



CENTERVILLE CITY

250 North Main • Centerville, Utah 84014 • (801) 295-3477 • Fax: (801) 292-8034

Incorporated in 1915

Mayor

Paul A. Cutler

City Council

Ken S. Averett

Tamelyn Fillmore

John T. Higginson

Stephanie Ivie

Lawrence Wright

City Manager

Steve H. Thacker

interoffice MEMORANDUM

to: Mayor Cutler
City Council
cc: Department Heads
Planning Commission
from: Steve H. Thacker, City Manager *S. Thacker*
subject: City Manager's Summary of June 17, 2014 Council Meeting
date: June 12, 2014

5:00 Budget Work Session – This work session will be a continuation of the discussion of the FY 2015 Tentative Budget. My staff report identifies the issues that need to be resolved or confirmed before adoption of the Final Budget. In addition to these issues, Council members may want to discuss other issues affecting the budget content. Please bring the handouts from prior budget work sessions as well as your Budget Notebooks. **Dinner will be available while we work.**

7:00 Regular City Council Meeting

D. Open Session – Chief Worsley will introduce the City's newest Police Officers, Doug Fackrell and Kael Jackson. He will also recognize Councilman Averett's recent graduation from the Davis County Citizen's Police Academy. Neal and Ken would like to invite other elected officials, as well as Centerville citizens, to participate in this Academy in the future.

There may be other citizens who wish to speak during open session. In light of the time that will be required for the later public hearing on the Macquarie proposal, I recommend the Mayor try to keep comments during the open session limited to the two minutes per person as stated on the agenda, and if their comments pertain to the Macquarie Proposal, ask them to hold those until the later public hearing.

E.1. Waterline Bid Award – This is a waterline to provide culinary water to the new Woods Park residential subdivision at the corner of Lund Lane and Frontage Road. The developer pays the full cost of this waterline.

E.2. FY 2014 Budget (current fiscal year) – As is normally done in June each year, staff recommend a few amendments to the current fiscal year budget. Several amendments were made earlier in the fiscal year, therefore, only three minor amendments are needed as recommended in the staff report by Blaine Lutz, Finance Director. State law requires, however, that before the Council can amend the budget, a public hearing be held on the proposed amendments.



- E.3. Ordinance Restricting Fireworks** – The South Davis Metro Fire Agency Chief recommends the City Council prohibit again this year the discharge of fireworks in an area along the eastern part of the city. He's recommending the same area that was restricted last year, which would be east of 400 East from Pages Lane to Chase Lane and east of Main Street from Chase Lane to the north city limits. The Council has a choice of either restricting fireworks in this area as a more permanent restriction or continuing to do so year-by-year. Staff have prepared documents to accomplish either outcome.
- E.4. UTOPIA/Macquarie Proposal** – As advertised in the recent utility bill insert, the City Council will hold a public hearing on the question of whether Centerville should participate in the Milestone Two Phase of the Macquarie proposal to create a Private Public Partnership with UTOPIA. Mayor Cutler has asked a Macquarie representative to make a brief presentation of their proposal (i.e., Milestone One) prior to the public hearing. The Centerville UTOPIA Fiber Utility Advisory Committee has also been asked to make a report and recommendation if they are ready to do so. The Mayor would then open the meeting to a public hearing. The agenda shows the possibility of the Council approving a Resolution to either opt in or opt out of Milestone Two. However, I anticipate the Council will likely postpone that decision to a special meeting held on Tuesday, June 24. All Council members have indicated they are available for a special meeting on that date.
- E.5. FY 2015 Budget** – State law requires the City adopt its Final Budget for FY 2015 no later than June 22. If that is to occur in a regular Council meeting, the last opportunity to do so is June 17. The agenda identifies the several actions needed to be taken by the Council to accomplish this task, including: adopt the Certified Tax Rate; approve the compensation plan for City employees; approve a salary increase for elected officials; approve compensation for the Justice Court Judge; and then finally adopt the complete budget. Before taking the final action of adopting the budget, the City Council may still need to discuss any issues that were not resolved in the budget work session held earlier in the evening.
- E.6. Minutes Review and Acceptance** – The minutes to be approved are enclosed.
- E.7. Mayor's Report** – Mayor Cutler may report on one or more matters.
- E.8. City Manager's Report** – I will update the Council on the Parrish & Main Intersection Project and possibly some other matters.
- E.9. Miscellaneous Business** – No specific topics are identified at this time under this heading.
- E.10. Closed Meeting, if necessary** – At this time I do not know of a need for a closed meeting, but the agenda allows for that possibility.
- E.11. Appointments to City Boards/Committees** – Mayor Cutler may recommend appointments to City boards and committees.
- 9:50 Adjourn to RDA meeting** – The City Council will need to adjourn to an RDA meeting to adopt the FY 2015 RDA Budget.

Mayor
City Council
Department Heads
Planning Commission
June 12, 2014
Page 3

***Potential Agenda Items for June 24 special City Council meeting and July 1 regular City Council Meeting
(subject to change):***

- Swearing-in of new Youth City Council members (June 24)
- UTOPIA/Macquarie Proposal—whether to participate in Milestone Two process (June 24)
- Drainage impact fee public hearing
- Review revisions to drainage rates study/recommendations
- RDA – consider funding upgrades to I-15 pedestrian bridge
- Beekeeping ordinance amendments
- Report from Cory re: fence permit idea
- Update re: West Side planning process

mlm

CENTERVILLE CITY COUNCIL AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE CITY COUNCIL WILL HOLD ITS REGULAR PUBLIC MEETING AT 7:00 P.M. ON TUESDAY, JUNE 17, 2014 AT THE CENTERVILLE CITY COMMUNITY CENTER AND CITY HALL, 250 NORTH MAIN, CENTERVILLE, UTAH. THE AGENDA IS SHOWN BELOW.

Meetings of the City Council of Centerville City may be conducted via electronic means pursuant to Utah Code Ann. § 52-4-207, as amended. In such circumstances, contact will be established and maintained via electronic means and the meeting will be conducted pursuant to the Electronic Meetings Policy established by the City Council for electronic meetings.

Centerville City, in compliance with the Americans With Disabilities Act, provides accommodations and auxiliary communicative aids and services for all those citizens in need of assistance, including hearing devices. Persons requesting these accommodations for City-sponsored public meetings, services, programs, or events should call Blaine Lutz, Centerville Finance Director, at 295-3477, giving at least 24 hours notice prior to the meeting.

A notebook containing supporting materials for the business agenda items is available for public inspection and review at City Hall and will be available for review at the meeting. Upon request, a citizen may obtain (without charge) the City Manager's memo summarizing the agenda business, or may read this memo on the City's website: <http://centervillepublic.novusagenda.com/>.

Tentative - The times shown below are tentative and are subject to change during the meeting.
Time:

5:00 Budget Work Session—Continuation of FY 2015 Tentative Budget

7:00 A. ROLL CALL

(See City Manager's Memo for summary of meeting business)

B. PLEDGE OF ALLEGIANCE

C. PRAYER OR THOUGHT

Councilman John Higginson

7:05 D. OPEN SESSION (This item allows for the public to comment on any subject of municipal concern, including agenda items that are not scheduled for a public hearing. Citizens are encouraged to limit their comments to two (2) minutes per person. Citizens may request a time to speak during Open Session by calling the City Recorder's office at 801-295-3477, or may make such request at the beginning of Open Session.) Please state your name and city of residence.

Presentation by Police Chief

- a. Introduction of new Police Officers
- b. Citizen's Police Academy

E. BUSINESS

- 7:10 1. Bid Award - Woods Park PDO Waterline**
Award bid to HD Supply in the amount of \$58,633.95 (includes tax) for materials and to Kapp Construction in the amount of \$77,739.75 for construction of the Woods Park PDO waterline

(OVER)

- 7:10 2. FY 2014 Budget (current fiscal year)
 a. Financial Report for period ending May 31, 2014
 b. Public hearing on proposed amendments
 c. Consider Resolution No. 2014-14 amending the FY 2014 Budget
- 7:20 3. Ordinance Adopting Restricted Area for Discharge of Fireworks
 Consider Ordinance No. 2014-12 Designating Restricted Area within
 Centerville City for the Discharge of Fireworks Due to Hazardous Environmental
 Conditions
- 7:30 4. UTOPIA/Macquarie Proposal
 a. Presentation by Macquarie representative
 b. Report from Citizen Advisory Committee
 c. Public hearing re: whether to proceed to Milestone Two of the
 Macquarie Proposal
 d. Consider alternative Resolutions to support or not support proceeding to
 Milestone Two of the Macquarie Proposal (Resolution No. 2014-18)
- 9:00 5. FY 2015 Budget
 a. Adopt Certified Tax Rate - Consider Resolution No. 2014-15
 b. Approve Ordinance No. 2014-10 adopting compensation plan for
 employees, including appointed employees
 c. Approve Ordinance No. 2014-11 adjusting elected officials
 compensation
 d. Adopt Resolution No. 2014-16 approving compensation for Justice
 Court Judge
 e. Discuss other budget issues
 f. Adopt Centerville City FY 2015 Budget of Funds - Consider Resolution No.
 2014-17
- 9:20 6. **MINUTES REVIEW AND ACCEPTANCE**
 June 3, 2014 work session and regular meeting minutes
- 9:25 7. Mayor's Report
- 9:35 8. City Manager's Report
 a. Parrish & Main Intersection Project Update
- 9:45 9. Miscellaneous Business
- 9:50 10. Closed meeting, if necessary, for reasons allowed by state law , including,
 but not limited to, the provisions of Section 52-4-205 of the Utah Open
 and Public Meetings Act, and for attorney-client matters that are
 privileged pursuant to *Utah Code Ann.* § 78B-1-137, as amended.
- 9:50 11. Possible action following closed meeting, including appointments to
 boards and committees

F. ADJOURNMENT

9:50 ADJOURN TO RDA meeting

(Items of Interest (i.e., newspaper articles, not items on agenda))

Marsha L. Morrow, MMC
Centerville City Recorder

CENTERVILLE CITY COUNCIL AGENDA

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Time:

- 5:00 Budget Work Session--Continuation of FY 2015 Tentative Budget
- 7:00 A. **ROLL CALL**
 (See City Manager's Memo for summary of meeting business)
- B. **PLEDGE OF ALLEGIANCE**
- C. **PRAYER OR THOUGHT**
 Councilman John Higginson
- 7:05 D. **OPEN SESSION (This item allows for the public to comment on any subject of municipal concern, including agenda items that are not scheduled for a public hearing. Citizens are encouraged to limit their comments to two (2) minutes per person. Citizens may request a time to speak during Open Session by calling the City Recorder's office at 295-3477, or may make such request at the beginning of Open Session.) Please state your name and city of residence.**
 Presentation by Police Chief
- E. **BUSINESS**
- 7:10 1. **Bid Award - Woods Park PDO Waterline**
 Award bid to HD Supply in the amount of \$58,633.95 (includes tax) for materials and to Kapp Construction in the amount of \$77,739.75 for labor for construction of the Woods Park PDO waterline
- 7:10 2. **FY 2014 Budget (current fiscal year)**

- a. Financial Report for period ending May 31, 2014
- b. Public hearing on proposed amendments
- c. Consider Resolution No. 2014-14 amending the FY 2014 Budget
- 7:20 3. **Ordinance Adopting Restricted Area for Discharge of Fireworks**
 Consider Ordinance No. 2014-12 Designating Restricted Area within Centerville
 City for the Discharge of Fireworks Due to Hazardous Environmental Conditions
- 7:30 4. **UTOPIA/Macquarie Proposal**
 - a. Presentation by Macquarie representative
 - b. Report from Citizen Advisory Committee
 - c. Public hearing re: whether to proceed to Milestone Two of the
 Macquarie Proposal
 - d. Consider alternative Resolutions to support or not support proceeding
 to Milestone Two of the Macquarie Proposal (Resolution No. 2014-18)
- 9:00 5. **FY 2015 Budget**
 - a. Adopt Certified Tax Rate - Resolution No. 2014-15
 - b. Adopt compensation plan for employees, including appointed employees -
 Ordinance 2014-10
 - c. Elected officials compensation - Ordinance No. 2014-11
 - d. Compensation for Justice Court Judge - Resolution No. 2014-16
 - e. Discuss other budget issues
 - f. Adopt Centerville City FY 2015 Budget of Funds - Consider Resolution
 No. 2014-17
- 9:20 6. **Minutes Review and Acceptance**
 Review and accept June 3, 2014 work session and regular City Council meeting
 minutes
- 9:25 7. **Mayor's Report**
- 9:35 8. **City Manager's Report**
 - a. Main & Parrish Intersection Project Update
- 9:45 9. **Miscellaneous Business**
- 9:50 10. **Closed meeting, if necessary, for reasons allowed by state law, including,
 but not limited to, the provisions of Section 52-4-205 of the Utah Open and
 Public Meetings Act, and for attorney-client matters that are privileged
 pursuant to Utah Code Ann. § 78B-1-137, as amended**
- 9:50 11. **Possible action following closed meeting, including appointments to boards
 and committees**
- 9:50 12. **Adjourn to RDA Meeting**

F. ADJOURNMENT

Items of Interest (i.e., newspaper articles, not items on agenda)

CENTERVILLE CITY COUNCIL

Staff Backup Report 6/17/2014

Item No.

Short Title: Budget Work Session--Continuation of FY 2015 Tentative Budget

Initiated By:

Scheduled Time: 5:00

SUBJECT

RECOMMENDATION

Discuss and resolve remaining issues pertaining to the FY 2015 Tentative Budget, prior to adopting the Final Budget later in the evening. Council members should bring handouts from the earlier work sessions--as well as their budget notebooks--to this work session.

BACKGROUND

The City Council has discussed a number of budget issues in prior work sessions, and held a public hearing on the Tentative Budget on June 3, as required by State law, which also requires adoption of the Final Budget no later than June 22. Therefore, June 17 is the last regular meeting in which adoption can occur.

The City Manager would like the City Council to confirm its position on the following matters:

- **Employee compensation** -- The City Manager's recommendations are reflected in the attached Salary Administration Guidelines. In the prior work session, he recommended adding an additional 0.5% funding for pay raises in addition to what was already in the Tentative Budget. This would be an additional cost of about \$17,000 to the General Fund, but would be offset by the approximately \$17,000 reduction in the funding needed for the employee insurance benefit package (final numbers came in after the Tentative Budget was adopted). In summary, the City Manager's recommendation regarding pay raises is to provide 2.5% to fund the "Meeting Expectations" category of the merit pay matrix in the Salary Administration Guidelines, and 0.5% to fund the recognition of outstanding performance as allowed in the Guidelines. The Guidelines also include a market adjustment of 2.0% to the pay ranges, but this does **not** translate into additional pay raise for the employees--it just increases the minimum and maximum of each pay range by 2%. Also note that--in response to a request by Councilman Wright in the June 3 work session--a statement has been added (highlighted in red) on the second page of the Guidelines pertaining to cost-of-living increases. The City Council needs to decide whether they agree with the addition of this statement.
- **Mayor and Council Salaries** -- In the June 3 public hearing, staff presented a recommendation of increasing the monthly compensation for the Mayor and each Council Member by \$200. The intent is for \$100 to come from General Fund and \$100 from the RDA, reflecting the fact that the elected officials are also RDA Board Directors. Ordinance No. 2014-11 under item #5 on the regular meeting agenda accomplishes this change. The total cost impact (including payroll-related taxes associated with pay increases) is about

\$8000 in both the General Fund and RDA Fund.

- **Police officer position** -- Does the Council agree to include funding for a new police officer position? Total cost estimate is \$68,000 for wages, benefits and related operating costs. Per the Council's request, Chief Worsley will attend the work session to review statistics that may support this request, and to discuss the idea of whether using part-time police officers is a viable alternative, as suggested by Councilman Wright.
- **Street maintenance funding** -- Does the Council agree to increase street maintenance funding by another \$80,000, as recommended by the City Manager? This would provide a total budget of \$750,000 in FY 2015 for this purpose.
- **Funding for other priorities** -- If the recommendations above are accepted, this would reduce the \$21,120 (General Fund) mentioned in the Tentative Budget as "available for other priorities" by \$8000 for the elected officials salary increase. How is the other approximately \$13,000 to be used? The City Manager recommends \$10,000 be designated for Centennial Celebration activities--yet to be determined. This would be in addition to the second \$10,000 shown in the Tentative Budget for the Centennial Book. The remaining \$3000 (approximately) could be added to the \$35,000 Contingency already included in the Tentative Budget.

Council members may have other budget issues they wish to discuss before adopting the Final Budget. If the work session does not allow enough time to resolve these, the Council will need to discuss and resolve such in the regular meeting later in the evening.

ATTACHMENTS:

Description

- D Salary Administrative Guidelines - FY 2015

CENTERVILLE CITY SALARY ADMINISTRATION GUIDELINES – FY 2015

The City's compensation program is designed to compensate employees fairly, to maintain a pay position which is competitive, and to reward for performance. To carry out this philosophy, the City seeks to establish salaries that are fair externally, internally, and individually.

External Fairness

External fairness means employees will be paid fairly compared to people doing comparable work in the local job market area. The City determines fairness by comparing its salaries for certain jobs, such as police officer or secretary, with the salaries other employers pay for those jobs. Those jobs are grouped into levels of pay called salary grades. Each salary grade is assigned a pay range. In order to achieve a competitive advantage in the job market, the City generally bases the midpoint of pay ranges on the third quartile of the midpoints of pay ranges for related jobs in the job market, although this is subject to change by the City Council.

To keep salaries in line with its job market target, the City adjusts its salary ranges using data from local market salary surveys. The salary ranges (i.e., the minimum and maximum of each pay range) that were in effect for FY 2014 will be increased for FY 2015 by 2.0 percent.

Internal Fairness

Internal fairness means that jobs equivalent in value to the City are assigned similar salary grade levels, regardless of the department involved. Each position's salary grade level is based on the job description for that position, so accurate job descriptions are essential. Supervisors should update job descriptions when job duties change significantly and should review them at least annually in conjunction with performance appraisals. If there is a significant difference between the job description and current duties, the supervisor and the employee should normally rewrite the description for review so the City Manager can determine if the job is assigned the correct salary grade level, subject to Council approval. A revised job description does not mean that the assigned salary grade will change, only that it will be reviewed.

Individual Fairness

Individual fairness means an employee will be rewarded for individual performance relative to that of his/her peers. Based on that performance, an employee can move to higher positions in the current salary range or, if the employee earns a promotion, a higher salary range.

Salary Ranges

The City has assigned each job a salary range, with a minimum, midpoint, and maximum salary. The salary range allows employees to receive different salaries based on performance appraisals, levels of experience, and labor market conditions.

Note the following features of salary ranges:

1. Currently the Council's intent is to base the midpoints of salary ranges on the third quartile of the midpoints of pay ranges for related jobs in the job market. This will not be an exact match due to the need to maintain internal equity in the compensation plan.
2. Salary ranges are divided into four equal parts, called quartiles. The lowest salaries are in the first quartile, and the highest salaries are in the fourth quartile. For example, if a job has a minimum annual salary of \$30,000 and a maximum of \$42,000, the first quartile would range from \$30,000 to \$33,000; the second quartile would range from \$33,000 to \$36,000 and so on.
3. Salary ranges overlap extensively, so an experienced, high-performing employee in one grade level can earn the same as or more than a less-experienced or lower-performing employee in a higher grade level.
4. Normally salary ranges move higher each year to keep in line with conditions in the job market. Normally these adjustments do not result in cost-of-living raises for employees; however, the City Council reserves the right to approve cost-of-living increases in lieu of or in conjunction with merit increases.

Merit Increases

At the beginning of the Fiscal Year, an employee may receive a merit increase, or raise. This increase is based on the employee's performance and is affected by the quartile that the employee's salary is in, market salary conditions, and budget availability. The chart below shows the potential raise available in Fiscal Year 2015 (effective with the payroll period beginning July 6, 2014), depending on the employee's performance and where the employee's current salary falls within the pay range assigned to his/her position. **The percentages in this chart are likely to change from year to year. An employee's base pay cannot exceed the maximum of the pay range for his position. Therefore, employees at or near the maximum may not be eligible for the percentages shown in the 4th quartile below.**

	1 st Quartile	2 nd Quartile	3 rd Quartile	4 th Quartile
Consistently Exceeds Expectations ("sustained outstanding performance")	>3.5%	>3.0%	>2.5%	>2.0%
Meets or Exceeds Expectations	3.0 – 3.5%	2.5 – 3.0%	2.0 – 2.5%	1.5 – 2.0%
Needs Improvement	<3.0%	<2.5%	<2.0%	<1.5%
Seriously Deficient (at risk of Termination)	0%	0%	0%	0%

“Consistently Exceeds Expectations” is funded with a sum equal to 0.5% of the department’s salaries (not including the department head). This 0.5% can be used to increase the amount of raise for one or more employees within the department, subject to approval of the City Manager and Mayor and limited by the funding made available by the 0.5%. This means an employee could possibly receive more than a 0.5% additional increment. The 0.5% can also be used to give lump sum bonuses. Bonuses could be given, for example, for the following purposes:

- to recognize sustained outstanding performance by an employee who is at the top of the pay range (i.e., “maxed out”)
- to compensate an employee for significant additional responsibility undertaken for a limited period, for which the employee was not otherwise adequately compensated
- to recognize significant efforts by employees to upgrade their knowledge and skills

When using the 0.5% for additional base pay increases, normally this would be for the purpose of rewarding employees who consistently or significantly exceed expectations (i.e., “sustained outstanding performance”), or who have significantly increased their value to the City through education or training beyond that required for their position. However, the 0.5% might also be used to address a salary inequity within a department. A department head may also request permission from the City Manager to use up to 10% of the 0.5% sum for minor incentive awards throughout the fiscal year.

Any part of an employee’s pay raise may be delayed or postponed as an incentive to improve performance. Likewise, the 0.5% departmental pool may be used at any time during the fiscal year to fund an additional increase in base pay or to award a lump sum bonus. However, base pay raises given later in the fiscal year and funded by the 0.5% pool would be annualized when determining how much of the 0.5% pool is consumed to fund that raise.

Department heads will be considered as a “department” under the City Manager and Mayor in regard to the guidelines above. In other words, the City Manager and Mayor will decide the amount of raise for each department head, subject to the guidelines and funding limitations. Any base pay increase or lump sum bonus for the City Manager will be determined by the Mayor and City Council.

CENTERVILLE CITY COUNCIL

**Staff Backup Report
6/17/2014**

Item No.

Short Title: (See City Manager's Memo for summary of meeting business)

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

BACKGROUND

ATTACHMENTS:

Description

- D City Manager Summary of June 17, 2014 Council Meeting

CENTERVILLE CITY COUNCIL

**Staff Backup Report
6/17/2014**

Item No.

Short Title: Councilman John Higginson

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

BACKGROUND

CENTERVILLE CITY COUNCIL

Staff Backup Report 6/17/2014

Item No.

Short Title: Presentation by Police Chief

Initiated By: Neal Worsley, Centerville Police Chief

Scheduled Time:

SUBJECT

- a. Introduction of new Police Officers
- b. Citizen's Police Academy

RECOMMENDATION

Allow Chief Worsley to introduce two police officers recently hired by the City-- Kael Jackson and Doug Fackrell--and to recognize Councilman Ken Averett for graduating from the Davis County Citizens Police Academy. Ken and Neal would like to invite others to participate in the Academy in the future.

