BOUNTIFUL CITY COUNCIL MEETING TUESDAY, June 21, 2016 Special Meeting - 5:00 p.m.

NOTICE IS HEREBY GIVEN that the City Council of Bountiful, Utah will hold a special Council meeting at Bountiful City Hall, 790 South 100 East, Bountiful, Utah, at the time and on the date given above. The public is invited to the Special Meeting. Persons who are disabled as defined by the Americans With Disabilities Act may request an accommodation by contacting the Bountiful City Manager at 801.298.6140. Notification at least 24 hours prior to the meeting would be appreciated.

If you are not on the agenda, the Council will not be able to discuss your item of business until another meeting. For most items it is desirable for the Council to be informed of background information prior to consideration at a Council meeting. If you wish to have an item placed on the agenda, contact the Bountiful City Manager at 801.298.6140.

AGENDA

- 1. Welcome and Thought/Prayer
- 2. Consider approval of Resolution 2016-06 re-adopting the Certified Tax Rate for 2016 Calendar Year Taxes Mr. Galen Rasmussen p. 3
- 3. Consider approval of Ordinance 2016-09 amending the Fiscal Year 2016-2017 Budget due to the change in the 2016 Certified Tax Rate Mr. Galen Rasmussen p. 7
- 4. Adjourn

City Recorder

City Council Staff Report

Subject:

Recommendations for budget amendment, and

setting of a revised property tax rate – FY2017

Author:

Galen D. Rasmussen, Assistant City Manager

Department:

Executive

Date:

June 21, 2016

Background

On June 14th of this year the Mayor and City Council adopted what was supposed to be a final budget following an established budget process prescribed by State law for the fiscal year beginning July 1, 2016, and ending June 30, 2017. This budget was based on, among other inputs, a certified tax rate for property tax received from the State of Utah and Davis County. However, subsequent to June 14th, Staff noted that the certified tax rate provided by the State and the County had changed from what was previously provided, resulting in a lower rate and lower revenue amount available to Bountiful City. Upon inquiry with representatives of Davis County (and their further inquiry of representatives of the State Tax Commission) Bountiful City was instructed to adopt a revised certified tax rate and revenue (see attached email correspondence from Davis County).

Analysis

Impacts to the City's previously adopted Fiscal Year 2016-2017 budget and tax rate from this revision in certified tax rate are as follows:

- Need for Council adoption of a revised Certified Tax Rate of <u>0.000890</u> (for reference the previously adopted rate on June 14th was 0.000900). <u>Resolution 2016-06 is attached</u> for adopting the revised rate of 0.000890.
- 2. The previously adopted budget for Fiscal Year 2016-2017 listed property tax revenue of \$2,203,276 based on the formerly adopted rate of 0.000900. The revised certified tax rate of 0.000890 will deliver property tax revenue of \$2,178,796 (which is a revenue reduction of \$24,480 in the new fiscal year).
- 3. To account for the \$24,480 reduction in revenue, the Fiscal Year 2016-2017 budget for General Property Taxes (account 101010 311000) will need to be amended down to \$2,178,796 (previously \$2,203,276) and the offset will be balanced through Legislative Contingency (account 104110 466000) making that budget a revised \$135,520 (previously \$160,000). Ordinance 2016-09 is attached for adopting an amended Fiscal Year 2016-2017 budget with related actions as before.

Department Review

The budget, ordinance, and resolution have also been reviewed and approved by the Assistant City Manager and the City Attorney in consultation with the City Manager.

Recommendation

The following actions are recommended by staff to the Mayor and City Council:

- 1. Adopt Resolution 2016-06 to set the revised certified property tax rate and levy taxes for calendar year 2016.
- 2. Adopt Ordinance 2016-09 to amend the fiscal year 2017 budget. This Ordinance (as before) also incorporates various technical corrections, a schedule of fees, taxes, and employee compensation schedules along with providing a confirmation of the City's participation in the Public Employee Contributory and Public Safety Retirement Systems.

Significant Impacts

Adoption of a budget and setting of a property tax rate is required by Utah Code Section 10-6.

