Minutes of the Centerville **City Council** meeting held Tuesday, June 19, 2013 at 7:00 p.m. in the Centerville City Hall Council Chambers, 250 North Main Street, Centerville, Utah.

MEMBERS PRESENT

Council Members	Ronald G. Russell, Mayor
	Justin Y. Allen
	Ken S. Averett
	John T. Higginson
	Sherri Lyn Lindstrom
	Lawrence Wright
STAFF PRESENT	Steve Thacker, City Manager
	Blaine Lutz, Finance Director/Assistant City Manager
	Lisa Romney, City Attorney
	Katie Rust, Recording Secretary
VISITORS	Interested citizens (see attached sign-in sheet)

PLEDGE OF ALLEGIANCE

PRAYER OR THOUGHT Councilman Justin Y. Allen

CENTERVILLE YOUTH CITY COUNCIL

Lisa Summers, Youth City Council Advisor, introduced the members of the Youth City Council for 2013-2014, who were then sworn in by Judge David Miller. The 2013-2014 Youth City Council members are:

Joe Moore	Jenna Lewis
Jens Fillmore	Valerie Beer
Eli Bangerter	Brittany McDonald
Jeremiah Moore	Brenna Wilkensen
Jordan Hawkes	Melissa Arnold
Jacob Garn	Emma Kimball
Rachel Creer	Melissa Noble

OPEN SESSION

Jared Eschler – Mr. Eschler asked when the Chase Lane construction would be completed. Mr. Thacker responded the west end of the construction is scheduled to be completed by July 4th, and the remaining work to be completed by the middle of July.

MINUTES REVIEW AND APPROVAL

The minutes of the April 30, 2013 work session, the June 4, 2013 Budget work session, the June 4, 2013 Council meeting, and the June 4, 2013 closed meeting were reviewed. Councilwoman Lindstrom made a **motion** to approve all four sets of minutes. Councilman Allen seconded the motion, which passed by unanimous vote (5-0).

SUMMARY ACTION CALENDAR

a. Commence warranty period for Legacy Crossing Apartments
b. Terminate warranty period for Legacy Crossing Theater

Councilman Wright made a **motion** to adopt the Summary Action Calendar, commencing the warranty period for Legacy Crossing Apartments, and terminating the warranty period for Legacy Crossing Theater. Councilwoman Lindstrom seconded the motion, which passed by unanimous vote (5-0).

FY 2013 BUDGET (CURRENT FISCAL YEAR)

Blaine Lutz, Finance Director, presented a Financial Report for the 11-month period ending May 31, 2013. Mr. Lutz predicts revenues and expenditures will be fairly close to budgeted amounts at the end of the fiscal year. Councilman Wright asked about UTOPIA payments, and Mr. Lutz responded UTOPIA payments (i.e. debt service) are recorded under the Capital Projects Fund. Mr. Lutz explained the proposed Budget Amendments – a $40,000 revenue increase for development related fees, and expenditure adjustments in the total amount of $40,000.

Mayor Russell referenced a discussion held during the June 11, 2013 Budget work session regarding the intent of Resolution No. 2013-06. The Mayor proposed Resolution No. 2013-16, drafted by the City Attorney, to clarify the intent of the majority of the Council and amend Resolution No. 2013-06, stating:

> UTOPIA is encouraged to initiate the Baldrige program methods and/or a similar program; however, payment of the City's UTOPIA assessments shall not be conditioned upon UTOPIA implementing such a program and shall not be considered a pre-condition of payment of the assessments by the City.

At 7:27 p.m. Mayor Russell opened a public hearing regarding the FY 2013 Budget Amendments.

Rick Bingham – Mr. Bingham stated he was present when the Council discussed Resolution No. 2013-06. It is his recollection that payment of the UTOPIA operating assessment was contingent upon UTOPIA meeting the three criteria. He feels the use of taxpayer dollars merits the same respect that a bank demands of citizens regarding loan contracts. He feels the City should enter into a formal contract with UTOPIA establishing terms and conditions upon which tax dollars will be loaned to offset the operational shortfall.

