

CENTERVILLE CITY COUNCIL AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE CITY COUNCIL WILL HOLD ITS REGULAR PUBLIC MEETING AT 7:00 PM ON JANUARY 5, 2016 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 - The times shown below are tentative and are subject to change during the meeting.
Time:

6:15 Reception in City Hall Lobby

6:30 City Council Swearing-In Ceremony

7:00 **A. ROLL CALL**

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

B. PLEDGE OF ALLEGIANCE

C. PRAYER OR THOUGHT

Mayor Paul Cutler

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.**

E. BUSINESS

- | | | |
|------|-----|---|
| 7:10 | 1. | Minutes Review and Acceptance
December 15, 2015 Council meeting |
| 7:10 | 2. | Public Hearing - Legacy Trails Subdivision - Plat Amendment
Consider Subdivision Plat Amendment for the Legacy Trails Subdivision located at approximately 1250 West and Parrish Lane, Centerville - Fred Hale and Chad Salmon, H & S, LLC, Applicants |
| 7:20 | 3. | Public Hearing - Zone Map Amendment (Rezone) - Holbrook Property - 1851 North Main Street
Consider proposed Zone Map Amendment (rezone) for property located at approximately 1851 North Main Street (Holbrook Trust) from A-L (Agricultural-Low) to R-L (Residential-Low) - Ordinance No. 2016-01 |
| 7:30 | 4. | Ratification of Ordinance No. 2015-30 - Creation of Centerville Deuel Creek Historic District - Chapter 12-49
Consider ratification of Ordinance No. 2015-30 creating the Centerville Deuel Creek Historic District and enacting Chapter 12-49 of the Centerville Zoning Code as set forth in the attached Ordinance |
| 7:35 | 5. | Reconsider Directive to Staff and Planning Commission Regarding Possible Rezone of Centerville Elementary Area Property from R-M to R-L |
| 7:45 | 6. | Municipal Code Amendments
a. Title 17 - Telecommunications Systems - Consider Ordinance No. 2016-02 amending and renumbering Title 9, Chapter 7 of the Centerville Municipal Code to Title 17
b. Title 18 - Cable Systems - Consider Ordinance No. 2016-03 amending and renumbering Title 9, Chapter 12 of the Centerville Municipal Code to Title 18 |
| 7:55 | 7. | Review Council meeting protocol and other guidelines affecting Council Members |
| 8:15 | 8. | Miscellaneous Business
a. Discussion on video streaming Council meetings
b. Confirm public hearing date and process regarding the Accessory Dwelling Units proposed ordinance |
| 8:30 | 9. | Adjourn to Work Session to discuss City finances, including annual report from City's independent auditors |
| 9:30 | 10. | Mayor's Report
a. South Davis Metro Fire Agency update and monthly report
b. Council Member assignments
c. Appointment of citizens to City boards/committees |
| 9:40 | 11. | City Manager's Report
a. Local Officials Day at the Legislature - January 27, 2016 |
| 9:45 | 12. | 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

Staff recommends the City Council hold a closed meeting to get a briefing from the City Attorney regarding pending or reasonably imminent litigation. |

F. ADJOURNMENT

Items of Interest (i.e., newspaper articles, items not on agenda); Posted in-meeting information

Marsha L. Morrow, MMC
Centerville City Recorder

**CENTERVILLE
CITY COUNCIL
Staff Backup Report
1/5/2016**

Item No.

Short Title: Reception in City Hall Lobby

Initiated By:

Scheduled Time: 6:15

SUBJECT

RECOMMENDATION

BACKGROUND

**CENTERVILLE
CITY COUNCIL
Staff Backup Report
1/5/2016**

Item No.

Short Title: City Council Swearing-In Ceremony

Initiated By:

Scheduled Time: 6:30

SUBJECT

RECOMMENDATION

BACKGROUND

CENTERVILLE

Staff Backup Report

1/5/2016

Item No.

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

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

BACKGROUND

ATTACHMENTS:

Description

- ❑ City Manager Summary of January 5, 2016 Council meetings



CENTERVILLE CITY

250 North Main • Centerville, Utah 84014-1824 • (801) 295-3477 • Fax: (801) 292-8034

Incorporated in 1915

Mayor

Paul A. Cutler

City Council

Tamilyn Fillmore

William Ince

Stephanie Ivie

George McEwan

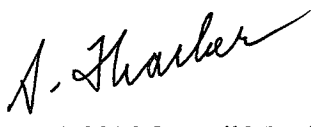
Robyn Mecham

City Manager

Steve H. Thacker

interoffice MEMORANDUM

to: Mayor Cutler
City Council
cc: Department Heads
Planning Commission
from: Steve H. Thacker, City Manager
subject: City Manager's Summary of January 5, 2016 Council Meetings
date: December 31, 2015



6:15 Reception and Swearing-In for New Council Members – The agenda shows a reception beginning at 6:15 p.m. for the new council members—Robyn Mecham, George McEwan and Bill Ince—followed by the swearing-in ceremony at 6:30 p.m. The reception and ceremony are open to the public, but new council members may want to contact specific persons and invite them. Staff are waiting to hear from the new council members as to whether they want to add any musical numbers, etc. to the ceremony. Otherwise, it will be very brief—with Judge Miller making a few remarks and administering the oath of office. Depending on what is added to the ceremony, there may be time after the swearing-in for further socializing until the regular council meeting begins at 7 p.m.

7:00 Regular City Council Meeting

E.1. Minutes Review – The minutes to be approved are enclosed.

E.2. Public Hearing—Legacy Trails Subdivision Plat Amendment – This amendment involves an adjustment of the boundary line between Lot 1 and the common interior private road that will service the entire development. See staff report for further explanation.

E.3. Public Hearing—Holbrook Property Rezone – This proposal would rezone approximately 3 acres of mostly undeveloped land from Agricultural Low to Residential Low. Apparently the intent is for the land to be divided and sold to adjoining homeowners who wish to extend their backyards. The property is located on the west side of Main Street behind the homes on the south side of 1850 North. The Planning Commission recommends approval.

E.4. Ratification of Ordinance Creating Centerville Deuel Creek Historic District – At their December 15, 2015 meeting, the City Council approved an ordinance and zone map amendment creating this Historic District and authorizing incentives to encourage remodeling and new construction that complements the historic nature of homes within the District boundaries. The Council approved a multi-tiered incentive and directed staff to amend the ordinance as appropriate to incorporate their directive. The City Attorney subsequently revised the approved ordinance to conform with their directive as she understood it. However, staff would like the Council to ratify the ordinance as revised to be sure it captures the Council's intent.



- E.5. Reconsider Council Directive re Possible Rezone of Centerville Elementary School Area** -- In a November 2015 meeting, the prior City Council—by a 3 to 2 vote--directed staff to initiate with the Planning Commission a potential rezone of several properties within the Centerville Elementary School area from Residential Medium to Residential Low. Two new council members have requested this directive be reconsidered by the new council.
- E.6. Municipal Code Amendments** – Titles 17 and 18 – This is a continuation of the City Attorney's project to update and reformat the Municipal Code in preparation for putting it online under the City's new contract for this service. Titles 17 and 18 are being created by taking Chapters from Title 9 and converting these into separate Titles—one for Telecommunications and the other for Cable TV Systems.
- E.7. Review Council Meeting Protocol and Other Guidelines** – As new council members begin their terms, the Mayor, City Manager and City Attorney like to review recommended guidelines for more effective meetings, as well as guidelines affecting council members' actions outside the meeting.
- E.8. Miscellaneous Business** -- Several council members have asked to discuss the idea of video streaming Council meetings. One new council member has also raised the question of whether the January 19 public hearing regarding the proposed Accessory Dwelling Unit ordinance should be postponed, so staff are seeking confirmation of the date for that public hearing.
- E.9. Work Session re Auditor's Report and City Finances** – At this point in the meeting, the City Council will adjourn into a work session format to hear a presentation from the City's independent auditor about the recently completed Comprehensive Annual Financial Report for Fiscal Year 2015. The work session will also include instruction from staff about fundamentals of City finances.
- E.10. Mayor's Report** – Mayor Cutler will report on Fire Agency matters, make assignments of council members to represent the City in various organizations, and recommend appointments of citizens to City boards/committees.
- E.11. City Manager's Report** – I may report on a few matters, including the upcoming legislative event sponsored by the Utah League of Cities and Towns—Local Officials Day at the Legislature.
- E.12. Closed Meeting** – The City Attorney recommends a closed meeting to brief the new council on claims and lawsuits affecting the City.

Potential Agenda Items for January 19, 2016 City Council meeting (subject to change):

- Work Session with Legislators
- Public Hearing - Zoning Ordinance Text Amendments re Accessory Dwelling Units (ADUs)
- Open & Public Meetings Act Training by City Attorney
- Council liaison report from Tami Fillmore re Recreation District and Parks & Rec Committee
- Financial Report for period ending December 31, 2015
- Cost-sharing agreement with Maverik re bike trailhead improvements
- RDA meeting

**CENTERVILLE
CITY COUNCIL
Staff Backup Report
1/5/2016**

Item No.

Short Title: Mayor Paul Cutler

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

BACKGROUND

**CENTERVILLE
CITY COUNCIL
Staff Backup Report
1/5/2016**

Item No. 1.

Short Title: Minutes Review and Acceptance

Initiated By:

Scheduled Time: 7:10

SUBJECT

December 15, 2015 Council meeting

RECOMMENDATION

BACKGROUND

ATTACHMENTS:

Description

- ▣ December 15, 2015 meeting minutes

PRELIMINARY DRAFT

Minutes of the Centerville **City Council** meeting held Tuesday, December 15, 2015 at 7:00 p.m.
at Centerville City Hall, 250 North Main Street, Centerville, Utah.

MEMBERS PRESENT

Mayor Paul A. Cutler

Council Members Ken S. Averett
Tamilyn Fillmore
John T. Higginson
Stephanie Ivie
Lawrence Wright

STAFF PRESENT

Steve Thacker, City Manager
Lisa Romney, City Attorney
Jacob Smith, Management Assistant
Brandon Toponce, Assistant City Planner
Kevin Campbell, City Engineer
Katie Rust, Recording Secretary

STAFF ABSENT

Blaine Lutz, Finance Director/Assistant City Manager

VISITORS

Interested citizens (see attached sign-in sheet)

PLEDGE OF ALLEGIANCE

PRAYER OR THOUGHT

Councilwoman Fillmore

COUNCIL MEMBER RECOGNITION

Mayor Cutler recognized the three outgoing Council members and thanked them for their years of dedicated service - Councilman Ken Averett (eight years), Councilman John Higginson (four years), and Councilman Larry Wright (eight years). Councilman Averett commented that it has been a pleasure to serve on both the Council and the Planning Commission over the last twelve years, Councilman Higginson thanked the Council members and staff, and thanked the citizens for their trust over the last four years, and Councilman Wright thanked the community for the privilege of serving on the City Council.

YOUTH COUNCIL COLORING CONTEST PRESENTATION

Youth Mayor Lindsay Kunzler presented awards to winners of the Youth Council Coloring Contest.

OPEN SESSION

Dale McIntyre – Mr. McIntyre informed the Council that the Council microphones are not amplifying sound equally.

Lee Skabelund – Mr. Skabelund thanked all who were involved in removing the substantial amount of snow that fell in the last couple of days. Councilman Wright echoed Mr. Skabelund's gratitude.

William Ince, Planning Commissioner, Council member elect – Commissioner Ince expressed appreciation for the service of those on the City Council.

1 Robyn Mecham, Council member elect – Ms. Mecham thanked the City Council
2 members for their service.

3
4 **MINUTES REVIEW AND ACCEPTANCE**

5
6 The minutes of the December 1, 2015 Council meeting were reviewed. Mayor Cutler
7 requested an amendment. Councilwoman Fillmore made a **motion** to approve the minutes as
8 amended. Councilwoman Ivie seconded the motion, which passed by unanimous vote (5-0).

9
10 **SUMMARY ACTION CALENDAR**

- 11
12 a. City Council 2016 Meeting Schedule – Resolution No. 2015-19
13 b. Approve amendments to recording secretary services contracts
14 c. Approve purchase of a 2016 Ford Explorer from Ken Garff Ford in the amount of
15 \$27,437.91 for the Police Department

16
17 Councilman Wright made a **motion** to approve all items on the Summary Action
18 Calendar. Councilman Higginson seconded the motion, which passed by unanimous vote (5-0).

19
20 **PUBLIC HEARING – ZONING ORDINANCE TEXT AMENDMENT, CHAPTER 12-60,**
21 **ACCESSORY DWELLING UNITS (ADUs)**

22
23 The public hearing regarding ADUs was postponed until January 19, 2016.

24
25 **DEUEL CREEK HISTORIC DISTRICT**

26
27 The Landmarks Commission and Planning Commission have recommended creation of
28 a historic district covering the area bounded by Main Street, Parrish Lane, 400 East and both
29 sides of Porter Lane. The ordinance would not force any property owner to comply with the
30 desired building standards expressed in the ordinance, but incentive would be offered in the
31 form of reduced building setbacks and reduced building permit fees for remodeling or
32 reconstruction that meets the architectural criteria. Brandon Toponce, Assistant City Planner,
33 reported that the Landmarks Commission discussed the concern expressed at the last Council
34 meeting regarding adding a historic overlay to the South Main Street Corridor (SMSC) Overlay.
35 He said the Landmarks Commission feels the two overlays do not conflict. Mr. Toponce also
36 reported that the Landmarks Commission did not comment on the suggestion to include the
37 east side of 400 East in the historic district boundaries. The proposed historic district would be
38 recognized locally, but not registered with the State. Councilman Wright repeated the
39 suggestion he made at the previous Council meeting to include “Centerville” in the name of the
40 historic district.

41
42 At 7:31 p.m. Mayor Cutler opened a public hearing regarding both ordinances relating to
43 the historic district, and closed the public hearing seeing that no one wished to comment.
44 Councilman Averett made a **motion** to adopt Ordinance No. 2015-30 adopting Chapter 12-49 of
45 the Centerville Zoning Ordinance for the Deuel Creek Historic District based on the following
46 findings of the Planning Commission, and Ordinance No. 2015-31 amending the Centerville
47 Zoning Map by changing the zoning of various properties within the Deuel Creek Historic District
48 to the Deuel Creek Historic District Overlay Zone based on the following findings of the Planning
49 Commission. Councilwoman Ivie seconded the motion.

Findings for Ordinance No. 2015-30:

1. The proposed amendment meets the requirements found in Section 12-21-080(4)(e).
2. The proposed zoning text amendment meets the goals and objectives of the General Plan concerning a historic district [Section 12-480-8(3)].
3. Creating the Deuel Creek Historic District would not have a negative impact on the surrounding community.
4. Through research, site visits, three public work sessions and several meetings, the Landmarks Commission believes they have covered important aspects of location, guidelines and incentives.
5. The Landmarks Commission believes the proposed district and subsequent created documents will be beneficial to the neighborhood.

Findings for Ordinance No. 2015-31:

1. The proposed amendment meets the requirements found in Section 12-21-080(4)(e).
2. The proposed Zone Map Amendment meets the goals and objectives of the General Plan concerning a historic district [Section 12-480-8(3)].
3. Creating the Deuel Creek Historic District would not have a negative impact on the surrounding community.
4. Through research, site visits, three public work sessions and several meetings, the Landmarks Commission believes they have covered important aspects of location, guidelines and incentives for the overlay zone.
5. The Landmarks Commission believes the proposed overlay zone and related proposed Ordinance will be beneficial to the neighborhood.

Mayor Cutler asked staff to discuss the slight risk that the incentives offered might encourage demolition. Mr. Thacker responded it is the opinion of staff that the reduced building permit fee incentive should not go beyond 25% for bash-and-build situations. He suggested the highest reduction (not more than 50%) apply to structures listed on the National Register of Historic Places, with the requirement that the home remain on the National Register following the improvement. Mr. Toponce commented that the Landmarks Commission follows National standards when examining remodel proposals for homes on the National Register. Mr. Thacker suggested a two or three tier system, with the highest discount (50%) for homes on the National Register that would remain such, a second tier (25%-30%) for homes that are older than 50 years that are modified or added to within the standards, and another tier (15%) for bash-and-build situations. Mr. Toponce added that within the historic district boundaries there are larger lots with the potential for infill. He suggested that a 25% reduction for new homes might provide incentive to match the look of the rest of the community.

Mayor Cutler recommended the Council approve the ordinances as they are now, and direct the Landmarks Commission to recommend criteria for the reduction. Councilwoman Fillmore stated she agrees with the proposed three-tier system. She commented that restoration and bash-and-build projects will not occur solely as a result of the offered fee reduction. The incentive is a symbolic show of appreciation for property owners who go to the effort to preserve historically valuable buildings. Councilwoman Fillmore made a **motion to amend** the motion to accept the Ordinance as written with the following changes: a three-tier fee reduction system for residential properties of 25% for new builds or remodel of homes under 50 years old; 50% for remodel of homes 50 years or older; and 100% for homes listed and remaining on the National Register of Historic Places; and adding the east side of 400 East to the Deuel Creek Historic District boundaries. Councilman Averett stated he would accept the

1 friendly amendment if the east side of 400 East were removed. Lisa Romney, City Attorney,
2 commented that State law requires notice of every property owner for zoning changes.
3 Councilwoman Fillmore removed the east side of 400 East from the motion to amend, and
4 Councilman Averett seconded the friendly amendment.

5 Councilman Wright made a **motion to amend** the motion to include changing the name
6 of the proposed historic district to Centerville Deuel Creek Historic District. Councilwoman
7 Fillmore seconded the motion to amend the motion, which passed by unanimous vote (5-0).
8

9 Councilman Wright made a **motion to amend** the original motion to adopt Ordinance
10 No. 2015-30 and Ordinance No. 2015-31 to specify that the 25% fee reduction would only apply
11 to homes on and remaining on the National Register of Historic Places. Councilwoman Fillmore
12 commented that Councilman Wright's motion to amend is very different from the
13 recommendations from the Landmarks Commission and the Planning Commission. As liaison
14 to the Landmarks Commission, Councilwoman Ivie explained that homeowners with a home
15 already on the National Register have put a lot of time and money into renovation. There are
16 many homes that could perhaps be on the Register, but have not yet been nominated, and she
17 would not want to exclude those homes from the incentive to accomplish necessary renovation
18 to be on the National Register. She said she agrees with the three-tier idea. Councilman
19 Wright withdrew his motion to amend.
20

21 Mayor Cutler pointed out that a 100% fee reduction is significant considering the
22 expense to the City. Mr. Thacker stated that staff did not discuss more than a 50% reduction,
23 but added that there are fewer than 20 homes on the Historic Register within the boundaries of
24 the proposed historic district. Councilwoman Fillmore emphasized that the fee reduction would
25 apply only to residentially zoned buildings, excluding commercial buildings on Main Street from
26 the incentive. Mr. Toponce responded that the Landmarks Commission did not want to exclude
27 the historic buildings on Main Street from the preservation incentives. Councilwoman Fillmore
28 commented that the financial impact on the City of a 100% reduction for residential would be
29 small, but the impact of a 100% reduction for commercial would be more significant. She added
30 that the SMSC Plan already has strict design standards, and the commercial corridor is different
31 from the residential area. Councilman Wright said he has learned it is better to measure twice
32 before cutting. He said he does not disagree with the direction the Council is heading, but
33 suggested that staff study it out more completely and come back with a recommendation.
34

35 Councilman Wright made a **motion to amend** the motion to table the three-tiered fee
36 reduction system to allow further staff review. Ms. Romney agreed that a fiscal impact analysis
37 would be advisable for a reduction greater than 50% for commercial properties. The motion to
38 amend died for lack of a second. Councilwoman Ivie stated she is uncomfortable with the 100%
39 reduction. She said she realizes there are not many homes on the National Register, but asked
40 how much impact the applications have on staff time. Mayor Cutler responded that most of the
41 review process is done by outside contractors. Mr. Toponce reminded the Council that the
42 incentives apply only to exterior remodel or renovation projects, not interior, following National
43 Register standards. Councilwoman Fillmore's motion to amend the motion passed by majority
44 vote (4-1), with Councilman Wright dissenting.
45

46 Councilwoman Fillmore made another **friendly amendment to the motion** specifying
47 that the entire ordinance only applies to residential zoned projects. Councilman Wright
48 repeated that he feels staff should take a closer look before the Council makes a decision
49 regarding the commercial properties. Councilman Averett seconded the friendly amendment,
50 which passed by majority vote (3-2), with Council members Averett, Fillmore, and Higginson in
51 favor and Council members Ivie and Wright dissenting. The original motion to adopt Ordinance

No. 2015-30 and Ordinance No. 2015-31, amended to include the three-tier fee reduction system for residential exterior properties, excluding all commercial properties, and to change the name to Centerville Deuel Creek Historic District passed unanimously (5-0). Mr. Thacker thanked Mr. Toponce for all of his work with the Landmarks Commission on this matter.

MUNICIPAL CODE AMENDMENTS – TITLE 5 – REVENUE AND FINANCE

Ms. Romney explained proposed amendments to Title 5 of the Centerville Municipal Code regarding Revenue and Finance. Councilman Wright made a **motion** to approve Ordinance No. 2015-32 amending various provisions of Title 5. Councilman Higginson seconded the motion, which passed by unanimous vote (5-0).

REVIEW BID FOR INSTALLATION OF FENCING ON PARRISH LANE

During the recent I-15 South Davis project, UDOT gave Centerville City the opportunity to pay for an upgrade to the fencing to be installed on the new pedestrian bridge and along Parrish Lane. The additional cost was embodied in a Betterment Agreement approved by the City Council in March 2015. After UDOT's contractor began installing the fence, UDOT determined the fence did not meet AASHTO requirements and work was suspended. The City was allowed to come up with fencing alternatives that meet AASHTO standards as well as UDOT's approval. Kevin Campbell, City Engineer, subsequently bid the work. Bids were received and opened on December 10. Despite the fact there were three plan holders and questions from several potential bidders, only one bid was received – from Custom Fence – the same company which was a subcontractor under WW Clyde for the I-15 project. Mr. Campbell explained that the bid was much higher than anticipated. Funding this bid award would require much more funding than approved earlier by the RDA Board. Mr. Campbell stated he received feedback that contractors are busy, but could maybe do the work in the spring. He added that contractors are hesitant to bid for projects involving Buy America and AASHTO requirements.

Mr. Campbell advised that the Betafence bid should not be awarded at this time, but could possibly be bid again as vinyl coated chain link that meets the AASHTO requirement. A new bid process would take three or four weeks. The Cooperative Agreement with UDOT gives until June 1, 2016 to complete the work. Mr. Thacker explained possible sources of funding for the project. Mr. Campbell advised that Bid Schedule A is a decent bid. The Council has 60 days in which to accept or reject the bids. Mr. Campbell suggested the Council could wait the 60 days to accept the Schedule A bid, and rebid the Schedule B portion to have more options. Mr. Thacker supported the recommendation to rebid the Schedule B portion. Mr. Campbell stated that the bid process can be delicate, and explained the risk that Custom Fence might increase their bid for Schedule A. Councilwoman Fillmore agreed that vinyl coated chain link with design elements could be acceptable if a better bid is not received for the preferred option, and provided a rough sketch of her idea. She suggested the Council accept the Schedule A bid and rebid Schedule B with additional options. Mayor Cutler stated he would prefer to rebid the entire length for the chain link option, and said he is willing to abandon the Betafence idea based on the bid received. The Council and staff discussed bid options. Ms. Romney stated that legally, the Council could: reject all of the bids and start over; accept part of the bid and reject the rest; or, within the 60 days to award the contract, obtain bids for the chain link option for comparison.

Mr. Campbell said Custom Fence might be incentivized to lower their bid on the vinyl coated chain link if the Ameristar fencing were included in the bid schedule. Custom Fence would have an advantage, but Ameristar fencing elements are readily available to all

1 contractors. Mr. Campbell suggested two realistic options: 1) award Schedule A in 60 days and
2 obtain bids on vinyl coated chain link at same time; or 2) rebid the whole thing with Ameristar
3 and vinyl coated chain link. He advised the Council to only bid vinyl coated chain link for the
4 entire length if they are really interested in that option. Mayor Cutler expressed that,
5 considering cost, he is very interested. Councilwoman Fillmore reminded the Council that they
6 had considered using a professional designer earlier in the process to consult on fencing, and
7 suggested that a professional designer could be very helpful at this point. The cost for a
8 professional designer's time would be approximately \$800. Mr. Campbell suggested welcoming
9 professional advice regarding the end pillars, but recommended the Council not plan to attach
10 elements to vinyl coated chain link panels for safety reasons. Councilwoman Fillmore agreed.
11 Mr. Campbell stated he could provide cost estimates for chain link options in the next few days.
12

13 Councilwoman Fillmore made a **motion** directing staff to hold on to the Schedule A bid,
14 reject the Schedule B bid, and, rebid the length of both Schedule A and Schedule B, including
15 the pillars, with square or rectangular vinyl coated chain link, with the ability to award portions A
16 and B separately. Councilwoman Ivie seconded the motion, which passed by unanimous vote
17 (5-0). Councilwoman Fillmore repeated her desire to involve a professional designer, and Mr.
18 Thacker agreed with her recommendation.
19

20 The Council took a break at 8:57 p.m., returning at 9:05 p.m.
21

22 **FINANCIAL REPORT**

23
24 The Council reviewed the Financial Report for the period ending November 30, 2015.
25

26 **MAYOR'S REPORT**

- 27
- 28 • The City Council will meet with State Legislators on January 19, 2016 prior to the
29 regular Council meeting, and will meet in a work session regarding City finances,
30 including the annual audit report, on January 5, 2016 following the regular Council
31 meeting.
 - 32 • The Mayor reported on DARE graduations and the first "Lunch with the Mayor" for
33 elementary students.
 - 34 • Mayor Cutler reported that UTOPIA is getting close to a 30% take rate in Centerville.
35 He reported that he expects there will be no more operating assessments to the
36 cities. UTOPIA and UIA combined have passed the \$1 million per month revenue
37 milestone. Mayor Cutler reported on projects accomplished by UTOPIA during 2015.
38 Councilman Wright suggested the city research the possibility of video streaming
39 Council meetings and other City events. Free WiFi access is available in all City
40 parks at select pavilions.
41

42 **CITY MANAGER'S REPORT**

43
44 Mr. Thacker provided a summary of 2015 projects/issues and anticipated projects/issues
45 for 2016. Councilman Wright suggested adding an analytic hierarchy process to help prioritize
46 projects and issues during the goal setting process.
47

48 **MISCELLANEOUS BUSINESS**

- 49
- 50 • Councilwoman Fillmore mentioned that Sandy City has a few parking spots in front of
51 their police station designated as a safe exchange area for internet sales. Mayor

Cutler responded that a number of cities have implemented the same idea. He has asked Chief Child to consider the idea and make recommendations.

- Mr. Thacker explained proposed amendments to the Centerville City Position Pay Grade Schedule. Councilman Wright expressed approval for the succession planning implemented with the amendments. Councilman Higginson made a **motion** to approve Ordinance No. 2015-33 and the recommended pay raises. Councilman Wright seconded the motion, which passed by unanimous vote (5-0).
- Land Use Training for the Planning Commission and City Council will occur on Wednesday, February 10, 2016 at 6:00 p.m.

APPOINTMENTS

Mayor Cutler recommended the Council appoint Becki Wright to the Planning Commission, and appoint Kevin Daly to fill the remainder of Bill Ince's term on the Planning Commission. He also recommended the Council appoint Brian Curnow to the Parks and Recreation Committee. Councilman Averett made a **motion** to appoint Becki Wright to the Planning Commission, appoint Kevin Daly to fill the remainder of Bill Ince's term on the Planning Commission, and appoint Brian Curnow to the Parks and Recreation Committee. Councilman Higginson seconded the motion, which passed by unanimous vote (5-0).

ADJOURNMENT

At 9:38 p.m. Councilman Wright made a **motion** to adjourn the City Council meeting and move to a meeting of the Redevelopment Agency of Centerville. Councilwoman Ivie seconded the motion, which passed by unanimous vote (5-0).

Marsha L. Morrow, City Recorder

Date Approved

Katie Rust, Recording Secretary

**CENTERVILLE
CITY COUNCIL
Staff Backup Report
1/5/2016**

Item No. 2.

Short Title: Public Hearing - Legacy Trails Subdivision - Plat Amendment

Initiated By:

Scheduled Time: 7:10

SUBJECT

Consider Subdivision Plat Amendment for the Legacy Trails Subdivision located at approximately 1250 West and Parrish Lane, Centerville - Fred Hale and Chad Salmon, H & S, LLC, Applicants

RECOMMENDATION

Approve Subdivision Plat Amendment for the Legacy Trails Subdivision located at approximately 1250 West and Parrish Lane, Centerville, subject to the conditions and based on the findings set forth in the attached Staff Report. Conditions of approval should also include revisions requested by the City Engineer and the City Attorney, as attached.

BACKGROUND

The Applicants desire to amend the Legacy Trails Subdivision to revise the boundaries of Lot 1. Pursuant to City Ordinances, the City Council is required to hold a public hearing on the proposed plat amendment. Staff recommends approval of the plat amendment as more particularly set forth in the attached Staff Report.

ATTACHMENTS:

Description

- ❑ 1-05-16 CC Staff Report for Legacy Trail Subdivision Plat Amendment
- ❑ 12-07-15 Legacy Trails Subdivision (First Amendment)
- ❑ City Engineer-Corrections
- ❑ City Attorney-Corrections

**CENTERVILLE CITY
COMMUNITY DEVELOPMENT DEPARTMENT
655 North 1250 West, Centerville, Utah 84014
(801) 292-8232**

STAFF REPORT

PETITIONERS: FRED HALE/CHAD SALMON
H&S LLC
1778 WEST 1180 SOUTH
WOODS CROSS, UTAH 84087

PROPERTY: LEGACY TRAILS SUBDIVISION - LOT 1

ZONING: COMMERICAL – VERY HIGH/PLANNED
DEVELOPMENT (C-VH/PD)

APPLICATION: SUBDIVISION PLAT AMENDMENT

RECOMMENDATION: APPROVE THE PROPOSED AMENDMENT

BACKGROUND

The petitioners desire to amend the subdivision plat by altering the dimension of Lot 1, which will also affect the common access lane to the west and associated easements. During the site plan approval process for Lot 1 (i.e. Maverik Site Plan), the Maverik agents believed that the lot they would be purchasing was larger than what was actually recorded on the subdivision plat. This happened due to the fact the both the recording of the plat and the approval of the site plan were happening simultaneously. Eventually, it came to light that some of the planned improvements (i.e. parking and dumpster) would encroach onto the common access lane located to the west of Lot 1.

SUBDIVISION PLAT AMENDMENT PROCESS

According to state and local regulations, a plat amendment may be approved if specific criteria are evaluated and the amendment is deemed acceptable, as follows:

1. Will the public interest be materially injured by the proposed plat amendment, and
2. Is there a good cause for the plat amendment?

Staff Response: The amendment appears to remain consistent with the envisioned integrated planned development layout of the Legacy Trails Development project. Additionally, it was expected that a gas and convenience store would be developed on Lot 1. Thus, staff does not believe that the amendment creates a material injury to the planned uses for the project area. Nonetheless, the common lane is shared by all four (4) lot owners within the development, which is owned and maintained by the related owners association. In addition to any City approval, the petitioners will need to have

the established association approve the amendment and record any related changes along with the amended plat.

PLANNING STAFF RECOMMENDATION

Suggested motion for the proposed amended subdivision plat for Tumbleweed Subdivision: I hereby make a motion for the City Council approve the proposed plat amendment, subject to the following:

- 1) *Preparation and submittal of a final linen subdivision plat to the City Recorder's Office to reflect the changes to Lot 1 and the common access lane.*
- 2) *Submit and obtain written approval from the Owner's Association and record and related changes as part of the recording of the amended plat.*
- 3) *All original subdivision plat notes are also indicated on the linen of the new plat to be recorded, as deemed acceptable by the City Engineer and Attorney.*

Suggested Reasons for the Action (Findings):

- a. The City Council finds that amendment is consistent with the original plat's expectation to develop an integrated planned development, which included a proposed gas and convenience store to be located on Lot 1.
- b. The City Council finds that the Owner's Association has interest in the common access lane, which the petitioners must obtain their sanction to the proposed changes.
- c. Therefore, with specific conditions of approval, the City Council finds that the public interest will NOT be materially injured by the proposed plat amendment.
- d. Therefore, City Council also finds that there is good cause for the plat amendment.

Legacy Trails Subdivision (First Amendment)

Including all of the Former Lot 1 and Parcel E of Legacy Trails Subdivision
Being a Part of the Southeast Quarter of Section 12, T.2N., R.1W., S.L.B.& M.
Centerville City, Davis County, Utah

Boundary Description

Containing all of the Former Lot 1 and Parcel E of Legacy Trails Subdivision in Centerville City, Davis County, Utah being also described as follows:

Beginning at the Southeast Corner of Lot 1 of the Legacy Trails Subdivision which point is N00°05'33"W 2,096.71 ft. along the Section Line and West 1,430.18 ft. and N00°03'06"E 71.08 ft. along the West Boundary of 1250 West Street and West 4.00 ft. from the Southeast Corner of Section 12, T.2N., R.1W., S.L.B.& M. and running thence along the Boundary of Lot 2 of said Legacy Trails Subdivision in the following seven courses: (i) West 212.11 ft., (ii) S09°36'14"E 45.29 ft., (iii) Southeastly 44.67 ft. along the arc of a 266.50 ft. radius curve to the right through a central angle of 9°36'14" (chord bears S04°48'07"E 44.62 ft.), (iv) South 70.36 ft., (v) Southeastly 31.42 ft. along the arc of a 20.00 ft. radius curve to the left through a central angle of 90°00'00" (chord bears S45°00'00"E 28.28 ft.), (vi) East 93.31 ft., (vii) N85°31'28"E 43.47 ft.; thence South 39.78 ft. along the West Boundary of Parcel D of said Legacy Trails Subdivision; thence along the North boundary of Lot 3 of said Legacy Trails Subdivision in the following two courses: (i) N85°31'28"W 43.47 ft., (ii) West 146.31 ft.; thence along the East boundary of Lot 4 of said Legacy Trails Subdivision in the following five courses: (i) North 123.36 ft., (Northwesterly 39.14 ft. along the arc of a 233.50 ft. radius curve to the left through a central angle of 9°36'14" (chord bears N04°48'07"W 39.09 ft.), (iii) N09°36'14"W 130.97 ft., (iv) Northwesterly 44.30 ft. along the arc of a 266.50 ft. radius curve to the right through a central angle of 9°31'27" (chord bears N04°50'31"W 44.25 ft., (v) N00°04'48"W 114.44 ft.; thence along the boundary of said Legacy Trails Subdivision in the following three courses: (i) Southeastly 108.08 ft. along the arc of a 902.33 ft. radius curve to the left through a central angle of 6°51'46" (chord bears S86°24'16"E 108.02 ft.), (ii) S89°50'09"E 113.72 ft., (iii) S20°00'00"E 124.36 ft.; thence along the West boundary of Parcel C of said Legacy Trails Subdivision in the following two courses: (i) S04°48'55"W 13.42 ft., (ii) S00°03'06"W 100.17 ft. to the point of beginning.

Containing 1.609 Acres
Creating One Lot and One Parcel

Surveyor's Certificate

I, J. Scott Balling, a Professional Land Surveyor holding Certificate No. 162195 as prescribed under the laws of the State of Utah, do hereby certify that by the authority of the owners I have made a survey of the tract of land shown on this plat and described herewith and have subdivided said tract of land into Lots, and Parcels hereafter to be known as "Legacy Trails Subdivision, First Amendment" and that the same has been correctly surveyed and staked on the ground as shown.

December 12th, 2015

Date Utah Surveyor No. 162195

Owner's Dedication

Known all men by these presents that we the undersigned owners of the above described tract of land having caused the same to be subdivided into Lots and Parcels to hereafter be known as "Legacy Trails Subdivision, First Amendment" and do hereby dedicate Parcels A and B as shown hereon to the Utah Department of Transportation for perpetual use. We further dedicate Parcel C and D and all Public Utility Easements as shown hereon to Centerville City for public use. We further dedicate Parcel E to the Legacy Trails Owner's Association, LLC, A Utah Limited Liability Company and as a Public Utility Easement and do warrant and defend and save the city harmless against any easement or other encumbrances on the dedicated streets which will interfere with the city's use, maintenance and operation of the streets.

In witness whereof we have hereunto set our hand this _____ day of _____, 2015.

Fred L. Hale, Manager Chad Salmon, Manager

H & S, LLC
A Utah Limited Liability Company

Roy M. Beck, Manager

SLEA 530, LLC
A Utah Limited Liability Company

Acknowledgement

On this _____ day of _____, 2015, there personally appeared before me, the undersigned Notary Public, Fred L. Hale and Chad Salmon, signers of the Owner's Dedication, who duly acknowledged to me that they are the managers of H & S, LLC, a Utah Limited Liability Company which entity is an owner of a portion of the tract of land described hereon and that they signed it freely and voluntarily on behalf of said entity for the uses and purposes therein mentioned.

Notary Public: _____

Residence: _____

Commission No. _____ My Commission Expires: _____

Acknowledgement

On this _____ day of _____, 2015, there personally appeared before me, the undersigned Notary Public, Roy M. Beck, signer of the Owner's Dedication, who duly acknowledged to me that he is the manager of SLEA 530 LLC, a Utah Limited Liability Company which entity is the owner of a portion of the tract of land described hereon and that he signed it freely and voluntarily on behalf of said entity for the uses and purposes therein mentioned.

Notary Public: _____

Residence: _____

Commission No. _____ My Commission Expires: _____

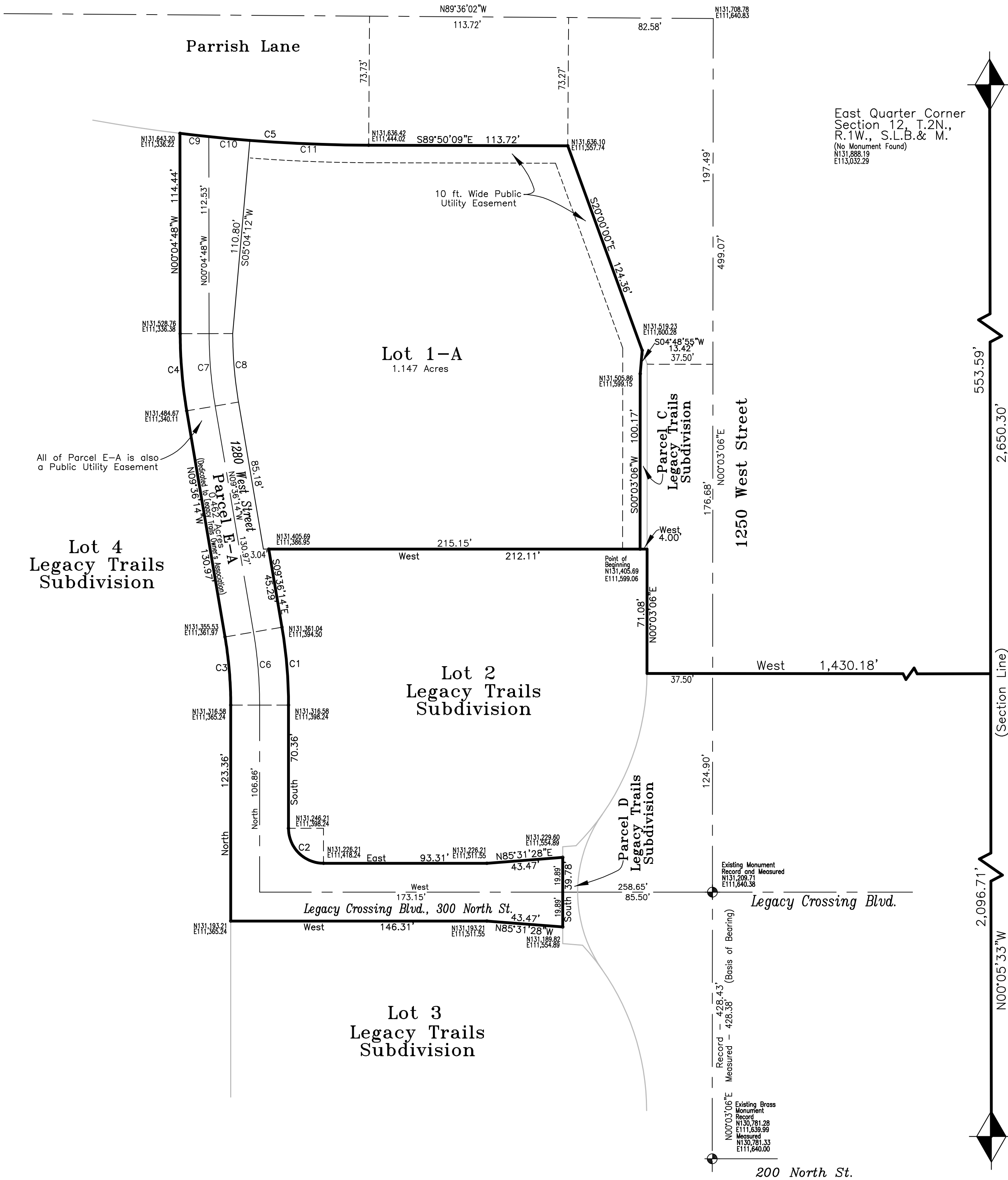
Davis County Recorder

Entry No. _____ Fee Paid _____ Filed for Record

and Recorded this _____ day of _____, 2015, at _____ in Book _____ Page _____ of Official Records.

Davis County Recorder

By: _____ Deputy Recorder



Legend

Boundary Line _____

Center Line _____

Lot Lines _____

Public Utility Easements _____

Set Rebar and Cap _____

Brass Monument _____

Section Corner _____

Notes:

- All Coordinates are based on Davis County Surveyor's Office Datum.
- Approval of this development plat by Centerville City does not constitute any representation as to the adequacy of sub-surface soil condition nor the location or depth of groundwater tables.
- The Interior Public Utility Easements as shown hereon were previously recorded as Entry No. 2847612 in Book 6201, Page 270 and Entry No. 2850542 in Book 6212, Page 27.
- The following entities and corresponding recordings are for old blanket easements over the property described herein and adjacent properties. There is no apparent physical evidence of any existing lines or improvements within the boundary described hereon:
 - American Telephone and Telegraph
 - Utah Oil Refining Company
 - Entry No. 72792, Book M of Liens and Leases, Page 213 and 214
 - Pioneer Pipeline Company
 - Entry No. 125342, Book 42, Page 100
 - Amoco Oil Company
 - Entry No. 1306427, Book 2099, Page 453
 - Bountiful City
 - Entry No. 337548, Book 427, Page 323-326
 - Entry No. 303179, Book 354, Page 153-154
- Access to Parrish Lane is limited to those openings permitted by the Utah Department of Transportation in accordance with Section 41-6a-714 of Utah Code.

Curve Information

Curve	Radius	Length	Angle	Chord	Chord Bearing
C1	266.50'	44.67'	9°36'14"	44.62'	S04°48'07"E
C2	20.00'	31.42'	90°00'00"	28.28'	S45°00'00"E
C3	233.50'	39.14'	9°36'14"	39.09'	N04°48'07"W
C4	266.50'	44.30'	9°31'27"	44.25'	N04°50'31"W
C5	902.33'	108.08'	6°51'46"	108.02'	S86°24'16"E
C6	250.00'	41.91'	9°36'14"	41.86'	N04°48'07"W
C7	250.00'	41.56'	9°31'27"	41.51'	S04°50'31"E
C8	236.50'	39.31'	9°31'27"	39.27'	S04°50'31"E
C9	902.33'	16.61'	1°03'17"	16.61'	S83°30'01"E
C10	902.33'	23.55'	1°29'43"	23.55'	S84°46'31"E
C11	902.33'	67.92'	4°18'47"	67.91'	S87°40'46"E

Southeast Corner
Section 12, T.2N.,
R.1W., S.L.B.& M.
(No Monument Found)
N131,299.73
E113,032.57

Recommended for Approval

On this _____ day of _____, 2015,

Centerville City Attorney

Recommended for Approval

On this _____ day of _____, 2015,

Centerville City Engineer

Recommended for Approval

On this _____ day of _____, 2015.
By the Centerville City Planning Commission.

Chairman, Planning Commission

Centerville City Council Approval

Presented to the City Council of Centerville City, Utah, this _____ day of _____, 2015 at which time this subdivision was approved and accepted.

Mayor: _____

City Recorder Attest: _____



ESI Engineering, Inc.
3500 South Main Suite 206
Salt Lake City, Utah 84115

Tel: (801) 263-1752
Fax: (801) 263-1780
www.esieng.com
Email: esi@esieng.com

Centerville City
Kevin Campbell
City Engineer

RE: Plat Review of Legacy Trails Subdivision (First Amendment)

Dear Kevin,

I have reviewed the plat and have found the following errors and omissions.

1. It appears in the Owner's Dedication there are some old verbiage regarding parcels A, B C and D from the original subdivision plat that needs to be removed. The reference to Parcel E needs to be changed to Parcel E-A.
2. The distances on the lot line between Lot 1-A and Lot 2 need to be switched and adjusted.
3. The scale of the Set Rebar and Cap symbol is difficult to see at the boundary corners. Just a suggestion.
4. Please add the 5' PUE on the west side of Lot 1-A.

If you have any questions regarding this plat review please contact me, and we can discuss your concerns. Please have Balling Engineering provide a revised copy of this plat showing that these items have been addressed.

Sincerely,
Brian A. Linam, P.L.S.

ESI Engineering Inc.



CIVIL ENGINEERING

STRUCTURAL ENGINEERING

LAND SURVEYING

GPS



Lisa Romney

From: Lisa Romney
Sent: Tuesday, December 29, 2015 11:09 AM
To: jscottballing@gmail.com; Kevin Campbell; Cory Snyder
Cc: Fred Hale (fredh@colonialbuilding.com); Chad Salmon (chad@salmonelectric.com); Nate Reeve (nreeve@reeve-assoc.com); Kelly Rasmussen (kellyr@aspentitle.com)
Subject: RE: Amended Plat of Legacy Trails

I have reviewed proposed plat amendment for the Legacy Trails Subdivision (First Amendment). The following comments are provided.

1. Make sure to provide required PUE on three sides of Lot 1-A. Only two sides are shown with PUE.
2. Show all easements and notes that were on the original plat unless otherwise amended with new plat.
3. Add HOA and required signature/acknowledgment to plat.
4. Add bank and required signature/acknowledgment to plat.
5. Ensure compliance with Utah Code 10-9a-603 and -606.
6. Ensure compliance with Centerville Code Chapter 15-9 regarding amended plats and Section 15-4-103 regarding final plats.
7. Provide updated title report (current within 30 days) with submittal of paper plat for final review.
8. Consider showing Parcel E-A as PUE.
9. Make all changes suggested by City Engineer.

Lisa

Lisa G. Romney | Centerville City Attorney
250 North Main Street | Centerville, Utah 84014
(801) 335-8842

This email may contain confidential or privileged information. If you believe you have received it in error, please notify the sender immediately and delete this message without copying or disclosing it.

From: Kevin Campbell [<mailto:Kevin.Campbell@esieng.com>]
Sent: Monday, December 07, 2015 10:59 AM
To: Lisa Romney
Subject: Fw: Amended Plat of Legacy Trails

Kevin

From: Scott Balling <jscottballing@gmail.com>
Sent: Monday, December 7, 2015 7:59 AM
To: csnyder@centervilleut.com; Hale Fred; Chad Salmon; Kevin Campbell; Nate Reeve; Kelly Rasmussen
Subject: Amended Plat of Legacy Trails

Cory and all others:

Attached is a draft of the proposed amended plat of Legacy Trails Subdivision. Please let me know if we need any changes?

Thanks

Scott Balling

**CENTERVILLE
CITY COUNCIL
Staff Backup Report
1/5/2016**

Item No. 3.

Short Title: Public Hearing - Zone Map Amendment (Rezone) - Holbrook Property - 1851 North Main Street

Initiated By: Gary Perkins, Applicant

Scheduled Time: 7:20

SUBJECT

Consider proposed Zone Map Amendment (rezone) for property located at approximately 1851 North Main Street (Holbrook Trust) from A-L (Agricultural-Low) to R-L (Residential-Low) - Ordinance No. 2016-01

RECOMMENDATION

Adopt Ordinance No. 2016-01 amending the Centerville Zone Map by changing the zoning of approximately 3.08 acres of real property located at 1851 North Main Street (Holbrook Trust) from A-L (Agricultural-Low) to R-L (Residential-Low) based on the findings recommended by the Planning Commission.

BACKGROUND

On December 9, 2015, the Planning Commission reviewed and recommended for approval the proposed rezone of the subject property from A-L (Agricultural-Low) to R-L (Residential-Low). The Staff Transmittal Report for this application is attached.

ATTACHMENTS:

Description

- ▣ 12-9-15 CC Staff Transmittal Report
- ▣ Ordinance No. 2016-01-Holbrook Rezone
- ▣ 12-09-2015 PC Staff Report Holbrook Property Zone Map Amendment
- ▣ Holbrook Property Backup-General Plan Provisions
- ▣ 12-9-2015 PC minutes re Holbrook Rezone

**CENTERVILLE CITY
COMMUNITY DEVELOPMENT DEPARTMENT
655 North 1250 West, Centerville, Utah 84014
(801) 292-8232**

STAFF TRANSMITTAL REPORT FOR CITY COUNCIL

DATE: DECEMBER 09, 2015

APPLICANT: GARY PERKINS
572 EAST 650 NORTH
CENTERVILLE, UTAH 84014
gtperkv@gmail.com

PROPERTY OWNER: LINDA H. WRIGHT, TRUSTEE
3770 SUMMER RIDGE ROAD
MORGAN, UTAH 84050
momlindawright@gmail.com

APPLICATION: ZONING MAP AMENDMENT

APPLICANT REQUEST: REZONE THE PROPERTY LOCATED AT 1851 MAIN STREET FROM A-L TO R-L (*PARCEL 07-072-0113*)

RECOMMENDATION: PLANNING COMMISSION RECOMMENDS APPROVAL OF THE REZONE REQUEST

BACKGROUND

The petitioners are requesting to rezone the subject property from an Agricultural-Low (A-L) to Residential-Low (R-L). The petitioners have indicated that it is their desire to sell a major portion of the property to several of their neighbors to the north and then leave the existing home on Main Street, as a lot meeting the R-L requirements. The transfer of land would be a sequential lot line adjustment assimilating the excess land into those lots along 1850 North, beginning from the west and ending at the existing home site. If performed in this manner and if no new or additional lots are created, state law allows this transfer of land to occur without having to receive a subdivision approval from the City. Nonetheless, both the Planning Commission and City Council have the assignment to review the merits of the rezone without considering the outcome



of the future selected land use pattern.

PLANNING COMMISSION RECOMMENDATION

On December 09, 2015, the Planning Commission held a public hearing, discussed the matter, and then forwarded to the City a **recommendation of *APPROVAL*** of the proposed rezone, as follows.

“Rezone Parcel 07-072-0113 (3.08 acres), addressed as 1851 North Main Street, shall be rezoned from Agricultural-Low (A-L) to Residential-Low (R-L).”

Suggested Reasons for the Action (Findings):

- a) The Planning Commission finds that the proposed zoning change is consistent with the goals and objectives of the General Plan [Section 12-480-3(1)(d)(1) & Section 12-420-2.1].
- b) The Planning Commission finds that the recommendation to approve the proposed zone map amendment has taken into account the “factors to be considered,” as listed in Section 12-21-080 and described in the related Staff Report dated 12-09-2015.

Planning Commission Vote (7-0):

Commissioner	Yes	No	Not Present
Hirschi (Chair)	X		
Hirst	X		
Johnson	X		
Kjar	X		
Merrill	X		
Hayman	X		
Ince	X		

LIST OF PREVIOUS PLANNING COMMISSION MEETINGS

- ✓ *December 09, 2015 Regular Meeting of the Planning Commission*

ORDINANCE NO. 2016-01

AN ORDINANCE AMENDING THE CENTERVILLE CITY ZONING MAP BY CHANGING THE ZONING OF APPROXIMATELY 3.08 ACRES OF CERTAIN REAL PROPERTY DESCRIBED HEREIN FROM AGRICULTURAL-LOW (A-L) TO RESIDENTIAL-LOW (R-L)

WHEREAS, the City is authorized to enact a zoning map consistent with the purposes set forth in the Utah Land Use Development and Management Act, as more particularly provided in *Utah Code Ann.* §§ 10-9a-101, *et seq.*, as amended, and the City is further authorized to make amendments to such zoning map in accordance with procedures set forth in *Utah Code Ann.* § 10-9a-503, as amended; and

WHEREAS, in accordance with applicable provisions of Utah law and the goals of the Centerville City General Plan for the subject property as set forth in Section 12-480-4, Neighborhood 3, Northeast Centerville, the City Council desires to amend the Centerville City Zoning Map to rezone the subject property from Agricultural-Low (A-L) to Residential-Low (R-L) as more particularly provided herein; and

WHEREAS, the proposed amendments to the Centerville City Zoning Map as set forth herein have been reviewed by the Planning Commission and the City Council and all appropriate public noticing and hearings have been provided and held in accordance with Utah law to obtain public input regarding the proposed revisions to the City Zoning Map.

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

Section 1. Zone Map Amendment. The real property located at approximately 1851 North Main Street in Centerville City consisting of approximately 3.08 acres, as more particularly described in **Exhibit A**, attached hereto and incorporated herein by this reference, is hereby rezoned from Agricultural-Low (A-L) to Residential-Low (R-L) and the Centerville City Zoning Map is correspondingly amended as described herein.

Section 2. Findings. The rezone of the subject property to Residential-Low (R-L) and corresponding amendment to the Centerville City Zoning Map is based on the following findings:

1. The City Council finds that the proposed zoning change is consistent with the goals and objectives of the General Plan [Section 12-480-(3)(1)(d)(1) and Section 12-420-2.1].
2. The City Council finds that the proposed zoning change meets the criteria found in Section 12-21-080(e) of the Zoning Ordinance.
3. The City Council finds the rezone is harmonious with the overall character of existing development in the vicinity.
4. The City Council finds no adverse effects will occur to the immediate area with the approval of the rezone and that there are adequate facilities and services to serve the property.

Section 3. Severability. If any section, part or provision of this Ordinance is held invalid or unenforceable by a court of competent jurisdiction, 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.

Section 4. Effective Date. This Ordinance shall become effective upon publication or posting, or thirty (30) days after passage, whichever occurs first.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY,
STATE OF UTAH, THIS 5th DAY OF JANUARY, 2016.**

ATTEST:

CENTERVILLE CITY

Marsha L. Morrow, City Recorder

By: _____
Mayor Paul A Cutler

Voting by the City Council:

	“AYE”	“NAY”
Councilmember Fillmore	_____	_____
Councilmember Ince	_____	_____
Councilmember Ivie	_____	_____
Councilmember McEwan	_____	_____
Councilmember Mecham	_____	_____

CERTIFICATE OF PASSAGE AND PUBLICATION OR POSTING

According to the provisions of the U.C.A. § 10-3-713, as amended, I, the municipal recorder of Centerville City, hereby certify that foregoing ordinance was duly passed by the City Council and published, or posted at: (1) 250 North Main; (2) 655 North 1250 West; and (3) RB’s Gas Station, on the foregoing referenced dates.

MARSHA L. MORROW, City Recorder

DATE: _____

RECORDED this ____ day of _____, 2016.

PUBLISHED OR POSTED this ____ of _____, 2016.

EXHIBIT A

Property Description

1851 North Main Street, Centerville, Utah 84014
Parcel No. 07-072-0113
3.08 acres

**CENTERVILLE CITY
COMMUNITY DEVELOPMENT DEPARTMENT
655 North 1250 West, Centerville, Utah 84014
(801) 292-8232**

**STAFF REPORT
AGENDA: ITEM 2**

APPLICANT: GARY PERKINS
572 EAST 650 NORTH
CENTERVILLE, UTAH 84014
gtperky@gmail.com

PROPERTY OWNER: LINDA H. WRIGHT, TRUSTEE
3770 SUMMER RIDGE ROAD
MORGAN, UTAH 84050
momlindawright@gmail.com

APPLICATION: ZONING MAP AMENDMENT

APPLICANT REQUEST: REZONE THE PROPERTY LOCATED AT 1851 MAIN STREET FROM A-L TO R-L (PARCEL 07-072-0113)

RECOMMENDATION: STAFF RECOMMENDS APPROVAL OF THE REZONE REQUEST

BACKGROUND

The petitioners are requesting to rezone the subject property from an Agricultural-Low (A-L) to Residential-Low (R-L). The petitioners have indicated that it is their desire to sell a major portion of the property to several of their neighbors to the north and then leave the existing home on Main Street, as a lot meeting the R-L requirements. The transfer of land would be a sequential lot line adjustment assimilating the excess land into those lots along 1850 North, beginning from the west and ending at the existing home site. If performed in this manner and if no new or additional lots are created, state law allows this transfer of land to occur without having to receive a subdivision approval from the City. Nonetheless, the Planning Commission has the assignment to review the merits of the rezone without considering the outcome of the future selected land use pattern.



REVIEW AND ANALYSIS OF THE REQUEST FOR R-L ZONING

Factors to be considered, Section 12-21-080(e)

1. Is the proposed amendment consistent with the goals, objectives and policies of the City's General Plan (see attachments for plan policies)?

- **Staff Response:** According to Section 12-480-4 of the General Plan, this area is located within Neighborhood 3, Northeast Centerville. The residential policies for this area state development should be consistent with what is already established within the area and that all future development should be low density single-family residential. According to Section 12-420-2.1, the R-L Zone is considered low density residential development. Therefore, the rezone request is consistent with the goals and objectives of the City's General Plan.

2. Is the proposed amendment harmonious with the overall character of existing development in the vicinity of the subject property?

- **Staff Response:** Rezoning the property to R-L is reflective of surrounding predominate zoning district found in the area, which is also R-L. The subject property and an adjoining property to the south appear to be the last remaining agriculturally zoned lands in the immediate area.

3. What is the extent to which the proposed amendment may adversely affect adjacent property?

- **Staff's Response:** Although staff does not see how rezoning the lot R-L has any negative impact on the community, if the petitioner's plan moves forward it would hamper future new lot development in this middle block area. However, regardless of the zoning, it would take a significant assemblage of the multi-owner properties to move forward with any new subdivision development in this middle block area. Thus, the actual rezoning of the property has likely no affect on adjacent lands that are not already present.