BACKGROUND

CENTERVILLE CITY COUNCIL

Staff Backup Report 6/17/2014

Item No. 1.

Short Title: Bid Award - Woods Park PDO Waterline

Initiated By:

Scheduled Time: 7:10

SUBJECT

Award bid to HD Supply in the amount of \$58,633.95 (includes tax) for materials and to Kapp Construction in the amount of \$77,739.75 for labor for construction of the Woods Park PDO waterline

RECOMMENDATION

Award bid to HD Supply in the amount of \$58,633.95 (includes tax) for materials and to Kapp Construction in the amount of \$77,739.75 for construction of the Woods Park PDO waterline.

BACKGROUND

The Woods Park PDO is located on the southeast corner of Lund Lane and the Frontage road and is now ready for the the waterline to be installed. See enclosed bid tabulation.

ATTACHMENTS:

Description

- ☐ Waterline Bid Results for Labor for Woods Park PDO
- ☐ Waterline Bid Results for Materials for Woods Park PDO

Marsha Morrow

From: matt robertson <matt.robertson@esieng.com>
Sent: Friday, June 13, 2014 12:30 PM
To: Steve Thacker
Cc: Marsha Morrow; kevin campbell; Mike Carlson
Subject: Woods Park Waterline - NOA
Attachments: 00 51 00 Notice of Award - Kapp.pdf; Woods WL Bid Tab #14-064.pdf

Steve,

Bids were opened this morning for the Woods Park Waterline project. The results were as follows:

1. Kapp Construction: \$77,739.75
 2. Allied Construction: \$113,411.00
 3. Ormond Construction: \$114,640.50
 4. Beck Construction: \$293,285.00
- Engineer's Estimate: \$105,700.00*

We recommend that the contract be awarded to Kapp Construction for \$77,739.75. They have done a lot of waterline work in the past for the City and are very qualified to complete this project. They were significantly cheaper than the other contractors because they are the developer's contractor that is already on-site installing the other improvements. Attached is the bid tabulation and the Notice of Award. Let me know if there are any questions.

Thanks,

Matt Robertson, E.I.T.
ESI Engineering, Inc.
3500 South Main St.
Salt Lake City, UT 84115
801.263.1752 (office)
801.644.6680 (mobile)
www.esieng.com



BID TABULATION FOR CENTERVILLE CITY

Note: All culinary waterline pipe and parts will be furnished by Centerville City

Woods Park Waterline - Project #14-064				Engineer's Estimate		Kapp Construction		Allied Construction		Ormond Construction		Beck Construction	
Item No.	Description	Amounts	Units	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
1	Install 10" C900 PVC waterline pipe w/ tracer wire	1,140	LF	\$10.00	\$11,400.00	\$8.25	\$9,405.00	\$8.00	\$9,120.00	\$12.50	\$14,250.00	\$31.25	\$35,625.00
2	Install 8" C900 PVC waterline pipe w/ tracer wire	1,180	LF	\$10.00	\$11,800.00	\$8.25	\$9,735.00	\$7.50	\$8,850.00	\$9.25	\$10,915.00	\$29.75	\$35,105.00
3	Install 6" C900 PVC waterline pipe w/ tracer wire	60	LF	\$10.00	\$600.00	\$8.25	\$495.00	\$9.00	\$540.00	\$20.00	\$1,200.00	\$79.25	\$4,755.00
4	Install 3/4" copper water service	875	LF	\$10.00	\$8,750.00	\$8.25	\$7,218.75	\$7.50	\$6,562.50	\$10.00	\$8,750.00	\$12.00	\$10,500.00
5	Install 3/4" meter box and yoke assembly	29	Each	\$200.00	\$5,800.00	\$150.00	\$4,350.00	\$275.00	\$7,975.00	\$450.00	\$13,050.00	\$450.00	\$13,050.00
6	Install 8" x 3/4" saddle and corp. stop	29	Each	\$200.00	\$5,800.00	\$180.00	\$5,220.00	\$125.00	\$3,625.00	\$300.00	\$8,700.00	\$600.00	\$17,400.00
7	Install fire hydrant assembly (4.5' bury) with thrust block	3	Each	\$750.00	\$2,250.00	\$430.00	\$1,290.00	\$875.00	\$2,625.00	\$690.00	\$2,070.00	\$1,065.00	\$3,195.00
8	Install fire hydrant assembly (6.5' bury) with thrust block	1	Each	\$1,000.00	\$1,000.00	\$770.00	\$770.00	\$950.00	\$950.00	\$918.00	\$918.00	\$1,065.00	\$1,065.00
9	Install 10" gate valve and valve box	2	Each	\$300.00	\$600.00	\$90.00	\$180.00	\$275.00	\$550.00	\$250.00	\$500.00	\$350.00	\$700.00
10	Install 8" gate valve and valve box	7	Each	\$250.00	\$1,750.00	\$90.00	\$630.00	\$275.00	\$1,925.00	\$200.00	\$1,400.00	\$300.00	\$2,100.00
11	Install 6" gate valve and valve box	4	Each	\$250.00	\$1,000.00	\$90.00	\$360.00	\$225.00	\$900.00	\$150.00	\$600.00	\$300.00	\$1,200.00
12	Install 10" 90° bend with thrust block	1	Each	\$350.00	\$350.00	\$145.00	\$145.00	\$425.00	\$425.00	\$220.00	\$220.00	\$510.00	\$510.00
13	Install 10" x 8" tee with thrust block	1	Each	\$400.00	\$400.00	\$145.00	\$145.00	\$425.00	\$425.00	\$250.00	\$250.00	\$510.00	\$510.00
14	Install 8" x 8" tee with thrust block	2	Each	\$300.00	\$600.00	\$145.00	\$290.00	\$400.00	\$800.00	\$225.00	\$450.00	\$510.00	\$1,020.00
15	Install 8" 22.5° bend with thrust block	5	Each	\$150.00	\$750.00	\$145.00	\$725.00	\$325.00	\$1,625.00	\$200.00	\$1,000.00	\$500.00	\$2,500.00
16	Install 8" 45° bend with thrust block	3	Each	\$150.00	\$450.00	\$145.00	\$435.00	\$375.00	\$1,125.00	\$200.00	\$600.00	\$500.00	\$1,500.00
17	Install 8" x 6" tee with thrust block	3	Each	\$300.00	\$900.00	\$145.00	\$435.00	\$425.00	\$1,275.00	\$190.00	\$570.00	\$500.00	\$1,500.00
18	Install 10" x 6" tee with thrust block	1	Each	\$350.00	\$350.00	\$145.00	\$145.00	\$475.00	\$475.00	\$190.00	\$190.00	\$600.00	\$600.00
19	Install 8" plug with 2" blow-off and thrust block	1	Each	\$350.00	\$350.00	\$285.00	\$285.00	\$685.00	\$685.00	\$450.00	\$450.00	\$1,800.00	\$1,800.00
20	and connect to existing waterline with 10" sleeve	1	Lump Sum	\$1,000.00	\$1,000.00	\$1,500.00	\$1,500.00	\$950.00	\$950.00	\$900.00	\$900.00	\$800.00	\$800.00

Woods Park Waterline - Project #14-064				Engineer's Estimate		Kapp Construction		Allied Construction		Ormond Construction		Beck Construction	
Item No.	Description	Amounts	Units	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
21	Excavate and haul away native material	1,200	CY	\$5.00	\$6,000.00	\$0.00	\$0.00	\$8.00	\$9,600.00	\$7.75	\$9,300.00	\$18.00	\$21,600.00
22	Excavate and backfill with existing granular fill including compaction (approx. 500 CY)	1	Lump Sum	\$2,000.00	\$2,000.00	\$0.00	\$0.00	\$850.00	\$850.00	\$50.00	\$50.00	\$12,500.00	\$12,500.00
23	Import sand bedding including compaction	1,400	TN	\$10.00	\$14,000.00	\$10.55	\$14,770.00	\$11.94	\$16,716.00	\$10.80	\$15,120.00	\$35.00	\$49,000.00
24	Import granular fill including compaction	850	TN	\$10.00	\$8,500.00	\$9.00	\$7,650.00	\$12.75	\$10,837.50	\$10.80	\$9,180.00	\$40.00	\$34,000.00
25	Import untreated base course including compaction	400	TN	\$12.00	\$4,800.00	\$12.85	\$5,140.00	\$20.00	\$8,000.00	\$14.00	\$5,600.00	\$45.00	\$18,000.00
26	Remove and haul away existing asphalt including saw-cut	50	CY	\$50.00	\$2,500.00	\$10.00	\$500.00	\$45.00	\$2,250.00	\$46.75	\$2,337.50	\$195.00	\$9,750.00
27	Pressure test new waterlines	1	Lump Sum	\$2,000.00	\$2,000.00	\$1,120.00	\$1,120.00	\$650.00	\$650.00	\$570.00	\$570.00	\$3,000.00	\$3,000.00
28	Mobilization and traffic control	1	Lump Sum	\$10,000.00	\$10,000.00	\$4,800.00	\$4,800.00	\$13,100.00	\$13,100.00	\$5,500.00	\$5,500.00	\$10,000.00	\$10,000.00
Total (Items 1-28)					\$105,700.00		\$77,739.75		\$113,411.00		\$114,640.50		\$293,285.00

Water Line for Woods Park Project # 14-064

BID RESULTS FOR WOODS PARK Water Projects 2014

June 12, 2014

1.	HD Supply	\$54,875.01
2.	Mountain States Supply	\$56,244.17
3.	WR White	\$57,441.79
4.	Western Water Works	\$58,544.85
5	Fergusson	\$61,098.74

We have reviewed the bid for materials from HD Supply for \$58,633.95, which includes tax. We recommend awarding this bid to HD Supply and find they meet all of the City's specifications.

*****Does not include 5% Handling*****

Respectfully submitted,

Michael Carlson
Water Department Supervisor

MC/sd

CENTERVILLE CITY COUNCIL

Staff Backup Report 6/17/2014

Item No. 2.

Short Title: FY 2014 Budget (current fiscal year)

Initiated By:

Scheduled Time: 7:10

SUBJECT

- a. Financial Report for period ending May 31, 2014
- b. Public hearing on proposed amendments
- c. Consider Resolution No. 2014-14 amending the FY 2014 Budget

RECOMMENDATION

- a. Review Interim Financial report for May 2014.
- b. Receive public comments on the proposed amendments to the FY 2014 Budget.
- c. After public comment approve the Resolution amending the FY 2014 Budget.

BACKGROUND

- a. Interim Financial Report for May 2014 is attached.
- c. There are only a few recommended adjustments to the budget before the fiscal year ends on June 30, 2014. The largest adjustment is for accounting reasons only. The FY 2014 Budget included the purchase of a 10-wheel dump truck with a 5-year lease-purchase. The approved budget includes the first lease payment. However, to properly account for the truck purchase we will need to record the receipt of the total proceeds and the full purchase price of the truck.

ATTACHMENTS:

Description

- D Interim Report
- D Resolution Adopting FY 2014 Budget Amendments (current fiscal year)
- D FY 2014 Budget Amendments

**General Fund
Unaudited Summary
May 2014 (92% of year)**

	This Month	Year to Date	FY 14 Budget	% Budget
Revenues				
Property Tax	\$8,153	\$992,582	\$992,913	99.97%
Fee in Lieu	\$7,746	\$91,578	\$90,000	101.75%
Sales & UseTax	\$308,350	\$3,058,694	\$3,455,070	88.53%
Franchise Taxes	\$94,056	\$1,059,862	\$1,296,500	81.75%
Licenses & Permits	\$42,096	\$315,703	\$356,350	88.59%
Intergovernmental	\$92,194	\$538,917	\$602,390	89.46%
Charges for Services	\$94,706	\$940,034	\$855,475	109.88%
Fines	\$23,103	\$438,004	\$485,000	90.31%
Miscellaneous	\$52,761	\$65,272	\$53,250	122.58%
Transfers/Contributions	\$30,000	\$212,974	\$206,255	103.26%
Total	\$753,165	\$7,713,620	\$8,393,203	91.90%
Expenditures				
City Council	\$3,654	\$55,717	\$85,378	65.26%
Judicial	\$15,851	\$189,822	\$221,273	85.79%
Executive	\$27,496	\$340,881	\$393,017	86.73%
Attorney	\$11,143	\$124,589	\$148,375	83.97%
Finance	\$34,505	\$448,231	\$501,272	89.42%
Attorney Services	\$5,655	\$25,167	\$33,000	76.26%
Emergency Management	\$1,201	\$7,270	\$12,900	56.36%
Fire	\$0	\$813,604	\$813,602	100.00%
Elections	\$0	\$11,682	\$11,700	99.85%
Youth Council	\$0	\$7,000	\$7,000	100.00%
Police	\$197,033	\$1,979,641	\$2,220,247	89.16%
Liquor Law	\$1,292	\$6,220	\$18,350	33.90%
School Xing	\$5,966	\$53,382	\$52,199	102.27%
DARE	\$171	\$73,864	\$102,873	71.80%
K-9	\$115	\$7,536	\$12,250	61.52%
Animal Control	\$7,293	\$20,163	\$24,000	84.01%
PW Admin	\$20,426	\$252,940	\$284,565	88.89%
Streets	\$46,641	\$834,249	\$706,076	118.15%
Projects	\$3,640	\$666,633	\$1,206,430	55.26%
GIS	\$5,801	\$81,892	\$93,069	87.99%
Engineering	\$6,647	\$97,913	\$106,500	91.94%
Parks	\$58,885	\$603,205	\$813,615	74.14%
Community Events	\$0	\$897	\$23,650	3.79%
Parks & Rec Facility	\$710	\$14,475	\$15,790	91.67%
Maint Facility	\$2,858	\$51,464	\$53,640	95.94%
Maint Facility Storage	\$245	\$5,530	\$6,210	89.05%
City Hall	\$10,876	\$123,675	\$128,405	96.32%
Community Dev.	\$20,535	\$248,611	\$290,702	85.52%
Building Inspection	\$8,103	\$60,167	\$90,200	66.70%
Transfers - Non Dep.	\$0	\$62,360	\$65,589	95.08%
UTOPIA -Pledges	\$36,354	\$273,001	\$273,001	100.00%
UIA Assessment	\$31,254	\$119,262	\$163,400	72.99%
Total	\$564,350	\$7,661,043	\$8,978,278	85.33%

Use/Contribution to Fund balance	\$52,577	\$ (585,075)
(Revenues Over/Under Expenditures)		

Fund Balance at Beginning of Year (est.)	\$1,556,947
Fund Balance estimate 5/31/2014	\$1,609,524
Projected Fund Balance %	21.18%

Capital Project Funds (Unaudited) May 31, 2014

This Month	Year to Date	FY 14 Budget	% Budget
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Capital Improvement

Storm Drain

Revenues:

Fund Balance			\$47,060	
Impact Fees	\$6,626	\$55,404	\$10,000	554.04%
Grants	\$0	\$0	\$0	0.00%
Other	\$75	\$6,635	\$150,075	4.42%
Total Revenues	\$6,701	\$62,039	\$207,135	29.95%

Expenditures	\$13,340	\$14,261	\$207,135	6.88%
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Fund Balance at Beginning of Year (est.) \$45,209

Fund Balance estimate 5/31/2014 \$92,987

Park

Revenues:

Fund Balance			\$335,683	
Impact Fees	\$2,057	\$55,539	\$75,000	74.05%
Transfer	\$0	\$0	\$0	0.00%
Grants	\$0	\$0	\$0	0.00%
Other	\$0	\$0	\$400	0.00%
Total Revenues	\$2,057	\$55,539	\$411,083	73.66%

Expenditures	\$11,947	\$31,168	\$403,074	7.73%
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Fund Balance at Beginning of Year (est.) \$336,436

Fund Balance estimate 5/31/2014 \$360,807

Capital Projects Fund

Revenues:

Fund Balance				
Transfers - General	\$36,354	\$273,001	\$273,001	100.00%
RDA additional increment	\$0	\$163,000	\$163,000	100.00%
Other	\$0	\$0	\$250	0.00%
Total Revenues	\$36,354	\$436,001	\$436,251	99.94%

Expenditures

UTOPIA Pledge	\$36,354	\$363,542	\$436,251	83.33%
Projects	\$0	\$0	\$0	0.00%
Total Expenditures	\$36,354	\$363,542	\$436,251	83.33%

Balance at Beginning of Year \$42,296

Fund Balance estimate 5/31/2014 \$114,755

**RDA/Other Funds
(Unaudited)
May 31, 2014**

	This Month	Year to Date	FY 14 Budget	% Budget
<u>RDA</u>				
Revenues	\$71,441	\$1,849,244	\$1,847,000	100.12%
Expenditures	\$348	\$1,138,148	\$1,847,000	61.62%

Fund Balance at Beginning of Year (est.) \$244,971
Fund Balance estimate 5/31/2014 \$956,067

Recreation

<u>Revenues</u>				
Recreation	\$46,674	\$60,588	\$87,000	69.64%
Youth Baseball	\$580	\$32,430	\$31,000	104.61%
Concession Sales	\$7,291	\$12,565	\$23,635	53.16%
Other	\$0	\$39,000	\$39,000	100.00%
Total Revenues	\$54,545	\$144,583	\$180,635	80.04%

Expenditures

Recreation	\$7,419	\$73,545	\$126,670	58.06%
Concessions	\$5,726	\$10,247	\$23,635	43.36%
Youth Baseball/Softball	\$4,641	\$7,998	\$28,425	28.14%
Total Expenditures	\$17,786	\$91,790	\$178,730	51.36%

Revenue Over/Under Expend \$ 36,759 \$ 52,793 \$ 1,905

Balance at Beginning of Year (est.) \$22,088
Fund Balance estimate 5/31/2014 \$74,881

Sales Tax Debt Service (DCAC)

Revenues	\$0	\$1,597,488	\$1,597,488	100.00%
Expenditures	\$0	\$1,597,488	\$1,597,488	100.00%

Reserved Fund Balance \$0
Fund Balance estimate 5/31/2014 \$0

Whitaker Trust

Beginning fund balance			\$14,850	
Revenues	\$67	\$26,836	\$71,860	37.34%
Expenditures	\$1,946	\$14,508	\$71,860	20.19%

Fund Balance at Beginning of Year \$14,854
Fund Balance estimate 5/31/2014 \$27,182

**Enterprise Funds
(Unaudited)
May 31, 2014**

	This Month	Year to Date	FY 14 Budget	% Budget
Water				
Revenues:				
Impact/construction Fees	\$256,594	\$431,996	\$230,500	187.42%
Water Sales	\$155,696	\$1,725,352	\$1,811,250	95.26%
Bond Revenue	\$0	\$51,820	\$450,000	11.52%
Other	\$2,884	\$20,954	\$36,000	58.21%
Total Revenues	\$415,174	\$2,230,122	\$2,527,750	88.23%
Expenditures				
Operating/Dep/Debt	\$100,787	\$1,538,212	\$1,865,552	82.45%
Capital Improvement	\$11,613	\$641,128	\$706,850	90.70%
Total Expenditures	\$112,400	\$2,179,340	\$2,572,402	84.72%
Unrestricted Cash Beginning of Year (est.)		\$1,098,940		
Fund Balance estimate 5/31/2014		\$1,149,722		

Sanitation				
Revenues:				
Collection Fees	\$57,309	\$629,545	\$681,600	92.36%
Recycling fees	\$14,186	\$155,279	\$165,700	93.71%
Green Waste fees	\$6,985	\$74,766	\$78,675	95.03%
Other	\$7	\$3,570	\$6,200	57.58%
Total Revenues	\$78,487	\$863,160	\$932,175	92.60%
Expenditures:				
Disposal	\$28,219	\$280,966	\$293,000	95.89%
Collection	\$24,042	\$238,864	\$258,000	92.58%
Recycling	\$14,171	\$140,806	\$165,250	85.21%
Green Waste	\$2,946	\$29,195	\$30,000	97.32%
Other	\$9,427	\$94,587	\$186,200	50.80%
Total Expenditures	\$78,805	\$784,418	\$932,450	84.12%
Unrestricted Cash Beginning of Year		\$18,920		
Fund Balance estimate 5/31/2014		\$97,662		

Drainage				
Revenues	\$48,635	\$678,106	\$566,500	119.70%
Operating Expenditures	\$29,313	\$372,830	\$528,722	70.52%
Capital Expenditures	\$472	\$53,036	\$72,750	72.90%
Total Expenditures	\$29,785	\$425,866	\$601,472	70.80%
Unrestricted Cash Beginning of Year		\$484,745		
Fund Balance estimate 5/31/2014		\$736,985		

Telecommunications				
Revenues:				
Connection Fees	\$40,930	\$259,445	\$276,000	94.00%
Transfers - GF	\$31,254	\$119,262	\$163,400	72.99%
Total Revenues	\$72,184	\$378,707	\$439,400	86.19%
Expenditures:				
Utility Service charges	\$40,930	\$255,798	\$262,200	97.56%
UIA operating assessment	\$31,254	\$119,262	\$163,400	72.99%
Operating service charge	\$603	\$6,647	\$13,800	48.17%
Total Expenditures	\$72,787	\$381,707	\$439,400	86.87%
Unrestricted Cash Beginning of Year		\$14,850		
Fund Balance estimate 5/31/2014		\$11,850		

RESOLUTION NO. 2014-14

A RESOLUTION AMENDING THE FISCAL YEAR 2013-2014 BUDGET OF FUNDS AND ACCOUNTS FOR CENTERVILLE CITY AND GIVING AN EFFECTIVE DATE.

WHEREAS, in order to conform with the Utah State Code and Accounting Procedures as outlined in the Uniform Accounting Manual, it is necessary to amend the City budget which states revenues and expenditures for the Fiscal Year ending June 30, 2014.

NOW THEREFORE, be it resolved by the City Council of Centerville City, Utah, as follows:

Section 1. Amendment. That the Fiscal Year 2013-2014 Budget be amended, including all funds and accounts, as shown in the Budget format attached and dated June 17, 2014

Section 2. Effective Date. This Resolution shall become effective June 17, 2014.

PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH, on this 17TH day of June, 2014.

CENTERVILLE CITY

By: _____
Mayor

ATTEST:

I hereby certify that the above-mentioned Resolution, entitled "A Resolution Amending the Fiscal Year 2013-2014 Budget of Funds and Accounts for Centerville City and Giving an Effective Date," is a true and accurate copy, including all attachments of the Resolution passed on Tuesday, the 17th of June, 2014.

