businesses. Councilwoman Ivie mentioned that a lot of the idling at elementary schools is from parents waiting to pick students up in extremely cold or hot weather. Ms. Wright responded the signs may encourage parents to consider and accept a level of discomfort to save money and improve air quality. Mayor Cutler recommended the City Council accept items 1-3, with item 4 to come over time.

Councilwoman Fillmore made a **motion** to support items 1-3 as suggested by Becki Wright and direct staff to prepare a resolution, as well as a letter to the school district. Councilman Wright seconded the motion, which passed by majority vote (4-1), with Councilwoman Ivie dissenting. It was suggested that October would be an effective time to put an insert in the City newsletter.

FINANCIAL REPORT

City Manager Thacker presented a financial report for the period ending April 30, 2014, prepared by Blaine Lutz, Finance Director.

At 8:47 p.m. the Council took a short break and resumed at 8:54 p.m.

DRAINAGE SYSTEM IMPACT FEE AND RATE STUDY

Fred Philpot of Lewis Young Robertson & Burningham highlighted changes made to the study and proposed impact fee and drainage utility rate since the presentation and discussion held on May 6th. He presented a proposed impact fee with and without inflation. Mr. Philpot suggested that, if the impact fee without inflation is adopted, the impact fee be updated regularly to reflect changes in costs and inflation. The Council discussed the two options.

Councilwoman Fillmore made a **motion** to direct staff to move forward with documentation required for an impact fee without inflation of $3,911 per acre. Councilwoman Ivie seconded the motion, which passed by unanimous vote (5-0).

Mr. Philpot explained that the pricing objectives for the utility rate were changed by adding an assumption of equalized allocation of debt service and 90 days of working capital. He presented three possible rate scenarios:

Scenario 1: No rate increase
Scenario 2: One-time 41% rate increase (no debt)
Scenario 3: Staggered increase of 20% in year one and 14% in year two, with annual inflation increase (no debt)

The Council and staff discussed the proposed scenarios and the scheduled drainage capital improvement projects. Kevin Campbell, City Engineer, stated that most of the projects planned for the next five years focus on preparing for Main Street to be overlaid. Projects related to I-15 are planned for 10-15 years out. He emphasized that timing the projects to coincide with UDOT projects allows the City to take advantage of cost-sharing. Mr. Philpot reminded the Council that the goal would be to complete the proposed project list with either scenario.

Mayor Cutler stated he is not sure he would support such a large one-time rate increase. He would be more in support of a 20% increase in the first year with an annual 3% increase in following years. Council members Wright, Higginson, and Ivie expressed support for a one-time increase. Councilman Wright argued that at the end of the six-year period, citizens pay less under the one-time increase scenario. Councilman Averett expressed support for the staggered increase with an annual inflation increase, arguing that it would be easier on the commercial owners, with a minimal residential impact.

Councilwoman Fillmore made a **motion** directing staff to prepare documentation regarding Scenario Two and Scenario Three to present to citizens in the Budget Newsletter. Councilwoman Ivie seconded the motion. Councilman Wright asked the City Manager to include an invitation for public comment via email in the Newsletter. Councilwoman Ivie added that the names of citizens commenting should be required in the comment emails. The motion passed by unanimous vote (5-0).

MAYOR'S REPORT

Mayor Cutler explained that the funding received from the County by the Fire Agency for paramedic services does not cover the cost of providing paramedic services, and is not equitable across the various entities providing services. The Fire Agency Board has asked the County to adequately fund paramedic services. The Mayor stated he feels it is in the City's best interest to encourage the County to help solve the paramedic services funding problem. Councilman Wright suggested increasing the fee paid by users of the paramedic services. Councilman Averett expressed concern that the response time of paramedic services is increasing due to insufficient ambulances and paramedics.