4. What is the adequacy of facilities and services intended to serve the subject property?

- **Staff Response:** Since there is existing residential development surrounding the subject property, and the adequacy of services and facilities are available for any future development. However, if the petitioner's current plan moves forward, no additional facilities and services are required to serve the property.

PLANNING STAFF RECOMMENDATION

Suggested Motion for an amendment to the Centerville City Zoning Map – I hereby make a motion for the Planning Commission to recommend to the City Council the following amendment to the Centerville City Zoning Map:

“Rezone Parcel 07-072-0113 (3.08 acres), addressed as 1851 North Main Street, shall be rezoned from Agricultural-Low (A-L) to Residential-Low (R-L).”

Suggested Reasons for the Action (Findings):

- a) The Planning Commission finds that the proposed zoning change is consistent with the goals and objectives of the General Plan [Section 12-480-3(1)(d)(1) & Section 12-420-2.1].
- b) The Planning Commission finds that the recommendation to approve the proposed zone map amendment has taken into account the “factors to be considered,” as listed in Section 12-21-080 and described in the related Staff Report dated 12-09-2015.

1. Residential Policies

Northeast Centerville has probably the most homogeneous land uses of all of Centerville's neighborhoods, with primarily low density single-family residential development.

- a. To maintain compatibility with the style of development presently existing in this area, all future residential development in northeast Centerville should be low density single family.
- b. Northeast Centerville is located almost entirely on the foothills of the Wasatch Mountains. Low density residential development will have the least impact on these sensitive hillside areas. Care must be taken in all development to consider and mitigate the impact upon the hillside environment.

2. Commercial Policies

No commercial uses currently exist in northeast Centerville, and none are anticipated.

- a. No commercial development shall be located in any area of northeast Centerville. In particular, no commercial development shall be permitted north of Parrish Lane on Main Street so that residential character of this area may be maintained.

3. Community Facilities

a. Parks

While the greatest concentration of school-aged children lives in northeast Centerville, not one City park is located here. The current need for a park in this neighborhood is great, and will increase as new development occurs. Centerville City shall pursue the acquisition and development of property for a City park in northeast Centerville as its top parks priority. The Rockwood gravel pit or the Ford property on upper Ricks Creek would be good locations for such a park.

b. Water

City water service to this neighborhood needs to be upgraded in the near future. As new development occurs, this situation will be even more critical. Centerville City should pursue the development of new water sources and storage in this area to improve water availability and pressure. To preserve scarce culinary water, all new developments should be required to supply secondary water for maintenance of landscaping and outdoor use. This will necessitate the acquisition and development of ground water sources. Until additional water supplies are available, future residential development in this neighborhood must be carefully considered for impact on the City water system.

SECTION 12-480-5. NEIGHBORHOOD 4, NORTHWEST.⁹

Overview

The Northwest Neighborhood is located between Lund Lane, Main Street, Parrish Lane, and I-15. Most of the Northwest Neighborhood has already been developed, and consists of a variety of uses, including: single-family residential, multi-family residential of various densities and types,

⁹ Amended by Ord. No. 2003-11, April 1, 2003

PART 12-420

RESIDENTIAL DEVELOPMENT**SECTION 12-420-1: RESIDENTIAL CHARACTER**

The citizens of Centerville have expressed a desire to retain a suburban residential lifestyle. These feelings have been reemphasized by the Community Surveys done by the City. The citizens of Centerville recognize the diversity of lifestyles that exist throughout the region; however, we do not feel an obligation to provide a cross-section of those different lifestyles within the boundaries of our small community. Centerville has a small land area, much of which is developed. That development has predominantly been single family residential. We desire to maintain that character of development.

Quality of life is important to the residents of Centerville, as it is to many people. The citizens of Centerville desire to achieve a quality of life that is consistent with the development of low density residential development.

SECTION 12-420-2. RESIDENTIAL DEVELOPMENT POLICIES.¹

The following policies are adopted specifically for the achievement of the citizens' desires for residential development in Centerville.

1. The density classifications for Centerville's residential areas shall be as follows:

<u>Dwelling Units/Acre</u>	<u>Class</u>
0-4	Low
5-8	Medium
9-12	High

2. Residential development in Centerville is primarily low density single-family. This character of development should continue as far as is feasible and practical. Medium or high density residential development that is allowed in appropriate locations within the City should provide usable open spaces, landscaping, and other associated amenities which will assure consistency with the residential quality desired in Centerville. The use of planned unit developments to achieve the foregoing objectives is desirable and preferred.
3. The hillsides and naturally wooded canyons east of the City should be provided protection from indiscriminate development to assure retention of the natural slopes and vegetation.
4. Residential areas should be afforded protection from the impact of more intensive commercial, industrial, and institutional uses and from the visual and noise impacts of major roadways and railways by the creation of protective buffering (transitional uses, landscaping, etc.).
5. Reserved. Ord. No. 2012-23, 8/7/2012
6. Residential development must take into account the existence and impact of high ground water tables within the City. Subsurface drains should be limited to the purpose of artesian springs, wells, protecting public streets, and dewatering areas. The use of any subsurface drain systems in conjunction with any residential development within the City for the sole purpose of de-watering an area to permit the construction of a structure,

¹ Amended by Ordinance No. 2001-05, April 17, 2001

**PUBLIC HEARING | HOLBROOK PROPERTY | 1851 NORTH MAIN STREET -
Consider proposed Zone Map Amendment for property located at 1851 North Main Street
(Holbrook Trust) from A-L (Agricultural-Low) to R-L (Residential-Low). Gary Perkins,
Applicant**

Cory Snyder, Community Development Director, reported the petitioners are requesting to rezone the subject property from Agricultural-Low (A-L) to Residential-Low (R-L). The petitioners desire to sell a major portion of the property to several of their neighbors to the north and leave the existing home on Main Street, as a lot meeting the R-L requirements. The transfer of land would be a sequential lot line adjustment assimilating the excess land into those lots along 1850 North, beginning from the west and ending at the existing home site. If performed in this manner and if no new or additional lots are created, State law allows this transfer of land to occur without having to receive a subdivision approval from the City. The Planning Commission has the assignment to review the merits of the rezone without considering the outcome of the future selected land use pattern. According to City Ordinance the proposed request is consistent with the goals and objectives of the General Plan. The proposed rezone is reflective of the surrounding predominate zoning district found in the area, which is also R-L. The proposed rezone will not likely negatively affect adjacent property owners. In addition, the subject property already has adequate services and facilities available for any future development.

Mr. Snyder explained this is a unique situation in that there is an island A-L Zone surrounded by R-L. There is enough land (approximately 3 acres), including two (2) stub roads, that the property has a potential to be subdivided and developed. However, it seems the intent of the residents involved is to absorb this land into several existing R-L properties. Mr. Snyder explained there has been some discussion about keeping the zoning A-L since the intent is not to develop. Mr. Snyder said this is not likely given that each absorbed parcel is not large enough to accommodate animal rights. It is also not possible to have a property with two separate zoning designations. Since the properties that wish to absorb this land are already zoned R-L the additional land to be absorbed should also be rezoned to R-L. If the property owner desires to keep A-L then the best option is to subdivide and develop with 1/2 acre lots. Mr. Snyder explained any circumstance will leave a sliver of A-L Zoned property adjacent to this proposed rezone which is owned by a separate party. This separate party parcel includes a flag lot and several smaller lots. This is not a factor in this decision because it is existing and will not be created by this proposed rezone.

Commissioner Merrill asked if a property owner bought more than one remnant parcel, creating a 1/2 acre lot, could they keep the animal rights. Commissioner Hayman questioned if these R-L lots wishing to absorb the property could be rezoned or grand-fathered back to A-L. Mr. Snyder said the property owners could petition for a rezone back to A-L. This may or may not be feasible because the existing homes may or may not meet the development standards for the A-L Zone.

1 Gary Perkins, applicant, said the property has been farmed continuously for the past 50
2 years. The property is now under the direction of the Holbrook Family Trust which is responsible
3 to liquidate the property. He explained the property was under reviewed for development when
4 several property owners/neighbors made an offer to purchase the property and absorb it into
5 several existing lots. He said they intend to divide off the existing home into a 1/3 acre parcel.
6 The home is currently vacant and up for sale. He said preliminary discussions included a desire
7 to keep the property zoned A-L due to tax reasons. However, since the various property owners
8 do not wish to develop that is no longer an issue and the rezone to R-L is acceptable.

9
10 Chair Hirschi opened the public hearing.

11
12 Mary Tullin said she is one of the potential buyers. She said there are eight (8)
13 neighbors/property owners that wish to purchase a portion of this property. She said she has lived
14 in this area for 24 years and has watched this property be farmed year after year. She said the
15 neighborhood loves this open space and desires to keep it open. This is what prompted these
16 neighbors to make on offer to the Holbrook Family Trust. She said none of the potential property
17 owners desire animal rights. She said she plans to use some space for garden and enjoy the rest
18 as open land.

19
20 Chair Hirschi closed the public hearing.

21
22 Chair Hirschi questioned what other potential down sides could be created with this
23 rezone. Commissioner Merrill asked if the two (2) stub streets could be vacated. Mr. Snyder said
24 the stub streets are an issue during snow season because the City pushes snow to the end of the
25 drive. This could potentially block access to the property, but given the intent that these may
26 become back yards, access may not be an issue. Mr. Snyder said the stub streets could possibly
27 be vacated, however, some of the adjacent homes front onto the stub streets which would require
28 a change in access for these homes.

29
30 Chair Hirschi made a **motion** for the Planning Commission to recommend to the City
31 Council the following amendment to the Centerville City Zoning Map:

32
33 ***“Rezone Parcel 07-072-0113 (3.08 acres), addressed as 1851 North Main Street, shall***
34 ***be rezoned from Agricultural-Low (A-L) to Residential-Low (R-L).”***

35
36 ***Reasons for the Action (Findings):***

- 37 a) The Planning Commission finds that the proposed zoning change is consistent with
38 the goals and objectives of the General Plan [Section 12-480-3(1)(d)(1) & Section 12-
39 420-2.1].

b) The Planning Commission finds that the recommendation to approve the proposed zone map amendment has taken into account the “factors to be considered,” as listed in Section 12-21-080 and described in the related Staff Report dated 12-09-2015.

The motion was seconded by Commissioner Merrill and passed by unanimous vote (7-0).

PUBLIC HEARING | ZONE MAP AMENDMENT FOR THE DEUEL CREEK HISTORIC DISTRICT - Consider proposed Zone Map Amendment for the new Deuel Creek Historic District (Chapter 12-49). The proposed district consists of a specific geographic boundary reflecting the old town site area. Centerville City, Applicant

Brandon Toponce, Assistant Planner, reported the Commission previously reviewed and recommended approval of the Deuel Creek Historic District. This District provides incentives (i.e., setbacks and building permit fee reductions) for historic preservation in the designated area between Main Street and 400 East and between Parrish Lane and Porter Lane. The proposed District would only be recognized by Centerville and not subject to any state or national guidelines. This informal style allows the community to create an individual incentive program and gives the neighborhood a chance to become more involved in shaping the future of their community. The City Council reviewed the District Ordinance at their December 1, 2015 meeting and were positive and supportive of the District. The Council will be holding a public hearing to discuss the District further at their December 15, 2015 City Council Meeting.

Mr. Toponce explained the first step in creating the Deuel Creek Historic District is its creation and acceptance. The Planning Commission is now being asked to review and approve an overlay zone. This will establish the district officially and allow citizens within the area to take advantage of the proposed incentives. These incentives, however, would not be illegible to those who do not wish to participate within the preservation program. This overlay zone will not affect the underlying zoning and will allow a property owner to utilize their property as they see fit. The Landmarks Commission believes the proposed Zoning Code Text Amendment has been created in a way that would be considered positive for historic preservation. In addition, it appears the proposal is in harmony with all applicable goals and objectives of the General Plan. The Landmarks Commission is hopeful that by creating the district, it will encourage future preservation projects within the neighborhood.

Chair Hirschi opened the public hearing.

Becky Neville said she owns a home in this area which she rents out. She said she would like to add a garage to this property and wasn't sure if the proposed amendment would hinder her plans. She said it sounds as though this will not be a problem. She also said she is in favor of such an ordinance because she believes it will actually improve property values.

**CENTERVILLE
CITY COUNCIL
Staff Backup Report
1/5/2016**

Item No. 4.

Short Title: Ratification of Ordinance No. 2015-30 - Creation of Centerville Deuel Creek Historic District - Chapter 12-49

Initiated By: City Attorney

Scheduled Time: 7:30

SUBJECT

Consider ratification of Ordinance No. 2015-30 creating the Centerville Deuel Creek Historic District and enacting Chapter 12-49 of the Centerville Zoning Code as set forth in the attached Ordinance

RECOMMENDATION

Ratify Ordinance No. 2015-30 creating the Centerville Deuel Creek Historic District and enacting Chapter 12-49 of the Centerville Zoning Code as set forth in the attached Ordinance.

BACKGROUND

At the City Council meeting held on December 15, 2015, the City Council approved Ordinance No. 2015-30 creating the Centerville Deuel Creek Historic District and enacting Chapter 12-49 of the Centerville Zoning Code. The motion to approve Ordinance No. 2015-30 involved revisions to the building permit review fees incentive as set forth in Section 12-49-100. Specifically, the motion proposed a three-tiered fee reduction incentive depending on type of construction and classification of property (rather than the Staff recommended 25% reduction). Based on the Council discussion and directives, the City Attorney has prepared a revised Ordinance No. 2015-30. In drafting the revisions, however, the City Attorney has created a four-tier building permit review fee incentive in order to provide a disincentive for bash-and-build construction that involves the demolition of a Contributing Property or an Historic Landmark Register Property. In order to ensure that the City Council agrees with the revisions to Ordinance No. 2015-30 as drafted, the City Attorney recommends the City Council approve the revisions by ratification of Ordinance No. 2015-30. The changes as approved by the City Council and recommended by the City Attorney are highlighted in redline and strikeout in the attached Ordinance.

ATTACHMENTS:

Description

- Ordinance No. 2015-30
- Chapter 12-49-Deuel Creek Historic District
- Deuel Creek Historic District-LGR Email

ORDINANCE NO. 2015-30

AN ORDINANCE ENACTING CHAPTER 12-49 OF THE CENTERVILLE ZONING ORDINANCE REGARDING THE CREATION OF THE CENTERVILLE DEUEL CREEK HISTORIC DISTRICT AND ENACTING SECTION 12-61-062 OF THE SAME REFERENCING THE CREATION OF THE CENTERVILLE DEUEL CREEK HISTORIC DISTRICT

WHEREAS, the Centerville Landmarks Commission has been working toward the creation of the Centerville Deuel Creek Historic District for the past few years, including three work sessions with the public to obtain input regarding the proposed creation of the Historic District; and

WHEREAS, the Planning Commission has reviewed the proposed ordinance amendments for the creation of the Centerville Deuel Creek Historic District as recommended by the Landmarks Commission and recommends approval of such Zoning Ordinance texts amendments as more particularly provided herein; and

WHEREAS, City Council has determined that the proposed amendments to the Zoning Ordinance regarding the creation of the Centerville Deuel Creek Historic District are consistent with the goals, objectives and policies of the Centerville General Plan, are harmonious with the character of existing development within the City, will not adversely affect properties within the City, are in the best interest of the City and the public to provide meaningful incentives for historic preservation and to celebrate the rich historic fabric of Centerville located within the District; and

WHEREAS, the proposed amendments to the Zoning Ordinance as set forth herein have been reviewed by the Planning Commission and the City Council and all appropriate public notices have been provided and appropriate public hearings have been held in accordance with Utah law to obtain public input regarding the proposed revisions to the Zoning Ordinance.

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

Section 1. Enactment. Chapter 12-49 of the Centerville Zoning Ordinance creating the Centerville Deuel Creek Historic District is hereby enacted to read in its entirety as more particularly set forth in **Exhibit A**, attached hereto and incorporated herein by this reference.

Section 2. Enactment. Section 12-61-062 of the Centerville Zoning Ordinance regarding the Centerville Deuel Creek Historic District is hereby enacted to read in its entirety as follows:

12-61-062. Centerville Deuel Creek Historic District. The City hereby creates the Centerville Deuel Creek Historic District consisting of the geographic area bounded by the east facing side of Main Street from Parrish Lane (400 North) to Porter Lane (400 South), north and south facing sides of Porter Lane (400 South) from Main

Street to 400 East, west facing side of 400 East from Porter Lane (400 South) to Parrish Lane (400 North) and the south facing side of Parrish Lane (400 North) from 400 East to Main Street. Refer to Section 12-49, Centerville Deuel Creek Historic District, for further standards and detail.

Section 3. Severability. If any section, part or provision of this Ordinance is held invalid or unenforceable by a court of competent jurisdiction, 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.

Section 4. Omission Not a Waiver. The omission to specify or enumerate in this ordinance those provisions of general law applicable to all cities shall not be construed as a waiver of the benefits of any such provisions.

Section 5. Effective Date. This Ordinance shall become effective immediately upon publication or posting, or thirty (30) days after passage, whichever occurs first.

PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH, THIS 15th DAY OF DECEMBER, 2015.

ATTEST:

CENTERVILLE CITY

Marsha L. Morrow, City Recorder

By: _____
Mayor Paul A. Cutler

Voting by the City Council:

	“AYE”	“NAY”
Councilmember Averett	_____	_____
Councilmember Fillmore	_____	_____
Councilmember Higginson	_____	_____
Councilmember Ivie	_____	_____
Councilmember Wright	_____	_____

CERTIFICATE OF PASSAGE AND PUBLICATION OR POSTING

According to the provisions of the U.C.A. § 10-3-713, as amended, I, the municipal recorder of Centerville City, hereby certify that foregoing ordinance was duly passed by the City Council and published, or posted at: (1) 250 North Main; (2) 655 North 1250 West; and (3) RB's Gas Station, on the foregoing referenced dates.

MARSHA L. MORROW, City Recorder

DATE: _____

RECORDED this ____ day of _____, 20____.

PUBLISHED OR POSTED this ____ of _____, 20____.

Exhibit A

Chapter 12-49 of the Centerville Zoning Ordinance Centerville Deuel Creek Historic District

Chapter 12-49 – [Centerville](#) Deuel Creek Historic District

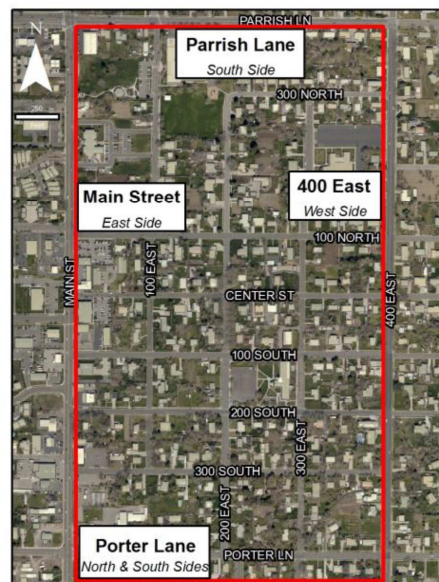
- 12-49-010. Purpose.
- 12-49-020. Scope.
- 12-49-030. Permitted and Conditional Uses.
- 12-49-040. General Requirements of Applicability.
- 12-49-050. Property Classification.
- 12-49-060. Property Owner Obligation.
- 12-49-070. Procedures.
- 12-49-080. Property Development Standards.
- 12-49-090. Incentive Criteria.
- 12-49-100. Incentives.

12-49-010. Purpose.

The purpose of creating the [Centerville](#) Deuel Creek Historic District, voluntary overlay, is to preserve the integrity and characteristics of the original townsite, while educating the community concerning Centerville's past.

12-49-020. Scope.

The [Centerville](#) Deuel Creek Historic District shall consist of the geographic area bounded by the east facing side of Main Street from Parrish Lane (400 North) to Porter Lane (400 South), north and south facing sides of Porter Lane (400 South) from Main Street to 400 East, west facing side of 400 East from Porter Lane (400 South) to Parrish Lane (400 North) and the south facing side of Parrish Lane (400 North) from 400 East to Main Street.



12-49-030. Permitted and Conditional Uses.

All permitted and conditional uses as allowed within the respective underlying zones stated within Chapter 12-36 of this Title shall still apply to all real property within the [Centerville](#) Deuel Creek Historic District.

12-49-040. General Requirements of Applicability.

Development standards as pertaining to the individual underlying zone as stated within this Title, the Centerville City Code, or other laws and standards as set forth by the governing body, shall apply to all real property found within the [Centerville](#) Deuel Creek Historic District except to the extent such provisions are altered within this Chapter.

12-49-050. Property Classification.

(a) Historic Landmark Register. Highest recognition of an historic resource found within the [Centerville](#) Deuel Creek Historic Districts. Properties listed on the Official Historic Landmark Register shall be found on the National Register of Historic Places and are subject to the standards found in Section 12-61-050 of this Title in relation to additions, alterations and demolition criteria.

(b) Contributing Property. Any structure constructed 50 years in the past found within the [Centerville](#) Deuel Creek Historic District that contributes to the historic character of the district. This shall include all properties listed on the significant Historic Sites List as defined in Section 12-61-040 of this Title.

(c) Non-Contributing Property. This shall include all properties that do not contribute to the historic character of the district: structures older than 50 years that have been significantly altered as to not resemble the original appearance, new development constructed less than 50 years in the past, and future development on vacant ground.

12-49-060. Property Owner Obligation.

The Historic Preservation Program within Centerville is considered voluntary. Nothing in this section shall be construed to prevent a property owner of record within the [Centerville](#) Deuel Creek Historic District from developing his or her property as allowed by the underlying Ordinances found in this Title. Properties as listed on the Historic Landmark Register shall be subject to Section 12-61-100 of this Title in relation to modifications and alterations, which shall be satisfied to participate in the incentives found in 12-49-100.

12-49-070. Procedures.

The Zoning Administrator, or designee, shall contact the applicant to ensure they are aware of the [Centerville](#) Deuel Creek Historic District Standards and Incentives as part of the review process for an exterior building permit.

12-49-080. Property Development Standards

These standards have been created to enhance the district area and generate continuity between contributing properties, non-contributing properties and new development. The standards are desirable, yet they are not mandatory. Property owners who do not wish to follow these guidelines shall not receive any incentives as stated within Section 12-49-100, and shall be subject to all applicable Zoning Standards, fees and governing laws found within this Title for standard development.

(a) Contributing Properties:

(1) Owner of a property considered Contributing as stated in Section 12-49-050, desiring to participate in the Incentive Program shall be subject to the approval standards found in Section 12-61-100(e) of this Title and may also participate within the incentive program as stated herein.

(2) This review shall take place at the time of [exterior](#) building permit review with final incentive approval being made by the Zoning Administrator.

(b) Non-Contributing Properties and/or New Development:

(1) Owner of a property considered Non-Contributing as stated in Section 12-49-050, desiring to participate in the Incentive Program shall choose at least four of the following:

Design Standards:

- Façade material consisting of 80% of one of the following: brick, rock, wood, cement fiberboard. The remaining 20% shall consist of like material that is consistent with contributing properties
- Detached Garage *or*
- Garage setback from the front facing building line of the main structure at 18 feet
- Construction of a two-car garage, instead of 3-car garage or larger
- Front porch of at least 25 square feet
- Gable accents consistent with those found within the district

- A driveway curb cut no larger than 18 feet and driveway at its widest point at 20 feet
- Traditional exterior details (such as pillars, shutters, ornamental designs, etc.)
- Bay window
- Dormer windows
- Historic paint colors
- Other architectural features as found throughout the district (this criteria must include a photograph of the inspirational feature)

(2) This review shall take place at the time of exterior building permit review with final incentive approval being made by the Zoning Administrator.

12-49-090. Incentive Criteria.

These incentives shall apply to all property owners of record that have met the above Property Development Standards for those properties designated under Property Classification as found within Section 12-49-050. Property owners who choose not to participate in the development standards shall not receive these incentives and shall be subject to all required Zoning Regulations and Standards as set forth in this Title and all other applicable standards and fees as set forth by the City.

(a) All incentives are for residential projects on residentially zoned property only. Commercial projects or commercially zoned properties are not eligible for incentives.

(b) All ~~i~~ncentives are for exterior projects only, such as:

- (1) New development
- (2) Alterations/additions
- (3) General exterior repairs or rehabilitation that requires a building permit

~~(c)~~ All incentives shall be reviewed and approved by the Zoning Administrator.

~~(d)~~ A certificate shall be given to the property owner stating that the property has been allowed incentives based on the approved standards as stated in Section 12-49-080 and ~~be~~ placed with the building permit.

(d) These incentives shall only be for those residential properties found within the Centerville Deuel Creek Historic District as specified in Section 12-49-020.

(e) These incentives shall only apply to residential properties within the Centerville Deuel Creek District from the date this Chapter ~~section~~ was approved by the City Council and shall not be retroactive.

(f) No incentives shall be given to property owners that have not completed all the required obligations as stated within this Section.

12-49-100. Incentives.

(a) Setback reduction. Setback shall be measured from the building line and a property or designated right-of-way line. Actual setback shall be determined by the property owner prior to approval of any setback reductions. Setback standards in relation to decks and patios shall still apply and follow standards found in Section 12-55-130(g) of this Title, except for approved front porches as indicated in this section.

- (1) Front Yard Setback: 20 Feet
- (2) Front Yard Setback from Porch: 15 Feet
- (3) Side Yard Setback (each side yard): 7 Feet
- (4) Street Side Setback: 18 Feet
- (5) Rear Yard Setback: 18 Feet

(b) Building Permit Review Fee Reduction. All applicants who meet the above criteria found in this Section shall be allowed a ~~25%-tiered~~ reduction on the building permit review fees depending upon the classification of the property and the proposed construction or alteration as follows: (1) 0% reduction for new construction involving the demolition of a Contributing Property or an Historic Landmark Register Property; (2) 25% reduction for new construction (not involving the demolition of a Contributing Property or an Historic Landmark Register Property) or construction involving a Noncontributing Property; (3) 50% reduction for construction involving Contributing Property so long as the Contributing Property retains such classification after the new construction or alterations; and (4) 100% reduction for Historic Landmark Register Property so long as the Historic Landmark Register Property retains such classification and designation after the new construction or alteration. This tiered reduction on building permit review fees shall only be allowed within the Centerville Deuel Creek Historic District for the purpose of encouragement of promoting the preservation of existing contributing properties and encouraging harmony between new and historic architectural and property designs.

Lisa Romney

From: Lisa Romney
Sent: Wednesday, December 16, 2015 2:38 PM
To: Brandon Toponce; Cory Snyder; Steve Thacker
Cc: 'Tami Fillmore'; Paul Cutler
Subject: Deuel Creek Historic District - Redline Edits from CC
Attachments: 12-49-010-(Deuel Creek Historic District)-adopted-red.docx

Attached is a redline version of the new Chapter 12-49 regarding the creation of the Centerville Deuel Creek Historic District. The redline edits show the changes that I have added to the Chapter to address the amendments made by the City Council at last night's meeting. These edits address the following changes made by the City Council:

1. Rename the historic district the Centerville Deuel Creek Historic District. I have changed the name throughout the document to add the word "Centerville" to the district. This change was also made in the Zoning Map amendment adopted by the City Council.
2. Revise provisions to eliminate commercial properties from being eligible for the incentives. As revised, the ordinance and incentives in Chapter 12-49 only apply to residential projects on residentially zoned property.
3. Revise incentive for building permit fee reduction to a tiered approach depending on the type of property. The tiers approved by the City Council include (1) 25% reduction for new builds; (2) 50% reduction for Contributing Properties; and (3) 100% reduction for Historic Register Properties. While the City Council only suggested the creation of 3 tiers for the incentives, I have added a 4th tier to address what I believe was their intent – to eliminate any incentive for a bash-and-build.

Please review these redline changes and let me know if you think I have captured the intent of the City Council's motion.

Lisa

Lisa G. Romney | Centerville City Attorney
250 North Main Street | Centerville, Utah 84014
(801) 335-8842

This email may contain confidential or privileged information. If you believe you have received it in error, please notify the sender immediately and delete this message without copying or disclosing it.

**CENTERVILLE
CITY COUNCIL
Staff Backup Report
1/5/2016**

Item No. 5.

Short Title: Reconsider Directive to Staff and Planning Commission Regarding Possible Rezone of Centerville Elementary Area Property from R-M to R-L

Initiated By: Councilmembers

Scheduled Time: 7:35

SUBJECT

RECOMMENDATION

BACKGROUND

On November 17, 2015, the City Council, by a 3-2 motion, directed Staff to start the process with the Planning Commission to consider the rezone of certain properties in the Centerville Elementary Area from R-M to R-L. Two Council members (Ince and McEwan) have requested that this matter be placed on the Council Agenda for reconsideration to eliminate the directive to Staff and Planning Commission. Staff has previously researched Council meeting minutes from 2003 that relate to this matter and a summary of this research is attached.

ATTACHMENTS:

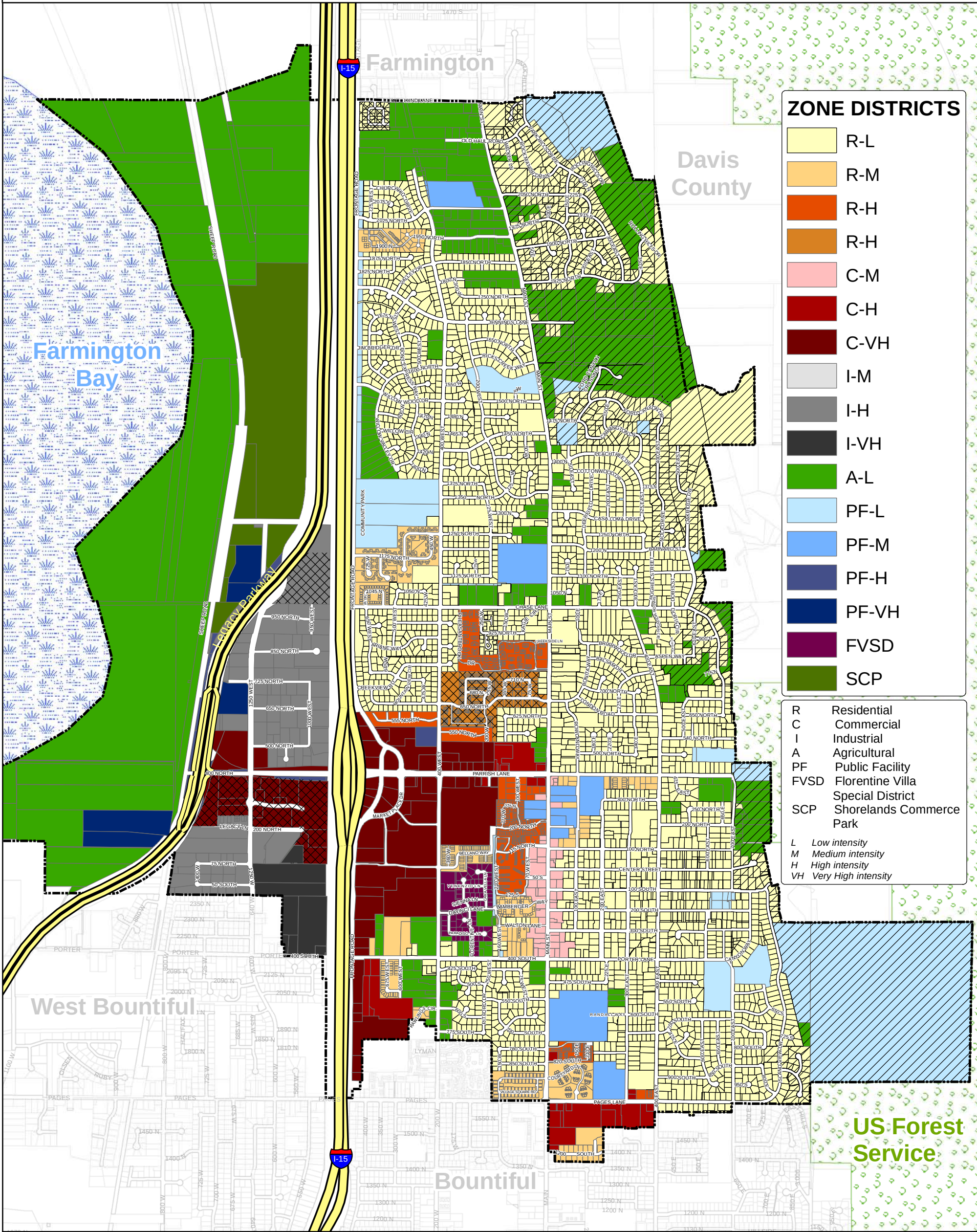
Description

- ☐ Zoning Map
- ☐ SMSC Overlay Map
- ☐ Zoning Map 1996 and 2003
- ☐ 2003 Proposed Rezone
- ☐ Summary of Rezoning Actions Affecting Centerville Elementary Area



CENTERVILLE, UTAH

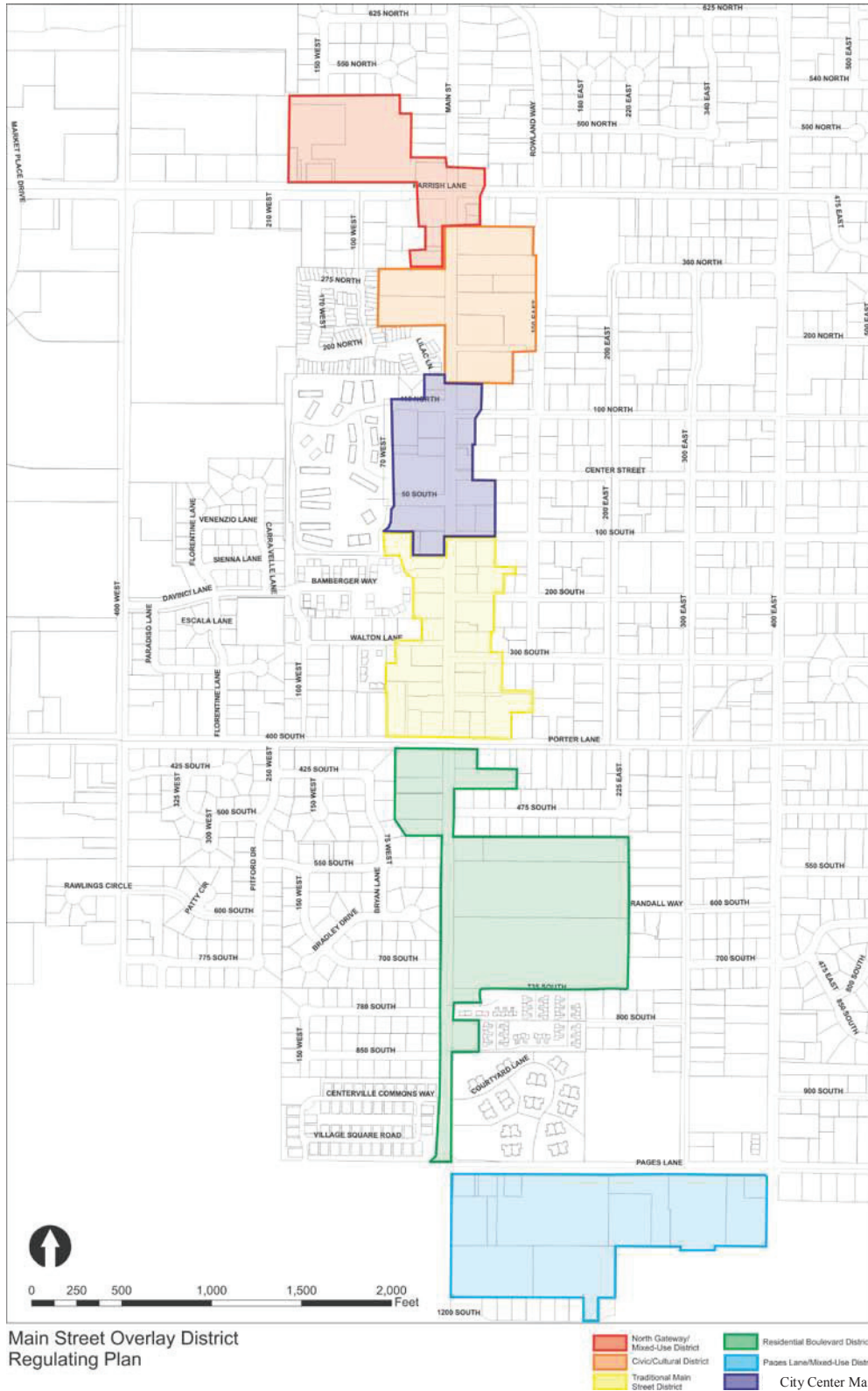
Zoning Map

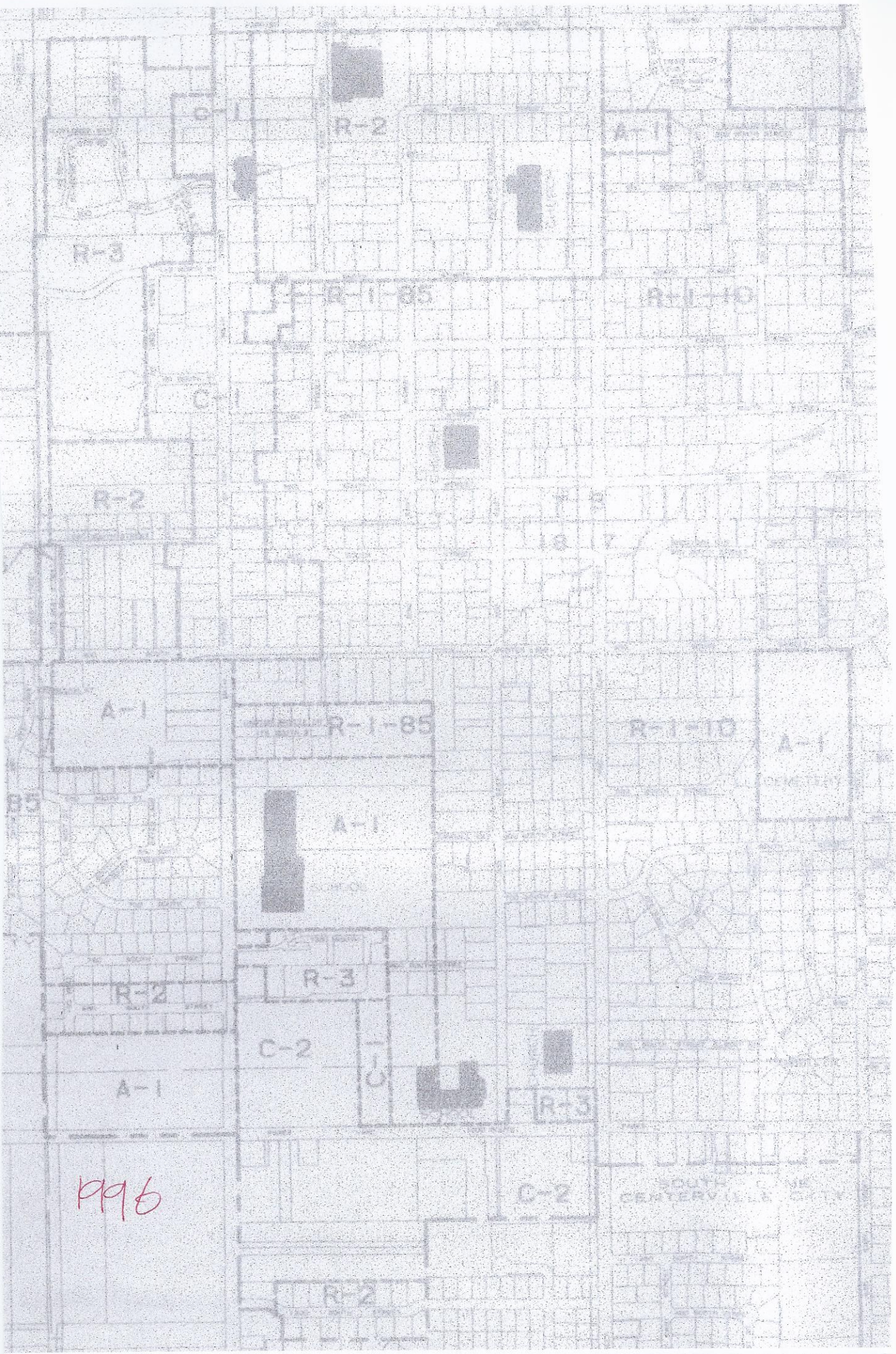


0 0.25 0.5 1
Miles

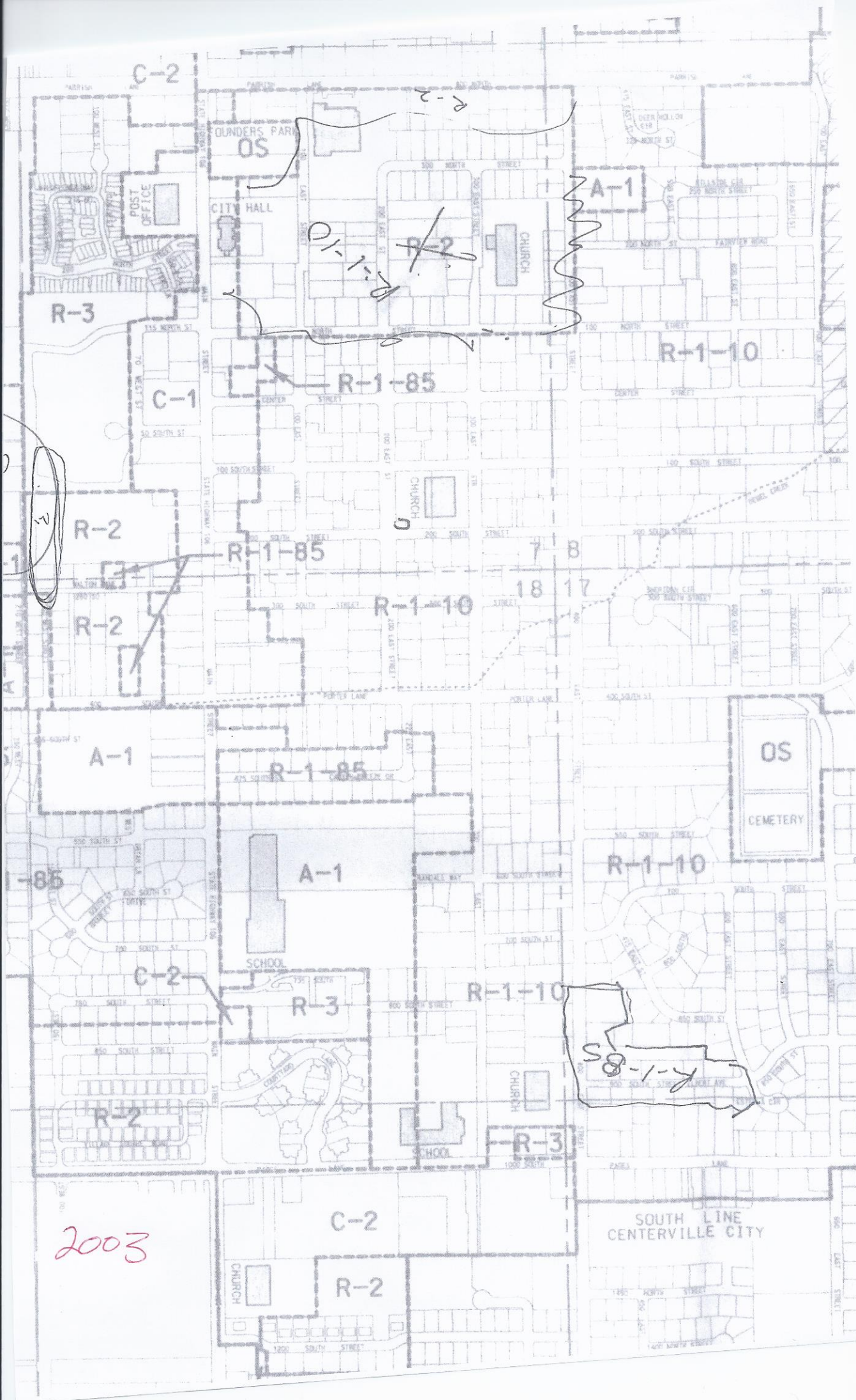


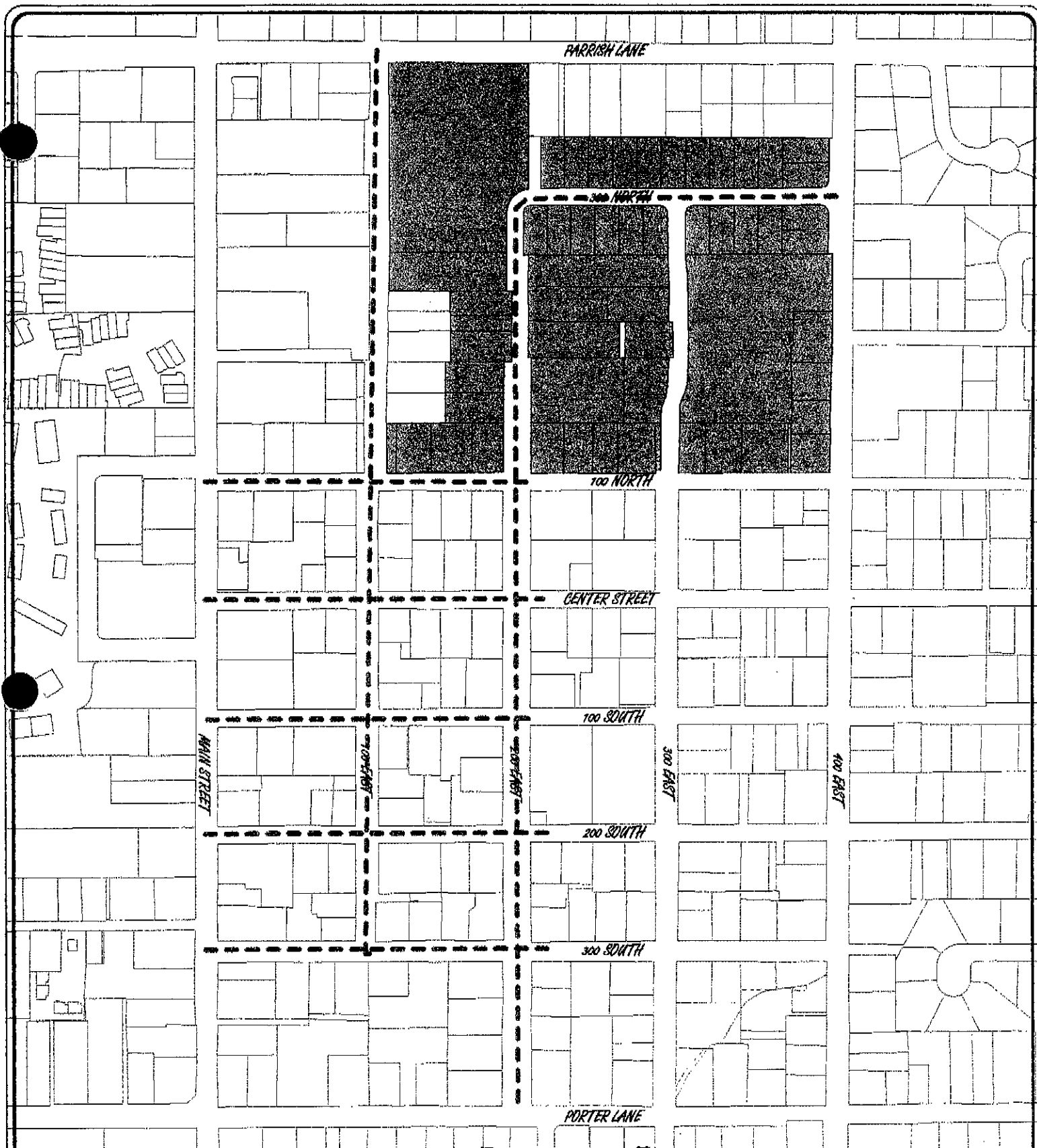
SMSC OVERLAY DISTRICT Sub-District Illustration Map 12-48-1





196





OLD TOWNSITE
AREA

Proposed Properties
to be Rezoned
from R-2 to R-1-10



Summary of Rezoning Actions Affecting Centerville Elementary Area

Prior to 2003 – Zoning map shows R-2 for area bounded by Parrish, 400 East, 100 North and Main Street—except for properties along Main Street (see 1996 zoning map).

2003 – PC asked staff to organize subcommittee of residents to discuss issues relating to Old Townsite and Centerville Elementary areas of City. Subcommittee met for several months and presented findings to PC.

June 25 and July 9 PC meetings in 2003 – PC considered General Plan and Zone Map amendments based on Subcommittee's recommendations. As a result of public hearings on those dates, the area proposed for rezone from R-2 to R-1-10 was revised by leaving some lots on 100 East as R-2. The areas already zoned as R-2 along Parrish Lane (between Elementary School and 400 East) and along 100 North (between Main and 100 East) were not included in the proposed rezone from R-2 to R-1-10 (see Proposed Rezone Map). During these public hearings, the issue was raised as to how to preserve in the area to be rezoned the right to continue having 2 residential units per lot for the 29 lots that already had two units. The idea of a Conservation of Uses Overlay Zone was recommended by the PC. PC forwarded recommendation to rezone to CC.

July 15, 2003 – CC held public hearing re rezone.

August 5, 2003 – CC approved rezone from R-2 to R-1-10 *with condition that a Conservation of Uses Overlay Zone would be subsequently created to preserve rights to have two units on some of the lots—* i.e. to allow those vested rights to remain conforming rather than becoming non-conforming.

November 4, 2003 – Staff recommended that instead of creating a Conservation of Uses Overlay Zone, that it would be better to include in the new Zoning Code a Conservation of Uses Provision that gives those property owners the option to register (within one year) their existing use of two units and thereby preserve that right. The CC, therefore, rejected the proposed Overlay Zone. Based on the City Attorney's opinion, the rejection of the Overlay Zone cancelled the August 5 rezone action because it was approved on the condition that an Overlay Zone would be created—thereby reverting the area back to R-2 zoning. The CC took this action based on the understanding that this area would be rezoned as single family (or R-L) when the new zoning code was adopted within a few weeks.

December 2, 2003 – CC adopted the new zoning code and map, including a Conservation of Uses provision which allowed properties owners in this area (with two units already on their lots) one year to register their properties and preserve the right to have two units.

**CENTERVILLE
CITY COUNCIL
Staff Backup Report
1/5/2016**

Item No. 6.

Short Title: Municipal Code Amendments

Initiated By: City Attorney

Scheduled Time: 7:45

SUBJECT

- a. Title 17 - Telecommunications Systems - Consider Ordinance No. 2016-02 amending and renumbering Title 9, Chapter 7 of the Centerville Municipal Code to Title 17
- b. Title 18 - Cable Systems - Consider Ordinance No. 2016-03 amending and renumbering Title 9, Chapter 12 of the Centerville Municipal Code to Title 18

RECOMMENDATION

- a. Approve Ordinance No. 2016-02 amending and renumbering Title 9, Chapter 7 of the Centerville Municipal Code to Title 17 regarding Telecommunications Systems.
- b. Approve Ordinance No. 2016-03 amending and renumbering Title 9, Chapter 12 of the Centerville Municipal Code to Title 18 regarding Cable Systems.

BACKGROUND

The City Council has approved funding to transition the Centerville Municipal Code to an online electronic code in 2016. As part of this transition, the City Attorney is updating existing titles, chapters and provisions of the Centerville Municipal Code to be consistent with State law and to make other formatting, numbering and editing changes prior to the transition to the online code. As provided in the attached documents, edits are proposed to amend and renumber the existing Title 9, Chapter 7 regarding Telecommunications Systems to a new Title 17, and to amend and renumber the existing Title 9, Chapter 12 regarding Cable Systems to a new Title 18. These edits are not intended to make substantive changes, but to address statutory or typographical issues in the code and to clean up Title 9 to focus mainly on water matters (rather than water, sewer and utilities). Staff recommends approval of Ordinance No. 2016-02 amending and renumbering Title 9, Chapter 7 of the Centerville Municipal Code to Title 17 regarding Telecommunications Systems, and Ordinance No. 2016-03 amending and renumbering Title 9, Chapter 12 of the Centerville Municipal Code to Title 18 regarding Cable Systems.

ATTACHMENTS:

Description

- ☐ Ordinance No. 2016-02-Title 17
- ☐ Title 17-2016 redlines
- ☐ Ordinance No. 2016-03-Title 18
- ☐ Title 18-2016 redlines

ORDINANCE NO. 2016-02

AN ORDINANCE AMENDING AND RENUMBERING TITLE 9, CHAPTER 7 OF THE CENTERVILLE MUNICIPAL CODE REGARDING TELECOMMUNICATIONS SYSTEMS TO TITLE 17 OF THE SAME

WHEREAS, the City is in the process of transitioning the Centerville Municipal Code to an online electronic code and the City Council desires to bring existing titles, chapters and provisions of the Centerville Municipal Code up to date to be consistent with State statutory provisions, and to make other formatting, numbering and editing changes as recommended by Staff; and

WHEREAS, Staff has evaluated, reviewed and prepared suggested revisions and updates to Title 9 of the Centerville Municipal Code regarding Utilities and recommends amending and renumbering Title 9, Chapter 7 regarding Telecommunications Systems to Title 17 as more particularly set forth herein; and

WHEREAS, the City Council has reviewed the recommended changes and renumbering of Title 9, Chapter 7 of the Centerville Municipal Code to Title 17 of the same and desires to adopt the recommended revisions and updates as more particularly set forth herein.

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

Section 1. **Amending and Renumbering.** Title 9, Chapter 7 of the Centerville Municipal Code regarding Telecommunications Systems is hereby amended and renumbered to Title 17 to read in its entirety as set forth in **Exhibit “A,”** attached hereto and incorporated herein by this reference.

Section 2. **Repealer.** The amendment and recodification of Title 9, Chapter 7 shall be a repeal of all ordinances in conflict with the adopted and codified Ordinances, provided however, all ordinances in force prior to the adoption and codification shall continue in force after the adoption and codification for the purpose of all rights acquired, fines, penalties, forfeitures and liabilities incurred and actions therefor.

Section 3. **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 4. **Penalty Provision.** Unless otherwise specifically provided, any person who violates any provisions of Title 17 may be subject to criminal penalties as set forth in Title 1, Chapter 5, or civil penalties as set forth in Title 1, Chapter 6, as amended.

Section 5. Effective Date. This Ordinance shall become effective upon publication or posting, or twenty (20) days after adoption, whichever occurs first.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE,
STATE OF UTAH, ON THIS 5th DAY OF JANUARY, 2016.**

ATTEST:

CENTERVILLE CITY

Marsha L. Morrow, City Recorder

By: _____
Mayor Paul A. Cutler

Voting by the City Council:

	“AYE”	“NAY”
Councilmember Fillmore	_____	_____
Councilmember Ince	_____	_____
Councilmember Ivie	_____	_____
Councilmember McEwan	_____	_____
Councilmember Mecham	_____	_____

CERTIFICATE OF PASSAGE AND PUBLICATION OR POSTING

According to the provisions of the U.C.A. § 10-3-713, as amended, I, the municipal recorder of Centerville City, hereby certify that foregoing ordinance was duly passed by the City Council and published, or posted at: (1) 250 North Main; (2) 655 North 1250 West; and (3) RB’s Gas Station, on the foregoing referenced dates.

MARSHA L. MORROW, City Recorder

DATE: _____

RECORDED this ____ day of _____, 20 ____.

PUBLISHED OR POSTED this ____ of _____, 20 ____.

EXHIBIT A

Title 17 Telecommunications Systems

TITLE 17

TELECOMMUNICATIONS SYSTEMS

CHAPTER 17-01. FINDINGS AND DEFINITIONS.

CHAPTER 17-02. FRANCHISE REQUIRED.

CHAPTER 17-03. COMPENSATION AND FEES.

CHAPTER 17-04. FRANCHISE APPLICATION.

CHAPTER 17-05. CONSTRUCTION REGULATIONS.

CHAPTER 17-06. SALE OR TRANSFER.

CHAPTER 17-07. OVERSIGHT AND INSURANCE.

CHAPTER 17-08. ENFORCEMENT AND REMEDIES.

CHAPTER 17-09. MISCELLANEOUS PROVISIONS.

~~CHAPTER 9-7 TELECOMMUNICATIONS SYSTEMS~~

CHAPTER 17-01. FINDINGS AND DEFINITIONS.

~~179-017-010.~~Declaration of Findings and Intent.

~~179-017-020.~~Scope of Ordinance.

~~179-017-030.~~Excluded Activity.

~~179-017-040.~~Definitions.

~~179-017-010.~~DECLARATION OF Findings and Intent.

(a) Findings Regarding Rights-of-Way. The City ~~of Centerville~~ finds that the Rights-of-Way within the City:

(1) are critical to the travel and transport of persons and property in the business and social life of the City;

(2) are intended for public uses and must be managed and controlled consistent with that intent;

(3) can be partially occupied by the facilities of utilities and other public service entities delivering utility and public services rendered for profit, to the enhancement of the health, welfare, and general economic well-being of the City and its citizens; and

(4) are a unique and physically limited resource requiring proper management to maximize the efficiency and to minimize the costs to the taxpayers of the foregoing uses and to minimize the inconvenience to and negative effects upon the public from such facilities' construction, placement, relocation, and maintenance in the Rights-of-Way.

(b) Finding Regarding Compensation. The City finds that the City should receive fair and reasonable compensation for use of the Rights-of-Way.

(c) Finding Regarding Local Concern. ~~Finding Regarding Local Concern.~~ The City finds that while Telecommunications Systems are in part an extension of interstate

commerce, their operations also involve Rights-of-Way, municipal franchising, and vital business and community service, which are of local concern.

(d) Finding Regarding Promotion of Telecommunications Services. The City finds that it is in the best interests of its taxpayers and citizens to promote the rapid development of Telecommunications Services, on a nondiscriminatory basis, responsive to community and public interest, and to assure availability for municipal, educational and community services.

(e) Findings Regarding Franchise Standards. The City finds that it is in the interests of the public to Franchise and to establish standards for franchising Providers in a manner that:

- (1) fairly and reasonably compensates the City on a competitively neutral and nondiscriminatory basis as provided herein;
- (2) encourages competition by establishing terms and conditions under which Providers may use valuable public property to serve the public;
- (3) fully protects the public interests and the City from any harm that may flow from such commercial use of Rights-of-Way;
- (4) protects the police powers and Rights-of-Way management authority of the City in a manner consistent with federal and state law;
- (5) otherwise protects the public interests in the development and use of the City infrastructure;
- (6) protects the public's investment in improvements in the Rights-of-Way; and
- (7) ensures that no barriers to entry of Telecommunications Providers are created and that such franchising is accomplished in a manner that does not prohibit or have the effect of prohibiting Telecommunication Services, within the meaning of the Telecommunications Act of 1996 ("Act") [P.L. No. 96-104].