Marsha L. Morrow, City Recorder

**FY 2014 General Fund
Revenues & Expenditures
Proposed Amended Budget
June 17, 2014**

	2013/14 Original Approved	2013/14 Proposed	Adjustment	note
Revenues				
Property Tax/Fee in Lieu	\$1,082,913	\$1,082,913	\$0	
Sales Tax	\$3,455,070	\$3,455,070	\$0	
Franchise Taxes	\$1,296,500	\$1,296,500	\$0	
Licenses & Permits	\$356,350	\$356,350	\$0	
Intergovernmental	\$602,390	\$625,790	\$23,400	1
Charges for Services	\$855,475	\$875,475	\$20,000	2
Fines	\$485,000	\$485,000	\$0	
Miscellaneous	\$53,250	\$269,063	\$215,813	3
Contributions & Transfers	\$206,255	\$206,255	\$0	
Total General Fund Revenues	\$8,393,203	\$8,652,416	\$259,213	
Use of Designated Fund Balance				
Use of Undesignated Fund Balance/Other Proceeds	\$585,075	\$585,075	\$0	
Total Sources of Revenues	\$8,978,278	\$9,237,491	\$259,213	
Expenditures				
City Council	\$85,378	\$85,378	\$0	
Justice Court	\$221,273	\$221,273	\$0	
Executive	\$393,017	\$393,017	\$0	
Attorney	\$148,375	\$148,375	\$0	
Finance	\$501,272	\$501,272	\$0	
Legal	\$33,000	\$33,000	\$0	
Emergency Management	\$12,900	\$12,900	\$0	
Elections	\$11,700	\$11,700	\$0	
Youth Council	\$7,000	\$7,000	\$0	
Police	\$2,220,247	\$2,243,647	\$23,400	1
Liquor Law	\$18,350	\$18,350	\$0	
School Crossing	\$52,199	\$52,199	\$0	
DARE	\$102,873	\$102,873	\$0	
K-9	\$12,250	\$12,250	\$0	
Animal Control	\$24,000	\$24,000	\$0	
Fire	\$813,602	\$813,602	\$0	
Public Works Administration	\$284,565	\$284,565	\$0	
Streets	\$706,076	\$921,889	\$215,813	2
Street Projects	\$1,052,430	\$1,052,430	\$0	
Other Improvement Projects	\$154,000	\$154,000	\$0	
GIS	\$93,069	\$93,069	\$0	
Engineering	\$106,500	\$126,500	\$20,000	3
Parks	\$813,615	\$813,615	\$0	
Community Events	\$23,650	\$23,650	\$0	
City Hall	\$128,405	\$128,405	\$0	
Parks & Recreation Facility	\$15,790	\$15,790	\$0	
Public Works Facility	\$53,640	\$53,640	\$0	
Public Works Storage	\$6,210	\$6,210	\$0	
Community Development	\$290,702	\$290,702	\$0	
Building Inspection	\$90,200	\$90,200	\$0	
Transfers/Other	\$501,990	\$501,990	\$0	
Total General Fund Expenditures	\$8,978,278	\$9,237,491	\$259,213	
Use of Fund Balance				
Sources Over (Under) Expenditures	\$0	\$0	\$0	

**General Fund
Proposed Amended Budget Notes
FY 2014**

Revenues

Note #	1	Intergovernmental	\$23,400 Increase. Account for various Police grants.
Note #	2	Charges for development related fees	\$20,000 increase. Adjust to additional fees received.
Note #	3	Miscellaneous	\$215,813 Increase. Provide budget for Lease Proceeds

Total Sources of Funds

\$259,213

Expenditures

Note#	1	Police equipment	\$23,400 Increase. Various equipment grants.
Note#	2	Streets	\$215,813 Increase. Provide budget for full purchase of truck.
Note#	3	Engineering	\$20,000 Increase. Anticipated engineering charges.

Total Expenditure Adjustment

\$259,213

Revenue over/under expenditures

\$0

CENTERVILLE CITY COUNCIL

Staff Backup Report 6/17/2014

Item No. 3.

Short Title: Ordinance Adopting Restricted Area for Discharge of Fireworks

Initiated By: City Attorney

Scheduled Time: 7:20

SUBJECT

Consider Ordinance No. 2014-12 Designating Restricted Area within Centerville City for the Discharge of Fireworks Due to Hazardous Environmental Conditions

RECOMMENDATION

Adopt Ordinance No. 2014-12 Designating Restricted Area within Centerville City for the Discharge of Fireworks Due to Hazardous Environmental Conditions

BACKGROUND

The City has received a Fire Safety Order from Fire Chief Jeff Bassett of the South Davis Metro Fire Agency determining that hazardous environmental conditions exist in certain areas of the City which necessitate controlled use of ignition sources, including fireworks, in designated areas. A copy of the Fire Safety Order is attached. Pursuant to Utah Code Ann. 15A-5-202.5, when the fire code official determines that such hazardous environmental conditions exist, the City is authorized to prohibit ignition sources, including fireworks, *"in mountainous, brush-covered, or forest-covered areas or the wildland urban interface area, which means the line, area, or zone where structures or other human development meet or intermingle with undeveloped wildland or land being used for agricultural purposes."* Based on the Fire Chief's Fire Safety Order, Staff recommends the City adopt Ordinance No. 2014-12 amending Section 7-07-160 of the Centerville Municipal Code restricting and prohibiting the discharge of fireworks in the recommended restriction area. The restricted area is defined as property located east of 400 East from the Bountiful City boundary to 1000 North (Chase Lane), west on 100 North to Main Street and east of Main Street to the Farmington City boundary. A map of the restricted area is also attached. This proposed restriction area for Centerville City lines up with Bountiful City's restriction area to the south (at 400 East) and Farmington City's restriction area to the north (at Main Street).

Ordinance No. 2014-12, amending Section 7-07-160 of the Centerville Municipal Code, is intended to enact these restrictions on a more permanent basis until otherwise amended and/or directed by the Fire Chief. If the City Council would rather adopt the proposed changes on a temporary basis, to be reviewed each year, an alternative Ordinance No. 2014-12 is attached. This alternative ordinance merely restricts the discharge of fireworks in the designated area from July 1 through July 31, 2014.

ATTACHMENTS:

Description

- ☐ Ordinance No. 2014-12-Codified
- ☐ Ordinance No. 2014-12-Temporary
- ☐ Firework Restriction Area Map
- ☐ Fire Safety Order-Chief Bassett

ORDINANCE NO. 2014-12

AN ORDINANCE AMENDING SECTION 7-07-160 OF THE CENTERVILLE MUNICIPAL CODE DESIGNATING RESTRICTED AREA WITHIN CENTERVILLE CITY FOR THE DISCHARGE OF FIREWORKS DUE TO HAZARDOUS ENVIRONMENTAL CONDITIONS AS DETERMINED BY THE FIRE CODE OFFICIAL

WHEREAS, the Utah Legislature has authorized the legislative body of a municipality to prohibit the discharge of fireworks in specified areas if the local fire code official determines that hazardous environmental conditions exist as more particularly provided *Utah Code Ann.* § 15A-5-202.5, as amended; and

WHEREAS, the Fire Chief of the South Davis Metro Fire Agency, as the local fire code official for Centerville City has determined by Fire Safety Order dated June 6, 2014 that hazardous environmental conditions exist which necessitate controlled use of any ignition source, including fireworks, lighters, matches, and smoking materials within specified areas of Centerville City; and

WHEREAS, the City Council desires to prohibit the discharge of fireworks and other ignition sources within the specified areas of the City, as more particularly provided herein, based on the determination by the Fire Chief of the South Davis Metro Fire Agency that hazardous environmental conditions exist which necessitate the controlled use of such sources; and

WHEREAS, the City Council has determined that the restrictions provided herein are in the best interests of the health, safety and welfare of its residents and are necessary to take all steps possible to prevent a fire from starting within the City by means of a reasonable locational regulations of the discharge of fireworks within the City in accordance with *Utah Code Ann.* § 15A-5-202.5.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH:

Section 1. **Amendment.** Subsection 7-07-160 of the Centerville Municipal Code is hereby amended to read in its entirety as follows:

7-07-160. Prohibited Discharge of Fireworks.

* * *

(d) Pursuant to *Utah Code Ann.* § 15A-5-202.5 and by determination of the Fire Chief of the South Davis Metro Fire Agency that hazardous environmental conditions exist which necessitate controlled use of any ignition source, including

fireworks, lighters, matches, and smoking materials within specified areas of Centerville City, the discharge of fireworks is prohibited in Centerville City within the areas east of 400 East from the Bountiful City boundary to 1000 North (Chase Lane), west on 1000 North (Chase Lane) to Main Street and east of Main Street to the Farmington City boundary. Such restricted area is more particularly described in the map attached hereto as the "**Centerville Firework Restriction Area**" and incorporated herein by this reference. It shall be unlawful for any person to use or discharge fireworks within such restricted area as described herein.

* * *

Section 2. Severability Clause. If any section, part or provision of this Ordinance is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Ordinance, and all provisions, clauses and words of this Ordinance shall be severable. This Section shall become effective without codification.

Section 3. Effective Date. This Ordinance shall become effective immediately upon publication or posting. The restriction on the discharge of fireworks within the restricted area shall be effective on July 1, 2014.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY,
STATE OF UTAH, THIS 17th DAY OF JUNE, 2014.**

CENTERVILLE CITY

Mayor Paul A. Cutler

ATTEST:

Marsha L. Morrow, City Recorder

Voting by the City Council:

	"AYE"	"NAY"
Councilmember Averett	_____	_____
Councilmember Fillmore	_____	_____
Councilmember Higginson	_____	_____
Councilmember Ivie	_____	_____
Councilmember Wright	_____	_____

EXHIBIT "A"

CENTERVILLE FIREWORK RESTRICTION AREA

ORDINANCE NO. 2014-12

**AN ORDINANCE DESIGNATING RESTRICTED AREA WITHIN
CENTERVILLE CITY FOR THE DISCHARGE OF FIREWORKS DUE TO
HAZARDOUS ENVIRONMENTAL CONDITIONS AS DETERMINED BY THE
FIRE CODE OFFICIAL**

WHEREAS, the Utah Legislature has authorized the legislative body of a municipality to prohibit the discharge of fireworks in specified areas if the local fire code official determines that hazardous environmental conditions exist as more particularly provided *Utah Code Ann. § 15A-5-202.5*, as amended; and

WHEREAS, the Fire Chief of the South Davis Metro Fire Agency, as the local fire code official for Centerville City has determined, by Fire Safety Order dated June 6, 2014, that hazardous environmental conditions exist which necessitate controlled use of any ignition source, including fireworks, lighters, matches, and smoking materials within specified areas of Centerville City; and

WHEREAS, the City Council desires to prohibit the discharge of fireworks and other ignition sources within the specified areas of the City, as more particularly provided herein, based on the determination by the Fire Chief of the South Davis Metro Fire Agency that hazardous environmental conditions exist which necessitate the controlled use of such sources; and

WHEREAS, the City Council has determined that the restrictions provided herein are in the best interests of the health, safety and welfare of its residents and are necessary to take all steps possible to prevent a fire from starting within the City by means of a reasonable locational regulations of the discharge of fireworks within the City in accordance with *Utah Code Ann. § 15A-5-202.5*.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF
CENTERVILLE CITY, STATE OF UTAH:**

Section 1. **Firework Restriction Area.** Pursuant to *Utah Code Ann. § 15A-5-202.5* and by determination of the Fire Chief of the South Davis Metro Fire Agency that hazardous environmental conditions exist which necessitate controlled use of any ignition source, including fireworks, lighters, matches, and smoking materials within specified areas of Centerville City, the discharge of fireworks is hereby prohibited in Centerville City within the areas east of 400 East from the Bountiful City boundary to 1000 North (Chase Lane), west on 1000 North (Chase Lane) to Main Street and east of Main Street to the Farmington City boundary. Such restricted area is more particularly described in the map attached hereto as the “**Centerville Firework Restriction Area**” and incorporated herein by this reference. It shall be unlawful for any person to use or discharge fireworks within such restricted area as described herein.

Section 2. Severability Clause. If any section, part or provision of this Ordinance is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Ordinance, and all provisions, clauses and words of this Ordinance shall be severable. This Section shall become effective without codification.

Section 3. Effective Date. This Ordinance shall become effective immediately upon publication or posting. The restriction on the discharge of fireworks within the restricted area shall be effective July 1, 2014 through July 31, 2014.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY,
STATE OF UTAH, THIS 17th DAY OF JUNE, 2014.**

CENTERVILLE CITY

Mayor Paul A. Cutler

ATTEST:

Marsha L. Morrow, City Recorder

Voting by the City Council:

	"AYE"	"NAY"
Councilmember Averett	_____	_____
Councilmember Fillmore	_____	_____
Councilmember Higginson	_____	_____
Councilmember Ivie	_____	_____
Councilmember Wright	_____	_____

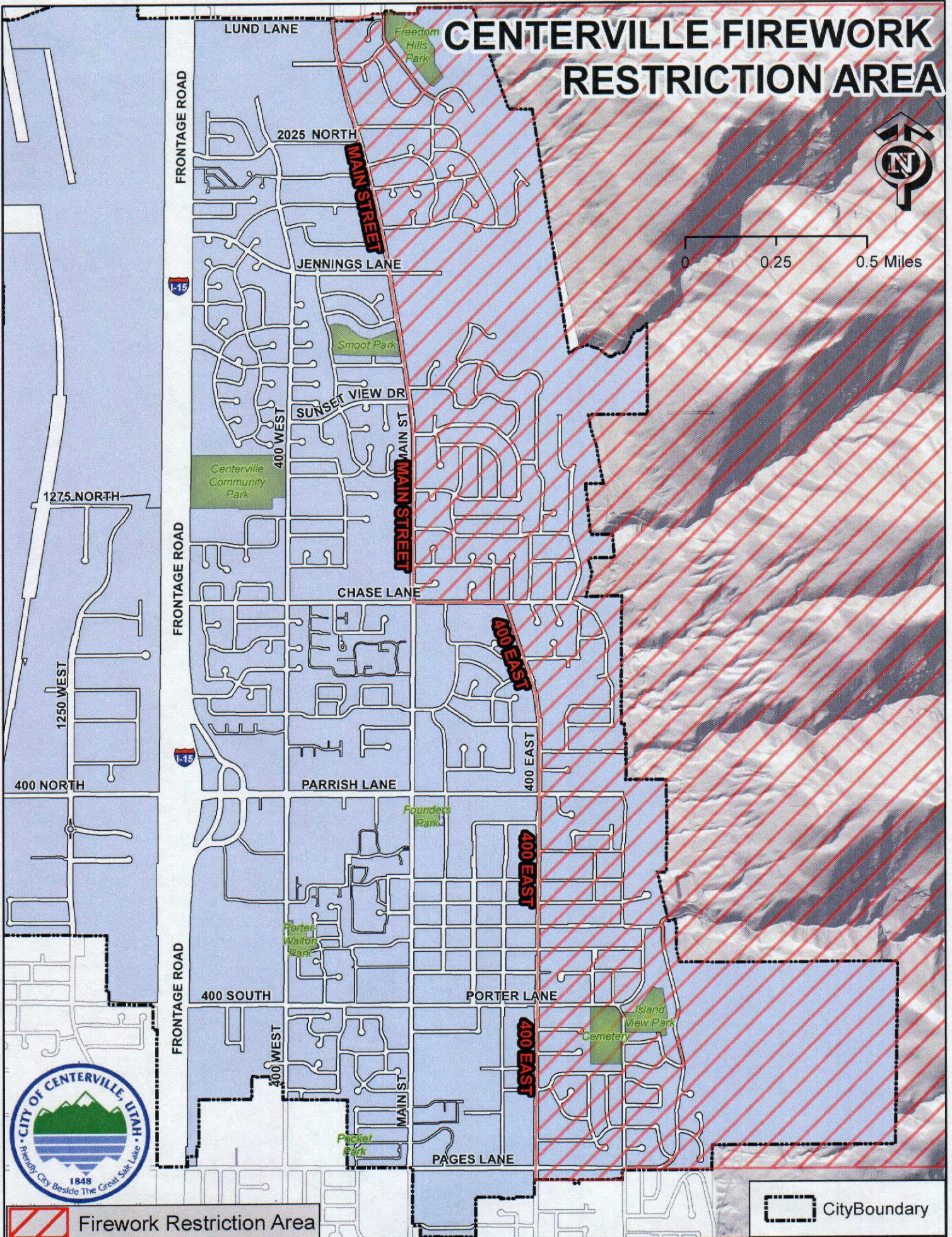
EXHIBIT "A"

CENTERVILLE FIREWORK RESTRICTION AREA

CENTERVILLE FIREWORK RESTRICTION AREA



0 0.25 0.5 Miles



 Firework Restriction Area

 City Boundary

South Davis Metro Fire Agency

Proudly Serving the Communities of

Bountiful - Centerville - Davis County - North Salt Lake - West Bountiful - Woods Cross

Office of the Fire Chief

Fire Safety Order

Prohibition of discharge of fireworks, use of Any Ignition Source, Lighters, Matches, and Smoking Materials within Specified Areas of South Davis Metro Fire Agency

The discharge of fireworks is prohibited in the City of Centerville within the areas East of 400 East from the Bountiful City boundary to 1000 North (Chase Ln), West on 1000 North to Main Street and East of Main Street to the Farmington City boundary (described on the attached map).

Local fire officials are authorized to enforce the Utah state fire code pursuant to Section 53-7-104 including the discharge of fireworks, use of lighters, matches, smoking materials or the use of any other ignition source.

These areas as described on the map have been declared as hazardous environmental conditions because of extreme dryness or lack of moisture in the presence of dry weeds and other vegetation or any combination thereof.

Dated this 6th day of June, 2014.

South Davis Metro Fire Agency


Jeff Bassett
Fire Chief

Centerville UTOPIA / Macquarie Fiber Utility Advisory Committee

***Comments and
Recommendations***

Introduction of Committee Members

Mark Austin	<u>801-295-6288</u>	<u>austinmc61@hotmail.com</u>	Engineer/Resident
Randy Burgoyne	<u>801-448-7263</u>	<u>randburgoyne@gmail.com</u>	IT/Resident
Kevin Daly	<u>801-554-1252</u>	<u>kevindaly78@gmail.com</u>	Finance/Resident
Jenny Decker	<u>801-864-1629</u>	<u>jdecker@fabianlaw.com</u>	Atty/ Resident
Dan Ditto	<u>801-554-4847</u>	<u>Daniel.Ditto@imail.org</u>	Utility Atty/Resident
Ann Fadel	<u>801-621-4258</u>	<u>afadel@farmersagent.com</u>	Business Owner/Resident
Dax Kelson		<u>dax@gurulabs.com</u>	IT/Business Owner
Mark Oligschlaeger	<u>801-201-5871</u>	<u>oligmark@gmail.com</u>	Finance/Resident
Nannette Smith	<u>801-960-2040</u>	<u>nsmith@bigbitebreads.com</u>	Business Owner/Resident
John Urry	<u>801-556-4434</u>	<u>jjurry@gmail.com</u>	Engineer/Resident
Blake Wade	<u>801-292-5063</u>	<u>wadeb@ballardspahr.com</u>	Atty/ Resident

Advisory Committee

Areas of Expertise:

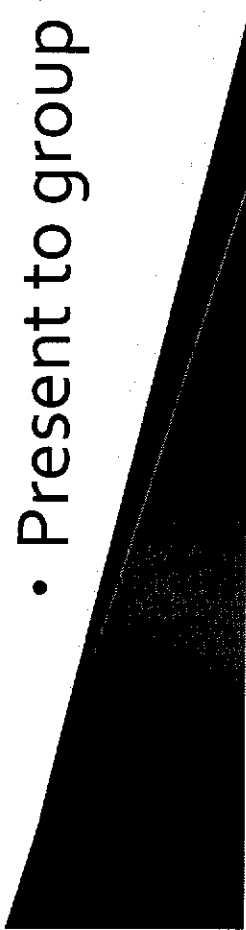
- ▶ Engineering, Technology
- ▶ Business, Utilities
- ▶ Community Involvement, Legal



Advisory Committee

Focus has been to Determine the Facts.

Process:

- ▶ Met Numerous times
 - ▶ Divided into four subcommittees
 - Financial
 - Community
 - Technology
 - Legal
 - Study and analyze issues
 - Present to group for Education & Discussion
- 

Advisory Committee

**Tonight we are going to present FACTS,
as we see them after intense study;**

**The Committee is not unanimous in its
recommendations;**

**BUT, we are unanimous in the FACTS
presented tonight.**

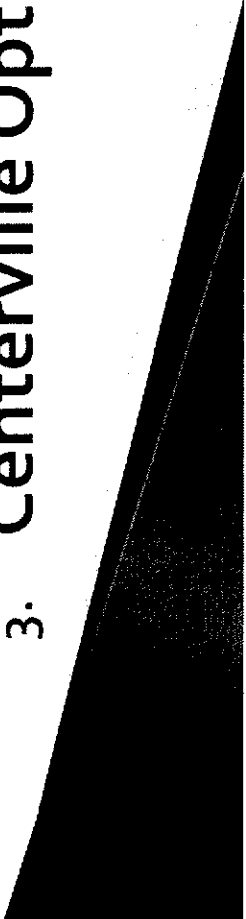


- ▶ **Financial Issues** — Mark Oligschlaeger
- ▶ **Community Issues** — Nannette Smith
- ▶ **Technology Issues** — Randy Burgoyne
- ▶ **Legal Issues** — Jenny Decker
- ▶ **Pros & Cons of Milestone 2**
- ▶ **Recommendations**



Financial Issues

Financial Issues

1. **Current Overview**
 2. **UTOPIA Options**
 - **Maintenance mode (no growth)**
 - **New UTOPIA management, new business plan**
 - **Sell the network**
 - **“Go dark” (shutdown)**
 - **Macquarie PPP model or alternative**
 3. **Centerville Options**
- 

Financial Issues

Utopia and UIA Bond Totals (\$ Millions)

Utopia Bonds		All Cities		Centerville
Principal	\$	184.97	\$	6.26
Interest	\$	257.64	\$	8.72
Total Remaining Payments (FY 2015-2040)		\$	442.61	\$ 14.98
				3.39%
Avg. per address per month				\$ 9.44
Swap early termination fee (today)		\$	69.00	\$ 2.30

UIA Bonds				
Principal	\$	39.36	\$	1.43
Interest	\$	28.47	\$	1.03
Total Remaining Payments (FY 2015-2039)	\$	67.83	\$	2.46
				3.63%
Avg. per address per month		\$		1.71

Estimated early termination escrow cost \$ 8.55 \$ 0.31

Total Utopia/UIA				
Principal	\$	224.33	\$	7.69
Interest	\$	286.11	\$	9.75
Total Remaining Payments	\$	510.43	\$	17.44
				3.42%
Avg. per address per month		\$		11.16
Total estimated early termination costs	\$	77.55	\$	2.61

Note: Utopia bond payments are currently paid by Cities. UIA bond payments are currently covered by UIA revenues.
"Per address per month" calculation assumes 5086 addresses in Centerville (single family, MDU, and businesses)

Financial Issues

- **Centerville bond obligations are \$17.4 million**
 - 25 years remaining (through 2040)
 - \$15.0M UTOPIA, \$2.4M UIA including interest
 - In the event of network sale, early termination provisions apply (prepayment penalty)
- **Avg. monthly debt cost per household = \$11.16**
 - \$9.44 UTOPIA currently paid from general fund
 - \$1.71 UIA currently covered by network revenues
 - Operating deficit is an additional \$2.50 per address

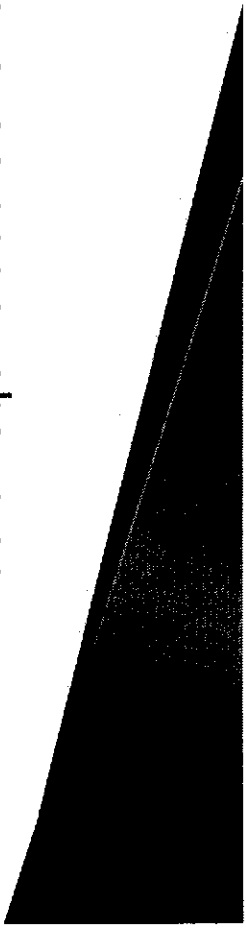
Financial Issues

UTOPIA Options – Financial Considerations

1. Maintenance mode (no growth)

- Requires capital to fund continued operating deficit and equipment refreshes (\$2.50 + \$ 2.50 = \$5.00 per address per mo.)
- Insufficient revenue to contribute to UTOPIA bonds (\$9.44)
- Other cities never “get built”
- No path to financial viability

2. Replace UTOPIA management, implement new growth plan

- May result in innovative thinking and new approaches
 - Would require vote of confidence in new management
 - Would require additional bonding (must assess political will)
- 

Financial Issues

UTOPIA Options – Financial Considerations

3. Sell the network

- iProvo sold to Google Fiber for \$1, taxpayer debt remains
- UTOPIA and UIA bond obligations would likely remain
- In any sale scenario, UTOPIA would be left without any assets and significant debt, including swap termination fee and UIA bond defeasance costs (effectively a \$77.5M prepayment penalty)

4. "Go dark" (network shutdown)

- \$8.6M of annual revenues go away (currently covering UIA bonds)
- Bond obligations remain (\$224M principal, \$510M with interest)
- Other obligations to repay (leases, stimulus grant, prepaid connections)
- Monthly obligations estimated a \$1.425M when "dark," higher than current subsidy of \$1.325M. (Note: UTOPIA won't go bankrupt)
- Add the likelihood of litigation, and this becomes the worst option

Financial Issues

UTOPIA Options – Financial Considerations

5. Macquarie PPP Model

- \$18-20 monthly commitment per household, 30-year concession
- Fixed fee, can't increase beyond inflation index (estimated 2.5%/year)
- The PPP will operate, maintain and refresh the network for 30 years. These costs and risks are transferred to Macquarie. \$300M up front.
- Possibility of debt repayment from premium service revenues, but no guarantees. "Sharing formula" yet to be determined – Milestone 2.
- Cities own the asset, will be "handed back" to cities at end of term.