George McEwan – Mr. McEwan asked if a lease option was considered for the new police vehicles listed on the budget, and questioned the need to purchase the 20 new firearms for the Police Department in the budget. Mr. McEwan seconded Mr. Bingham's comments, stating he feels the proposed Resolution No. 2013-16 makes the behavior of an errant child who does not know how to stay within a budget acceptable. He knows there are members of the Council who have recommended not giving any more money to UTOPIA. He would recommend not giving any more money until they can agree to a measurable criteria to show tax payers how the money is being spent. He encouraged the Council to reject the Resolution and go with the original language of the motion.

Bruce Smith – Mr. Smith works at Hill Air Force Base and has had the opportunity to work closely with the Malcolm Baldrige Criteria. He is a witness to the effectiveness of the Baldrige Criteria. He applauded the Council for the language of the original motion. His impression of the motion made in February was that payment of the operating assessment was contingent upon UTOPIA embracing the tool that he knows can cause great things to happen. The addition of the new language in Resolution No. 2013-16 is a total departure, in his opinion, from the original intention to cause good things to happen. He believes any proactive company would embrace the Malcolm Baldrige Criteria. He knows it takes time to initiate, inaugurate, and sustain the Malcolm Baldrige Criteria, but he is a witness that in the long-term the benefits and cost savings to our citizens will be substantially better. He encouraged the Council to leave the original intent of the decision made in February.

Harry Haycock – Mr. Haycock feels a municipality paying the operating expenses of any company is shaky. He feels the City is not on the hook for operating costs, and stated he would let UTOPIA fail. He feels UTOPIA should be allowed to stand or fall on its own. He feels the City should cut its losses and quit putting money into UTOPIA. Regarding the Police Department, he asked if the possibility of joining forces with the County and eliminating the Centerville Police Department has been examined. He suggested it would be a way to help pay for the UTOPIA mess the City is in.

The public hearing was closed at 7:38 p.m.

Resolution No. 2013-12 Councilwoman Lindstrom made a **motion** to adopt Resolution No. 2013-12 amending the Fiscal Year 2013 Budget of Funds and Accounts for Centerville City, and giving an effective date of June 19, 2013. Councilman Higginson seconded the motion, which passed by unanimous vote (5-0). Responding to comments made in the public hearing, City Manager Thacker stated that lease purchases for police vehicles have been examined from time to time and been found to not be the most cost-effective purchase arrangement. He also mentioned the Police Chief has said that police agencies use a 10-year replacement standard for firearms to ensure maximum reliability.

Resolution No. 2013-16 Mayor Russell reported that he and Councilman Wright spent time with UTOPIA staff discussing the Baldrige Criteria, and that UTOPIA staff seemed supportive of heading down that road. However, implementation would require UTOPIA Board action. The UTOPIA Board is made up of representatives of eleven different cities, each with their own interests. The Mayor will be meeting with Board members over the next several weeks, but the change will not happen immediately.

Councilman Wright pointed out that the Council discussed the conditions in the motion at great length on February 5th. He feels the intent was clearly articulated in Resolution No. 2013-06, which states "initiate", not "implement". Initiation of the Baldrige or similar program was a condition of payment of the operating assessment. The Council again discussed the wording of the Resolution on March 5th. Councilman Wright read the three conditions as they are stated in Resolution No. 2013-06. Councilman Wright is of the opinion that City Manager Thacker acted against the decision of the Council when he paid the operating assessment in FY 2013, since the Baldrige or similar program had not been initiated. Councilman Wright stated that the credibility of the City Council is conditioned on the City staff carrying out the decisions of the Council. If staff is permitted to put their judgment above the decisions of the Council, Councilman Wright questions what will prevent it from happening again in the future. He feels staff should have asked for clarification regarding the intent during one of the Council discussions of the matter. Councilman Wright feels Resolution No. 2013-16 is a validation of behavior that he does not believe was appropriate. Councilman Wright stated he views it as a mistake he would expect from an intern, not a seasoned city manager.