(f) Power to Manage Rights-of-Way. The City adopts this Telecommunications Ordinance pursuant to its power to manage the Rights-of-Way, pursuant to common law, the Utah Constitution and statutory authority, and to receive fair and reasonable, compensation for the use of Rights-of-Way by Providers as expressly set forth by Section 253 of the Act.

179-017-020.Scope of Ordinance.

_____ This Ordinance shall provide the basic local scheme for Providers of Telecommunications Services and Systems that require the use of the Rights-of- Way, including Providers of both the System and Service, those Providers of the System only, and those Providers who do not build the System but who only provide Services. This Ordinance shall apply to all future Providers and to all Providers in the City prior to the effective date of this Ordinance, whether operating with or without a Franchise ~~as set forth in Section 9-7-540.~~

179-017-030.Excluded Activity.

(a) Cable TV. This Ordinance shall not apply to cable television operators otherwise regulated by other state, federal or municipal franchises or ordinances. [See](#)

[Title 18 regarding municipal regulation of cable television operators.](#)

(b) Wireless Services. This Ordinance shall not apply to Personal Wireless Service Facilities.

(c) Provisions Applicable to Excluded Providers. Providers excused by other law that prohibits the City from requiring a Franchise shall not be required to obtain a Franchise, but all of the requirements imposed by this Ordinance through the exercise of the City's police power and not preempted by other law shall be applicable.

[179-017-040](#).Definitions.

_____ For purposes of this Ordinance, the following terms, phrases, words, and their derivatives shall have the meanings set forth in this Section, unless the context clearly indicates that another meaning is intended. Words used in the present tense include the future tense, words in the single number include the plural number, [and](#) words in the plural number include the singular. The word "shall" and "will" are mandatory, and "may" is permissive. Words not defined shall be given their common and ordinary meaning.

(a) "Application" means the process by which a Provider submits a request and indicates a desire to be granted a Franchise to utilize the Rights-of-Way of all, or a part, of the City. An Application includes all written documentation, verbal statements and representations, in whatever form or forum, made by a Provider to the City concerning: the construction of a Telecommunications System over, under, on or through the Rights-of-Way; the Telecommunications Services proposed to be provided in the City by a Provider; and any other matter pertaining to a proposed System or Service.

(b) "City" means Centerville City, Utah.

(c) "Completion Date" means the date that a Provider begins providing Services to customers in the City.

(d) "Construction Costs" means all costs of constructing a System, including make ready costs, other than engineering fees, attorneys or accountants fees, or other consulting fees.

(e) "Control" or "Controlling Interest" means actual working control in whatever manner exercised, including, without limitation, working control through ownership, management, debt instruments or negative control, as the case may be, of the System or of a Provider. A rebuttable presumption of the existence of Control or a Controlling Interest shall arise from the beneficial ownership, directly or indirectly, by any Person, or group of Persons acting in concert, of more than thirty-five percent (35%) of any Provider (which Person or group of Persons is hereinafter referred to as "Controlling Person"). "Control" or "Controlling Interest" as used herein may be held simultaneously by more than one Person or group of Persons.

(f) "FCC" means the Federal Communications Commission, or any successor thereto.

(g) "Franchise" means the rights and obligations extended by the City to a Provider to own, lease, construct, maintain, use or operate a System in the Rights-of-Way within the boundaries of the City. Any such authorization, in whatever form granted, shall not mean or include: (i) any other permit or authorization required for the privilege of transacting and carrying on a business within the City required by the ordinances and laws of the City; (ii) any other permit, agreement or authorization required in connection with operations on Rights-of-Way or public property including, without limitation, permits and agreements for placing devices on or in poles, conduits or other structures, whether owned by the City or a private entity, or for excavating or performing other work in or along the Rights-of-Way.

(h) "Franchise Agreement" means a contract entered into in accordance with the provisions of this Ordinance between the City and a Franchisee that sets forth, subject to this Ordinance, the terms and conditions under which a Franchise will be exercised.

(i) "Gross Revenue" includes all revenues of a Provider that may be included as gross revenue within the meaning of Chapter 26, Title 11 of the Utah Code Annotated, 1953, as amended. In the case of any Provider not covered within the ambit of Chapter 26, Title 11 of the Utah Code, the definition of Gross Revenue shall be that set forth in the Franchise Agreement.

(j) "Infrastructure Provider" means a Person providing to another, for the purpose of providing Telecommunication Services to customers, all or part of the necessary System which uses the Rights-of-Way.

(k) "Open Video Service" means any video programming services provided to any Person through the use of Rights-of-Way, by a Provider that is certified by the FCC to operate an Open Video System pursuant to Sections 651, et seq., of the Telecommunications Act (47 U.S. C. Title VI, Part V), regardless of the System used.

(l) "Open Video System" means the system of cables, wires, lines, towers, wave guides, optic fiber, microwave, laser beams, and any associated converters, equipment, or facilities designed and constructed for the purpose of producing, receiving, amplifying or distributing Open Video Services to or from subscribers or locations within the City.

(m) "Operator" means any Person who provides Service over a Telecommunications System and directly or through one or more Persons owns a Controlling Interest in such System, or who otherwise controls or is responsible for the operation of such a System.

(n) "Ordinance" or "Telecommunications Ordinance" means this Telecommunications Ordinance concerning the granting of Franchises in and by the City for the construction, ownership, operation, use or maintenance of a Telecommunications System.

(o) "Person" includes any individual, corporation, partnership, association, joint stock company, trust, or any other legal entity, but not the City.

(p) "Personal Wireless Services Facilities" has the same meaning as provided in Section 704 of the Telecommunications Act (47 U.S.C. 332(c)(7)(c)), which includes what is commonly known as cellular and PCS Services that do not install any System or portion of a System in the Rights-of-Way.

(q) "Provider" means an Operator, Infrastructure Provider, Resaler, or System Lessee.

(r) "PSC" means the Public Service Commission, or any successor thereto.

(s) "Resaler" refers to any Person that provides local exchange service over a System for which a separate charge is made, where that Person does not own or lease the underlying System used for the transmission.

(t) "Rights-of-Way" means the surface of and the space above and below any public street, sidewalk, alley, or other public way of any type whatsoever, now or hereafter existing as such within the City.

(u) "Signal" means any transmission or reception of electronic, electrical, light or laser or radio frequency energy or optical information in either analog or digital format.

(v) "System Lessee" refers to any Person that leases a System or a specific portion of a System to provide Services.

(w) "Telecommunications" means the transmission, between or among points specified by the user, of information of the user's choosing (e.g., data, video, and voice), without change in the form or content of the information sent and received.

(x) "Telecommunications System" or "System" means all conduits, manholes, poles, antennas, transceivers, amplifiers and all other electronic devices, equipment, Wire and appurtenances owned, leased, or used by a Provider, located in the Rights-of-Way and utilized in the provision of Services, including fully digital or analog, voice, data and video imaging and other enhanced Telecommunications Services. Telecommunications System or Systems also includes an Open Video System.

(y) "Telecommunications Service(s)" or "Services" means any telecommunications or communications services provided by a Provider within the City that the Provider is authorized to provide under federal, state and local law, and any equipment and/or facilities required for and integrated with the Services provided within the City, except that these terms do not include "cable service" as defined in the Cable Communications Policy Act of 1984, as amended by the Cable Television Consumer Protection and Competition Act of 1992 (47 D.S.C. 521, et seq.), and the Telecommunications Act. Telecommunications System or Systems also includes an Open Video System.

(z) "Wire" means fiber optic Telecommunications cable, wire, coaxial cable, or other transmission medium that may be used in lieu thereof for similar purposes.

CHAPTER 17-02. FRANCHISE REQUIRED.

17-02-010.~~9-7-050.~~ Non-Exclusive Franchise.

17-02-020.~~9-7-060.~~ Every Provider Must Obtain.

17-02-030.~~9-7-070.~~ Nature of Grant.

17-02-040.~~9-7-080.~~ Current Providers.

17-02-050.~~9-7-090.~~ Nature of Franchise.

17-02-060.~~9-7-100.~~ Regulatory Approval Needed.

17-02-070.~~9-7-110.~~ Term.

17-02-010.~~9-7-050.~~ Non-Exclusive Franchise.

_____ The City is empowered and authorized to issue non-exclusive Franchises governing the installation, construction, operation, use and maintenance of Systems in the City's Rights-of-Way, in accordance with the provisions of this Ordinance. The Franchise is granted through a Franchise Agreement entered into between the City and Provider.

17-02-020.~~9-7-060.~~ Every Provider Must Obtain.

_____ Except to the extent preempted by federal or state law, as ultimately interpreted by a court of competent jurisdiction, including any appeals, every Provider must obtain a Franchise from the City prior to constructing a Telecommunications System or providing Telecommunications Services using the Rights-of-Way, and every Provider must obtain a Franchise before constructing an Open Video System or providing Open Video Services via an Open Video System.

Any Open Video System or Service shall be subject to the customer service and consumer protection provisions applicable to the Cable TV companies to the extent the City is not preempted or permitted as ultimately interpreted by a court of competent jurisdiction including any appeals. The fact that particular Telecommunications Systems may be used for multiple purposes does not obviate the need to obtain a Franchise for other purposes. By way of illustration and not limitation, a cable operator of a cable system must obtain a cable franchise, and, should it intend to provide Telecommunications Services over the same System, must also obtain a Telecommunications Franchise.

17-02-030.~~9-7-070.~~ Nature of Grant.

_____ A Franchise shall not convey title, equitable or legal, in the Rights-of- Way. A Franchise is only the right to occupy Rights-of-Way on a non-exclusive basis for the limited purposes and for the limited period stated in the Franchise; the right may not be subdivided, assigned, or subleased, except as may be expressly provided in a Franchise Agreement. A Franchise does not excuse a Provider from obtaining appropriate access or pole attachment agreements before co-locating its System on the property of others, including the City's property. This Section shall not be construed to prohibit a Provider from leasing conduit to another Provider, so long as the Lessee has obtained a Franchise.

17-02-040~~9-7-080~~. Current Providers.

____ Except to the extent exempted by federal or state law, any Provider acting without a Franchise on the effective date of this Ordinance shall request issuance of a Franchise from the City within ninety (90) days of the effective date of this Ordinance. If such request is made, the Provider may continue providing service during the course of negotiations. If a timely request is not made, or if negotiations cease and a Franchise is not granted, the Provider shall comply with the provisions of Section 17-08-040~~Section 97460~~.

17-02-050~~9-7-090~~. Nature of Franchise.

____ The Franchise granted by the City under the provisions of this Ordinance shall be a nonexclusive Franchise providing the right~~right~~ and consent to install, operate, repair, maintain, remove and replace its System on, over and under the Rights-of-Way in order to provide Services.

17-02-060~~9-7-100~~. Regulatory Approval Needed.

____ Before offering or providing any Services pursuant to the Franchise, a Provider shall obtain any and all regulatory approvals, permits, authorizations or licenses for the offering or provision of such Services from the appropriate federal, state and local authorities, if required, and shall submit to the City upon the written request of the City evidence of all such approvals, permits, authorizations or licenses.

17-02-070~~9-7-110~~. Term.

____ No Franchise issued pursuant to this Ordinance shall have a term of less than five (5) years or greater than ten (10)~~fifteen (15) years~~. Each Franchise shall be granted in a non-discriminatory manner.

CHAPTER 17-03. COMPENSATION AND FEES.

17-03-010. ~~9-7-120.~~ Compensation.

17-03-020. ~~9-7-130.~~ Timing.

17-03-030. ~~9-7-140.~~ Fee Statement and Certification.

17-03-040. ~~9-7-150.~~ Future Costs.

17-03-050. ~~9-7-160.~~ Taxes and Assessments.

17-03-060. ~~9-7-170.~~ Interest on Late Payments.

17-03-070. ~~9-7-180.~~ No Accord and Satisfaction.

17-03-080. ~~9-7-190.~~ Not In Lieu of Other Taxes or Fees.

17-03-090. ~~9-7-200.~~ Continuing Obligation and Holdover.

17-03-100. ~~9-7-210.~~ Costs of Publication.

17-03-010. ~~9-7-120.~~ Compensation.

_____ As fair and reasonable compensation for any Franchise granted pursuant to this Ordinance, a Provider shall have the following obligations:

(a) Application Fee. In order to offset the cost to the City to review an Application for a Franchise and in addition to all other fees, permits or charges, a Provider shall pay to the City, at the time of Application, Five Hundred Dollars (\$500.00) as a non-refundable Application fee. The Application fee shall also be paid when an amendment, renewal or transfer of ~~to~~ an Application is filed with the City. Applicants shall also be required to pay reasonable costs and expenses for professional services, such as engineering and legal fees, incurred by the City in connection with any application, including a professional services deposit as adopted by the City and set forth in the City Fee Schedule.

(b) Franchise Fees. The Franchise fee, if any, shall be set forth in the Franchise Agreement. The obligation to pay a Franchise fee shall commence on the Completion Date. The Franchise fee is offset by any business license tax or fee enacted by the City.

(c) Excavation Permits. The Provider shall also pay fees required for an excavation permit as provided in the City's Excavation Permit Ordinance set forth in Title 11.

17-03-020. ~~9-7-130.~~ Timing.

_____ Unless otherwise agreed to in the Franchise Agreement, all Franchise Fees shall be paid on a monthly basis within forty-five (45) days of the close of each calendar month.

17-03-030~~9-7-140~~. Fee Statement and Certification.

____ Unless a Franchise Agreement provides otherwise, each fee payment shall be accompanied by a statement showing the manner in which the fee was calculated and shall be certified as to its accuracy.

17-03-040~~9-7-150~~. Future Costs.

____ A Provider shall pay to the City or to third parties, at the direction of the City, an amount equal to the reasonable costs and expenses that the City incurs for the services of third parties (including but not limited to attorneys and other consultants) in connection with any renewal or Provider-initiated renegotiation, transfer, amendment or other modification of this Ordinance or a Franchise, provided, however, that the parties shall agree upon a reasonable financial cap at the outset of negotiations. Any costs associated with any work to be done to provide space on City owned poles shall be borne by the Provider.

17-03-050~~9-7-160~~. Taxes and Assessments.

____ To the extent taxes or other assessments are imposed by taxing authorities, other than the City on the use of the City property as a result of a Provider's use or occupation of the Rights-of-Way, the Provider shall be responsible for payment of its pro rata share of such taxes, payable annually unless otherwise required by the taxing authority. Such payments shall be in addition to any other fees payable pursuant to this Ordinance.

17-03-060~~9-7-170~~. Interest on Late Payments.

____ In the event that any payment is not actually received by the City on or before the applicable date fixed in the Franchise, interest thereon shall accrue from such date until received at the rate charged for delinquent state taxes.

17-03-070~~9-7-180~~. No Accord and Satisfaction.

____ No acceptance by the City of any fee shall be construed as an accord that the amount paid is in fact the correct amount, nor shall such acceptance of such fee payment be construed as a release of any claim the City may have for additional sums payable.

17-03-080~~9-7-190~~. Not In Lieu of Other Taxes or Fees.

____ The fee payment is not a payment in lieu of any tax, fee or other assessment except as specifically provided in this Ordinance, or as required by applicable law. By way of example, and not limitation, excavation permit fees are not waived and remain applicable.

17-03-090.9-7-200. Continuing Obligation and Holdover.

_____ In the event a Provider continues to operate all or any pad of the System after the Term of the Franchise, such operator shall continue to comply with all applicable provisions of this Ordinance and the Franchise, including, without limitation, all compensation and other payment provisions throughout the period of such continued operation, provided that any such continued operation shall in no way be construed as a renewal or other extension of the Franchise, nor as a limitation on the remedies, if any, available to the City as a result of such continued operation after the term, including, but not limited to, damages and restitution.

17-03-100.9-7-210. Costs of Publication.

_____ A Provider shall assume any publication costs associated with its Franchise that may be required by law.

CHAPTER 17-04. FRANCHISE APPLICATION.

17-04-010.~~9-7-220.~~ Franchise Application.

17-04-020.~~9-7-230.~~ Application Criteria.

17-04-030.~~9-7-240.~~ Franchise Determination.

17-04-010.~~9-7-220.~~ Franchise Application.

To obtain a Franchise to construct, own, maintain or provide Services through any System within the City, to obtain a renewal of a Franchise granted pursuant to this Ordinance, or to obtain the City approval of a transfer of a Franchise, as provided in Section 17-06-010. ~~9-7-350.~~, granted pursuant to this Ordinance, an Application must be filed with City on a form provided by the City.

17-04-020.~~9-7-230.~~ Application Criteria.

In making a determination as to an Application filed pursuant to this Ordinance, the City may, but shall not be limited to, request or consider the following:

- (a) Obtaining a copy of the order from the PSC granting a Certificate of Convenience and Necessity, if any is necessary for Provider's offering of Services within the State of Utah;
- (b) Certification of the Provider's financial ability to compensate the City for Provider's intrusion, maintenance and use of the Rights-of-Way during the Franchise term proposed by the Provider;
- (c) Provider's Agreements to comply with the requirements of this Ordinance; and
- (d) Prior to making any attachments to poles, the willingness to enter into a pole attachment agreement with the City.

17-04-030.~~9-7-240.~~ Franchise Determination.

The City, in its discretion, shall determine the award of any Franchise on the basis of these and other considerations relevant to the use of the Rights-of-Way, without competitive bidding.

CHAPTER 17-05. CONSTRUCTION REGULATIONS.

- 17-05-010.~~9-7-250.~~ General Requirement.**
- 17-05-020.~~9-7-260.~~ Quality.**
- 17-05-030.~~9-7-070.~~ Licenses and Permits.**
- 17-05-040.~~9-7-280.~~ Relocation of The System.**
- 17-05-050.~~9-7-290.~~ Protect Structures.**
- 17-05-060.~~9-7-300.~~ No Obstruction.**
- 17-05-070.~~9-7-310.~~ Safety Precautions.**
- 17-05-080.~~9-7-320.~~ Repair.**
- 17-05-090.~~9-7-330.~~ System Maintenance.**
- 17-05-100.~~9-7-340.~~ Trimming of Trees.**
- 17-05-110.~~9-7-470.~~ Publicizing Work.**

17-05-010.~~9-7-250.~~ General Requirement.

No Provider shall receive a Franchise unless it agrees to comply with each of the terms set forth in this Ordinance governing construction and technical requirements for its System, in addition to any other requirements or procedures specified by the City or the Franchise, including requirements regarding locating and sharing in the cost of locating portions of the System with other Systems or with City utilities. A Provider shall obtain a City Excavation Permit, pursuant to the Excavation Permit Ordinance, before commencing any work in the Rights-of-Way.

17-05-020.~~9-7-260.~~ Quality.

All work involved in the construction, operation, maintenance, repair, upgrade and removal of the System shall be performed in a safe, thorough and reliable manner using materials of good and durable quality. If, at any time, it is determined by the FCC or any other agency granted authority by federal law or the FCC to make such determination, that any part of the System, including, without limitation, any means used to distribute Signals over or within the System, is harmful to the public health, safety or welfare, or quality of service or reliability, then a Provider shall, at its own cost and expense, promptly correct all such conditions.

17-05-030.~~9-7-270.~~ Licenses and Permits.

A Provider shall have the sole responsibility for diligently obtaining, at its own cost and expense, all permits, licenses or other forms of approval or authorization necessary to construct, operate, maintain, upgrade or repair the System, including but not limited to any necessary approvals from Persons and/or the City to use private property, easements, poles and conduits. A Provider shall obtain any required permit, license, approval or authorization, including but not limited to excavation permits, pole attachment agreements, etc., prior to the commencement of the activity for which the permit, license, approval or authorization is required.

17-05-040.9-7-280. Relocation of the System.

(a) New Grades or Lines. If the grades or lines of any Rights-of-Way are changed at any time in a manner affecting the System, then a Provider shall comply with the requirements of the Excavation Permit Ordinance.

(b) The City Authority to Move System. The City may, at any time, in case of fire, disaster or other emergency, as determined by the City in its reasonable discretion, cut or move any parts of the System and appurtenances on, over or under the Rights-of-Way of the City, in which event the City shall not be liable therefor to a Provider. The City shall notify a Provider in writing prior to, if practicable, but in any event as soon as possible and in no case later than the next business day following any action taken under this Section. Notice shall be given as provided in Section 17-09-040~~Section 9-7-510.~~

(c) A Provider Required to Temporarily Move System. A Provider shall, upon prior reasonable written notice by the City or any Person holding a permit to move any structure, and within the time that is reasonable under the circumstances, temporarily move any part of its System to permit the moving of said structure. A Provider may impose a reasonable charge on any Person other than the City for any such movement of its Systems.

(d) Rights-of-Way Change - Obligation to Move System. When the City is changing any Rights-of-Way and makes a written request, a Provider is required to move or remove its System from the Rights-of-Way, without cost to the City, to the extent provided in the Excavation Permit Ordinance. This obligation does not apply to Systems originally located on private property pursuant to a private easement, which property was later incorporated into the Rights-of-Way, if that private easement grants a superior vested right. This obligation exists whether or not the Provider has obtained an Excavation Permit.

17-05-050.9-7-290. Protect Structures.

In connection with the construction, operation, maintenance, repair, upgrade or removal of the System, a Provider shall, at its own cost and expense, protect any and all existing structures belonging to the City and all designated landmarks, as well as all other structures within any designated landmark district. A Provider shall obtain the prior written consent of the City to alter any water main, power facility, sewerage or drainage system, or any other municipal structure on, over or under the Rights-of-Way of the City required because of the presence of the System. Any such alteration shall be made by the City or its designee on a reimbursable basis. A Provider agrees that it shall be liable for the costs incurred by the City to replace or repair and restore to its prior condition in a manner as may be reasonably specified by the City, any municipal structure or any other Rights-of-Way of the City involved in the construction, operation, maintenance, repair, upgrade or removal of the System that may become disturbed or damaged as a result of any work thereon by or on behalf of a Provider pursuant to the Franchise.

17-05-060~~9-7-300~~. No Obstruction.

In connection with the construction, operation, maintenance, upgrade, repair or removal of the System, a Provider shall not unreasonably obstruct the Rights-of-Way of fixed guide way systems, railways, passenger travel, or other traffic to, from or within the City without the prior consent of the appropriate authorities.

17-05-070~~9-7-310~~. Safety Precautions.

A Provider shall, at its own cost and expense, undertake all necessary and appropriate efforts to prevent accidents at its work sites, including the placing and maintenance of proper guards, fences, barricades, security personnel and suitable and sufficient lighting, and such other requirements prescribed by OSHA and Utah OSHA. A Provider shall comply with all applicable federal, state and local requirements including but not limited to the National Electric Safety Code.

17-05-080~~9-7-320~~. Repair.

After written reasonable notice to the Provider, unless, in the sole determination of the City, an eminent danger exists, any Rights-of-Way within the City which are disturbed or damaged during the construction, operation, maintenance or reconstruction by a Provider of its System may be repaired by the City at the Provider's expense to a condition as good as that prevailing before such work was commenced. Upon doing so, the City shall submit to such a Provider an itemized statement of the cost for repairing and restoring the Rights-of-Ways intruded upon. The Provider shall, within thirty (30) days after receipt of the statement, pay to the City the entire amount thereof.

17-05-090~~9-7-330~~. System Maintenance.

A Provider shall:

- (a) Install and maintain all parts of its System in a non-dangerous condition throughout the entire period of its Franchise;
- (b) Install and maintain its System in accordance with standard prudent engineering practices and shall conform, when applicable, with the National Electrical Safety Code and all other applicable federal, state and local laws or regulations; and
- (c) At all reasonable times, permit examination by any duly authorized representative of the City of the System and its effect on the Rights-of-Way.

17-05-100~~9-7-340~~. Trimming of Trees.

A Provider shall have the authority to trim trees, in accordance with all applicable utility restrictions, ordinance and easement restrictions, upon and hanging over Rights-of-Way so as to prevent the branches of such trees from coming in contact with its System.

17-05-110.9-7-470. Publicizing Work.

Before entering onto any private property, a Provider shall make a good faith attempt to contact the property owners in advance and describe the work to be performed.

CHAPTER 17-06. SALE OR TRANSFER.

17-06-010~~9-7-350~~. Notification of Sale.

17-06-020~~9-6-360~~. If PSC Approval is No Longer Required.

17-06-030~~9-7-365~~. Events of Sale

17-06-010~~9-7-350~~. Notification of Sale.

(a) PCS Approval. When a Provider is the subject of a sale, transfer, lease, assignment, sublease or disposed of, in whole or in part, either by forced or involuntary sale, or by ordinary sale, consolidation or otherwise, such that it or its successor entity is obligated to inform or seek the approval of the PSC, the Provider or its successor entity shall promptly notify the City of the nature of the transaction. The notification shall include either: (1) the successor entity's certification that the successor entity unequivocally agrees to all of the terms of the original Providers Franchise Agreement; or (2) the successor entity's Application in compliance with this Ordinance.

(b) Transfer of Franchise. Upon receipt of a notification and certification in accordance with Subsection (a), the City designee, as provided in Section 17-08-010 ~~Section 97430~~, shall send notice affirming the transfer of the Franchise to the successor entity. If the City has good cause to believe that the successor entity may not comply with this Ordinance or the Franchise Agreement, it may require an Application for the transfer. The Application shall comply with Section 17-04-010 ~~Section 9-7-220~~.

17-06-020~~9-7-360~~. If PSC Approval Is No Longer Required.

If the PSC no longer exists, or if its regulations or state law no longer require approval of transactions described in Section 17-06-010 ~~Section 9-7-350~~, and the City has good cause to believe that the successor entity may not comply with this Ordinance or the Franchise Agreement, it may require an Application. The Application shall comply with the provisions of this Ordinance.

17-06-030~~9-7-365~~. Events of Sale.

The following events shall be deemed to be a sale, assignment or other transfer of the Franchise requiring compliance with Section 17-06-010 ~~Section 97350~~: (i) the sale, assignment or other transfer of all or a majority of a Providers assets to another Person; (ii) the sale, assignment or other transfer of capital stock or partnership, membership or other equity interests in a Provider by one or more of its existing shareholders, partners, members or other equity owners so as to create a new Controlling Interest in a Provider; (iii) the issuance of additional capital stock or partnership, membership or other equity interest by a Provider so as to create a new Controlling Interest in such a Provider; or (iv) the entry by a Provider into an agreement with respect to the management or operation of such Provider or its System.

CHAPTER 17-07. OVERSIGHT AND INSURANCE.

17-07-010.~~9-7-370.~~ Insurance, Indemnity, and Security.

17-07-020.~~9-7-380.~~ Oversight.

17-07-030.~~9-7-390.~~ Maintain Records.

17-07-040.~~9-7-400.~~ Confidentiality.

17-07-050.~~9-7-410.~~ Provider's Expense.

17-07-060.~~9-7-420.~~ Right of Inspection.

17-07-010.~~9-7-370.~~ Insurance, Indemnity, and Security.

Prior to the execution of a Franchise, a Provider will deposit with the City an irrevocable, unconditional letter of credit or surety bond as required by the terms of the Franchise, and shall obtain and provide proof of the insurance coverage required by the Franchise. A Provider shall also indemnify the City as set forth in the Franchise.

17-07-020.~~9-7-380.~~ Oversight.

The City shall have the right to oversee, regulate and inspect periodically the construction, maintenance, and upgrade of the System, and any part thereof, in accordance with the provisions of the Franchise and applicable law. A Provider shall establish and maintain managerial and operational records, standards, procedures and controls to enable a Provider to prove, in reasonable detail, to the satisfaction of the City at all times throughout the Term, that a Provider is in compliance with the Franchise. A Provider shall retain such records for not less than the applicable statute of limitations.

17-07-030.~~9-7-390.~~ Maintain Records.

A Provider shall at all times maintain:

(a) On file with the City, a full and complete set of plans, records and "as-built" hard copy maps and, to the extent the maps are placed in an electronic format, they shall be made in electronic format compatible with the City's existing GIS system, of all existing and proposed installations and the types of equipment and Systems installed or constructed in the Rights-of-Way, properly identified and described as to the types of equipment and facility by appropriate symbols and marks which shall include annotations of all Rights-of-Ways where work will be undertaken. As used herein, "as-built" maps includes "file construction prints." Maps shall be drawn to scale. "As-built" maps, including the compatible electronic format, as provided above, shall be submitted within thirty (30) days of completion of work or within thirty (30) days after completion of modification and repairs. "As-built" maps are not required of the Provider who is the incumbent local exchange carrier for the existing System to the extent they do not exist.

(b) Throughout the Term of the Franchise, Provider shall maintain complete and accurate books of account and records of the business, ownership, and operations of a Provider with respect to the System in a manner that allows the City at all times to determine whether a Provider is in compliance with the Franchise. Should the City

reasonably determine that the records are not being maintained in such a manner, a Provider shall alter the manner in which the books and/or records are maintained so that a Provider comes into compliance with this Section. All financial books and records which are maintained in accordance with the regulations of the FCC and any governmental entity that regulates utilities in the State of Utah, and generally accepted accounting principles shall be deemed to be acceptable under this Section.

17-07-040~~9-7-400~~. Confidentiality.

If the information required to be submitted is proprietary in nature or must be kept confidential by federal, state or local law, upon proper request by a Provider, such information shall be treated as a Protected Record within the meaning of the Utah Government Records Access and Management Act ("GRAMA"), making it available only to those who must have access to perform their duties on behalf of the City, provided that a Provider notifies the City of, and clearly labels the information which a Provider deems to be confidential, proprietary information. Such notification and labeling shall be the sole responsibility of the Provider.

17-07-050~~9-7-410~~. Provider's Expense.

All reports and records required under this Ordinance shall be furnished at the sole expense of a Provider, except as otherwise provided in this Ordinance or a Franchise.

17-07-060~~9-7-420~~. Right of Inspection.

For the purpose of verifying the correct amount of the Franchise fee, the books and records of the Provider pertaining thereto shall be open to inspection or audit by duly authorized representatives of the City at all reasonable times, upon giving reasonable notice of the intention to inspect or audit the books and records. The Provider agrees to reimburse the City the reasonable costs of an audit if the audit discloses that the Provider has paid ninety-five percent (95%) or less of the compensation due the City for the period of such audit. In the event the accounting rendered to the City by the Provider herein is found to be incorrect, then payment shall be made on the corrected amount within thirty (30) calendar days of written notice, it being agreed that the City may accept any amount offered by the Provider, but the acceptance thereof by the City shall not be deemed a settlement of such item if the amount is in dispute or is later found to be incorrect.

CHAPTER 17-08. ENFORCEMENT AND REMEDIES.

17-08-010.9-7-430. Enforcement and Remedies.

17-08-020.9-7-440. Force Majeure.

17-08-030.9-7-450. Extended Operation and Continuity of Services.

17-08-040.9-7-460. Removal or Abandonment of Franchise Property.

17-08-010.9-7-430. Enforcement and Remedies.

(a) ~~Enforcement – City Designee.~~ The City is responsible for enforcing and administering this Ordinance, and the City or its designee, as appointed by the Council, is authorized to give any notice required by law or under any Franchise Agreement.

(b) ~~Enforcement Provision.~~ Any Franchise granted pursuant to this Ordinance shall contain appropriate provisions for enforcement, compensation, and protection of the public, consistent with the other provisions of this Ordinance, including, but not limited to, defining events of default, procedures for accessing the Bond/Security Fund, and rights of termination or revocation.

17-08-020.9-7-440. Force Majeure.

In the event a Provider's performance of any of the terms, conditions or obligations required by this Ordinance or a Franchise is prevented by a cause or event not within a Provider's control, such inability to perform shall be deemed excused and no penalties or sanctions shall be imposed as a result thereof. For the purpose of this Section, causes or events not within the control of a Provider shall include, without limitation, acts of God, strikes, sabotage, riots or civil disturbances, failure or loss of utilities, explosions, acts of public enemies, and natural disasters such as floods, earthquakes, landslides, and fires.

17-08-030.9-7-450. Extended Operation and Continuity of Services.

(a) Continuation After Expiration. Upon either expiration or revocation of a Franchise granted pursuant to this Ordinance, the City shall have discretion to permit a Provider to continue to operate its System or provide Services for an extended period of time not to exceed six (6) months from the date of such expiration or revocation. A Provider shall continue to operate its System under the terms and conditions of this Ordinance and the Franchise granted pursuant to this Ordinance.

(b) Continuation by Incumbent Local Exchange Carrier. If the Provider is the incumbent local exchange carrier, it shall be permitted to continue to operate its System and provide Services without regard to revocation or expiration, but shall be obligated to negotiate a renewal in good faith.

17-08-040.9-7-460. Removal or Abandonment of Franchise Property.

(a) Abandoned System. In the event that: (1) the use of any portion of the

System is discontinued for a continuous period of twelve (12) months, and thirty (30) days after no response to written notice from the City to the last known address of Provider; (2) any System has been installed in the Rights-of-Way without complying with the requirements of this Ordinance or Franchise; or (3) the provisions of [Section 17-02-040](#) ~~Section 97090~~ are applicable and no Franchise is granted, a Provider, except the Provider who is an incumbent local exchange carrier, shall be deemed to have abandoned such System.

(b) Removal of Abandoned System. The City, upon such terms as it may impose, may give a Provider written permission to abandon, without removing, any System, or portion thereof, directly constructed, operated or maintained under a Franchise. Unless such permission is granted or unless otherwise provided in this Ordinance, a Provider shall remove within a reasonable time the abandoned System and shall restore, using prudent construction standards, any affected Rights-of-Way to their former state at the time such System was installed, so as not to impair their usefulness. In removing its plant, structures and equipment, a Provider shall refill, at its own expense, any excavation necessarily made by it and shall leave all Rights-of-Way in as good condition as that prevailing prior to such removal without materially interfering with any electrical or telephone cable or other utility wires, poles or attachments. The City shall have the right to inspect and approve the condition of the Rights-of-Way cables, Wires, attachments and poles prior to and after removal. The liability, indemnity and insurance provisions of this Ordinance and any security fund provided in a Franchise shall continue in full force and effect during the period of removal and until full compliance by a Provider with the terms and conditions of this Section.

(c) Transfer of Abandoned System to City. Upon abandonment of any System in place, a Provider, if required by the City, shall submit to the City a written instrument, satisfactory in form to the City, transferring to the City the ownership of the abandoned System.

(d) Removal of Above-Ground System. At the expiration of the term for which a Franchise is granted, or upon its revocation or earlier expiration, as provided for by this Ordinance, in any such case without renewal, extension or transfer, the City shall have the right to require a Provider to remove, at its expense, all above-ground portions of a System from the Rights-of-Way within a reasonable period of time, which shall not be less than one hundred eighty (180) days. If the Provider is the incumbent local exchange carrier, it shall not be required to remove its System, but shall negotiate a renewal in good faith.

(e) Leaving Underground System. Notwithstanding anything to the contrary set forth in this Ordinance, a Provider may abandon any underground System in place so long as it does not materially interfere with the use of the Rights-of-Way or with the use thereof by any public utility, cable operator or other Person.

CHAPTER 17-09. MISCELLANEOUS PROVISIONS.

17-09-010.~~9-7-480.~~ Conflicts.
17-09-020.~~9-7-490.~~ Severability.
17-09-030.~~9-7-500.~~ New Developments.
17-09-040.~~9-7-510.~~ Notices.
17-09-050.~~9-7-520.~~ Exercise of Police Power.
17-09-060.~~9-7-530.~~ Construction.
17-09-070.~~9-7-540.~~ Ordinance Applicability.
17-09-080.~~9-7-550.~~ Other Applicable Ordinances.
17-09-090.~~9-7-560.~~ City Failure to Enforce.
17-09-100.~~9-7-570.~~ Construed According to Utah Law.
~~9-7-580. Mobile Telephone Service Revenue Tax.~~

17-09-010.~~9-7-480.~~ Conflicts.

In the event of a conflict between any provision of this Ordinance and a Franchise entered pursuant to it, the provisions of this Ordinance in effect at the time the Franchise is entered into shall control.

17-09-020.~~9-7-490.~~ Severability.

If any provision of this Ordinance is held by any federal, state or local court of competent jurisdiction, to be invalid as conflicting with any federal or state statute, or is ordered by a court to be modified in any way in order to conform to the requirements of any such law and all appellate remedies with regard to the validity of the Ordinance provisions in question are exhausted, such provision shall be considered a separate, distinct, and independent part of this Ordinance, and such holding shall not affect the validity and enforceability of all other provisions hereof. In the event that such law is subsequently repealed, rescinded, amended or otherwise changed, so that the provision which had been held invalid or modified is no longer in conflict with such law the provision in question shall return to full force and effect and shall again be binding on the City and the Provider, provided that the City shall give the Provider thirty (30) days, or a longer period of time as may be reasonably required for a Provider to comply with such a rejuvenated provision, and written notice of the change before requiring compliance with such provision.

17-09-030.~~9-7-500.~~ New Developments.

It shall be the policy of the City to liberally amend this Ordinance, upon Application of a Provider, when necessary to enable the Provider to take advantage of any developments in the field of Telecommunications which will afford the Provider an opportunity to more effectively, efficiently, or economically serve itself or the public.

17-09-040.~~9-7-510.~~ Notices.

All notices from a Provider to the City required under this Ordinance or pursuant

to a Franchise granted pursuant to this Ordinance shall be directed to the officer as designated by the City Council. A Provider shall provide in any Application for a Franchise the identity, address and phone number to receive notices from the City. A Provider shall immediately notify the City of any change in its name, ~~name~~, address, or telephone number.

17-09-050~~9-7-520~~. Exercise of Police Power.

To the full extent permitted by applicable law either now or in the future, the City reserves the right to adopt or issue such rules, regulations, orders, or other directives that it finds necessary or appropriate in the lawful exercise of its police powers.

17-09-060~~9-7-530~~. Construction.

This Ordinance shall be construed in a manner consistent with all applicable federal and state statutes.

17-09-070~~9-7-540~~. Ordinance Applicability.

This Ordinance shall apply to all Franchises granted or renewed after the effective date of this Ordinance. This Ordinance shall further apply, to the extent permitted by applicable federal or state law to all existing Franchises granted prior to the effective date of this Ordinance and to a Provider providing Services, without a Franchise, prior to the effective date of this Ordinance.

17-09-080~~9-7-550~~. Other Applicable Ordinances.

A Provider's rights are subject to the police powers of the City to adopt and enforce ordinances necessary to the health, safety and welfare of the public. A Provider shall comply with all applicable general laws and ordinances enacted by the City pursuant to its police powers. In particular, all Providers shall comply with the City zoning and other land use requirements.

17-09-090~~9-7-560~~. City Failure to Enforce.

A Provider shall not be relieved of its obligation to comply with any of the provisions of this Ordinance or any Franchise granted pursuant to this Ordinance by reason of any failure of the City to enforce prompt compliance.

17-09-100~~9-7-570~~. Construed According to Utah Law.

This Ordinance and any Franchise granted pursuant to this Ordinance shall be construed in accordance with the substantive laws of the State of Utah.

~~**9-7-580. REPEALED BY ORDINANCE NO. 2004-08, MAY 18, 2004. (MOBILE TELEPHONE SERVICE REVENUE TAX)**~~

ORDINANCE NO. 2016-03

AN ORDINANCE AMENDING AND RENUMBERING TITLE 9, CHAPTER 12 OF THE CENTERVILLE MUNICIPAL CODE REGARDING CABLE SYSTEMS TO TITLE 18 OF THE SAME

WHEREAS, the City is in the process of transitioning the Centerville Municipal Code to an online electronic code and the City Council desires to bring existing titles, chapters and provisions of the Centerville Municipal Code up to date to be consistent with State statutory provisions, and to make other formatting, numbering and editing changes as recommended by Staff; and

WHEREAS, Staff has evaluated, reviewed and prepared suggested revisions and updates to Title 9 of the Centerville Municipal Code regarding Utilities and recommends amending and renumbering Title 9, Chapter 12 regarding Cable Systems to Title 18 as more particularly set forth herein; and

WHEREAS, the City Council has reviewed the recommended changes and renumbering of Title 9, Chapter 12 of the Centerville Municipal Code to Title 18 of the same and desires to adopt the recommended revisions and updates as more particularly set forth herein.

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

Section 1. **Amending and Renumbering.** Title 9, Chapter 12 of the Centerville Municipal Code regarding Cable Systems is hereby amended and renumbered to Title 18 to read in its entirety as set forth in **Exhibit “A,”** attached hereto and incorporated herein by this reference.

Section 2. **Repealer.** The amendment and recodification of Title 9, Chapter 12 shall be a repeal of all ordinances in conflict with the adopted and codified Ordinances, provided however, all ordinances in force prior to the adoption and codification shall continue in force after the adoption and codification for the purpose of all rights acquired, fines, penalties, forfeitures and liabilities incurred and actions therefor.

Section 3. **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 4. **Penalty Provision.** Unless otherwise specifically provided, any person who violates any provisions of Title 18 may be subject to criminal penalties as set forth in Title 1, Chapter 5, or civil penalties as set forth in Title 1, Chapter 6, as amended.

Section 5. Effective Date. This Ordinance shall become effective upon publication or posting, or twenty (20) days after adoption, whichever occurs first.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE,
STATE OF UTAH, ON THIS 5th DAY OF JANUARY, 2016.**

ATTEST:

CENTERVILLE CITY

Marsha L. Morrow, City Recorder

By: _____
Mayor Paul A. Cutler

Voting by the City Council:

	“AYE”	“NAY”
Councilmember Fillmore	_____	_____
Councilmember Ince	_____	_____
Councilmember Ivie	_____	_____
Councilmember McEwan	_____	_____
Councilmember Mecham	_____	_____

CERTIFICATE OF PASSAGE AND PUBLICATION OR POSTING

According to the provisions of the U.C.A. § 10-3-713, as amended, I, the municipal recorder of Centerville City, hereby certify that foregoing ordinance was duly passed by the City Council and published, or posted at: (1) 250 North Main; (2) 655 North 1250 West; and (3) RB’s Gas Station, on the foregoing referenced dates.

MARSHA L. MORROW, City Recorder

DATE: _____

RECORDED this ____ day of _____, 20 ____.

PUBLISHED OR POSTED this ____ of _____, 20 ____.

EXHIBIT A

Title 18 Cable Systems

TITLE 18

CABLE SYSTEMS

~~CHAPTER 9-12. CABLE SYSTEMS AND SERVICES~~

CHAPTER 18-01. FINDINGS AND DEFINITIONS.

CHAPTER 18-02. FRANCHISE REQUIRED.

CHAPTER 18-03. CONSTRUCTION REGULATIONS.

CHAPTER 18-04. PUBLIC AND EMERGENCY USE.

CHAPTER 18-05. REPAIR, RESTORATION, AND RELOCATION.

CHAPTER 18-06. INSURANCE AND RECORDS.

CHAPTER 18-07. RENEWAL, SALE OR TRANSFER.

CHAPTER 18-08. ENFORCEMENT AND REMEDIES.

CHAPTER 18-01. FINDINGS AND DEFINITIONS.

<u>18-01-010.</u> 9-12-010.	Statement of Intent.
<u>18-01-020.</u> 9-12-020.	Statement of Findings.
<u>18-01-030.</u> 9-12-030.	Authority.
<u>18-01-040.</u> 9-12-040.	Definitions.
<u>18-01-050.</u> 9-12-050.	Scope.

18-01-010.~~9-12-010.~~ Statement of Intent.

Pursuant to and in accordance with applicable provisions of state and federal laws and regulations regarding Cable Systems and Cable Services, including, but not limited to the Cable Communications Policy Act of 1984, as more particularly set forth in 47 U.S.C. §§ 521, *et seq.*, as amended, the City's stated purposes and intent in adopting this Chapter are as follows:

- (a) To establish a local policy concerning cable communications;
- (b) To establish Franchise procedures and standards which encourage the growth and development of Cable Systems and which assure that Cable Systems are responsive to the needs and interests of the local community;
- (c) To establish guidelines for the exercise of local authority with respect to the regulation of Cable Systems and the use of municipal rights-of-way;
- (d) To assure that cable communications provide and are encouraged to provide the widest possible diversity of information sources and services to the public;
- (e) To establish an orderly process for Franchise issuance and renewal which protects Cable Operators against unfair denials of issuance or renewal where the Cable Operator's past performance and proposal for future performance meet the standards established in this Chapter and applicable state and federal laws and regulations;

(f) To promote competition in cable communications and minimize unnecessary regulation that would impose an undue economic burden on Cable Systems; and

(g) To regulate and manage the use of the City's Rights-of-Way, as more particularly defined herein, in accordance with the Findings set forth in Section [18-01-020.9-12-020.](#)

[18-01-020.9-12-020.](#) **Statement of Findings.**

Pursuant to and in accordance with applicable provisions of state law regarding a municipality's right to regulate its rights-of-way, the City's stated findings regarding the use and management of its Rights-of-Way are as follows:

(a) The Rights-of-Way of the City are critical to the travel and transport of persons and property in the business and social life of the City;

(b) The Rights-of-Way of the City are intended for public uses and must be managed and controlled consistent with such intent;

(c) Subject to the terms and conditions of applicable federal, state and local laws and regulations, the Rights-of-Way of the City can be partially occupied by the facilities of utilities and other public service entities delivering or providing utility and public services to the enhancement of the health, welfare, and general economic well-being of the City and its citizens; and

(d) The Rights-of-Way of the City are a unique and physically limited resource requiring proper management to maximize the efficiency and to minimize the costs to the taxpayers of the foregoing uses and to minimize the inconvenience to and negative effects upon the public from the construction, placement, relocation and maintenance of such facilities within the public Rights-of-Way.

[18-01-030.9-12-030.](#) **Authority.**

The City adopts this Chapter pursuant to its powers to manage the Rights-of-Way of the City, pursuant to common law, the Utah Constitution, and statutory authority, including, but not limited to *Utah Code Ann.* § 10-8-11 and § 10-8-15, as amended. This Chapter shall be construed in light of applicable federal and state laws and regulations regarding Cable Systems and Cable Service, including, but not limited to the Cable Act, as more particularly defined in Section [18-01-040.9-12-040.](#) To the extent applicable, the provisions of this Chapter are also intended to comply with the Utah Municipal Cable Television and Public Telecommunications Services Act, as set forth in *Utah Code Ann.* §§ 10-18-101, *et seq.*, as amended. The provisions of this Chapter shall be administered by the City Manager.

[18-01-040.9-12-040.](#) **Definitions.**

For purposes of this Chapter, the following terms, phrases, words and their derivatives shall have the meanings set forth in this Section, unless the context clearly indicates that another meaning is intended. The terms, phrases, words and abbreviations defined herein are intended to conform to and comply with the definitions and terms of the Cable Act, as more particularly defined herein. In the

event of conflict, the provisions of federal law and regulations shall govern. Words used in the present tense include the future tense, words in the singular include the plural number, and vice versa. The words “shall” and “will” are mandatory and the words “should” and “may” are permissive. Words not defined shall be given their common and ordinary meaning.

(a) Affiliate. Affiliate when used in relation to any person, means another person who owns or controls, is owned or controlled by, or is under common ownership or control with, such person.

(b) Basic Cable Service. Basic cable service means the lowest priced tier of Cable Service that includes the retransmission of local broadcast television signals.

(c) Cable Act. Cable Act means collectively the Communications Act of 1934, as set forth in 47 U.S.C. §§ 609, *et seq.*, as amended, the Cable Communications Policy Act of 1984, as set forth in 47 U.S.C. §§ 521, *et seq.*, as amended, the Cable Television Consumer Protection and Competition Act of 1992, as set forth in 47 U.S.C. §§ 546, *et seq.*, as amended, and applicable federal regulations and orders promulgated pursuant thereto.

(d) Cable Channel. Cable Channel means a portion of the electromagnetic frequency spectrum which is used in a cable system and which is capable of delivering a television channel (as television channel is defined by FCC regulation).

(e) Cable Operator. Cable Operator means any person or group of persons who provides Cable Service over a Cable System and directly or through one or more Affiliates owns a significant interest in such Cable System, or who otherwise controls or is responsible for, through any arrangement, the management and operation of a Cable System.

(f) Cable Service. Cable Service means (1) the one-way transmission to Subscribers of (a) video programming, or (b) other programming service, and (2) Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

(g) Cable System. Cable System means the facilities, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment, designed to provide Cable Service which includes video programming and which is provided to multiple Subscribers within the Service Area. Cable System does not include any facilities or systems excluded from the definition of Cable System as more particularly provided in 47 U.S.C. § 522, as amended.

(h) FCC. FCC means Federal Communications Commission or successor governmental entity thereto.

(i) Franchise. Franchise means an authorization or renewal thereof by agreement or other written authorization, issued by the City, authorizing the construction and operation of a Cable System or Cable Services within the Rights-of-Way of the City.

(j) Gross Revenue. Gross Revenue means any and all revenues of a Cable Operator, as determined according to generally accepted accounting principles consistently applied, derived directly or indirectly by the Cable Operator, or Affiliate of the Cable Operator that would constitute a Cable Operator of the Cable System under the Cable Act, arising from or attributable to operation of the Cable System to provide Cable Service in the Service Area. Gross Revenue shall also include such revenue sources from the provision of Cable Service as may now exist or hereafter develop from or in connection with the operation of the Cable System within the Service Area, provided that such revenues, fees, receipts, or charges may lawfully be included in the gross revenue base for purposes of computing the City's permissible Franchise Fee under the Cable Act. Gross Revenue does not include any Franchise fees or taxes which are imposed directly or indirectly on any Subscriber by any governmental unit or agency, and which are collected by the Cable Operator on behalf of a governmental unit or agency. Gross Revenue does not include revenues which cannot be collected by the Cable Operator and are identified as bad debt; provided, that if revenue previously representing bad debt is collected, this revenue shall be included in Gross Revenue for the collection period. Gross revenue shall include revenue from subscriptions, installations, rentals, and revenue from other sources, such as leased access, advertising, commissions, and home shopping revenues.

(k) Person. Person means an individual, partnership, association, joint stock company, trust, corporation, or governmental entity.

(l) Rights-of-Way. Rights-of-Way shall mean municipal streets, alleys or rights-of-way within the City's boundaries dedicated to the public and any utility easements within the City's boundaries wherein the City has acquired the right and authority to locate or permit the location of utilities consistent with Cable Systems and telecommunications facilities. Rights-of-Way shall not include any real or personal property of the City that is not specifically described herein and shall not include City parks, trails, bike paths, buildings and other structures or improvements, regardless of whether they are situated in the Rights-of-Way.

(m) Service Area. Service Area means the present boundaries of the City, and shall include any additions thereto by annexation or other legal means.

(n) Subscriber. Subscriber means a Person or user of the Cable System who lawfully receives Cable Service on the Cable System with the Cable Operator's express permission.

18-01-050.9-12-050. Scope.

This Chapter shall provide the basic local scheme for Cable Operators that require the use of the Rights-of-Way of the City. This Chapter shall apply to all future Cable Operators and to all Cable Operators in the City prior to the effective date of this Chapter, whether operating with or without a Franchise as required herein. This Chapter shall be effective within the geographical limits of the City, including any areas subsequently annexed to the City. This Chapter shall apply to any Franchise or renewal approved after the effective date of this Chapter.

CHAPTER 18-02. FRANCHISE REQUIRED.

<u>18-02-010.</u> 9-12-060.	Franchise Required.
<u>18-02-020.</u> 9-12-070.	Franchise Applications.
<u>18-02-030.</u> 9-12-080.	Application Fees.
<u>18-02-040.</u> 9-12-090.	Current Cable Operators.
<u>18-02-050.</u> 9-12-100.	Nature of Franchise.
<u>18-02-060.</u> 9-12-110.	Competitive Equity.
<u>18-02-070.</u> 9-12-120.	Term.
<u>18-02-080.</u> 9-12-130.	Franchise Fee.

18-02-010.~~9-12-060.~~ **Franchise Required.**

Except to the extent preempted or exempted by federal or state law, as ultimately interpreted by a court of competent jurisdiction, including any appeals, every Cable Operator must obtain a Franchise from the City prior to constructing a Cable System or providing Cable Services within the City that require use of the City Rights-of-Way. A Franchise is granted through a Franchise Agreement or other acceptable Rights-of-Way use agreement entered into between the City and the Cable Operator. The fact that a particular Cable System may be used for multiple purposes does not obviate the need to obtain a franchise for other purposes. By way of illustration and not limitation, a Cable Operator of a Cable System must obtain a Cable Franchise, and, should it intend to provide telecommunications services over the same system, must also obtain a Telecommunications Franchise in accordance with [Title 17](#) ~~Title 9, Chapter 7,~~ regarding Telecommunications Systems.

18-02-020.~~9-12-070.~~ **Franchise Applications.**

Any Cable Operator desiring to install, construct, operate, use or maintain a Cable System within the Rights-of-Way or to provide Cable Services through a Cable System utilizing such Rights-of-Way shall file a Cable Franchise Application with the City on forms provided by the City. Any requests for a renewal, amendment or transfer of an existing Franchise shall be submitted by filing the same Cable Franchise Application with the City. The City may request additional information from the applicant as deemed necessary and relevant to determining whether to grant the requested application. The City Council, in its discretion, shall determine whether to grant any Franchise application on the basis of compliance with the terms and provisions of this Chapter, applicable federal, state and local law, and any other considerations relevant to the use of the Rights-of-Way of the City. In reviewing any application, the City may require adequate assurance that the Cable Operator has the financial, technical, and legal qualifications to provide Cable Service within the City. Prior to approval or denial of an application for a Franchise, renewal, transfer or amendment, a public hearing shall be held before the City Council, with adequate notice and an opportunity for the public to be heard regarding the matter.

18-02-030.~~9-12-080.~~ **Application Fees.**

Applicants shall be required to submit at the time of application for Franchise, the applicable application fees as adopted by the City and set forth in the City Fee Schedule, which application fees shall be nonrefundable. [An application fee shall also be paid when an amendment, renewal or transfer of a Franchise is filed.](#)

Applicants shall also be required to pay reasonable costs and expenses for professional services, such as engineering and legal fees, incurred by the City in connection with any application, including a professional services deposit as adopted by the City and set forth in the City Fee Schedule. Such application fees and costs shall be limited to the reasonable cost of processing the application and shall be subject to the limitations set forth in 47 U.S.C. § 542, as amended.

18-02-040.9-12-090. Current Cable Operators.

Except to the extent exempted or prohibited by federal or state law, any Cable Operator operating or using a Cable System or providing Cable Services within the Rights-of-Way on the effective date of this Chapter without a Franchise shall request issuance of a Franchise from the City within ninety (90) days of the effective date of this Chapter. If a timely request is made, the Cable Operator may continue providing service during the course of negotiations. If a timely request is not made, or if negotiations cease and a Franchise is not granted, the Cable Operator shall comply with the provisions of Section 18-05-070.9-12-360 regarding abandonment and removal of facilities. If a Cable Operator has previously been granted a Franchise, the term of which has not expired as of the effective date of this Chapter, the Cable Operator may continue to operate under the existing Franchise Agreement until the term of the Franchise expires. Alternatively, the Cable Operator may negotiate a new Franchise which complies with the provisions of this Chapter prior to the expiration of the existing Franchise.

18-02-050.9-12-100. Nature of Franchise.

A Franchise granted to any Cable Operator pursuant to the provisions of this Chapter governing the installation, construction, operation, use and maintenance of Cable Systems within the Rights-of-Way shall be non-exclusive. A Franchise granted to any Cable Operator pursuant to the provisions of this Chapter shall not convey title, equitable or legal, in the Rights-of-Way of the City. A Franchise is only the right to occupy the Rights-of-Way on a non-exclusive basis for the limited purposes and for the limited period stated in the Franchise. The City assumes no duty or obligation to defend any interest in its Rights-of-Way and the Cable Operator remains solely responsible to make arrangements required as a result of other persons claiming an interest in the City's Rights-of-Way. The Franchise right may not be subdivided, assigned, or subleased, except as may be expressly provided in this Chapter or any Franchise granted hereunder. A Franchise does not excuse a Cable Operator from obtaining appropriate access or pole attachment agreements before co-locating its system on the property of others, including the City's property, or from obtaining other required franchises for additional services or facilities. This Section shall not be construed to prohibit a Cable Operator from leasing conduit to another Cable Operator, so long as the lessee has obtained an applicable Franchise from the City.

18-02-060.9-12-110. Competitive Equity.

A Franchise granted by the City pursuant to the provisions of this Chapter shall be granted on a non-discriminatory and competitively neutral basis. In order to provide for competitive neutrality, all Franchise agreements entered into by the City for the granting of a Cable Franchise shall be in substantially the same form as the City's Cable Franchise Agreement, as approved by the City Council.

18-02-070~~9-12-120~~

Term.

The term of each Franchise shall be set forth in the Franchise Agreement; provided, no Cable Franchise shall be granted for a term exceeding ten (10) years.

18-02-080~~9-12-130~~

Franchise Fee.

(a) Franchise Fee. Every Cable Operator shall pay to the City a Franchise fee ("Franchise Fee") of five percent (5%) of the Cable Operator's annual gross revenue as more particularly defined in Section 18-01-040~~9-12-040~~. The Franchise Fee shall not include any excluded costs or payments under applicable provisions of 47 U.C.A. § 542, as amended. In accordance with the Cable Act, the twelve (12) month period applicable under the Franchise for the computation of the Franchise Fee shall be a calendar year.

(b) Quarterly Installments. The Franchise Fee is payable in quarterly installments which shall be due on or before the forty-fifth (45th) day after the end of the calendar quarter. Each payment shall be accompanied by a detailed financial and revenue statement prepared and signed by a representative of the Cable Operator showing the Gross Revenue received by Cable Operator for the preceding quarter and the calculations for computing the quarterly Franchise Fee and certified as to the accuracy, completeness and veracity of the revenue figures. Gross Revenue will be reported by service category, type and level, as applicable. In the event that payment in full is not made within the forty-five (45) days after the date specified herein, the Cable Operator shall pay interest to the City on any unpaid balance at a rate of twelve percent (12%) per annum or the maximum rate allowable by law, whichever is greater.

(c) Certification. Cable Operator shall be required to provide the City with an annual certification of Franchise Fees remitted. Within six (6) months after the Cable Operator's fiscal year end, the Cable Operator shall provide to the City a certification certifying to the accuracy, completeness and veracity of the annual Franchise Fee payments remitted for the preceding fiscal year. This certification must be prepared in accordance with generally accepted accounting standards and signed by a certified public accountant or an authorized officer of the Cable Operator.