Attachments

Resolution 2016-06, Ordinance 2016-09 Email correspondence from Davis County

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BOUNTIFUL

MAYOR
Randy C. Lewis
CITY COUNCIL
Kendalyn Harris
Richard Higginson
Beth Holbrook
John Marc Knight
John Pitt

CITY MANAGER Gary R. Hill

Bountiful City Resolution No. 2016-06

A Resolution setting the tax rate and levying taxes upon all real and personal property in the City of Bountiful, Utah, made taxable for the year 2016.

It is the Finding of the Bountiful City Council that:

- 1. The City is authorized and required by the Uniform Fiscal Procedures Act for Utah Cities (Utah Code §10-6-133) to set the real and personal property tax levy; and
- 2. The City of Bountiful, through its elected officials and appointed officers, has determined the amount of property tax which should be included in the budget for the Fiscal Year 2016-2017, beginning July 1, 2016, and ending June 30, 2017.

Now, therefore, it is hereby resolved by the City Council of Bountiful, Utah:

SECTION 1. The City of Bountiful, through its duly authorized and legally appointed officers, has determined the amount of property tax which should be included in the budget for the fiscal year beginning July 1, 2016, and ending June 30, 2017.

SECTION 2. Bountiful has, based on assessed valuation information furnished by Davis County, determined the rate of the general tax which should be levied.

<u>SECTION 3.</u> For the purpose of defraying the necessary and proper expenses of the City of Bountiful, Utah, and maintaining the government thereof, the rate of the general tax levied upon all real and personal property within Bountiful, Utah, made taxable by law for the year 2016 (or for the fiscal year ending June 30, 2017) is determined to be <u>0.000890</u> on each dollar of assessed valuation of said property, and is hereby adopted by this resolution.

SECTION 4. This resolution shall take effect immediately.

Adopted by the City Council of Bountiful, Utah, this 21st day of June, 2016.

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BOUNTIFUL

MAYOR
Randy C. Lewis
CITY COUNCIL
Kendalyn Harris
Richard Higginson
Beth Holbrook
John Marc Knight
John Pitt

CITY MANAGER Gary R. Hill

Bountiful City Ordinance No. 2016-09

An ordinance (1) amending and adopting the budgets of the City of Bountiful for the Fiscal Year beginning July 1, 2016, and ending June 30, 2017; and (2) authorizing and directing the participation of the City in the Public Employees Contributory Retirement System and the Public Safety Contributory Retirement Systems for fiscal year 2016-2017.

It is the Finding of the Bountiful City Council that:

- 1. The Bountiful City Council, through its elected officials and appointed officers, has caused to be prepared a revised and amended Final Budget for Fiscal Year 2016-2017; Revisions were needed to the previous budget due to a change made by Davis County, Utah in the Certified Tax Rate which was previously adopted (along with the Final Budget) on June 14, 2016.
- 2. This revised and amended Budget (like the previous version) has been duly considered and formulated according to the Uniform Fiscal Procedures Act for Utah Cities (Utah Code §10-6-101 et seq);
- 3. This budget includes estimates of anticipated revenues, appropriations for expenditures and expenses, adjusted compensation schedules for City officers and employees that reflect the rates required for participation in the Utah Retirement Systems, and user fees for City facilities and services.
- 4. A Tentative Budget was adopted on May 10, 2016, and made available as required by law;
- 5. A public hearing to consider this Final Budget was noticed and held on June 14, 2016, according to the requirements of the Uniform Fiscal Procedures Act for Utah Cities.

Now, therefore, it is hereby ordained by the City Council of Bountiful, Utah:

<u>Section 1.1.</u> The City of Bountiful, Utah, through its elected officials and appointed officers, has again reviewed the revenues and expenditures in all of its budgets for fiscal year 2016-2017.

<u>Section 1.2.</u> The City, desiring not to overspend budget appropriations in any of its funds or departments, desires to adjust revenues and/or expenditures in its budgets for fiscal year 2016-2017.

<u>Section 1.3.</u> The budget changes set forth in Exhibit A for fiscal year 2016-2017 are hereby adopted.