6. Other Alternatives

- Macquarie was unsolicited and is a "sole-source" bid proposal.
- UTOPIA could invite competing proposals, understanding that a process could be lengthy and would require additional funding in the interim for the operating deficit.

Financial Issues

Centerville Options – Financial Considerations

- **Centerville contributes significant revenues to the network**
 - Centerville has 1,126 subscribers (10% of 11,126 total)
 - Centerville has \$699K annual revenue (8.1% of the \$8.6M total)
- **Centerville has less than 4% of UTOPIA vote and no assets**
 - Centerville has “voice” but not a large vote
 - Centerville does not own assets or customers; UTOPIA does
 - Centerville cannot simply carve out and operate “our” assets
 - *In the event* that other cities vote for the Macquarie PPP, Centerville has limited ability to stop UTOPIA from proceeding
 - However, Centerville does have its own options to consider

Financial Issues

Centerville Options – Continued

- ***In the event that other cities vote in favor of the PPP...***
 - Centerville can choose to “opt in” to the PPP
 - Centerville can choose to “opt out” and negotiate a separate deal with the PPP
- **The implications if Centerville “opts out”**
 - The remaining UTOPIA cities will charge Centerville for ongoing operating services.
 - The size of these fees will be determined by UTOPIA cities on the basis of “parity” and not by Macquarie.
 - Thus, the operating fee that Centerville would pay is subject to negotiation and not yet determined. The Committee suggests that this should be a key focus of Milestone 2 if the Council elects to proceed.
 - Likewise, many other issues would need to be negotiated, including sharing or forgoing a portion of premium service revenues, local electronics refresh costs and installations, daily servicing responsibilities, etc.

Financial Issues

Summary

- Under any scenario, Centerville is headed into a collaborative negotiation with the other UTOPIA cities
 - Status quo not likely to continue, other cities demanding resolution
 - Centerville will be in business with the other cities regardless of the ultimate direction, whether that involves buying service from PPP or dividing assets.
- If the Council votes to proceed to Milestone 2, at a *minimum* the Council should focus on determining two key items
 - The operating fee and other details in the “opt out” scenario discussed
 - The “sharing formula” used to distribute premium service revenues back to the cities.

Community Issues

Advisory Committee

Committee Work:

- ▶ **Began May 8**
 - ▶ **7-8 Meetings - Late**
 - ▶ **Total of over 100 Hours**
 - Meetings**
 - ▶ **Hundreds of Pages read, and**
 - ▶ **Hours Dedicated focus and review**
- 

Community Issues

Community Group

- ▶ The Community group has been involved in reaching out to Centerville Citizens as well as contacting the other ten cities. The following are some of the things that have been done and are planned for the future:

Accomplished

- ▶ Other cities were called to determine if they had other solutions or if they were going forward with Milestone 2.
 - ▶ City councils attended—both Centerville and other cities.
 - ▶ Phone numbers and emails published in an effort to get feedback from Centerville Citizens.
- 

Community Issues

- ▶ “Expert” guest speakers invited to better educate the committee.
- ▶ Hours spent as a committee sharing information learned.



Community Issues

Future Tasks IF we proceed to Milestone 2

Education / Community Feedback

- ▶ Educate community on current financial issues and obligations.
- ▶ Discuss options to resolve community issues – especially resolve Centerville obligations.
- ▶ Send out mailer to highlight pros & cons of available options re: internet / phone.
- ▶ Facilitate community forums re: options.

Community Issues

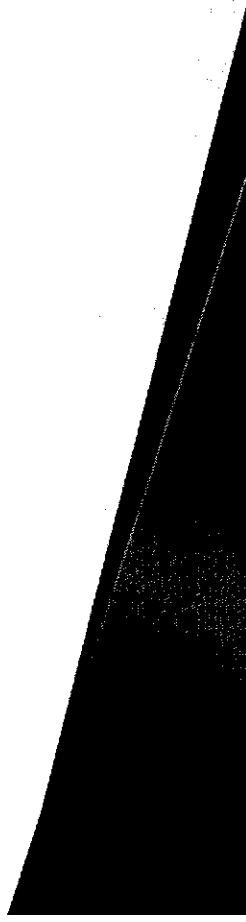
Set up Fiber Information Groups

- ▶ 30+ people with names published who could help people understand the issues and options.
- ▶ Along with letter communicating issues
- ▶ Community healing.



Community Issues

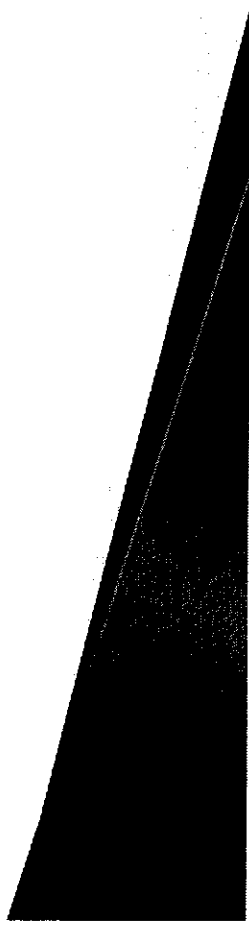
- ▶ **Future Tasks IF we DON'T proceed to Milestone 2**
- ▶ Resolve how to pay our 17m debt over 27+ years.
- ▶ Resolve UTOPIA Problems including:
 - Management Problems
 - Financial Operations Problems
 - legal risks:
 - Go Dark – purchased connections
 - Impact on businesses



Technology Issues

Technology Options

- 1) Copper Wire – DSL & Cable
- 2) Wireless Mobile – 3G/4G/LTE, WiMAX
- 3) Wireless – 802.11a/b/g/n/ac (WiFi)
- 4) Fiber Optics



Technology Options

DSL (Century Link) & Cable (Comcast)

Pros	Cons
Easy installation with current providers	Limited upload speeds
Existing wiring	Limited advancements in technology – DSL caps at 40mb
Widely available	Costs vary with provider and area Higher speeds only available with bundle
Easy to bundle with TV and home phone	Shared bandwidth (slower with more users)
	Speed limited by distance
	Throttled by providers

Technology Options

Wireless Mobile (Cell Phone Data)

Pros	Cons
Easy installation with current providers	Limited speeds offered by providers
Technology advancements	Have to replace equipment every 2-3 years
Widely available	Expensive - Costs vary from provider to provider, typically per device
Bundled with cell phone service	Shared bandwidth, Capped by providers
No wires to the home, device.	Distance limited

Weather and topology limited

Technology Options

Wireless 802.11 (WiFi)

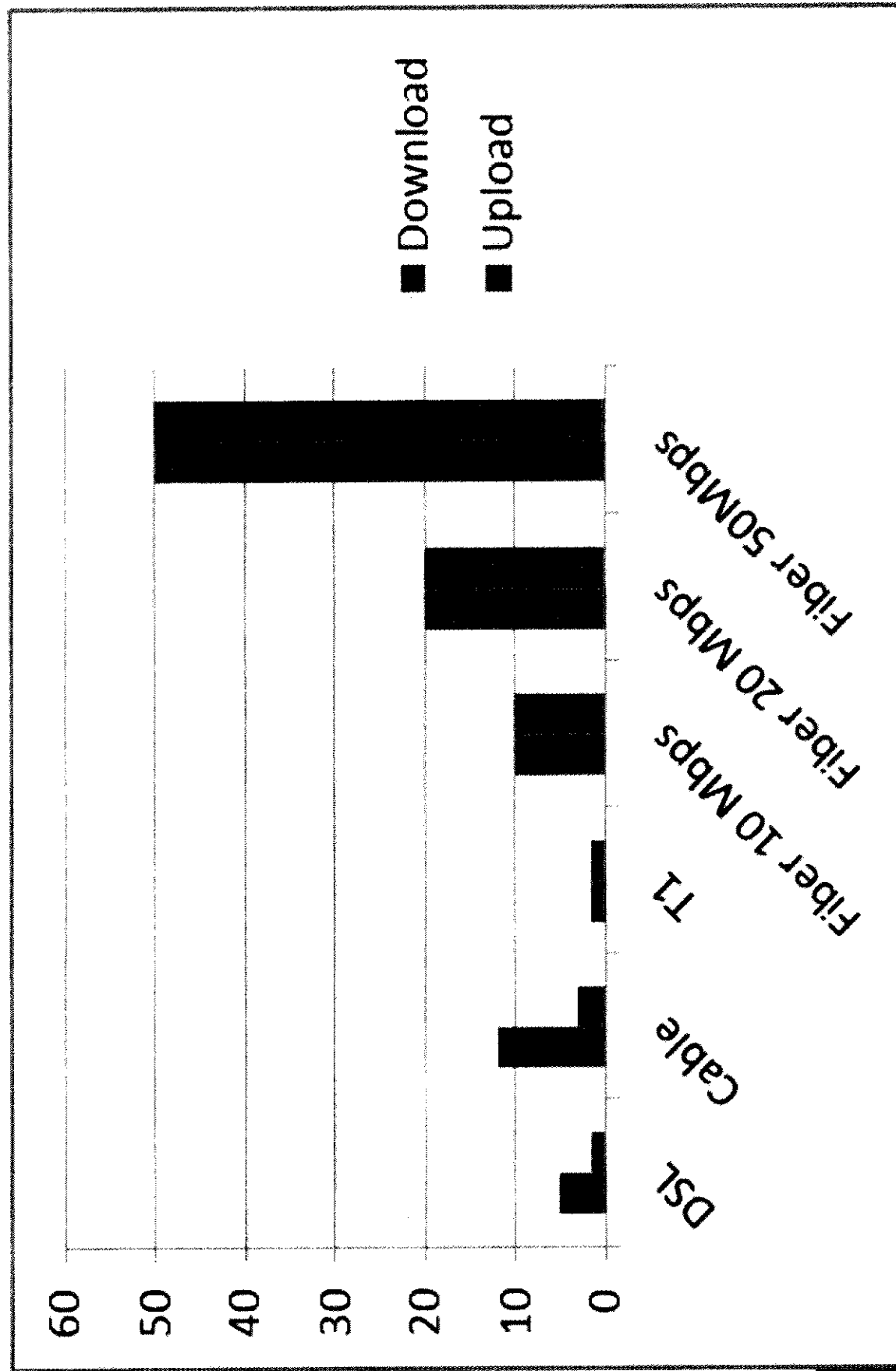
Pros	Cons
Easy installation with current providers	Limited providers – none currently
Technology advancements	Rapidly changing technologies
Built-in technology in most mobile devices.	Typically only available in private home or business
Fast speeds available	Shared bandwidth
No wires to the home, device.	Distance limited
	Weather and topology limited

Technology Options

Fiber Optics (Technology used by UTOPIA)

Pros	Cons
Fastest speeds available - same upload and download speeds	Limited availability with current providers
Usually not throttled by providers More competing providers	Expensive to install – requires its own conduit
No shared bandwidth	
Not affected by distance, weather, water	
Long life – no known obsolescence	
Speed potential – virtually unlimited	

Technology Options



Legal Issues

Legal Issues

The Macquarie utility model poses several uncertain legal issues that need to be resolved namely:

- ▶ Legality of the utility fee model?
- ▶ Legal obligation to continue maintaining network for cities who 'opt out' of the Macquarie proposal and share of operating expenses?
- ▶ Legal right to connect fiber to individual homes?
- ▶ The interplay of the UTOPIA/UIA interlocal agreements and various other legal issues? Especially the outcome under these agreements for cities who opt out?

Legal Issues

Legality of the Utility Fee Model?

- ▶ **Legality of the utility fee model**
 - Comcast, CenturyLink and others may file suit.
- ▶ ***If Proceed to Milestone 2:***
 - Recommendations: Legal of Issues:***
 - Review the likelihood of success for such challenges and the risks involved.
 - Allocate the risks and legal costs should legal challenges arise.

Legal Issues

Legality of the Utility Fee Model?

▶ *If Proceed to Milestone 2: Recommendations to City*

Indemnification

- ▶ If Centerville chooses to proceed with the Macquarie proposal, it will likely want to request an indemnification from Macquarie for any potential litigation.

Consider Legal Review by Own Legal Expert

- ▶ The legal analysis being provided in Milestone 2 is being hired by Macquarie.
- ▶ UTOPIA and/or the cities proceeding to Milestone 2 may want to consider hiring third-party analysts to review, interpret and conduct its own legal analysis of the Macquarie proposal and the potential threat of litigation, if proceeding with the PPP.

Legal Issues

Does UTOPIA have a legal obligation to continue operating the network?

- ▶ UTOPIA is obligated under the interlocal agreement to maintain the network- Yes – BUT: this is a simplified answer that begs the question – what if UTOPIA cannot maintain it or does not have sufficient funds to maintain it? UTOPIA does not have the funding to continue operating and is running approximately \$175,000 to \$225,000 monthly operating deficit; the voluntary funding commitment by cities ends September 30.
- ▶ Under the Macquarie proposal, all design-build, integration and ongoing operating and maintenance will be the responsibility of the PPP during the 30-year contract period.

Legal Issues

Does UTOPIA have a legal obligation to continue operating the network?

- ▶ More clarity on ongoing operating expenses is needed - If Centerville opts out of the Macquarie proposal, then its portion of the ongoing operation expenses will need to be negotiated (recommend that this happen if we go to Milestone 2) to prevent Centerville from going dark.
- ▶ Why not just go dark and cut our losses? – Legally that puts UTOPIA (and therefore the City) at much greater legal risk because of ongoing obligations to users, bondholders and others. The liabilities for that could well exceed current obligations.

Legal Issues

Legal Right to Connect Fiber to Individual Homes?

Legal right to connect fiber to individual homes?

- ▶ *Will easements be needed to connect the fiber network to the individual homes?*
 - Under the Macquarie proposal, these will have to be obtained from the homeowners if existing public utility easements (PUEs) are not available.
 - If a homeowner doesn't consent, then Macquarie will not connect the fiber to that particular resident's home.

Legal Issues

How Do all of the Agreements Work Together?

Legal Questions about Multiple Agreements

- ▶ What is the interplay of the UTOPIA/UIA interlocal agreements and various other legal issues?
- ▶ Especially the outcome under these agreements for cities who opt out?
- ▶ The "Exit" Outcome is Uncertain
- ▶ Many Other Legal Questions Need to be Resolved

Pros & Cons of Proceeding to Milestone 2 – or Not

Advantages of Proceeding to Milestone 2

Obtain more information regarding revenue sharing, legal risks and analysis and other remaining questions.

- Is Macquarie the answer? That is definitely not clear. Are there other or better solutions? That is not clear either. More information is needed to come to an intelligent solution.
- It is uncertain whether the information, reports and legal opinions generated during Milestone 2 constitute public or private information and whether Centerville would have access to all of the "due diligence" information if it does not proceed to Milestone 2.
- Centerville may be able to obtain some of the "due diligence" information and analysis, however, one cannot assume that Centerville would be privy to all of the pertinent information and discussions, especially since the cities that proceed to Milestone 2 are paying for such information.

Advantages of Proceeding to Milestone 2

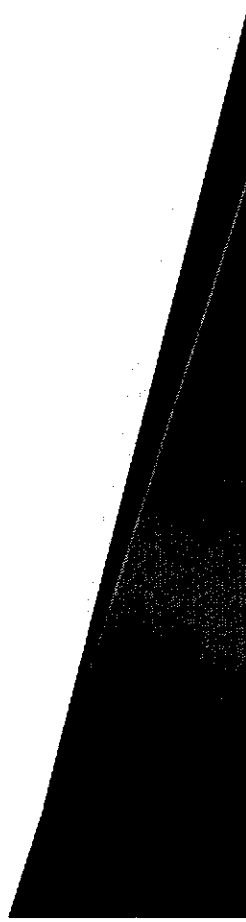
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Retain good will and obtain a “seat at the table” to secure the best outcome for Centerville. The ability to be actively involved in the negotiations that will undoubtedly arise during Milestone 2 should not be undervalued.

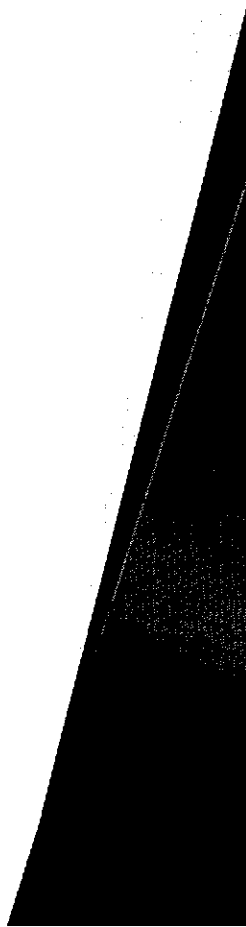
- More clarity needed on sharing formula for transport fees & premium service uptake.
- More clarity needed on operating expenses should Centerville opt out after Milestone 2.
- Being an active participant in negotiation of these key issues is likely in Centerville’s benefit.

Disadvantages of Proceeding to Milestone 2

- Proceeding to Milestone 2 costs Centerville approximately \$31,000 if reject Macquarie proposal.
- The financial mismanagement of UTOPIA and other related issues is the source of much debate and strong feelings in the community. Many residents may view Centerville proceeding to Milestone 2 as an endorsement of the Macquarie proposal, and a failure of their local city leaders to represent their opinions and interests.



Recommendations



Recommendations

The committee is split on moving to Milestone 2:

The majority of the committee believes that it is beneficial to go to Milestone 2. HOWEVER, Proceeding to Milestone 2 should not be construed as an endorsement of the Macquarie proposal, but as a means to secure the best outcome for Centerville.

In fact, other options, including opting out with appropriate negotiated operating charges, system updates, etc. may be better for Centerville than the Macquarie proposal.

Conclusions

Given the complexity of the legal issues, financial commitments and amount of UTOPIA/UIA debt at stake, the additional information and options Centerville may obtain by proceeding to Milestone 2 and having a "seat at the table" likely outweighs the approximate \$30,600 cost.

CENTERVILLE CITY COUNCIL

Staff Backup Report 6/17/2014

Item No. 4.

Short Title: UTOPIA/Macquarie Proposal

Initiated By:

Scheduled Time: 7:30

SUBJECT

- a. Presentation by Macquarie representative
- b. Report from Citizen Advisory Committee
- c. Public hearing re: whether to proceed to Milestone Two of the Macquarie Proposal
- d. Consider alternative Resolutions to support or not support proceeding to Milestone Two of the Macquarie Proposal (Resolution No. 2014-18)

RECOMMENDATION

Per the Mayor's direction, a Macquarie rep will first be allowed to make a brief presentation about Macquarie's proposal (i.e. Milestone One report) for a public-private partnership with UTOPIA. The Centerville UTOPIA Fiber Utility Advisory Committee will then make a report of their work and possibly a recommendation. The public hearing will then follow. After the public hearing, the City Council will likely postpone a decision until a special council meeting on June 24.

BACKGROUND

The recent utility bill insert advertised this public hearing for the approximate time of 7:30 p.m. Staff will set up additional chairs in the lobby due to the anticipated crowd. Comment cards will be provided to the public, to note their desire to speak during the public hearing, or to provide a written comment that will be made a part of the record and provided to the City Council following the meeting. Staff anticipate the Council will not make a decision on whether to proceed to Milestone Two until a special meeting to be held on June 24.

The City Attorney has prepared two draft resolutions (attached)--one to opt-in and one to opt-out of participation in the Milestone Two phase of the Macquarie proposal process. If the City Council votes to continue their participation in Milestone Two, they still have an "off-ramp" at the end of Milestone Two. There is a cost, however, for the City's participation in each phase if it does not proceed to implementation of the proposed partnership: about \$16,000 for Milestone One and about \$31,000 for Milestone Two.

ATTACHMENTS:

Description

- ☐ Resolution No. 2014-18-(Opt-In)
- ☐ Resolution No. 2014-18-(Opt-Out)

RESOLUTION NO. 2014-18

A RESOLUTION OF THE CENTERVILLE CITY COUNCIL AGREEING TO SUPPORT UTOPIA AND UIA MOVING FORWARD WITH MACQUARIE INTO MILESTONE 2 AND AUTHORIZING THE CITY'S REPRESENTATIVES TO THE BOARDS OF DIRECTORS OF UTOPIA AND UIA TO VOTE AFFIRMATIVELY IN FAVOR OF MOVING FORWARD WITH MACQUARIE INTO MILESTONE 2

WHEREAS, the City is a member of the Utah Telecommunication Open Infrastructure Agency ("UTOPIA"), and of the Utah Infrastructure Agency ("UIA," collectively, with UTOPIA, the "Agencies"); and

WHEREAS, the Agencies have previously entered into a Pre-Development Agreement ("PDA") with Macquarie Capital ("Macquarie"); and

WHEREAS, under the PDA, Macquarie is obligated to fulfill certain steps referred to as "Milestones" to methodically investigate and propose a transaction known as a "Concession Agreement"; and

WHEREAS, Macquarie has completed its work under Milestone 1, and has provided the Agencies, and their member cities, Macquarie's Milestone 1 Report; and

WHEREAS, the City has not yet determined whether the Macquarie proposal is in the best interest of the City, but the City Council has determined that it is in the best interest of the City and its citizens to support the Agencies moving forward with and proceeding through Milestone 2 in order to obtain further information and details regarding the Macquarie proposal.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF CENTERVILLE, UTAH, AS FOLLOWS:

Section 1. Support for Macquarie Milestone 2. The City has received a copy of the "UTOPIA Network PPP: Milestone One Report" as prepared by Macquarie Capital dated April 29, 2014. The City Council hereby finds that it is in the best interest of the City and its citizens to support the Agencies moving forward with and proceeding through Milestone 2 of the Macquarie proposal in order to obtain further information and details regarding the Macquarie proposal. The City's representatives to the UTOPIA and UIA Boards of Directors are hereby authorized and directed to vote in favor of the Agencies progressing into Milestone 2 of the Macquarie proposal.