Councilman Higginson stated he is disappointed that Councilman Wright is questioning the character of a staff member in the meeting. He does not think it is appropriate. If the majority of the Council feels Mr. Thacker made an incorrect judgment call, the Council can take action. He does not think Mr. Thacker made a wrong decision. It was not Councilman Higginson's intent when he made the original motion to withhold payment based on the Baldrige program being in action. He feels it would be silly to consider withholding payment until a program is initiated because of the length of time it takes to initiate. The intent was to make things happen. UTOPIA asked for a larger amount in the assessment than the City Council agreed to pay. Councilman Higginson feels the language of Resolution No. 2013-06 is ambiguous. If he had been in Mr. Thacker's place, he would have made the same decision. Councilman Higginson wishes Centerville were not part of UTOPIA, but he believes it is in the City's best interest at this point to help UTOPIA succeed. He does not believe Steve Thacker is trying to act against the wishes of the Council. Councilman Higginson is in support of Resolution No. 2013-16 because it is in line with what he intended with the original motion.

Councilman Allen stated he is not surprised that different Council members could interpret the same motion differently. His intent in voting in favor of the motion made on February 5th was similar to Councilman Higginson's. He wants UTOPIA to continue, and believes it is unfair to suggest that UTOPIA has not done any strategic planning and is not seeking for efficiencies. He wants to encourage UTOPIA and work with them to continue strategic planning and increase efficiency. Councilman Allen remains comfortable with the original wording of the motion. However, he feels the new resolution is necessary because one member of the Council misunderstood the intent of fellow Council members. He stated it is important to clarify the intent of the other members of the majority vote. He expressed concern with the apparent fixation on the Baldrige Criteria and feels there are probably other programs with a shorter term that would achieve the same result. He is glad to hear that UTOPIA staff is taking the concept seriously. Councilman Allen is disappointed in Councilman Wright, and feels the tone of his accusation against Mr. Thacker is inappropriate. He might expect such behavior from a new Council member, but after serving on the Council with Councilman Wright for six years, Councilman Allen is not surprised by what he considers an amateur move from Councilman Wright. Councilman Allen supports Resolution No. 2013-16 100%, and supports Steve Thacker 100%.

Councilwoman Lindstrom stated she never got the impression in the discussion on February 5th that it was the Council's intent to withhold payment. She feels if withholding payment had been the intent those words would have been very specific. Councilwoman Lindstrom does not believe the intent was to withhold payment, and she supports Resolution No. 2013-16.

Councilman Averett did not vote in support of the original motion. In five years on the Council he has never voted in favor of giving money to UTOPIA. Unlike his fellow Council members, he believes the City should stop funding UTOPIA. He does not believe the "loans" will be repaid. He will not be voting in favor of Resolution No. 2013-16. However, he did not leave the meeting on February 5th thinking that payment was contingent upon implementation. He came away from the meeting thinking it was a recommendation rather than requirement, but in reviewing the minutes he admits that it looks like a requirement. If it was not a requirement, he questions why it was worded that way and why the minutes were approved that way.

Mayor Russell stated that, based on the discussion in the June 11 work session, it was clear that one Council member had a different view of the intent of Resolution No. 2013-06 than the others. His purpose in proposing Resolution No. 2013-16 is to clearly state the intent. He stated it is not fair to give staff mixed signals and separate intents, and then criticize them for acting in accordance with what they understood.

Councilman Allen made a **motion** to approve Resolution No. 2013-16 clarifying and amending conditions of approval for the Fiscal Year 2012-2013 Budget of Funds and Accounts for Centerville City regarding transfer of funds for UTOPIA operating assessments. Councilwoman Lindstrom seconded the motion. Councilman Higginson stated Resolution No. 2013-16 does not change the intention of his original motion. The motion was passed by majority vote (3-2), with Council members Allen, Higginson, and Lindstrom in favor, and Councilmen Averett and Wright dissenting. Mayor Russell commented that he has known Steve Thacker for a long time and feels he is one of the finest people he knows. He is confident Mr. Thacker was doing what he felt the Council had asked him to do. Councilman Averett stated that his dissenting vote does not reflect support for the implications against Mr. Thacker. Councilman Averett believes Mr. Thacker was doing what he believed the Council had asked him to do. He does not question Mr. Thacker's integrity.

FY 2014 BUDGET ADOPTION

Resolution No. 2013-13 Blaine Lutz explained that the State Tax Commission and Davis County have set the Certified Tax Rate for Tax Year 2013 slightly lower than the previous year. This indicates that the overall value of existing property in the City has increased, resulting in a lower Certified Tax Rate. Councilwoman Lindstrom made a **motion** to adopt Resolution No. 2013-13 setting the 2013 Tax Rate for the General Fund for Centerville City. Councilman Allen seconded the motion, which passed by unanimous vote (5-0).