(d) Increase in Maximum Allowed by Law. If the provisions of the Cable Act are ever amended to change the maximum franchise fee percentage allowed by law, then the City shall have the right to increase the Franchise Fee due hereunder up to the legal maximum, subject to providing Cable Operator ninety (90) days written notice of such increase.

(e) No Release or Accord. No acceptance of any payment shall be construed as a release of, or an accord, or satisfaction of, any claim that the City might have for further or additional sums payable under the terms of this Chapter, or for any other performance or obligation of the Cable Operator.

(f) Other Fees and Assessments. Franchise Fees and other payments made by the Cable Operator to the City under the terms of this Franchise shall be considered in addition to, and exclusive of other fees, taxes, levies or assessments

presently in effect or subsequently adopted which fee, tax, levy or assessment is of general applicability and which is not unduly discriminatory against Cable Operators or Subscribers. Nothing in this Chapter shall be construed to limit any authority of the City to impose a tax, fee or other assessment of any kind on any person (other than the Cable Operator) with respect to Cable Service or other communications service provided by such person over a Cable System for which charges are assessed to subscribers but not received by Cable Operator.

(g) Audit Authority. The City shall have the right to inspect Cable Operator's books and records in accordance with the provisions of Section [18-06-050-9-12-410](#), and the right to conduct an annual audit in accordance with the provisions of Section [18-06-060-9-12-420](#), to ensure that the appropriate and required Franchise Fees are being paid to the City.

CHAPTER 18-03. CONSTRUCTION REGULATIONS.

<u>18-03-010.</u> 9-12-140.	Compliance with Laws.
<u>18-03-020.</u> 9-12-150.	Regulatory Approval.
<u>18-03-030.</u> 9-12-160.	Licenses and Permits.
<u>18-03-040.</u> 9-12-170.	Excavation Permit.
<u>18-03-050.</u> 9-12-180.	Approval of Plans.
<u>18-03-060.</u> 9-12-190.	Notification of Residents.
<u>18-03-070.</u> 9-12-200.	Quality and Safety.
<u>18-03-080.</u> 9-12-210.	Technical Standards.
<u>18-03-090.</u> 9-12-220.	Facilities Underground.
<u>18-03-100.</u> 9-12-230.	Marking of Facilities.
<u>18-03-110.</u> 9-12-240.	As-Built Drawings.
<u>18-03-120.</u> 9-12-250.	Conditions of Occupancy.

18-03-010.~~9-12-140.~~ **Compliance with Laws.**

Cable Operator shall comply with all applicable federal, state and local laws regarding the installation, maintenance and operation of Cable Operator's Cable System and providing Cable Services to Subscribers within the Service Area. All Cable Operators shall comply with the terms of any lawfully adopted generally applicable local ordinance and any ordinances adopted pursuant to the City's police power as more particularly set forth in Section 18-08-010 ~~9-12-500~~.

18-03-020.~~9-12-150.~~ **Regulatory Approval.**

Before offering or providing any Cable Services pursuant to a Franchise granted by the City pursuant to the provisions of this Chapter, the Cable Operator shall obtain any and all regulatory approvals, permits, authorizations or licenses for the offering or providing of Cable Services from the appropriate federal, state and local authorities. Upon written request of the City, the Cable Operator shall submit to the City evidence of such approvals, permits, authorizations and licenses.

18-03-030.~~9-12-160.~~ **Licenses and Permits.**

Prior to any installation, construction, repairs, modifications, or other work within the Rights-of-Way, Cable Operator shall apply for and obtain, at its own cost and expense, all permits, licenses or other forms of approval or authorization necessary to install, construct, operate, maintain, modify, or repair the Cable System, including, but not limited to any necessary approvals from persons or private parties to use private property, easements, poles and conduit. All fees associated with such required permits, licenses or other approvals shall be paid by the Cable Operator. Cable Operator shall maintain all required permits, licenses and approvals during the term of any Franchise granted hereunder and for any holdover period. In the event of an emergency, Cable Operator shall be required to apply for and obtain all applicable permits and pay all applicable fees for the construction or work conducted by the Cable Operator by the next business day from the date of the emergency and the commencement of work conducted in response thereto.

18-03-040.9-12-170. Excavation Permit.

Cable Operator shall be required to obtain an Excavation Permit from the City prior to conducting or commencing any work within the Rights-of-Way in accordance with applicable provisions of the City's Excavation Permit Ordinances as set forth in Title 9, Chapter 4, as amended ("Excavation Permit Ordinance"). All construction, installation, maintenance, operation, alteration, repair or reconstruction of the Cable System or any other work conducted or performed by Cable Operator within the Rights-of-Way shall comply with the Excavation Permit Ordinance and any Excavation Permit issued thereunder.

18-03-050.9-12-180. Approval of Plans.

Prior to construction or alteration of the Cable System, or any portion thereof, Cable Operator shall in each case, file plans with the City and receive written approval of such plans, which approval by the City shall not be unreasonably withheld. Issuance of an excavation, construction, or similar permit as required by City Ordinance, shall constitute such written approval.

18-03-060.9-12-190. Notification of Residents.

Cable Operator shall make reasonable best efforts to individually notify all residents affected by any proposed substantial construction, installation, alteration or work on the Cable System in writing prior to the commencement of that work provided that such prior notification will not unnecessarily delay repairs or restoration of existing services or slow expeditious remedy of unsafe conditions.

18-03-070.9-12-200. Quality and Safety.

All work involved in the construction, operation, maintenance, repair, upgrade and removal of a Cable System shall be performed by the Cable Operator in a safe, thorough, and reliable manner using materials of good and durable quality. All such work shall comply with applicable federal, state and local laws. Cable Operator shall install and maintain all parts of its Cable System in a safe and non-dangerous condition throughout the entire period of its Franchise or any holdover period. The Cable System shall not endanger or unreasonably interfere with the safety of persons or property in the Service Area.

18-03-080.9-12-210. Technical Standards.

Cable Operator is responsible for insuring that the Cable System is designed, installed and operated in a manner that fully complies with the Cable Act, including, but not limited to, FCC rules in Subpart K of Part 76 of Chapter I of Title 47 of the Code of Federal Regulations, as revised or amended from time to time. As provided in these rules, the City shall have, upon request, the right to obtain a copy of tests and records required in accordance with appropriate rules.

18-03-090.9-12-220. Facilities Underground.

(a) Unless otherwise specifically provided herein, all facilities and equipment constituting Cable Operator's Cable System shall be installed underground.

(b) In those areas of the Service Area where all of the transmission or distribution facilities of the respective public utilities providing cable services, telephone communications, and electric services are underground, the Cable Operator likewise shall construct, operate, and maintain all of its transmission and distribution facilities underground.

(c) In those areas of the Service Area where all of the transmission or distribution facilities of the respective public utilities providing cable services, telephone communications, and electric services are above ground, the Cable Operator likewise may construct, operate and maintain its transmission and distribution facilities above ground.

(d) In those areas of the Service Area where the transmission or distribution facilities of the respective public utilities providing cable services, telephone communications, and electric services are both aerial and underground, the Cable Operator shall consult with the City Engineer to determine whether the construction will be aerial or underground. Wherever possible depending on the season and the location, facilities shall be constructed and maintained underground. If the reason for not putting the facilities underground is seasonal, subject to City waiver as weather and other conditions may require, the Cable Operator shall make reasonable efforts to move such facilities underground as weather permits, but no later than June 30 of the next summer.

(e) With respect to any cables, wires and other like facilities constructed and installed by Cable Operator above ground, the Cable Operator shall, at its sole cost and expense except as provided by law or entitlement, reconstruct and install such cables, wires or other facilities underground pursuant to any project under which the cables, wires or other like facilities of such utilities are placed underground within an area. The duty of the Cable Operator to place its cables, wires and other facilities underground shall arise only if all like facilities of utilities which are existing above ground are placed underground. For purposes of this Section, "like facilities" shall mean cable, telecommunications or electrical facilities and utilities.

(f) For the purposes of this Chapter, with the exception of service drops, facilities to be placed "underground" shall be at least eighteen (18) inches below the surface grade.

(g) Nothing herein shall be deemed to expressly or impliedly authorize the Cable Operator to construct or install poles or wire-holding structures within the Rights-of-Way for purposes of placing cables, wires, lines or otherwise, without the written consent of the City. Such consent shall be given upon such terms and conditions as the City, in its sole discretion, may prescribe.

(h) Cable Operator may construct, operate, and maintain certain limited ground-mounted appurtenances such as subscriber taps, line extenders, system passive devices (splitters, directional couplers), amplifiers, power supplies, and pedestals above ground if existing technology reasonably requires, but shall be of such size and design and shall be so located as to minimize visual and physical impact on adjacent yards and landscapes insofar as it is technically and economically feasible and safe.

Marking of Facilities.

The Cable Operator shall be required to locate and mark or otherwise visibly indicate and alert others to the location of any portion of its Cable System that is located underground, and to comply with all applicable state and federal laws, including “blue stake” requirements, regarding underground facilities.

As-Built Drawings.

Every Cable Operator shall at all times maintain on file with the City a full and complete set of plans, records, and as-built drawings, in hard copy and electronic copy form, of all existing installations and the types of equipment and systems installed or constructed within the Rights-of-Way, properly identified and described as to the types of equipment and facility by appropriate symbols and marks. As used herein, as-built drawings include file construction prints. Maps and drawings shall be drawn to scale. As-built drawings shall be submitted within thirty (30) days of completion of work, modifications or repairs. Electronic copies of such drawings and records may also be required upon request of the City.

Conditions of Occupancy.

Any Cable System installed within the Rights-of-Way pursuant to the terms of this Chapter or any Franchise granted hereunder shall be located so as to cause a minimum of interference with the proper use of the Rights-of-Way and with the rights and reasonable convenience of property owners who own property that adjoins such Rights-of-Way. All wires, conduits, cable, and other property and facilities of the Cable Operator constituting the Cable System shall be located, constructed, installed, and maintained so as not to endanger or unnecessarily interfere with usual and customary use, traffic, and travel upon the Rights-of-Way of the City. No Cable System shall be located where it will interfere with the rights of property owners or with gas, electric, or telephone fixtures, or with water hydrants or mains, sewer facilities, or any other service, utility or facility that benefits the City’s or its resident’s health, safety and welfare. Notwithstanding the grant of authority set forth in this Chapter or any Franchise granted hereunder, no Right-of-Way shall be used by Cable Operator if the City, in its sole discretion, determines that such use is inconsistent with the terms, conditions, or provisions by which such Right-of-Way was created or dedicated, or presently used. Nothing contained in this Chapter or in any Franchise granted hereunder shall be construed as granting to Cable Operator any rights whatsoever to the use of any private property without the express consent of the owner thereof. In the event a Cable Operator’s Cable System creates a hazardous or unsafe condition or an unreasonable interference with property, then at its own expense, the Cable Operator shall voluntarily, or upon the request of the City, remove that part of the Cable System that creates the hazardous condition or interference from the subject property.

CHAPTER 18-04. PUBLIC AND EMERGENCY USE.

18-04-010.~~9-12-260.~~ Channels for Public, Educational and Government Use.

18-04-020.~~9-12-270.~~ Service to Public Buildings.

18-04-030.~~9-12-280.~~ Support of Access.

18-04-040.~~9-12-290.~~ Emergency Use.

18-04-010.~~9-12-260.~~ Channels for Public, Educational and Government Use.

Pursuant to and in accordance with the provisions of 47 U.S.C. § 531, as amended, the City may establish requirements in a Franchise with respect to designation or use of channel capacity for public, educational, or governmental use. If the City requires channel designation for public, educational, or governmental use in any Franchise, the City shall also prescribe in the Franchise such rules and procedures under which the Cable Operator is permitted to use such channel capacity for the provision of other services if such channel capacity is not being used for the purposes designated.

18-04-020.~~9-12-270.~~ Service to Public Buildings.

Every Cable Operator shall, upon request, provide without charge, one outlet of Basic and Expanded Basic Service to City Hall, the Public Works Building, the Performing Arts Center, and any City offices, buildings, fire station(s), police stations(s), and public school building(s) that are passed by its Cable System. The outlets of Basic and Expanded Basic Service shall not be used to distribute or sell services in or throughout such buildings, nor shall such outlets be located in areas open to the public. Users of such outlets shall hold the Cable Operator harmless from any and all liability or claims arising out of their use of such outlets, including but not limited to, those arising from copyright liability. The Cable Operator shall not be required to provide an outlet to such buildings where the drop line from the feeder cable to said building or premises exceeds one hundred twenty-five (125) cable feet unless the City agrees to pay the incremental cost of such drop line in excess of one hundred twenty-five (125) cable feet. If additional outlets of Basic and Expanded Basic Service are provided to such buildings, the City shall pay the usual installation fees associated therewith, including, but not limited to, labor and materials.

18-04-030.~~9-12-280.~~ Support of Access.

Upon written request by the City, each Cable Operator shall provide, for specific use toward capital facilities associated with the educational and government access requirements of the City, a capital contribution ("Capital Contribution") paid annually during the term of any Franchise granted hereunder. The terms, conditions and amount of the Capital Contribution payable by the Cable Operator to the City shall be set forth in the Franchise. All such regulations and requirements shall comply with applicable provisions of the Cable Act, including, but not limited to regulations set forth 47 C.F.R. Part 76.

(a) Every Cable Operator within the City shall provide and maintain, in accordance with the Cable Act, including, but not limited to, the provisions of FCC Regulations Part 11, Subpart D, Section 11.51, as may from time to time be amended, an Emergency Alert System (EAS) for use in transmitting Emergency Act Notifications (EAN) and Emergency Act Terminations (EAT) in local and statewide situations as may be designated to be an emergency by the Local Primary (LP), the State Primary (SP) and/or the State Emergency Operations Center (SEOC), as those authorities are identified and defined within the Cable Act, including, but not limited to, FCC Regulations, Section 11.18.

(b) In the case of any emergency or disaster, the Cable Operator shall, upon the request of the City, make available its facilities for the City to provide emergency information and instructions during emergency or disaster period in accordance with applicable local, state and federal EAS procedures. The City shall permit only authorized persons to operate the EAS equipment and take reasonable precautions to prevent any use of the Cable Operator's Cable System in any manner that results in inappropriate use, or any loss or damage to the Cable System. Except to the extent expressly prohibited by law, the City agrees to hold the Cable Operator, its employees, officers and assigns harmless from any claims arising out of the emergency use of its facilities by the City, including, but not limited to, reasonable attorneys' fees and costs.

CHAPTER 18-05. REPAIR, RESTORATION, AND RELOCATION.

<u>18-05-010.</u>9-12-300.	Restoration.
<u>18-05-020.</u>9-12-310.	Relocation for the City.
<u>18-05-030.</u>9-12-320.	Relocation for Third Parties.
<u>18-05-040.</u>9-12-330.	Tree Trimming.
<u>18-05-050.</u>9-12-340.	Protection of Facilities.
<u>18-05-060.</u>9-12-350.	Repair.
<u>18-05-070.</u>9-12-360.	Abandonment and Removal.

18-05-010.~~9-12-300.~~ Restoration of Rights-of-Way.

If during the course of the Cable Operator's construction, operation, or maintenance of the Cable System there occurs a disturbance or damage of any Rights-of-Way by the Cable Operator, Cable Operator shall replace and restore such Right-of-Way at Cable Operator's expense to a condition reasonably comparable to the condition of the Rights-of-Way existing immediately prior to such disturbance or damage and in a manner reasonably approved by the Centerville City Public Works Director. Cable Operator shall also restore and repair any adjacent private property disturbed or damaged during the course of Cable Operator's construction, operation or maintenance of the Cable System to a condition reasonably comparable to the condition of such property existing immediately prior to such disturbance or damage. If the Cable Operator fails to restore any portion of the Rights-of-Way, the City may, upon ten (10) days prior written notice, restore the Rights-of-Way and bill the Cable Operator for the costs incurred by the City in performing such restoration. The Cable Operator shall be required to reimburse the City for such costs within thirty (30) days from receipt of invoice.

18-05-020.~~9-12-310.~~ Relocation for the City.

Upon reasonable advance written notice, to be not less than five (5) business days, the Cable Operator shall, at its own expense, protect, support, raise, lower, temporarily disconnect, relocate in or remove from the Rights-of-Way, any property or facilities of the Cable Operator when lawfully required by the City by reason of public convenience and necessity, traffic conditions, public safety, street abandonment, freeway and street construction, modification or maintenance, change or establishment of street grade, installation of sewers, drains, gas or water pipes, power lines or other municipal utility infrastructure, or any other type of public structures, improvements or projects which are not used to compete with the Cable Operator's Cable Service.

18-05-030.~~9-12-320.~~ Relocation for Third Parties.

The Cable Operator shall, on the request of any Person holding a lawful permit issued by the City, protect, support, raise, lower, temporarily disconnect, relocate in or remove from the Rights-of-Way as necessary any property or facilities of the Cable Operator, provided: (A) the expense of such is paid by said Person benefiting from the relocation, including, if required by the Cable Operator, making such payment in advance; and (B) the Cable Operator is given reasonable advance written notice to prepare for such changes. For purposes of this Section, "reasonable advance written notice" shall be no less than ten (10) business days in the event of a

temporary relocation, and no less than forty-five (45) days for a permanent relocation.

18-05-040.9-12-330. Tree Trimming.

Except in the event of an emergency, Cable Operator shall obtain the prior written consent of the City to trim trees or other natural growth within the Rights-of-Way in order to construct access and maintain the Cable System. The Cable Operator shall reasonably compensate the City for any damage caused by such trimming, or shall, in the City's sole discretion and at Cable Operator's own cost and expense, reasonably replace all trees or shrubs damaged as a result of any construction, access or maintenance of the Cable System undertaken by the Cable Operator. Cable Operator shall also comply with the restoration provisions and requirements of Section 18-05-010.9-12-300 in connection with any disturbance of or damage to public or private property caused by any trimming activities conducted by Cable Operator. Nothing herein shall give the Cable Operator the right to trim trees or shrubs not located within Rights-of-Way without the prior written consent of the owner of such trees or other natural growth. The Cable Operator shall make a reasonable best effort, including written notice, to notify owners of property adjacent to trees that will be subject to significant trimming at least seventy-two (72) hours prior to doing the work. As used herein, "significant trimming" is any trimming of trees beyond minor cuts that do not substantially change the aesthetic character of the tree or damage or injure the tree. All trimming and pruning of trees shall comply with the American National Standard for Tree Care Operation (ANSI A300), or comparable generally accepted compendium, and shall be conducted under the direction of an arborist certified with the International Society of Arboriculture

18-05-050.9-12-340. Protection of Facilities.

In connection with the construction, operation, maintenance, repair, upgrade or removal of a Cable System, the Cable Operator shall, at its own cost and expense, protect any and all existing facilities, structures and improvements belonging to the City or other persons or utilities. A Cable Operator shall obtain prior written consent of the City to alter any water main, power facility, sewer or drainage system, or any other municipal facility, structure or improvement on, over or under the Rights-of-Way of the City required because of Cable Operator's Cable System. Any such alteration shall be made by the City or its designee on pre-paid basis. A Cable Operator shall be liable for costs incurred by the City to replace or repair and restore to its prior condition in a manner as may be reasonably specified by the City, any municipal structure, facility, improvement or Rights-of-Way of the City involved in the construction, operation, maintenance, repair, upgrade or removal of a Cable System that may become disturbed or damaged as a result of any work thereon by or on behalf of a Cable Operator.

18-05-060.9-12-350. Repair.

After written reasonable notice to the Cable Operator, unless, in the sole determination of the City, an eminent danger exists, any Rights-of-Way within the City which are disturbed or damaged during the construction, operation, maintenance or reconstruction by a Cable Operator of its Cable System may be repaired by the City at the Cable Operator's expense to a condition as good as that existing before such work was commenced. Upon doing so, the City shall submit to

such Cable Operator an itemized statement of the cost for repairing and restoring the Rights-of-Way intruded upon. The Cable Operator shall, within thirty (30) days after receipt of the statement, pay the City the entire amount thereof.

18-05-070.9-12-360. Abandonment and Removal.

Unless otherwise agreed to by the City, the Cable Operator shall remove its Cable System from the Rights-of-Way within 180 days of any of the following occurrences: (a) the Cable Operator ceases to operate its Cable System or provide Cable Services within the City for a continuous period of twelve (12) months; (b) the Cable Operator elects not to renew a Franchise issued pursuant to this Chapter; or (c) the Cable Operator's Franchise is revoked by the City. The Cable Operator shall also restore any property damaged or affected by such removal in accordance with the provisions of Section 18-05-010.9-12-300. If the Cable Operator's Cable System is not removed from the Rights-of-Way within the required time frame, the City may remove or cause to be removed Cable Operator's Cable System upon thirty (30) days written notice. All costs incurred by the City in removing a Cable System, or portion thereof, shall be paid by the Cable Operator within thirty (30) days of invoice from the City. If the City is required to remove the Cable System, or any portion thereof, any and all rights to such facilities removed by the City shall be deemed forfeited by the Cable Operator and the City shall have the right to retain such property or to sell it as surplus and retain the proceeds obtained therefrom.

CHAPTER 18-06. INSURANCE AND RECORDS.

<u>18-06-010.</u>9-12-370.	Insurance Requirements.
<u>18-06-020.</u>9-12-380.	Indemnification.
<u>18-06-030.</u>9-12-390.	Bonds and Surety.
<u>18-06-040.</u>9-12-400.	Books and Records.
<u>18-06-050.</u>9-12-410.	Right of Inspection.
<u>18-06-060.</u>9-12-420.	Annual Audit Authority.
<u>18-06-070.</u>9-12-430.	Notices.

18-06-010.~~9-12-370.~~ Insurance Requirements.

Every Cable Operator granted a Franchise pursuant to this Chapter or otherwise utilizing the Rights-of-Way shall maintain in full force and effect, at its own cost and expense, during the term of the Franchise or occupancy, a comprehensive form of general public liability insurance in a form substantially similar to the ISO approved comprehensive general liability policy, to be approved by the City, from a responsible insurance company with an A.M. Best rating of A-9 or better (or a comparable rating by any other nationally recognized rating agency), licensed and authorized to do business in Utah, in an amount not less than of Two Million Dollars (\$2,000,000) combined single limit per occurrence and Four Million Dollars (\$4,000,000) aggregate for bodily injury and property damage. The insurance policy or policies required to be obtained by the Cable Operator shall insure against and cover any and all insurable liabilities, damages, claims and losses set forth in and covered by the indemnification and hold harmless provisions of Section ~~18-06-020-9-12-380~~, and shall include defense costs. The insurance policy or policies shall name as an additional insured the City, and in their capacity as such, its officers, agents, representatives and employees. Cable Operator shall provide a Certificate of Insurance to the City upon final execution of a Franchise evidencing coverage and compliance with the terms and conditions of this Chapter. Additionally, the Cable Operator shall maintain in full force and effect, Automobile Liability insurance with limits of no less than \$500,000 combined single limit per accident for bodily injury and property damage. The insurance policy or policies required herein shall be noncancellable except upon thirty (30) days prior written notice to the City. In no event shall insurance coverage be provided by the Cable Operator in amounts less than those set forth herein or less than federal or state statutory limits and requirements, including, but not limited to governmental immunity cap limits for municipal corporations, as set forth in *Utah Code Ann. §§ 63G-7-101, et seq.*, as amended. The Cable Operator shall increase the limits of such insurance to at least the amount of the Limitation of Judgments described in *Utah Code Ann. §§ 63G-7-101, et seq.*, as amended, of the Governmental Immunity Act of Utah, as calculated by the State risk manager every two years and stated in Utah Admin. Code R37-4-3, as amended. If the State of Utah authorizes a Cable Operator to self-insure, the Cable Operator may exercise its right to self-insure so long as the minimum insurance coverages described herein are met and maintained.

18-06-020.~~9-12-380.~~ Indemnification.

To the extent permitted by law, a Cable Operator shall at all times fully indemnify, defend, protect and hold harmless, the City, its officers, boards, representatives, agents and employees, from and against any and all claims, suits,

actions, judgments, demands, liens, penalties and all liability for damages of whatsoever kind, whether compensatory or punitive, either at law or in equity, which might be claimed now or in the future, including, but not limited to, any liability or claims resulting from property damage or bodily injury (including accidental death), which arise out of or caused by the Cable Operator's, its agents, employees, contractors, subcontractors, independent contractors, or implied or authorized representatives, construction, operation, location, repair, replacement, removal, restoration or maintenance of the Cable System, including, but not limited to, reasonable attorney's fees and costs, incurred by the City in defense of such claims, provided that the City shall give the Cable Operator written notice of its obligation to indemnify the City within thirty (30) days of receipt of a claim or action pursuant to this Section. Notwithstanding the foregoing, the Cable Operator shall not be required to indemnify the City for any damages, liability or claims resulting from the willful misconduct or negligence of the City. Nothing herein shall be construed to prevent the City from raising any defense under the Governmental Immunity Act with regard to claims from third parties. The indemnity provisions contained herein shall survive the expiration, revocation or termination of any Franchise.

18-06-030.9-12-390. Bonds and Surety.

Except as expressly reserved herein, Cable Operators shall not be initially required to obtain or maintain bonds or other surety as a condition of being awarded a Franchise under the terms of this Chapter. The City recognizes that the costs associated with bonds and other surety may be ultimately borne by the Subscribers in the form of increased rates for Cable Services. The City expressly reserves the right to require such bonds in the future. In the event that bonding is required in the future by the City, the City shall provide all Cable Operators at least sixty (60) days prior written notice thereof stating the exact reason for the requirement. Notwithstanding the above provisions, Cable Operators shall be responsible for standard performance bonds and insurance required for encroachment and excavation permits for work done within Rights-of-Way and other bond and surety requirements of general applicability.

18-06-040.9-12-400. Books and Records.

Cable Operator shall maintain complete and accurate books of accounts and records of the business, ownership, and operations of the Cable Operator with respect to the Cable System and Cable Services in a manner that allows the City at all times to determine whether a Cable Operator is in compliance with the terms of this Chapter and any Franchise granted hereunder. All financial books and records which are maintained in accordance with the regulations of applicable federal and state agencies that regulate cable television systems and services shall be deemed to be acceptable under this Section.

18-06-050.9-12-410. Right of Inspection.

Upon ten (10) working days written notice, the City shall have the right to review all books and records of the Cable Operator as reasonably necessary for the enforcement of this Chapter and any Franchise granted hereunder. Such review, unless mutually agreed upon or judicially ordered, shall occur at the Cable Operator's local office during Cable Operator's normal business hours. If necessary books and records are not easily accessible at the local office of the Cable Operator,

the Cable Operator may, at its sole option, choose to pay the reasonable travel costs of the City's representatives to view the books and records at the appropriate location. The Cable Operator shall not be required to maintain any books and records for compliance purposes under this Section or any applicable Franchise longer than four (4) years from the date of the book or record. Cable Operator shall not be required to disclose books and records of any Affiliate which is not providing Cable Service in the Service Area. Subject to applicable provisions and restrictions of the Utah Government Records Access and Management Act, as set forth in *Utah Code Ann.* §§ 63G-2-101, *et seq.*, as amended, the City agrees to treat any information disclosed by the Cable Operator as confidential and only to disclose it to employees, representatives, and agents thereof that have a need to know, or in order to enforce the provisions hereof. The Cable Operator shall not be required to provide Subscriber information in violation of the Cable Act, including, but not limited to, 47 U.S.C. § 551, as amended.

18-06-060.9-12-420. Annual Audit Authority.

On an annual basis, the City, including the City's Auditor, his/her authorized representative, or an independent certified public accounting firm or other financial expert, shall have the right to conduct an independent audit of Cable Operator's books, records and accounts reasonably related to the administration and enforcement of this Chapter and any Franchise granted hereunder. Any such audit shall be conducted in accordance with Generally Accepted Accounting Principles ("GAAP"). The audit shall be conducted at the sole expense of the City; provided, if the results of such an audit show an underpayment of applicable Franchise Fees in an amount equal to five percent (5%) or greater, the Cable Operator shall pay the reasonable cost of the audit plus interest at a rate of twelve percent (12%) per annum or the maximum rate allowed by law, whichever is greater, in addition to any amount owed as shown by the audit. The City's right to audit and the Cable Operator's obligation to retain records related to a Franchise Fee audit shall expire three (3) years after each Franchise fee payment has been made to the City or upon expiration of the statute of limitations for pursuing reimbursement for such Franchise Fees, whichever is greater.

18-06-070.9-12-430. Notices.

All notices from a Cable Operator to the City required under this Chapter shall be directed to the City Manager. Cable Operators shall provide in any application for a cable Franchise the identity, address and phone number to receive notices from the City. Separate noticing procedures and contacts may be provided in the Franchise.

CHAPTER 18-07. RENEWAL, SALE OR TRANSFER.

<u>18-07-010.</u>9-12-440.	Renewal of Franchise.
<u>18-07-020.</u>9-12-450.	Sale or Transfer.
<u>18-07-030.</u>9-12-460.	Opportunity to Effectuate Transfer.
<u>18-07-040.</u>9-12-470.	Conditions of Sale.
<u>18-07-050.</u>9-12-480.	Extended Operation.
<u>18-07-060.</u>9-12-490.	Continuing Obligation and Holdover.

18-07-010.~~9-12-440.~~ **Renewal of Franchise.**

Any proceedings undertaken by the City that relate to the renewal of a Franchise granted pursuant to the provisions of this Chapter shall be governed by and comply with the provisions of the Cable Act, including, but not limited to, 47 U.S.C. § 546, as amended, unless the procedures and substantive protections set forth therein shall be deemed to be preempted and superseded by the provisions of any subsequent provision of federal or state law. Notwithstanding anything to the contrary set forth in this Section, the City and any Cable Operator, while affording the public appropriate notice and opportunity to comment, may agree to undertake and finalize informal negotiations regarding renewal of a Franchise granted hereunder. Renewal of a Franchise shall comply with the Application procedures set forth in Section 18-02-020~~9-12-070~~, and other applicable provisions of this Chapter.

18-07-020.~~9-12-450.~~ **Sale or Transfer.**

The Cable Operator's right, title, or interest in the Franchise shall not be sold, transferred or assigned, in whole or in part, other than to an entity controlling, controlled by, or under common control with the Cable Operator, without the prior written consent of the City, such consent not to be unreasonably withheld. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, or by assignment of any rights, title, or interest of the Cable Operator in the Franchise or Cable System in order to secure indebtedness. Any request for approval of such a sale, transfer or assignment by Cable Operator shall contain or be accompanied by such information as is required in accordance with applicable provisions of the Cable Act and FCC Regulations. The City may request and shall notify the Cable Operator in writing of any additional information it reasonably requires to determine the legal, financial and technical qualifications of the transferee. Pursuant to and only to the extent required in 47 U.S.C. § 537, the City shall have one hundred twenty (120) days to act upon any complete request for approval of a sale, transfer or assignment as provided herein. If the City fails to render a final decision on the complete request within the time frame set forth herein, the request shall be deemed granted unless the Cable Operator and City agree to an extension of time. Any future buyer, assignee or transferee of any right or interest under a Franchise shall consent in writing to be bound by the terms and conditions of the Franchise as a condition precedent to such purchase, transfer or assignment. In the event of a sale, transfer or assignment, the buyer, assignee or transferee ("Subsequent Owner") shall be liable for the performance of each of the obligations contained in the Franchise. Acceptance of an assignment, transfer, deed, bill of sale, or similar conveyance, shall constitute an agreement by such party to assume and to be bound by the provisions of the Franchise. Each such Subsequent Owner shall sign an assignment and assumption agreement with the City in a form

reasonably acceptable to the City agreeing to be bound by all the terms and conditions of the Franchise as provided herein and shall provide the City the requisite insurance certification required by this Chapter.

18-07-030.9-12-460. Opportunity to Effectuate Transfer.

The Cable Operator and the City agree that in the case of a final determination of a lawful revocation of the Franchise, the Cable Operator shall be given a reasonable opportunity to effectuate a transfer of its Cable System to a qualified third party. Furthermore, the Cable Operator shall be authorized to continue to operate pursuant to the terms of its prior Franchise during such a period of time; however, under no event shall such authorization exceed a period of time greater than twelve (12) months from the effective date of such revocation, unless otherwise agreed to in writing by the City. If, at the end of that time, the Cable Operator is unsuccessful in procuring a qualified transferee or assignee of its Cable System which is reasonably acceptable to the City, the Cable Operator and the City may avail themselves of any rights they may have pursuant to federal or state law. It is further agreed that the Cable Operator's continued operation of the Cable System during the twelve (12) month period shall not be deemed to be a waiver, nor an extinguishment of, any rights of either the City or the Cable Operator. Any transfer or assignment made hereunder shall comply with the procedures and provisions of Section 18-07-020.9-12-450.

18-07-030.9-12-470. Conditions of Sale.

If a renewal of the Cable Operator's Franchise is denied or the Cable Operator's Franchise is lawfully terminated pursuant to Section of this Chapter or any Franchise granted hereunder, and the City either lawfully acquires ownership of the Cable System or by its actions lawfully effects a transfer of ownership of the Cable System to another party, any such acquisition or transfer shall be at the price determined pursuant to the provisions set forth in the Cable Act, including, but not limited to, 47 U.S.C. § 547, as amended.

18-07-040.9-12-480. Extended Operation.

Upon either expiration or revocation of a Franchise granted pursuant to this Chapter, the City shall have the discretion to permit a Cable Operator to continue to operate its system or provide services for an extended period of time not to exceed six (6) months from the date of such expiration or revocation. The Cable Operator shall continue to operate its system under the terms and conditions of this Chapter and the Franchise granted pursuant to this Chapter during the approved period for extended operations.

18-07-050.9-12-490. Continuing Obligation and Holdover.

In the event a Cable Operator continues to operate any or all of its Cable System or services within the City after the term of the granted Franchise has expired, without approval from the City pursuant to Section 18-07-040.9-12-480 for extended operations, such Cable Operator shall continue to comply with all applicable provisions of this Chapter and the expired Franchise, including, without limitation, all compensation and other payment provisions throughout the period of such continued operation; provided, that any such continued operation shall in no

way be construed as a renewal or other extension of the Franchise, nor as a limitation on the remedies available to the City as a result of such continued operation after the expiration of the Franchise.

CHAPTER 18-08. ENFORCEMENT AND REMEDIES.

<u>18-08-010.9-12-500.</u>	Police Power.
<u>18-08-020.9-12-510.</u>	Authority over Non-Cable Systems and Services.
<u>18-08-030.9-12-520.</u>	Failure to Enforce.
<u>18-08-040.9-12-530.</u>	Termination.
<u>18-08-050.9-12-540.</u>	Governing Law and Interpretation.
<u>18-08-060.9-12-550.</u>	Severability.
<u>18-08-070.9-12-560.</u>	Violations.

18-08-010.9-12-500. Police Power.

Cable Operators' rights are subject to the police powers of the City to adopt and enforce ordinances necessary to the health, safety and welfare of the public. Cable Operators shall comply with all applicable general laws and ordinances enacted by the City pursuant to its police powers. To the fullest extent permitted by applicable law, either now or in the future, the City reserves the right to adopt or issue such rules, regulations, or directives that it finds necessary or appropriate in the lawful exercise of its police powers.

18-08-020.9-12-510. Authority over Non-Cable Services and Systems.

Nothing in this Chapter or any Franchise granted hereunder shall be construed as a waiver of any right that the City may have to regulate or receive compensation for non-cable services to the extent authorized by applicable law. Cable Operator shall comply with and be subject to any and all applicable and lawful local, state and federal laws, rules and regulations regarding such non-cable services and all permitting, franchise and tax requirements regarding the same.

18-08-030.9-12-520. Failure to Enforce.

Cable Operators shall not be relieved of any obligations granted pursuant to this Chapter or any Franchise granted pursuant to this Chapter by reason of any failure of the City to enforce prompt compliance.

18-08-040.9-12-530. Revocation or Termination.

Revocation or termination procedures may be set forth in the Franchise Agreement. In the event of revocation or termination of any Franchise, the Cable Operator shall have the right to affect a transfer pursuant to the provisions of Section 18-07-030.9-12-460, and shall thereafter, as applicable, be subject to the abandonment and removal provisions of Section 18-05-070.9-12-360. The Cable Operator shall repair and restore all property, public or private, that is disrupted, damaged or destroyed as a result of such removal in accordance with the provisions of Section 18-05-010.9-12-300.

18-08-050.9-12-540. Governing Law and Interpretation.

This Chapter shall be construed in accordance with applicable federal and state law. This Chapter and any Franchise granted pursuant to this Chapter shall be construed in accordance with the laws of the State of Utah.

18-08-060.9-12-550.

Severability.

If any word, phrase, sentence, part, section, subsection, or other portion of this Chapter, or any application thereof to any person or circumstances is declared void, unconstitutional, or invalid for any reason by a court of competent jurisdiction, such word, phrase, sentence, part, section, subsection, or other portion, or the proscribed application thereof, shall be severable, and the remaining provisions of this Chapter, and all applications thereof, shall remain in full force and effect.

18-08-070.9-12-560.

Violations.

(a) Criminal Penalties. Any violation or failure to abide by, and comply with, any provisions or requirements of this Chapter shall be a violation of the Centerville Municipal Code, punishable as a class B misdemeanor unless otherwise provided by State law.

(b) Civil Penalties. The City may also impose civil penalties for violations of the provisions of this Chapter in accordance with the provisions of Title 1, Chapter 6, of the Centerville Municipal Code.

(c) Additional Remedies. The penalties set forth herein are in addition to all other remedies available to the City as provided by law and any contractual provisions set forth in a Franchise adopted pursuant to the provisions of this Chapter.

**CENTERVILLE
CITY COUNCIL
Staff Backup Report
1/5/2016**

Item No. 7.

Short Title: Review Council meeting protocol and other guidelines affecting Council Members

Initiated By: Mayor, City Manager and City Attorney

Scheduled Time: 7:55

SUBJECT

RECOMMENDATION

Review guidelines pertaining to the management of council meetings and actions of Council Members outside council meetings.

BACKGROUND

After the seating of a new Council, the Mayor, City Manager and City Attorney typically review with the City Council procedural guidelines pertaining to the management of council meetings, as well as guidelines affecting the actions of Council Members outside the meetings. The topics included in this review include the following:

- **Approval of Minutes Policy** -- In order to comply with the requirements of State law, an earlier City Council adopted the attached policy dictating the process and timeframes for making draft minutes available to the public and for the approval of final minutes.
- **Electronic Meetings Policy** -- State law allows council members to participate in a meeting without being present--via some form of telecommunications--as long as the council adopts a written policy that meets all the requirements of the law. The current policy is attached.
- **Guidelines for Council/Staff Relations** -- The City Manager recommends the attached guidelines for contacts between council members and City staff. He is reviewing these with each newly elected council member in his one-on-one appointments with each of them. However, the Guidelines are also provided to the entire Council at this time as an opportunity for the Mayor and Council as a whole to reaffirm whether they support these Guidelines.
- **News Media Relations** -- The City Manager will provide his advice regarding contacts with the news media.
- **Assignment of Agenda Prayer/Thought and Seating** -- Mayor Cutler will address this topic.
- **Procedural Order for Agenda Matters** -- The attached guidelines were provided to an earlier Council and have proven helpful in conducting matters during their meetings.
- **Use of NovusAgenda** -- Staff are willing to schedule a time(s) to instruct new Council members in the use of the online meeting agenda/documents software, known as NovusAgenda.

The Mayor and Staff can address other protocol/procedural questions from the Council as time permits.

ATTACHMENTS:

Description

- ☐ Minutes Approval Policy

- ▣ Electronic Meetings Policy
- ▣ Guidelines for Council/Staff Relations
- ▣ Procedure Order for Agenda Matters



CENTERVILLE CITY MINUTES APPROVAL POLICY

February 18, 2014

This Minutes Approval Policy sets forth guidelines and procedures for the preparation, review and approval of minutes for public meetings held by various councils, commission, boards and committees of the City. This Policy is intended to comply with all applicable provisions of Utah law, including, but not limited to, the Utah Open Meetings Act as set forth in *Utah Code Ann. §§ 52-4-101, et seq.*

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- 010. Purpose and Scope.**
- 020. Compliance by Public Bodies.**
- 030. Applicability.**
- 040. Recording of Meetings.**
- 050. Availability of Recordings.**
- 060. Written Minutes of Meetings.**
- 070. Preparation and Availability of Pending Minutes.**
- 080. Approval of Minutes by City Council.**
- 090. Approval of Minutes by Planning Commission.**
- 100. Approval of Minutes by Other Public Bodies.**
- 110. Preparation and Availability of Written Minutes.**
- 120. Written Minutes as Government Record.**
- 130. No Separate Right of Action.**

010. Purpose and Scope.

The purpose of this Policy is to establish guidelines and procedures for the preparation, review and approval of minutes and recordings of public meetings held by various councils, commissions, boards and committees of the City. It is the intent of this Policy to comply with applicable provisions and requirements of the Utah Open and Public Meetings Act, as set forth in *Utah Code Ann.* §§ 52-4-101, *et seq.*, as amended, regarding the conduct of public meetings by public bodies of the State and its political subdivisions.

020. Compliance by Public Bodies.

Each public body of the City is subject to the requirements of the Utah Open Meetings Act and shall comply with the provisions of this Policy regarding the approval of minutes for public meetings. As set forth in *Utah Code Ann.* § 52-4-103, as amended, “public body” is defined as any administrative, advisory, executive, or legislative body of the City that: (1) is created by the Utah Constitution, statute, rule, ordinance, or resolution; (2) consists of two or more persons; (3) expends, disburses, or is supported in whole or in part by tax revenue; and (4) is vested with the authority to make decisions regarding the public’s business.

030. Applicability.

The provisions of this Policy shall apply to the following boards and committees of the City, as well as any other board or committee that meets the definition of “public body” as defined in Section 020: City Council, Planning Commission, Board of Adjustment, Parks and Recreation Committee, Trails Committee, Landmarks Commission and Whitaker Museum Board.

Minutes Approval Policy

040. Recording of Meetings.

All public bodies of the City are required to prepare and maintain a recording of all public meetings. Except as otherwise provided by law, such recordings must be a complete and unedited record of all portions of the meeting from the commencement of the meeting through adjournment of the meeting. A recording is not required to be kept of an open meeting that is a site visit or traveling tour so long as no vote or action is taken by the public body during the site visit or tour. A recording is not required to be kept of a lawfully closed meeting held to discuss the character, professional competence, or physical or mental health of an individual or discussion regarding deployment of security personnel, devices or systems, so long as the person presiding signs a sworn statement affirming that the sole purpose of the meeting was to discuss such matters. All recordings must be properly labeled or identified with the date, time and place of the meeting.

050. Availability of Recordings.

Pursuant to *Utah Code Ann.* § 52-4-203, as amended, recordings of open meetings of City Council are required to be made available within three (3) business days after the City Council meeting. Although not required by law, it is Centerville City's policy to make recordings of all open public meetings of other public bodies of the City available to the public for listening within three (3) business days after the meeting to the extent practicable. The City Recorder shall coordinate the availability of recordings of public meetings as provided herein. Recordings of public meetings should be retained for a minimum of three (3) years from the date of the meeting.

060. Written Minutes of Meetings.

All public bodies of the City are required to prepare, approve and maintain written minutes of all open meetings of the public body. Public bodies may keep written minutes of closed portions of meetings as provided by law. Pursuant to *Utah Code Ann.* § 52-4-203, as amended, written minutes are required to include the following:

- (a) The date, time and place of the meeting;
- (b) The names of the members present and absent;
- (c) The substance of all matters proposed, discussed, or decided by the public body which may include a summary of comments made by members of the public body;
- (d) A record, by individual member, of each vote taken by the public body;

Minutes Approval Policy

- (e) The name of each person who is not a member of the public body, and after being recognized by the public body, provided testimony or comments to the public body;
- (f) The substance in brief of the testimony or comments provided by the public to the public body; and
- (g) Any other information that is a record of the proceedings of the meeting that any member requests be entered in the minutes or recording of the meeting.

070. Preparation and Availability of Pending Minutes.

The recording secretary for each public body shall prepare minutes of the meeting and submit such proposed minutes to the designated staff for review and processing. For purposes of this Policy, “pending minutes” means minutes of a public meeting that have been prepared in final draft form by the recording secretary, have been submitted to and reviewed by designated staff, are clearly marked as pending or preliminary, and are pending approval by the public body. Pursuant to *Utah Code Ann.* § 52-4-203, as amended, pending minutes of City Council meetings are required to be made available to the public within thirty (30) days after the City Council meeting. Although not required by law, it is Centerville City’s policy to have pending minutes for the all other public bodies available within thirty (30) days from the date of the meeting to the extent practicable. The City is encouraged to prepare, approve and make available for public inspection written minutes of meetings as soon as reasonably practicable.

080. Approval of Minutes by City Council.

The City Council shall consider approval of written minutes at the next regularly scheduled City Council meeting following the completion and designation of the pending minutes. The City Council shall approve the minutes as presented, approve the minutes with amendments, or table action on the minutes for further review and/or corrections. Any pending minutes that are tabled for further review and/or corrections shall be scheduled on the next regularly scheduled City Council meeting agenda for final action.

090. Approval of Minutes by Planning Commission.

The Planning Commission shall consider approval of written minutes at the next regularly scheduled Planning Commission meeting following the completion of the pending minutes. The Planning Commission shall approve the minutes as presented, approve the minutes with amendments, or table action on the minutes for further review and/or corrections. Any pending minutes that are tabled for further review and/or corrections shall be scheduled on the next regularly scheduled Planning Commission meeting agenda for final action.

Minutes Approval Policy

100. Approval of Minutes by Other Public Bodies.

Public bodies of the City, other than the City Council and Planning Commission, may not meet on a regularly scheduled basis or meet less often than once a month. Given the potential for significant time period between meetings of these other bodies, the following procedures are provided for a more efficient and timely process for the approval of written minutes.

(a) If the public body has a meeting scheduled within thirty-five (35) days following the completion of the pending minutes in final form, the public body shall consider the minutes for approval at such next immediately scheduled meeting. If presented at the next immediately scheduled meeting, the public body shall approve the minutes as presented, approve the minutes with amendments, or table action on the minutes for further review and/or corrections. Any pending minutes that are tabled for further review and/or corrections shall be approved within thirty-five (35) days from the date of such action to table in accordance with the provisions of this Section.

(b) If the public body does not have a meeting scheduled within thirty-five (35) days following the completion of the pending minutes in final form, the City Recorder or other designee, shall provide each member of the public body with a copy of the minutes for review. Such minutes may be provided to the members of the public body electronically or by hard copy, as determined by the City. Members of the public body shall have seven (7) days to review and provide the City Recorder with any corrections to the minutes. If corrections to the pending minutes are made by any member, a new revised draft version shall be sent out to the members, who shall have another seven (7) days to review and revise the draft minutes. If the City Recorder does not hear back from any members of the public body with corrections to the pending minutes, or revised pending minutes, the minutes shall be deemed approved by the public body and shall thereafter become the official record of the meeting.

110. Preparation and Availability of Approved Minutes.

The recording secretary for each public body shall prepare the final minutes as approved by the public body and submit the approved minutes to the City Recorder for posting and retention. Pursuant to *Utah Code Ann.* § 52-4-203, as amended, approved minutes of an open meeting of the City Council are required to be made available to the public within three (3) business days after the City Council meeting at which the minutes were approved. The City Recorder, or his or her designee, shall make such approved minutes of the City Council available to the public within the required three (3) business days from the date of the meeting by posting the minutes on the Utah Public Notice Website created under Utah Code Ann. 63F-1-701, as amended, and making such approved minutes and any public materials distributed at the meeting available to the public at City Hall. Although not required by law, the recording secretaries and City Recorder are encouraged to have written minutes for all other public bodies of the City available to the public within three (3) days from the date of the meeting at which the minutes were approved to the extent practicable.

Minutes Approval Policy

120. Written Minutes as Government Record.

Pending minutes, approved minutes, and a recording of an open public meeting are public records under the Utah Government Records Access and Management Act, as set forth in *Utah Code Ann.* §§ 63G-2-101, *et seq.*, as amended. Closed meeting minutes or recordings are protected records under the Utah Government Records Access and Management Act. Once approved, or deemed approved and accepted, written minutes are the official record of the meeting. Written minutes shall be retained, classified, managed and accessed in accordance with applicable provisions of the Utah Government Records Access and Management Act and the Utah Open and Public Meetings Act. Pursuant to the Utah Municipal General Records Retention Schedule, minutes of public meetings are to be retained permanently and may be archived with the Utah State Archives.

130. No Separate Right of Action.

The Provisions of this Policy are intended to provide guidelines for the preparation and approval of minutes by the public bodies of the City in accordance with applicable law and shall not create a separate right of action by any third party for failure of the City or its public bodies to comply with the same.



CENTERVILLE CITY ELECTRONIC MEETINGS POLICY

February 18, 2014

This Electronic Meetings Policy sets forth guidelines and procedures for the convening and conduct of electronic meetings held by various councils, commission, boards and committees of the City. This Policy is intended to comply with all applicable provisions of Utah law, including, but not limited to, the Utah Open Meetings Act as set forth in *Utah Code Ann. §§ 52-4-101, et seq.*

Electronic Meetings Policy

- 010. Purpose and Scope.**
- 020. Compliance by Public Bodies.**
- 030. Applicability.**
- 040. Authority to Conduct Electronic Meetings.**
- 050. Public Notice of Electronic Meetings.**
- 060. Member Notice of Electronic Meetings.**
- 070. Electronic Communication Requirements.**
- 080. Anchor Location.**
- 090. Procedures.**
- 100. Participation.**
- 110. Agenda Statement.**
- 120. No Separate Right of Action.**

010. Purpose and Scope.

The purpose of this Policy is to establish guidelines and procedures for various councils, commissions, boards and committees of the City to convene and conduct electronic meetings. It is the intent of this policy to comply with applicable provisions and requirements of *Utah Code Ann.* § 52-4-207, as amended, regarding the authority of public bodies to conduct electronic meetings.

020. Compliance by Public Bodies.

Each public body of the City is subject to the requirements of the Utah Open Meetings Act and shall comply with the provisions of this Policy regarding the convening or conducting of an electronic meeting. As set forth in *Utah Code Ann.* § 52-4-103, as amended, “public body” is defined as any administrative, advisory, executive, or legislative body of the City that: (1) is created by the Utah Constitution, statute, rule, ordinance, or resolution; (2) consists of two or more persons; (3) expends, disburses, or is supported in whole or in part by tax revenue; and (4) is vested with the authority to make decisions regarding the public’s business.

030. Applicability.

The provisions of this Policy shall apply to the following boards and committees of the City, as well as any other board or committee that meets the definition of “public body” as defined in Section 020: City Council, Planning Commission, Board of Adjustment, Parks and Recreation Committee, Trails Committee, Landmarks Commission and Whitaker Museum Board.

Electronic Meetings Policy

040. Authority to Conduct Electronic Meetings.

Public bodies of the City are authorized to conduct an electronic meeting so long as such meeting meets the procedures and requirements of this Policy, including notice of the electronic meeting and all technological requirements set forth herein. Electronic meetings of public bodies shall also comply with applicable provisions of *Utah Code Ann.* § 52-4-207, as amended.

050. Public Notice of Electronic Meeting.

The public body convening or conducting an electronic meeting shall provide public notice of the meeting in accordance with *Utah Code Ann.* § 52-4-202, as amended, and shall post written notice of the meeting at the anchor location.

060. Member Notice of Electronic Meeting.

In addition to the public notice provided in accordance with Section 050, the public body convening or conducting an electronic meeting shall provide notice of the electronic meeting to the members of the public body at least 24 hours before the meeting so that they may participate in and be counted as present for all purposes, including the determination that a quorum is present. Notice to members shall also include a description of how the members will be connected to the electronic meeting.

070. Electronic Communication Requirements.

For purposes of this Policy, an electronic meeting means a meeting of a public body convened or conducted by means of a conference using electronic communications. In order to conduct an electronic meeting, there must be sufficient and working facilities and technology at the anchor location so that all participants of the meeting have the ability to communicate with all other members of the public body, either verbally or electronically, and so that each member of the public body can hear or observe the communication. The number of separate connections for an electronic meeting may be restricted based on available equipment capabilities. Connections shall be approved based on priority of request and for members of the public body.

080. Anchor Location.

Anchor location means a physical location where the public body normal meets and where facilities and technology are provided for electronic communication. For most public bodies of the City, the Centerville City Offices, located at 250 North Main Street, Centerville, Utah, 84014, shall be considered the anchor location. Appropriate space and facilities shall be provided at the anchor location of the meeting so that interested persons and the public may attend, monitor, and participate in the open portions of the meeting.

Electronic Meetings Policy

090. Procedures.

The procedures to be followed at the electronic meeting shall be the same as those followed by the public body in a non-electronic open and public meeting of the public body. Prior to commencing the electronic meeting, an electronic link shall be established with all participants and the anchor location. The chair of the meeting shall confirm that the non-present members are connected via electronic means. Recording and minutes shall be kept for the meeting in accordance with the requirements of the Open and Public Meetings Act. If voting is required for any action, a roll call vote shall be taken so that the non-present member(s) vote may be counted and heard. Following passage of a motion to adjourn, the electronic link shall be terminated and the meeting shall be deemed concluded.

100. Participation.

All interested parties shall be able to either hear public statements made by all members of the public body participating in the meeting, or be able to view and hear all members participating in the meeting. In addition, all interested parties shall be able to participate in the public hearing by having their voices or their voices and images conveyed live to all members of the public body. Care should be taken to ensure that participants verbalize their statements and responses so that non-present members may hear them. In addition, any and all visual aids and written material not available to the non-participating members should be verbally described. Nothing in this policy may be construed to interfere with reasonable accommodations made under the Americans with Disabilities Act.

110. Agenda Statement.

Each agenda for an electronic meeting shall include the following statement: *“Meetings of the Centerville City Council [Planning Commission, Board of Adjustment or Committee] 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.”*

120. No Separate Right of Action.

The Provisions of this Policy are intended to provide guidelines for the convening of electronic meetings by the public bodies of the City in accordance with applicable law and shall not create a separate right of action by any third party for failure of the City or its public bodies to comply with the same. The City reserves the right to prohibit or limit electronic meetings based on budget, logistical or technological restraints and considerations.

GUIDELINES FOR COUNCIL/STAFF RELATIONS

Proposed by Steve Thacker, City Manager

January 5, 2016

1. The Council should feel free to contact department heads and request information that is readily available. However, please do not give direction to staff beyond asking for information. If the information requested is not readily available, please discuss the request with me. When appropriate, this same information will be given to all council members.
2. The Council should feel free to make individual requests of me as the City Manager. However, if I feel the request will take considerable time or resources or may not be consistent with the desire of the majority of the Council, I will seek direction of the full Council before proceeding.
3. When a Council member hears a complaint, I ask to be informed so that I may deal with the complaint and hold someone accountable for its solution (rather than have the Council member come to me later saying that a department head had not responded to his complaint). The exception would be routine complaints—such as potholes, water pressure, garbage pickup, etc.—which you may call in directly to the appropriate department (or suggest the complainant make the call).
4. When a Council member has a concern about the performance of a City employee, I ask to be informed privately and given a chance to resolve the issue with the employee. If we fail to do so in a reasonable time, then it is fair to discuss the issue with the rest of the Council, preferably in a closed meeting, but with prior notice to the City Manager.
5. I suggest the Council not place staff in the position of having to respond off the cuff to questions or issues not related to agenda topics but raised by the Council members or citizens at public meetings, unless the question is fairly routine or harmless. I may need some time to look into the matter so that I can provide a reliable response. If the matter requires Council discussion but is not related to an agenda topic, it should be scheduled for discussion at a later meeting.

**PLEASE DO NOT TAKE THIS
HOME. LEAVE ON THE
DAIS.**

ORDER OF BUSINESS FOR AGENDA ITEMS

- **Introduction** to Agenda Item by Chair
- **Staff Presentation** (questions for staff AFTER they are done with report)
- **Applicant Presentation** (relevant questions for applicant may be asked)
- **Public Hearing** (when required)
- Applicant Response to Public Comment (if any)
- **Further Questions** for Staff and/or applicant
- ****MOTION and DEBATE** (Commission only)
- Possible Amendments to Motion Made
- **Vote**

****REMEMBER:**

Making a MOTION officially OPENS our DEBATE. Most of the debate/discussion should happen after a motion is made.

MOTION MAKING PROTOCOL

- Motion
- Second
- Discussion/Debate
- Amendments
- Discussion/Debate
- Vote

REMEMBER:

- Motion opens debate.
- Intent of motion making is to get item on the table, at least two people find merit in debate.
- Those who made and seconded the motion may choose not to vote in favor of the motion.

TIPS FOR AN EFFECTIVE DISCUSSION/DEBATE

- Chair to call for discussion
- Maker of the motion to speak first
- Focus on question at hand
- Avoid irrelevant issues
- **Address ordinance criteria**
- **Affirmatively state your arguments**
- **Avoid circular debate**
- **Must receive full debate**
- **All sides of argument voiced**
- **Include rationale for your leaning/arguments (the public's business should be in the public record)**
- Discussion and debate, not negotiation
- Chair to restate the motion
- Voice Vote taken
- Chair to announce the vote and action

**CENTERVILLE
CITY COUNCIL
Staff Backup Report
1/5/2016**

Item No. 8.

Short Title: Miscellaneous Business

Initiated By:

Scheduled Time: 8:15

SUBJECT

- a. Discussion on video streaming Council meetings
- b. Confirm public hearing date and process regarding the Accessory Dwelling Units proposed ordinance

RECOMMENDATION

BACKGROUND

- a. Several council members would like to discuss the idea of video streaming council meetings.
- b. A public hearing is currently scheduled for January 19 for the Accessory Dwelling Units (ADUs) ordinance recommended by the Planning Commission. Staff recommend the new City Council proceed with the public hearing on that date and then decide whether to adopt, amend, or table action for further work on this matter.

**CENTERVILLE
CITY COUNCIL
Staff Backup Report
1/5/2016**

Item No. 9.

Short Title: Adjourn to Work Session to discuss City finances, including annual report from City's independent auditors

Initiated By:

Scheduled Time: 8:30

SUBJECT

RECOMMENDATION

Adjourn into a work session with staff and the City Auditors to discuss the Comprehensive Annual Financial Report (attached) which includes the annual report of the City's independent financial auditors. Ed Erickson, a principal of the auditing firm, will attend to present the highlights of the report and answer questions. Following this, City staff will provide additional briefing about the fundamentals of City finances for the new Council.