CITY MANAGER'S REPORT

- Mr. Thacker reported that work on the Parrish/Main Intersection Project will cease by noon on July 3rd to accommodate the 4th of July celebration.
- Mr. Thacker recommended that the pedestrian walkway over I-15 scheduled to be added at Parrish Lane should have a covering to improve usability and safety during winter months, and to eliminate need to clear snow, noting that snow removal would be problematic if not covered. The project budget includes a small amount for aesthetics, but the City would need to pay for roofing or upgrades in fencing. The pedestrian walkway will be within the RDA area, and the Council discussed the possibility of paying for upgrades with RDA funds. Staff will prepare upgrade options to present to the Council.
- City Manager Thacker asked Council members to spend time on Parrish Lane during the day and at night in the next month observing what they like and don't like about the Parrish Lane corridor, and be prepared to report what they would like to see happen on Parrish Lane long-term. This initial input would be the beginning of staff's analysis of lighting in this corridor, but staff would like the Council to look at the bigger picture as a beginning.

MISCELLANEOUS BUSINESS

- Councilwoman Fillmore reported on an opportunity available to Centerville officials with Wasatch Front Regional Council (WFRC) to participate in two "Complete Streets" training workshops. She stated it will allow the City to accomplish a goal the City has had for some time with less staff time than would otherwise be involved. Councilwoman Fillmore added that she feels having the WFRC's stamp of approval

will give Centerville an edge in working with UDOT. City reps will also attend another workshop about street design to be held on July 1st. The City Manager will send information about the July 1 workshop to the entire City Council.

- Councilman Wright stated he feels it would be helpful to continue the practice of using social media to notify the community of possible high winds.
- Councilman Wright requested that a future agenda include an update from the Citizen Corps Council. Mayor Cutler responded he would like Council members to report on their responsibilities quarterly.
- Councilwoman Ivie stated she was recently approached by a citizen concerned that Centerville recycling was being dumped at the general landfill. The citizen had observed an Ace truck dumping at the Layton landfill. Councilman Higginson responded that Centerville's contract with Ace specifies that Centerville recycling goes to Salt Lake County. Centerville is not the only municipality that has contracted with Ace. The Mayor suggested that if the citizen wrote down the truck number, staff could research where that particular truck had been collecting.
- Councilwoman Ivie reported the Trails Committee is concerned about erosion caused by ATV users on the hillside. The Committee intends to put up more signs to try to limit erosion.

APPOINTMENTS

Mayor Cutler reported that Brian Holman has resigned from the Planning Commission. The Mayor nominated William Ince to serve on the Planning Commission. Councilman Wright made a **motion** to appoint William Ince to the Planning Commission. Councilman Higginson seconded the motion, which passed by unanimous vote (5-0). The Mayor added that there is one opening on the Board of Adjustments and one opening on the Parks and Recreation Committee.

CONTINUED MACQUARIE/UTOPIA DISCUSSION

The Council closely reviewed portions of the Macquarie proposal regarding payment. Lisa Romney, City Attorney, suggested that as the cities come up with their own models for collecting the utility fee, it would make sense for them to all have a similar or uniform ordinance to prevent the smaller cities from being open to individual law suits. She added that each city would be able to come up with its own exclusions for hardship, but should remember that the other citizens will be paying for those exclusions. The Council discussed the need for more detail regarding performance driven payment. Councilman Wright expressed a desire to understand the debt liability to the cities if Macquarie backs out at any time, and also expressed concern that there would not be a regulatory entity to monitor Macquarie's performance and increases in the utility fee. Mayor Cutler stated it is his understanding that a new interlocal agreement would be put in place. Councilman Wright stated it is his understanding that if the uptake rate is not high enough, the utility fee could be raised. Councilwoman Fillmore added she understood that the utility fee and the rate of increase would be set in the contract. Councilman Wright responded that in addition to the set rate of increase there are several conditions that would lead to an increase in the utility fee. Ms. Romney stated she did not remember any mention of a utility fee increase linked to the take rate.