Section 2. Limitations. This Resolution and the support for the Agencies moving forward with Macquarie is limited to support to proceed only through Milestone 2. As defined in the PDA, "Milestone" is defined as a discrete subpart of the Macquarie Project with certain deliverables, budgets and deadlines following which there are certain opportunities for the Agencies to terminate the Agreement. Nothing herein shall be construed as the City's support

for anything other than the Agencies moving forward with Macquarie through Milestone 2. While the City is a member of UTOPIA and UIA, it is expressly acknowledged that the City is not a party to the PDA.

Section 3. Compensation. The City agrees to pay to the Agencies its pro rata share of potential reimbursement amounts due and owing for proceeding through Milestone 1 in an amount not to exceed \$16,320 and Milestone 2 in an amount not to exceed \$30,600, subject to and conditioned upon the following:

1. The City receives a copy of the full and final Macquarie Milestone 2 Report;
2. The City decides not to support the Agencies proceeding to Milestone 3;
3. The Agencies terminate the PDA and/or do not proceed through Milestone 3 or 4; and
4. The Agencies are actually obligated to reimburse Macquarie for termination of the PDA under the terms and conditions set forth in Section 6.1, and only to the extent provided therein.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY,
STATE OF UTAH, ON THIS _____ DAY OF _____, 2014.**

CENTERVILLE CITY COUNCIL

Mayor Paul A. Cutler

ATTEST:

Marsha L. Morrow, City Recorder

Voting by the City Council:

	"AYE"	"NAY"
Councilmember Averett	_____	_____
Councilmember Fillmore	_____	_____
Councilmember Higginson	_____	_____
Councilmember Ivie	_____	_____
Councilmember Wright	_____	_____

RESOLUTION NO. 2014-18

A RESOLUTION OF THE CENTERVILLE CITY COUNCIL DECIDING NOT TO SUPPORT UTOPIA AND UIA MOVING FORWARD WITH MACQUARIE INTO MILESTONE 2 AND DIRECTING THE CITY'S REPRESENTATIVES TO THE BOARDS OF DIRECTORS OF UTOPIA AND UIA TO VOTE AGAINST MOVING FORWARD WITH MACQUARIE INTO MILESTONE 2

WHEREAS, the City is a member of the Utah Telecommunication Open Infrastructure Agency ("UTOPIA"), and of the Utah Infrastructure Agency ("UIA," collectively, with UTOPIA, the "Agencies"); and

WHEREAS, the Agencies have previously entered into a Pre-Development Agreement ("PDA") with Macquarie Capital ("Macquarie"); and

WHEREAS, under the PDA, Macquarie is obligated to fulfill certain steps referred to as "Milestones" to methodically investigate and propose a transaction known as a "Concession Agreement"; and

WHEREAS, Macquarie has completed its work under Milestone 1, and has provided the Agencies, and their member cities, Macquarie's Milestone 1 Report; and

WHEREAS, the City has determined that it is not in the best interest of the City or its citizens to support the Agencies moving forward with and proceeding through Milestone 2 of the Macquarie proposal based on the City's opposition to the mandatory utility fee model of the proposal.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF CENTERVILLE, UTAH, AS FOLLOWS:

Section 1. Lack of Support for Macquarie Milestone 2. The City has received a copy of the "UTOPIA Network PPP: Milestone One Report" as prepared by Macquarie Capital dated April 29, 2014. The City Council hereby finds that it is not in the best interest of the City or its citizens to support the Agencies moving forward with and proceeding through Milestone 2 of the Macquarie proposal. The City's representatives to the UTOPIA and UIA Boards of Directors are hereby directed to vote against the Agencies progressing into Milestone 2 of the Macquarie proposal.

Section 2. Limitations. As defined in the PDA, "Milestone" is defined as a discrete subpart of the Macquarie Project with certain deliverables, budgets and deadlines following which there are certain opportunities for the Agencies to terminate the Agreement. While the City is a member of UTOPIA and UIA, it is expressly acknowledged that the City is not a party to the PDA.

Section 3. Compensation. The City agrees to pay to the Agencies its pro rata share of potential reimbursement amounts due and owing for proceeding through Milestone 1 in an amount not to exceed \$16,320, subject to and conditioned upon the following:

1. The Agencies terminate the PDA and/or do not proceed through Milestones 2, 3 or 4; and
2. The Agencies are actually obligated to reimburse Macquarie for termination of the PDA under the terms and conditions set forth in Section 6.1, and only to the extent provided therein.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY,
STATE OF UTAH, ON THIS _____ DAY OF _____, 2014.**

CENTERVILLE CITY COUNCIL

Mayor Paul A. Cutler

ATTEST:

Marsha L. Morrow, City Recorder

Voting by the City Council:

	"AYE"	"NAY"
Councilmember Averett	_____	_____
Councilmember Fillmore	_____	_____
Councilmember Higginson	_____	_____
Councilmember Ivie	_____	_____
Councilmember Wright	_____	_____

CENTERVILLE CITY COUNCIL

Staff Backup Report 6/17/2014

Item No. 5.

Short Title: FY 2015 Budget

Initiated By:

Scheduled Time: 9:00

SUBJECT

- a. Adopt Certified Tax Rate - Resolution No. 2014-15
- b. Adopt compensation plan for employees, including appointed employees - Ordinance 2014-10
- c. Elected officials compensation - Ordinance No. 2014-11
- d. Compensation for Justice Court Judge - Resolution No. 2014-16
- e. Discuss other budget issues
- f. Adopt Centerville City FY 2015 Budget of Funds - Consider Resolution No. 2014-17

RECOMMENDATION

- a. Adopt Resolution No. 2014-15 regarding Certified Tax Rate
- b. Adopt Ordinance No. 2014-10 approving the compensation plan for employees, including appointed employees
- c. Approve Ordinance No. 2014-11 adjusting elected officials compensation
- d. Adopt Resolution No. 2014-16 approving compensation for Justice Court Judge
- e. Discuss other budget issues
- f. Adopt Resolution No. 2014-17 approving Centerville City FY 2015 Budget of Funds

BACKGROUND

These actions are required as part of the process of adopting the Final Budget for FY 2015. For additional background, see the staff report for the Budget Work Session to be held prior to the regular City Council meeting.

ATTACHMENTS:

Description

- D Resolution No. 2014-15 (certified tax rate)
- D Tax Rate Summary
- D Ordinance No. 2014-10 Adopting Salary Administrative Guidelines, Position Pay Grade Schedule & Salary Schedule
- D Ordinance No. 2014-11-(elected official compensation)
- D Resolution No. 2014-16 re Compensation for Justice Court Judge
- D Resolution Adopting FY 2015 Budget of Funds

RESOLUTION NO. 2014-15

A RESOLUTION SETTING THE 2014 TAX RATE FOR THE GENERAL FUND FOR CENTERVILLE CITY.

WHEREAS, in order to comply with State Law as contained in the Utah Code Annotated, Section 10-6-133, it is necessary to establish a tax rate for the General Fund.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH:

Section 1. Enactment. That the 2014 tax rate (for FY 2015) for the General Fund be set as follows:

<u>Purpose of Tax Rate</u>	<u>Tax Rate</u>	<u>Apportionment</u>
General Fund	_____	\$ _____

Section 2. Effective Date. This Resolution shall become effective upon passage.

PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH, on this 17th day of June, 2014.

CENTERVILLE CITY

BY: _____
Mayor

ATTEST:

City Recorder

I hereby certify that the above Resolution entitled "A Resolution Setting the 2014 Tax Rate for the General Fund for Centerville City, Utah," is a true and accurate copy of the resolution passed on the 17th day of June, 2014.

Marsha L. Morrow, City Recorder



Certified Tax Rates

[Open Tax Rates Message](#)

Welcome: Blaine!

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View Data Entry Reports Forms Administration

County 06_DAVIS

Entity 3020_CENTERVILLE

Tax Year

 2014
Tax Rate Summary
(693) CTY
Proposed
Rates set
by EntityProposed Rates
Approved by
CountyApproved by
State
OK to PrintRates
Finalized

	Current	Prior Year End	CY - PYE	% Change	Certified Tax Rate Value Adjustments		Value Adj	
Real	962,740,199	894,332,823	68,407,376	7.65%	BOE Adjustment	3,548,767	Reappraisal	51,805,535
Personal*	43,997,874	42,924,459	1,073,415	2.50%	CY Value Adj by BOE	934,834,621	Factoring	0
Central	34,631,293	34,024,213	607,080	1.78%	5 Year Avg Coll Rate CY/PYE	94.98 / 94.27	Legislative Adj	0
Total Value	1,041,369,366	971,281,495	70,087,871	7.22%	Proposed Tax Rate Value	887,905,923	Total Value Adj	51,805,535
CDRA R/CA	98,676,923	90,958,944	7,717,979	8.49%			Annex Adj	
CDRA Personal*	4,309,055	3,706,310	602,745	16.26%	New Growth: Calculated	9,961,612	Annex In	0
Total CDRA	102,985,978	94,665,254	8,320,724	8.79%	5 Year Avg Coll Rate CY	94.98	Annex Out	0
Semiconductor*	0	0	0	0.00%	New Growth: CTR Calculation	9,461,539	Accounting Period	
Total Value-CDRA-SCME	938,383,388	876,616,241	61,767,147	7.05%	Certified Tax Rate Value	878,444,384	Cycle	Fiscal
* "Personal" and "CDRA Pers" show Year-End values only and are one year earlier than Real and Centrally Assessed values.								

NOTES

Budget Code	Budget Name	Date of Election	Rate Limit	Code from Utah Annotated	Maximum By Law	Calculated Certified Tax Rate	Auditor's Certified Tax Rate	Proposed Tax Rate	Auditor's Certified Rate Revenue	Requested Revenue
10	General Operations			§10-6-133	.007	0.001074	0.001074		953,611	
190	Discharge of Judgement			§59-2-1328 & 1330	Sufficient	0.000000			0	
	Total Tax Rate C					0.001074	0.001074		953,611	

ORDINANCE NO. 2014-10

AN ORDINANCE AMENDING AND ADOPTING THE CENTERVILLE CITY SALARY ADMINISTRATION GUIDELINES, POSITION PAY GRADE SCHEDULE AND SALARY SCHEDULE.

WHEREAS, the City Council has previously prepared and adopted the Centerville City Salary Administration Guidelines, Position Pay Grade Schedule and Salary Schedule; and

WHEREAS, the City Council has reviewed the Centerville City Salary Administration Guidelines, Position Pay Grade Schedule and Salary Schedule and has held appropriate public hearings regarding the same; and

WHEREAS, the City Council desires to amend, update and adopt the Centerville City Salary Administration Guidelines, Position Pay Grade Schedule and Salary Schedule as more particularly set forth herein for the purpose of providing guidelines for employee pay raises in FY 2015 effective with the payroll period beginning July 6, 2014;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH, AS FOLLOWS:

Section 1. Adoption. The "Centerville City Salary Administration Guidelines - FY 2015" is hereby adopted in its entirety as set forth in Exhibit "A," attached hereto and incorporated herein by this reference, for the Fiscal Year 2015, effective with the payroll period beginning July 6, 2014.

Section 2. Adoption. The "Centerville City Position Pay Grade Schedule" is hereby adopted in its entirety as set forth in Exhibit "B," attached hereto and incorporated herein by this reference, for the Fiscal Year 2015.

Section 3. Adoption. The "Centerville City Salary Schedule" is hereby adopted in its entirety as set forth in Exhibit "C," attached hereto and incorporated herein by this reference, for the Fiscal Year 2015 effective with the payroll period beginning July 6, 2014.

Section 4. Severability. If any section, part or provision of this Ordinance is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Ordinance, and all sections, parts and provisions of this Ordinance shall be severable.

PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH, THIS 17th DAY OF JUNE, 2014.

CENTERVILLE CITY

ATTEST:

City Recorder

By: _____
Mayor

Voting by the City Council

"AYE" "NAY"

Council Member Averett	_____	_____
Council Member Higginson	_____	_____
Council Member Fillmore	_____	_____
Council Member Ivie	_____	_____
Council Member Wright	_____	_____

EXHIBIT "A"
CENTERVILLE CITY SALARY ADMINISTRATION
GUIDELINES - FY 2015

CENTERVILLE CITY SALARY ADMINISTRATION GUIDELINES – FY 2015

The City's compensation program is designed to compensate employees fairly, to maintain a pay position which is competitive, and to reward for performance. To carry out this philosophy, the City seeks to establish salaries that are fair externally, internally, and individually.

External Fairness

External fairness means employees will be paid fairly compared to people doing comparable work in the local job market area. The City determines fairness by comparing its salaries for certain jobs, such as police officer or secretary, with the salaries other employers pay for those jobs. Those jobs are grouped into levels of pay called salary grades. Each salary grade is assigned a pay range. In order to achieve a competitive advantage in the job market, the City generally bases the midpoint of pay ranges on the third quartile of the midpoints of pay ranges for related jobs in the job market, although this is subject to change by the City Council.

To keep salaries in line with its job market target, the City adjusts its salary ranges using data from local market salary surveys. The salary ranges (i.e., the minimum and maximum of each pay range) that were in effect for FY 2014 will be increased for FY 2015 by 2.0 percent.

Internal Fairness

Internal fairness means that jobs equivalent in value to the City are assigned similar salary grade levels, regardless of the department involved. Each position's salary grade level is based on the job description for that position, so accurate job descriptions are essential. Supervisors should update job descriptions when job duties change significantly and should review them at least annually in conjunction with performance appraisals. If there is a significant difference between the job description and current duties, the supervisor and the employee should normally rewrite the description for review so the City Manager can determine if the job is assigned the correct salary grade level, subject to Council approval. A revised job description does not mean that the assigned salary grade will change, only that it will be reviewed.

Individual Fairness

Individual fairness means an employee will be rewarded for individual performance relative to that of his/her peers. Based on that performance, an employee can move to higher positions in the current salary range or, if the employee earns a promotion, a higher salary range.

Salary Ranges

The City has assigned each job a salary range, with a minimum, midpoint, and maximum salary. The salary range allows employees to receive different salaries based on performance appraisals, levels of experience, and labor market conditions.

Note the following features of salary ranges:

1. Currently the Council's intent is to base the midpoints of salary ranges on the third quartile of the midpoints of pay ranges for related jobs in the job market. This will not be an exact match due to the need to maintain internal equity in the compensation plan.
2. Salary ranges are divided into four equal parts, called quartiles. The lowest salaries are in the first quartile, and the highest salaries are in the fourth quartile. For example, if a job has a minimum annual salary of \$30,000 and a maximum of \$42,000, the first quartile would range from \$30,000 to \$33,000; the second quartile would range from \$33,000 to \$36,000 and so on.
3. Salary ranges overlap extensively, so an experienced, high-performing employee in one grade level can earn the same as or more than a less-experienced or lower-performing employee in a higher grade level.
4. Normally salary ranges move higher each year to keep in line with conditions in the job market. Normally these adjustments do not result in cost-of-living raises for employees; however, the City Council reserves the right to approve cost-of-living increases in lieu of or in conjunction with merit increases.

Merit Increases

At the beginning of the Fiscal Year, an employee may receive a merit increase, or raise. This increase is based on the employee's performance and is affected by the quartile that the employee's salary is in, market salary conditions, and budget availability. The chart below shows the potential raise available in Fiscal Year 2015 (effective with the payroll period beginning July 6, 2014), depending on the employee's performance and where the employee's current salary falls within the pay range assigned to his/her position. **The percentages in this chart are likely to change from year to year. An employee's base pay cannot exceed the maximum of the pay range for his position. Therefore, employees at or near the maximum may not be eligible for the percentages shown in the 4th quartile below.**

	1 st Quartile	2 nd Quartile	3 rd Quartile	4 th Quartile
Consistently Exceeds Expectations ("sustained outstanding performance")	>3.5%	>3.0%	>2.5%	>2.0%
Meets or Exceeds Expectations	3.0 – 3.5%	2.5 – 3.0%	2.0 – 2.5%	1.5 – 2.0%
Needs Improvement	<3.0%	<2.5%	<2.0%	<1.5%
Seriously Deficient (at risk of Termination)	0%	0%	0%	0%

“Consistently Exceeds Expectations” is funded with a sum equal to 0.5% of the department’s salaries (not including the department head). This 0.5% can be used to increase the amount of raise for one or more employees within the department, subject to approval of the City Manager and Mayor and limited by the funding made available by the 0.5%. This means an employee could possibly receive more than a 0.5% additional increment. The 0.5% can also be used to give lump sum bonuses. Bonuses could be given, for example, for the following purposes:

- to recognize sustained outstanding performance by an employee who is at the top of the pay range (i.e., “maxed out”)
- to compensate an employee for significant additional responsibility undertaken for a limited period, for which the employee was not otherwise adequately compensated
- to recognize significant efforts by employees to upgrade their knowledge and skills

When using the 0.5% for additional base pay increases, normally this would be for the purpose of rewarding employees who consistently or significantly exceed expectations (i.e., “sustained outstanding performance”), or who have significantly increased their value to the City through education or training beyond that required for their position. However, the 0.5% might also be used to address a salary inequity within a department. A department head may also request permission from the City Manager to use up to 10% of the 0.5% sum for minor incentive awards throughout the fiscal year.

Any part of an employee’s pay raise may be delayed or postponed as an incentive to improve performance. Likewise, the 0.5% departmental pool may be used at any time during the fiscal year to fund an additional increase in base pay or to award a lump sum bonus. However, base pay raises given later in the fiscal year and funded by the 0.5% pool would be annualized when determining how much of the 0.5% pool is consumed to fund that raise.

Department heads will be considered as a “department” under the City Manager and Mayor in regard to the guidelines above. In other words, the City Manager and Mayor will decide the amount of raise for each department head, subject to the guidelines and funding limitations. Any base pay increase or lump sum bonus for the City Manager will be determined by the Mayor and City Council.

EXHIBIT "B"

CENTERVILLE CITY POSITION PAY GRADE SCHEDULE

**Centerville City
Position Pay Grade Schedule
8/21/2012**

Index Code	Department	Job Title	Pay Grade
100	Administration	City Manager	28
105		City Attorney	27
110		City Prosecutor	NC
115		City Engineer	NC
120		Finance Director/Asst. City Manager	25
122		Management Assistant	15
125		City Treasurer	14
130		City Recorder	12
131		Accountant III	14
132		Accountant II	12
133		Accountant I	10
135		Accounting Technician	7
145		Office Technician	3
150		Administrative Secretary	9
151		Secretary III	8
152		Secretary II	6
153		Secretary I	5
200	Community Development	Community Development Director	23
203		Planner II	13
206		Planner I	11
216		Planning & Zoning Technician	9
205		Chief Building Official	17
300	Justice Court	Justice Judge	NC
305		Court Clerk Supervisor	11
310		Court Clerk III	8
311		Court Clerk II	7
312		Court Clerk I	5
400	Parks & Recreation	Parks & Recreation Director	20
405		Parks Supervisor	14
410		Parks Maintenance Specialists III	10
411		Parks Maintenance Specialists II	9
412		Parks Maintenance Specialists I	7
415		Recreation Coordinator	10
420		Building Custodian	5
421		Recreation Instructor	NC

Centerville City
Position Pay Grade Schedule
8/21/2012

Index Code	Department	Job Title	Pay Grade
500	Police	Police Chief	25
505		Assistant Chief/Lieutenant	21
510		Sergeant	17
515		Police Officer III	15
516		Police Officer II	13
517		Police Officer I	12
519		Records/IT Technician	11
518		Records/IT Specialist	13
520		Dispatcher III	10
521		Dispatcher II	8
522		Dispatcher I	6
524		Court Technician/Dispatcher	5
525		Crossing Guard	N/A
600	Public Works	Public Works Director	23
610		Water Supervisor/Deputy Public Works Director	17
611		Drainage Utility Supervisor	14
615		Street Supervisor	15
617		GIS Specialist	13
621		Journey Mechanic	11
622		Apprentice Mechanic	10
625		Water Maintenance Operator III	12
626		Water Maintenance Operator II	10
627		Water Maintenance Operator I	8
630		Street Maintenance Operator III	12
631		Street Maintenance Operator II	10
632		Street Maintenance Operator I	8
640		Meter Reader	7
645		Laborer	6

EXHIBIT "C"
CENTERVILLE CITY SALARY SCHEDULE

**Centerville City Salary
Schedule
7/6/2014**

	First Quartile			Second Quartile			Third Quartile			Fourth Quartile		
Grade	Min				Midpoint						MAX	
1	\$10.43	to	\$11.60	\$11.61	to	\$12.78	\$12.79	to	\$13.95	\$13.96	to	\$15.12
2	\$10.95	to	\$12.19	\$12.20	to	\$13.42	\$13.43	to	\$14.65	\$14.66	to	\$15.88
3	\$11.52	to	\$12.81	\$12.82	to	\$14.10	\$14.11	to	\$15.40	\$15.41	to	\$16.69
4	\$12.09	to	\$13.46	\$13.47	to	\$14.82	\$14.83	to	\$16.18	\$16.19	to	\$17.54
5	\$12.70	to	\$14.13	\$14.14	to	\$15.56	\$15.57	to	\$16.99	\$17.00	to	\$18.41
6	\$13.35	to	\$14.85	\$14.86	to	\$16.35	\$16.36	to	\$17.85	\$17.86	to	\$19.35
7	\$14.03	to	\$15.60	\$15.61	to	\$17.18	\$17.19	to	\$18.76	\$18.77	to	\$20.34
8	\$14.73	to	\$16.39	\$16.40	to	\$18.05	\$18.06	to	\$19.71	\$19.72	to	\$21.37
9	\$15.48	to	\$17.22	\$17.23	to	\$18.96	\$18.97	to	\$20.70	\$20.71	to	\$22.44
10	\$16.26	to	\$18.09	\$18.10	to	\$19.92	\$19.93	to	\$21.75	\$21.76	to	\$23.58
11	\$17.09	to	\$19.01	\$19.02	to	\$20.93	\$20.94	to	\$22.86	\$22.87	to	\$24.78
12	\$17.95	to	\$19.97	\$19.98	to	\$21.99	\$22.00	to	\$24.01	\$24.02	to	\$26.03
13	\$18.86	to	\$20.98	\$20.99	to	\$23.10	\$23.11	to	\$25.22	\$25.23	to	\$27.34
14	\$19.81	to	\$22.04	\$22.05	to	\$24.27	\$24.28	to	\$26.50	\$26.51	to	\$28.72
15	\$20.81	to	\$23.15	\$23.16	to	\$25.50	\$25.51	to	\$27.84	\$27.85	to	\$30.18
16	\$21.87	to	\$24.33	\$24.34	to	\$26.79	\$26.80	to	\$29.25	\$29.26	to	\$31.71
17	\$22.98	to	\$25.56	\$25.57	to	\$28.14	\$28.15	to	\$30.73	\$30.74	to	\$33.31
18	\$24.13	to	\$26.85	\$26.86	to	\$29.57	\$29.58	to	\$32.28	\$32.29	to	\$35.00
19	\$25.36	to	\$28.21	\$28.22	to	\$31.06	\$31.07	to	\$33.92	\$33.93	to	\$36.77
20	\$26.65	to	\$29.64	\$29.65	to	\$32.64	\$32.65	to	\$35.64	\$35.65	to	\$38.64
21	\$27.99	to	\$31.14	\$31.15	to	\$34.28	\$34.29	to	\$37.43	\$37.44	to	\$40.58
22	\$29.40	to	\$32.71	\$32.72	to	\$36.02	\$36.03	to	\$39.33	\$39.34	to	\$42.64
23	\$30.89	to	\$34.37	\$34.38	to	\$37.85	\$37.86	to	\$41.32	\$41.33	to	\$44.80
24	\$32.46	to	\$36.11	\$36.12	to	\$39.76	\$39.77	to	\$43.41	\$43.42	to	\$47.06
25	\$34.10	to	\$37.94	\$37.95	to	\$41.78	\$41.79	to	\$45.62	\$45.63	to	\$49.46
26	\$35.83	to	\$39.87	\$39.88	to	\$43.90	\$43.91	to	\$47.93	\$47.94	to	\$51.96
27	\$37.65	to	\$41.89	\$41.90	to	\$46.13	\$46.14	to	\$50.36	\$50.37	to	\$54.60
28	\$39.56	to	\$44.01	\$44.02	to	\$48.47	\$48.48	to	\$52.92	\$52.93	to	\$57.37

