REDEVELOPMENT AGENCY OF CENTERVILLE CITY AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE CITY COUNCIL WILL HOLD ITS REDEVELOPMENT AGENCY OF CENTERVILLE MEETING AT 8:30 PM ON MAY 5, 2015 AT THE CENTERVILLE CITY COMMUNITY CENTER AND CITY HALL COUNCIL CHAMBERS, 250 NORTH MAIN STREET, 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://centerville.novusagenda.com/agendapublic.

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

A. NEW BUSINESS

8:30 1. Minutes Review and Acceptance
April 15, 2015 RDA/ACB meeting

2. Proposed RDA FY 2016 Budget
a. Presentation of FY 2106 RDA Proposed Budget
b. Adopt FY 2016 RDA Tentative Budget and set date for public hearing

B. ADJOURNMENT

Steve H. Thacker
Executive Director

CENTERVILLE
RDA MEETING
Staff Backup Report
5/5/2015

Item No. 1.

Short Title: Minutes Review and Acceptance

Initiated By:

Scheduled Time: 8:30

SUBJECT

April 15, 2015 RDA/ACB meeting

RECOMMENDATION

BACKGROUND

ATTACHMENTS:

Description

- April 15, 2015 Meeting

Minutes of the Redevelopment Agency of Centerville City/Davis Center for the Performing Arts Administrative Control Board meeting held Wednesday, April 15, 2015 at 7:30 p.m. in the Centerville City Council Chambers, 250 North Main Street, Centerville, Utah.

MEMBERS PRESENT

Paul Cutler, RDA of Centerville City Chair, ACB Chair, Centerville Mayor
Ken Averett, RDA of Centerville City, ACB Secretary
John T. Higginson, RDA of Centerville City Vice Chair/ACB Vice Chair
Stephanie Ivie, RDA of Centerville City
John Marc Knight, ACB Board Member, Bountiful City Council
Lawrence Wright, RDA of Centerville City, ACB Board Member

MEMBERS ABSENT

Tamilyn Fillmore, RDA of Centerville City
John Pitt, ACB Board Member, Bountiful City Council

STAFF PRESENT

Blaine Lutz, Centerville Finance Director
Lisa Romney, Centerville City Attorney
Jansen Davis, CPT Executive Director
David Baugh, CPT Board Financial Committee
Katie Rust, Recording Secretary

STAFF ABSENT

Steve Thacker, RDA Executive Director

VISITORS

Brent Petrie, Harris Services
LV Hayes, Harris Services

RDA MINUTES REVIEW AND ACCEPTANCE

The minutes of the March 17, 2015 RDA meeting were reviewed. Director Wright made a **motion** to accept the minutes. Director Averett seconded the motion, which passed by unanimous vote (5-0).

2014 FINANCIAL REPORT FOR CENTERPOINT LEGACY THEATRE (CPT)

Jan Davis, CPT Executive Director, presented a 2014 Financial Report for CPT, and was pleased to report that CPT's portion of the building obligation was paid in full. The 2014 season saw an increase in individual ticket sales, with multiple shows warranting additional performances.

REPORT ON THE STATUS OF RESERVE FUNDS

CPT maintains an Operations Reserve Fund (ORF) and a Maintenance Reserve Fund (MRF). The RDA maintains a Theatre Reserve Fund (TRF) for major capital improvements. Mr. Davis reported that the ORF has a balance of $78,933, and the MRF has a balance of $108,521. Blaine Lutz, Centerville Finance Director, reported that the Theatre Reserve Fund (TRF) has a balance of $356,232. The MRF is intended to cover non-routine or unexpected maintenance repairs and replacement obligations. The ORF is intended to cover operational shortfalls, if needed.

PROPOSAL TO AMEND LEASE AGREEMENT TO AUTHORIZE A CAPITAL PROJECTS RESERVE ACCOUNT

Lisa Romney, City Attorney, explained the request by CPT to amend the Lease Agreement to add a reserve fund for capital improvements. Just like the MRF and the ORF, the Capital Reserve Fund (CRF) would be maintained by CPT and cover tenant improvements. Director Wright suggested the Lease Agreement amendment include the ability to transfer funds from the CRF to the MRF or ORF if needed. Ms. Romney stated that the RDA has budget review authority, but does not have authority under the current Lease provisions to control movement within funds. Ms. Romney stated that pursuant to Section 26 of the Lease Agreement, the allocation of revenues priority is: (1) payment of base rent; (2) payment of current operations, production and maintenance costs and expenses; (3) allocation of funds to MRF; (4) allocation to ORF; and (5) payment of variable rent to RDA for TRF. Staff will draft appropriate Lease amendments to bring back to the RDA/ACB.

