SPECIAL COUNCIL WORK MINUTES
MARCH 18, 2015

The City Council held a meeting on Wednesday, March 18, 2015, at 4:00 p.m., in the Council Chambers, 10 North Main Street, Cedar City, Utah.

MEMBERS PRESENT: Mayor Maile Wilson; Councilmembers: Ron Adams; John Black; Paul Cozzens; Don Marchant; Fred Rowley.

STAFF PRESENT: City Manager Rick Holman; City Attorney Paul Bittmenn; City Engineer Kit Wareham; Finance Director Jason Norris; Police Chief Robert D. Allinson; Fire Chief Mike Phillips; Economic Development Director Danny Stewart; Public Works Director Ryan Marshall, Parks Division Head Austin Bingham, Golf Division Head Jarod Barnes, Aquatic Facility Manager Chris Hudson, Sports & Recreation Manager Jennifer Weaver, Events Director Byron Linford, Street Superintendent Jeff Hunter, Cross Hollow Events Center Manager Larry Olds,

OTHERS PRESENT: Carin Miller, Sara Penny, Harold Grant Shirley, Donna Law, Deborah Snider, Nathaniel Taggart, Tim Beery, Blake Cozzens, Blaine Nay, Liz Okeson, Bruce Barclay, Fred C. Adams, R. Scott Phillips, Paul Roelandt, Tim Watson, Dan Fletcher, Dave Jacobson, Kaleb Jolley, Maria Twitchell, Royce Houchen, Buck Naegle, Michelle Judd, Jeff Lowe, Drew Wilson, Brayson Street, Todd Sherman, Skyler Bulloch, Brenden Taylor, Connor Childs, Corey Childs, Keith Pittser, Marc Wittwer.

RAP TAX DISCUSSION:

Mayor Wilson called the meeting to order at 4:02. Mayor – This is to discuss the RAP Tax. We will have public comments throughout, but first we'll go over some information about the RAP Tax from over the past several years. These are the projects that have been purchased with the RAP Tax. Do any Council Members want to speak or should we present this information first? Don – Let's present first.

Rick – Welcome to the public. Let's review and remind everyone that we talked about a lot of these things in October. We are now in the beginning of our budget process. I have a short outline presentation that we will use. As an overview, the RAP Tax was approved through a public vote in November 2005. It is an .01% sales tax to be used for recreation, arts and parks. The City ordinance says it should be used to maintain recreational facilities and to provide support for cultural activities. Paul B - In 2011 the legislature made it possible for an entity to fund with the tax to maintain and to operate recreational facilities. We haven't changed our ordinance and that is part of what we are working through here. Rick – The tax was approved with one third going to each group: parks, recreation and arts. This sunsetted in 2012 and in November 2013 it was approved by the voters for an additional 10 years. On the overhead (exhibit) the totals for all the projects are shown as well as the total collected and used for each year. You can see that through the eight years, various organizations have received and benefitted from the RAP Tax.

In October, the City brought up the concept of using RAP Tax funds for replacement. We suggested that because we know that there are parks and other facilities that will fit under RAP Tax guidelines and as we continue to build, we haven't been able to set aside funds for on-going upkeep. Let me explain why. For the last eight years our sales tax has fluctuated by approximately $900,000. It makes it difficult for some of these capital replacement items to be funded while we are trying to maintain a level of service to our residents. When the sales tax dips we have to make adjustments. We are hoping that sales tax will go up, but we have had to make some hard decisions. We have had to say no to different departments for their capital expenditures. Now we want to talk more about using 10 percent for replacement and preservation. This would be 10 percent from each segment and this would create a savings fund for RAP eligible uses. This would only be used in City-owned facilities. We would ask that the applying entity make application for those funds similar to how the application for the RAP Tax funds works now.
Some potential projects that would be eligible for this would be: a central irrigation control for the parks, upgrades at Park Discovery, and in-field renovation at the ball parks. We also have about a $10,000 obligation to maintain the trails.

For the Heritage Center (including Festival Hall), the operating cost each year is $282,000 and the revenues are $76,000. We have a bond that was used to build and do the improvements in the City Office building. This payment is $970,000 a year, which comes from the sales tax. This is obligated until 2021. We had estimates recently from local contractors to replace the wall and floor coverings in the Heritage Center and the low bid was $117,000. We know we have other replacements we will need to look at and are looking at estimates for those as well. If we'd set aside the 10 percent over the last years we would have had $118,000 set aside for this.