<u>Section 2.1.</u> The City of Bountiful, through its elected officials and appointed officers, has caused to be prepared a revised and amended budget for the fiscal year beginning July 1, 2016, and ending June 30, 2017. This budget has been duly considered and formulated according to the Uniform Fiscal Procedures Act for Utah Cities and other applicable State and Federal law. It is now desirable and necessary to formally adopt this revised and amended budget.

<u>Section 2.2.</u> This budget includes estimates of anticipated revenues, appropriations for expenditures/expenses, adjusted compensation schedules for City officers and employees, and user fees for City facilities and services.

<u>Section 2.3.</u> The Bountiful City budget for the fiscal year beginning July 1, 2016, and ending June 30, 2017, with the adjusted compensation schedules and the City user fees incorporated in its preparation is hereby adopted.

<u>Section 2.4.</u> Bountiful City hereby confirms its participation in the Public Employees Contributory Retirement System and the Public Safety Contributory Retirement System of the Utah Retirement Systems for fiscal year 2016-2017. The budget and compensation schedules reflect the Annual Certification of Retirement Contribution Rates required for participation in the current year. The City Manager and staff are authorized and directed to take such steps as are necessary to implement the City's participation in these programs.

Section 3. This ordinance shall take effect immediately upon first publication.

Adopted by the City Council of Bountiful, Utah, this 21st day of June, 2016.

As of: 6/21/2016

General Fund

Legislative

GENERAL FUND

Fund Name

Account Description General Property Taxes

Revenue Account 101010 - 311000 General Fund Amount 2,178,796

Total Revenue amendments (General Fund)

2,178,796

GENERAL FUND

Department

Account Description

Expenditure Account

General Fund <u>Amount</u> 135,520

Total Expenditure amendments (General Fund)

135,520

Revisions received from Davis County reducing the previously available certified tax rate from 0.000900 to 0.000890 and revenue from \$2,203,276 to \$2,178,796.

Contingency

BOUNTIFUL CITY BUDGET SUMMARY (amended, revised and condensed)

Fisca	IY	ear	201	6-2	01	7

REVENUES:	TOTA
Property Taxes & Fees-in-Lieu of Property Taxes	2,572,796
Sales Taxes	7,357,682
Utility Franchise & Municipal Energy SalesTaxes	3,240,000
E911 Telephone Revenue	575,000
Business Licenses, Building & Street Opening Permits, Subdivision Fees	521,000
Refuse Collection Fees & Landfill Charges	2,146,636
Liquor Fund Allotment (from State of Utah)	37,000
Cemetery Lot Sales and Related Fees	401,300
Bail Forfeitures (District Court)	150,000
Interest Income	996,000
Lease or Rental Income	260,644
Contribution in Aid from outside entities	964,500
Class "C" Road Allotment (from State of Utah)	1,470,000
Recycling Fees	417,450
Storm Water Fees	1,361,004
Sale of Water	4,000,000
Golf Course Fees & Cart Rental	1,505,000
Sale of Electricity	26,658,550
Grants	603,700
Miscellaneous Income	1,561,469
Intra-City Transfers	9,092,776
Sub-total - Revenues	65,892,507
Adjustment for Intra-City Revenue & Transfers	(9,092,776
NET REVENUES	56,799,731

Legislative (Mayor, Council and Community Engagement)	1,596,470
Legal (Civil and Prosecution)	315,936
Executive (City Manager & City Recorder)	168,966
Human Resources (Includes Payroll)	133,664
Information Systems Management (Computer systems, telecommunications and related services)	455,585
Finance (Includes Assistant City Manager and Budget functions)	403,478
Treasury (Includes utility customer services and billing)	295,694
General Government Buildings	156,694
Police (Police and Dispatch Services)	7,642,557
Fire & Emergency Medical Services (provided via Interlocal agreement with the South Davis Metro Fire Agency)	2,098,000
Streets (Includes construction, maintenance and snowplowing)	4,696,645
Engineering (Includes Public Works and Building Inspection)	653,211
Parks	4,164,287
Planning (Includes Licensing and Code Enforcement)	222,251
Debt Service	248,900
Municipal Building Authority (MBA)	208,777
Recycling	418,250
Storm Water	1,375,404
Water	5,314,960
light & Power	29,670,903
Golf Course	1,614,578
Sanitation (includes Landfill)	2,241,536
Cemetery	499,252
Recreation Arts and Parks (RAP) Tax	451,000
Internal Service (Computer Maintenance, Liability Insurance, Worker's Compensation)	845,509
Sub-total - Expenditures & Expenses	65,892,507
Adjustment for Intra-City Revenue & Transfers	(9,092,776
NET EXPENDITURES & EXPENSES	56,799,731