Councilwoman Ivie expressed disapproval that Macquarie does not seem to have any risk in the partnership. Mayor Cutler responded that their risk lies in delivering on budget and on time. He agreed that the build and operating components do not have a lot of risk. The Mayor stated the risk is shifted to the wholesaler. There would be a lot of risk to the cities and the ISPs, and some risk for Macquarie related to the amount of wholesale revenue they would take. Councilman Wright pointed out that the citizens become the risk takers, and he does not like the idea of putting government in the role of collector. He stated that even though Centerville will be paying on the debt for another 27 years, the debt is a UTOPIA debt, and UTOPIA should be required to pay Centerville back. Councilman Wright said it is his understanding that if Centerville backed out, and other cities went forward with Macquarie, they would still provide Centerville with service. He feels there is something inherently wrong in forcing everyone to be connected whether they want it or not.

Councilman Wright suggested the UTOPIA Board should formally request proposals from other companies to fully represent the interests of the citizens. Mayor Cutler said that if Centerville chooses not to continue with Macquarie, and other cities do, Centerville will still be responsible for the debt payment, which increases 2% per year. The Council discussed the option of adding an assessment for debt payment to each citizen's utility bill.

Councilwoman Fillmore suggested the Council take into consideration what many citizens are willing to pay and already do pay for services every month and look at how much they would save with the Macquarie partnership. Council members Wright and Ivie disagreed. Councilman Wright said the Macquarie partnership would involve government making the decision for everyone. Councilwoman Fillmore said she would like data regarding what Centerville residents currently pay for services. She stated an important question is whether it should be considered basic, essential infrastructure. Councilman Wright countered that a lot of people use their phones as hotspots for internet access, and UTOPIA should not be considered the only option. Councilwoman Ivie argued that the internet is mostly used for entertainment, and is not life supporting or essential. She stated that many citizens are already struggling to pay for vital, essential utilities.

Mayor Cutler pointed out that many people view high-speed service as critical infrastructure for a high quality of life. He feels that both viewpoints can coexist. He pointed out that the City's drainage utility is expensive and provides benefit, but not everyone views it as essential. The Mayor stated he does not think the utility fee is the best approach, but there are not a lot of other options at this time. Councilman Averett asked if they know how much it would cost to walk away from the partnership and levy a utility fee to pay off the existing debt. He was answered it would cost approximately $8 per month per household. Mayor Cutler stated he believes there will eventually be a proposal that does not involve a utility fee. Council members Wright and Ivie emphasized they are not in favor of a ubiquitous utility fee. Mayor Cutler stated he would only entertain the idea of a utility fee if citizens gain a lot of benefit and the debt is taken care of creating a more stable financial situation. The details of the Macquarie partnership will be worked out in Milestone Two. To put the cost of the Macquarie study in perspective, Councilwoman Fillmore asked staff how much the City pays for independent consultant services. Mr. Thacker responded that the drainage study recently completed cost $20,000 for LYRB's services. Councilwoman Fillmore stated she would argue that this issue is even more important than the drainage study.

ADJOURNMENT

At 10:42 p.m. Councilwoman Ivie made a **motion** to adjourn the meeting. Councilman Wright seconded the motion, which passed by unanimous vote (5-0).

Marsha L. Morrow, City Recorder

6-3-14
Date Approved

Katie Rust, Recording Secretary

CENTERVILLE CITY, NC
1848
CORPORATE SEAL

CENTERVILLE CITY COUNCIL MEETING

Tuesday, May 20, 2014

7:00 p.m.

NAME (PLEASE PRINT)	ADDRESS**
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STEVE & TESSA ALLEN	133 E ROCK MANOR DR CENTERVILLE
Rick Bingham	290 E Casa Loma Dr.
Dale McDuffee	258E-2005.
William Ince	1148 N 300 East
Blane Roskelley	93N 100 E Centerville 84014
Lisa Sommer	2212 No. Main Cent
Pete Sommer	" " "
Shelli Kelley	1054 Hughes St Centerville
Becki Wright	290 W 1350 N 84014

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