**Centerville City Salary
Schedule
7/6/2014**

Grade	First Quartile Min	Second Quartile Midpoint	Third Quartile	Fourth Quartile MAX
1	\$21,694.54 to \$24,133.74	\$24,133.75 to \$26,572.95	\$26,572.96 to \$29,012.15	\$29,012.16 to \$31,451.35
2	\$22,785.01 to \$25,348.56	\$25,348.57 to \$27,912.12	\$27,912.13 to \$30,475.67	\$30,475.68 to \$33,039.22
3	\$23,952.00 to \$26,644.69	\$26,644.70 to \$29,337.37	\$29,337.38 to \$32,030.06	\$32,030.07 to \$34,722.75
4	\$25,157.25 to \$27,988.64	\$27,988.65 to \$30,820.03	\$30,820.04 to \$33,651.41	\$33,651.42 to \$36,482.80
5	\$26,419.90 to \$29,389.98	\$29,389.99 to \$32,360.07	\$32,360.08 to \$35,330.16	\$35,330.17 to \$38,300.24
6	\$27,759.07 to \$30,882.20	\$30,882.21 to \$34,005.34	\$34,005.35 to \$37,128.47	\$37,128.48 to \$40,251.60
7	\$29,174.76 to \$32,455.73	\$32,455.74 to \$35,736.69	\$35,736.70 to \$39,017.66	\$39,017.67 to \$42,298.62
8	\$30,647.85 to \$34,096.21	\$34,096.22 to \$37,544.57	\$37,544.58 to \$40,992.93	\$40,992.94 to \$44,441.29
9	\$32,197.46 to \$35,818.00	\$35,818.01 to \$39,438.54	\$39,438.55 to \$43,059.08	\$43,059.09 to \$46,679.62
10	\$33,823.59 to \$37,630.66	\$37,630.67 to \$41,437.73	\$41,437.74 to \$45,244.79	\$45,244.80 to \$49,051.86
11	\$35,545.38 to \$39,543.76	\$39,543.77 to \$43,542.13	\$43,542.14 to \$47,540.51	\$47,540.52 to \$51,538.89
12	\$37,343.69 to \$41,542.95	\$41,542.96 to \$45,742.20	\$45,742.21 to \$49,941.45	\$49,941.46 to \$54,140.70
13	\$39,218.53 to \$43,633.01	\$43,633.02 to \$48,047.48	\$48,047.49 to \$52,461.96	\$52,461.97 to \$56,876.43
14	\$41,208.15 to \$45,842.64	\$45,842.65 to \$50,477.12	\$50,477.13 to \$55,111.60	\$55,111.61 to \$59,746.08
15	\$43,293.43 to \$48,162.27	\$48,162.28 to \$53,031.11	\$53,031.12 to \$57,899.94	\$57,899.95 to \$62,768.78
16	\$45,493.50 to \$50,611.04	\$50,611.05 to \$55,728.58	\$55,728.59 to \$60,846.12	\$60,846.13 to \$65,963.66
17	\$47,789.21 to \$53,165.02	\$53,165.03 to \$58,540.83	\$58,540.84 to \$63,916.64	\$63,916.65 to \$69,292.45
18	\$50,199.72 to \$55,848.14	\$55,848.15 to \$61,496.57	\$61,496.58 to \$67,144.99	\$67,145.00 to \$72,793.42
19	\$52,744.14 to \$58,679.53	\$58,679.54 to \$64,614.92	\$64,614.93 to \$70,550.31	\$70,550.32 to \$76,485.70
20	\$55,422.48 to \$61,659.18	\$61,659.19 to \$67,895.89	\$67,895.90 to \$74,132.59	\$74,132.60 to \$80,369.29
21	\$58,215.60 to \$64,763.19	\$64,763.20 to \$71,310.77	\$71,310.78 to \$77,858.35	\$77,858.36 to \$84,405.93
22	\$61,161.78 to \$68,044.15	\$68,044.16 to \$74,926.52	\$74,926.53 to \$81,808.90	\$81,808.91 to \$88,691.27
23	\$64,261.00 to \$71,492.51	\$71,492.52 to \$78,724.03	\$78,724.04 to \$85,955.54	\$85,955.55 to \$93,187.05
24	\$67,513.27 to \$75,108.27	\$75,108.28 to \$82,703.27	\$82,703.28 to \$90,298.28	\$90,298.29 to \$97,893.28
25	\$70,937.71 to \$78,920.12	\$78,920.13 to \$86,902.52	\$86,902.53 to \$94,884.93	\$94,884.94 to \$102,867.34
26	\$74,535.86 to \$82,923.15	\$82,923.16 to \$91,310.44	\$91,310.45 to \$99,697.74	\$99,697.75 to \$108,085.03
27	\$78,316.51 to \$87,129.23	\$87,129.24 to \$95,941.95	\$95,941.96 to \$104,754.67	\$104,754.68 to \$113,567.39
28	\$82,288.92 to \$91,548.65	\$91,548.66 to *****	***** to \$110,068.09	\$110,068.10 to \$119,327.82

Annual amounts based on 2080 hours.

ORDINANCE NO. 2014-11

AN ORDINANCE AMENDING SECTION 2-03-090 OF THE CENTERVILLE CITY MUNICIPAL CODE REGARDING COMPENSATION FOR THE MAYOR AND CITY COUNCIL MEMBERS

WHEREAS, the City Council has previously adopted Section 2-03-090 setting the compensation for City Council members and the Mayor; and

WHEREAS, the City Council desires to update and revise the compensation for City Council members and the Mayor as more particularly set forth herein; and

WHEREAS, the City Council has provided notice and held a public hearing regarding the proposed amendments to the compensation for elected officials in accordance with *Utah Code Ann.* § 10-3-818.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH:

Section 1. Amending. Section 2-03-090 of the Centerville Municipal Code is hereby amended to read in its entirety as follows:

2-03-090. Salaries.

(a) Elected Officer Compensation. Elected officers shall receive such compensation for their services as set forth herein or as the City Council may fix or amend by ordinance in accordance with the notice and hearing requirements set forth in *Utah Code Ann.* § 10-3-818, as amended. The compensation of elected officers shall be paid monthly in twelve (12) equal installments.

(b) Compensation Review. Every four (4) years, beginning in 2010, as part of the regular budget process, City staff will review the appropriateness of the compensation received by the Mayor and City Council members and recommend adjustments, taking into consideration the impact of inflation, and the compensation of elected officials in cities of similar size.

(c) Mayor. The total compensation to be received by the Mayor shall be \$1,200 ~~\$1,000~~ per month, a portion of which may be funded by the RDA for the Mayor's role as the Chair of the RDA. The Mayor shall also be provided a vehicle allowance in the amount of \$100 per month.

(d) Council Members. The total compensation to be received by each member of the City Council shall be \$625 ~~\$425~~ per month, a portion of which may be funded by the RDA for Council Member's role as a member of the RDA.

Section 2. Effective Date. This ordinance and the pay increase adopted herein shall become effective on July 1, 2014.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY,
STATE OF UTAH, THIS 17th DAY OF JUNE, 2014.**

CENTERVILLE CITY

By: _____
Mayor

ATTEST:

City Recorder

Voting by the City Council:

	"AYE"	"NAY"
Councilmember Averett	_____	_____
Councilmember Fillmore	_____	_____
Councilmember Higginson	_____	_____
Councilmember Ivie	_____	_____
Councilmember Wright	_____	_____

RESOLUTION NO. 2014-16

A RESOLUTION FIXING THE COMPENSATION OF THE MUNICIPAL JUSTICE COURT JUDGE OF THE CENTERVILLE CITY JUSTICE COURT.

WHEREAS, pursuant to Section 78-5-129, Utah Code Annotated, 1953, as amended, the City Council has reviewed the compensation paid to the Justice Court Judge of the city; and

WHEREAS, the City Council has determined that an increase in the compensation of the Justice Court Judge is warranted at the present time.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH:

Section 1. Adoption. Effective July 6, 2014, and until further determination of the City Council, the compensation of the Justice Court Judge presiding over the municipal Justice Court for the City of Centerville shall be \$42,265 per year. The Judge may elect to continue participation in the City's employee health insurance plan, and a portion of his compensation may be applied towards the health insurance premium.

Section 2. Submission Requirement. A copy of this Resolution shall be furnished to the State Court Administrator as required by law.

Section 3. Effective Date. This Resolution shall become effective immediately upon its passage.

PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH on this 17th day of June, 2014.

CENTERVILLE CITY

BY: _____
Mayor

ATTEST:

City Recorder

RESOLUTION NO. 2014-17

A RESOLUTION ADOPTING THE FY 2015 BUDGET OF FUNDS AND ACCOUNTS FOR CENTERVILLE CITY, UTAH AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in accordance with the Uniform Fiscal Procedures Act for Utah cities, the City has heretofore adopted a tentative budget setting forth revenues and expenditures for the Fiscal Year ending June 30, 2015; and

WHEREAS, in accordance with law a public hearing has been held on the proposed tentative budget and comments received relating thereto.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH:

Section 1. Adoption. That the FY 2015 Budget be hereby adopted, including all funds and accounts as shown in the budget format attached and dated June 17, 2014.

Section 2. Effective Date. This Resolution shall become effective July 1, 2014.

PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH, on this 17th day of June, 2014.

By: _____
Paul A. Cutler, Mayor

Marsha L. Morrow, City Recorder

ATTEST:

I hereby certify that the above-mentioned Resolution is a true and accurate copy, including all attachments of the Resolution passed by the City Council on Tuesday, the 17th of June, 2014.

Marsha L. Morrow, City Recorder

CENTERVILLE CITY COUNCIL

Staff Backup Report 6/17/2014

Item No. 6.

Short Title: Minutes Review and Acceptance

Initiated By:

Scheduled Time: 9:20

SUBJECT

Review and accept June 3, 2014 work session and regular City Council meeting minutes

RECOMMENDATION

BACKGROUND

ATTACHMENTS:

Description

- ☐ June 3, 2014 Work Session minutes
- ☐ June 3, 2014 City Council meeting minutes

PRELIMINARY DRAFT

Minutes of the Centerville City Council **work session** held Tuesday, June 3, 2014 at 5:10 p.m. at the City Hall Council Chambers, 250 North Main Street, Centerville, Utah.

MEMBERS PRESENT

Mayor	Paul A. Cutler
Council Members	Ken S. Averett John T. Higginson Stephanie Ivie Lawrence Wright

<u>MEMBER ABSENT</u>	Tamilyn Fillmore
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<u>STAFF PRESENT</u>	Steve Thacker, City Manager Blaine Lutz, Finance Director/Assistant City Manager Lisa Romney, City Attorney Katie Rust, Recording Secretary
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BUDGET WORK SESSION (CONTINUED FROM MAY 20, 2014)

Elected Official Salaries

City Council member salary was last increased in 2006, and Mayor salary was last increased in 2004. Continuing a conversation begun at the work session on May 20th, Steve Thacker, City Manager, recommended the Council increase both City Council member and Mayor salary by \$200 per month (\$100 from the General Fund and \$100 from the RDA budget). Council members seemed to indicate support for the recommendation. Mr. Thacker suggested funding the General Fund portion of the elected official salary increases from additional available revenue in the General Fund, as identified in his Budget Message.

Salary Administration Guidelines

Mr. Thacker presented 2014 pay range midpoint data for positions in many Utah cities compared with pay range midpoint data for the same positions in Centerville. Mr. Thacker stressed that pay range adjustments do not change individual employee salaries. Mr. Thacker recommended a 2% market adjustment to Centerville employee pay ranges to meet the City's goal of offering competitive employee salaries. Management position salaries are currently below the average compared to other cities of similar size in Utah. Mr. Thacker did not recommend pay grade adjustments for management at this time, other than the 2% market adjustment recommended for all pay ranges, but suggested it should be considered at some point.

Last year the Council authorized a total of 2% to fund merit increases and an additional 0.5% to recognize outstanding performance. Mr. Thacker reported that not all of the 0.5% was used by department heads in FY 2014. For FY 2015, he recommended the Council approve a total of 2.5% to fund merit increases for meeting expectations and an additional 0.5% to award for outstanding performance, or 3% total. This recommendation is 0.5% more (\$17,000 in the General Fund) than his original recommendation to the Council. He explained the additional increase is in response to further comparative information gathered. He added that the budget needed for health insurance has reduced by \$17,000 since the Tentative Budget was prepared. Mr. Thacker explained the salary increase approaches taken by Bountiful City and Farmington City as comparisons. Bountiful has 5% step increases yearly for the first 5 years, plus cost-of-living raise this year across the board of 2%. Farmington is using a total of 4% to fund raises this year. Councilman Wright pointed out that costs to the City for insurance and retirement

benefits are increasing in FY 2015. Mr. Thacker responded that the increased cost to the City for FY 2015 benefits will fund the same level of benefits the employees received in FY 2014. The savings in insurance cost compared to the amount in the Tentative Budget could fund the additional 0.5% merit increase.

Councilman Wright stated City employees have received a pay raise every year, yet there are residents in the City who have not received any pay raises. He suggested the insurance savings be used to fund streets maintenance or some other service. Councilman Wright said that the merit increase logic has been used as long as he has been on the Council, and recommended taking a different approach – give a cost-of-living salary increase of 1%, plus 0.5% to reward outstanding performance at least for one year, in addition to the increased cost to the City for retirement and health insurance. He stated looking at the comparative data he feels City employees are paid well, and funds should be used for other expenditures. Mayor Cutler stated in his experience it is more effective to give increases based on merit than union-type cost-of-living increases. Councilman Wright responded he is still suggesting a 0.5% merit increase. He said he feels there are no controls in place with the current method. Councilwoman Ivie stated she feels it is an entitlement issue, with the City used to being able to give raises. She added that the City does not always have the money and it is not the end of the world to tell employees they will not get as much of a raise as last time. The Council discussed going without an elected official salary increase and using those funds to fund other services.

Councilman Averett stated he agreed with the decision last year to trim back the salary increases, and feels the City has done a good job of being respectful of the employees while remaining conservative. Councilman Averett stated he feels it is important to offer an increase that at least covers inflation. He emphasized the need to retain a productive work force and pointed out that turn-over has training and other costs associated with it. Councilman Averett added he believes the economy is healthy and robust, and he would not want to lose valued employees to other cities and the private sector. Councilman Wright responded he is asking for one year for stabilization, and he believes the benefits already offered are incentives for employees to stay. Councilman Wright asked about the estimated cost of living increase (i.e. consumer price index) for the past year. Staff responded it is estimated to be 1.5% for western states, 2% for the U.S.

Request for Additional Police Officer

Councilman Wright stated he suggested last year that the Police Department look into the possibility of utilizing reserve and part-time police officers. He repeated the suggestion for this year, stating that the situation he has in mind would involve already-trained, retired FBI and police officers. Mr. Thacker responded that last year Chief Worsley expressed his opinion against that option. Mr. Thacker added that he had not perceived a majority of the Council wanting to move in that direction. Councilman Higginson stated he remembers the Chief questioning the likelihood of finding quality part-time police officers. Councilman Wright stated that before hiring an additional full-time officer, he feels they should look at the part-time officer option. Councilman Higginson expressed a desire to see data supporting the need for a new officer. Mr. Thacker responded that the Chief can bring back crime statistics to explain to the Council.

City Manager Thacker stated he is willing to support the addition of a new officer because it has been ten years since an officer has been added to the Police Department, and Centerville has grown substantially in that time. He stated he would like to see it happen, but

1 acknowledged that it could be put off another year. Councilman Averett described an incident
2 that recently took place behind his office building in Centerville that necessitated three different
3 police officers, one of which had to come from Woods Cross and one from the County because
4 the City did not have enough officers available. Councilman Averett agreed with the request
5 that staff come back with statistics to support the request for a full-time officer and a response
6 regarding the feasibility of utilizing part-time officers. The Council discussed some of the criteria
7 that would be involved with the part-time option. Mayor Cutler summarized the Council's
8 request: (1) statistical data that justifies the request for an additional full-time officer; (2) a
9 comparison of the number of part-time police officers that would be needed versus a new full-
10 time officer; and (3) the issues that would be involved with hiring part-time officers. With
11 regards to the budget schedule, Mr. Thacker suggested the funds set aside for a full-time officer
12 in the Tentative Budget could be put in the Contingency Fund to be accessible, if needed, after
13 the City Council makes a decision.

14
15 Employee Compensation Continued

16
17 The Council returned to a discussion of employee salary increases. Councilman Wright
18 repeated his request that the Council approve a 1% ubiquitous cost-of-living increase with an
19 additional 0.5% to reward outstanding performance, in addition to the continued health
20 insurance and retirement benefits. The Council and staff discussed the State requirements
21 involved with changing the compensation format for appointed positions. Councilman Wright
22 suggested adding a paragraph to the ordinance passed for FY 2015 that adds the ability to use
23 the cost-of-living option in lieu of the merit-based option. Councilman Higginson stated that if
24 the numbers used are the same, he did not see a reason to change the wording. Councilman
25 Higginson continued stating he feels a full-time employee in any city can expect health
26 insurance and retirement benefits, and it is his opinion that an increase below the cost-of-living
27 increase is not a raise. Councilman Higginson stated that a 1.5% increase with an additional
28 0.5% increase for exceptional performance would send the message that times are tough but
29 the City will at least keep up with inflation. Council members Averett, Ivie, and Wright stated
30 they could support the 1.5% + 0.5% increase. Mayor Cutler asked if a majority of the Council
31 would support a change to the cost-of-living method proposed by Councilman Wright.
32 Councilman Higginson spoke in favor of keeping the current merit-based method.
33 Councilwoman Ivie stated she would support adding a paragraph to the ordinance giving
34 management the option of using the cost-of-living increase method. Mayor Cutler stated he
35 feels there is a fundamental difference between giving all employees the same increase and
36 giving merit-based increases.

37
38 Mr. Thacker explained he feels, as the City Manager, that a 1% across-the-board
39 increase would defeat the philosophy and principles on which the City has operated its
40 compensation program for years. As an alternative, he suggested the Council support at least
41 his original recommendation of 2% for merit increases with an additional 0.5% for outstanding
42 performance, but in light of the comparative data, he believes 2.5% for merit increases plus
43 0.5% for outstanding performance is justified. Councilman Wright explained he feels the
44 increased cost of living is ubiquitous, and the increase should be as well. He also expressed a
45 desire to see evidence of employees "exceeding expectation". Mr. Thacker responded he does
46 not feel it is good practice to get into nitty-gritty staff judgments in public meeting. He expressed
47 that the 0.5% is used with discretion, and the department heads feel the ability to recognize
48 outstanding performance is a critical motivation tool. Councilman Higginson stated he
49 supported last year's increase (2.0% + 0.5%) that matched inflation because it was a tough
50 year. He feels the Council has sent that message already, and he would support the 2.5% +
51 0.5%. Councilman Wright stated he feels there is merit in cost-of-living increases, and he feels

1 the ordinance should include the possibility for future Councils to consider using that method,
2 but he can agree with the 2.5% + 0.5% suggested by the City Manager. Mayor Cutler stated he
3 has asked department heads to recognize outstanding employees as part of a quarterly
4 performance review. They could be highlighted in Council meetings or in a public area of City
5 Hall.

6
7 Justice Court Judge
8

9 City Manager Thacker explained that the State sets a range for judge salaries and
10 requires that judges receive an increase equal to the average increase of other city employees.
11 The FY 2015 range for Centerville's Justice Court Judge is \$30,030 - \$54,054. The judge's
12 salary in FY 2014 was \$41,234. Councilman Higginson expressed a desire to evaluate whether
13 or not Centerville needs its own judge. Staff responded that the Court brings in more revenue
14 than its operating costs.

15
16 ADJOURNMENT
17

18 Mayor Cutler adjourned the work session at 6:51 p.m.
19
20
21
22

23
24 _____
25 Marsha L. Morrow, City Recorder
26
27
28
29 _____

Date Approved

30 Katie Rust, Recording Secretary

PRELIMINARY DRAFT

Minutes of the Centerville **City Council** meeting held Tuesday, June 3, 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 John T. Higginson Stephanie Ivie Lawrence Wright

<u>MEMBER ABSENT</u>	Tamilyn Fillmore
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<u>STAFF PRESENT</u>	Steve Thacker, City Manager Lisa Romney, City Attorney Neal Worsley, Centerville Police Chief Katie Rust, Recording Secretary
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<u>STAFF ABSENT</u>	Blaine Lutz, Finance Director/Assistant City Manager
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<u>VISITORS</u>	Interested citizens (see attached sign-in sheet)
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PLEDGE OF ALLEGIANCE

<u>PRAYER OR THOUGHT</u>	Councilman Ken S. Averett
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OPEN SESSION

Brad Thueson – Mr. Thueson, General Manager of Cedar Springs Condominiums, stood with members of the Cedar Springs Board of Directors to show support and deepest gratitude to Chief Worsley and the Centerville Police Department. Mr. Thueson stated the officers of the Centerville Police are true professionals. He expressed appreciation for the support they give to the community and specifically to Cedar Springs.

Summer Thatcher – Ms. Thatcher is Controller of Cedar Springs Condominiums. She expressed appreciation for the Police Department and their quick response time. Virginia Losee, Cedar Springs Board of Directors Vice President, presented Chief Worsley with a plaque.

Mark Austin – Mr. Austin, a member of the UTOPIA Advisory Committee, stated that the Committee has wondered if other groups besides Macquarie have submitted proposals of what to do with UTOPIA. He stated the Committee feels UTOPIA has a responsibility to do due diligence in requesting proposals, even if it is thought that no one would be interested. Mr. Austin expressed concern regarding an article he read in the Tribune stating that UTOPIA had met with First Digital and agreed to look at their proposal, but the UTOPIA Board voted to ban consideration of any other proposals. Mr. Austin stated the City needs to be able to consider different options to make the right decision. He asked if the report was accurate, and if accurate, why it happened.