BACKGROUND

ATTACHMENTS:

Description

- ▣ FY 2015 CAFR
- ▣ Guide to Funds and Fund Balances

**CENTERVILLE CITY CORPORATION
CENTERVILLE, UTAH**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

Year Ended June 30, 2015

CENTERVILLE CITY CORPORATION
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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CENTERVILLE CITY CORPORATION
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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INTRODUCTORY SECTION



CENTERVILLE CITY

250 North Main Centerville, Utah 84014-1824 • (801) 295-3477 • Fax: (801) 292-8034

Incorporated in 1915



Mayor

Paul A. Cutler

City Council

Ken S. Averett

Tamilyn Fillmore

John T. Higginson

Stephanie Ivie

Lawrence Wright

City Manager

Steve H. Thacker

December 22, 2015

To the Honorable Mayor, City Council and Citizens of Centerville, Utah

State law requires that all cities publish within six months of the close of the fiscal year a complete set of financial statements presented in conformance to generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a qualified, licensed certified public accounting firm. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of Centerville, Utah for the fiscal year ended June 30, 2015.

These statements are prepared to comply with the requirements promulgated by the Government Accounting Standards Board (GASB) Statement 34. Significant changes in the basic statements consist of the addition of City-wide consolidated reports that include a statement of net assets and a statement of activities. They take the place of the traditional balance sheet and operating statements used in private business, but serve a similar purpose. These City-wide statements consolidate all funds and component units of the City and use full accrual basis of accounting with a flow of financial resources measurement of focus. These city-wide statements will make it easier to measure and analyze the changes in financial position over time.

This report consists of management's representation concerning the finances of Centerville City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented herein. To provide reasonable basis for making those presentations, management has established an internal control framework that is designed to both protect the City's assets from loss, theft, or misuse and to compile reliable information for the preparation of the financial statements in conformity to GAAP. The City's framework of internal controls is designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. The cost of internal controls should not outweigh their benefit to the City.

We believe that the data, as presented, is accurate in all material aspects and fairly sets forth the financial position and results of operations of the City as measured by the financial activities of its various funds. Disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have also been included. Additional review and management analysis of the financial statements and financial position of the City is provided in the Management's Discussion and Analysis.

The financial statements have been audited by Hansen, Bradshaw, Malmrose & Erickson, PC, a licensed certified public accounting firm qualified to perform audits of municipal governments. The goal of the independent audit was to provide reasonable assurance that the financial statements of Centerville City for the fiscal year ended June 30, 2015, are free of material misstatements. The independent audit involved examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Centerville City's financial statements for the fiscal year ended June 30, 2015 are fairly presented in conformity with GAAP. The independent auditor's report is presented at the beginning of the financial section of this report.

Community and History

Centerville was settled in the fall of 1847 by Thomas Grover and his family. In the spring of 1848 the Deuel brothers moved to the community to farm the rich soils. Early Centerville was a farming community, producing superior crops from the rich soils deposited from the streams which flowed from the canyons of the Wasatch Mountains. By 1853 the community had grown to 194 inhabitants. The community was incorporated as a Town in 1915. The City celebrated its centennial of incorporation in 2015.

Centerville continued to be a farming community through the 1940's, including market gardening and orchards of apples, apricots, cherries and peaches. Due to its proximity to Salt Lake City and its appealing setting, however, Centerville has since matured primarily into a suburban community with diverse housing types. In recent decades, significant commercial development has occurred with retail, office and entertainment.

Organization

Centerville is a city of the fourth class (population between 10,000 and 30,000), operating under the six member council form of government, with the City Manager by ordinance. The legislative body, the City Council, is comprised of five members plus the Mayor. The Mayor and council members are elected to staggered four-year terms. The City Council establishes policies and procedures for the efficient administration and operation of the City and approves and amends the budget. The City Manager is hired upon the recommendation of the Mayor and approval by the City Council. The City Manager is responsible for the daily management of the City. The Financial Statements of the City include all government activities, organizations and functions for which the City is financially accountable as defined by the Governmental Accounting Standards Board. Based on these criteria, the Redevelopment Agency of Centerville City is included; however, no other governmental organizations are included in this report.

Services

Major services provided or funded by the City include Justice Court, Police, Street Improvements and Maintenance, Culinary Water, Drainage/Flood Control, Solid Waste Collection and Disposal, Recycling, Green Waste Disposal, Telecommunications, Planning and Zoning, Building Inspection, Code Enforcement, Parks Maintenance & Construction, Youth and Adult Recreation, Cemetery, and a Heritage Museum(Whitaker). The City owns a Performing Arts Center that is leased to a private non-profit arts organization (Centerpoint Legacy Theater).

Major services provided under the Enterprise Fund include culinary water, storm drainage and sanitation that includes solid waste collection, recycling, and green-waste. Solid waste, recycling and green waste collection is provided through the City, by a private contractor. Solid waste disposal is provided by a special district, Wasatch Integrated Waste. Uniquely, the City established a Telecommunications Enterprise Fund to deliver ultra-high band width telecommunications through a fiber-to-the premise network. Centerville has contracted with Utah Infrastructure Agency (UIA) by inter-local agreement, to construct and operate the fiber optic network via the UTOPIA network. Fire services are provided by a special district, South Davis Metro Fire Agency, with funding coming from municipalities within the district including Centerville City. Centerville City is also within the South Davis Recreation District that operates the South Davis Recreation Center located in Bountiful, Utah. The City contracts with Davis County for animal control services.

Economic Factors and Conditions

Most of the land available for residential growth has already been developed. The City has had minimal single family residential growth in recent years. Single family dwellings is limited to small areas of vacant land and “in-fill” construction. In response to the housing market, there has been an increase in multi-family units. In the last decade the City has experienced significant growth in the commercial areas including office, retail and entertainment.

Local option sales tax is the main source of tax revenue for general services. After years of steady growth in sales tax, the recession beginning in 2007 caused several years of decreasing revenues. Sales tax revenues have increased since 2010, recovering to levels above 2008 revenues. Sales tax revenues have continued to grow compared to the same time period(s) in the prior year. Centerville local retail services continue to have increasing sales that provide needed revenue to the City. The trend is improving and revenues are anticipated to increase through 2015-2016 locally and Statewide. Other revenue sources such as property tax have been stable, but with little increase. The State of Utah authorized an increase in the tax levied on gasoline sales that will benefit the City with increased revenue for street maintenance and replacement.

As of the time of this report, the voters recently approved a County wide .25% increase in sales tax to be used for transportation projects, including roads, trails, etc. The Cities within the County will receive an amount equal to .10% of taxable sales. With the two new sources of revenue, the City will be able to better address the extensive need for road repair and replacement. The voters also approved the renewal of the RAP (Recreation, Arts & Parks). This .10% levied on taxable sales is planned to be used for new parks, replacement of aging park facilities, and improvement/maintenance of the City's Museum and Performing Arts Center.

As stated, the City's commercial areas have continued to grow. One primary area of growth is the City's west side. This area has the potential of significant commercial development, including retail, office and light manufacturing. Through the RDA, the City supported the creation of two Community Development Areas (CDA). The first one facilitated the development of the Legacy Crossing at Parrish Lane commercial project. This development includes entertainment, offices and multi-family housing, with the possibility of retail and restaurants in the future. The RDA also created a second CDA on the west side, the Barnard Creek CDA. This area will accommodate light industrial, office and manufacturing. Construction in this area has begun with several new businesses already open.

Major Initiatives

The City's major initiatives in FY 2015 included transportation projects, drainage system funding, park expansion, land use and housing studies, fire/EMS services funding, and the City's Centennial Celebration.

Transportation Projects

Many transportation projects were initiated, continued or completed in FY 2015, including the following:

- **Continued implementation of the Streets Maintenance Plan.** This plan—last updated in 2013—identifies the type of pavement preservation activities needed over a five-year period for all city streets. The most significant resurfacing project completed in FY 2015 was portions of the Frontage Road and MarketPlace Drive. Unfortunately, the City is falling behind in funding the full recommendations of the Streets Maintenance Plan. However, due to a new state law and voter approval of a county-wide transportation sales tax in 2015, the City will be able to fund significantly more street maintenance work in future years.
- **Parrish/Main intersection reconstruction.** This project was in the planning and design phases for several years. Construction began in FY 2014 and was completed in FY 2015. Most of the \$1.7 million project funding came from Federal and State sources. The project has increased the capacity and reduced the congestion at this intersection.

- **Pedestrian bridge over I-15.** City officials were successful in FY 2014 in convincing UDOT to include a new pedestrian bridge in the I-15 South Davis Project. Bridge construction began in FY 2015. This will be the first safe pedestrian crossing in Centerville connecting the east and west sides of I-15. The bridge and connecting sidewalks are funded by UDOT. The City's Redevelopment Agency, however, has agreed to provide more than \$100,000 to upgrade the fencing on the pedestrian bridge and along the new sidewalks.
- **Traffic signals at 1250 West/Parrish Lane.** In FY 2015, UDOT approved the funding and design for installation of traffic signals at this intersection. Construction will occur in FY 2016. This project complements the pedestrian bridge and sidewalks mentioned immediately above to provide safe passage of pedestrians and bikers between the east and west sides of the freeway, while also addressing vehicular safety at this intersection.
- **Legacy Parkway Trail Connector.** In FY 2015, the City negotiated a partnership with a developer that will result in the construction of a pathway connecting Parrish Lane with the Legacy Parkway Trail, a regional trail connecting cities in south Davis County. This project—combined with the pedestrian bridge and traffic signals mentioned above—will provide the final link needed to provide Centerville residents with a reasonable, safe, non-motorized access to the regional trail system.
- **Frontage Road Sidewalk Project.** In FY 2015, UDOT awarded the City a grant to complete the construction of sidewalk along the Frontage Road at north end of the City. Project design began in FY 2015 and construction occurred in FY 2016.
- **Complete Streets Policy.** The City Council adopted a "Complete Streets" Policy in FY 2015. This policy expresses the intent to consider the needs of all users of the public right-of-way when planning street maintenance and improvement activities.
- **Master Bike Plan.** The City's Trails Committee prepared a master bike plan which recommends streets for designated bike routes. This plan is pending City Council approval, and would be one step towards implementation of the Complete Streets Policy mentioned above.

Drainage System Funding

The City's Drainage System Master Plan was updated in FY 2014. Based on the updated plan, storm drain impact fees were updated that year. In FY 2015 a user rate study was completed for the Drainage Utility Fund, also based on the updated Master Plan, which identified the need for \$6 million in capital projects over the next 10 years, mostly to replace failing drainage pipes. The City Council decided to fund this need on a pay-as-you-go basis rather than issuing bonds. Therefore, after extensive public outreach and education, the City Council approved a 112% increase in both the monthly storm drain user fee and monthly subsurface drain user fee.

Park Expansion

In FY 2015 the first phase of the Community Park expansion project was completed at a cost of approximately \$500,000. Most of that funding came from Park Impact Fee revenue generated by new residential development. The Parks Capital Improvement Plan estimates that at least another \$800,000 will be needed to complete this expansion project. The sources of this additional funding will be Park Impact Fee revenue and RAP Tax revenue authorized by the voters in November 2015. The expansion area is anticipated to be opened to public use in FY 2018.

Land Use and Housing Studies

FY 2015 included several land use/housing studies:

- **West Side General Plan Update.** In FY 2014 the City Council initiated an extensive public process for updating the General Plan for the area west of I-15 and south of Parrish Lane. This process included a land use study and public transit analysis and generated a plan for mixed-use and high density residential development in this area. However, in FY 2015, after receiving much public comment about the proposed plan—including strong criticism from West Bountiful City officials and property owners—the Centerville City Council rejected the proposed plan. The Council’s intent is to re-start the visioning and planning process for this area.
- **South Main Street Corridor Plan.** In FY 2015, strong public opposition to a proposed mixed-use/high density development on South Main Street caused the City Council to impose a six-month development moratorium and begin a review of the South Main Street Corridor Plan and Overlay Zone. As a result, the Overlay Zone was amended after close of FY 2015. Significant revisions include caps on the number of residential units allowed in future development along South Main Street.
- **Accessory Dwelling Units.** In FY 2015, the Planning Commission forwarded recommendations to the City Council that would allow accessory dwelling units in single-family neighborhoods. The City Council’s work on this issue, however, was postponed until FY 2016 in order to give their attention to the South Main Street Corridor matter mentioned above.

Fire/EMS Services Funding

In FY 2015 the member entities of the South Davis Metro Fire Agency—including Centerville City—continued studying the possibility of converting the Fire Agency to a Local Fire Service Area with its own taxing authority. The impetus for this initiative is the need to fund capital improvements that cannot realistically be funded under the current Fire Agency structure as an

intergovernmental entity. This proposal was subjected to a public process after close of FY 2015, with no apparent opposition expressed during that process. Therefore, the new Local Fire Service Area is expected to assume the operations of the current Fire Agency beginning July 1, 2016. The member entities will continue to provide funding for the operations budget through assessments; however, capital needs will be funded via a property tax levy approved by the new governing board beginning in FY 2016.

Centennial Celebration

Centerville City celebrated 100 years as an incorporated municipality in 2015. A large number of volunteers served on the main committee and several subcommittees to plan and carry out various activities throughout the year. To fund the Celebration, the City Council authorized the normal \$24,000 for July 4th activities, plus another \$16,000 for additional activities throughout the year and more flag banners on Main Street. The Council also expended \$10,000 in City funds to help with the cost of publishing a book commemorating the Centennial. Donations were also solicited from businesses and individuals through the efforts of the Centerville Community Foundation, the Centennial Book Committee, and promoters of the effort to increase the number of flag banners on Main Street.

Financial Policies

State Code dictates that 5% to 25% of general fund revenue be kept in the unreserved fund balance of the general fund. Each year's budget plan targets an amount within that range and may be higher or lower depending on operational and capital needs. The unassigned fund balance as of June 30, 2015 was 11.22% of next year's budgeted revenue. The Council and management attempts to finance operations and capital on a pay as you go basis if possible, using debt when it is to the long term financial advantage to the City and/or is necessary to acquire capital in a timely manner.

The City uses several capital improvement plans including streets, water, drainage, parks and capital facility plans to focus and plan for upcoming projects and required funding. These plans are reviewed annually and periodically modified.

Awards

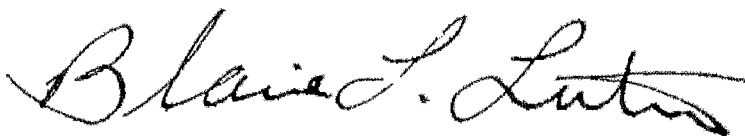
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Centerville City for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the sixteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department and City employees in the Community Development and Public Works departments. We would like to thank the Mayor and members of the City Council for their interest and support in the financial operations of the City, for demonstrating fiscal responsibility, and for striving to achieve the highest possible standards.

Respectfully submitted,

A handwritten signature in black ink, reading "Blaine L. Lutz". The signature is written in a cursive, flowing style with a large initial 'B' and a long, sweeping underline.

Blaine L. Lutz

Finance Director/Assistant City Manager

CENTERVILLE CITY CORPORATION

PRINCIPAL OFFICIALS

EXECUTIVE BUDGETARY

Steve H. Thacker	City Manager
Blaine L. Lutz	Finance Director/Asst. City Manager

STATUTORY APPOINTED OFFICIALS

Marsha Morrow	Recorder
Jolene Jackson	Treasurer
David Miller	Justice Court Judge

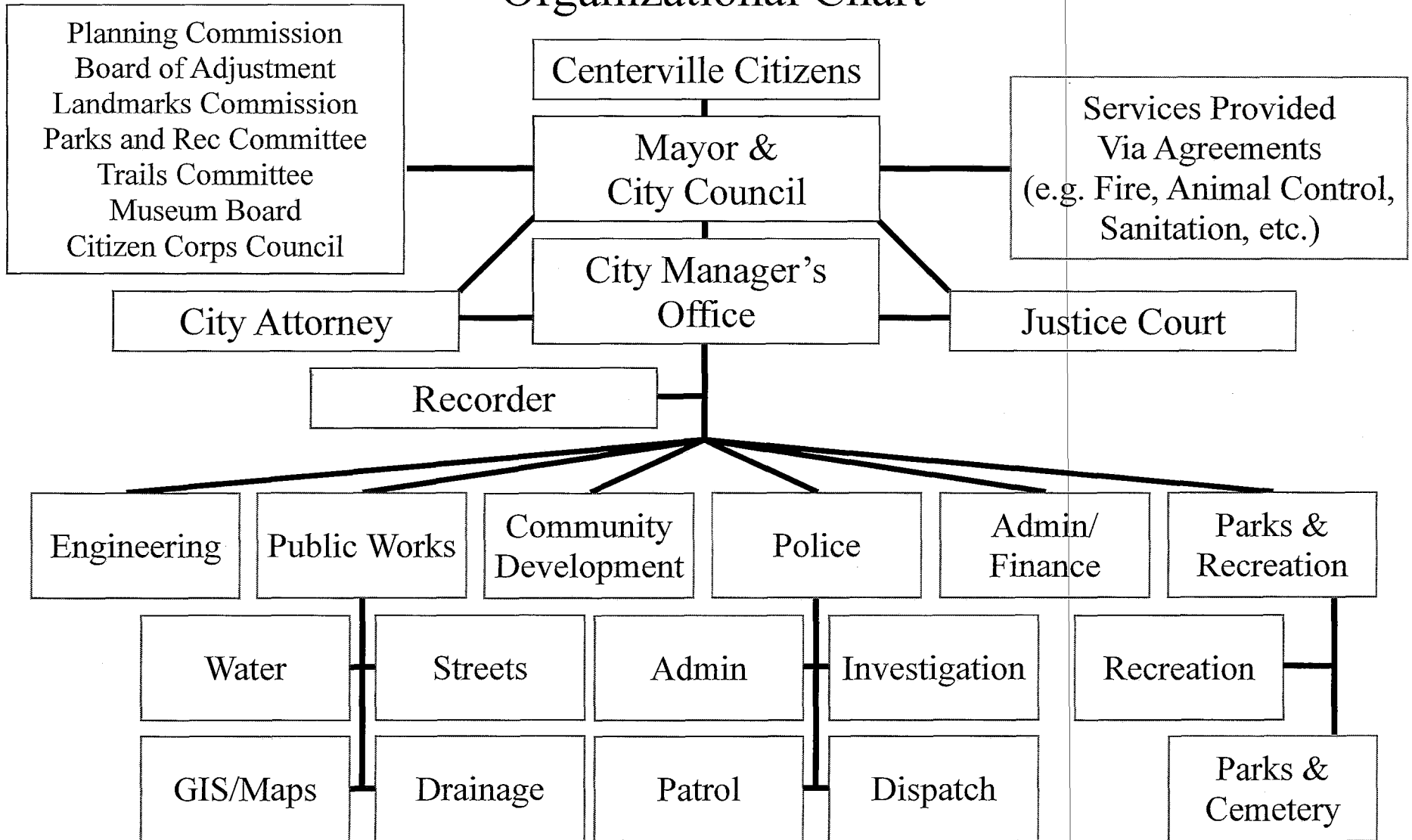
DEPARTMENT HEADS

Paul Child	Police Chief
Randy Randall	Public Works Director
Bruce Cox	Parks/Recreation Director
Corvin Snyder	Community Development Director

OTHER CITY OFFICIALS

Von Steenblik	Assistant Police Chief
Kevin Campbell	Engineer
Lisa Romney	Attorney

Centerville City Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Centerville City Corporation
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014



Executive Director/CEO

FINANCIAL SECTION

Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation
CERTIFIED PUBLIC ACCOUNTANTS

559 West 500 South
Bountiful, Utah 84010
801-296-0200
Fax 801-296-1218

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Clarke R. Bradshaw, CPA
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Edwin L. Erickson, CPA
Michael L. Smith, CPA
Jason L. Tanner, CPA

Robert D. Wood, CPA
Aaron R. Hixson, CPA
Ted C. Gardiner, CPA
Jeffrey B. Miles, CPA

*Members of the
American Institute
of Certified Public
Accountants*

*Members of the
Private Company
Practice Section*

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
Centerville City Corporation, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Centerville City Corporation, Utah (the City), as of and for the year ended June 30, 2015, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes assessing the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Centerville City Corporation, Utah, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the management's discussion and analysis on pages 15 through 28 and the pension schedules on pages 78 and 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The accompanying combining and individual nonmajor fund financial statements, and budgetary comparison information are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally

accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Hansen, Bradshaw, Malmrose & Erickson, P.C.

December 18, 2015

Management's Discussion & Analysis

The management of Centerville City presents the following narrative and analysis of the financial statements and financial activities of Centerville City as prescribed by the Governmental Accounting Standards Board (GASB). The information and analysis pertains to the fiscal year ended June 30, 2015.

Financial Highlights

The Statement of Net Position is similar to a balance sheet in the private sector. The assets of Centerville City exceeded its liabilities at June 30, 2015 by \$40,885,937 (net position). The City has \$41,379,152 invested in capital assets, net of related debt. \$221,201 is restricted for debt service or construction. The unrestricted amount is (\$714,416). This does not indicate that the City is operating in a deficit position, but indicates the financial position in relation to the assets, (current, non-current and capital), and liabilities of the City. Newly included in this statement is the City's stated portion of the Utah State Retirement System that is not funded with current assets.

Centerville's total net position increased slightly by \$1,620,993 from the prior year, a 4.13 % increase (after prior period adjustment). The increase is a net after the 2014 position has been restated to account for the adjustment in accordance with the new GASB 68 rule, which requires the City to record its estimated amount of Utah State Retirement Fund liability. Changes in assets and liabilities are as follows. Total assets decreased by \$1,671,306, a change of 3.3%. Total Liabilities also decreased by \$1,473,005 from the prior year, a percent change of 10.33%. Capital investments did increase, net of debt, 7.23 %, a dollar total of \$2,787,731. Business-Type Activities capital investments net of debt increased \$1,139,033 - 8.83 %, and Governmental Activities increased \$1,648,698 - 6.42 %. Restricted assets for debt service and construction decreased by \$797,813 which is 70.30 % change from the previous year. Most of the net decrease was due to a change in Business-Type activities with a decrease of \$795,446. Government activities decreased by \$2,367. Unrestricted assets decreased \$2,134,269. Governmental Activities decreased \$2,096,544, while Business-Type activities decreased by \$37,725.

Centerville's governmental funds reported a combined ending fund balances of \$1,573,134 at June 30, 2015. This is a statement of the current available assets of the City. This is a decrease of \$612,779, a percent change of 28.04%. The City incurred considerable spending or commitments to capital projects including park improvements and roads. Of the ending fund balances, \$831,617, is available for spending at the City's discretion in the General Fund (unassigned fund balance).

At June 30, 2015, fund balances assigned to funds other than the general fund was \$741,517 an overall \$120,317 decrease. Assigned fund balances decreased by \$117,950, or 14.01%. The Assigned amount to the RDA, \$342,835. The amount assigned for capital projects accounts has a balance of \$312,484 a decrease of \$170,924 a 35.36% change, which is a reflection of the City's investment in a new park facility. Special revenue funds increased by \$81,952 to \$395,866, a 26.11%, with an \$81,857 increase assigned to the RDA. In the previous year the balance restricted for debt service was \$44,828. The balance in this period is \$17,317.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Centerville City basic financial statements. Centerville City's basic financial statements are comprised of four components; 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) other supplementary statistical information in addition to the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of Centerville City's finances, in a manner similar to private sector businesses.

The *statement of net position* presents information on all of Centerville City's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as an indicator of changes in financial position of the City.

The *statement of activities* presents information showing how Centerville City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

Both of the government-wide financial statements distinguish functions of Centerville City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Centerville City include general government, police, community development, streets and public improvements, parks and recreation. The business type activities of Centerville City include services for culinary water, storm and sub-surface water, solid waste, and recycling, and Telecommunications.

The government-wide financial statements include Centerville City (known as the primary government) and two separate legal entities (known as component units). The financial information for the Centerville City Redevelopment Agency (RDA). However, because the City's governing body is the same as the governing boards of the component unit, and can substantially control them, the financial information is blended and reported together with the financial information presented for the primary government.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Centerville City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related laws and regulations. All of the funds of Centerville City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on the near term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with the similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long term impact of the City's near term financing decisions. Both the governmental funds balance sheet and the governmental fund statement of revenues, expenditures and changes in the fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Centerville City maintains eleven (11) individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the General fund, Redevelopment Agency, and Arts Center debt service fund all of which are considered major funds. Data from the other seven (7) governmental funds are combined into a single, aggregate presentation. Individual fund data for each governmental fund is provided in the form of individual and combining statements elsewhere in the report.

Centerville City adopts an annual budget for its three major governmental funds; General Fund as well as the Centerville City Redevelopment Agency and the Arts Center Debt Service Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with budget. Budgets are also adopted for the other Non-major governmental type funds.

Proprietary funds - Centerville City maintains one type of proprietary fund, known as an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government wide financial statements. The City uses enterprise funds to account for water, solid waste collection, recycling, green waste, drainage, and telecommunications.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the water, drainage and Sanitation funds because they are considered major funds. Telecommunications is considered to be non-major fund, however it is the only non-major fund therefore is reported with the major funds. Individual fund data for each governmental fund is provided in the form of individual and combining statements elsewhere in the report.

Fiduciary Fund – The City reports a fiduciary fund to account for the activities of the Whitaker Museum.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and the accompanying notes, this report also presents combining and individual schedules referred to earlier in connection with the non-major governmental funds. They are presented immediately following the notes to the financial statements. Selected statistical information is presented in tabular form. Auditor's reports on compliance are also included at the end of the document.

Government-wide financial analysis

As noted earlier, net position is an indicator of a government's overall financial position, including current resources, liabilities and investment in assets. In the case of Centerville City, assets exceeded liabilities by \$40,885,937 at June 30, 2015.

The largest portion of the City's net position is \$41,379,152 which reflects investments in capital assets including land, buildings, machinery and equipment, less any related debt used to acquire those assets that is still outstanding. This is an increase of \$2,787,731 which equals, 7.23%, from the prior period. The increase reflects the City's investment in capital facilities and equipment and decrease in long term liabilities including related debt. The City uses capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities.

A portion of the remainder of the City's net position, \$221,201, represents resources that are subject to external restrictions on how they may be utilized. However this is a decrease of \$797,813 or 79%. This decrease was due to the decrease in restricted assets, primarily in Business-Type activities.

The table on the following page illustrates the City's Net Position for Governmental Activities and Business-Type activities (enterprise funds), and a comparison to the prior year. The following page includes a table that illustrates the Change of Net Position as a statement of activities for the year in for Governmental and Business-Type activities.

Centerville City Net Position

	Governmental Activities 2015	Governmental Activities 2014	Business-Type Activities 2015	Business-Type Activities 2014	Total 2015	Total 2014
Current and other assets	\$3,975,445	\$5,718,495	\$374,255	\$1,263,925	\$4,349,700	\$6,982,420
Capital assets	\$31,632,427	\$31,445,700	\$17,420,445	\$16,645,758	\$49,052,872	\$48,091,458
Total assets	\$35,607,872	\$37,164,195	\$17,794,700	\$17,909,683	\$53,402,573	\$55,073,878
Deferred Outflows	\$336,348	\$0	\$49,162	\$21,373		\$21,373
Long-term liabilities	\$6,562,592	\$6,500,419	\$3,580,592	\$3,830,693	\$10,143,184	\$10,331,112
Other liabilities	\$1,345,516	\$2,464,373	\$40,661	\$206,881	\$1,386,177	\$2,671,254
Total liabilities	\$7,908,108	\$8,964,792	\$3,621,253	\$4,037,574	\$11,529,361	\$13,002,366
Deferred Inflows	\$1,349,519	\$1,062,597	\$23,265	\$0	\$1,372,784	\$1,062,597
<u>Net position</u>						
Net investment in capital assets	\$27,336,533	\$25,687,835	\$14,042,619	\$12,903,586	\$41,379,152	\$38,591,421
Restricted	\$17,317	\$19,684	\$203,884	\$999,330	\$221,201	\$1,019,014
Unrestricted	(\$667,257)	\$1,429,287	(\$47,159)	(\$9,434)	(\$714,416)	\$1,419,853
Total net position	\$26,686,593	\$27,136,806	\$14,199,344	\$13,893,482	\$40,885,937	\$41,030,288

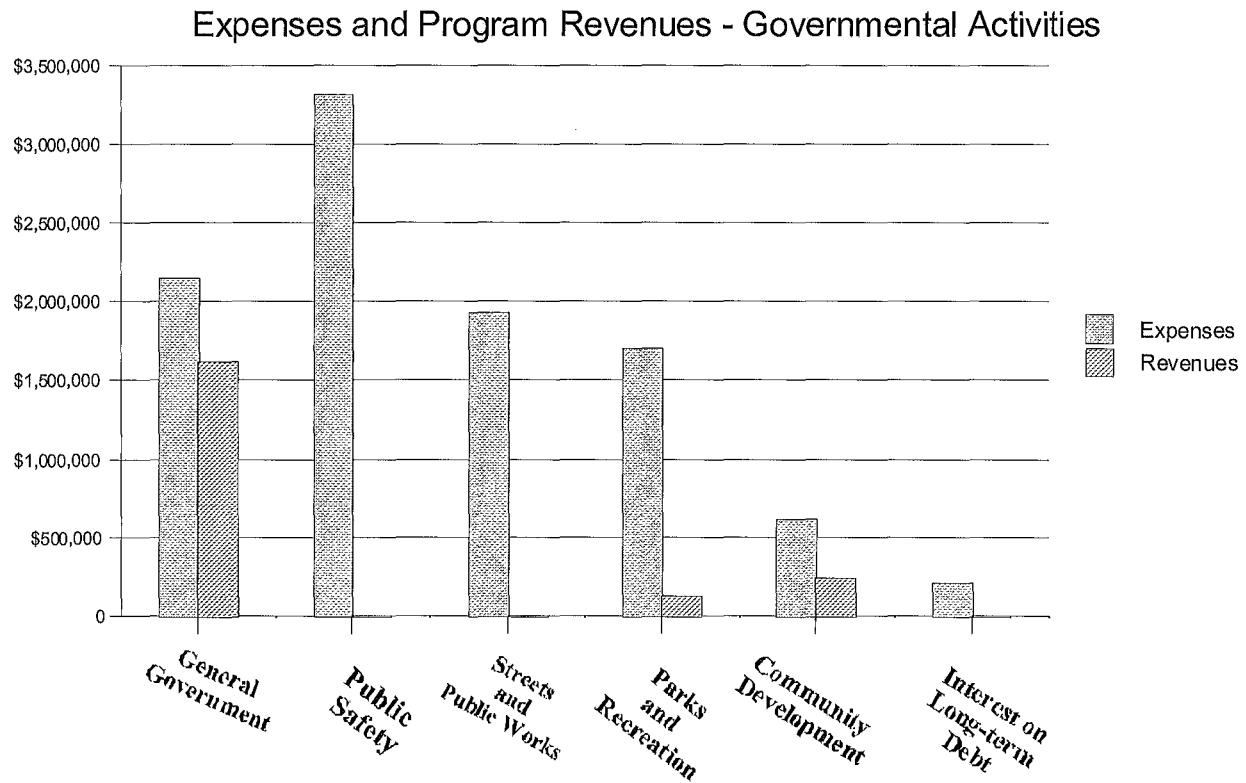
Centerville City Change in Net Position (Statement of Activities)

	Governmental Activities 2015	Governmental Activities 2014	Business-type Activities 2015	Business-type Activities 2014	Total 2015	Total 2014
<u>Revenues</u>						
<u>Program revenues</u>						
Charges for services	\$1,991,626	\$1,992,439	\$4,076,248	\$4,206,749	\$6,067,874	\$6,199,188
Operating grants and contributions	\$0	\$0	\$311,841	\$0	\$311,841	\$0
Capital grants and contributions	\$2,872,876	\$2,267,236	\$0	\$0	\$2,872,876	\$2,267,236
<u>General revenue</u>						
Property tax and uniform vehicle fees	\$1,520,060	\$1,514,682	\$0	\$0	\$1,520,060	\$1,514,682
Other taxes	\$4,641,720	\$4,479,621	\$0	\$0	\$4,641,720	\$4,479,621
Other	\$98,392	\$224,224	\$4,632	\$7,784	\$103,024	\$232,008
Total revenue	\$11,124,674	\$10,478,202	\$4,392,721	\$4,214,533	\$15,517,395	\$14,692,735
<u>Expenses</u>						
General government	\$2,149,191	\$2,073,754			\$2,149,191	\$2,073,754
Public Safety	\$3,312,647	\$3,215,906			\$3,312,647	\$3,215,906
Streets and public works	\$1,929,230	\$2,040,237			\$1,929,230	\$2,040,237
Parks and recreation	\$1,707,103	\$1,720,371			\$1,707,103	\$1,720,371
Community development	\$618,065	\$539,894			\$618,065	\$539,894
Interest on long-term debt	\$213,694	\$259,327			\$213,694	\$259,327
Water			\$1,965,022	\$1,835,012	\$1,965,022	\$1,835,012
Sanitation			\$956,890	\$979,738	\$956,890	\$979,738
Storm drain			\$760,994	\$611,098	\$760,994	\$611,098
Telecom			\$283,566	\$424,108	\$283,566	
Total expenses	\$9,929,930	\$9,849,489	\$3,966,472	\$3,849,956	\$13,896,402	\$13,699,445
Increase in net position before transfers	\$1,194,744	\$628,713	\$426,249	\$364,577	\$1,620,993	\$993,290
Transfers	(\$20,840)	(\$163,400)	\$20,840	\$163,400	\$0	\$0
Increase (decrease) in net position	\$1,173,904	\$465,313	\$447,089	\$527,977	\$1,620,993	\$993,290
Net position, beginning, as restated	\$25,512,689	\$25,047,376	\$13,752,255	\$13,224,278	\$39,264,944	\$38,271,654
Net position, ending	\$26,686,593	\$25,512,689	\$14,199,344	\$13,752,255	\$40,885,937	\$39,264,944

Governmental Activities

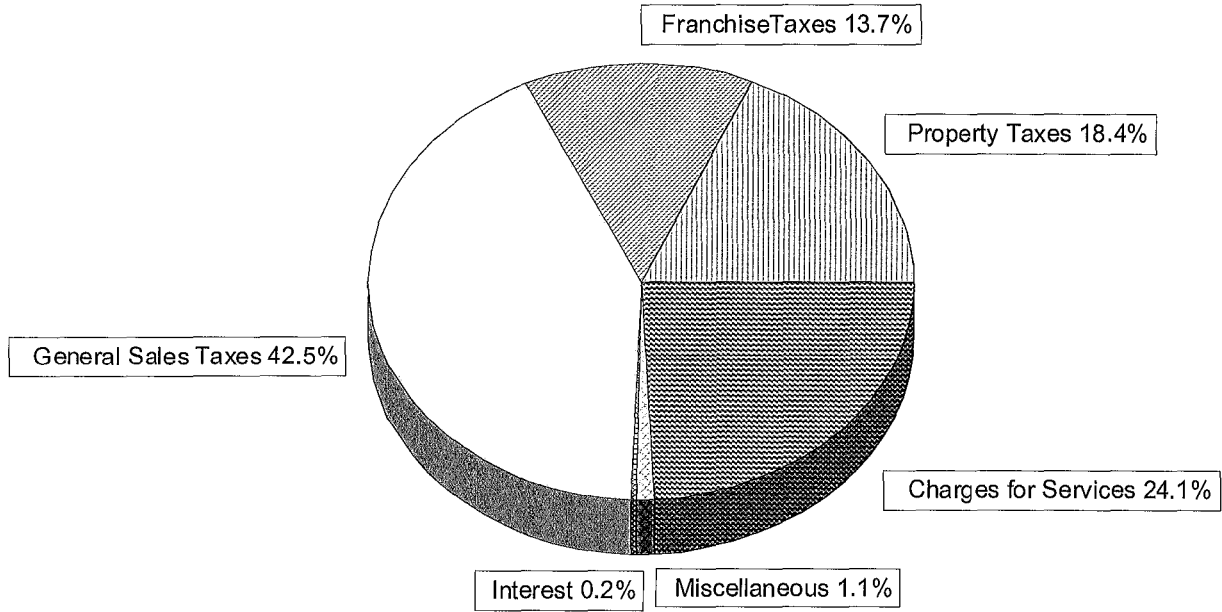
As noted in the table above, governmental activities net position increased by \$1,173,904 or 4.6%. The table illustrates the flow of current sources and uses for the period. This table is a good source to illustrate the activities and of the period and the City's position at the year end.

The following chart displays the governmental activities expenses compared to the program revenues attributed to the activity. Traditionally, governmental activities are funded by general revenue sources and not charges for direct services. Most of the funding for general services is provided by general taxes that are not assigned to a specific program.



The following chart displays the major sources of governmental activity revenue. Taxes account for 74.60% of revenue that funds governmental activity in the current period. These revenues account for the majority of the governmental services provided by the City.

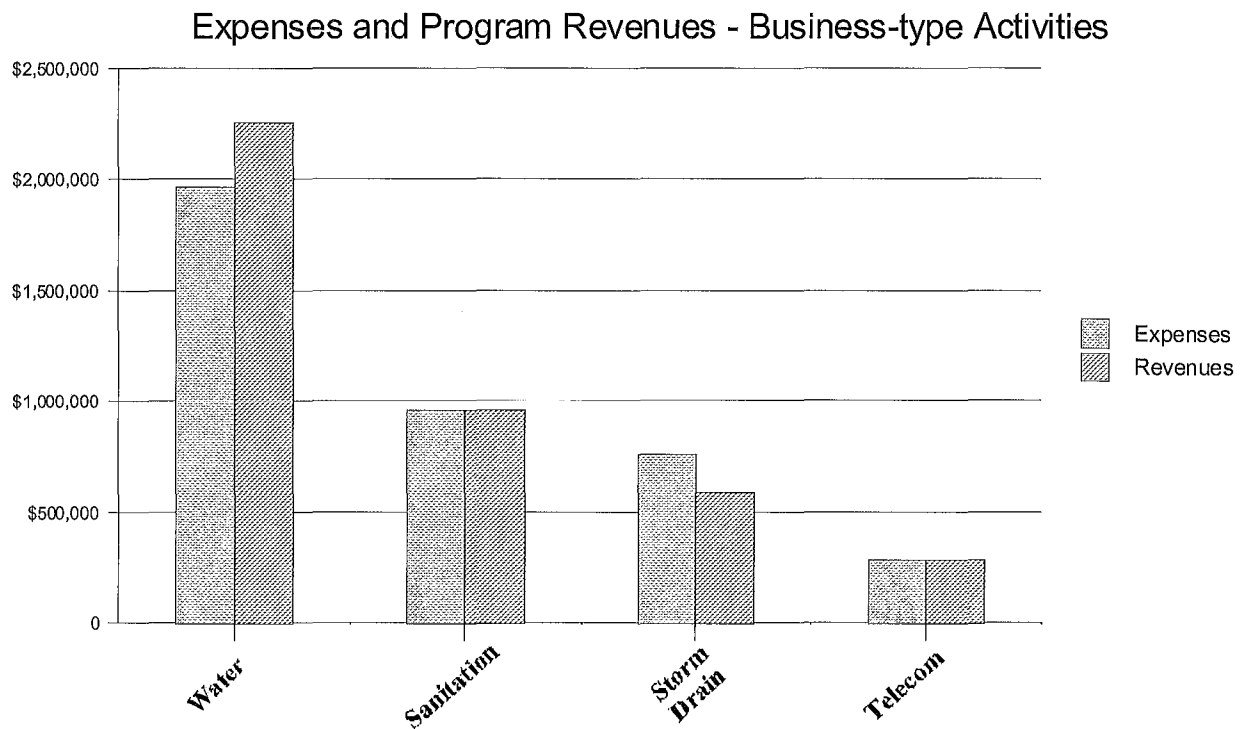
Revenue by Source - Government Activities



Business-type activities

As noted in the table “Centerville City Changes in Net Position (Statement of Activities)” business-type activities increased net position of \$447,089, 3.25% from the prior year.

The following chart displays business-type activities compared to program expenses attributed to the activity. Unlike governmental activities, traditionally business-type activities are self-supporting, revenues are used and provide sufficient funding for the services they provide.



Business-type activities are generally funded by charges for services. 100% of the revenues for business-type activities comes from charges for services, no general taxes are used to provide Business-type services. During the current reporting period charges for services more than funded expenses by a net \$109,776. Individual funds cover expenses over revenues from reserves, with the exception of the Telecom Fund which received an operating transfer from the General Fund and is not treated as revenue.

Financial Analysis of the Governments Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

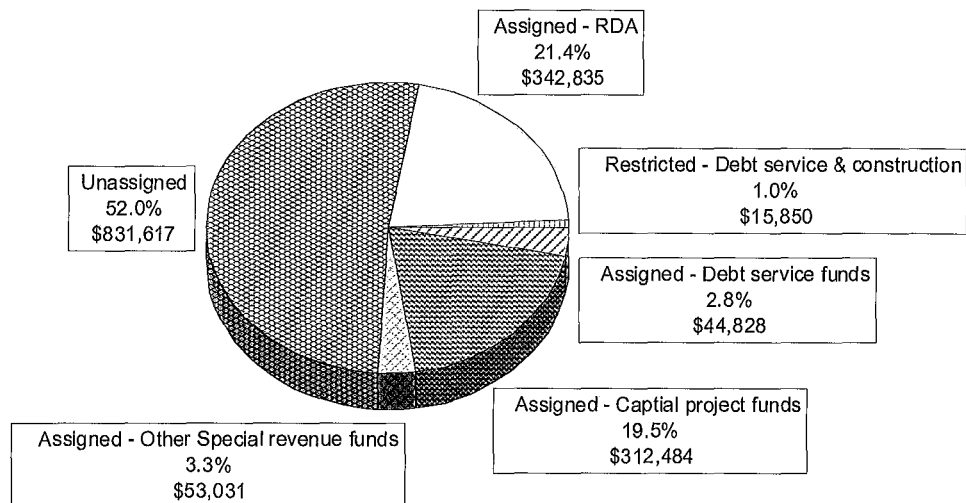
Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance is a useful measure of the government's net resources available for spending at the end of the fiscal year.

At June 30, 2015, the City's governmental funds reported a combined ending fund balance of \$1,573,134 a decrease of \$612,779, or 28.03% from the prior period. The Unassigned balance, all in general fund, decreased by 36.85 %, a total dollar amount of \$485,398. Assigned fund balances, that are restricted for a specific purpose, decreased from \$842,150 to \$724,200 from the prior period, or 14.00 %. The change is the result of a heavy investment in an addition to a new park during the year. The increase in the balance(s) was primarily due to the increase in balances in the RDA and a balance in debt service. The Restricted Fund balances are not available for new spending as it has already been committed for a specific purpose or is unavailable for government operations, but are only \$17,317 at June 30, 2015.

The following chart depicts the governmental funds restricted, assigned and unassigned fund balances.

Governmental Funds - Fund Balances



The general fund is the primary operating fund of the City. At June 30, 2015 unassigned fund balance of the general fund was \$831,617, a decrease of \$485,398, 36.86 %. The decrease was the result of increased spending, specifically for roads which included a \$315,400 transfer to the Capital Project fund (reported as UTOPIA) to fund road projects that were expected to be under contract. Revenues from franchise fees were also below budget (explained later in this report). In 2014 the Council increased the rate charged for power and gas to provide more funding to streets. Franchise fees have fallen short, even though expenditures increased the estimated \$160,000. The balance in the Capital Project Fund includes this transfer. The change was anticipated at year end. There also was no non-spendable balance, as the RDA note was retired this year which was a 20 year note. A comparison of the unassigned fund balance and the total fund balance to total fund expenditures is a measure of liquidity. Unassigned fund balance is equal to 11.22 % of total general fund revenues for the next fiscal year.

The Arts Center Debt service fund is considered as a major governmental fund. This fund has been established for the Davis Center for the Performing Arts sales tax revenue bonds. This fund has a \$15,850 fund balance. The debt service from this fund is funded by RAP taxes, contribution from Davis County tourism taxes and RDA increment. The balance is a nominal amount from RAP tax balances.

Other Governmental funds had a total decrease in fund balances of \$612,779, or 28.00%. This increase is primarily due to the change in balances in capital project funds, the Parks Capital improvement fund. There was major expenditures for a new park in this fund.

Proprietary funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Water fund

Total net position equaled \$11,107,991 at June 30, 2015. Total net position increased by \$289,771, a 2.6% increase (after prior period adjustment). The increase was primarily from investment in capital assets and the reduction of restricted balances for construction and debt service.

Drainage Utility

Total net position at June 30, 2015 was \$3,065,530. Total net assets increased by \$138,457 resulting in a 4.7 0% change (after prior period adjustment), from investment in capital assets.

Sanitation

Total net position at June 30, 2015 was \$7,588. Total net assets decreased \$1,233 resulting in a 13.98% change.

Other proprietary

The other non-major proprietary fund Telecommunications, net position of \$18,235 an increase of \$20,094 indicating the previous period this fund had a negative net position, which was corrected this year.

General fund budgetary highlights

During the fiscal year the general fund budget expenditures were amended from \$8,662,635 (including \$8,207,399 cash expenditures and \$455,236 transfers out) to \$9,140,180 which included \$8,254,015 cash expenditures and \$886,165 transfers out. This reflects total increase of \$477,545 or 5.5%. The primary reason for the amendments was for street project budget allocations, and some increased cost for engineering and development related expenditures.

Total revenues had a negative variance between final amended budgets to actual of 6.77%, for a total of \$557,152. Sales taxes, the largest source of revenue for the general fund was \$115,598 below budget. This was 3.19% less than budget. This demonstrates that minor percentage variance in sales taxes can impact revenues substantially. The amount of Franchise taxes collected was also less than budget. This type of revenue is subject to seasonal usage fluctuation. Taxes received from natural gas and power have also been slow to increase with growth as prices have declined, even though the rate levied on power and gas was increased from 5% to 6% in 2014. The taxes received from the tax on telecommunications has also declined over recent years. This is believed to be due to the competitive environment in this area. The total difference in budget and actual franchise tax revenue is \$192,751 a 14.49 % variance. Other revenue categories that had variances between the final amended budget - and actual - interest earnings significantly under budget due to decreased cash reserves and low earning rate, and the retirement of the note between the RDA and the City.

Capital Assets and Debt Administration

Centerville City's investment in capital assets for governmental and business-type activities at June 30, 2015 was \$49,052,872 (net of depreciation). The investment in capital assets includes land, buildings, improvements other than buildings, infrastructure, machinery and equipment, autos and trucks, furniture and fixtures. The City's total investment in capital assets increased by \$961,414 or 1.97%. Governmental activities increased capital assets (net of depreciation) \$186,727 or .6 %, to \$31,632,427. Business type activities increased capital assets (net of depreciation) \$774,687 or 4.65% to \$17,420,445.

Major capital asset events during the current year were:

- 1) The City added \$224,250 in Land value in this period to Governmental activities which is a non-depreciable asset. These lands were associated with developer donated property for roads, etc. Also there is \$529,985 recorded as Construction in Progress, mostly street and parks improvements.
- 2) Infrastructure increased by \$265,000 attributable to street and park improvements. Street repairs such as overlays and sealing are not considered increases in assets, but operating expenditures. New streets or complete rebuilds of streets are treated as an increase in Infrastructure assets.
- 3) The City made significant investment in business type assets during the year. Expansion or replacement of the system are recorded as an increase in assets. The Investment of business type activities increased by the amount of \$774,687 (depreciated), 4.65%. Prior to depreciation,

investments in Water distribution systems increased by \$846,972 6.32%; Storm Drain Systems increased by \$293,192, 15.89 %.

Centerville City Capital Assets
(Net of depreciation)

	Governmental Activities 2015	Governmental Activities 2014	Business-Type Activities 2015	Business-Type Activities 2014	Total 2015	Total 2014
Land	\$7,785,731	\$7,561,481	\$236,909	\$236,909	\$8,022,640	\$7,798,390
Buildings	\$15,012,209	\$15,465,066	\$2,638,379	\$2,709,041	\$17,650,588	\$18,174,107
Improvements other than buildings	\$0	\$3,803	\$48,617	\$48,617	\$48,617	\$52,420
Machinery & equipment	\$1,418,401	\$1,442,233	\$369,652	\$365,178	\$1,788,053	\$1,807,411
Distribution & collection systems	\$0	\$0	\$14,107,181	\$13,286,013	\$14,107,181	\$13,286,013
Autos & trucks	\$726,409	\$866,705	\$0	\$0	\$726,409	\$866,705
Infrastructure	\$6,159,692	\$6,035,107	\$0	\$0	\$6,159,692	\$6,035,107
Furniture & fixtures	\$0	\$71,305	\$0	\$0	\$0	\$71,305
Construction in Process	\$529,985	\$0	\$19,707	\$0	\$549,692	\$0
Total	\$31,632,427	\$31,445,700	\$17,420,445	\$16,645,758	\$49,052,872	\$48,091,458

Additional information on the City's capital assets is available in the Detailed Notes for All Funds to the financial statements (see notes to Financial Statements, Capital Assets).

Long term debt

On June 30, 2015, the long term outstanding bonds payable of the City was \$7,763,223. None of this amount is considered general obligation debt. This is a decrease from the prior period by \$1,841,207, 19.17 %. Governmental activities outstanding debt decreased by \$1,459,609, 25.43% and Business type activities decreased by \$381,598, 9.96%. All of the debt is considered revenue bonds (\$4,402,649 governmental activities and \$3,360,574 business-type activities). No additional debt was issued. For additional information on the City's long term debt, refer to the Detailed Notes for All Funds to the financial statements.

Centerville City Outstanding Long Term Debt

	Governmental Activities 2015	Governmental Activities 2014	Business-type Activities 2015	Business-type Activities 2014	Total 2015	Total 2014
Compensated Absences	\$525,897	\$465,296	\$89,309	\$88,521	\$615,206	\$553,817
Capital Lease	\$130,894	\$172,866	\$0	\$0	\$130,894	\$172,866
Revenue bonds	\$4,402,649	\$5,862,258	\$3,360,574	\$3,742,172	\$7,763,223	\$9,604,430
Total	\$5,059,440	\$6,500,420	\$3,449,883	\$3,830,693	\$8,509,323	\$10,331,113

Additional information on the City's long-term debt is available in the Detailed Notes for All Funds to the financial statements (see notes to Financial Statements, Changes in Long-Term Liabilities).

Economic Factors and Next Year's Budget and Rates

1. At the time the budget was adopted for the fiscal year ending June 30, 2016, the Utah and local economy was continuing to stay strong. Unemployment continues to remain low at 3.5% within Davis County which is better than the State or national rate. Construction in the commercial sector within Centerville is strong and is expected to remain in the coming year. The national and state economy are expected to continue strong in 2015-2016, which is considered one of the strongest economies in the country. Housing construction has rebounded somewhat in the State and locally. Commercial construction has increased in recent months within the City and more anticipated with the construction of commercial development, particularly in Legacy Crossing at Parrish Lane and Barnard Creek development areas.
2. Sales taxes are the largest single source of revenue for governmental operations of the City. The City experienced an increase of 5.22%, total of \$173,933, in general sales tax revenue (general fund) from 2014. Revenue from retail sales are expected to continue with a moderate increases in, 2015-2016, again by 5-6%. New retail space enhanced the City's sales tax base. The City has completed a master plan of several hundred acres on its west side. Preliminary plans are contemplating light industrial and commercial offices. Continued development on the City's west side is expected, which will spur additional commercial development in this area. Additional retail and office space is continuing to develop in this area. The creation of two Community Development Areas on the west side of the City will assist in future development and revenue sources.
3. No tax increases are included in the fiscal year 2015-2016 budget. The only increase is a 5% increase in culinary water fees to keep up with increasing cost of operations.
4. Storm-water and sub-drain fees will more than double for the fiscal year 2015-2016. This is to address the aging storm-water system and expansion of needed facilities. Water rates will also increase by 5%, and a more intense study of capital and operating needs is anticipated to be completed this year.

Request for Information

This financial report is designed to provide a general overview of Centerville City's activities for those with an interest in the City's operations and financial position. Questions concerning the information provided in this report or requests for additional financial information should be addressed to: Centerville City, Finance Director, 250 North Main Centerville, Utah 84014.

CENTERVILLE CITY CORPORATION
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,124,492	\$ 573,154	\$ 1,697,646
Receivables:			
Property and other taxes	1,958,678	-	1,958,678
Accounts	15,678	335,117	350,795
Prepays and other	-	45,537	45,537
Internal balances	783,488	(783,488)	-
Due from other governments	92,522	-	92,522
Restricted cash and cash equivalents	-	203,884	203,884
Net pension asset	587	51	638
Water stock and rights	-	48,617	48,617
Land	7,785,731	236,909	8,022,640
Buildings	18,627,847	3,424,196	22,052,043
Improvements other than buildings	-	984,857	984,857
Machinery and equipment	2,948,459	1,390,702	4,339,161
Distribution and collection systems	-	18,353,136	18,353,136
Autos and trucks	2,450,023	-	2,450,023
Infrastructure	7,208,289	-	7,208,289
Construction in progress	529,985	19,707	549,692
Accumulated depreciation	(7,917,907)	(7,037,679)	(14,955,586)
Total assets	35,607,872	17,794,700	53,402,572
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred loss on refunding	-	19,914	19,914
Deferred outflows related to pensions	336,348	29,248	365,596
Total deferred outflows of resources	336,348	49,162	385,510
<u>LIABILITIES</u>			
Accounts payable	734,776	-	734,776
Accrued interest payable	25,758	31,721	57,479
Accrued liabilities	170,038	1,187	171,225
Unearned revenue	1,446	-	1,446
Deposits and bonds held	413,498	7,753	421,251
Non-current liabilities:			
Due within one year	1,831,147	441,825	2,272,972
Due in more than one year	3,228,293	3,008,058	6,236,351
Net pension liability	1,503,152	130,709	1,633,861
Total liabilities	7,908,108	3,621,253	11,529,361
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred property tax revenue	1,081,966	-	1,081,966
Deferred inflows related to pensions	267,553	23,265	290,818
Total deferred inflows of resources	1,349,519	23,265	1,372,784
<u>NET POSITION</u>			
Net investment in capital assets	27,336,533	14,042,619	41,379,152
Restricted for			
Debt service and construction	17,317	203,884	221,201
Unrestricted	(667,257)	(47,159)	(714,416)
Total net position	\$ 26,686,593	\$ 14,199,344	\$ 40,885,937

The accompanying notes are an integral part of this financial statement.

CENTERVILLE CITY CORPORATION
Statement of Activities
For the Year Ended June 30, 2015

	Program Revenues				Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<u>GOVERNMENTAL ACTIVITIES</u>							
General government	\$ 2,149,191	\$ 1,623,948	\$ -	\$ -	\$ (525,243)		\$ (525,243)
Public safety	3,312,647	-	-	-	(3,312,647)		(3,312,647)
Streets and public works	1,929,230	5,085	-	489,250	(1,434,895)		(1,434,895)
Parks and recreation	1,707,103	121,278	-	-	(1,585,825)		(1,585,825)
Community development	618,065	241,315	-	2,383,626	2,006,876		2,006,876
Interest on long-term debt	213,694	-	-	-	(213,694)		(213,694)
Total governmental activities	9,929,930	1,991,626	-	2,872,876	(5,065,428)		(5,065,428)
<u>BUSINESS-TYPE ACTIVITIES</u>							
Water	1,965,022	2,251,667	-	-		\$ 286,645	286,645
Sanitation	956,890	955,657	-	-		(1,233)	(1,233)
Storm drain	760,994	586,157	-	311,841		137,004	137,004
Telecom	283,566	282,767	-	-		(799)	(799)
Total business-type activities	3,966,472	4,076,248	-	311,841		421,617	421,617
<u>GENERAL REVENUES AND TRANSFERS</u>							
General Revenues:							
Taxes:							
Property taxes					1,520,060	-	1,520,060
Franchise taxes					1,132,319	-	1,132,319
General sales taxes and highway sales taxes					3,509,401	-	3,509,401
Interest income					10,017	4,632	14,649
Miscellaneous					88,375	-	88,375
Transfers, net					(20,840)	20,840	-
Total general revenues and transfers					6,239,332	25,472	6,264,804
Change in net position					1,173,904	447,089	1,620,993
Net position - beginning (restated)					25,512,689	13,752,255	39,264,944
Net position - ending					\$ 26,686,593	\$ 14,199,344	\$ 40,885,937

The accompanying notes are an integral part of this financial statement.

CENTERVILLE CITY CORPORATION
Balance Sheet – Governmental Funds
June 30, 2015

	General	Special Revenue Redevelopment Agency	Debt Service Arts Center	Other Governmental	Totals Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 233,966	\$ 277,694	\$ -	\$ 612,832	\$ 1,124,492
Receivables:					
Sales, property and franchise taxes	1,702,808	190,281	65,589	-	1,958,678
Accounts	15,678	-	-	-	15,678
Class C road funds	92,522	-	-	-	92,522
Due from other funds	1,063,227	-	-	-	1,063,227
Total assets	<u>\$ 3,108,201</u>	<u>\$ 467,975</u>	<u>\$ 65,589</u>	<u>\$ 612,832</u>	<u>\$ 4,254,597</u>
<u>LIABILITIES</u>					
Liabilities:					
Accounts payable	\$ 734,776	\$ -	\$ -	\$ -	\$ 734,776
Accrued liabilities	170,038	-	-	-	170,038
Unearned revenue	1,446	-	-	-	1,446
Due to other funds	-	-	49,739	230,000	279,739
Deposits/bonds held	413,498	-	-	-	413,498
Total liabilities	<u>1,319,758</u>	<u>-</u>	<u>49,739</u>	<u>230,000</u>	<u>1,599,497</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred property tax revenue	956,826	125,140	-	-	1,081,966
Total deferred inflows of resources	<u>956,826</u>	<u>125,140</u>	<u>-</u>	<u>-</u>	<u>1,081,966</u>
<u>FUND BALANCES</u>					
Restricted for:					
Debt service and construction	-	-	-	17,317	17,317
Total restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,317</u>	<u>17,317</u>
Assigned to:					
Special revenue funds	-	342,835	-	53,031	395,866
Debt service funds	-	-	15,850	-	15,850
Capital projects funds	-	-	-	312,484	312,484
Total assigned	<u>-</u>	<u>342,835</u>	<u>15,850</u>	<u>365,515</u>	<u>724,200</u>
Unassigned	831,617	-	-	-	831,617
Total fund balances	<u>831,617</u>	<u>342,835</u>	<u>15,850</u>	<u>382,832</u>	<u>1,573,134</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,108,201</u>	<u>\$ 467,975</u>	<u>\$ 65,589</u>	<u>\$ 612,832</u>	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					31,632,427
Other items, including net pension assets, are not available to pay for current period expenditures and, therefore, are either deferred or not applicable to funds					336,935
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.					(5,085,198)
Other items, including net pension liabilities, are not due and payable in the current period and, therefore, are either deferred or not reported in the funds					(1,770,705)
Net position of governmental activities					<u>\$ 26,686,593</u>

The accompanying notes are an integral part of this financial statement.