Ordinance No. 2013-07 Regarding the funding for pay raises, the pay ranges in the Salary Administration Guidelines have been adjusted to reflect the 1.5% "market adjustment" proposed at a previous work session. Councilman Higginson asked Mr. Thacker how much less is in the current version of the Budget compared with the original recommended amount in the General Fund. City Manager Thacker responded it is a difference of $16,000. Councilman Wright stated he feels City employees provide a valuable service to the City and deserve good compensation, but he is concerned that employee compensation has been the top agenda item at each of the Budget work sessions. Councilman Wright cannot support the Ordinance because he feels it should be put in perspective, and feels the needs of the City should be looked at first. He repeated a comment from a previous meeting that he knows employees of the School District are not getting pay raises. He is concerned that the focus has been on employee salaries ahead of basic infrastructure. Mr. Thacker responded that the School District still has merit steps and lane changes, so to say there are no pay increases at the School District is not a correct statement. Councilman Wright said his wife works for the School District and they recently had a meeting where they announced they would not be able to give anyone a pay raise. He is not in favor of across-the-board pay raises according to the matrix in the Guidelines, and repeated that he is concerned that pay raises have been put ahead of basic infrastructure. Councilman Higginson countered that the Whitaker Museum has been discussed more than employee compensation. Councilman Higginson is not saying the Museum should not have been discussed, because it is important. He is saying the things they talked about the most were those that demanded the most attention. Councilman Wright does not like that the first thing on the agenda was always employee compensation. Councilman Higginson stated that being the first item on the agenda does not necessarily mean it is the most important item.

Councilman Wright stated he does not like that a property tax increase is still listed in the Council packet as a recommendation from the City Manager. Councilman Allen pointed out that the Council already considered the recommendation and made the decision to not enact a property tax increase at this time. Councilman Higginson added that the Council has pushed back from the original employee compensation recommendation, and he feels a good compromise has been reached considering the changes to the health insurance plan. Recommendations in the Tentative Budget are discussed by the Council until a majority decision is reached.

Councilman Allen made a **motion** to adopt Ordinance No. 2013-07 adopting a compensation plan for employees, including appointed employees. Councilwoman Lindstrom seconded the motion, which passed by majority vote (4-1), with Councilman Wright dissenting.

Resolution No. 2013-14 Under State Law the Justice Court Judge receives an average of the compensation increase received by employees in the City. Councilman Allen made a **motion** to adopt Resolution No. 2013-14 approving compensation for the Justice Court Judge. Councilwoman Lindstrom seconded the motion, which passed by majority vote (4-1), with Councilman Wright dissenting.

Additional Budget Issues Mr. Lutz explained recommended changes to the FY 2014 Tentative Budget for the General Fund, which reflect a revenue decrease of $3,880 and an expenditure decrease of $3,880. Mr. Thacker emphasized that the only General Fund change affecting the Whitaker Museum Budget is an additional transfer of $2,700 as discussed at the June 11 work session. Mr. Thacker also explained the staff recommendation that Resolution No. 2013-15 include the condition that the UTOPIA operating assessment payments will be considered a loan to UTOPIA, in harmony with the resolution passed by the UIA Board expressing the same position. Councilman Wright asked if it includes interest accruing until the amount is paid back, and if there are any conditions on default if they do not pay it back. He also asked if there is a period of time in which they are required to return the payments. Mr. Lutz responded that interest begins accruing upon payment by the cities to UTOPIA, but no time period has been placed regarding paying back the loans. Councilman Wright stated he cannot imagine anyone giving a loan under those conditions. Councilman Higginson asked if there is any precedent for cities placing a time restriction on such loans. Mayor Russell stated that once the operating expenses are being fully covered by revenues, the UIA operating assessment payments will be repaid. Mr. Lutz stated there is a big commitment from UTOPIA and its staff to reduce expenses. Mr. Thacker explained to citizens in attendance that there has always been an operating subsidy for UTOPIA, originally coming from bond proceeds and recently shifting to the cities as a result of a Legislative audit in 2012. Staff and the Council discussed how to word the loan condition in the Resolution.