Mayor Cutler responded that the UTOPIA Board Chair brought up the resolution to limit the offers considered because a lot of different groups and cities were asking UTOPIA staff to look at different options. UTOPIA staff is short handed with limited resources. Mayor Cutler

1 explained that the resolution clarifies that only proposals serious in nature will be considered by
2 the Board. An exception was made for First Digital as well as a proposal the Mayor of Orem is
3 working on. The Resolution states UTOPIA will not entertain new proposals "except as
4 approved by the Board of Directors." Mr. Austin stated he feels UTOPIA owes it to the citizens
5 to be open and above board in considering options, and not throw away options that may be the
6 right answer. Mayor Cutler stated he is in favor of looking at as many options as possible.
7

8 Blaine Lutz, Assistant City Manager/Finance Director, explained that in the agreement
9 with Macquarie, Macquarie was granted a period of exclusivity. Macquarie waived that right for
10 a couple of other proposals. Mr. Lutz stated UTOPIA has still not received a formal proposal
11 from First Digital. Discussions are continuing, but Macquarie's is the only formal proposal
12 received so far. Mr. Austin stated he feels there is always time to look carefully enough to come
13 up with the right answer. Mayor Cutler said the UTOPIA Board voted not to open a formal RFP
14 (Request For Proposal), but he agreed with Mr. Austin that an RFP would be a good idea.
15

16 Dale McIntyre – Mr. McIntyre proposed that Centerville refuse to sign-off on Milestone
17 One until such time as there is an RFP.
18

19 Nanette Smith – Ms. Smith stated she is on the Advisory Committee. She expressed the
20 feeling the Committee was given a fire hose of information about Macquarie without the
21 foundation of knowing what had happened before hand with UTOPIA. In the last two weeks she
22 has found out more of UTOPIA's history and the pattern of asking for more money. She
23 expressed disapproval for what she feels are scare tactics to force the cities into going with
24 Macquarie. She stated she is fine with another company coming in and taking over, but the
25 principle of charging a utility fee does not sit well with her or a lot of other people. She feels that
26 before jumping into another debt, the cities should look at the UTOPIA Board and staff and
27 make changes. She stated she feels they should have more to show for the millions of dollars
28 that have already been spent. She added she does not agree with the Board rejecting more
29 proposals. Ms. Smith said the Advisory Committee at their last meeting came to the conclusion
30 to recommend proceeding on to Milestone Two, but she said that decision was because of a
31 lack of information. They had more questions than answers, and felt in order to get the answers
32 the City should move ahead. In retrospect she feels it is ludicrous to pay to get more answers.
33 She suggested the answer would be to rearrange the management of UTOPIA. Ms. Smith
34 begged the Council to think twice before getting the City into it further.
35

36 Patricia Hedrick – Ms. Hedrick provided the Council with literature she got off the internet
37 regarding Macquarie and its partnership to operate a toll road in Indiana. She recommended
38 the Council find out what Macquarie's track record is in its other partnerships before making a
39 decision.
40

41 Mayor Cutler stated that an open house and presentation by Macquarie will be held at
42 City Hall on Thursday, June 5th at 7:30 p.m.
43

44 Steve Allen – Mr. Allen asked if each of the Council members and Macquarie know the
45 details of the First Digital proposal. He asked when the details of the First Digital proposal will
46 be available to the public, and if the public will be able to have a comparison chart of the two
47 proposals. Mr. Allen asked why the Macquarie proposal is public and not the First Digital
48 proposal.
49

50 Mayor Cutler responded on behalf of the Council that he and Mr. Lutz know only the
51 high-level details of the First Digital proposal. He explained that under State law a company can

1 declare some material protected under GRAMMA. First Digital has exercised that right.
2 Anyone who discloses that information is subject to a Class B misdemeanor. First Digital is a
3 private company trying to protect their information, but Mayor Cutler stated he suspects at some
4 point they will choose to make it public. The Mayor continued he can share the information with
5 Council members, but they would be subject to the same restrictions. Lisa Romney, City
6 Attorney, stated the Mayor is correct, but added that final decisions cannot be made without
7 providing information to the public. Mr. Allen questioned which body had instigated the
8 confidential agreement.
9

10 Stephanie Ivie – As a citizen Ms. Ivie asked staff to clarify the statement that not only did
11 the UTOPIA Board not put out a request for proposals, but granted Macquarie exclusive rights
12 to be the only bidder for a while. Mr. Lutz explained it is his understanding that the agreement
13 with Macquarie gave Macquarie a period of exclusivity to discuss the project. He added there
14 was discussion with Macquarie regarding First Digital, and Macquarie agreed discussions could
15 continue with First Digital and a couple of other potential proposals. Regarding no RFP, Mr.
16 Lutz explained the process has been going on for a long time. A couple of years ago an attempt
17 to receive proposals was made with no response. He stated that UTOPIA meant to portray that
18 as an organization it needs to put staff time into focusing on the two proposals presented to
19 them. Mayor Cutler stated the Predevelopment Agreement with Macquarie is available on the
20 City website. The Mayor stressed that individual cities are not limited in their ability to look at
21 other options.
22

23 Rick Bingham – Mr. Bingham referred to a recent article in the Davis County Clipper in
24 which Mr. Lutz is quoted. He asked Mr. Lutz if the quote is accurate. Mr. Lutz responded he
25 doesn't remember the exact words, but he said something to the effect that citizens would not
26 need to pay more than the utility fee for basic, minimal service. Mr. Bingham asked about the
27 basic service that would be provided to citizens under the Macquarie proposal. Mr. Lutz
28 explained the proposal as he understands it. Mr. Bingham stated he feels he would have to pay
29 a lot more under the Macquarie proposal to get the same level of service he has now. He
30 stated he feels the comment in the Clipper was misleading. He asked if the Clipper is correct in
31 stating that Mr. Lutz is the Assistant City Manager. City Manager Thacker responded that Mr.
32 Lutz is both Finance Director and Assistant City Manager. Mr. Bingham expressed opposition
33 to Mr. Lutz representing the City to the media. Mr. Thacker explained that there are times when
34 members of staff other than himself or the Mayor are more qualified to speak regarding their
35 areas of expertise. He added that he finds it troubling that statements meant as general
36 statements and principles have been taken out of context and used in this manner.
37

38 Dave Hancey – Mr. Hancey asked if UTOPIA would profit if it is taken over by another
39 entity. Mayor Cutler stated that under the rules of the Interlocal Agreement, cities have the
40 ability to hire someone to operate services on their behalf. If the cities enter into a contract with
41 Macquarie, Macquarie would operate the assets of UTOPIA on behalf of the cities. The Mayor
42 explained that when UTOPIA benefits, its owners - the cities - benefit. Any profits or revenues
43 would flow back to the cities in the same way that costs flow back to the cities. UTOPIA is a
44 group of cities acting together. Mayor Cutler continued that the cities are considering the
45 Macquarie proposal as a possible way to solve financial challenges.
46

47 Amy Hancey – Ms. Hancey stated she does not feel a utility fee should be imposed, and
48 asked if the proposed \$18-20 utility fee is guaranteed to go up every year. Mayor Cutler
49 responded that the Macquarie proposal includes an \$18-20 utility fee that would increase every
50 year by a mutually agreeable index such as the CPI. The question before the Council is not
51 whether or not they accept the plan. The question is whether they feel the proposal is

1 interesting enough to do more due diligence with Macquarie to find out all the terms and details,
2 or is the Council ready to dismiss it now and not enter into more negotiations.
3

4 Charlie Rawlins – Mr. Rawlins stated he had trouble finding the City budget online using
5 a mobile device. Mayor Cutler agreed that the mobile device version of the website is difficult.
6 Mr. Rawlins expressed a desire for the City to explore the option of moving back to volunteer
7 management of some of the Parks and Recreation programs. He referred to the fact that the
8 baseball program was successfully run by volunteer management for many years. Mr. Rawlins
9 also suggested the City consider hiring a staff engineer.
10

11 Mr. Lutz showed where to find the Tentative Budget on the City website. Mr. Thacker
12 responded that a successful volunteer program requires a great deal of enthused volunteers.
13 He stated that years ago the baseball program got to a point that it would not survive unless the
14 City took over management. Mayor Cutler stated that across the country baseball programs are
15 struggling with decreased participation numbers. Mr. Thacker added that the City's baseball
16 program is run with a small budget that is entirely funded by the fees associated with it. It does
17 not affect the General Fund. Mr. Thacker explained he has had experience with and without an
18 in-house engineer during his career. He said that, taking everything into consideration, he is not
19 convinced that having an in-house engineer would be better than Centerville's current
20 arrangement. Mr. Rawlins asked if it would be possible to explore the possibility of a volunteer
21 baseball program. He stated he feels existing communication difficulties could be improved with
22 a volunteer program, and expressed confidence that a volunteer baseball program could be
23 successful. Mayor Cutler said the City would be happy to consider a volunteer program if
24 community members are willing to take it over, and that he would be happy to meet with Mr.
25 Rawlins.
26

27 Keith Prescott – Mr. Prescott asked if it would be possible to put the UTOPIA question to
28 a vote of the people rather than a decision made by the Council. Lisa Romney, City Attorney,
29 responded that State law only allows certain items to be put on a ballot. She stated that in her
30 opinion the UTOPIA matter would not qualify to be placed on a ballot, but that State law may not
31 prohibit distributing a survey. Councilman Wright asked if a proposition would be possible on a
32 ballot. Ms. Romney responded that a proposition may be possible, but there are very limited
33 reasons for adding a proposition. In her opinion the question of should UTOPIA move forward
34 with Macquarie would not qualify as a proposition issue. She suggested something less formal
35 than on the ballot, such as a survey. Councilman Higginson requested that citizens contact
36 Council members as an "informal ballot".
37

38 Garth Heer – Mr. Heer asked if the issue could be placed on a ballot at a time other than
39 November. Ms. Romney responded that, no, state law strictly regulates what can be placed on
40 a ballot. Mr. Heer asked how fluoride was put on the ballot. He expressed there must be a way
41 to overcome the restrictions, and added that in his opinion fluoride should be taken out of the
42 water. Mr. Thacker responded that the fluoride issue was a County-wide ballot issue authorized
43 by State law.
44

45 MINUTES REVIEW AND APPROVAL

46
47 The minutes of the May 20, 2014 work session and Council meeting were reviewed.
48 Councilman Higginson made a **motion** to approve both sets of minutes. Councilman Averett
49 seconded the motion. Mayor Cutler and Councilman Wright requested amendments to the
50 Council meeting minutes. Councilmen Higginson and Averett approved addition of the
51 amendments to the motion, which passed by unanimous vote (4-0).
52

SUMMARY ACTION CALENDAR

- a. Consider Master Utility Agreement between the City and UDOT for the Relocation of City Facilities in Conjunction with the I-15 South Davis County Project
- b. Award bid to Great Basin Development in the amount \$206,044 for labor and to Mountain States Supply in the amount of \$133,247.51 and Dura Crete in the amount of \$3,971.04 for materials (both materials bids include tax) for the Oakridge and 500 East Waterline Replacement Project
- c. Award bid to Great Basin Development in the amount of \$35,087 for labor and to HD Supply Waterworks in the amount of \$9,630.28 (includes tax) for materials for the Miscellaneous Water Lateral Project
- d. Award bid to Merlin Daines, Inc. in the amount of \$39,900 for labor and to Mountain States Supply in the amount of \$29,621.33 (includes tax) for construction of the Pasture waterline

Councilman Wright made a **motion** to approve all four items on the Summary Action Calendar. Councilman Higginson seconded the motion. Referring to item (a) on the Summary Action Calendar, Councilwoman Ivie asked for clarification regarding right-of-way and access on the UDOT I-15 project. Mr. Thacker and Ms. Romney explained the right-of-way and access portion of the agreement, stressing that UDOT tightly controls access to anything on the freeway. The motion passed unanimously (4-0).

FY 2015 TENTATIVE BUDGET

City Manager Thacker briefly explained portions of the FY 2015 Tentative Budget, including his recommendations for use of additional funds in the General Fund. Regarding employee compensation, he stated the City does not provide an across the board cost-of-living increase. In the work session held earlier in the evening Mr. Thacker recommended the Council approve a 2.5% merit increase with an additional 0.5% to reward outstanding performance, which is 0.5% higher than reflected in the Tentative Budget. He explained that State law requires changes in compensation for certain appointed officials be part of the Tentative Budget public hearing. State law also requires compensation of elected officials be included in the public hearing. Elected official compensation is evaluated every four years in accordance with City ordinance. Mr. Thacker stated that staff went through the evaluation process and recommends an increase of \$200 per month, \$100 from the General Fund and \$100 from RDA, for each Council member and the Mayor. State law sets a pay range for court judges and requires that annual salary increases for judges must be at least equal to the average employee increase. Mr. Thacker suggested the Council also consider increasing Planning Commission per meeting stipends.

City Manager Thacker stated that the City Council has not adjusted the City property tax rates for more than 20 years, and emphasized that the Council is not entertaining a property tax increase in FY 2015. For comparison, Mr. Thacker added that Centerville property tax rates are less than half of Farmington's. There will not be an increase in the water utility bill. A slight increase of 1.5% is proposed for the sanitation bill to cover the inflation index in the contract with the garbage collector. The Council is considering increases in drainage fees, but the analysis is not yet ready for a public hearing. Drainage fees have not changed since being first imposed in 1999 and 2001.

At 8:22 p.m. Mayor Cutler opened a public hearing for the purpose of receiving comments regarding the FY 2015 Tentative Budget.

1 Garth Heer – Mr. Heer proposed the City put a hold on costs similar to private industry
2 and not have any increases. He stated he knows the City has been conscientious, and
3 proposed applying austerity as a means of communicating to the employees and people in the
4 city that the job can be done without raising costs every year. He said he likes the idea that the
5 city does not have an automatic cost-of-living adjustment. He suggested that elected official
6 compensation adjustments should be conservative, and recommended that implementation of
7 those adjustments not apply for current Council and Mayor, but one or two terms hence.

8
9 Rick Bingham – Mr. Bingham stated he recently reviewed salaries in smaller
10 communities, and he found that elected official stipends are higher in smaller communities than
11 in Centerville. He said he would be in favor of an increase in elected official compensation
12 considering the time that Council members and the Mayor give to the community.

13
14 Amy Hancey – Ms. Hancey expressed concern regarding the amount of uranium in the
15 water and the infrequency of some substance testing, and asked if it is an issue that needs to
16 be considered in the budget. Mr. Thacker explained that the testing regimen for water is highly
17 governed by State and Federal regulations. Different substances have different testing
18 schedules. Mr. Lutz stated the Water Department is complying with State and Federal law,
19 including the requirement that all connections must be switched to copper, which is not
20 inexpensive. The cost of switching to copper is included in the Budget.

21
22 William Ince – Mr. Ince stated he knows the City has tried to control taxes, but
23 expressed the opinion that taxes have not been stable. He stated his property tax bill has
24 increased from \$1,100 to just under \$2,400 since he bought his home in 1989, and the big thing
25 that affects taxes is the valuation of property. He believes he can get more for his property now
26 than when he bought it, but recognizes that the amount of money the City is getting from his
27 property has tripled over the last 24 years. Regardless of what the City or the County say, rates
28 are up appreciably. Regarding compensation, he recognized that what the Centerville Mayor
29 and Council members make is a pittance compared to what County leaders are paid. He stated
30 he does not believe County leaders give service. He feels they are fully-paid employees. The
31 City Council and Mayor do give service and he appreciates it. He said he believes the minor
32 amount of increase proposed is insignificant compared to what they do.

33
34 Mr. Thacker explained the Utah Truth in Taxation law in response to Mr. Ince's
35 comment. Centerville has not gone through the Truth in Taxation process in 20 years, noting
36 that the only additional property tax the City has received in that period is due to "new growth",
37 or new development. Mayor Cutler explained that over the years property tax revenue has
38 represented a smaller and smaller percentage of the overall City budget. The Mayor added that
39 property tax revenue in Centerville covers the City's Fire Agency assessment, with a little left
40 over. The bulk of funds used for services are from sales tax.

41
42 Rick Bingham – Mr. Bingham stated he had heard that the South Davis Metro Fire
43 Agency is considering creating a separate taxing district. He expressed great concern with that
44 idea. Mr. Bingham asked what the cost of maintaining an independent city fire department is
45 versus what the City pays now.

46
47 Mr. Thacker responded that Centerville has been part of a multi-city Fire Agency for a
48 long time, even prior to participation in the South Davis Metro Fire Agency. He added that
49 requirements and expectations have changed over time. As the City's representative on the
50 Fire Agency Board, Mayor Cutler stated that some mayors have advocated a separate taxing
51 entity, himself not included. The Mayor said the Fire Department argues it is understaffed, often

1 not having enough paramedics to meet needs. The County fills in when needed, but response
2 time has increased. Mayor Cutler said it is his understanding that more than 80% of calls
3 received by the Fire Agency are medical related.
4

5 Nanette Smith – Ms. Smith suggested the City look at procedures to cut costs related to
6 emergency vehicle response. She said a family member of hers was recently involved in a
7 minor accident involving air-bag deployment but no injuries, and she was surprised at the
8 number of emergency vehicles that responded, which she felt was excessive.
9

10 At 8:47 p.m. the Mayor closed the public hearing.
11

12 **RDA MEETING**
13

14 At 8:48 p.m. Councilman Wright made a **motion** to move to a meeting of the
15 Redevelopment Agency of Centerville. Councilwoman Ivie seconded the motion, which passed
16 by unanimous vote (4-0). In attendance were: Paul A. Cutler, Chair; John Higginson, Vice
17 Chair; Directors Averett, Ivie, and Wright; Steve Thacker, Executive Director; Blaine Lutz,
18 Finance Director; and Katie Rust, Recording Secretary.
19

20 The Council returned to regular meeting at 8:54 p.m.
21

22 **UTOPIA/MACQUARIE PROPOSAL AND RELATED MATTERS**
23

24 Mayor Cutler explained that the Centerville UTOPIA Fiber Utility Advisory Committee
25 was formed to take a non-political look at the UTOPIA/Macquarie issue and provide
26 recommendations to the Council. The Committee is made up of Centerville residents and
27 business owners with varied background and experience.
28

29 **Report from Centerville UTOPIA Fiber Utility Advisory Committee**
30

31 Dan Ditto, a member of the Advisory Committee, introduced the other members of the
32 Committee. He reported the Advisory Committee does not have a recommendation for the
33 Council at this time. The Committee does not feel it is ready to give a definitive recommendation
34 because they still have too many questions to make an informed decision. Mr. Ditto said the
35 Committee will continue to study the issue on an expedited basis to give their recommendation
36 in the near future. He stated that the UTOPIA issue is extremely complicated, and Committee
37 members have spent many hours doing research. The Committee has heard from experts both
38 for and against, and is open to contact from citizens. Mr. Ditto added that the issue is fraught
39 with political intensity. The Committee members would like to remove themselves as much as
40 possible from the political aspect. He stated the Committee wants to engage in hard-headed
41 fact finding and make a recommendation based on facts. The Committee wants to come to an
42 agreement on what the questions and issues are; flush out real and verifiable facts; and
43 consider all appropriate options. Mr. Ditto stated he hopes the Council is okay with giving the
44 Committee a little more time. The Committee is dedicated to giving the Council and citizens of
45 Centerville something helpful in dealing with the challenging decision. Mr. Ditto stated the
46 Committee has heard presentations from City staff, Macquarie, George McEwan, Blaine Lutz,
47 and a couple of ISPs that provide service to Centerville.
48

49 Mayor Cutler emphasized that the vote the Council will take in June is whether to
50 continue to investigate the Macquarie proposal, which has a cost associated with it, or reject the
51 proposal outright. The Council and Mr. Ditto discussed when the Committee would be able to

1 present their recommendation. Mayor Cutler recommended the public hearing remain on June
2 17th. The Mayor also expressed his intention to ask the Committee to continue advising the
3 Council throughout the process. Councilman Averett said he would like to hear the Committee's
4 recommendation before voting. Councilman Wright expressed appreciation for the members of
5 the Committee. Councilman Wright expressed the opinion that the question is whether or not
6 the City can approve a utility fee - if not, he feels there is no reason to continue to Milestone
7 Two. He added that even if Centerville opts-out, he believes the City will still be privy to the
8 information and negotiations shared by cities that do continue with Macquarie, without having to
9 pay for it. Councilman Averett expressed his opinion that Council members need to be careful
10 not to politicize the issue. He said he feels it is important to give the Committee room to work
11 without being influenced by politics.

12
13 The Council took a brief recess at 9:17 p.m. and resumed at 9:27 p.m.

14
15 Presentation From Resident

16
17 Mayor Cutler explained that Council member Wright and Ivie requested that a
18 presentation from George McEwan, a Centerville resident, be added to the agenda. Mr.
19 McEwan stated he was opposed to UTOPIA from the beginning. He presented an analysis he
20 put together (a slightly expanded version of the presentation given to the Advisory Committee),
21 a copy of which is attached. Mr. McEwan said the question he is asked most is whether
22 Centerville should continue to throw money at an effectively failed enterprise. He stated he
23 does not have an answer to that question from a community standpoint, but for himself he feels
24 the cities should "reboot" UTOPIA with a completely new Board and creative ideas for change.
25 Mr. McEwan said he finds it troubling that the UTOPIA Board would only focus on two options
26 and ignore other creative ideas.

27
28 Councilman Averett asked Mr. McEwan to explain the difference between UTOPIA's
29 situation and what happened in Provo. Councilman Averett said that to him the situations seem
30 similar, with the exception that Provo sold their network and UTOPIA would retain ownership
31 under the Macquarie proposal. Mr. McEwan responded he is not up to date on Provo's current
32 situation, but explained he feels the biggest difference between the situations is that with one
33 ISP, as is the case in Provo, price fixing is not possible by definition. Councilman Averett asked
34 why Provo has not been sued. Mr. McEwan stated he does not know why Provo was not sued,
35 but he considers the Provo network to be dead. He added he thinks it is worth investigating why
36 the Provo network did not survive.

37
38 Councilman Wright asked Mr. McEwan about ownership of the network as specified in
39 the Interlocal Agreement. Mr. McEwan responded that Macquarie shows revenue sharing as an
40 upside to their proposal, but the UTOPIA Interlocal Agreement already includes revenue
41 sharing. He continued that network assets are not pledged as part of the bond issue. The
42 proceeds of the network's revenue and sales tax are pledged. The network is not turned over to
43 the cities by UTOPIA until the debt is paid. The Council, Mayor, and Mr. McEwan discussed the
44 bond obligations of UTOPIA (of which Centerville is responsible for 3.398%) and UIA (of which
45 Centerville is responsible for 3.65%).

46
47 Councilman Averett asked Mr. McEwan if he has evaluated Macquarie as a business
48 partner. Mr. McEwan responded that he knows Macquarie has a number of lawsuits pending
49 for the way they have operated various utilities. Mr. McEwan said in his opinion Macquarie is
50 looking at this as a guaranteed revenue stream with very little risk. He believes the risk would
51 be born by the citizens of the UTOPIA cities. Councilman Averett asked Mr. McEwan what he

1 feels is the answer if Macquarie is not the answer. Mr. McEwan responded he feels UTOPIA
2 should get creative in what is offered in terms of the network. He continued that UTOPIA should
3 approach content providers and utilize subsidies to offer value-added services within the
4 network. He stated that net neutrality does not apply within the UTOPIA network. He said
5 other cities might be willing to buy into wireless canopies. Mr. McEwan emphasized he feels
6 there is not a single solution, but we need to stop focusing on fiber to the home and focus on
7 fiber to the node and copper to the home. Councilman Averett asked how Mr. McEwan would
8 propose refining the system and improving the product without money. Councilman Wright
9 stated he thinks the cities need to change-out those who are on the UTOPIA Board and replace
10 them with people who can think innovatively and are not bound by years of group-thinking.