Byron and Jason have put together a 10 year replacement plan. That is why we are recommending using a portion of the RAP Tax for replacement. We've identified expenditures that we feel fit in that replacement category. Main Street Park in FY 13, was granted $205,000. $135,000 was for equipment replacement, and $70,000 was for the stage. The replacement items total $500,000. We feel like we've used the funds as the statute outlines and have used some to do replacement projects in various parks and recreation facilities. We are starting the budget process and want Council to give some thought to setting aside 10 percent for maintenance.

Fred – The Heritage Center was not built with RAP Tax funds, but many arts groups use it. Is that why it's been put in? Rick – Correct. Paul B – Even the improvements we've done in the parks, the parks weren't built with RAP funds. We are looking at City facilities that are eligible for funding with RAP Tax, such as recreational facilities and parks. The arts category would include the Library and the Theatre. Fred – Would the portable stage would be in the art category? Paul B – It was purchased with parks funds. Paul C – The $25,000 expenditure was the Lion's replacement at the park? Rick – Yes. The funds for the Golf Course were for the cart facility. We had been using the old wood building that I think was built by the CCC. I'll turn the time over for public comments.

Mayor – Does the Council have comments? Anyone who is here can address us regarding this issue.
Blaine Nay – The recent opening of the Southern Utah Sports Academy shows that we can have nice things without public funds being used. The government is out of control and it begins here. We need to control expenses. These entities should be able to raise their own money. My preference would be to eliminate the RAP Tax, but the voters put it in. My second choice is to require the entities to get their own money to do these things. If you are going to have the 10 percent for maintenance, I guess I can support that, but my concern is that it's not enough. The repairs on what we have already will cost more than that. Blake Cozzens – I want to echo what Blaine said. I didn't want the RAP Tax, but this is a good compromise and I think we should use the 10 percent for O and M. Once government steps into the role of redistributing wealth it is legalized plunder. Basically, a lot of these entities which are funded are nice, but the funds should be provided by charity and not by taxpayers. Taxpayers should be able to choose who they donate to.
Rick – Please note that I am not suggesting that the 10 percent be used for O and M, but for capital replacements. Fred – So the funds are not paying to mop the floors, but to improve the building. Mayor – This is not for the daily maintenance, but for the big replacement upgrades. Paul C – How about for the trails, such as painting and resurfacing? Rick– It could go to that. Typically many of those expenses can be used in operations or capital. Paul C – We get a big bang for the buck with our trail system. Paul B –The proposal is that each entity will come to the board to recommend projects out of the maintenance budget.

Scott Phillips - First of all we all recognize the value that recreation, arts and parks brings to the community. The voters spoke twice to the value of this. If the RAP Tax were not here, how would the City do these improvements? I think if this 1010 percent is considered, a lot of the arts groups are already paying funds back to the City for rental fees. I want it to be recognized that a lot of that money from the RAP Tax awards is coming back to the City.
Harold Shirley – I was the chair of the arts committee when the RAP Tax was instituted and I've been on both sides of this. I think 10 percent is good, but I want some assurance that it will remain at only 10 percent. If the funds are going for capital improvements, I feel much better and think it is a good use of the funds. I want to compliment you for being as fair as you've been. We're in this together and we have a quality of life here that few towns our size have. Little things add to that like little league, soccer, the arts, and the skate park. Jason does a fantastic job at the Heritage Center. But please stop at 10 percent.

Sara Penny – I named the Heritage Center. It was supposed to be an Eccles Center and it was supposed to be a legacy opportunity. The naming rights were originally one million. If the City had a contract for 10 years for a million dollars on the Center, either the benefactor could renew the contract or someone else could put their name on it. It would alleviate part of the problem. When it was built, the naming rights were a crucial part and it hasn't been followed through. There are thousands of dollars out there that you are not even applying for. Jason – We have grants in various departments but not the Heritage

Center. Sarah – The naming rights seem obvious. Jyl – We've had five or six naming opportunities. Rick – We'll get Jyl and Donna to come over to help with some ideas for grants. Byron – We've reached out to some organizations for funds. We submitted an application several years ago and at the same time I felt pressure to withdraw until the USF complex was completed. We would love to use the resources that are available but we haven't been as aggressive, as we wanted to support the USF Center.
Rick – The Diamond Z Arena naming rights went for $100,000. Sara – So a family could have their name on the building, you should go for a million. Mayor Shirley established an advisory board for on-going fund raising efforts for the building. The deal is there are people in the community who would like to help, but there is no leadership for getting that done. Every penny the arts organizations gets is gold to us. If we show we have support from the City, we leverage it into more money for the Orchestra of Southern Utah. The RAP Tax has been a godsend to the community and we've used the funds to provide lots of opportunities to all segments of the community. We've impacted a lot of people. I understand your situation, but you should be writing grants. We write grants and expect the City to do the same. I believe in the City and I appreciate your help, but I would like you to leave the arts alone and not take the 10 percent.