NOTE: Includes the Bountiful Municipal Building Authority.
The Bountiful Redevelopment Agency is a separate entity with a separately adopted budget.

Galen Rasmussen

From:

Heidi Voordeckers < hvoordeckers@co.davis.ut.us>

Sent:

Thursday, June 16, 2016 10:38 AM

To:

Galen Rasmussen

Cc:

Subject:

Gary Hill; Clinton Drake; Tyson Beck; Shawna Andrus; Curtis Koch; LynnAnn Winterton Re: Confirmation of revised Certified Tax Rate and certified rate revenue to be adopted

by Bountiful City on June 21, 2016

Attachments:

Rpt693.pdf

Good morning, Galen,

Please accept this email as confirmation that the rates presented (.00089 with annual revenue of \$2,178,796) are correct and represent the County auditors certified rate for 2016. Again, we appreciate the Council's willingness to reconvene to accommodate the correction.

While it is not common for the auditor to make adjustments to the calculated rate, our office plans on updating our process next year to include distributing a hard copy of form 693 (see attached) in conjunction with the email verifying that rates are ready for review.

Many thanks, Heidi

On Thu, Jun 16, 2016 at 9:39 AM, Galen Rasmussen < galenr@bountifulutah.gov > wrote:

Heidi,

A special Bountiful City Council Meeting is being set for Tuesday, June 21st at 5:00 p.m. to adopt a revised Certified Tax Rate and make related budget amendments to the City's Fiscal Year 2016-2017 budget pursuant to the recommendation we received in the email below from you. Out of an abundance of caution, attached is a screen print from the www.taxrates.utah.gov website for Bountiful City as of 9:16 a.m. this morning. The Certified Tax Rate listed for Bountiful City on this State Tax Commission system is 0.000890 with certified rate revenue of \$2,178,796. Are these figures still current and available for Bountiful City to adopt on Tuesday, June 21st?

Please advise and thank you in advance,



Galen D. Rasmussen | Assistant City Manager

Bountiful City | 790 South 100 East, Bountiful, Utah 84010

O: 801-298-6117 | F: 801-298-3171 | E: GalenR@bountifulutah.gov

From: Heidi Voordeckers [mailto:hvoordeckers@co.davis.ut.us]

Sent: Wednesday, June 15, 2016 9:35 AM

To: Galen Rasmussen; Curtis Koch; LynnAnn Winterton

Subject: Fwd: 2016 Certified Tax Rate (Potential rate lock issue for Bountiful City)

Hi Galen,

Please see the response below from the tax commission. I believe the appropriate course of action would be to reconvene the council and adopt, then certify, the lower rate. Please let me know if you would like me to be present at that meeting to answer questions your council may have. The provision for adopting a replacement resolution only applies for taking a higher rate after the initial budget adoption, so does not apply. I cannot apologize enough for the inconvenience this places on your council and administration.

Heidi

----- Forwarded message -----

From: Jennifer Condie < jcondie@utah.gov >

Date: Wed, Jun 15, 2016 at 8:52 AM

Subject: Re: 2016 Certified Tax Rate (Potential rate lock issue for Bountiful City)

To: Heidi Voordeckers hvoordeckers@co.davis.ut.us

Cc: Curtis Koch <<u>ckoch@co.davis.ut.us</u>>, LynnAnn Winterton <<u>lac@co.davis.ut.us</u>>

Heidi,

The city needs to adopt the auditor's certified tax rate. This happens every year, unless they plan on increasing taxes. Does the city only have one meeting a month? One way local governments can work around this is to use language that states, "adopt the certified rate" then plug the rate and budget number in at a later meeting if it changes for any reason.