Resolution No. 2013-15 Councilman Allen made a **motion** to adopt Resolution No. 2013-15 adopting the FY 2014 Budget of Funds and Accounts for Centerville City, including the language necessary on the UTOPIA matter related to the loan provisions as a new Section 2: "the transfer and allocation of funds to UTOPIA for operating assessments as provided in the Budget shall be deemed a loan to UTOPIA and will be repaid to the City." Councilwoman Lindstrom seconded the motion, which passed by majority vote (3-2), with Council members Allen, Higginson, and Lindstrom voting in favor, and Councilmen Averett and Wright dissenting.

Resolution No. 2013-17 Blaine Lutz explained that the recommended fee increases are intended to keep the funds on a stable basis. Councilwoman Lindstrom made a **motion** to adopt Resolution No. 2013-17 amending the Centerville City Fee Schedule regarding solid waste, recycling and green waste. Councilman Allen seconded the motion, which passed by unanimous vote (5-0).

The Council took a brief recess at 8:44 p.m. and returned at 8:48 p.m.

RDA MEETING

At 8:48 p.m. Councilman Allen made a **motion** to move into a meeting of the Redevelopment Agency of Centerville. Councilwoman Lindstrom seconded the motion, which passed by unanimous vote (5-0). In attendance were: Ronald G. Russell, Chair; John T. Higginson, Vice-Chair; Directors Allen, Averett, Lindstrom, and Wright; Steve Thacker, RDA Executive Director; Blaine Lutz, Finance Director; Lisa Romney, City Attorney; and Katie Rust, Recording Secretary.

The Council returned to regular meeting at 8:51 p.m.

UPDATE REGARDING 2013 LEGISLATION AFFECTING CITIES

Lisa Romney, City Attorney, updated the Council regarding 2013 Legislation affecting cities.

MAYOR'S REPORT

- Mayor Russell and Councilman Wright met with UTOPIA staff regarding the Baldrige Criteria. The Mayor will be working with both the UTOPIA Board and the UIA Board to move forward with a management review process.
- The Fire District Board is proceeding with the process to select a new fire chief.
- Mayor Russell reported to the Council that the North Legacy Corridor process is moving forward.

CITY MANAGER'S REPORT

A work session regarding the Culinary Water Impact Fee Facilities Plan/Analysis is scheduled for July 2, 2013.

MISCELLANEOUS BUSINESS

A "Meet the Candidates Night" has been proposed for October 8, 2013. Councilman Wright asked if holding a similar meeting prior to the primary election has been considered. Mr. Thacker responded it has been considered in the past, but it is difficult to keep the meeting to an hour and a half with a large number of candidates involved. Councilman Allen suggested the possibility of an open house at City Hall prior to the primary election where interested citizens could meet and discuss with candidates. Mr. Thacker expressed his opinion that not many citizens would attend that type of event in July. The newsletter being distributed to citizens next week will include the names of candidates and refer readers to the City's website for candidate statements.

ADJOURNMENT

At 9:15 p.m. Councilman Allen made a **motion** to adjourn the Council meeting. Councilwoman Lindstrom seconded the motion, which passed by unanimous vote (5-0).

Marsha L. Morrow, City Recorder	7-2-2013 Date Approved

Katie Rust, Recording Secretary

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CENTERVILLE CITY COUNCIL MEETING

Tuesday, June 19, 2013

7:00 p.m.

NAME (PLEASE PRINT)	ADDRESS**
JOHN ARNOLD	765 E 800 S Centerville
TIM & BECKY HAWKES	443 S. 225 E.
Mark, Julie & Rachel Creer	2116 N. 400 W.
NEIL LUSH	478 E. 1200 N.
GEORGE MCEWAN	618 Willow Bend Dr
Stephanie Ivie	595 S. 700 E.
Rick Bingham	290 E Casa Loma Dr.
Jared Eschler	10 Park Place Ln Centerville
Dennis Knoles	1248 Nola Centerville
Lisa Sommer	2212 No. Main
[illegible]	696 East Cede St Centerville
Carolee Cavell	1368 N 400 E
Kanani Schow	361 W. 1375 N. Centerville
Teresa Bartholomew	364 W 1400 N Centerville

** Your address will be used only in the event the City staff needs to contact you pertaining to an issue discussed in the City Council meeting.