APPROVAL OF CPT FUNDS TO BE TRANSFERRED INTO THE ORF AND MRF

Mr. Davis stated that CPT proposes transferring $18,000 into both the MRF and the ORF, exceeding the required deposit of 1% of annual revenues into the MRF. CPT would like to install a folding glass wall on the west side of the mezzanine level for meeting/reception purposes for a maximum anticipated cost of $30,000. The wall project is the type of project that would be funded by the CRF. Without a CRF, CPT is proposing that $30,000 for the wall project be transferred to the MRF in addition to the $18,000.

ACB member John Marc Knight made a **motion** for the ACB to recommend the RDA approve allocation of funds as discussed. ACB Vice Chair Higginson seconded the motion, which passed by unanimous vote of the ACB (5-0).

RDA Director Ivie made a **motion** for the RDA to approve allocation of $18,000 to the ORF, and $18,000 plus $30,000 (for the glass wall project) to the MRF. Vice Chair Higginson seconded the motion, which passed by unanimous vote of the RDA (5-0).

HVAC MAINTENANCE ISSUES

The Performing Arts facility has experienced unanticipated difficulties with the HVAC system. At the December 2, 2014 RDA-ACB meeting, the Board was informed that CPT management had requested a higher degree of professional help in assessing the HVAC system, and that Harris Services had agreed to conduct a no-cost assessment of the system and make recommendations. Mr. Lutz stated that the RDA has an interest as landlord in protecting the asset and making sure the system runs efficiently. Representatives from Harris Services, Brent Petrie and LV Hayes, proposed four different levels of HVAC system inspection and maintenance for the RDA-ACB to choose from – Bronze, Silver, Gold, and Platinum. Mr. Lutz stated that staff recommends selecting the Silver level for one year, to be paid for by the RDA.

Mr. Petrie presented the results of the assessment regarding the recurring boiler problems and proposed that Harris Systems could correct the problems for a total cost of $16,400 ($9,000 of which would cover valve replacement). ACB member Knight asked how much was spent last year on HVAC maintenance. Mr. Davis responded that over the last few years they have probably spent around $30,000. ACB member Knight suggested selecting the Platinum level of service to reduce financial risk and ensure a well-run system. Mr. Petrie agreed that the cost of correcting the existing problems could probably be included in the Platinum level with a three-year contract. Director Wright agreed that it would be better to go with the Platinum level. Ms. Romney pointed out that Section 52 of the Lease Agreement provides that CPT is responsible for maintaining and servicing the HVAC system and is required to enter into an annual service contract for the HVAC system. Section 53 of the Lease Agreement provides that the RDA is responsible for the boiler and chiller of the HVAC system. If the RDA/ACB thinks the RDA should pay for the annual service contract on the HVAC system, these sections of the Lease should be amended. Alternatively, CPT could enter into the service contract and be reimbursed by RDA general funds (if appropriate under RDA laws). Mr. Lutz stated he is recommending the RDA enter into the maintenance agreement with Harris Services and pay for the costs of the service contract. Director Wright suggested CPT contribute the amount in their budget set aside for maintenance. Mr. Lutz pointed out that the maintenance budget covers more than HVAC maintenance.

Director Averett said he finds it hard to believe that the professionally designed HVAC system is in as bad shape as reported. He suggested the RDA hire an independent HVAC engineer to evaluate the system for an independent assessment. He also suggested that more than one maintenance bid should be considered. Mayor Cutler asked how many local firms could take on maintenance on this type of system. Mr. Petrie responded that less than half a dozen could, but many companies do not take on full-service contracts. Mr. Petrie stated he suspects the system was never checked by a commission agent. The Boards discussed the need to request a commission report from the company that installed the system.

Mayor Cutler stated he would meet with staff to discuss what needs to be done. He stated there seems to be consensus that (1) Hogan should be contacted to see if a commission report was prepared for the HVAC system when initially installed; (2) an independent engineer's assessment should be done to determine the status of the system and what needs to be done to fix problems; and (3) an RFP should be prepared to obtain bids on a maintenance service contract. Mr. Petrie said he could give the RDA names of two or three independent HVAC engineers for the independent assessment and could provide information needed for an RFP.

ADJOURNMENT

At 9:14 p.m. Vice Chair Higginson made a **motion** to adjourn the meeting. Director Wright seconded the motion, which passed by unanimous vote (5-0).

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Paul A. Cutler, RDA Chair Date Approved

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Steve Thacker, RDA Executive Director

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Katie Rust, Recording Secretary

CENTERVILLE
RDA MEETING
Staff Backup Report
5/5/2015

Item No. 2.

Short Title: Proposed RDA FY 2016 Budget

Initiated By:

Scheduled Time:

SUBJECT

a. Presentation of FY 2106 RDA Proposed Budget
b. Adopt FY 2016 RDA Tentative Budget and set date for public hearing

RECOMMENDATION

BACKGROUND