CENTERVILLE CITY CORPORATION
Statement of Revenues, Expenditures, and Change in Fund Balances – Governmental Funds
For the Year Ended June 30, 2015

	General	Special Revenue Redevelopment Agency	Debt Service Arts Center	Other Governmental	Total Governmental Funds
REVENUES					
Taxes	\$ 5,713,121	\$ 100,722	\$ 347,937	\$ -	\$ 6,161,780
Special assessments	-	-	-	5,085	5,085
Licenses and permits	241,315	-	-	-	241,315
Intergovernmental	649,948	1,143,241	590,437	-	2,383,626
Charges for services	203,376	-	-	188,782	392,158
Fines and forfeitures	493,568	-	-	-	493,568
Charges for services - other funds	859,500	-	-	-	859,500
Interest	7,301	-	2,114	602	10,017
Miscellaneous	60,025	44,500	-	23,129	127,654
Total revenues	8,228,154	1,288,463	940,488	217,598	10,674,703
EXPENDITURES					
Current operating:					
General government	1,405,409	136,558	2,500	-	1,544,467
Public safety	3,394,303	-	-	-	3,394,303
Streets and public works	1,774,789	-	-	-	1,774,789
Community development	355,398	240,202	-	-	595,600
Parks and recreation	1,059,677	-	-	702,720	1,762,397
Capital outlay	-	-	-	39,132	39,132
Debt service:					
Principal retirement	41,972	-	1,420,000	-	1,461,972
Interest and fiscal charges	19,790	424	201,388	-	221,602
UTOPIA pledge payments	-	-	-	445,718	445,718
Total expenditures	8,051,338	377,184	1,623,888	1,187,570	11,239,980
Excess (deficiency) of revenues over expenditures	176,816	911,279	(683,400)	(969,972)	(565,277)
OTHER FINANCING SOURCES (USES)					
Transfers in	7,500	-	654,422	804,276	1,466,198
Sale of capital assets	6,148	-	-	-	6,148
Transfers out	(682,926)	(829,422)	-	(7,500)	(1,519,848)
Total other financing sources (uses)	(669,278)	(829,422)	654,422	796,776	(47,502)
Net change in fund balance	(492,462)	81,857	(28,978)	(173,196)	(612,779)
Fund balance - beginning of year	1,324,079	260,978	44,828	556,028	2,185,913
Fund balance - end of year	\$ 831,617	\$ 342,835	\$ 15,850	\$ 382,832	\$ 1,573,134

The accompanying notes are an integral part of this financial statement.

CENTERVILLE CITY CORPORATION
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds To the Statement of Activities
For the Year Ended June 30, 2015

Amounts reported for governmental activities in the statement of activities (page 27) are different because:

Net change in fund balances - total governmental funds (page 29)	\$ (612,779)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays and capital contributions exceeded depreciation in the current period.	206,945
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,409,609
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>170,129</u>
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Change in net position of governmental activities (page 27)	<u><u>\$ 1,173,904</u></u>
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The accompanying notes are an integral part of this financial statement.

CENTERVILLE CITY CORPORATION
Statement of Revenues, Expenditures, and Change in Fund Balances –
Budget to Actual – General Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<u>REVENUES</u>				
Taxes	\$ 6,091,835	\$ 6,220,846	\$ 5,713,121	\$ (507,725)
Licenses and permits	356,350	356,350	241,315	(115,035)
Intergovernmental	517,825	587,985	649,948	61,963
Charges for services	136,675	161,675	203,376	41,701
Fines and forfeitures	492,000	492,000	493,568	1,568
Charges for services - other funds	779,500	779,500	859,500	80,000
Interest	133,500	133,500	7,301	(126,199)
Miscellaneous	51,750	53,450	60,025	6,575
Total revenues	8,559,435	8,785,306	8,228,154	(557,152)
<u>EXPENDITURES</u>				
Current operating:				
General government:				
Administration	404,113	417,747	426,464	(8,717)
Municipal council	163,457	92,317	80,762	11,555
Finance	515,478	532,594	518,815	13,779
Legal	401,133	410,109	379,368	30,741
Total general government	1,484,181	1,452,767	1,405,409	47,358
Fire	822,340	822,340	821,730	610
Public safety	2,483,337	2,600,364	2,572,573	27,791
Streets and public works	1,908,781	1,813,880	1,774,789	39,091
Community development	414,273	386,928	355,398	31,530
Parks and recreation	1,094,487	1,131,736	1,059,677	72,059
Debt Service:				
Interest and fiscal charges	-	46,000	61,762	(15,762)
Total expenditures	8,207,399	8,254,015	8,051,338	202,677
Excess (deficiency) of revenues over expenditures	352,036	531,291	176,816	(354,475)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	7,500	7,500
Transfers out	(455,236)	(886,165)	(682,926)	203,239
Sale of capital assets	20,000	20,000	6,148	(13,852)
Total other financing sources (uses)	(435,236)	(866,165)	(669,278)	196,887
Net change in fund balance	(83,200)	(334,874)	(492,462)	(157,588)
Fund balance - beginning of year	1,324,079	1,324,079	1,324,079	-
Fund balance - end of year	\$ 1,240,879	\$ 989,205	\$ 831,617	\$ (157,588)

The accompanying notes are an integral part of this financial statement.

CENTERVILLE CITY CORPORATION
Statement of Revenues, Expenditures, and Change in Fund Balances –
Budget to Actual – Redevelopment Agency Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<u>REVENUES</u>				
Taxes	\$ 1,775,000	\$ 1,775,000	\$ 100,722	\$ (1,674,278)
Intergovernmental	-	-	1,143,241	1,143,241
Miscellaneous	72,000	72,000	44,500	(27,500)
Total revenues	1,847,000	1,847,000	1,288,463	(558,537)
<u>EXPENDITURES</u>				
Current operating:				
General government	225,100	225,100	136,558	88,542
Community development	657,941	657,941	240,202	417,739
Debt service:				
Interest and fiscal charges	125,000	125,000	424	124,576
Total expenditures	1,008,041	1,008,041	377,184	630,857
Excess (deficiency) of revenues over expenditures	838,959	838,959	911,279	72,320
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(838,959)	(838,959)	(829,422)	9,537
Total other financing sources (uses)	(838,959)	(838,959)	(829,422)	9,537
Net change in fund balance	-	-	81,857	81,857
Fund balance - beginning of year	260,978	260,978	260,978	-
Fund balance - end of year	\$ 260,978	\$ 260,978	\$ 342,835	\$ 81,857

The accompanying notes are an integral part of this financial statement.

CENTERVILLE CITY CORPORATION
Statement of Net Position – Proprietary Funds
June 30, 2015

	Water Fund	Drainage Utility Fund	Sanitation Fund	Non-major Telecom Fund	Total Proprietary Funds
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents	\$ 57,043	\$ 516,111	\$ -	\$ -	\$ 573,154
Receivables:					
Accounts receivable, net	138,800	58,278	83,415	24,469	304,962
Unbilled receivables	30,155	-	-	-	30,155
Prepaid and other	45,537	-	-	-	45,537
Due from other funds	158,474	-	-	-	158,474
Total current assets	430,009	574,389	83,415	24,469	1,112,282
Noncurrent assets:					
Other assets:					
Restricted cash	203,884	-	-	-	203,884
Net pension asset	45	6	-	-	51
Total other assets	203,929	6	-	-	203,935
Property, plant and equipment					
Water stock and rights	48,617	-	-	-	48,617
Land	236,909	-	-	-	236,909
Reservoirs	984,857	-	-	-	984,857
Water distribution system	14,240,220	-	-	-	14,240,220
Buildings and wells	3,424,196	-	-	-	3,424,196
Machinery and equipment	632,434	152,338	605,930	-	1,390,702
Sub-drain system	-	1,975,244	-	-	1,975,244
Storm drain system	-	2,137,672	-	-	2,137,672
Accumulated depreciation	(5,808,718)	(732,211)	(496,750)	-	(7,037,679)
Net property, plant and equipment	13,769,745	3,541,520	109,180	-	17,420,445
Total noncurrent assets	13,973,674	3,541,526	109,180	-	17,624,380
Total Assets	14,403,683	4,115,915	192,595	24,469	18,736,662
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Deferred loss on refunding	17,252	2,662	-	-	19,914
Deferred outflows related to pensions	25,592	3,656	-	-	29,248
Total deferred outflows of resources	42,844	6,318	-	-	49,162
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	-	-	-	-	-
Accrued interest payable	24,508	7,213	-	-	31,721
Compensated absences	20,227	-	-	-	20,227
Due to other funds	600,000	158,474	177,254	6,234	941,962
Bonds payable - current	346,598	75,000	-	-	421,598
Security deposits	-	-	7,753	-	7,753
Due to subdividers	1,187	-	-	-	1,187
Total current liabilities	992,520	240,687	185,007	6,234	1,424,448
Long-term liabilities:					
Bonds payable	2,142,207	796,769	-	-	2,938,976
Compensated absences	69,082	-	-	-	69,082
Net pension liability	114,370	16,339	-	-	130,709
Total long-term liabilities	2,325,659	813,108	-	-	3,138,767
Total Liabilities	3,318,179	1,053,795	185,007	6,234	4,563,215
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred inflows related to pensions	20,357	2,908	-	-	23,265
Total deferred inflows of resources	20,357	2,908	-	-	23,265
<u>NET POSITION</u>					
Net investment in capital assets	11,263,688	2,669,751	109,180	-	14,042,619
Restricted for debt service and development	203,884	-	-	-	203,884
Unrestricted	(359,581)	395,779	(101,592)	18,235	(47,159)
Total Net Position	\$ 11,107,991	\$ 3,065,530	\$ 7,588	\$ 18,235	\$ 14,199,344

The accompanying notes are an integral part of this financial statement.

CENTERVILLE CITY CORPORATION
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
For the Year Ended June 30, 2015

	Water Fund	Drainage Utility Fund	Sanitation Fund	Non-major Telecom Fund	Total Proprietary Funds
<u>OPERATING REVENUES</u>					
Charges for services	\$ 1,898,387	\$ 586,157	\$ 953,977	\$ 282,767	\$ 3,721,288
Connection and servicing	42,609	-	1,540	-	44,149
Miscellaneous	8,825	-	140	-	8,965
Total operating revenues	1,949,821	586,157	955,657	282,767	3,774,402
<u>OPERATING EXPENSES</u>					
Salaries and wages	288,482	50,823	-	-	339,305
Employee benefits	129,254	27,767	-	-	157,021
Water purchases	77,397	-	-	-	77,397
Utility costs	108,054	2,851	-	-	110,905
Maintenance and supplies	334,195	288,884	172,962	-	796,041
Tipping fees and contractual services	-	4,142	669,138	-	673,280
Professional and technical services	42,735	39,299	4,094	267,066	353,194
Administration and overhead	522,785	246,405	86,782	16,500	872,472
Depreciation	388,150	81,618	23,914	-	493,682
Total operating expenses	1,891,052	741,789	956,890	283,566	3,873,297
Operating income (loss)	58,769	(155,632)	(1,233)	(799)	(98,895)
<u>NON-OPERATING REVENUES (EXPENSES)</u>					
Development and construction fees	301,846	-	-	-	301,846
Interest revenue	3,126	1,453	-	53	4,632
Interest expense	(73,970)	(19,205)	-	-	(93,175)
Total non-operating revenues (expenses)	231,002	(17,752)	-	53	213,303
Income before contributions and transfers	289,771	(173,384)	(1,233)	(746)	114,408
Transfers in	-	-	-	20,840	20,840
Developer contributions	-	311,841	-	-	311,841
Change in net position	289,771	138,457	(1,233)	20,094	447,089
Total net position, beginning of year (restated)	10,818,220	2,927,073	8,821	(1,859)	13,752,255
Total net position, end of year	\$ 11,107,991	\$ 3,065,530	\$ 7,588	\$ 18,235	\$ 14,199,344

The accompanying notes are an integral part of this financial statement.

CENTERVILLE CITY CORPORATION
Statement of Cash Flows – Proprietary Funds
June 30, 2015

	Water Fund	Drainage Utility Fund	Sanitation Fund	Non-major Telecom Fund	Total Proprietary
<u>Cash flows from operating activities</u>					
Cash received from customers (including cash deposits)	\$ 1,952,604	\$ 585,081	\$ 955,299	\$ 284,171	\$ 3,777,155
Cash paid to suppliers	(1,085,166)	(594,740)	(932,976)	(283,566)	(2,896,448)
Cash paid to employees	(431,432)	(80,658)	-	-	(512,090)
Net cash provided (used) by operating activities	436,006	(90,317)	22,323	605	368,617
<u>Cash flows from non-capital financing activities</u>					
Transfers from other funds	-	-	-	20,840	20,840
Increase (decrease) in amounts due to other funds	(1,464,823)	-	2,277	(7,712)	(1,470,258)
Net cash provided (used) by non-capital financing activities	(1,464,823)	-	2,277	13,128	(1,449,418)
<u>Cash flow from capital and related financing activities</u>					
Bond payments - principal	(320,000)	(45,000)	-	-	(365,000)
Bond payments - interest	(84,725)	(26,023)	-	-	(110,748)
Purchase of capital assets	(907,100)	(161,669)	(24,600)	-	(1,093,369)
Impact fees	301,846	-	-	-	301,846
Net cash provided (used) by capital and related financing activities	(1,009,979)	(232,692)	(24,600)	-	(1,267,271)
<u>Cash flow from investing activities</u>					
Interest earned on investments	3,126	1,453	-	53	4,632
Net cash provided by investing activities	3,126	1,453	-	53	4,632
Net increase (decrease) in cash and cash equivalents	(2,035,670)	(321,556)	-	13,786	(2,343,440)
Cash and cash equivalents at beginning of year	2,296,597	837,667	-	-	3,134,264
Cash and cash equivalents at end of year	\$ 260,927	\$ 516,111	\$ -	\$ 13,786	\$ 790,824
<u>Reconciliation of operating income to net cash provided by operating activities</u>					
Operating income (loss)	\$ 58,769	\$ (155,632)	\$ (1,233)	\$ (799)	\$ (98,895)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation expense	388,150	81,618	23,914	-	493,682
Decrease (increase) in accounts receivable	3,906	(1,076)	(358)	1,404	3,876
Decrease (increase) in prepaid expenses	(1,123)	-	-	-	(1,123)
Decrease (increase) in net pension asset	(45)	(6)	-	-	(51)
Decrease (increase) in deferred outflows	(5,240)	(749)	-	-	(5,989)
Increase (decrease) in accounts payable and accrued liabilities	-	(13,159)	-	-	(13,159)
Increase (decrease) in compensated absences	788	-	-	-	788
Increase (decrease) in net pension liability	(29,556)	(4,221)	-	-	(33,777)
Increase (decrease) in deferred inflows	20,357	2,908	-	-	23,265
Total adjustments	377,237	65,315	23,556	1,404	467,512
Net cash provided (used) by operating activities	\$ 436,006	\$ (90,317)	\$ 22,323	\$ 605	\$ 368,617
Capital and related financing activities not affecting cash:					
Developer contribution of capital assets	\$ -	\$ 175,000	\$ -	\$ -	\$ 175,000

The accompanying notes are an integral part of this financial statement.

CENTERVILLE CITY CORPORATION
Statement of Net Position – Fiduciary Fund
June 30, 2015

	Whitaker Trust Fund Total
<u>ASSETS</u>	
Cash and cash equivalents	<u>\$ 34,739</u>
Total assets	<u>34,739</u>
<u>NET POSITION</u>	
Unrestricted	<u>34,739</u>
Total net position	<u><u>\$ 34,739</u></u>

The accompanying notes are an integral part of this financial statement.

CENTERVILLE CITY CORPORATION
Statement of Changes in Net Position – Fiduciary Fund
For the Year Ended June 30, 2015

	<u>Whitaker Trust</u> <u>Fund Total</u>
<u>ADDITIONS</u>	
Miscellaneous:	
Interest income	\$ 83
Donations	1,790
Rental income	4,556
Transfer in	<u>32,810</u>
Total additions	<u>39,239</u>
 <u>DEDUCTIONS</u>	
Administrative	<u>29,065</u>
Total deductions	<u>29,065</u>
 Change in net position	10,174
 Net position - beginning	<u>24,565</u>
 Net position - ending	<u><u>\$ 34,739</u></u>

The accompanying notes are an integral part of this financial statement.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements
June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The basic financial statements of Centerville City Corporation (the City) have been prepared in conformity with accounting principles (GAAP) generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The City of Centerville was incorporated in 1915. The City operates under a Mayor/ Council form of government. As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). The component units discussed below are included as part of the City's reporting entity as blended component units.

The Centerville City Redevelopment Agency (RDA) was established to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City. The RDA is governed by a board of trustees composed of the City Mayor and members of the City Council. Although it is a legally separate entity from the City, the RDA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the RDA. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund. Separate financial statements are not issued for the RDA.

The Centerville City Municipal Building Authority (MBA) was established to finance and construct municipal buildings that are then leased to the City. The MBA is governed by a five-member board of trustees composed of the City Council. Although it is a legally separate entity from the City, the MBA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the MBA. The MBA is included in these financial statements as the Municipal Building Authority Special Revenue Fund. Separate financial statements are not issued for the MBA.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Sales taxes, use taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.
- The RDA Special Revenue Fund accounts for redevelopment activities of the City. This fund accounts for property tax increment revenues from redevelopment areas within the city which will be used to revitalize and upgrade these areas within qualifying developments.
- The Arts Center Debt Service Fund accounts for the debt service for the bonds relating to the South Davis Performing Arts Center.

The City reports the following major proprietary funds:

- The Water Fund accounts for the activities of the City's water production, treatment and distribution operations.
- The Drainage Utility Fund accounts for storm drain collection activities in the City.
- The Sanitation Fund accounts for garbage and recycling collection activities in the City.

Additionally, the City reports a fiduciary fund to account for the activities of a pioneer home museum.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by various enterprise funds for the providing of administrative and billing services for such funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds includes the cost of sales and services. Operating expenses for enterprise funds includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position or Equity

Cash, Deposits and Investments Cash includes cash on hand, demand deposits with banks and other financial institutions, and deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts. City policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the Utah Public Treasurer's Investment Fund and other investments allowed by the State of Utah's Money Management Act. Investments are reported at fair value. The State Treasurer's Investment Fund operates in accordance with state laws and regulations. The reported value of the Fund is the same as the fair value of the Fund shares.

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with maturities of three months or less when purchased meet this definition.

Receivables and Payables Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to or due from other funds". In the Water, Sanitation, and Drainage Utility funds, the City records utility revenues billed to customers when meters are read on a monthly basis. Unbilled service accounts receivable at June 30, 2015 were estimated based on July billings and are included in the operating revenues and accounts receivable at year-end.

Inventories and Prepaid Items Inventories of materials and supplies in the proprietary funds, consisting principally of materials used in the repair of the transmission, distribution, collection and treatment systems, are valued at cost and accounted for on a first-in, first-out basis (FIFO). Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

As permitted by GASB Statement No. 34, the City has not retroactively recorded infrastructure assets.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position or Equity
(Continued)

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	10 to 50 years
Infrastructure	20 to 50 years
Machinery and equipment	5 to 7 years
Furniture and fixtures	5 to 10 years
Reservoirs and wells	10 to 50 years

Compensated Absences For governmental funds amounts of vested or accumulated vacation leave and comp time that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net assets and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated vacation leave and comp time of proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements. Vacation, all-purpose, and long-term sick amounts are charged to expenditures when incurred. Employees accumulate vacation leave with a maximum accumulation of 240 hours. Any hours in excess of 240 at the end of the year are forfeited. Employees accumulate all-purpose leave hours without limitation. Any hours in excess of 300 are cashed out to the employee on the first payroll of the next fiscal year. Employees accumulate long-term sick hours with no limitations. Employees are paid out hours that are remaining in vacation and all-purpose leave at their current rate of pay. Long-term sick hours are cashed out only upon retirement or 20 years of continuous full-time employment. The cash-out rate is one-fourth of the accrued hours.

Long-Term Obligations In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums, discounts, and issuance costs are deferred and amortized over the life of the applicable debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Restricted Assets Restricted assets are comprised of cash restricted for future payments of principal and interest on debt service as well as unexpended portions of bonds issued for capital construction purposes.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position or Equity
(Continued)

Fund Equity GASB Statement No. 54 provided reporting categories for fund balance in governmental funds. The categories and descriptions are as follows:

Nonspendable Fund Balance – Prepaid expenditures and other similar assets not in a spendable form or that are contractually required to be maintained intact are classified as nonspendable fund balance.

Restricted Fund Balance – Assets that are constrained by externally imposed restrictions, or by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts formally designated by City Council through ordinance or resolution for a specific purpose that cannot be used for another purpose unless the City Council formally changes the use.

Assigned Fund Balance – Amounts constrained by City Council or City Management for a specific purpose normally through the appropriations process in establishing and amending budgets. Furthermore, funds in special revenue, capital project, and permanent funds are by their nature assigned to the purpose for which the resources are collected.

Unassigned Fund Balance – Amounts that may be used for any governmental purpose. The general fund is the only fund that reports a positive unassigned fund balance amount.

When an expenditure qualifies to be used from more than one fund balance classification identified above, it is the City's policy to use resources in the following order: restricted, committed, assigned, and then unassigned.

The City has not adopted a formal policy on minimum fund balance. However, state statute requires the City to maintain a minimum fund balance in the general fund of at least 5% of total revenues.

Deferred Inflows and Outflows of Resources Deferred inflows and outflows of resources represent acquisitions or consumptions of net position that applies to a future period, and are therefore deferred until that time. Governmental funds report revenue that is unavailable as deferred inflows of resources, such as from property taxes and special assessments. These amounts are deferred and recognized as revenue in the period that the amounts become available. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and the reacquisition price.

Pensions For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net assets of governmental activities as reported in the government-wide statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets.

Capital related items:

When capital assets (property, plant and equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the City as a whole.

Cost of capital assets	\$ 39,550,334
Accumulated depreciation	<u>(7,917,907)</u>
Total difference	<u><u>\$ 31,632,427</u></u>

Long-term debt transactions:

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund financials. All liabilities (both current and long-term) are reported in the statement of net assets. Balances at June 30, 2015 were:

Sales tax revenue bonds	\$ 4,165,000
Bond issuance premium	237,649
Lease payable	130,894
Interest payable on long-term debt	25,758
Compensated absences	<u>525,897</u>
Total difference	<u><u>\$ 5,085,198</u></u>

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Explanation of Certain Differences Between Governmental Fund Operating Statements and the Statement of Net Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. The first element of this reconciliation states that capital outlays are reported in the governmental funds as expenditures while the government-wide statement of activities allocates these costs over the useful lives of the assets as depreciation. While shown in the reconciliation as the net difference, the elements of this difference are as follow:

Capital outlay	\$ 664,956
Developer contributions	489,250
Depreciation expense	<u>(947,261)</u>
Net difference, as reported	<u>\$ 206,945</u>

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Prior to May 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the proposed sources of revenues.

Between May 1 and June 22, the City Council reviews and adjusts the proposed budget. On or before June 22, a public hearing is held and the budget is legally adopted through passage of a resolution.

After the budget is adopted, the City Manager may transfer any unencumbered or unexpended appropriation amount from one expenditure account to another within a department. The City Council may, by resolution, transfer any unencumbered or unexpended appropriation amount from one department in a fund to another department within the same fund.

When the City Council determines that an emergency exists, such as widespread damage from fire, flood, or earthquake the City Council may increase the budget of the General Fund by resolution or a public hearing.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. In the General Fund, budgets are adopted at the functional level and budgetary control is exercised at the departmental level. For Special Revenue Funds, budgets are adopted and control is exercised at the level of total expenditures for each individual fund.

Annual budgets for the General Fund, all Special Revenue Funds, all Debt Service Funds, and all Capital Projects Funds were legally adopted by the City and are prepared on the modified-accrual method of accounting.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Encumbrances (commitments related to unperformed purchase orders or contracts for goods or services) are used only as an internal management control device during the year. The City does not have any encumbrances outstanding at year end since appropriations lapse at year end. However, encumbered amounts are generally re-appropriated and honored as part of the following year's budget.

Although Utah State law requires the initial preparation of budgets for all City funds (both governmental and proprietary), it only requires the reporting of actual versus such budgets for governmental funds.

State law requires that departments or funds do not exceed the amounts appropriated in the final adopted budget. The Capital Projects Park Improvement Fund and the Recreation Fund had expenditures in excess of budget of \$68,476 and \$1,029, respectively.

Tax Revenues

Property taxes are collected by the Davis County Treasurer and remitted to the City in two to three installments in November, December, and January of each fiscal year and a final settlement by March 31st. Taxes are levied and are due and payable on November 1st and delinquent after November 30th of each year at which time they become liens if not paid. An accrual of delinquent current and prior year's property taxes beyond that which was received within 60 days after fiscal year end has not been made, as the amounts are not deemed to be material. An accrual for current year property taxes estimated to be collected the following November and December is made each year.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly. An accrual has been made for all taxes received by the State for the period ended June 30th and thus due and payable to the City.

Franchise taxes are charged to various utility companies doing business with the City including telephone, cable television, gas utility, and electric utility companies. The fees are remitted on a monthly, quarterly, semi-annual, or annual basis. An accrual has not been made for fees due and payable to the City at June 30th as the amounts are not deemed to be material.

4. DETAILED NOTES FOR ALL FUNDS

Cash and Investments

Deposits and investments for the City are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by rules of the Utah Money Management Council ("the Council"). Following are discussions of the City's exposure to various risks related to its cash management activities.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be recovered. The City's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the City to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Council. At times during the year, the City's bank balances may have exceeded insurable limits.

Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The City's policy for limiting the credit risk of investments is to comply with the Money Management Act.

The City is authorized to invest in the Utah Public Treasurer's Investment fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participant's average daily balances.

As of June 30, 2015, the City had investments of \$1,313,401 with the PTIF. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to declines in fair value loss from changes in interest rates is to follow the Money Management Act and only invest in instruments that mature in one year or less. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

The deposits and investments described above are included on the government-wide statement of net assets as follows:

Cash and cash equivalents	\$ 1,697,646
Restricted cash and cash equivalents	<u>203,884</u>
	<u>\$ 1,901,530</u>

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Receivables

Receivables as of the year end for the City's individual major funds and non-major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	RDA	Water	Drainage Utility	Sanitation Fund	Nonmajor and Other Funds	Total
Receivables:							
Taxes	\$ 1,702,808	\$ 190,281	\$ -	\$ -	\$ -	\$ 65,589	\$ 1,958,678
Accounts and other	15,678	-	191,585	60,278	89,415	24,469	381,425
Intergovernmental	92,522	-	-	-	-	-	92,522
Gross receivables	1,811,008	190,281	191,585	60,278	89,415	90,058	2,432,625
Less: allowance for uncollectibles	-	-	(22,630)	(2,000)	(6,000)	-	(30,630)
Net total receivables	\$ 1,811,008	\$ 190,281	\$ 168,955	\$ 58,278	\$ 83,415	\$ 90,058	\$ 2,401,995

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Property taxes receivable (General Fund)	\$ 956,826	\$ -
Property taxes receivable (RDA Fund)	125,140	-
Various prepayments received (General Fund)	-	1,446
Total deferred inflows of resources/unearned revenue for governmental funds	\$ 1,081,966	\$ 1,446

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>07/01/14</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/15</u>
<u>Governmental activities</u>				
Capital assets, not depreciated:				
Land	\$ 7,561,481	\$ 224,250	\$ -	\$ 7,785,731
Construction in progress	-	529,985	-	529,985
Total capital assets, not depreciated	<u>7,561,481</u>	<u>754,235</u>	<u>-</u>	<u>8,315,716</u>
Capital assets, depreciated:				
Buildings and improvements	18,627,847	-	-	18,627,847
Infrastructure	6,943,289	265,000	-	7,208,289
Machinery and equipment	2,940,034	8,425	-	2,948,459
Autos and trucks	<u>2,418,484</u>	<u>126,546</u>	<u>(95,007)</u>	<u>2,450,023</u>
Total capital assets, depreciated	<u>30,929,654</u>	<u>399,971</u>	<u>(95,007)</u>	<u>31,234,618</u>
Less: accumulated depreciation:				
Buildings and improvements	(3,152,988)	(462,650)	-	(3,615,638)
Infrastructure	(908,182)	(140,415)	-	(1,048,597)
Machinery and equipment	(1,393,731)	(136,327)	-	(1,530,058)
Autos and trucks	<u>(1,590,534)</u>	<u>(207,869)</u>	<u>74,789</u>	<u>(1,723,614)</u>
Total accumulated depreciation	<u>(7,045,435)</u>	<u>(947,261)</u>	<u>74,789</u>	<u>(7,917,907)</u>
Net governmental capital assets	<u>\$ 31,445,700</u>	<u>\$ 206,945</u>	<u>\$ (20,218)</u>	<u>\$ 31,632,427</u>

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Capital Assets (Continued)

	07/01/14	Increases	Decreases	06/30/15
<u>Business-type activities</u>				
Capital assets, not depreciated:				
Water stock and rights	\$ 48,617	\$ -	\$ -	\$ 48,617
Land	236,909	-	-	236,909
Construction in progress	-	19,707	-	19,707
Total capital assets, not depreciated	285,526	19,707	-	305,233
Capital assets, depreciated:				
Reservoirs	984,857	-	-	984,857
Water distribution system	13,393,248	846,972	-	14,240,220
Sub-drain system	1,940,244	35,000	-	1,975,244
Storm drain system	1,844,480	293,192	-	2,137,672
Buildings and wells	3,424,196	-	-	3,424,196
Machinery and equipment	1,344,843	99,108	(53,249)	1,390,702
Total capital assets, depreciated	22,931,868	1,274,272	(53,249)	24,152,891
Less: accumulated depreciation:				
Reservoirs	(733,832)	(12,596)	-	(746,428)
Water distribution system	(3,616,622)	(265,705)	-	(3,882,327)
Sub-drain system	(310,374)	(38,805)	-	(349,179)
Storm drain system	(215,988)	(36,890)	-	(252,878)
Buildings and wells	(715,155)	(70,662)	-	(785,817)
Machinery and equipment	(979,665)	(69,024)	27,639	(1,021,050)
Total accumulated depreciation	(6,571,636)	(493,682)	27,639	(7,037,679)
Net business-type capital assets	<u>\$ 16,645,758</u>	<u>\$ 800,297</u>	<u>\$ (25,610)</u>	<u>\$ 17,420,445</u>

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Capital Assets (Continued)

In the government-wide financial statements depreciation was charged as follows by program or activity:

Governmental activities:

General government	\$ 129,917
Public safety	75,787
Highways and public improvements	183,556
Parks, recreation, and public property	<u>558,001</u>

Total depreciation expense - governmental activities	<u><u>\$ 947,261</u></u>
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Business-type activities:

Water	\$ 388,150
Drainage Utility	81,618
Sanitation	<u>23,914</u>

Total depreciation expense - business-type activities	<u><u>\$ 493,682</u></u>
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Interfund Receivable, Payables and Transfers

At June 30, 2015, interfund balances due to or from other funds was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 279,739
General	Water	600,000
General	Sanitation Fund	177,254
General	Nonmajor proprietary fund	6,234
Water	Drainage Utility	<u>158,474</u>
		<u><u>\$ 1,221,701</u></u>

Interfund balances are generally for funds temporarily borrowed from pooled cash.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Interfund Receivable, Payables and Transfers (Continued)

In addition to the above amounts which will be repaid by the respective funds, transfers were made which will not be repaid. Such amounts for the fiscal year ended June 30, 2015 were as follows:

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
General	Nonmajor Governmental Funds	\$ 629,276
General	Telecom	20,840
Redevelopment Agency	Arts Center Debt Service	654,422
Redevelopment Agency	Nonmajor Governmental Funds	175,000
General	Fiduciary Fund	32,810
Nonmajor Governmental Funds	General	7,500
		<u>\$ 1,519,848</u>

Transfers are generally for debt service of governmental funds, and for capital outlay in governmental funds.

Revenue Bonds

The City has issued bonds where the revenues and assets of the issuing fund are pledged as security for the bonds.

Revenue bonds outstanding at June 30, 2015 by issue are as follows:

<u>Bond Description</u>	<u>Original Issue</u>	<u>Annual Principal</u>	<u>Interest Rate</u>	<u>Final Due Date</u>	<u>Amount</u>
Sales Tax Revenue, Series 2009	\$ 11,655,000	\$495,000 to \$1,510,000	3.00% to 4.00%	5/1/2021	\$ 4,165,000
Water Series 2012	4,210,000	\$100,000 to \$425,000	2.00% to 4.00%	9/1/2031	3,155,000
	<u>\$ 15,865,000</u>				<u>\$ 7,320,000</u>

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Revenue Bonds (Continued)

Revenue bond debt service requirements to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 1,915,000	\$ 231,651	\$ 2,146,651
2017	920,000	169,163	1,089,163
2018	695,000	144,444	839,444
2019	795,000	121,201	916,201
2020	835,000	94,451	929,451
2021 - 2025	1,290,000	217,101	1,507,101
2026 - 2030	595,000	111,025	706,025
2031 - 2032	275,000	11,100	286,100
	<u>\$ 7,320,000</u>	<u>\$ 1,100,136</u>	<u>\$ 8,420,136</u>

Capital Leases

In 2014, the City purchased equipment using a lease which expires in 2018. The annual debt service requirements to maturity, including principal and interest for the capital lease, as of June 30, 2015, are as follows:

<u>Lease payment</u>	<u>Totals</u>
2016	\$ 45,343
2017	45,344
2018	45,343
Total minimum lease payments	136,030
Less amount representing interest	(5,136)
Present value of minimum lease payments	130,894
Amount due within one year	42,792
Amount due after one year	<u>\$ 88,102</u>

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2015 was as follows:

	07/01/14	Additions	Reductions	06/30/15	Due in One Year
<u>Governmental activities</u>					
Bonds payable:					
Sales tax revenue	\$ 5,585,000	\$ -	\$ (1,420,000)	\$ 4,165,000	\$ 1,510,000
Unamortized premium	277,258	-	(39,609)	237,649	39,609
Total bonds payable	5,862,258	-	(1,459,609)	4,402,649	1,549,609
Capital leases	172,866	-	(41,972)	130,894	42,792
Compensated absences	465,296	293,249	(232,648)	525,897	238,746
Governmental activity long-term liabilities	<u>\$ 6,500,420</u>	<u>\$ 293,249</u>	<u>\$ (1,734,229)</u>	<u>\$ 5,059,440</u>	<u>\$ 1,831,147</u>
<u>Business-type activities</u>					
Bonds payable:					
Revenue bonds	\$ 3,520,000	\$ -	\$ (365,000)	\$ 3,155,000	\$ 405,000
Plus: unamortized premium	222,172	-	(16,598)	205,574	16,598
Total bonds payable	3,742,172	-	(381,598)	3,360,574	421,598
Compensated absences	88,521	20,584	(19,796)	89,309	20,227
Business-type activity long-term liabilities	<u>\$ 3,830,693</u>	<u>\$ 20,584</u>	<u>\$ (401,394)</u>	<u>\$ 3,449,883</u>	<u>\$ 441,825</u>

Compensated absences for governmental activities are generally liquidated by the general fund.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Other Information

Risk Management The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of the Utah Risk Management Mutual Association (URMMA). It is an insurance pool for liability insurance made up of municipalities in the State. Each city pays premiums into a cash reserve fund for possible losses. Payment of the annual premium indemnifies the City for claims that exceed the per occurrence deductible. The policy provides \$10,000,000 of liability coverage per occurrence after a deductible of \$15,000. In the event URMMA becomes insolvent, the City is fully responsible for all claims. The obligation of URMMA to pay damages on behalf of the City applies only to damages in excess of the member "deductibles" and group "self insured retention's" outlined in the Coverage Profile. The member "deductibles" and the group "self-insured retention's" include attorney's fees and all other costs incurred in defending a claim. URMMA purchases umbrella insurance to protect against large claims. URMMA reviews risk management programs and give recommendations and premium discounts to cities that adopt them. The City has adopted various recommendations and receives discounts.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Redevelopment Agency In connection with the activities of the Redevelopment Agency (RDA), incremental tax revenues totaling \$90,433 were generated. The RDA was not required to pay any portion of this revenue to other taxing agencies.

During the year ended June 30, 2015, funds expended by the RDA were limited to the categories of debt service, capital outlay and administration costs. Administrative costs totaled \$136,558, and community development expenditures totaled \$240,202 for the year.

Employee Retirement Systems and Pension Plans

General Information about the Pension Plan

Plan description Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

- Public Employees Contributory Retirement System (Contributory System is a multiple employer, cost sharing, public employee retirement system.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning work on or after July 1, 2011, who has no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Employee Retirement Systems and Pension Plan (Continued)

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement System, 560 E 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Benefits Provided

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of Service	Benefit Percent per Year of Service	COLA**
		Required and/or age Eligible for Benefit		
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.00% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.00% per year July 1975 to present	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending on the employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* with actuarial reductions

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index(CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Employee Retirement Systems and Pension Plan (Continued)

Contributions

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows:

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates
Contributory System			
11-Local Governmental Division Tier 1	1.990%	4.010%	14.460%
111-Local Governmental Division Tier 2	N/A	N/A	14.940%
Noncontributory System			
15-Local Governmental Division Tier 1	N/A	N/A	18.470%
Public Safety Retirement System			
43-Other Division A Noncontributory Tier 1	N/A	N/A	34.040%
122-Other Division A Contributory Tier 2	N/A	N/A	22.550%

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the City reported a net pension asset of \$638 and a net pension liability of \$1,633,861.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	0.1964264%	\$ -	\$ 852,930
Contributory System	0.3359828%	-	96,912
Public Safety System	0.5439158%	-	684,019
Tier 2 Public Employees System	0.0210418%	638	-
Total Net Pension Asset / Liability		\$ 638	\$ 1,633,861

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from census data submitted to the plan for pay periods ending in 2014.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Employee Retirement Systems and Pension Plan (Continued)

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2015, the City recognized pension expense of \$438,112. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 110,176
Changes in assumptions	-	180,642
Net difference between projected and actual earnings on pension plan investments	40,180	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	325,416	-
Total	<u>\$ 365,596</u>	<u>\$ 290,818</u>

\$325,416 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2015	\$ (80,575)
2016	(68,725)
2017	(63,885)
2018	(36,756)
2019	(112)
Thereafter	(586)

Actuarial assumptions

The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary Increases	3.50 - 10.50 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Employee Retirement Systems and Pension Plan (Continued)

Actuarial assumptions (Continued)

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table below.

Retired Member Mortality
Class of Member
Educators
Men EDUM (90%)
Women EDUF (100%)
Public Safety and Firefighters
Men RP 200mWC (100%)
Women EDUF (120%)
Local Government, Public Employees
Men RP 200m WC (100%)
Women EDUF (120%)
<i>EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage</i>
<i>EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage</i>
<i>RP 200mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage</i>

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the five year period of January 1, 2008 – December 31, 2013.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return on each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		Long-Term Expected Portfolio Real Rate of Return
	Target Asset Allocation	Real Return Arithmetic Basis	
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		5.23%
	Inflation		2.75%
	Expected arithmetic nominal return		7.98%

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Employee Retirement Systems and Pension Plan (Continued)

Actuarial assumptions (Continued)

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50)%
Proportionate share of net pension (asset) / liability	\$ 4,061,875	\$ 1,633,223	\$ (369,961)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

InterLocal Agreements

Utah Telecommunications Open Infrastructure Network The City is one of 11 founding members of the Utah Telecommunications Open Infrastructure Network (UTOPIA), formed by an interlocal cooperative agreement organized under the laws of the State of Utah. UTOPIA was created to design, finance, build, operate and maintain an open, wholesale, public Telecommunication infrastructure that delivers high-speed connections to every home and business in the member communities. UTOPIA is jointly owned by the members. No equity investment has been recorded by the City since UTOPIA continues to report a net assets deficit. As of June 30, 2014 the net assets deficit was \$166,661,471. The audited financial statements for UTOPIA as of June 30, 2015 have not been released; however, a significant net assets deficit is anticipated.

The City is a pledging member and has pledged sales and use tax revenues to partially guarantee payment of UTOPIA's bonds. In return for the pledge, the City was among the first cities to receive UTOPIA's services. In July 2008, UTOPIA issued \$185,000,000 of revenue bonds. The first two years of bond payments will be made from a debt reserve fund. In December 2011, UTOPIA refinanced the bond. From that point on, until the bonds are due in June 2040, net revenues from UTOPIA will reimburse the debt service reserve fund for payments on the bond debt. To the extent that there are insufficient net revenues to pay the debt service, the 11 pledged members are required to reimburse the UTOPIA debt service fund of any shortfall by their respective percentages up to a specific dollar amount. Any amount paid by Pledging Members to UTOPIA to reimburse the debt service reserve fund will be a loan to be repaid by UTOPIA. As of June 30, 2015, the City's percentage of the Debt Service Reserve shortfall was 3.33% and totaled \$445,718. Any bonds or debt issued or incurred by UTOPIA will not constitute debt of the City.

The City pledged sales and use tax revenue toward its share of any debt service fund shortfall was 3.33% in January 2015. The City's annual commitment increases 2% each year, and ranges from \$445,718 in Fiscal Year 2015 to \$730,030 in Fiscal Year 2040.

In January 2010, the Trustees of the UTOPIA bond funds notified the City that part of the UTOPIA Debt Service Reserve Fund was used to make required payments to the bondholders. Each month since then the City has received a similar notice. The City understands that these withdrawals will continue for an undetermined period of time and that replenishment payments will continue for the foreseeable future. The City is required to replenish its share of the amount withdrawn from the debt service reserve fund beginning January 2011. Monthly replenishment payments during the year ended June 30, 2015 totaled \$445,718.

According to the Amended and Restated Pledge and Loan Agreement, the amounts withdrawn from the City's share of the debt service reserve fund become a loan to UTOPIA. A note receivable of was recorded in the telecom fund during 2012, with an offsetting allowance for doubtful accounts. The balances as of June 30, 2015 were \$2,062,716. It is currently unclear when or if UTOPIA will be in a position to repay the loan.

CENTERVILLE CITY CORPORATION
Notes to the Financial Statements (Continued)
June 30, 2015

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

InterLocal Agreements (Continued)

Utah Infrastructure Agency The City is one of eight member cities of the Utah Infrastructure Agency (UIA), formed by an interlocal cooperative agreement organized under the laws of the State of Utah. The UIA was established on July 6, 2010, for the purpose of financing, constructing, equipping, and operating an open, wholesale, advanced communications infrastructure utility system throughout the City and interconnection with other members of the UIA. The UIA issued debt of approximately \$25 million in January 2011, approximately \$11.2 million in July 2013, and approximately \$24.3 in October 2015. The City pledged sales and use tax revenue toward its share of any debt service fund shortfall. The anticipated pledge amount is 3.33% of the annual debt service fund shortfall. Any bonds or debt issued or incurred by UIA will not constitute debt of the City. Additionally, the City will bill and collect connection service fees from end users of UTOPIA located in the City on behalf of UIA. The City is entitled to 5% of the fee for administrative costs and the remaining 95% is due to UIA. The City becomes a signatory party to the end user agreement, along with UIA and the end user. The City is responsible for collection of the user fees stipulated in the agreement should the end user default.

6. PRIOR PERIOD RESTATEMENT

During 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, resulting in the recognition of assets, liabilities, expenses, deferred inflows and outflows related to pensions. Prior to this statement, most of this information was either disclosed in the notes to the financial statements or was available in a separate report issued by Utah Retirement Systems. The implementation of this statement resulted in the restatement as of June 30, 2014 of net position of the water fund of \$123,574, of the drainage fund of \$17,653, business type activities of \$141,227, and of the governmental activities of \$1,624,117.

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CENTERVILLE CITY CORPORATION
Combining Balance Sheet – Non-major Governmental Funds
June 30, 2015

	Special Revenue		Debt Service			Capital Projects			Total
	Municipal Building Authority	Recreation	SID 400 West	SID Chase Lane	SID Porter Lane	Storm Drain	UTOPIA	Park Improvements Fund	Non-major Governmental Funds
<u>ASSETS</u>									
Cash and cash equivalents	\$ 1,207	\$ 51,824	\$ 1,605	\$ 13,695	\$ 2,017	\$ 140,768	\$ 323,598	\$ 78,118	\$ 612,832
Total assets	<u>\$ 1,207</u>	<u>\$ 51,824</u>	<u>\$ 1,605</u>	<u>\$ 13,695</u>	<u>\$ 2,017</u>	<u>\$ 140,768</u>	<u>\$ 323,598</u>	<u>\$ 78,118</u>	<u>\$ 612,832</u>
<u>LIABILITIES</u>									
Liabilities:									
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230,000	\$ 230,000
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,000</u>	<u>230,000</u>
<u>FUND BALANCES</u>									
Restricted for:									
Debt service	-	-	1,605	13,695	2,017	-	-	-	17,317
Assigned	1,207	51,824	-	-	-	140,768	323,598	(151,882)	365,515
Total fund balances	<u>1,207</u>	<u>51,824</u>	<u>1,605</u>	<u>13,695</u>	<u>2,017</u>	<u>140,768</u>	<u>323,598</u>	<u>(151,882)</u>	<u>382,832</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,207	\$ 51,824	\$ 1,605	\$ 13,695	\$ 2,017	\$ 140,768	\$ 323,598	\$ 78,118	\$ 612,832

CENTERVILLE CITY CORPORATION
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances –
Non-major Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue		Debt Service			Capital Projects			Total
	Municipal				SID			Park	Non-major
	Building		SID	SID	Porter	Storm		Improvements	Governmental
	Authority	Recreation	400 West	Chase Lane	Lane	Drain	UTOPIA	Fund	Funds
<u>REVENUES</u>									
Special assessments	\$ -	\$ -	\$ -	\$ 5,085	\$ -	\$ -	\$ -	\$ -	\$ 5,085
Charges for services	-	115,775	-	-	-	54,494	-	18,513	188,782
Interest	-	-	3	40	5	209	-	345	602
Miscellaneous	-	23,129	-	-	-	-	-	-	23,129
Total revenues	-	138,904	3	5,125	5	54,703	-	18,858	217,598
<u>EXPENDITURES</u>									
Current operating:									
Parks and recreation	-	177,809	-	-	-	-	-	524,911	702,720
Capital outlay	-	-	-	-	-	1,853	37,279	-	39,132
Debt service:									
UTOPIA pledge payment	-	-	-	-	-	-	445,718	-	445,718
Total expenditures	-	177,809	-	-	-	1,853	482,997	524,911	1,187,570
Excess (deficiency) of revenues over expenditures	-	(38,905)	3	5,125	5	52,850	(482,997)	(506,053)	(969,972)
<u>OTHER FINANCING SOURCES (USES)</u>									
Transfers in	-	39,000	-	-	-	-	765,276	-	804,276
Transfers out	-	-	-	(7,500)	-	-	-	-	(7,500)
Total other financing sources	-	39,000	-	(7,500)	-	-	765,276	-	796,776
Net change in fund balance	-	95	3	(2,375)	5	52,850	282,279	(506,053)	(173,196)
Fund balance - beginning of year	1,207	51,729	1,602	16,070	2,012	87,918	41,319	354,171	556,028
Fund balance - end of year	\$ 1,207	\$ 51,824	\$ 1,605	\$ 13,695	\$ 2,017	\$ 140,768	\$ 323,598	\$ (151,882)	\$ 382,832

CENTERVILLE CITY CORPORATION
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual
Municipal Building Authority
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
<u>REVENUES</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXPENDITURES</u>				
General government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at beginning of year	<u>1,207</u>	<u>1,207</u>	<u>1,207</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,207</u>	<u>\$ 1,207</u>	<u>\$ 1,207</u>	<u>\$ -</u>

CENTERVILLE CITY CORPORATION
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual
Recreation Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<u>REVENUES</u>				
Recreation fees	\$ 118,000	\$ 118,000	\$ 115,775	\$ (2,225)
Field use agreement	-	-	4,635	4,635
Concession sales	23,635	23,635	18,494	(5,141)
Total revenues	141,635	141,635	138,904	(2,731)
<u>EXPENDITURES</u>				
Salaries and wages	82,800	82,800	72,293	10,507
Employee benefits	12,030	12,030	11,875	155
Materials, supplies and other	53,950	53,950	78,247	(24,297)
Youth baseball/softball	28,000	28,000	15,394	12,606
Total expenditures	176,780	176,780	177,809	(1,029)
Excess (deficiency) of revenues over (under) expenditures	(35,145)	(35,145)	(38,905)	(3,760)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	39,000	39,000	39,000	-
Net change in fund balance	3,855	3,855	95	(3,760)
Fund balance, beginning of year	51,729	51,729	51,729	-
Fund balance, end of year	\$ 55,584	\$ 55,584	\$ 51,824	\$ (3,760)

CENTERVILLE CITY CORPORATION
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual
Special Improvement District 400 W. Debt Service Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<u>REVENUES</u>				
Special assessment	\$ -	\$ -	\$ -	\$ -
Interest	-	-	3	3
Total revenues	-	-	3	3
Expenditures	-	-	-	-
Net change in fund balance	-	-	3	3
Fund balance at beginning of year	1,602	1,602	1,602	-
Fund balance at end of year	<u>\$ 1,602</u>	<u>\$ 1,602</u>	<u>\$ 1,605</u>	<u>\$ 3</u>

CENTERVILLE CITY CORPORATION
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual
Special Improvement District Chase Lane Debt Service Fund
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
<u>REVENUES</u>				
Special assessment	\$ 9,141	\$ 9,141	\$ 5,085	\$ (4,056)
Interest	937	937	40	(897)
Total revenues	10,078	10,078	5,125	(4,953)
<u>EXPENDITURES</u>				
Interest and fiscal charges	937	937	-	937
Total expenditures	937	937	-	937
Net change in fund balance	9,141	9,141	5,125	(4,016)
Other financing sources				
Transfers out	9,141	9,141	(7,500)	(16,641)
Excess (deficiency) of revenues and other financing sources over (under) expenditures	18,282	18,282	(2,375)	(20,657)
Fund balance at beginning of year	16,070	16,070	16,070	-
Fund balance at end of year	<u>\$ 34,352</u>	<u>\$ 34,352</u>	<u>\$ 13,695</u>	<u>\$ (20,657)</u>

CENTERVILLE CITY CORPORATION
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual
Special Improvement District Porter Lane Debt Service Fund
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
<u>REVENUES</u>				
Special assessment	\$ -	\$ -	\$ -	\$ -
Interest	-	-	5	5
Total revenues	-	-	5	5
Expenditures	-	-	-	-
Net change in fund balance	-	-	5	5
Fund balance at beginning of year	<u>2,012</u>	<u>2,012</u>	<u>2,012</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,012</u>	<u>\$ 2,012</u>	<u>\$ 2,017</u>	<u>\$ 5</u>

CENTERVILLE CITY CORPORATION
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual
Arts Center Debt Service Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<u>REVENUES</u>				
Taxes	\$ 368,000	\$ 368,000	\$ 347,937	\$ (20,063)
Intergovernmental	591,929	591,929	590,437	(1,492)
Interest	-	-	2,114	2,114
Total revenues	959,929	959,929	940,488	(19,441)
<u>EXPENDITURES</u>				
General government	2,500	2,500	2,500	-
Debt service:				
Principal retirement	1,420,000	1,420,000	1,420,000	-
Interest and fiscal charges	201,388	201,388	201,388	-
Total expenditures	1,623,888	1,623,888	1,623,888	-
Excess (deficiency) of revenues over (under) expenditures	(663,959)	(663,959)	(683,400)	(19,441)
<u>OTHER FINANCING SOURCES</u>				
Transfers in	663,959	663,959	654,422	(9,537)
Net change in fund balance	-	-	(28,978)	(28,978)
Fund balance at beginning of year	-	-	44,828	44,828
Fund balance at end of year	\$ -	\$ -	\$ 15,850	\$ 15,850

CENTERVILLE CITY CORPORATION
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual
Capital Projects Park Improvements Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<u>REVENUES</u>				
Developer fees	\$ 75,000	\$ 14,600	\$ 18,513	\$ 3,913
Interest	400	400	345	(55)
Total revenues	75,400	36,435	18,858	(17,577)
<u>EXPENDITURES</u>				
Capital outlay	338,861	456,435	524,911	(68,476)
Total expenditures	338,861	456,435	524,911	(68,476)
Excess (deficiency) of revenues over (under) expenditures	(263,461)	(420,000)	(506,053)	(86,053)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	65,828	-	(65,828)
Net change in fund balance	(263,461)	(354,172)	(506,053)	(86,053)
Fund balance at beginning of year	354,171	354,171	354,171	-
Fund balance at end of year	<u>\$ 90,710</u>	<u>\$ (1)</u>	<u>\$ (151,882)</u>	<u>\$ (151,881)</u>

CENTERVILLE CITY CORPORATION
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual
Capital Projects Storm Drain Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<u>REVENUES</u>				
Developer fees	\$ 25,000	\$ 25,000	\$ 53,490	\$ 28,490
Contributions and grants	-	-	1,004	1,004
Interest on investments	75	75	209	134
Total revenues	25,075	25,075	54,703	29,628
<u>EXPENDITURES</u>				
Capital outlay	226,358	226,358	1,853	224,505
Total expenditures	226,358	226,358	1,853	224,505
Excess (deficiency) of revenues over (under) expenditures	(201,283)	(201,283)	52,850	254,133
Fund balance at beginning of year	87,918	87,918	87,918	-
Fund balance at end of year	<u>\$ (113,365)</u>	<u>\$ (113,365)</u>	<u>\$ 140,768</u>	<u>\$ 254,133</u>

CENTERVILLE CITY CORPORATION
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual
Capital Projects UTOPIA Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<u>REVENUES</u>				
Interest	\$ 100	\$ 100	\$ -	\$ (100)
Total revenues	100	100	-	(100)
<u>EXPENDITURES</u>				
Capital outlay	-	315,400	37,279	278,121
Debt Service - UTOPIA Pledge Payment	444,976	444,976	445,718	(742)
Total expenditures	444,976	760,376	482,997	277,379
Excess of revenues over expenditures	(444,876)	(760,276)	(482,997)	277,279
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer in	444,876	760,276	765,276	5,000
Net change in fund balance	-	-	282,279	277,279
Fund balance at beginning of year	41,319	41,319	41,319	-
Fund balance at end of year	<u>\$ 41,319</u>	<u>\$ 41,319</u>	<u>\$ 323,598</u>	<u>\$ 282,279</u>

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CENTERVILLE CITY CORPORATION
Schedule of the Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

	Noncontributory System	Contributory Retirement System	Public Safety System	Tier 2 Public Employees System
	2015			
Proportion of the net pension liability (asset)	0.1964264%	2.2216079%	0.5439158%	0.0679200%
Proportionate share of the net pension liability (asset)	\$ 852,930	\$ 96,912	\$ 684,019	(\$638)
Covered employee payroll	\$ 1,679,906	\$ 179,641	\$ 944,010	\$103,177
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	50.8%	53.9%	72.5%	-0.6%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	94.0%	90.5%	103.5%

Note:

This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

CENTERVILLE CITY CORPORATION
Schedule of Contributions
June 30, 2015

	Noncontributory System	Contributory Retirement System	Public Safety System	Tier 2 Public Employees System
	2015			
Contractually required contribution	\$ 308,727	\$ 24,931	\$ 267,908	\$ 8,681
Contributions in relation to the contractually required contribution	\$ (308,727)	\$ (24,931)	\$ (267,908)	\$ (8,681)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,679,906	\$ 1,052,462	\$ 944,010	\$ 103,177
Contributions as a percentage of covered-employee payroll	18.38%	13.88%	28.38	8.41%

Note:

This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

CENTERVILLE CITY CORPORATION
Notes to the Required Supplementary Information
June 30, 2015

1. ACTUARIALLY DETERMINED PENSION CONTRIBUTIONS

Contribution rates include an amount for normal cost, the estimated amount necessary to finance benefits earned by the members during the current year, and an amount for amortization of the unfunded or excess funded actuarial accrued liability over a closed 20-year amortization period. The rates are determined using the entry age actuarial cost method.

Contributions made were in accordance with actuarially computed funding requirements. For contribution rate purposes, the actuary evaluates the assets of the plan based on a 5-year smoothed expected return wherein 20 percent of a year's excess or shortfall of expected return is recognized each year for five years.