11
12 Councilman Higginson said he feels that even though Centerville is part of UTOPIA, the
13 City gets to make its own decision. He stated he feels the City has an obligation to the 30% of
14 the community already connected to make sure they continue to have service, and an obligation
15 to the 70% not already connected. Councilman Wright said he would ask the UTOPIA Board
16 what they are going to do to continue providing services. Mayor Cutler stated that the UTOPIA
17 Board members are required by the Interlocal Agreement to be elected or appointed officials of
18 the cities. He said to his knowledge there are only three Board members that were on the
19 original UTOPIA Board. The Mayor added that he and Mr. Lutz would be happy to give up their
20 Board seats to Council members wanting to participate.

21
22 Mr. McEwan pointed out that to his knowledge no attempt has been made to recover
23 money from companies that managed UTOPIA in the past for fiduciary mismanagement. Mayor
24 Cutler responded there has been significant discussion in closed session about the likelihood of
25 recovering money from previous business partners. He said the decision of the Board was to
26 not pursue legal action. Mr. McEwan said the City has to accept that UTOPIA, the \$343 million,
27 is a sunk cost. The decision to be made is whether or not it is recoverable. He continued that
28 the scary answer may be no, it is not recoverable. The network cannot be sold until the debt is
29 paid.

30
31 Mayor Cutler thanked Mr. McEwan for his presentation.

32
33 **CITY MANAGER'S REPORT**

- 34
35 • Mr. Thacker reported the bid for the first phase of the Community Park expansion
36 has not been awarded because of the mound of soil still on the property. The
37 sources that had been arranged for removing the soil fell through, and the City
38 Engineer and Parks Director have been researching how much of the soil can remain
39 on the property, and options for removal. The cost associated with the analysis will
40 be \$5,000-\$8,000, which could be an RDA expense since most of the soil came from
41 the Performing Arts Center project. The goal is to complete the first phase of the
42 expansion before winter of this year.
- 43 • Mr. Thacker reported that the Parrish/Main Intersection Project bid specs allow for
44 four nighttime closures to do work that would require closure. The contractor has
45 opted to work from early Sunday morning until early Monday morning (June 8-9),
46 which will reduce the likelihood of needing other nights of closure. Councilman
47 Wright expressed concern that he observed a large shovel hanging over the traffic
48 lane this week. Mr. Thacker responded that UDOT representatives are watching the
49 safety issue closely. He reported that property owners have expressed surprise that
50 the two historic walls UDOT agreed to replace will be farther from the new sidewalk
51 than expected. UDOT requires 12 feet of clear-zone from the edge of the asphalt.

1 Mr. Thacker said the issue has created some bad feelings among those property
2 owners. He explained that even if a waiver had been granted by UDOT or the
3 Federal Highway Administration, the wall could only have been 12-18 inches closer
4 than it is now.

- 5 • The City Manager showed photographs of enhancement options for the pedestrian
6 bridge planned as part of the I-15 Express Lane Project. The Council indicated a
7 desire for staff to obtain prices for the different options.
- 8 • Mr. Thacker described proposed changes in the City newsletter schedule.

9
10 **MISCELLANEOUS BUSINESS**

- 11
12 • Councilwoman Ivie stated she was recently approached by a descendent of William
13 Henry Streeper, who was the last living Pony Express rider and the first Justice of
14 the Peace in Centerville. The descendent asked if there is anything in the City that
15 could be named after William Henry Streeper. Mayor Cutler suggested she bring the
16 idea up with the Landmarks Commission.

17
18 **MAYOR'S REPORT**

19
20 Mayor Cutler asked Council members if they had reviewed the suggested UTOPIA opt-
21 out/opt-in documents. Councilwoman Ivie stated she felt they were painful to read with poor
22 grammar. Lisa Romney, City Attorney, asked if the City is required to pass one of the
23 documents. Mayor Cutler responded that the UTOPIA Board has requested the cities pass one
24 or the other to make their decision clear. Councilman Wright stated he would want whichever
25 document the City passes to specify that Centerville receives the Macquarie report. The
26 Council, Mayor and staff discussed changes they would make to the documents. Councilman
27 Higginson commented that West Valley and Midvale have already voted to move forward with
28 Milestone Two. Councilman Wright repeated his belief that Centerville would have access to
29 Milestone Two even if the Council votes to opt out. Mayor Cutler stated his opinion that there is
30 value in moving forward if the City wants to participate in negotiating the terms in Milestone
31 Two. The Mayor said that if Centerville opts in, he would want to make sure that Centerville is
32 given some control over its financial terms rather than locking all the cities together.
33 Councilman Wright repeated that the original Interlocal Agreement includes a provision that
34 provides Centerville with royalties. Ms. Romney responded that Macquarie would create a
35 completely separate, new entity. The revenue with Macquarie would not be funneled into
36 UTOPIA.

37
38 Councilman Wright emphasized that a lot of people have told him to not to get involved
39 with a utility fee. He stated he recognizes the benefits they have been hearing about, but he
40 feels a utility fee would be transferring a burden to the backs of the people. Councilman Wright
41 said he will vote against it. Mayor Cutler said he feels it is worthwhile to find out more. He
42 stated he feels there is more to be gained by participating to try to come up with a hybrid model
43 of utility fee/non-utility fee. Councilwoman Ivie stated her opinion that Centerville has a track
44 record of being reluctant to not go all the way with a project when money has been spent to
45 study it. She stated she believes that is why the Parrish/Main Intersection Project is happening.
46 Councilman Higginson stated he feels the two situations are very different. Mr. Thacker said
47 emphatically that her statement is not a fair assessment.

48
49 City Manager Thacker pointed out that \$30,000 to keep a seat at the negotiating table is
50 a drop in the bucket compared to the total value and impact of the decision. He urged the
51 Council not to let the \$30,000 be the reason they do not keep the ability to influence something

1 different than is being proposed. Councilman Wright stated the opinion that Centerville will still
2 have a share in UTOPIA and a seat at the table even if the Council chooses to opt out. He
3 added that the City's share in UTOPIA is such a small percentage that Centerville is not listened
4 to anyway. Mr. Romney said that she has been present in some of the meetings, and she has
5 felt involved and listened to, and she believes having a seat at the table makes a difference.
6 Mayor Cutler explained that negotiations and discussions with Macquarie would not take place
7 in UTOPIA Board meetings. As the City's Board representative, Mayor Cutler advocated it
8 would give him and Mr. Lutz a lot more leverage to be taken seriously if Centerville moves
9 forward. The Mayor referred to Payson as a relevant example.

10
11 Councilman Averett suggested the Council make its approval to move to Milestone Two
12 conditional on Macquarie giving two options: a utility fee-based model as well as a model
13 without a mandatory user-fee. Councilman Wright expressed his belief that if Centerville opts
14 out, Macquarie will be motivated to entice Centerville to still participate. Councilman Averett
15 said he thinks requesting another option will give the City the ability to participate in further
16 negotiations, and time to look at the other proposal coming down the line. He stressed that the
17 opt-in would need to be conditioned on Macquarie giving two options. Councilman Wright
18 stated he could only support moving forward if there is not a utility fee involved in any form.
19 Councilman Higginson stated that Centerville is different in that it would cost less for Macquarie
20 to connect all Centerville homes, so maybe Macquarie would be willing to agree to something
21 different for Centerville.

22
23 **APPOINTMENTS**

24
25 Mayor Cutler recommended Becki Wright be appointed to the Parks and Recreation
26 Committee. Councilman Higginson made a **motion** to appoint Becki Wright to the Parks and
27 Recreation Committee. Councilman Wright seconded the motion, which passed by unanimous
28 vote (4-0). There are currently two open spots on the Board of Adjustments.

29
30 **BUDGET DISCUSSION**

31
32 The Council will continue discussion of the FY 2015 Tentative Budget at a work session
33 on June 17th.

34
35 **ADJOURNMENT**

36
37 At 11:12 p.m. Councilman Higginson made a **motion** to adjourn the meeting.
38 Councilwoman Ivie seconded the motion, which passed by unanimous (4-0).
39
40
41
42
43

44 _____
Marsha L. Morrow, City Recorder

_____ Date Approved

45
46
47
48
49 _____
Katie Rust, Recording Secretary

CENTERVILLE CITY COUNCIL

**Staff Backup Report
6/17/2014**

Item No. 7.

Short Title: Mayor's Report

Initiated By: Mayor Cutler

Scheduled Time: 9:25

SUBJECT

RECOMMENDATION

BACKGROUND

Mayor Cutler may report on one or more matters.

CENTERVILLE CITY COUNCIL

**Staff Backup Report
6/17/2014**

Item No. 8.

Short Title: City Manager's Report

Initiated By: City Manager

Scheduled Time: 9:35

SUBJECT

a. Main & Parrish Intersection Project Update

RECOMMENDATION

BACKGROUND

CENTERVILLE CITY COUNCIL

**Staff Backup Report
6/17/2014**

Item No. 9.

Short Title: Miscellaneous Business

Initiated By:

Scheduled Time: 9:45

SUBJECT

RECOMMENDATION

No specific topics are identified under this heading.

BACKGROUND

CENTERVILLE CITY COUNCIL

**Staff Backup Report
6/17/2014**

Item No. 10.

Short Title: Closed meeting, if necessary, for reasons allowed by state law, including, but not limited to, the provisions of Section 52-4-205 of the Utah Open and Public Meetings Act, and for attorney-client matters that are privileged pursuant to Utah Code Ann. § 78B-1-137, as amended

Initiated By:

Scheduled Time: 9:50

SUBJECT

RECOMMENDATION

Staff are not currently aware of a need for a closed meeting, but the agenda allows for that possibility.

BACKGROUND

CENTERVILLE CITY COUNCIL

**Staff Backup Report
6/17/2014**

Item No. 11.

Short Title: Possible action following closed meeting, including appointments to boards and committees

Initiated By:

Scheduled Time: 9:50

SUBJECT

RECOMMENDATION

Mayor Cutler may recommend appointments to City boards or committees.

BACKGROUND

CENTERVILLE CITY COUNCIL

**Staff Backup Report
6/17/2014**

Item No. 12.

Short Title: Adjourn to RDA Meeting

Initiated By:

Scheduled Time: 9:50

SUBJECT

RECOMMENDATION

BACKGROUND

CENTERVILLE CITY COUNCIL

Staff Backup Report 6/17/2014

Item No.

Short Title: Items of Interest (i.e., newspaper articles, not items on agenda)

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

BACKGROUND

ATTACHMENTS:

Description

- D Monthly Building Report for May 2014
- D Newspaper article - Centerville looking into possibility of ADUs
- D Newspaper article - Next UTOPIA vote far from final "yes"
- D Standard Article - 6-5



Steve Thacker,
City Manager
Building & Safety Department
655 North 1250 West, Centerville, Utah 84014

Monthly Building Report for May 2014

Construction Type	# of Permits		YTD Structures		Average Home Cost		Construction Valuation	
	Month	YTD	# Units	# Bldgs	Month	YTD	Month	YTD
Single Dwellings	0	1	1	1	-	-	-	308,938.00
Duplexes / Town Homes	0	0	0	0			-	-
Apartments	0	0	0	0			-	-
Addition/Alteration/Repair	8	20					505,753.00	1,044,419.00
Power/Mech	4	26					-	-
Signage	1	14					4,000.00	81,279.00
Commercial/Tenant Finish	6	15					2,316,881.00	5,293,536.00
Detached Structure/Gar	1	4					34,098.00	72,990.00
Demolition	0	3					-	11,905.00
Pool	1	2					30,000.00	75,000.00
Miscellaneous	4	5					42,600.00	51,600.00
Total Permits Issued:	25	90			Total Permitted Valuation:		2,936,332.00	6,939,667.00

Building Permit Related Revenues	Monthly		YTD Comparison	
	May 2014	YTD 2014	May 2013	YTD 2013
BUILDING	26,183.26	58,183.69	34,984.58	74,589.60
PLAN CHECK	13,605.04	28,273.38	21,912.68	32,393.62
ELECTRICAL	132.00	528.00	264.00	792.00
PLUMBING	-	-	-	-
MECHANICAL	132.00	1,254.00	264.00	1,056.00
GRADING	188.00	188.00	-	-
STATE SURCHARGE	266.35	601.56	55.12	764.35
WATER DEV.	5,068.00	9,628.00	6,000.00	24,600.00
WATER CONNECTION	-	2,997.61	-	-
WATER METER	1,840.00	2,340.00	725.00	4,430.00
STORM DRAIN	-	700.00	-	-
FIRE IMPACT	1,232.91	2,748.91	6,184.27	15,133.27
PARK IMPACT	-	2,057.00	-	22,800.00
DRIVE APPROACH	65.00	100.00	-	665.00
BOND	4,000.00	9,000.00	1,000.00	11,000.00
SPECIAL RECORDING	-	-	-	12.00
ENGINEERING	1,000.00	2,000.00	-	-
TV INSPECT DRAINS	450.00	600.00	-	-
LANDSCAPING BOND	-	-	-	-
Total Permits Related Revenue:	\$54,162.56	\$121,200.55	\$71,689.65	\$188,235.84

[print](#)

Centerville looking into possibility of ADUs

by JENNIFFER WARDELL

06.04.14 - 03:00 pm

CENTERVILLE - City officials are wondering if mother-in-law apartments might solve the housing problems of two generations.

The Centerville City Council has asked the planning commission to study the possible use of Accessory Dwelling Units (commonly known as ADUs or mother-in-law apartments) in the city. They hope to determine if the units, which are independent, fully outfitted residences located on the same property as a single-family home, would solve the problem of affordable housing for young married couples in the city and the care and home maintenance needs of older residents.

"There are a lot of single family lots in the city, some of which are owned by older residents who no longer have the ability to take care of them," said Centerville Community Development Director Cory Snyder. "This way, they could sell the home, build a cottage house in the back, and still be able to stay in the neighborhood."

ADUs would also help young, newly married couples, who according to Snyder face high rents when looking for housing in Centerville. Moderately priced rent for a young couple in Utah is currently \$750, while Snyder said that costs in Centerville range from \$900 to \$1400 depending on amenities.

"That's fairly high rent for a new family to deal with," he said.

The online information gives a sample layout of an ADU, lists some of the typical ADU regulations currently in place, and highlights some of the advantages and disadvantages of such dwellings.

The planning commission is currently requesting that residents educate themselves on the concept of ADUs, with more information on the topic available online at centerville.ut.net. Over the summer, the commission plans to hold several work sessions and roundtable discussions seeking the public's input on utilizing more ADUs in the city.

"We want to have a discussion with the public," said Snyder. "Hopefully residents will study the idea of these dwellings, so we can see if they should be offered in Centerville."

At the moment, the law states that family members can live in such residences, such as a grandparent or a teenage child of the people living in the single-family home. One possible discussion point is to see whether the law should be expanded to allow people to rent out ADUs to non-family members, and if so

what they should be classified as.

"Is it a duplex? A multi-family dwelling?" asked Snyder. "We would have to decide that."

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Next UTOPIA vote far from final 'yes'

by JENNIFFER WARDELL

06.04.14 - 09:42 am

CENTERVILLE - UTOPIA cities are weighing whether or not to take the next step with potential business ally Macquarie, but this isn't the final commitment.

Both the Centerville and Layton City Councils will vote in June on whether or not they're interested in moving on to Milestone 2 of negotiations with the Australian business interested in running the struggling fiber optic network. The milestone would go into more detail on the potential arrangement, including specific costs, but is not an official agreement from either side.

"We would just be saying yes to moving ahead with the research," said Centerville Assistant City Manager Blaine Lutz, who also serves as the city's representative with UTOPIA. "There might be some financial commitment for direct costs Macquarie is incurring, but this is by no means a final agreement to the deal."

Centerville will hold an open house on the issue tonight, June 5, at 7:30 p.m. at Centerville City Hall. The city council plans to discuss the issue at their June 17 meeting. Layton, on the other hand, plans to vote on the issue tonight, June 5, and will hold a public hearing as part of their 7 p.m. city council meeting.

As has been established in previous meetings, Macquarie's plan would make UTOPIA a utility service like water or sewer. It would cost between \$18 and \$20 per home, and for that cost residents would receive basic Internet service with speeds of 3 megabits per second at no additional cost. Faster service would cost more, depending on what provider the resident went with.

Several UTOPIA participating cities have already voted to move ahead to Milestone 2, which would generate data for each city and deal with possible questions of implementation. This phase is expected to last through the end of the year.

"We'd be able to really get into detail on the agreement, and get specific information on Centerville and how we could make that work," said Lutz. "It would be helpful data even if we decided not to progress with the deal."

One possible use for the information would be to determine what other options might be available to UTOPIA cities. Though officials in Midvale and West Valley have already approved moving onto Milestone 2, no one has yet determined what would happen if some cities ended up agreeing to the final deal while others did not.

"We have some framework ideas, but it's really difficult to determine our options until we know what the cities are thinking," said Lutz. "There would have to be some agreement on an alternative."

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Date: Jun 5, 2014; Section: Front Page; Page: 1A

CeNterVILLE

Advisory panel weighing complex UTOPIA facts

By BRYON SAXTON

Standard-Examiner staff

CENTERVILLE — Amid persistent criticism of UTOPIA, a committee charged with recommending which direction Centerville city will go on the network says it needs more time.

The city's UTOPIA Fiber Utility Advisory Committee reported Tuesday to the city council that it had not yet reached a recommendation as to whether the city should accept the Macquarie Capital proposal, which includes a \$300 million investment in the bond-indebted fiber optic network.

"We do not have a recommendation tonight," Dan Ditto, UTOPIA advisory committee chairman, told the council.

"UTOPIA is an extremely technical and complicated issue," Ditto said of the 11-member citizens committee that has been given the task of doing a nonpolitical "deep dive" to determine if the city should go with Macquarie's proposal. That proposal also would include a mandatory \$18 to \$20 a month service fee each household will be required to pay as part of its utility billings.

Currently, only about 30 percent of the households and businesses in Centerville subscribe to the highspeed Internet service.

There are accusations that Mayor Paul Cutler has indicated the city will ensure the UTOPIA Internet fee is paid by households through the threat of shutting off water to those households that don't pay it. The mayor denies making any such threat, but acknowledges that the way the city's utility fees are "bundled," citizens face water shutoff if they are short on their monthly utility bill.

Councilman Lawrence Wright told the Standard-Examiner that, through utility billings, the city could force residents to pay the UTOPIA fee. That being said, Wright does not appear to support a mandated fee.

"Why are we forcing a specific company on everyone else?" Wright said.

Ditto said his group is hoping to have some sort of recommendation to the Centerville City Council by its June 17 meeting.

"We are hoping to have a good set of viable facts," Ditto said of the charge the citizens committee has been given. "We believe this is what the citizens of Centerville will expect from us."

The committee could take an additional week and present its findings at a specially scheduled June 24 council meeting; Macquarie officials have given the 11 cities that make up UTOPIA a June 27 deadline to make a decision.

Macquarie officials have scheduled a 7:30 p.m. open house today at Centerville City Hall, 250 N. Main St., to answer any questions residents might have.

Under Macquarie's proposal, monthly billings would start in 30 months after Macquarie's \$300 million finishes the long-delayed buildout of UTOPIA.

Centerville is paying \$436,000 a year for its UTOPIA bonds. Larger cities pay more, such as Layton, with \$2 million a year.

Ditto said the 11-member committee has already received some basic information from Macquarie officials, and listened to the UTOPIA experts, in its attempt to flush out a "fair file of facts."

But while the city's fiber optic committee stopped far short of offering any type of recommendation, one Centerville resident was provided the opportunity at Tuesday's meeting for nearly an hour to take shots at what Macquarie is proposing, and how the city should be "digging in its heels" in resisting the present offer.

"Not every person needs high-speed Internet," Centerville resident George McEwan said.

McEwan, who drew applause from the 40 people still gathered at the meeting when he presented his information, said he also questions the ethics of a government arm, in this case Centerville, collecting fees for a private entity, Macquarie.

"From my own mind, it is time to get creative and do a reset," McEwan told the council.

"We can't jump off the cliff on this. We have already done it twice," McEwan said of previous commitments the city has made to UTOPIA.

UTOPIA has been controversial for years. Begun in the late 1990s as a faster Internet alternative to commercial service, completion of the network has stalled, while the 11 city members that make up UTOPIA pay off their UTOPIA bonds with tax revenue instead of subscriber fees.

Contact reporter Bryon Saxton at 801-625-4244 or bsaxton@standard.net. Follow him on Twitter at [@BryonSaxton](https://twitter.com/BryonSaxton).

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REDEVELOPMENT AGENCY OF CENTERVILLE CITY AGENDA

NOTICE IS HEREBY GIVEN THAT THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY WILL HOLD A PUBLIC MEETING AT 9:50 P.M. ON TUESDAY, JUNE 17, 2014 AT THE CENTERVILLE CITY COMMUNITY CENTER AND CITY HALL CHAMBERS, 250 NORTH MAIN, CENTERVILLE, UTAH. THE AGENDA IS SHOWN BELOW.

Meetings of the Centerville Redevelopment Agency Board may be conducted via electronic means pursuant to Utah Code Ann. § 52-4-207, as amended. In such circumstances, contact will be established and maintained via electronic means and the meeting will be conducted pursuant to the Electronic Meetings Policy established by the City Council for electronic meetings.

Centerville City, in compliance with the Americans With Disabilities Act, provides accommodations and auxiliary communicative aids and services for all those citizens in need of assistance. Persons requesting these accommodations for City-sponsored public meetings, services, programs, or events should call Blaine Lutz, Centerville Finance Director, at 295-3477, giving at least 24 hours notice prior to the meeting.

Tentative
Time:

9:50 **A. ROLL CALL**

B. NEW BUSINESS

 1. **MINUTES REVIEW AND ACCEPTANCE**
 June 3, 2014 meeting

 2. **FY 2015 RDA Budget**
 a. Adopt FY 2015 RDA Budget – Consider RDA Resolution No. 2014-02

C. ADJOURNMENT

Steve H. Thacker
Executive Director

REDEVELOPMENT AGENCY OF CENTERVILLE CITY AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE CITY COUNCIL WILL HOLD ITS REDEVELOPMENT AGENCY OF CENTERVILLE MEETING AT 9:50 PM ON June 17, 2014 AT THE CENTERVILLE CITY COMMUNITY CENTER AND CITY HALL COUNCIL CHAMBERS, 250 NORTH MAIN STREET, CENTERVILLE, UTAH. THE AGENDA IS SHOWN BELOW.

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A notebook containing supporting materials for the business agenda items is available for public inspection and review at City Hall and will be available for review at the meeting . Upon request, a citizen may obtain (without charge) the City Manager's memo summarizing the agenda business , or may read this memo on the City's website: <http://centervillepublic.novusagenda.com/> .

Tentative - The times shown below are tentative and are subject to change during the meeting.
Time:

A. NEW BUSINESS

1. Minutes Review and Acceptance
June 3, 2014 meeting
2. FY 2015 RDA Budget
 - a. Adopt FY 2015 RDA Budget - Consider RDA Resolution No. 2014-02

B. ADJOURNMENT

Steve H. Thacker
Executive Director