Jennifer

On Wed, Jun 15, 2016 at 8:41 AM, Heidi Voordeckers < hvoordeckers@co.davis.ut.us > wrote:

Good morning, Jennifer -

Please see the issue that has presented itself related to the fire district adjustment that wouldn't "stick" in the tax system. Bountiful City has adopted at the higher, non-adjusted rate, based on info they pulled on the 9th. I hadn't realized that our auditors rate was wiped out until I called you Monday afternoon. How should I advise the City to proceed? Also, it is possible that we may have a similar situation with other entities - I need to contact them and determine when they will be adopting their budgets.

Heidi

----- Forwarded message -----

From: Galen Rasmussen < galenr@bountifulutah.gov >

Date: Wed, Jun 15, 2016 at 7:47 AM

Subject: RE: 2016 Certified Tax Rate (Potential rate lock issue for Bountiful City)

To: Heidi Voordeckers < hvoordeckers@co.davis.ut.us >

Heidi,

The Bountiful City Council adopted a Certified Tax Rate last evening of <u>0.000900</u> with revenue projection of <u>\$2,203,276</u>. This was based on your email below that the Certified Tax Rates were updated in the state tax rates system on June 9th (I generated the attached screen print on 6-9-2016 at 2:25 p.m. for reference). This morning I was preparing to lock in the rate on <u>www.taxrates.utah.gov</u> and noticed that the Certified Tax Rate for Bountiful City had <u>changed to 0.000890</u> with a revenue projection of <u>\$2,178,796</u> (see screen print dated 6-15-2016 at 7:25 a.m.). In a related matter, I also pulled rates from the tax rates system using the same frame on June 9th. When I looked at the Recreation District rates this morning those rates have not changed between June 9th and June 15th.

Bountiful City now has a dilemma to resolve. In good faith, the Bountiful City Council adopted the Certified Tax Rate last
evening that was in the tax rates system on June 9 th of 0.000900 but now that rate is showing as 0.000890. Can the City
still certify the 0.000900 rate in www.taxrates.utah.gov or will the City need to hold another meeting to adopt the rate
of 0.000890 and then certify to that rate?

Please advise.

Galen

From: Heidi Voordeckers [mailto:hvoordeckers@co.davis.ut.us]

Sent: Thursday, June 9, 2016 2:08 PM

To: Galen Rasmussen

Subject: Re: 2016 Certified Tax Rates Set

Hi Galen,

Thanks for bringing this to my attention. We've had some difficulty making entries in to the state tax system this year, but it looks like we've now got rates for both entities updated and set (Bountiful for the anticipated redirection of taxes to SDMFSSA when they complete the tnt process and the Rec District for debt service).

Thanks again, and take care!

Heidi

On Wed, Jun 8, 2016 at 5:58 PM, Galen Rasmussen < galenr@bountifulutah.gov > wrote:

Heidi,

When I logged into the Tax Rates system tonight it still shows preliminary without the "Certified Rates set by Auditor" highlighted (see attached screen prints taken tonight). So, it appears that the State hasn't processed the County's lock

at their level yet. Given that, I am thinking that the Certified Tax Rates shown for Bountiful and South Davis Recreation
are not yet correct? Bountiful currently shows a certified tax rate of 0.000900 with revenue of \$2,203,276. South Davis
Recreation currently shows a certified tax rate of 0.000117 for County Service Area and no rate for debt service with
revenue of \$809,831 for County Service Area and \$0 for Debt Service.