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Statistical Section

This is part of the City of Centerville's Comprehensive Annual Financial Report and presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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Financial Trends	
These schedules contain trend information to help the reader Understand how the City's financial performance and well being have changed over time.	85
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources.	90
Debt	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	97
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	102
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	104

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Centerville City Corporation

Net Position by Component Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Invested in capital assets, net of related debt	\$10,436,204	\$12,769,032	\$14,588,456	\$16,749,627	\$21,086,743	\$23,157,489	\$23,935,722	\$25,095,634	\$25,687,835	\$27,336,533
Restricted	\$0	\$211,742	\$209,375	\$13,476,070	\$6,014,400	\$314,049	\$105,067	\$15,654	\$19,684	\$17,317
Unrestricted	\$5,501,968	\$5,837,901	\$5,521,914	-\$8,166,577	-\$3,330,811	\$1,628,503	\$1,372,676	\$1,560,205	\$1,429,287	-\$667,257
Total governmental activities net position	\$15,938,172	\$18,818,675	\$20,319,745	\$22,059,120	\$23,770,332	\$25,100,041	\$25,413,465	\$26,671,493	\$27,136,806	\$26,686,593
Business-type Activities										
Invested in capital assets, net of related debt	\$8,198,814	\$9,396,800	\$10,164,608	\$11,001,715	\$11,361,031	\$11,644,848	\$10,052,642	\$10,802,629	\$11,612,195	\$14,042,619
Restricted	\$1,603,883	\$1,677,008	\$1,066,486	\$1,086,077	\$1,091,180	\$1,106,719	\$2,532,805	\$1,360,662	\$999,330	\$203,884
Unrestricted	-\$90,161	-\$542,570	-\$75,167	-\$172,501	-\$327,570	-\$364,138	\$203,033	\$1,202,214	\$1,281,957	-\$47,159
Total business-type activities net position	\$9,712,536	\$10,531,238	\$11,155,927	\$11,915,291	\$12,124,641	\$12,387,429	\$12,788,480	\$13,365,505	\$13,893,482	\$14,199,344
Primary Government										
Net investment in capital assets	\$18,635,018	\$22,165,832	\$24,753,064	\$27,751,342	\$32,447,774	\$34,802,337	\$33,988,364	\$35,898,263	\$38,591,421	\$41,379,152
Restricted	\$1,603,883	\$1,888,750	\$1,275,861	\$14,562,147	\$7,105,580	\$1,420,768	\$2,637,872	\$1,376,316	\$1,019,014	\$221,201
Unrestricted	\$5,411,807	\$5,295,331	\$5,446,747	-\$8,339,078	-\$3,658,381	\$1,264,365	\$1,575,709	\$2,762,419	\$1,419,853	-\$714,416
Total primary government net position	\$25,650,708	\$29,349,913	\$31,475,672	\$33,974,411	\$35,894,973	\$37,487,470	\$38,201,945	\$40,036,998	\$41,030,288	\$40,885,937

Centerville City Corporation

Change in Net Position Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
<u>Governmental Activities</u>										
General government	\$1,344,814	\$1,294,987	\$1,448,978	\$1,209,582	\$1,529,197	\$1,741,872	\$2,095,247	\$2,091,826	\$2,073,754	\$2,149,191
Public Safety	\$2,368,844	\$2,493,972	\$2,613,890	\$2,366,183	\$2,865,721	\$2,763,931	\$2,976,846	\$3,087,683	\$3,215,906	\$3,312,647
Streets and public works	\$1,146,997	\$1,873,984	\$1,715,647	\$1,948,185	\$1,937,663	\$1,694,141	\$1,620,465	\$1,565,404	\$2,040,237	\$1,929,230
Parks & recreation	\$1,009,363	\$1,119,172	\$1,154,243	\$1,330,148	\$1,200,377	\$1,217,390	\$1,684,043	\$1,629,452	\$1,720,371	\$1,707,103
Community development	\$396,376	\$765,077	\$756,662	\$1,026,745	\$642,469	\$927,596	\$1,124,270	\$660,840	\$539,894	\$618,065
Interest on long-term debt	\$153,444	\$161,453	\$85,852	\$152,369	\$493,361	\$450,822	\$370,904	\$312,167	\$259,327	\$213,694
Total governmental activities expenses	\$6,419,838	\$7,708,645	\$7,775,272	\$8,033,212	\$8,668,788	\$8,795,752	\$9,871,775	\$9,347,372	\$9,849,489	\$9,929,930
<u>Business-type activities</u>										
Water	\$1,167,370	\$1,526,483	\$1,765,049	\$1,601,430	\$1,674,851	\$1,573,410	\$1,690,109	\$2,086,004	\$1,835,012	\$1,965,022
Sanitation	\$623,259	\$637,035	\$649,850	\$655,091	\$818,314	\$881,683	\$868,350	\$906,971	\$979,738	\$956,890
Storm drain	\$348,444	\$463,475	\$475,445	\$382,484	\$483,127	\$575,251	\$517,346	\$629,638	\$611,098	\$760,994
Telecom	-	-	-	-	-	-	\$37,747	\$260,540	\$424,108	\$283,566
Total business-type activities expenses	\$2,139,073	\$2,626,993	\$2,890,344	\$2,639,005	\$2,976,292	\$3,030,344	\$3,113,552	\$3,883,153	\$3,849,956	\$3,966,472
Total primary government expenses	\$8,558,911	\$10,335,638	\$10,665,616	\$10,672,217	\$11,645,080	\$11,826,096	\$12,985,327	\$13,230,525	\$13,699,445	\$13,896,402
Program Revenues										
<u>Governmental activities</u>										
Charges for services										
General government	\$673,186	\$1,282,437	\$1,270,564	\$1,447,637	\$1,182,108	\$1,478,655	\$1,549,029	\$1,521,453	\$1,529,410	\$1,623,948
Streets and public works	\$17,211	\$290,260	\$52,887	\$8,009	\$10,551	\$7,186	\$12,993	\$16,388	\$11,477	\$5,085
Parks and recreation	\$194,926	\$108,473	\$220,092	\$115,714	\$96,152	\$114,825	\$112,501	\$112,607	\$118,300	\$121,278
Community development	\$570,739	\$477,875	\$500,852	\$283,527	\$242,284	\$338,196	\$548,812	\$350,406	\$333,252	\$241,315
Operating grants and contributions	\$115,683	\$243,090	\$89,310	\$32,287	\$0	\$0	\$0	\$0	\$0	\$0
Capital grants and contributions	\$875,000	\$100,000	\$186,500	\$1,701,527	\$2,256,903	\$1,202,285	\$1,170,455	\$1,841,179	\$2,267,236	\$2,872,876
Total governmental activities program revenues	\$2,446,745	\$2,502,135	\$2,320,205	\$3,588,701	\$3,787,998	\$3,141,147	\$3,393,790	\$3,842,033	\$4,259,675	\$4,864,502
<u>Business-type activities</u>										
Charges for services										
Water fees	\$1,864,538	\$2,233,905	\$2,283,281	\$1,654,905	\$1,642,409	\$1,972,977	\$2,111,193	\$2,476,190	\$2,431,720	\$2,251,667
Sanitation	\$688,237	\$641,393	\$611,679	\$623,054	\$758,206	\$796,831	\$821,464	\$880,454	\$942,296	\$955,657
Storm drain	\$553,441	\$507,974	\$579,744	\$542,718	\$591,537	\$549,545	\$555,681	\$564,987	\$576,486	\$586,157
Telecom	-	-	-	-	-	-	\$40,199	\$260,676	\$256,247	\$282,767
Operating grants and contributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital grants and contributions	\$34,250	\$0	\$0	\$0	\$350,000	\$12,000	\$0	\$253,450	\$0	\$311,841
Total business-type activities program revenues	\$3,140,466	\$3,383,272	\$3,474,704	\$2,820,677	\$3,342,152	\$3,331,353	\$3,528,537	\$4,435,757	\$4,206,749	\$4,388,089
Total primary government program revenues	\$5,587,211	\$5,885,407	\$5,794,909	\$6,409,378	\$7,130,150	\$6,472,500	\$6,922,327	\$8,277,790	\$8,466,424	\$9,252,591
Net (expense) revenue										
Government activities	-\$3,973,093	-\$5,206,510	-\$5,455,067	-\$4,444,511	-\$4,880,790	-\$5,654,605	-\$6,477,985	-\$5,505,339	-\$5,589,814	-\$5,065,428
Business-type activities	\$1,001,393	\$756,279	\$584,360	\$181,672	\$365,860	\$301,009	\$414,985	\$552,604	\$356,793	\$421,617

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
<u>Governmental activities</u>										
Property tax and uniform vehicle fees	\$1,878,705	\$1,653,574	\$1,790,943	\$1,933,965	\$2,385,839	\$2,423,442	\$2,555,160	\$2,529,705	\$1,514,682	\$1,520,060
Franchise, telecommunication, & energy sales tax	\$901,116	\$869,898	\$933,916	\$964,201	\$966,412	\$970,297	\$994,689	\$1,037,792	\$1,144,152	\$1,132,319
General & Highway Sales Tax	\$3,229,740	\$3,427,874	\$3,784,263	\$3,579,903	\$2,732,936	\$2,830,732	\$3,005,090	\$3,129,208	\$3,335,469	\$3,509,401
Gain on Sale of Capital Assets	\$0	\$1,590,238	\$12,370	-\$20,408	\$3,131	\$0	\$0	\$0	\$0	\$0
Other	\$371,281	\$495,343	\$385,430	\$291,996	\$329,497	\$706,511	\$216,705	\$66,662	\$224,224	\$98,392
Transfers	\$449,065	\$50,086	\$49,215	-\$549,751	\$174,187	\$53,332	\$19,765	\$0	-\$163,400	-\$20,840
Total governmental activities	\$6,829,907	\$8,087,013	\$6,956,137	\$6,199,906	\$6,592,002	\$6,984,314	\$6,791,409	\$6,763,367	\$6,055,127	\$6,239,332
<u>Business-type activities</u>										
Other	\$92,175	\$112,509	\$89,544	\$27,941	\$17,677	\$15,111	\$5,831	\$24,421	\$7,784	\$4,632
Transfers	-\$449,065	-\$50,086	-\$49,215	\$549,751	-\$174,187	-\$53,332	-\$19,765	\$0	\$163,400	\$20,840
Total business-type activities	-\$356,890	\$62,423	\$40,329	\$577,692	-\$156,510	-\$38,221	-\$13,934	\$24,421	\$171,184	\$25,472
Total primary government	\$6,473,017	\$8,149,436	\$6,996,466	\$6,777,598	\$6,435,492	\$6,946,093	\$6,777,475	\$6,787,788	\$6,226,311	\$6,264,804
Change in Net Position										
Governmental activities	\$2,856,814	\$2,880,503	\$1,501,070	\$1,739,375	\$1,711,212	\$1,329,709	\$313,424	\$1,258,028	\$465,313	\$1,173,904
Business-type activities	\$644,503	\$818,702	\$624,689	\$759,364	\$209,350	\$262,788	\$401,051	\$577,025	\$527,977	\$447,089
Total primary government	\$3,501,317	\$3,699,205	\$2,125,759	\$2,498,739	\$1,920,562	\$1,592,497	\$714,475	\$1,835,053	\$993,290	\$1,620,993

Centerville City Corporation

Fund Balances of Governmental Funds Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>General Fund</u>										
Nonspendable	-	-	-	-	-	-	\$235,461	\$124,589	\$7,064	\$0
Restricted	\$2,152,006	\$1,036,621	\$1,007,024	\$919,203	\$642,385	\$450,214	-	-	\$0	0
Unassigned	\$1,566,642	\$1,582,676	\$1,541,183	\$1,211,929	\$1,341,737	\$1,102,412	\$1,156,052	\$1,556,947	\$1,317,015	\$831,617
Total general fund	<u>\$3,718,648</u>	<u>\$2,619,297</u>	<u>\$2,548,207</u>	<u>\$2,131,132</u>	<u>\$1,984,122</u>	<u>\$1,552,626</u>	<u>\$1,391,513</u>	<u>\$1,681,536</u>	<u>\$1,324,079</u>	<u>\$831,617</u>
<u>All other Governmental Funds</u>										
Restricted	\$1,474,063	\$820,031	\$817,664	\$14,084,359	\$5,810,749	\$203,893	\$105,067	\$15,654	\$19,684	\$17,317
Assigned reported in:										
Special revenue funds	-\$8,688	-\$10,118	\$22,581	\$46,802	\$46,964	\$56,221	\$27,649	\$23,295	\$52,936	\$53,031
Capital project funds	\$357,469	\$1,897,370	\$1,357,209	\$563,971	\$104,755	\$100,242	\$374,189	\$423,941	\$483,408	\$312,484
Debt Service Funds	-	-	-	-	-	-	-	-	\$44,828	\$15,850
Redevelopment Agency Fund	\$267,841	\$1,075,796	\$1,333,978	\$758,791	\$961,349	\$553,564	\$244,971	-	\$260,978	\$342,835
Unassigned reported in:										
Special Revenue						-\$171,872	-\$278,330	-	-	-
Total all other governmental funds	<u>\$2,090,685</u>	<u>\$3,783,079</u>	<u>\$3,531,432</u>	<u>\$15,453,923</u>	<u>\$6,923,817</u>	<u>\$742,048</u>	<u>\$473,546</u>	<u>\$462,890</u>	<u>\$861,834</u>	<u>\$741,517</u>

Centerville City Corporation

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$5,448,434	\$5,458,844	\$5,999,136	\$6,031,356	\$6,085,187	\$6,224,471	\$6,554,939	\$6,696,705	\$5,994,303	\$6,161,780
Special Assessments	\$3,129	\$13,020	\$3,707	\$8,009	\$10,551	\$7,186	\$12,993	\$16,388	\$11,477	\$5,085
Licenses & Permits	\$446,572	\$424,347	\$504,672	\$283,527	\$242,284	\$338,196	\$548,812	\$350,406	\$333,252	\$241,315
Intergovernmental	\$569,187	\$835,592	\$599,296	\$1,773,027	\$1,176,903	\$1,202,285	\$1,170,455	\$1,251,685	\$2,267,236	\$2,383,626
Charges for Services	\$472,336	\$719,931	\$510,426	\$529,684	\$381,139	\$389,770	\$589,965	\$484,300	\$481,387	\$392,158
Charges for Services - Other Funds	-	\$503,905	\$509,898	\$503,900	\$503,900	\$709,085	\$611,000	\$686,000	\$698,000	\$859,500
Fines & Forfeitures	\$534,025	\$557,842	\$575,692	\$573,747	\$576,948	\$494,625	\$460,565	\$463,760	\$468,323	\$493,568
Interest	\$241,381	\$338,479	\$283,791	\$129,251	\$121,520	\$52,788	\$30,319	\$22,242	\$17,628	\$10,017
Miscellaneous	\$132,900	\$168,714	\$119,139	\$162,745	\$207,977	\$375,393	\$236,481	\$44,420	\$611,366	\$127,654
Total Revenues	\$7,847,964	\$9,020,674	\$9,105,757	\$9,995,246	\$9,306,409	\$9,793,799	\$10,215,529	\$10,015,906	\$10,882,972	\$10,674,703
Expenditures										
General Government	\$1,223,842	\$1,245,626	\$1,308,521	\$1,352,055	\$1,374,996	\$1,349,002	\$1,397,310	\$1,353,085	\$1,509,073	\$1,544,467
Public Safety	\$2,460,052	\$2,535,540	\$2,641,150	\$2,749,920	\$2,837,137	\$2,879,202	\$3,119,574	\$3,111,317	\$3,194,578	\$3,394,303
Street & Public Works	\$1,270,520	\$2,276,266	\$2,016,653	\$1,930,929	\$1,813,865	\$2,017,916	\$1,465,215	\$1,454,321	\$2,192,768	\$1,774,789
Community Development	\$393,524	\$822,225	\$812,208	\$1,172,949	\$598,034	\$912,744	\$1,063,826	\$648,840	\$516,534	\$595,600
Parks & Recreation	\$959,585	\$3,182,537	\$2,059,249	\$1,281,932	\$1,040,316	\$1,050,792	\$1,107,049	\$1,052,607	\$1,194,253	\$1,762,397
Capital Outlay	\$691,711	\$141,150	\$264,746	\$1,210,577	\$7,744,284	\$6,046,231	\$276,967	\$23,778	\$16,170	\$39,132
Debt Service										
Principal retirement	\$159,000	\$172,598	\$278,028	\$288,154	\$1,418,953	\$1,474,093	\$1,385,000	\$1,335,000	\$1,382,948	\$1,461,972
Interest & fiscal charges	\$156,286	\$136,698	\$98,936	\$88,997	\$492,486	\$452,226	\$382,716	\$321,947	\$267,235	\$221,602
Contractual Payments (UTOPIA)					\$183,727	\$278,368	\$449,346	\$428,410	\$436,978	\$445,718
Total Expenditures	\$7,314,520	\$10,512,640	\$9,479,491	\$10,075,513	\$17,503,798	\$16,460,574	\$10,647,003	\$9,729,305	\$10,710,537	\$11,239,980
Excess (deficiency) of Revenues Over Expenditures	\$533,444	-\$1,491,966	-\$373,734	-\$80,267	-\$8,197,389	-\$6,666,775	-\$431,474	\$286,601	\$172,435	-\$565,277
Other Financing Sources (uses)										
Transfers in	\$804,713	\$3,015,213	\$1,017,754	\$2,739,137	\$1,902,996	\$1,405,555	\$1,285,494	\$1,486,480	\$1,235,001	\$1,466,198
Transfers out	-\$358,648	-\$2,976,977	-\$986,039	-\$3,312,388	-\$2,392,049	-\$1,364,223	-\$1,323,329	-\$1,498,480	-\$1,421,761	-\$1,519,848
Sale of capital assets	-	\$1,630,773	\$19,282	\$28,631	\$9,326	\$12,178	\$39,694	\$4,766	\$55,812	\$6,148
Bond Proceeds	-	\$416,000	\$0	\$12,130,303	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Sources	\$446,065	\$2,085,009	\$50,997	\$11,585,683	-\$479,727	\$53,510	\$1,859	-\$7,234	-\$130,948	-\$47,502
Net Change in Fund Balance	\$979,509	\$593,043	-\$322,737	\$11,505,416	-\$8,677,116	-\$6,613,265	-\$429,615	\$279,367	\$41,487	-\$612,779
Fund Balance Beginning of Year	\$4,829,824	\$5,809,333	\$6,402,376	\$6,079,639	\$17,585,055	\$8,907,939	\$2,294,674	\$1,865,059	\$2,144,426	\$2,185,913
Fund Balance End of Year	\$5,809,333	\$6,402,376	\$6,079,639	\$17,585,055	\$8,907,939	\$2,294,674	\$1,865,059	\$2,144,426	\$2,185,913	\$1,573,134
Debt service as a percentage of non-capital expenditures	4.76%	2.98%	4.09%	4.25%	21.03%	19.95%	17.24%	17.07%	16.87%	23.47%

Centerville City Corporation

Governmental Activities Taxes and Special Assessment Revenues by Source Last Ten Fiscal Years

Fiscal Year	Property & Uniform Vehicle Taxes	Sales & Use Taxes	Highway Taxes	Franchise, Telecommunication & Energy Taxes	Special Assessments	Total Tax Revenue
2006	\$1,875,576	\$2,776,236	\$453,504	\$901,116	\$3,129	\$6,009,561
2007	\$1,640,554	\$2,935,372	\$492,501	\$869,898	\$13,020	\$5,951,345
2008	\$1,790,944	\$3,198,415	\$509,985	\$933,915	\$3,707	\$6,436,966
2009	\$1,933,965	\$2,872,183	\$417,008	\$964,201	\$8,009	\$6,195,366
2010	\$2,385,839	\$2,732,936	\$482,701	\$966,412	\$10,551	\$6,578,439
2011	\$2,423,442	\$2,830,732	\$474,530	\$970,297	\$7,186	\$6,706,187
2012	\$2,555,160	\$3,005,090	\$464,392	\$994,689	\$12,993	\$7,032,324
2013	\$2,529,705	\$3,129,208	\$478,990	\$1,037,792	\$16,388	\$7,192,083
2014 (1)	\$1,514,682	\$3,335,469	\$457,788	\$1,144,152	\$0	\$6,452,091
2015	\$1,520,060	\$3,509,401	\$482,916	\$1,132,319	\$0	\$6,644,696

(1) Property tax & Uniform Vehicle fees do not include tax increment received by the RDA

Centerville City Corporation

Direct and Overlapping Sales Tax Rates Last Ten Fiscal Years

<u>Year</u>	<u>City</u>	<u>County</u>	<u>State</u>	<u>Mass Transit</u>	<u>Total</u>
2006	1.00%	0.25%	4.75%	0.50%	6.50%
2007	1.00%	0.25%	4.75%	0.50%	6.50%
2008	1.10%	0.25%	4.65%	0.50%	6.50%
2009	1.10%	0.25%	4.65%	0.50%	6.50%
2010	1.10%	0.25%	4.65%	0.50%	6.50%
2011	1.10%	0.25%	4.65%	0.50%	6.50%
2012	1.10%	0.25%	4.65%	0.50%	6.50%
2013	1.10%	0.25%	4.65%	0.50%	6.50%
2014	1.10%	0.25%	4.65%	0.50%	6.50%
2015	1.10%	0.25%	4.65%	0.50%	6.50%

Source: Utah State Tax Commission

Centerville City Corporation

Taxable and Estimated Actual Value of Taxable Property

Last Ten Calendar Years

(amounts expressed in thousands)

Tax Year	Taxable Value	*Estimated Actual	Ratio of Taxable to Estimated Actual value
2004	\$610,355	\$961,189	63.50%
2005	\$675,189	\$1,048,430	64.40%
2006	\$677,113	\$1,110,021	61.00%
2007	\$734,544	\$1,162,253	63.20%
2008	\$784,307	\$1,256,902	62.40%
2009	\$872,676	\$1,360,580	64.14%
2010	\$952,197	\$1,438,364	66.20%
2011	\$919,819	\$1,406,236	65.41%
2012	\$940,518	\$1,452,866	64.74%
2013	\$972,352	\$1,515,076	64.18%
2014	\$1,020,479	\$1,602,139	63.69%

Tax year 2014

	Residential	Commercial	Other	Total Assessed Value	Total Market Value
Real Estate Assessed Value	\$250,584,940	\$94,149,259	\$15,437,153	\$360,171,352	\$564,368,659
Buildings	\$461,652,747	\$120,706,859	\$101,862	\$582,461,468	\$959,702,046
Personal Property	\$270,951	\$42,944,245	\$0	\$43,215,196	\$43,436,883
Centrally Assessed	-	-	-	\$34,631,293	\$34,631,293
Total	\$712,508,638	\$257,800,363	\$15,539,015	\$1,020,479,309	\$1,602,138,881

Source: Utah State Tax Commission

* Actual values are estimated prior to 2012.

Primary residences have a taxable value of 55% of actual value

Commercial and non-primary residences are taxed at 100% of actual value

The rate applied by the City is .001088%

The rate applied by all governmental entities is 1.3458%

Centerville City Corporation

Property Tax Levies and Collections

Last Ten Calendar Years

(amounts expressed in thousands)

<u>Calendar Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collection</u>	<u>Subsequent Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections as Percent of Levy</u>
2005	\$821,858	\$780,025	94.91%	\$34,390	\$814,415	99.09%
2006	\$849,703	\$815,006	95.92%	\$31,756	\$846,762	99.65%
2007	\$892,461	\$842,662	94.42%	\$33,812	\$876,474	98.21%
2008	\$907,846	\$837,435	92.24%	\$35,892	\$873,327	96.20%
2009	\$921,737	\$874,583	94.88%	\$47,779	\$922,362	100.07%
2010	\$946,840	\$906,992	95.79%	\$38,623	\$945,615	99.87%
2011	\$972,804	\$909,269	93.47%	\$33,508	\$942,777	96.91%
2012	\$994,821	\$944,660	94.96%	\$40,674	\$985,334	99.05%
2013	\$1,001,709	\$959,591	95.80%	\$33,944	\$993,535	99.18%
2014	\$1,096,936	\$1,047,455	95.49%	\$25,640	\$1,073,095	97.83%

Source: Utah State Tax Commission

Centerville City Corporation

Property Tax Rates - Direct and Overlapping Governments Last ten Calendar Years

<u>Tax Year</u>	<u>Centerville City</u>	<u>Davis County</u>	<u>Davis School District</u>	<u>Special Taxing Districts</u>	<u>Total Levy</u>
2005	0.1436%	0.2347%	0.7684%	0.1603%	1.3070%
2006	0.1349%	0.2142%	0.7305%	0.1045%	1.1841%
2007	0.1233%	0.2564%	0.7176%	0.1369%	1.2342%
2008	0.0923%	0.2329%	0.6764%	0.0879%	1.0895%
2009	0.1102%	0.2576%	0.7860%	0.0998%	1.2536%
2010	0.1173%	0.2775%	0.8861%	0.1187%	1.3996%
2011	0.1165%	0.2391%	0.8941%	0.1445%	1.3942%
2012	0.1141%	0.2331%	0.8710%	0.1400%	1.3582%
2013	0.1072%	0.2161%	0.8259%	0.0962%	1.2454%
2014	0.1088%	0.2153%	0.8555%	0.1662%	1.3458%

Source: Utah State Tax Commission

Centerville City Corporation

Principal Taxpayers
Current Year and 10 years Ago

Tax Year 2014 (current)

Taxpayer	Rank	Type of Business	Taxable Value	Percentage of Total Taxable Value
Legacy Crossing LLC	1	Entertainment/Housing	\$30,517,504	3.43%
Pacificorp	2	Electric Utility	\$20,278,588	1.99%
Walmart	3	Retail	\$17,991,994	1.76%
Dayton West LLC	4	Commercial Real Estate	\$14,678,052	1.44%
Dayton Hudson LLC (Target)	5	Commercial Real Estate	\$10,465,459	1.03%
Centerville Marketplace LLC	6	Retail	\$9,180,000	0.90%
HD Development	7	Retail	\$7,596,904	0.74%
SDCKP LLC	8	Retail	\$6,371,509	0.62%
Syro Steel	9	Manufacturing	\$4,547,584	0.62%
JGNK Investments LLC	9	Retail	\$6,350,000	0.62%
SLC Pipeline	10	Piping	\$5,358,182	0.52%
Total			\$102,818,272	13.67%

Tax Year 2005

Taxpayer	Rank	Type of Business	Taxable Value	Percentage of Total Taxable Value
Dayton Hudson Corporation (Target)	1	Retail	\$23,506,869	3.85%
Home Depot	2	Retail	\$7,060,000	1.16%
Pacificorp	3	Electrical Utility	\$7,018,299	1.15%
Dayton West, LLC	4	Commercial Real Estate	\$6,800,000	1.11%
Albertson's	5	Grocery	\$5,004,962	0.82%
DIKA Properties	6	Commercial Real Estate	\$3,450,000	0.67%
Syro Steel	7	Manufacturing	\$4,198,104	0.59%
Hale Industries	8	Retail	\$2,999,289	0.49%
Questar Gas	9	Natural Gas Utility	\$2,532,038	0.41%
Qwest Corporation (CenturyLink)	10	Communications	\$2,511,668	0.41%
Total			\$65,081,229	10.66%

Source: Davis County Clerk/Auditors Office

Centerville City Corporation

Property Value and Construction Last Ten Calendar Years

<u>Calendar Year</u>	Non-residential Construction	<u>No of Units</u>	<u>Value</u>	Residential Construction	<u>No of Units</u>	<u>Value</u>	Total New Construction <u>Value</u>	Estimated Total Property <u>Value</u>
2005		28	\$6,392,090		86	\$17,573,000	\$23,965,090	\$1,048,430,000
2006		31	\$18,788,500		84	\$20,606,000	\$39,394,500	\$1,110,021,000
2007		26	\$13,642,750		75	\$18,360,000	\$32,002,750	\$1,162,253,000
2008		20	\$6,714,400		64	\$16,920,000	\$23,634,400	\$1,185,902,000
2009		15	\$18,182,300		31	\$6,434,514	\$24,616,814	\$965,844,000
2010		19	\$33,579,772		52	\$43,939,807	\$77,519,579	\$1,043,363,579
2011		23	\$2,720,621		212	\$30,472,703	\$33,193,324	\$1,076,556,903
2012		15	\$3,085,747		139	\$22,988,889	\$26,074,636	\$1,102,631,539
2013		16	\$16,839,783		50	\$10,873,766	\$27,713,549	\$1,130,345,088
2014		4	\$11,299,915		7	\$1,806,645	\$13,106,560	\$1,143,451,648

Source: Centerville City Community Development Department

Centerville City Corporation

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Governmental Activities						Business-type Activities			
Fiscal Year	MBA Lease Revenue Bonds	Sales Tax Revenue Bonds	Notes Payable	Capital Lease	Special Assessment Bonds	Water Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2006	\$1,155,000			\$4,247	\$4,000	\$3,696,000	\$4,859,247	0.78%	\$245.83
2007	\$995,000			\$ -	\$ -	\$3,522,000	\$4,517,000	0.70%	\$233.09
2008	\$830,000		\$312,000			\$3,341,000	\$4,483,000	0.66%	\$220.02
2009	\$655,000	\$12,130,303	\$208,000			\$3,154,000	\$16,147,303	0.62%	\$206.68
2010	\$470,000	\$10,970,694	\$104,000			\$2,949,000	\$14,493,694	0.57%	\$192.31
2011	\$275,000	\$9,766,085	\$ -			\$2,731,000	\$12,772,085	0.51%	\$176.88
2012	\$75,000	\$8,541,476				\$4,465,366	\$13,081,842	0.77%	\$287.53
2013	\$ -	\$7,241,867				\$4,113,770	\$11,355,637	0.66%	\$253.89
2014		\$5,585,000		\$172,866		\$3,742,172	\$9,500,038	N/A	\$230.66
2015		\$4,165,000		\$130,894		\$3,377,172	\$7,646,606	N/A	\$200.44

Centerville City Corporation

Direct and Overlapping Governmental Activities Debt June 30, 2015

Governmental Unit	Outstanding Debt	Estimated Percentage Applicable (1)	Estimated Share of Overlapping
Debt repaid with property taxes			
Davis County	\$17,724,100	4.90%	\$868,481
Davis School District	\$407,635	4.90%	\$19,974
Weber Basin Water Conservancy	\$22,440,060	0.24%	\$53,856
State of Utah	\$2,830,150,000	0.69%	\$19,528,035
South Davis Recreation District	\$12,275,000	15.77%	\$1,935,768
Other Debt - Davis County			
Sales tax revenue bonds	\$35,140,985	11.23%	\$3,946,333
MBA lease revenue bonds	\$20,044,000	4.90%	\$982,156
Total Overlapping Debt	<u>\$2,938,181,780</u>		<u>\$27,334,602</u>
<u>Direct Debt - Centerville City</u>			
Sales Tax Revenue Bonds	<u>\$4,165,000</u>	100.00%	<u>\$4,165,000</u>
Total Direct and Overlapping Debt	<u>\$2,942,346,780</u>		<u>\$31,499,602</u>

(1) For debt repaid with property taxes the estimated percentage of overlapping debt applicable to Centerville City was used by using taxable assessed property values. This method was used on all debt except retail sales was used for the Davis County sales tax revenue bonds where the percentage was estimated by dividing the point of sales taxes collected within Centerville was divided by the point of sale collected in the County.

Note: Overlapping governments are considered to be those that at least in part, coincide with the geographical boundaries of the City. This table does not imply that every tax payer is a resident and therefore responsible for repaying the debt of the overlapping government.

Centerville City Corporation

Legal Debt Margin Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$23,293,501	\$26,048,852	\$35,971,172	\$34,500,403	\$32,209,898	\$30,499,924	\$31,078,256	\$37,623,137	\$39,134,632	\$40,819,160
Total net applicable debt	\$4,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Legal debt margin	\$23,289,501	\$26,048,852	\$35,971,172	\$34,500,403	\$32,209,898	\$30,499,924	\$31,078,256	\$37,623,137	\$39,134,632	\$40,819,160
Total net debt applicable to limit as a percentage of debt limit	<u>0.02%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed Value	\$1,020,479,309
Debt Limit (4% of assessed value)	\$40,819,172
Less Applicable Debt	<u>\$0</u>
Legal Debt Margin	<u>\$40,819,172</u>

Centerville City Corporation

Sales Tax Bond Coverage Last Six Years

Sales Tax Revenue Bonds series 2009

<u>Fiscal Year</u>	<u>Sales & Use Tax Revenue</u>	<u>Principal</u>	<u>Interest & Fiscal Charges</u>	<u>Total</u>	<u>Coverage</u>
2010	\$2,732,936	\$1,120,000	\$422,258	\$1,542,258	1.77
2011	\$2,830,732	\$1,165,000	\$401,888	\$1,566,888	1.81
2012	\$3,005,090	\$1,185,000	\$355,288	\$1,540,288	1.95
2013	\$3,129,208	\$1,260,000	\$254,988	\$1,514,988	2.07
2014	\$3,335,469	\$1,340,000	\$254,864	\$1,594,864	2.09
2015	\$3,509,401	\$1,420,000	\$201,388	\$1,621,388	2.16

Bonds were issued in 2009, Not applicable prior to 2010.

Centerville City Corporation

Revenue Bond Coverage Last Ten Fiscal Years

Water Revenue Bonds

<u>Fiscal Year</u>	<u>Gross Revenue</u>	<u>Operating Transfers</u>	<u>Expenses net of Depreciation</u>	<u>Net Available Revenue</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
2005	\$2,316,108	-\$373,793	-\$1,175,166	\$767,149	\$161,000	\$154,490	\$315,490	2.43
2006	\$2,499,361	-\$381,060	-\$1,033,867	\$1,084,434	\$174,000	\$147,860	\$321,860	3.37
2007	\$2,843,981	-\$63,276	-\$1,661,175	\$1,119,530	\$182,000	\$170,606	\$352,606	3.18
2008	\$2,944,790	-\$49,215	-\$1,892,103	\$1,003,472	\$181,000	\$141,918	\$322,918	3.11
2009	\$2,222,061	-\$73,500	-\$1,519,205	\$629,356	\$187,000	\$107,317	\$294,317	2.14
2010	\$2,250,986	-\$183,913	-\$1,611,166	\$455,907	\$205,000	\$137,413	\$342,413	1.33
2011	\$2,537,339	-\$82,220	-\$1,611,315	\$843,804	\$218,000	\$134,742	\$352,742	2.39
2012(2)	\$2,672,694	-\$19,765	-\$1,624,593	\$1,028,336	\$236,000	\$110,135	\$346,135	2.97
2013	\$2,600,263	\$0	-\$2,064,481	\$535,782	\$313,619	\$77,606	\$391,225	1.37
2014	\$2,980,802	-\$74,570	-\$1,936,189	\$970,043	\$355,000	\$106,012	\$461,012	2.10

(1) Water Series 2003 Drainage Utility revenues are also pledged

(2) 2012 Principal & interest is current portion due only. The 2002 & 2003 bond issues were refunded along with new debt issued.

Centerville City Corporation

Demographic and Economic statistics

Calendar Year	Population (1)	Per Capita Income (2)	Personal Income	Unemployment Rate (3)	Median Age (4)	Average Size of Household (4)
2005	14,960	\$28,081	\$420,091,760	3.70%	27.3	3.52
2006	15,035	\$30,577	\$459,725,195	3.10%	27.3	3.52
2007	15,110	\$31,518	\$476,236,980	3.70%	27.3	3.52
2008	15,185	\$31,915	\$484,629,275	5.40%	27.3	3.52
2009	15,260	\$32,115	\$490,074,900	5.90%	27.3	3.52
2010	15,335	\$33,104	\$507,649,840	6.70%	31.7	3.21
2011	15,440	\$33,817	\$522,134,480	5.20%	31.7	3.21
2012	16,203	\$34,755	\$563,135,265	4.30%	31.7	3.21
2013	16,624	\$35,430	\$588,988,320	3.60%	31.7	3.21
2014	16,819	\$35,898	\$603,768,462	3.50%	31.7	3.21

(1) Years 2002-20009, 2000 United States Census Report and estimates average growth; 2010, 2010 Census and 2011, 2012 State of Utah.

(2) U.S. Department of Commerce.

(3) Utah Department of Workforce Services

(4) United States Census Reports, years 2001-2009, 2000 report; 2010 year 2010-2012.

Centerville City Corporation

Principal Employers

Current Year			
Employer	Type of Business	Employees	Rank
Management & Training Corporation	Job Training Services	500-999	1
Walmart	General Merchandise	250-499	2
Target	General Merchandise	100-249	3
Dicks Market	Grocery Store	100-249	4
Deseret Industries	Retail Trade	100-249	5
Hogan & Associates	General Contractor	100-249	6
Home Depot	Retail Trade	100-249	7
Varsity Contractors	Admin. Support	100-249	8

Prior Year			
Employer	Type of Business	Employees	Rank
Management & Training Corporation	Job Training Services	500-999	1
Walmart	General Merchandise	250-499	2
Target	General Merchandise	100-249	3
Dicks Market	Grocery Store	100-249	4
Deseret Industries	Retail Trade	100-249	5
Hogan & Associates	General Contractor	100-249	6
Home Depot	Retail Trade	100-249	7
Varsity Contractors	Admin. Support	100-249	8

Source: Division of Workforce Services

Percent of total employment is not available
Other employers are less than 100 employees.

Centerville City Corporation

Full Time Equivalent City Government Employees by Function Last Ten Fiscal Years

Function	2006	2007	2008	2009	2010	2011	2012	2013	2015
General Government									
Administration	3	3	3	3	3	3	3	3	3
Finance	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Justice Court	3.75	3.75	3.75	3.75	3.75	2.75	2.5	2.5	2.5
Total General Government	10.25	10.25	10.25	10.25	10.25	9.25	9	9	9
Police	25	25	25	25	25	25	25	25	25
Community Development	4	4	4	4	3	3	3	3	3
Public Works									
Administration	4	4	4	4	4	4	4	4	4
Streets	4	4	4	4	4	4	4	4	4
Water	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Drainage	1	1	1	1	1	1	1	1	1
Total Public Works	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5
Parks & Recreation									
Parks	8.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Recreation	6.25	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Museum	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Building Maintenance	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Total Parks & Recreation	16	17.25	17.25	17.25	17.25	17.25	17.25	17.25	17.25
Total Primary Government	69.75	71	71	71	70	69	68.75	68.75	68.75

Sources: Centerville City Payroll.

Centerville City Corporation

General Fund Expenditures by Function Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Community Development</u>	<u>Parks & Recreation</u>	<u>Total</u>
2006	\$1,219,986	\$2,460,052	\$1,270,520	\$366,249	\$810,696	\$6,127,503
2007	\$1,243,498	\$2,535,540	\$2,276,266	\$386,775	\$983,066	\$7,425,145
2008	\$1,307,209	\$2,641,150	\$2,016,653	\$408,839	\$927,602	\$7,301,453
2009	\$1,350,747	\$2,749,920	\$1,930,929	\$383,636	\$1,043,428	\$7,458,660
2010	\$1,308,162	\$2,837,137	\$1,813,865	\$342,511	\$860,195	\$7,161,870
2011	\$1,320,672	\$2,879,202	\$2,017,916	\$375,609	\$884,478	\$7,477,877
2012	\$1,392,886	\$3,119,574	\$1,465,215	\$451,462	\$915,767	\$7,344,904
2013	\$1,335,371	\$3,111,317	\$1,454,321	\$343,833	\$857,772	\$7,102,614
2014	\$1,380,944	\$3,194,578	\$2,238,112	\$345,980	\$1,007,872	\$8,167,486
2015	\$1,405,409	\$3,394,303	\$1,774,789	\$355,398	\$1,059,677	\$7,989,576

Centerville City Corporation

Operating Indicators by Function

Current Calendar Year and Prior seven Years (previous years not available)

Function	2007	2008	2009	2010	2011	2012	2013	2014
Community Development								
Single Dwelling permits	43	14	7	10	32	40	16	7
Double Dwelling permits	8	48	24	8	22	40	23	0
Multi-family Dwelling permits	24	24	0	0	3	1	0	0
Commercial permits	26	20	15	7	23	15	16	36
Demolition permits	12	7	6	2	0	2	3	5
Permit process time	7 days	7 days	7 days	7 days	5 days	5 days	5 days	3-5 days
Parks, Recreation and Trails								
Developed Acreage	88	88	88	88	88	88	88	88
Undeveloped Acreage	35	35	35	35	35	35	35	35
Youth in Recreation Programs	2,970	2,658	2,732	2,446	2,510	2,374	2,150	2,476
Police Services								
Expenditures per officer	\$103,968	\$113,688	\$119,140	\$119,140	\$125,047	\$136,302	\$143,876	\$132,710
Average response time (minutes)	3.5 to 4	1.23 to 6.52	.80 to 2.93	3.32	3.63	3.45	1.2	not available
Police reports per officer	201	135	143	124	130	138	145	not available
Water								
Gallons billed	449,896,786	476,933,000	492,084,000	530,025,000	53,184,423	52,500,000	53,000,000	53,000,000
Residential connections	3,995	4,041	4,093	4,110	4,114	4,211	4,275	4,468
Other connections	452	459	461	463	465	467	483	501
Taxes								
Taxable sales per capita (local option)	\$20,747	\$21,761	\$19,856	\$20,954	\$22,136	\$22,930	\$22,851	\$23,650
Sales tax revenue per capita (local option)	\$194.27	\$210.63	\$188.22	\$178.22	\$193.51	\$197.30	\$200.65	\$208.66
Indexed to State average (less resort cities)	103.00%	115.10%	111.37%	109.34%	not available	not available	\$168.39	not available
Property tax revenue per capita (non RDA)	\$56.68	\$57.99	\$57.36	\$62.45	\$60.35	\$60.82	\$59.97	\$56.60
Indexed to State average (less resort cities)	80.20%	78.36%	59.13%	63.72%	not available	not available	not available	not available
Franchise tax per capita	\$57.58	\$61.51	\$63.19	\$63.02	\$64.05	\$64.05	\$68.83	\$67.33
Indexed to State average (less resort cities)	163.16%	384.44%	210.63%	233.41%	not available	not available	not available	not available
Total tax revenue per capita	\$308.53	\$330.13	\$308.77	\$303.69	\$317.91	\$323.91	\$360.59	\$395.07
Indexed to State average (less resort cities)	104.80%	120.93%	104.31%	105.45%	not available	not available	not available	not available
General Fund revenues per capita	\$456	\$426	\$428	\$485	\$483.03	\$473.93	\$483.80	\$489.22
General Fund expenditures per capita	\$407	\$444	\$446	\$493	\$490.52	\$438.36	\$463.25	\$478.71
Capital improvement expenditures per capita	\$123	\$72	\$101	\$394	\$391.60	\$112.52	\$95.06	\$31.32

Sources: Utah State Tax Commission. UCMA Benchmarking report.

Centerville City Corporation

Capital Asset & Statistical Information by Function Last Ten Fiscal Years

Date of Incorporation	May 17, 1915									
Area of City	7.5 square miles									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Population Estimate(1)	15,035	15,110	15,185	15,260	15,335	15,440	15,530	16,203	16,624	16,849
City Hall and Justice Court	1	1	1	1	1	1	1	1	1	1
Museum	1	1	1	1	1	1	1	1	1	1
Streets & Public Works										
Miles of Streets	59	59	61	62	62	64	64	64	64	65
Number of Street Lights	717	729	733	715	715	725	728	733	741	753
Public Works Office, Maintenance, Storage	2	2	2	2	2	2	2	2	2	2
Number of Police Stations (included in City Hall)	1	1	1	1	1	1	1	1	1	1
Number of Police Officers	16	17	17	17	17	17	17	17	17	18
Municipal Water										
Number of Customers	4,366	4,401	4,499	4,523	4,541	4,589	4,624	4,699	4,758	4,763
Miles of Water Mains	70	71	72	72	72	74	77.29	77.71	78.01	80.01
Number of Culinary Water Wells	8	8	8	8	8	8	8	8	9	9
Number of Culinary Water Storage Tanks	6	6	6	6	6	6	6	6	6	6
Waste Collection										
Number of primary residential customers	n/a	n/a	n/a	n/a	3,983	4,024	4,127	4,152	4,196	4,239
Number of recycling customers	n/a	n/a	n/a	n/a	3,272	3,416	3,546	3,582	3,674	3,701
Number of green waste customers	n/a	n/a	n/a	n/a	n/a	905	1,066	1,075	1,118	1,230
Building Permits Issued (new construction, includes remodel)	114	115	115	55	46	98	80	96	74	216
Parks & Recreation										
Office, Maintenance, Storage Buildings	1	1	1	1	1	1	1	1	1	1
Developed Parks	5	7	7	7	7	7	7	7	7	7
Undeveloped Parks and Trails	2	0	5	5	5	5	5	5	5	5
Pavillions	5	7	7	7	7	7	7	7	7	7
Tennis Courts	4	4	4	4	4	4	4	4	4	4
Baseball Fields	4	4	4	4	4	4	4	4	4	4

Sources: Centerville City Public Works, Parks, Police, Community Development, and Administration departments.

(1) Years 2003-2009, based on 2000 Census and subsequent years are estimated on new construction. 2010-12 is 2010 Census, following years are estimated from new construction.

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**CENTERVILLE CITY CORPORATION
CENTERVILLE, UTAH**

**REPORTS ON COMPLIANCE AND INTERNAL CONTROL
INCLUDING STATE LEGAL COMPLIANCE REPORT**

YEAR ENDED JUNE 30, 2015

Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation
CERTIFIED PUBLIC ACCOUNTANTS

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Bountiful, Utah 84010
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American Institute
of Certified Public
Accountants*

*Members of the
Private Company
Practice Section*

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor & Members of the City Council
Centerville City Corporation, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Centerville City Corporation, Utah ("the City"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 18, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purposes of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hansen, Bradshaw, Malmrose & Erickson, P.C.

December 18, 2015

Hansen, Bradshaw, Malmrose & Erickson

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INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH THE *STATE COMPLIANCE AUDIT GUIDE* ON COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS, COMPLIANCE FOR EACH MAJOR STATE PROGRAM, INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF STATE AWARDS

Honorable Mayor and Members of the City Council
Centerville City Corporation, Utah

Report On Compliance with General State Compliance Requirements and for Each Major State Program

We have audited Centerville City Corporation's ("the City") compliance with the applicable general state and major state program compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City or each of its major state programs for the year ended June 30, 2015.

General state compliance requirements were tested for the year ended June 30, 2015 in the following areas:

Budgetary Compliance	Fund Balance
Justice Courts	Enterprise Fund Transfers,
Utah Retirement Systems	Reimbursements, Loans, and Services
Cash Management	Open and Public Meetings Act
Tax Levy Revenue Recognition	Impact Fees

The City received state funding from the following programs classified as major programs for the year ended June 30, 2015:

B&C Road Funds (UDOT)

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the City or its major state programs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on General State Compliance Requirements and Each Major State Program

In our opinion, Centerville City Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City or on each of its major state programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in the accompanying Schedule of Findings and Responses as items 15-1 and 15-2. Our opinion on compliance is not modified with respect to these matters.

The City's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report On Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City or on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state or major state program compliance requirement on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state or major state program compliance requirement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

We noted a matter involving internal control over compliance which we are submitting for your consideration. This matter is described in the accompanying Schedule of Findings and Responses as item 15-1.

The City's response to the internal control finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Awards as Required by the State Compliance Audit Guide

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Riverton City Corporation as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 5, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *State Compliance Audit Guide* and is not a required part of the basic financial statements. Such information is the responsibility of management

and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state awards is fairly stated in all material respects in relation to the financial statements as a whole.

Hansen, Bradshaw, Malmrose & Erickson, P.C.

December 18, 2015

CENTERVILLE CITY CORPORATION
Schedule of Findings and Responses
For the Year Ended June 30, 2015

State Compliance Finding

Requirement/Program

Current Year Findings

15-1 Budgetary Compliance Finding: State law, *Utah Code 10-6-123*, requires that officers and employees of an entity shall not incur expenditures in excess of the total appropriation for any department or fund. For the year ended June 30, 2015, expenditures exceeded budgeted amounts in the following fund:

<u>Fund</u>	<u>Department/Category</u>	<u>Amount over Budget</u>
Parks Improvement Fund	Total expenditures	\$68,476
Recreation Fund	Total expenditures	\$1,029

Recommendation: The City should monitor the status over expenditures as compared to the budget through the year, and amend the budget as necessary to ensure compliance with State Code.

Management's Response:

Parks Improvement Fund The City is developing a section of new park recorded in this fund. Expenditures were higher than anticipated at June 30, as construction is ongoing. The City will monitor closely similar projects in the future to ensure compliance.

Recreation Fund Most expenditures occur during the months of May and June in this fund, making total expenditures difficult to estimate at June 30. The City will monitor this fund closely in the future to assure compliance.

15-2 Deficit Fund Balance Finding: Under Utah State law, deficit fund balances in any fund are not permitted. We noted a deficit fund balance in the Parks Improvement Fund of \$151,882 as of June 30, 2015.

Recommendation: The City should take appropriate action to eliminate this deficit fund balance in accordance with State compliance guidelines.

Management's Response: The timing of revenue for the new park project recorded in this fund were remitted to the City later than anticipated, causing the deficit at June 30. The deficit was eliminated by the end of July. Staff will monitor such activity in the future to assure compliance.

CENTERVILLE CITY CORPORATION
Schedule of Expenditures of State Awards
For the Year Ended June 30, 2015

Grant Name	Award/Contract #	Year of Last Audit	Expenditures	Revenues
Department of Transportation				
B&C Road Funds		2015	\$ 623,997	\$ 475,336
Total Department of Transportation			<u>623,997</u>	<u>475,336</u>
<u>Police Department</u>				
State Liquor Funds				
State Liquor Funds			17,670	20,401
Total State Liquor Funds			<u>17,670</u>	<u>20,401</u>
Department of Public Safety				
Division of Emergency Mgt, EMPG	CFDA 97.042		7,500	7,500
Highway Safety Grant	DD150801		4,946	4,946
Sponsorship on Go-Carts-Highway Safety			1,923	1,923
Department of Justice	BUBX15076034		3,914	1,957
Commission on Criminal & Juvenile Justice				
Justice Assistance Grant	14A113		8,028	7,500
Alcohol & Drug Fee Grants Committee				
Grant for In Car Camera System			9,950	9,950
Total State Grants for Police Department			<u>36,261</u>	<u>33,776</u>
Total Grant, Contract, and Loan Fund Expenditures			<u><u>\$677,928</u></u>	<u><u>\$529,513</u></u>

State of Utah Uniform Accounting Manual

Fund Balances

Retained Earnings of Funds

Local governments are permitted to accumulate retained earnings or fund balances in any fund. The general fund however, is subject to certain restraints in order to eliminate large fund balances. **Governments should tax its constituents on a “pay as you go” basis. This means that purchases of economic resources which benefit taxpayers today should not be made with funds accumulated from prior taxpayers,** or by issuing excessive debt which places the burden on future taxpayers. The limit on the accumulative total of the general fund varies across local governments and will be discussed in the “Entity Specific Information” section following this discussion. The accumulation of funds in the general fund are restricted to the following purposes: (a) to finance expenditures from the beginning of the period until general property taxes, sales taxes, and other revenues are collected, (b) to provide a reserve to meet emergency expenditures, and (c) to cover unanticipated deficits for future years.

C: [10-6-116](#)
T: [10-5-113](#)
CO: [17-36-16](#)
D: [17B-1-612](#)

Excess Fund Balance

If a local government’s general fund balance is in excess of the limits described in the “Entity Specific Information” section below, the local government needs to correct the situation during the next fiscal year. This can be accomplished by including the excess in the general fund as available resources. The excess can then be transferred to a capital projects fund or left as an available resource in the general fund, which would have the effect of reducing current year property taxes.

C: [10-6-117-\(2\)](#)
T: [10-5-113-\(3\)](#)
CO: [17-36-16-\(2\)](#)
D: [17B-1-612-\(3\)](#)

Deficit Fund Balance

Local governments that find themselves with a deficit fund balance shall appropriate five percent of their fund revenues per year to pay off this deficit. However, if the deficit was created illegally (i.e., expenditures in excess of those budgeted), the State Auditor requires that the total deficit should be appropriated in the following fiscal year.

C: [10-6-117-\(3\)](#)
T:
CO: [17-36-17-\(2\)](#)
D: [17B-1-613-\(3\)](#)

Transfer of Balances in Special Funds & Inter-fund Loans

When it becomes no longer necessary for maintaining a special fund, the remaining fund balance can be transferred to the fund balance in the general fund. Any balance remaining in a capital improvement or project fund is to be transferred to the corresponding debt service fund as the bond covenant requires. Local governments may authorize inter-fund loans subject to certain specifications. These specific guidelines can be found in the code references mentioned herein.

C: [10-6-131~132](#)
T: [10-5-119~120](#)
CO: [17-36-29~30](#)
D: [17B-1-625~626](#)

*An
Elected
Official's
Guide to*
FUND BALANCE

By Stephen J. Gauthier

*Government Finance
Officers Association*



-
- 20 What is the relationship between "unreserved fund balance" and liquidity?
 - 21 What is the meaning of equity in proprietary funds?
 - 22 What is "contributed capital"?
 - 23 What ever happens to "contributed capital"?
 - 24 What is "retained earnings"?
 - 25 Is a high level of "retained earnings" necessarily a sign of good economic health?
 - 27 What is "reserved retained earnings"?
 - 28 Can "retained earnings" be "designated"?
 - 29 What is the relationship between "retained earnings" and liquidity?
 - 30 How should equity be interpreted in trust funds?
 - 32 Why is no equity reported in agency funds?
 - 33 Why is equity not reported for account groups?
 - 35 Conclusion
 - 36 Glossary

FOREWORD

Almost any discussion of a government's financial condition will eventually touch upon the issue of "fund balance." Indeed, fund balance is probably the greatest single item of interest to many, if not most, users of state and local government financial statements. Yet in spite of all of the attention it has traditionally received, fund balance remains, at best, an elusive concept for many involved in public finance.

This publication is designed to provide elected officials with clear and practical answers to the most commonly asked questions about fund balance. The publication not only provides a simple explanation of fund balance that is readily understandable to the nonaccountant, but it also dispels many misconceptions about fund balance frequently encountered in practice.

The fiscal situation confronting state and local governments in the 1990s has made it increasingly difficult for elected officials to balance the requirements of sound financial administration and citizens' demands for increased levels of services. The GFOA hopes that this publication will be of practical assistance to elected officials in weighing conflicting claims about fund balance in the course of allocating scarce public resources.

The GFOA wishes to thank Stephen Gauthier, the Director of the GFOA's Technical Services Center, for writing this publication. We hope that this booklet, along with others in the "Elected Officials" series, will provide needed guidance to elected officials seeking to improve the financial management of their governments.

Jeffrey L. Esser
Executive Director
December 1991

PREFACE

In our system of government, crucial decisions involving the lives of citizens are placed in the hands of elected officials. Many of these decisions involve the allocation of scarce financial resources. Arguments for and against proposed allocations of financial resources often focus on "fund balance." Unfortunately, published discussions of fund balance, as a rule, are directed toward the professional accountant rather than toward the elected official or others who may not have background or experience in governmental accounting and financial reporting. Accordingly, elected officials often find themselves in the difficult position of having to weigh arguments involving fund balance with only a vague, or even erroneous understanding of its true nature and significance.

The purpose of this publication is to provide elected officials with a nontechnical discussion of the nature and significance of fund balance for state and local governments. In addition, information is provided about a number of closely related topics (e.g., "retained earnings"). Throughout, a simple question-and-answer format has been followed. This format is designed both to highlight the critical points discussed in the text and to furnish busy elected officials easy access to needed information.

I gratefully acknowledge Patrick Hardiman (Deloitte & Touche), Gary Norstrom (City of Saint Paul, Minnesota) and David Bean (Governmental Accounting Standards Board) for their invaluable assistance in reviewing the manuscript and offering suggestions for

improvement. In this regard, special thanks are due to Patrick Hardiman, who chaired the review effort. It is also my pleasure to thank the various members of the staff of the GFOA who read the manuscript at various stages of production.

Stephen J. Gauthier
December 1991

AN ELECTED OFFICIAL'S GUIDE TO FUND BALANCE

Introduction

A government's financial statements are designed to serve the needs of a variety of user groups including taxpayers and citizens, legislative and oversight bodies, and investors and creditors. While some in these user groups may enjoy considerable expertise in governmental accounting and financial reporting, many more do not. The purpose of this booklet is to aid those without specialized expertise to interpret perhaps the single most cited and disputed element found in government financial reporting: "fund balance."¹

This booklet will focus on the meaning of fund balance for the four "governmental funds" found on the typical state or local government balance sheet, with special emphasis on the general fund. This booklet also goes beyond "fund balance" to deal with the meaning of the various components of "equity" found in proprietary funds. Finally, the special situation of trust and agency funds and account groups is briefly discussed.

Throughout the booklet, a question and answer format has been used to highlight the fundamental questions at issue and to facilitate understanding by those unfamiliar with financial reporting.

¹The term "fund balance" is often used differently by accountants and budget professionals when the budget is prepared on a basis other than generally accepted accounting principles (GAAP). This publication will focus on the term fund balance as defined by GAAP and reported on the balance sheet and the governmental fund operating statement.

What are funds?

Perhaps the biggest surprise encountered by someone examining the financial statements of a government for the first time is the presence of numerous "funds." Whereas even the largest commercial enterprise generally will report only a single amount for each item in its financial statements (e.g., "cash," "sales"), governments both large and small will typically report a number of separate columns or "funds."

Each of these funds is considered to function as a separate fiscal and accounting entity. Funds normally are used by governments to segregate resources related to specific activities (e.g., highway construction). For most governments, the principal operating fund is known as the "general fund."

What different kinds of funds do governments use?

Governments may use any number of individual funds in their financial reporting (although they are encouraged to use the least number of funds practical in their specific circumstances). Regardless of the number of individual funds used, generally accepted accounting principles (GAAP) require all of these individual funds to be aggregated into no more than seven specified "fund types" on the combined balance sheet (see Exhibit 1).

Four of these fund types are known as the "governmental funds." They are the *general fund*, the *special revenue funds*, the *debt service funds* and the *capital projects funds*. These funds are typically used to account for most of a government's operations. Two other fund types are known as the "proprietary funds" because they function in a manner similar to private enterprises. These funds are the *enterprise funds* and the *internal service funds*.

The last of the seven fund types that may be found on a combined balance sheet is the *trust and agency fund type*. In fact, as will be discussed later, this fund type may combine data from up to four different types of subfunds.²

²The specific uses of each of these different fund types are described in the *Governmental Accounting Standards Board's (GASB) 1990 Codification of Governmental Accounting and Financial Reporting Standards, Section 1300*, and in the *GFOA's 1988 Governmental Accounting, Auditing and Financial Reporting, p. 11*.

Exhibit 1

Name of Government
Combined Balance Sheet—All Fund Types and Account Groups
December 31, 19X8
(With comparative totals for December 31, 19X7)
(amounts expressed in thousands)

	Governmental Fund Types				Proprietary Fund Types			Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Agency		General Fixed Assets	Long-term Debt	
Assets and other debits											
Assets:											
Cash	\$1,369	\$ 211	\$ 10	\$ 562	\$ 1,164	\$ 100	\$ 293				\$ 3,699 \$ 1,893
Investments	2,091	1,577	1,513	11,051	15,523	50	17,327				49,132 36,301
Receivables (net of allowances for doubtful accounts):											
Interest	92	2	30	411	420	2	494				1,391 1,014
Taxes	652		10								867 887
Accounts	72				2,622						2,694 2,386
Special assessments											4,230 —
Intergovernmental	215		4,230	189		4					418 422
Due from other funds	73			335	39	126					573 382
Prepaid expenses	52										32 32
Inventories	38				308	23					370 498
Prepaid items						38					38 —
Advances to other funds											78 50
Restricted assets	78				27,454						27,454 5,290
Deferred charges					651						651 591
Fixed assets (net, where applicable, of accumulated depreciation)									\$58,912		181,869 167,074
Other debits:											
Amount available in debt service fund										\$ 1,384	1,384 10
Amount to be provided for retirement of general long-term debt										41,473	41,473 39,256
Total assets	\$5,013	\$1,790	\$5,793	\$12,548	\$168,234	\$ 3,247	\$18,051		\$58,912	\$42,857	\$316,448 \$256,054

Liabilities, equity and other credits

Liabilities:											
Accounts payable	\$ 716	\$ 340		\$ 502	\$ 533	\$ 242	\$ 38				\$ 1,978 \$ 1,378
Compensated absences payable	16	76			390	28			2,022		1,959 1,001
Claims and judgments payable	225								2,414		2,414 220
Contracts payable	57			282	56				203		57 151
Refundable payable											818 11
Due to other funds	476				87	10					573 362
Interfund payables						32					32 78
Matured bonds payable			\$ 5		68						72 —
Accrued interest payable			3								58 —
Capital leases—current					1,201						1,201 1,281
General obligation bonds payable—current	240		4,240		1,641						4,480 230
Liabilities payable from restricted assets					23						1,941 1,523
Advances from other funds					4,359						4,359 2,177
General obligation bonds payable					32,994	78					78 50
Special statement debt with government commitment									35,790		66,724 65,000
Revenue bonds payable									4,700		4,700 —
Capital leases payable					32,828				32,828		8,580 —
Deferred compensation benefits payable					78				125		203 —
Total liabilities	1,878	416	4,248	784	75,469	390	1,254		42,857		127,256 900
Equity and other credits:											
Investment in general fixed assets											\$58,912 58,377
Contributed capital											61,881 52,152
Retained earnings:											
Reserved					58,395	2,466					3,817 2,590
Unreserved					28,554	371					29,925 28,252
Fund balances:											
Reserved for encumbrances	390	361		6,563							7,244 940
Reserved for advances	76			1,545							1,545 50
Reserved for debt service											1,193 —
Reserved for perpetual care											1,102 —
Reserved for employees retirement system											16,670 14,248
Unreserved, undesignated	2,737	1,013		5,201							7,888 12,964
Total equity and other credits	3,135	1,374	1,545	11,764	92,766	2,857	16,800		58,912		169,153 170,365
Total liabilities, equity and other credits	\$5,013	\$1,790	\$5,793	\$12,548	\$168,234	\$ 3,247	\$18,054		\$58,912	\$42,857	\$316,448 \$256,054

The notes to the financial statements are an integral part of this statement.

Source: *Governmental Accounting, Auditing and Financial Reporting* (Chicago: Government Finance Officers Association, 1988), pp. 16-17.

What is the difference in focus among the various types of funds?

Governments typically offer a wide range of services to their citizens. While many or most government services are supported by tax or grant revenues (e.g., public safety, education), other activities more closely resemble private-sector, fee-supported enterprises (e.g., utilities). Accordingly, the goal or "measurement focus" of a given fund will depend upon the types of activity reported in that fund.

Governmental funds are designed to measure those *financial* resources on hand at the end of a period that are available to be spent or appropriated in future periods. Proprietary funds, on the other hand, are designed to reflect the overall *economic* health of the fund. A simplified analogy may be useful in clarifying this critical distinction.

The focus of a governmental fund (e.g., general fund) is similar to that of an individual wishing to know what his or her checkbook balance will be *after* the last paycheck for the month has been deposited, and *after* all of the checks written to pay this month's bills have been cashed. This balance is significant because it represents the financial resources available to help pay next month's bills.

The focus of a proprietary fund (e.g., enterprise fund), on the other hand, is similar in some ways to that of an individual wishing to determine his or her "net worth." A checkbook balance alone would not necessarily provide the information needed for this purpose. Rather, all of the individual's assets and liabilities (i.e., economic resources), not merely the individual's checkbook balance, would need to be taken into account.

As will be discussed later, trust funds use one or the other of these focuses, depending on the specific type of trust fund used.

What is equity?

Simply put, a fund's equity is the difference between its assets and its liabilities. This situation holds true for both governmental funds and proprietary funds. Nonetheless, the meaning of equity is different for governmental funds than it is for proprietary funds because of important differences in the types of assets and liabilities reported in each.

Since the focus of governmental funds is on resources that may be spent or appropriated, these funds, for the most part, report only *financial* assets (i.e., assets that are or will eventually be converted into cash).⁸ Fixed assets (i.e., land, buildings, equipment, improvements other than buildings and construction in progress) related to governmental funds are *nonfinancial* in character and so are *not* reported in individual governmental funds, but are reported instead in a separate "general fixed assets account group."

Also, governmental funds do not report all liabilities that will eventually be paid from those funds. Long-term debt, for instance, is reported in a separate "general long-term debt account group," where it typically remains until it is due. Likewise, certain obligations (e.g., compensated absences, claims and judgments, unfunded pension contributions) generally are only reported as liabilities in governmental funds to the extent that they are expected to be liquidated in the near future with available financial resources.

In summary, equity in a governmental fund is the difference between the *financial* assets of

⁸"Inventories" and "prepaids" are an exception to this general rule.

the fund and certain liabilities expected to be liquidated in the near future from those assets.

Proprietary funds, on the other hand, are concerned with measuring *economic* rather than strictly financial resources. Accordingly, all assets related to a proprietary fund's operations, including fixed assets, are reported within the proprietary fund. Similarly, all debt and obligations of a proprietary fund are reported in the fund itself, regardless of when they are expected to be paid. Therefore, equity in a proprietary fund reflects all of the fund's resources, financial and nonfinancial, as well as all of the claims against those resources.

Exhibits 2 and 3 illustrate the differences between governmental fund equity and proprietary fund equity.

Modified by GASB 34. Statements of Net Position includes assets and liabilities of governmental funds.

Exhibit 2

Presentation of Assets, Liabilities and Equity Related to Governmental Funds

GOVERNMENTAL FUND	
Financial Assets	Liabilities to be Paid in Near Future (Normally not including the current portion of long-term debt)
	Unreserved Fund Balance (Designated)
	Unreserved Fund Balance (Undesignated)
Legally Restricted	
Not Spendable (e.g., long-term receivables)	Reserved Fund Balance
General Fixed Assets Account Group	General Long-Term Debt Account Group
Fixed Assets	Non-Current Obligations Long-Term Debt

Exhibit 3

Presentation of Assets, Liabilities and Equity Related to Proprietary Fund

PROPRIETARY FUND	
All Assets	All Liabilities
	Contributed Capital
	Retained Earnings (Reserved)
	Retained Earnings (Unreserved)

How is fund equity related to cash balances?

As mentioned earlier, fund equity is defined as the difference between fund assets and fund liabilities, as expressed in the following equation:

$$\text{Fund assets} - \text{fund liabilities} = \text{fund equity.}$$

Because cash is a fund asset of both governmental funds and proprietary funds, it enters into this equation and has an effect upon fund balance. Cash, however, is only one of a number of fund assets and liabilities. Therefore, it is possible for fund equity to remain unchanged while cash balances decline or increase.

Take, for example, the situation of a fund that lends money to another fund. The lender fund decreases its cash balances (an asset), but at the same time increases its receivables (also an asset). Accordingly, the total assets of the fund remain unchanged and there is no net effect upon fund equity, even though cash balances have declined.

Similarly, assume that a fund borrows money on a short-term basis from another fund. The borrower fund increases the amount of cash in its possession (an asset), but at the same time also increases its liabilities by the same amount (a liability). Since the increase in assets is matched by an increase in liabilities, there is no net effect on fund equity, although cash balances have increased.

Therefore, users of financial statements should be careful to distinguish increases or decreases in fund equity from increases or decreases in cash balances.

What is the meaning of equity in a governmental fund?

While all of the assets reported in governmental funds are financial, they are not all equally spendable or appropriable. Therefore, if governmental funds are to meet their objective of providing useful information on resources available for spending or appropriation, a distinction must be made between the portion of equity (i.e., net assets) that is, in fact, "spendable" or "available for appropriation" and that portion which is not. This distinction is achieved on the balance sheet by dividing governmental fund equity (i.e., "fund balance") into "reserved" and "unreserved" components.

"Reserved fund balance" is used to segregate net financial assets that are *not* spendable or available for appropriation. Some financial assets are not spendable by their very nature (e.g., long-term receivables will not be converted into cash soon enough to be considered "spendable" today). Other financial assets are spendable by nature, but not available for appropriation because of legal restrictions (e.g., amounts set aside to meet encumbrances from the prior year's budget).

Once a portion of fund balance has been reserved, the remaining amount or "unreserved fund balance" represents a measure of the net financial resources available for spending or appropriation in the future.

What is the difference between "designated unreserved fund balance" and "reserved fund balance"?

Sometimes governments wish to specially segregate or "earmark" financial resources for specified purposes. Such "earmarking" is reflected in financial statements by means of "designations." For example, a government may "designate" resources to help meet obligations expected to arise in connection with claims and judgments. Only the chief executive officer or the legislative body of a government may create a designation.

It is very important to distinguish between "reserves" (i.e., "reserved fund balance") and "designations." The former are an indication that financial resources are not available for appropriation, whereas the latter only indicate that management would *prefer* to use available financial resources for a specified purpose. Accordingly, although earmarked, designations remain an integral part of a government's spendable or appropriable resources (i.e., "unreserved fund balance").

Is "unreserved fund balance" a good measure of economic health?

As noted earlier, "unreserved fund balance" is not designed to reflect economic health, but simply to provide a measure of the financial resources available for future spending or appropriation. While an absence of spendable resources may well be an indication of actual or potential economic problems, the presence of such resources is no guarantee of sound economic health. For example, just as an individual can increase his or her checkbook balance by taking out a loan, so too can a governmental fund increase its spendable resources (i.e., "unreserved fund balance") by issuing long-term debt. In neither case would the *economic* position of the individual or government be improved because the debt must be repaid. Accordingly, a significant level of "unreserved fund balance" should *not* be taken alone as evidence of sound economic health. Rather, users of government balance sheets should also take care to evaluate *future* claims on governmental fund assets when assessing the economic health of a governmental fund. In particular, users of government balance sheets should be careful to consider a governmental fund's obligation to finance long-term debt (reported separately in the general long-term debt account group), as well as the potential future drain on governmental fund resources posed by deficits in other funds (e.g., enterprise funds).

What is the impact of "deferred revenue"?

Many state and local governments report "deferred revenue" on their balance sheets. This liability indicates that financial resources reported as assets have not yet been recognized as revenue and so have not been included in fund balance.

Revenue may be deferred because a government has received financial resources, but has not yet "earned" them. For example, grant proceeds received in advance of related expenditures would typically be offset by a liability for "deferred revenue" on the balance sheet.

Revenue also may be deferred because particular revenue sources are not expected to be collected in cash soon enough after the end of the fiscal year to pay liabilities of that period. Such revenues are described by accountants as not being "available." For example, a receivable for property taxes that will not be collected until three months after the end of the fiscal year would be offset by a liability for "deferred revenue."⁴

Property tax revenue also may be deferred if the "due date" for the property taxes falls outside the fiscal year. For instance, a government with a June 30 fiscal year end would recognize a liability for deferred revenue for any property taxes levied during the fiscal year that are due on July 15 of the following year.

⁴In the specific case of property taxes, the GASB's 1990 Codification of Governmental Accounting and Financial Reporting Standards, Section P70.103, sets an explicit "availability" period for revenue recognition purposes of 60 days.

How high a level of "unreserved fund balance" should be maintained in the general fund?

In cases where revenue is available, but cannot be recognized for technical reasons (e.g., taxes collected prior to the year for which levied, property taxes due early the following year), users of government balance sheets may wish to take deferred revenue into consideration when evaluating the amount of resources available for appropriation. For example, if a government has unreserved fund balance of \$1 million and deferred revenue of \$47,000 related to early property tax collections, the government may be considered, in fact, to have \$1,047,000 available to spend. Such would not be the case, however, for revenue that has been "deferred" because it is not available (e.g., property taxes expected to be collected more than 60 days following the close of the fiscal year).

There is little argument that a deficit "unreserved fund balance" is normally to be avoided. Indeed, such deficits are illegal in a number of jurisdictions. The "right amount" of unreserved fund balance, however, is a question open to some debate, particularly in the general fund.

Bond raters and others often use "rules of thumb" to measure the adequacy of unreserved fund balance in the general fund. For example, 5 percent of annual operating expenditures is a commonly cited minimum amount. Others argue that unreserved fund balance should equal no less than one month's operating expenditures (i.e., 8.3 percent). Care must be taken, however, to avoid applying such rules of thumb mechanically. A variety of factors must be taken into account when evaluating the adequacy of fund balance in the general fund.

One important consideration is the reliability of a government's revenue sources. Whereas some governmental revenues are traditionally quite stable (e.g., property taxes), others often can vary significantly depending on conditions in the economy (e.g., sales tax). Governments depending upon less reliable revenue sources may need to maintain significantly higher levels of unreserved fund balance than those relying upon more stable sources of revenue.

Another important factor is the timing of cash inflows and outflows. Governments whose cash flows are less predictable may need relatively higher levels of unreserved fund balance to maintain liquidity than those with highly predictable cash inflows and outflows.

Yet another important consideration involves resources available in other funds. Some governments, for example, establish separate "budget stabilization funds" to meet unexpected contingencies. When such additional resources are available in other funds, a lesser amount of unreserved fund balance may be appropriate in the general fund.

In short, the specific financial history, prospects and circumstances of each individual government must be carefully weighed when evaluating the adequacy of "unreserved fund balance."

Can a government have "too much" unreserved fund balance?

Many citizens and taxpayer groups subscribe to the view that governments ought to do all in their power to minimize the time between the receipt of tax revenues and their subsequent disbursement. Put simply, they believe a government "should not raise money until it's needed." Accordingly, some users of government financial statements occasionally object to what they perceive as an excessive amount of unreserved fund balance, arguing that high levels of unreserved fund balance are an indication of overtaxation.

Of course, it is possible for governments to raise more revenues than needed, and high levels of unreserved fund balance, in some cases, may indicate such a situation has occurred. In practice, however, high levels of unreserved fund balance are very often justified for a variety of reasons (e.g., timing of revenue receipts, unpredictable revenue sources). Moreover, it should not be forgotten that inadequate or unstable levels of unreserved fund balance can lead to added costs in the form of unnecessary borrowings and worsened credit ratings. Therefore, citizens and taxpayer groups need to approach the issue of an appropriate level of unreserved fund balance carefully to avoid drawing erroneous conclusions based on insufficient data.

What is the relationship between "unreserved fund balance" and liquidity?

As mentioned earlier, unreserved fund balance in a governmental fund is designed to measure the net financial resources that are available to finance expenditures of future periods. Not all such "available" financial resources, however, are equally liquid. While cash on hand may be spent at will, differing time periods typically are needed to convert a government's various receivables into cash. Moreover, fund liabilities payable from those assets may be due at different times. Therefore, while unreserved fund balance provides a good measure of the financial resources that will be available for appropriation in the following year's budget, it is *not* necessarily a good measure of the governmental fund's net liquid resources as of the date of the balance sheet.

What is the meaning of equity in proprietary funds?

As with governmental funds, equity in proprietary funds is the difference between fund assets and fund liabilities. Unlike governmental funds, however, proprietary funds should report *all* related assets and liabilities. Therefore, equity in proprietary funds serves as a rough barometer of the economic health of such funds.

Unlike governmental funds, proprietary funds do not report "fund balance." Instead, the equity of proprietary funds is reported in one of two categories: "contributed capital" and "retained earnings."

What is "contributed capital"?

The types of activities accounted for in proprietary funds, unlike those typically accounted for in governmental funds, are designed to function in a manner similar to commercial enterprises. Nonetheless, equity in proprietary funds is not uniquely the result of profits earned by the operation of those funds. Rather, some equity is normally the result of "contributions" of capital from outside parties.

One common example of "contributed capital" is the initial contribution made by the general government to establish a new proprietary fund. Subsequent additions to "contributed capital" may arise from grants and gifts of fixed assets, impact fees received from developers, the receipt of property financed through special assessments, and portions of tap fees and other systems development fees charged to new customers of an existing utility.

Contributed *capital* does not result from *operating* subsidies. Thus, if a proprietary fund receives a grant restricted to capital acquisition (e.g., buildings, equipment), the grant would be reflected as contributed capital. On the other hand, if a proprietary fund receives a grant that is not restricted to capital acquisition, the grant would be reported as nonoperating revenue and become a part of retained earnings rather than contributed capital.

What ever happens to "contributed capital"?

In some ways, contributed capital of a proprietary fund functions in a manner similar to "capital stock" and "paid in capital in excess of par" for a commercial enterprise. In other words, a contribution, once received, generally remains on the balance sheet indefinitely unless returned to the provider.

In an era when the federal government played a more active role in financing state and local government activities, some argued that this treatment would result in ever-increasing amounts of "contributed capital" being reported on proprietary fund balance sheets as the federal government replaced one exhausted fixed asset with another. Therefore, an accounting rule was created that allowed governments to systematically reduce contributed capital related to capital grants from other governments. This provision is commonly referred to by accountants as the "addback" of depreciation (i.e., depreciation expense that would otherwise have reduced retained earnings is "added back" to retained earnings and charged instead to contributed capital). When governments use the "addback" option, contributed capital is systematically reduced to reflect decreases in the depreciated value of the related asset.

Of course, substantial reductions in the amounts of federal aid received by state and local governments have greatly diminished the accounting "problem" of excess capital contributions from the federal government. Nevertheless, the systematic reduction of contributed capital for these assets (i.e., "addback of depreciation") continues to remain an option. In addition, many governments now also use the "addback of depreciation" approach for assets contributed from sources other than the federal government (e.g., developers).

What is "retained earnings"?

The second component of equity for proprietary funds is "retained earnings." Retained earnings is the cumulative amount by which revenues and operating transfers from other funds (i.e., earnings and subsidies) have exceeded expenses and transfers to other funds (see Exhibit 4). As such, retained earnings, to some extent, can be seen as a measure of how well the fund has succeeded in recovering its costs through earnings and subsidies.

Exhibit 4

Composition of Retained Earnings

Increases	Decreases
Net income of all previous periods*	Net losses of all previous periods*
Operating transfers from other funds (all prior periods)	Operating transfers to other funds (all prior periods)
	Residual equity transfers out (all prior periods)

*For this purpose, net income (loss) is increased (decreased) by any amounts of depreciation that were charged against contributed capital.

Is a high level of "retained earnings" necessarily a sign of good economic health?

Clearly, a deficit balance in retained earnings indicates that the fund may be facing economic problems. A positive balance of retained earnings, however, must be interpreted with care. Regular subsidies from other funds are reported as "operating transfers" that increase the amount of "retained earnings" reported by a fund. Therefore, a proprietary fund may report a healthy balance of "retained earnings," not because its activities are self-supporting, but because its losses are being continually subsidized by the general government. Similarly, subsidies from other governments may help to maintain a high level of "retained earnings" despite operating losses. Therefore, users of financial statements should carefully examine proprietary fund operating statements⁵ for "nonoperating revenues" and "operating transfers in" when attempting to interpret the significance of retained earnings.

A special problem also exists for internal service funds. These funds often serve as "cost-allocation" mechanisms for goods or services provided by one fund to a number of other funds within the government (e.g., motor pools, print shops). In theory, charges to other funds by internal service funds should be designed only to recover cost. Therefore, a substantial balance of retained earnings in an internal service fund over a period of time, rather than indicating economic health, may indicate instead that other funds are being overcharged for the goods or services they receive from the internal service fund.

⁵Referred to as the "statement of revenues, expenses and changes in retained earnings/fund equity."

It also should be noted in passing that transfers of resources from enterprise funds to other funds can result in a relatively low balance of retained earnings, even though the fund may be generating healthy levels of net income. Again, the user of governmental balance sheets is advised to consult the proprietary fund operating statement to gain the perspective needed to properly interpret the significance of the balance of retained earnings in a given fund.

What is "reserved retained earnings"?

Some of the resources of a proprietary fund may be legally restricted for specific uses by outside parties. In such instances, a portion of retained earnings may be "reserved" to indicate that there is an external limitation on the use of those resources for other purposes. For example, proprietary funds issuing revenue bonds may be required to set up special restricted asset accounts to provide a special margin of comfort to bondholders. The excess of such restricted assets over related liabilities is often reflected as "reserved retained earnings."

It is important to note that "reserved retained earnings" differs considerably from "reserved fund balance" despite the similarity of terminology. "Reserved fund balance" in a governmental fund can result not only from legal restrictions, but also from the fact that certain financial resources are not considered spendable or appropriable (e.g., long-term receivables). "Reserved retained earnings," on the other hand, is exclusively used to reflect external legal restrictions upon the use of resources.

Can "retained earnings" be "designated"?

"Designations" are closely linked conceptually with the idea of *financial* resources. Accordingly, designations traditionally have not been reported in proprietary funds because the latter focus on *economic* rather than financial resources.

A recent change in accounting standards appears to step away from traditional practice by *requiring* designations to be reported in certain circumstances for internal service funds that are used to report risk-financing activities. It should be noted, however, that this new accounting requirement explicitly calls for reporting such designations in the notes to the financial statements rather than on the face of the balance sheet.

In the private sector, retained earnings can be earmarked by reporting "appropriated retained earnings." This approach is not taken in proprietary funds, however, probably because of the potential confusion between this specialized use of the term "appropriation" and the more common use of that term in the public sector to refer to the budget.

What is the relationship between "retained earnings" and liquidity?

Retained earnings is simply the difference between a proprietary fund's assets and its liabilities and contributed capital. Typically, at least some assets of a proprietary fund are never expected to be converted into cash and so are not considered to be liquid (e.g., fixed assets). Other assets, while liquid, may be converted into cash at varying intervals (e.g., receivables). Accordingly, the balance of "retained earnings" in a proprietary fund should not be taken as a reflection of that fund's liquidity as of the date of the balance sheet. Instead, liquidity in proprietary funds is better judged on the basis of the difference between current assets and current liabilities (i.e., "working capital"). Even then, timing differences between when current assets will be converted into cash and when various current obligations will fall due could lead to cash flow difficulties.

How should equity be interpreted in trust funds?

There are three types of trust funds: expendable trust funds, nonexpendable trust funds and pension trust funds. Expendable trust funds function much as do governmental funds. Nonexpendable trust funds and pension trust funds, on the other hand, more closely resemble proprietary funds. Regardless of these differences, the term "fund balance" is always used to describe the equity of a trust fund. Likewise, "contributed capital" is never reported in trust funds. Instead, items that would be reported as "contributed capital" in a proprietary fund are reported in trust funds as "reserved fund balance."

In spite of the common terminology used by all trust funds, "fund balance" should be interpreted differently depending on the specific fund in question. Expendable trust funds, like their governmental fund counterparts, focus on net financial assets that are spendable or available for appropriation. Pension trust funds and nonexpendable trust funds, on the other hand, are used to measure economic (rather than financial) resources and so are similar to proprietary funds.

It is important to avoid misinterpreting "reserved fund balance," especially in expendable trust funds. Many governments reserve fund balance in these latter funds, not to indicate that resources are not spendable or appropriable (as would be the case in similar governmental funds), but merely to reflect the fact that the resources may be used only for the purposes set forth in the trust agreement. (Such a "reservation" of fund balance is normally redundant, given that the establishment of a trust fund is itself a sufficient indication that resources of that fund may not be used for

other purposes). Therefore, "reserved fund balance" of an expendable trust fund may, in fact, be available for spending or appropriation within the scope of the trust fund's activities.

Care must also be taken in reviewing the equity of pension trust funds. Under current authoritative standards, one of several approaches may be taken to balance sheet presentation. In some cases, "fund balance" may represent only the difference between assets available for benefits and liabilities related to current operations. In such instances, a pension trust fund may report positive fund balance (a portion of which may be reserved) even though assets available for benefits are insufficient to pay actuarially accrued obligations that have been incurred based on employee service to date.

In other instances, the full actuarially accrued obligation to employees is reflected as "reserved fund balance" of the pension trust fund. When this approach is taken (as indicated by the presence of a number of large, separate "reserve" accounts in the equity section of the balance sheet), unreserved fund balance (most often a "deficit") serves as a measure of whether the fund has sufficient resources at the date of the balance sheet to pay actuarially accrued obligations incurred as of balance-sheet date.

Why is no equity reported in agency funds?

Agency funds exist only to keep track of assets held by the government on behalf of others. For example, a state might use an agency fund to account for the portion of sales taxes collected on behalf of municipal governments within the state. Accordingly, anything held by an agency fund is also "owed" at the same time to some other party or fund. Therefore, agency fund assets are always exactly balanced by liabilities to the assets' rightful owners.

Why is equity not reported for account groups?

Governmental funds focus on spendable or appropriable resources. Therefore, these funds report only *financial* assets and certain liabilities expected to be liquidated in the near future. The emphasis on spendability, however, does not mean that users of financial statements do not also require information on the *nonfinancial* assets of the government. Similarly, users of the financial statements need information on all types of obligations arising from the operation of the government, regardless of when those obligations will be paid. Accordingly, government balance sheets present account groups (i.e., the general fixed assets account group and the general long-term debt account group) to reflect the assets and liabilities related to governmental funds that are not reported in the individual governmental funds. These account groups are simply memorandum lists of assets and liabilities and do not report operations or equity.

Unfortunately, the name of one of the accounts used in conjunction with the general fixed assets account group sometimes confuses users of government balance sheets. In spite of its name, the "investment in general fixed assets" account does *not* represent equity, but simply exists to meet the bookkeeping need to balance debits and credits. For example, when a government buys a piece of equipment, the "debit" is to the "equipment" account and the corresponding "credit" is to the "investment in general fixed assets" account. Why is this not a fair measure of equity?

A fair measure of equity must take into account both outstanding debt related to an asset and any exhaustion of the asset's service capacity. For example, assume that a piece of

equipment is purchased for \$20,000 and has a useful service life of 10 years. Further assume that \$10,000 of the purchase price was borrowed and is to be paid back evenly over the life of the asset. In this case, the purchaser's equity in the asset at the end of three years would be:

\$20,000 (cost)
(7,000) (outstanding debt)
(6,000) (accumulated depreciation)
\$ 7,000 Equity

The "investment in general fixed assets" account, however, does not reflect outstanding debt; nor is depreciation typically reported in the general fixed assets account group. Accordingly the "investment in general fixed assets" account represents only the original cost of assets (in this case, \$20,000), and is *not* a measure of equity in general fixed assets.

Conclusion

The proper interpretation of "unreserved fund balance," "reserved fund balance," "contributed capital," "retained earnings" and other measures of equity is vital if users of government balance sheets are to properly understand and utilize the data presented there. It is especially important that users of these balance sheets distinguish between the focus on *economic* resources characteristic of proprietary funds and the focus on *financial* resources available for spending or appropriation found in governmental funds.

In the governmental funds, "unreserved fund balance" plays a key role as the measure of spendable or appropriable resources. While such a measure is important, it should not be mistaken for a gauge of economic well being. Similarly, while there are rules of thumb that may be useful, there is no one right answer on the appropriate level of "unreserved fund balance" that should be maintained. Only a careful analysis of a government's specific circumstances, history and prospects can provide the perspective needed to properly interpret the true significance of current levels of "unreserved fund balance."

GLOSSARY

ACCOUNT GROUPS. Memorandum lists of certain assets and liabilities related to governmental funds that are not recorded in those funds.

CONTRIBUTED CAPITAL. Equity of a proprietary fund that resulted from capital contributions rather than from earnings or subsidies.

DEFERRED REVENUE. A liability reflecting assets that have not yet been recognized as revenue either because they have not yet been earned or because they are not yet considered "available" to pay liabilities of the current period.

DESIGNATED UNRESERVED FUND BALANCE. Net financial resources of a governmental fund that are spendable or available for appropriation, but which have been earmarked by the chief executive officer or the legislative body for some specific purpose.

EQUITY. The difference between fund assets and fund liabilities.

FUND. A separate fiscal and accounting entity used by governments to segregate resources related to specific activities (e.g., highway construction).

FUND BALANCE. The difference between fund assets and fund liabilities in a governmental or trust fund.

FUND TYPE. One of seven categories into which all individual funds must be classified.

LIQUIDITY. The ability to meet demands for payment on a timely basis.

RESERVED FUND BALANCE. For governmental funds and expendable trust funds, the portion of fund balance that is not available for appropriation because it is either legally restricted (e.g., encumbrances) or not spendable (e.g., long-term receivables).

For nonexpendable and pension trust funds, the portion of fund balance that is legally restricted.

RESERVED RETAINED EARNINGS. Generally, a portion of retained earnings reflecting the excess of restricted assets over related liabilities.

RETAINED EARNINGS. Net income and losses of all prior periods adjusted for transfers and amounts of depreciation charged to contributed capital.

UNRESERVED FUND BALANCE. In a governmental or expendable trust fund, the balance of net financial resources that are spendable or available for appropriation. In a nonexpendable or pension trust fund, the portion of fund balance that is not legally restricted.

**CENTERVILLE
CITY COUNCIL
Staff Backup Report
1/5/2016**

Item No. 10.

Short Title: Mayor's Report

Initiated By: Mayor Cutler

Scheduled Time: 9:30

SUBJECT

- a. South Davis Metro Fire Agency update and monthly report
- b. Council Member assignments
- c. Appointment of citizens to City boards/committees

RECOMMENDATION

BACKGROUND

- a. Excerpts from the latest available monthly report (November) for the Fire Agency is attached.
- b. Mayor Cutler is communicating with Council Members in advance of the meeting about potential assignments.
- c. Mayor Cutler will likely recommend appointment/reappointment of several citizens to City boards/committees.

ATTACHMENTS:

Description

- ☐ Fire Agency - Monthly Report
- ☐ Proposed Res. No. 2016-01
- ☐ Proposed Resolution No. 2016-02
- ☐ Proposed Res. No. 2016-03

SOUTH DAVIS METRO FIRE AGENCY

November 30, 2015

FINANCIAL REPORT

	<u>Contents</u>	<u>Page Number</u>
1.	Cash Position	1
2.	Impact Fees Collected	2
3.	Board of Directors Financial Summary	3
4.	Financial Statements Detail	4

not included

South Davis Metro Fire Agency

Cash Position by Fund and in Total

	Funds							
			Public	Capital	Debt	Debt		St Treas
Month	General	Grant	Training	Reserve	Service	Reserve	Total	Int. Rate
Nov	1,962,997	43,047	29,680	577,857	34,810	269,000	2,917,392	0.6824%
Oct	2,496,969	43,047	26,858	439,596	(14,891)	269,000	3,260,579	0.6593%
Sep	1,566,375	43,047	27,227	422,130	(33,496)	269,000	2,294,282	0.6369%
August	2,070,076	43,047	30,422	361,317	224,792	269,000	2,998,653	0.6098%
July	2,210,357	43,047	29,732	343,685	219,591	269,000	3,115,411	0.5791%
June	1,575,733	39,879	29,182	559,135	207,903	269,000	2,680,832	0.5610%
May	1,979,523	39,879	28,687	541,609	200,131	269,000	3,058,829	0.5558%
Apr	1,643,529	39,879	26,855	785,828	169,171	269,000	2,934,262	0.5475%
Mar	1,748,266	39,879	26,583	858,664	168,967	269,000	3,111,358	0.5294%
Feb	2,142,251	39,879	30,185	723,979	155,089	269,000	3,360,383	0.5184%
Jan-15	2,323,799	39,879	30,285	706,482	147,584	269,000	3,517,028	0.5073%
Dec	1,913,763	39,879	29,542	688,917	141,605	269,000	3,082,706	0.5078%
Nov	1,783,921	39,879	28,258	721,355	133,377	269,000	2,975,790	0.5071%
Oct	2,097,865	39,879	25,941	704,070	110,116	269,000	3,246,871	0.4850%
Sep	1,305,145	39,879	29,148	707,771	(36,465)	269,000	2,314,478	0.4767%
Aug	1,874,107	39,879	29,691	698,743	232,777	269,000	3,144,197	0.4699%
July	2,108,885	39,879	29,242	684,890	217,357	269,000	3,349,253	0.4693%
June	1,491,903	23,698	29,335	672,178	203,132	269,000	2,689,246	0.4799%
May	1,820,686	30,971	28,565	1,223,223	194,481	269,000	3,566,927	0.4879%
Apr	2,217,866	30,971	28,391	1,205,793	156,309	269,000	3,908,330	0.4992%
Mar	1,451,650	30,971	27,721	1,188,356	149,354	269,000	3,117,052	0.5023%
Feb	1,909,545	11,966	28,628	1,170,809	135,806	269,000	3,525,754	0.5070%
Jan-14	2,288,411	11,966	27,126	1,177,037	135,669	269,000	3,909,209	0.5074%
Dec	1,997,356	19,971	26,470	735,830	127,300	269,000	3,175,928	0.5103%
Nov	1,827,008	19,971	26,444	768,166	109,582	269,000	3,020,171	0.5150%
Oct	1,500,545	34,971	25,328	730,937	47,884	269,000	2,608,665	0.5143%
Sep	1,389,813	34,971	26,826	893,773	38,844	269,000	2,653,227	0.5125%
Aug	1,702,676	34,971	25,776	879,878	294,743	269,000	3,207,045	0.4962%
Jul	2,069,176	34,971	26,643	862,694	257,162	269,000	3,519,646	0.5115%
Jun	1,330,839	34,971	26,025	849,929	229,257	269,000	2,740,021	0.5046%
May	1,720,150	33,521	25,859	845,327	223,139	269,000	3,116,996	0.4902%
Apr	2,155,452	33,521	25,567	1,009,390	215,946	269,000	3,708,876	0.5295%
Mar	1,422,662	24,255	25,482	1,036,059	192,908	269,000	2,970,365	0.5740%
Feb	1,845,411	23,726	25,465	1,145,025	160,789	269,000	3,469,416	0.6120%
Jan-13	2,113,161	23,726	25,112	1,133,500	158,018	269,000	3,722,517	0.6499%
Dec	1,348,824	23,726	25,013	1,115,562	123,097	269,000	2,905,222	0.6908%
Nov	1,340,315	3,726	23,661	790,820	117,303	269,000	2,544,825	0.7235%
Oct	1,871,207	4,506	25,302	769,080	117,082	269,000	3,056,177	0.7484%
Sep	1,293,523	4,506	27,315	751,350	91,014	269,000	2,436,708	0.7784%
Aug	1,440,923	15,189	27,269	909,275	345,477	269,000	3,007,133	0.7791%
Jul	1,897,454	15,189	26,966	891,076	340,430	269,000	3,440,115	0.7877%
Jun	969,247	6,673	26,308	876,826	327,975	269,000	2,476,029	0.7894%
May	1,345,892	2,025	25,727	889,796	341,080	255,526	2,860,046	0.7917%
Apr	1,735,534	5,802	24,900	870,617	300,224	251,608	3,188,685	0.7941%
Mar	1,029,061	1,250	25,036	852,728	285,647	247,697	2,441,419	0.7937%
Feb	1,332,353	(944)	24,304	993,849	286,108	243,783	2,879,453	0.7950%
Jan-12	1,016,551	(944)	24,324	987,347	289,265	239,883	2,556,426	0.7496%
Dec	1,001,809	(7,523)	24,414	969,503	226,971	235,984	2,451,158	0.7190%
Nov	1,025,724	8,794	20,722	740,643	227,857	232,094	2,255,834	0.6790%
Oct	1,375,654	900	21,963	729,100	229,112	228,218	2,584,947	0.6336%
Sep	632,884	6,350	23,518	584,703	183,807	224,344	1,655,606	0.5961%
Aug	1,162,381	8,392	24,875	550,405	456,971	220,493	2,423,517	0.5577%
Jul	1,074,863	4,953	24,367	533,055	454,834	216,643	2,308,715	0.5455%
Jun	665,639	(86)	24,297	516,227	443,850	212,797	1,862,724	0.5463%
May	1,048,915	4,989	23,944	502,121	446,658	208,955	2,235,582	0.5374%
Apr	1,041,509	4,989	24,799	485,282	447,105	205,114	2,208,798	0.5362%
Mar	813,265	(400)	24,334	476,708	445,523	201,277	1,960,707	0.5173%
Feb	1,214,116	(3,896)	24,185	458,659	446,786	197,443	2,337,293	0.4900%
Jan-11	1,561,835	5,314	23,240	291,577	448,447	193,623	2,524,036	0.4878%
Dec	798,668	1,714	23,563	274,694	435,345	189,797	1,723,781	0.4880%
Nov	745,200	10,519	31,010	131,139	435,578	185,973	1,539,419	0.4946%
Oct	1,109,180	10,519	33,516	120,901	433,758	182,152	1,890,026	0.5160%
Sep	567,904	9,519	33,164	102,415	433,707	178,326	1,325,035	0.5622%
Aug	941,612	9,519	32,931	85,586	705,040	174,497	1,949,185	0.5851%
Jul	1,112,263	12,593	32,846	48,023	708,453	170,665	2,084,843	0.5989%
Jun	499,203	12,593	32,410	30,622	702,619	166,832	1,444,279	0.5965%
May	904,648	7,023	32,133	12,289	705,690	163,004	1,824,787	0.5833%
Apr	1,325,601	7,023	31,605	705,265	704,950	159,177	2,933,621	0.5649%
Mar	729,360	11,352	32,112	683,479	695,107	155,358	2,306,768	0.5605%
Feb	1,082,385	11,352	31,862	725,051	752,282	151,538	2,754,470	0.5180%
Jan-10	1,444,384	11,952	33,755	707,707	743,799	147,727	3,089,324	0.5922%

SOUTH DAVIS METRO FIRE AGENCY							
IMPACT FEES COLLECTED							
DATE BELOW							
DATE	CENTERVILLE	DAVIS COUNTY	NORTH SALT LAKE	WEST BOUNTIFUL	WOODS CROSS	TOTAL REVENUE	TOTAL FOR THE YEAR
2004-4 Mos.	716.00	-	38,593.68	3,402.00	4,158.00	46,869.68	
2005	44,124.66	-	160,858.93	65,640.10	33,128.24	303,751.93	
2006	67,908.61	-	203,896.39	16,793.12	10,156.80	298,754.92	
2007	39,666.50	263.47	118,685.88	52,937.65	65,296.28	276,849.78	
2008	20,118.60	-	95,684.71	5,275.78	10,142.74	131,221.83	
2009	8,231.81	-	73,623.57	3,507.38	41,737.05	127,099.81	
2010	26,063.64	-	24,968.28	2,337.92	18,292.00	71,661.84	
2011	49,665.03	-	30,643.20	3,896.38	16,894.44	101,099.05	
2012	34,245.82	-	90,356.64	12,653.19	41,196.00	178,451.65	
2013	37,542.04	-	155,267.66	9,633.00	25,231.02	227,673.72	
2014	11,095.04	13,990.00	205,859.07	5,179.00	50,727.58	286,850.69	
1/31/15	-	-	-	-	-	-	
2/28/15	-	-	-	-	-	-	
3/31/15	-	-	13,494.75	-	-	13,494.75	
4/30/15	-	-	-	-	-	-	
5/31/15	942.00	-	26,498.98	1,327.00	1,985.10	30,753.08	
6/30/15	-	-	7,569.38	-	-	7,569.38	
7/31/15	-	-	6,218.65	-	5,253.18	11,471.83	
8/31/15	1,675.65	-	3,297.00	-	-	4,972.65	
9/30/15	-	-	9,820.00	942.00	-	10,762.00	
10/31/15			10,715.95	4,737.00	2,927.10	18,380.05	
11/30/15	49,483.86					49,483.86	
12/31/15						-	146,887.60
TOTAL	391,479.26	14,253.47	1,276,052.72	188,261.52	327,125.53	2,197,172.50	Down
						2,197,172.50	Across

South Davis Metro Fire Agency
Board of Directors Financial Summary Year 2015
November 30, 2015

						92% of the year expired
Line No.	Fund	YTD 2015	Annual Budget	Budget	Page No.	Comments
***** General Fund 10*****						
Revenue						
1	Property Taxes-PM Funding	612,980	668,705	92%	7	
2	Intergovernmental Revenue-Cities & Co.	5,026,572	5,500,403	91%	7	
3	Ambulance & PM Fees-Net	1,935,889	1,885,000	103%	7	
4	All Other General Fund Revenue	2,584	8,000	32%	7	
5	Total Revenue	7,578,025	8,062,108	94%		
Expenditures by Division						
6	Operations	6,179,806	6,804,956	91%	8	
7	Logistics	378,131	447,115	85%	9	
8	Communications	334,704	401,037	83%	9	
9	Fire Prevention	6,815	16,250	42%	9	
10	Training	47,852	57,950	83%	10	
11	Emergency Medical Services	117,678	134,800	87%	10	
12	Transfer to Capital Reserve Fund	183,334	200,000	92%	10	
13	Total Expenditures	7,248,319	8,062,108	90%		
14	Revenues Over/(Under) Expndtrs Before	329,705	-	0%		
15	Transfer to Capital Reserve Fund	300,000	-	0%	10	
16	Depreciation & Loss on Fixed Assets Sold	300,773	350,000	86%	10	
17	Net Revenues Over/(Under) Expndtrs	(271,068)	(350,000)	77%		
***** Other Funds *****						
Grant Fund 21						
1	Revenues	14,118	-	0%	12	
2	Fund Balance Appropriation/(Addition)	-	-	0%		
3	Expenditures	10,950	-	0%		
4	Revenues Over/(Under) Expndtrs	3,168	-	0%		
Public Training Fund 22						
5	Revenues	10,750	5,850	184%	14	
6	Fund Balance Appropriation/(Addition)	-	-	0%	14	
7	Expenditures	10,487	5,850	179%	14	
8	Revenues Over/(Under) Expndtrs	263	-	0%		
Capital Reserve Fund 45						
9	Revenues and Transfers	739,396	208,400	355%	16	
10	Fund Balance Appropriation/(Addition)	111,725	521,600	21%	16	
11	Expenditures	851,120	730,000	117%	16	
12	Revenues Over/(Under) Expndtrs	0	-	0%		
SDFD Equity Fund 70						
13	Revenues	-	-	0%	17	
14	Fund Balance Appropriation/(Addition)	116,083	138,000	84%	17	
15	Expenditures	116,083	138,000	84%	17	
16	Revenues Over/(Under) Expndtrs	0	-	0%		
Debt Service Fund 72 & 73						
17	Revenues	149,205	151,500	98%	20	
18	Fund Balance Appropriation/(Addition)	109,572	117,780	93%	20	
19	Expenditures	258,776	269,280	96%	20	
20	Revenues Over/(Under) Expndtrs	0	0	0%		



South Davis Metro Fire Agency November 2015

Fire Response Summary by NFIRS Incident Type Codes

Overall Response Time: 5:27
Fire Response Time: 6:01

Fire Calls	False Calls	Rescue/EMS	Good Intent	Hazard Cond.	Explosion/Overpressure	Service Call	Special Incid.	Weather Inc.	Totals
0	1	1	0	0	0	0	0	0	2
1	8	42	8	1	0	9	0	0	69
1	1	12	1	2	0	2	0	0	19
2	5	28	2	2	0	4	0	0	43
2	9	52	11	7	0	2	0	0	83
0	0	3	2	0	0	0	0	0	5
7	22	222	19	2	0	12	0	0	284
0	0	1	2	0	0	1	0	0	4
Totals:	13	46	45	14	0	30	0	0	509

Davis County

Centerville

West Bountiful

Woods Cross

North Salt Lake

Farmington

Bountiful

SLC & Other

Responses by Station:	Responses by Unit:	Total Dollar Loss:	\$7,000	Mutual/Auto Aid Report:	509 TOTAL INCIDENTS
ST81: 175 34%	801 6 803 0	Davis County:	\$0	Aid Received: 0	523 October 2015
ST82: 39 8%	808 3 BC81 51	Centerville:	\$1,000	Aid Given: 3	5900 YEAR TO DATE
ST83: 119 23%	ME81 139 ME82 118	W. Bountiful:	\$200	Farmington FD: 3	5469 THIS TIME 2014
ST84: 75 15%	EN83 72 EN84 31	Woods Cross:	\$0		
ST85: 102 20%	TK85 49 T855 0	North Salt Lake:	\$100		
	HZ85 3 SQ81 18	Bountiful:	\$5,700		
		Farmington:	\$0		
		SLC/County	\$0		

Average Staff on fires: 11



South Davis Metro Fire Agency

EMS Summary November 2015 **Average EMS Response Time: 5:19**

Ambulance Transports

Transport to Emergency Dept by EMT:	114	Last Month	123
Transport to Emergency Dept by Paramedic:	134	Last Month	133

No Ambulance Transports

DOA at Scene:	7
Evaluated and Released Against Med Advice:	11
Evaluated and Released With Med Advice:	78
Transported by Air	0
Transported by other EMS agency	0
No Treatment Given	1
Refused Medical Care:	5

Total Patient Contact: 350 Last Month: 352 Patients to Date: 4083

Patients Transported by District

ALS and BLS

DISTRICT	BLS	ALS	AIR
Davis County:	0	0	0
Centerville:	14	17	0
West Bountiful:	2	2	0
Woods Cross:	3	9	0
North Salt Lake:	11	26	0
Farmington:	0	1	0
Bountiful:	83	78	0
SLC/Other:	1	1	0

EMS Patients by District

Davis County:	1	0%	Transported
Centerville:	39	79%	Transported
West Bountiful:	10	40%	Transported
Woods Cross:	25	48%	Transported
North Salt Lake:	52	71%	Transported
Farmington	3	66%	Transported
Bountiful:	218	74%	Transported
SLC/Other:	2	50%	Transported

Total EMS Calls: 344 Last Month: 342 EMS Calls to Date: 4009
Total Patient Transports: 248 Last Month: 256 Transports to Date: 2954

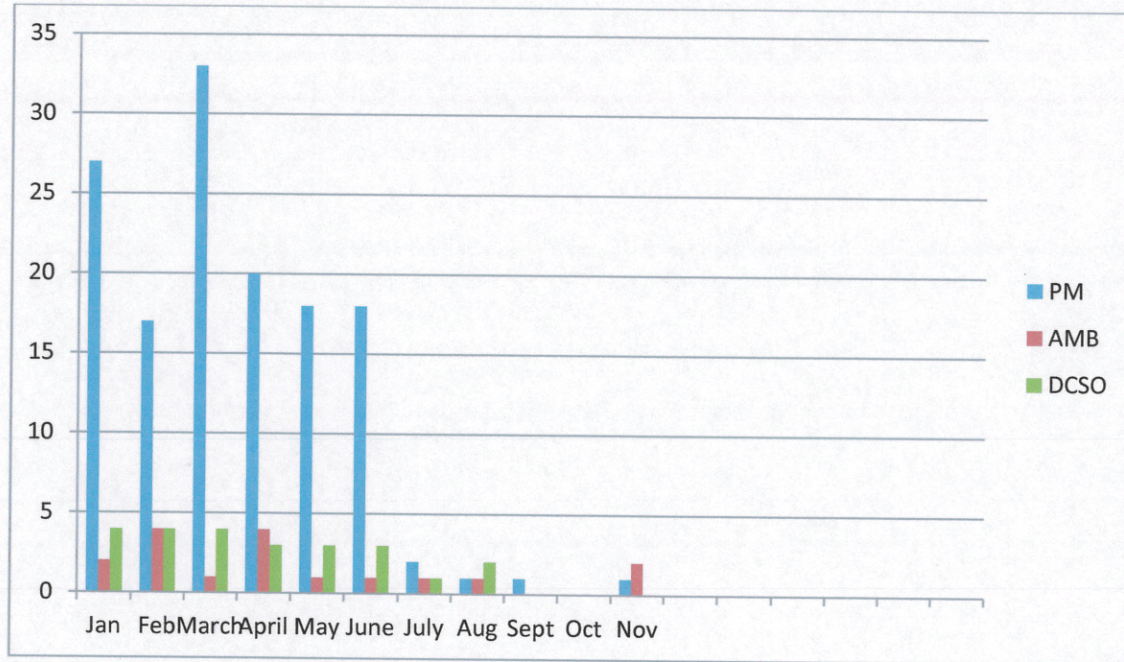
71% of patients in November were transported to the Hospital.

Transport percentage is down 1% since October 2015. 72% of all patients are transported year to date.

Responses by Unit

A811	0	MA81	150	AM82	0
MA83	102	MA84	74	MA85	101
AM855	1	ME81	137	ME82	118
SQ81	18	SQ83	0		

Number of times we are at risk. Out of paramedics, ambulances and how many incidents DCSO handled.



RESOLUTION NO. 2016-01

A RESOLUTION APPOINTING COUNCIL MEMBER _____ AS A MEMBER OF THE SOUTH DAVIS RECREATION DISTRICT ADMINISTRATIVE CONTROL BOARD REPRESENTING CENTERVILLE CITY.

WHEREAS, the South Davis Recreation Special Service District has been established; and

WHEREAS, the City is entitled to appoint a member of the Administrative Control Board of the South Davis Recreation District for the purpose of representing the City on said Board.

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

Section 1. **Appointment.** The governing body of Centerville City hereby appoints Council Member _____ to the South Davis Recreation District Administrative Control Board to serve at the pleasure of the governing body for a four-year term.

Section 2. **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 5th day of January, 2016.

CENTERVILLE CITY

BY: _____
Paul A. Cutler, Mayor

ATTEST:

Marsha L. Morrow, City Recorder

CERTIFICATE OF PASSAGE AND EFFECTIVE DATE

According to the provisions of the U.C.A. S 10-3-719, as amended, resolutions may become effective without publication or posting and may take effect on passage or at a later date as the governing body may determine; provided, resolutions may not become effective more than three months from the date of passage. I, the municipal recorder of Centerville City, hereby certify that foregoing resolution was duly passed by the City Council, recorded by me in a book used exclusively for that purpose, and became effective upon passage or a later date as the governing body directed as more particularly set forth below.

MARSHA L. MORROW, City Recorder

Date

EFFECTIVE DATE: ____ of _____, 2016

RESOLUTION NO. 2016-02

A RESOLUTION APPOINTING _____ AS A MEMBER OF THE BOARD OF TRUSTEES OF THE DAVIS COUNTY MOSQUITO ABATEMENT DISTRICT BOARD OF TRUSTEES REPRESENTING CENTERVILLE CITY.

WHEREAS, the City is entitled to appoint a member of the Board of Trustees of the Davis County Mosquito Abatement District for the purpose of representing the City on said Board.

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

Section 1. **Appointment.** The governing body of Centerville City hereby appoints _____ to the Davis County Mosquito Abatement District Board of Trustees to serve for a term commencing January 5, 2016 and concluding on January 5, 2020. _____ shall make reports to the governing body regarding activities of the Mosquito Abatement District as requested by the governing body.

Section 2. **Effective Date.** This Resolution shall become effective immediately upon its passage and the appointment herein set forth shall be deemed to be effective immediately.

PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH, on this 5th day of JANUARY, 2016.

CENTERVILLE CITY

BY: _____
Mayor

ATTEST:

City Recorder

CERTIFICATE OF PASSAGE AND EFFECTIVE DATE

According to the provisions of the U.C.A. S 10-3-719, as amended, resolutions may become effective without publication or posting and may take effect on passage or at a later date as the governing body may determine; provided, resolutions may not become effective more than three months from the date of passage. I, the municipal recorder of Centerville City, hereby certify that foregoing resolution was duly passed by the City Council, recorded by me in a book used exclusively for that purpose, and became effective upon passage or a later date as the governing body directed as more particularly set forth below.

MARSHA L. MORROW, City Recorder

Date

EFFECTIVE DATE: ____ of _____, 2016

RESOLUTION NO. 2016-03

**A RESOLUTION APPOINTING COUNCILMEMBER _____
AS CENTERVILLE CITY'S REPRESENTATIVES ON THE
ADMINISTRATIVE CONTROL BOARD FOR THE DAVIS CENTER
FOR THE PERFORMING ARTS**

WHEREAS, Centerville City, Bountiful City, and the Redevelopment Agency of Centerville City entered into an agreement pursuant to the Interlocal Cooperation Act to provide for cooperative construction and operation of a performing arts center; and

WHEREAS, the City is entitled to appoint representatives to the Administrative Control Board for the purpose of representing the City on said Board; and

WHEREAS, the City Council now desires to appoint Councilmember _____ as the City's representatives on the Administrative Control Board.

WHEREAS, Mayor Cutler is currently a City representative on the Administrative Control Board and will continue serving for the remaining 2 years of his 4-year term.

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

Section 1. Amendment. Councilmember _____ to serve a 4-year term at the pleasure of the governing body of the City.

Section 2. Severability. If any section, part or provision of this Resolution is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Resolution, and all sections, parts and provisions of this Resolution shall be severable.

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, THIS 5th DAY OF JANUARY, 2016.**

CENTERVILLE CITY

By: _____
Paul A. Cutler, Mayor

ATTEST:

Marsha L. Morrow, City Recorder

CERTIFICATE OF PASSAGE AND EFFECTIVE DATE

According to the provisions of the U.C.A. S 10-3-719, as amended, resolutions may become effective without publication or posting and may take effect on passage or at a later date as the governing body may determine; provided, resolutions may not become effective more than three months from the date of passage. I, the municipal recorder of Centerville City, hereby certify that foregoing resolution was duly passed by the City Council, recorded by me in a book used exclusively for that purpose, and became effective upon passage or a later date as the governing body directed as more particularly set forth below.

MARSHA L. MORROW, City Recorder

Date

EFFECTIVE DATE: ____ of _____, 2016

**CENTERVILLE
CITY COUNCIL
Staff Backup Report
1/5/2016**

Item No. 11.

Short Title: City Manager's Report

Initiated By: City Manager

Scheduled Time: 9:40

SUBJECT

a. Local Officials Day at the Legislature - January 27, 2016

RECOMMENDATION

BACKGROUND

a. Local Officials Day at the Legislature is January 27, 2016. If any Council members would like to attend, please let Marsha know by January 20, 2016. The deadline to register without having to pay an extra \$10 late fee is January 22, 2016. The City will pay the fee for any Council member who would like to attend.

In addition to the topic under this heading, the City Manager will update the Council and/or answer questions from the Mayor and Council Members about City matters.

ATTACHMENTS:

Description

□ ULCT Local Officials Day at the Legislature 2016



What do 3 million people in Utah want ?

QUALITY OF LIFE

Good Jobs Good Places to Live
GOOD HEALTHY LIVES

Local Officials Day AT THE LEGISLATURE

JANUARY 27, 2016

Be part of the most exciting tradition of the 2016 Utah State Legislative Session.

Hundreds of youth council members will meet with elected leaders of Utah's cities and towns and get acquainted with their state government representatives at the Utah State Capitol and at Salt Palace Convention Center. It's an opportunity to build valuable relationships, learn about the important legislative process, and learn how to make life better in our cities and towns.

AGENDA

Utah State Capitol *Hall of Governors, Lower Level*
7:00 am – 8:00 am Registration and Continental Breakfast
8:00 am – 10:30 am *(Rooms to be assigned at registration)*
♦Mock Committee Hearings "Body-Worn Cameras"
♦Visit with Legislators ♦Self-guided Capitol Tour

YOUTH COUNCIL MEMBERS

Salt Palace Convention Center *(Room TBD)*
11:00 am – 11:45 am
Featuring speaker Mallory Weggemann

LEAGUE DELEGATES MEETING

Salt Palace Convention Center *(Room TBD)*
11:00 am – 11:45 am
ULCT Legislative Issues Briefing

LUNCH

Salt Palace Convention Center *(Room TBD)*
12:00 pm – 2:00 pm
Remarks from Utah Lt. Governor Spencer Spencer Cox
Senate President Wayne Niederhauser
House Speaker Greg Hughes
Keynote Speaker: Dan Buettner

SPONSORED BY UTAH MUNICIPAL POWER SYSTEMS

Parking validation for the Salt Palace Convention Center Garage will be provided

Keynote Speaker

DAN BUETTNER *National Geographic Explorer
Best-selling Author*

Dan Buettner's colossal research gives us remarkable insight into human longevity and well-being.

His effort, funded in part by the National Geographic Expeditions Council and the National Institute on Aging, has taken him from Costa Rica to Italy to Japan and beyond. He has discovered that the way people interact with each other, nourish their bodies, and view their world impacts the extent and quality of their lives.

KEYNOTE SPEAKER DAN BUETTNER

SPONSORED BY ZIONS BANK | ULCT SPEAKER SERIES



Youth Council Speaker MALLORY WEGGEMANN Paralympic Swimming Champion

As a rising star in competitive swimming, Mallory Weggemann's visit to a doctor for simple procedure resulted in complications leading to paralysis from the waist down. With sheer determination, she returned to the pool as a Paralympic swimmer and astounded the world with her unparalleled feats. She is now one of the top ranked Paralympic swimmers worldwide.



YOUTH COUNCIL SPEAKER MALLORY WEGGEMANN

SPONSORED BY ZIONS BANK | ULCT SPEAKER SERIES

Youth Council Mock Committee Hearings

Law Enforcement and the Use of Body-Worn Cameras

Utah Youth City Council members participate in mock committee hearings and learn first-hand how legislators debate the issues.

In past years, the arguments students present in our ULCT Youth Council Hearings have become pertinent points of discussion among important committees on Capitol Hill.

Local Officials Day

JANUARY 27, 2016

REGISTRATION DEADLINE JANUARY 22, 2016

Name _____

Please indicate: ☐ Delegate-\$75.00 ☐ Youth City Council Member-\$60.00
(price includes: Continental breakfast, snacks, lunch, speakers, and facility fees.)

Registrations received after January 23 must add a \$10.00 late fee ☐ Late fee-\$10.00

Total payment due \$ _____ Position _____ City/Town _____

Address _____ City/Town _____ Zip _____

Phone number _____ Email (required for confirmation) _____

☐ Please check for non-meat meal In compliance with ADA, arrangements can be made for those with special needs 

Payment method: ☐ Bill me ☐ Check Credit card (please check one): ☐ Visa ☐ MasterCard ☐ American Express

Credit card number _____ Expires _____ Zip Code _____

Please remit with payment to: Utah League of Cities and Towns, 50 South 600 East, Suite 150, Salt Lake City, Utah 84102
or fax your credit card payment to 801-531-1872

**CENTERVILLE
CITY COUNCIL
Staff Backup Report
1/5/2016**

Item No. 12.

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: 9:45

SUBJECT

Staff recommends the City Council hold a closed meeting to get a briefing from the City Attorney regarding pending or reasonably imminent litigation.

RECOMMENDATION

BACKGROUND

Note: Any attachments to this section of the agenda are deemed privileged and confidential documents and shall not be discussed, released or distributed without specific authority of the City Council or City Attorney.

ATTACHMENTS:

Description

- ▢ Claims and Occurrence Report-12-31-2015

**CENTERVILLE
CITY COUNCIL
Staff Backup Report
1/5/2016**

Item No.

Short Title: Items of Interest (i.e., newspaper articles, items not on agenda); Posted in-meeting information

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

BACKGROUND