FYI,

Galen

From: Heidi Voordeckers [mailto:hvoordeckers@co.davis.ut.us]

Sent: Wednesday, June 8, 2016 5:24 PM

To: Galen Rasmussen; Blaine Lutz; Steve Thacker; bgreen; Barry Edwards; dhuffman; ptwitchell; Keith Johnson; mkatter@sdsd.us; julied@benchlandwater.com; johnc@centralweber.com; sparsell@benchlandwater.com; worky@cdsewer.org; dcluff@clintoncity.com; David Burgoyne; Tyson Beck; colehwid@qwestoffice.net; paul@southwebercity.com; janicel@nslcity.org; jsims@woodscross.com; guresk@woodscross.com; amiddleton@ndsd.org; jbassett@sdmetrofire.org; cmoss@kaysvillecity.com; dstorey@kaysvillecity.com; rick.knapp@clearfieldcity.org; smarshall@syracuseut.com; mmcrae@southwebercity.com; tsmith@southwebercity.com; cbravo@weberbasin.com; noreen@cdsewer.org; jillj@cdsewer.org; enelson@westpointcity.org; hatchgary@qwest.net; jolene@centervilleut.com; mabecraft@nofires.org; tprobert@laytoncity.org; tracie@southdaviswater.ur; John Miller

Subject: 2016 Certified Tax Rates Set

Good afternoon, all,

The Auditors Certified Tax Rates have been set for 2016 and may now be accessed via the USTC website at: https://taxrates.utah.gov/Login.aspx

Thanks to all for your patience as we were entering final calculations up until the last hour. As always, please let me know if you have questions.

Many thanks,

Heidi Voordeckers

Chief Deputy, Clerk/Auditor

Davis County Government

(801) 451-3482

Jennifer Condie

Assistant Director-Property Tax Division

801-297-3636

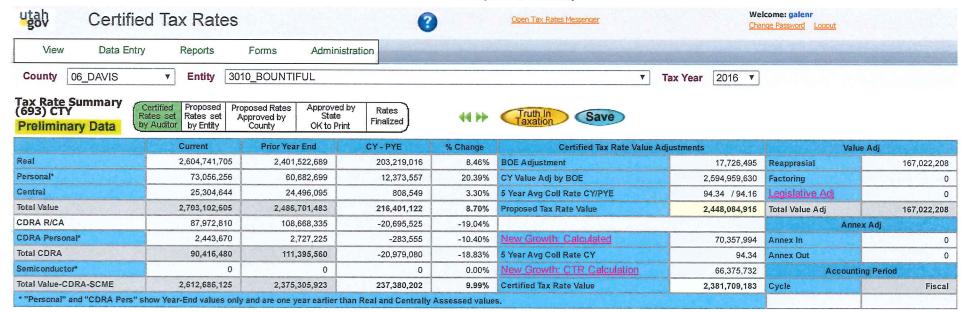
Fax 801-297-3699

Heidi Voordeckers

Chief Deputy, Clerk/Auditor

Davis County Government

(801) 451-3482



NOTES

Rate adjusted down .00001 to reflect new taxing entity - SDMFSSA

11

Budget Name	Date of Election	Rate Limit	Code from Utah Annotated	Maximum By Law	Calculated Certified Tax Rate	Auditor's Certified Tax Rate	Proposed Tax Rate	Auditor's Certified Rate Revenue	Requested Revenue
10 General Operations			§10-6-133	.007	0.000900	0.000890		2,178,796	
Total Tax Rate					0.000900	0.000890		2,178,796	

Utah State Tax Commission - Property Tax Division Tax Rate Summary (693) ENTITY: 3010 BOUNTIFUL

Form PT-693

Rev. 2/15

DAVIS COUNTY

Tax Year:

2016

The Board of Trustees for the above special district has set the current year's tax rates as follows:

Purpose of Tax Rate (Code from Utah Code Annotated)	Auditor's Tax Rate	Proposed Tax Rate	Maximum By Law	Budgeted Revenue
10 General Operations §10-6-133	0.000890		.007	
Total Tax Rate	0.000890	0.000000	Total Revenue	

Certification by Taxing Entity						
I,, as authorized agent, hereby certify that this statement is true and correct and in compliance with all sections of the Utah State Code relating to the tax rate setting process.						
Signature:	Date:					
Title:	Telephone:					
Mailing address:						

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