Don – It's refreshing to be reminded of those things. I think there is value in what you've said. We now have this in an open forum and maybe we can put things together in a viable way and get some grants. Until we do, we still have the existing problem. You make a valid point. Fred Adams – I was involved in the original ZAP Tax in Salt Lake County. The law stated is must be disbursed annually. Is it legal to have a savings fund? Paul B – We will check it out, but the legal code was amended in 2011. Bruce Barclay – I appreciate those of you who have to divvy out the funds each year. I was looking over this sheet and a lot of good things have come out of this RAP Tax. Everyone in community has benefitted and there is a lot of passion for this tax. I'm in favor of taking the 10 percent and using it for capital improvements. We do have some replacement needs out there and I would hope that's what it would be used for. Operational costs wouldn't be what I would want, and I want assurance that 10 percent remains. What level of funds for qualifies as a capital improvement? Rick – We typically use a minimum of $5000 to be called a capital item but it depends on what the item is. Bruce – Would this be retroactive? When would it be implemented? Paul B – It can't be retroactive. The funds are budgeted by the City each year and disbursed. All of the funds have been spent. It would be spent on RAP Tax-eligible items, not just the ones that are already in place, such as the Main Street Park which was there before the RAP Tax. The Heritage Center was not built with RAP funds, and it predates them, but it would be eligible. Bruce – I appreciate what you do for our City and we have passionate people here. I hope you understand we feel strongly about the quality of live that we enjoy. We need to keep RAP Tax here. It goes for good things and hope we continue to use it for what it was intended. I'm supportive of the 10 percent.

Paul Roelandt – I've been a member of the trails committee for 10 years. The trails have really taken shape over the last few years and the RAP Tax is a big part of that. I have a lot of visitors who visit who enjoy the trails and they bring a great quality of life to our community. Ben Davidson is the trails committee chairman and he asked me to tell you

we support the 10 percent for capital improvements. Deborah Snider - I represent the Cedar City Arts Council. I feel better listening to Rick's figures because the price quote for carpet at $117,000 is much better than the $300,000 quoted in October. The Arts Council conducted an inventory and we have over 50 arts organizations. We did a study and the arts provide 42.5 million of economic impact in Iron County. I did a study of larger communities in Colorado and they are nowhere near where we are. We are probably talking about 150 million in impact. I would love to see the 10 percent not taken out, especially on the arts side of it.

Fred – The sales tax has been going up for a while. The economy is improving. Some of this is a result of people coming to enjoy the things we are providing through the RAP Tax. The idea of being a City is to prosper and improve. So you have to put money into it. I personally have driven a long way to see things that different cities have provided to draw tourists.

Nathaniel Taggart – I am affiliated with the Shakespeare Festival and the Cedar City Arts Council. Does the City have long range plans for capital projects that we could see? Rick – We are in the process of evaluating every building for potential replacement. The Heritage Center is what we are working on now. We are looking at every aspect. We also have a parks and recreation master plan identifying what we need to update. This is slightly dated, so we are reviewing it and updating it. Nathaniel – For the small organizations 10 percent would be a huge hit, so the City needs to provide an explanation of how the funds will be used.

Fred – Some of those large swaths of carpet at the Heritage are years away from replacement. We could get by with just doing the stairs. Don – We are trying to improve the facility so when people come they enjoy the facility. We want to continue to provide an atmosphere to go along with the program they are attending. It will help you do a better job at what you do. Mayor – As part of our yearly budget process each department does a five year projection of capital needs. We know what is coming up down the road. During budget last year this came up. There are different things that make the facility useable. We need to have the equipment and the resources available to make these improvements.

Jarod Barnes – I'm the Golf Pro. My family loves the arts, but I know nothing about how they operate. As I look through the spread sheet it's well exceeded the 10 percent that would be put aside. Is that going to be a cap? So the entities are fighting over the 10 percent? On the P and R side, the replacement costs have been well above 10 percent each year. Fred – We couldn't go above 10 percent. Jarod – After the 10 percent are we going to be allowed to apply for what we've been applying for in the past? Fred – It is easy to build but we need to maintain what we have. When a seat goes out on the swing set, that is where that money goes. The Heritage Center gets brought in because it is the arts venue. Jarod – Our concern is so much of what we've applied for is maintenance and capital of current facilities. I'm all for it as long as we can continue to apply for the RAP Tax. Rick – That was my purpose in pointing out the highlighted expenditures. I would hope we could continue that. This is looking at the arts side of this.

Jyl Schuler – The arts are such an integral part of who we are as a community. Cedar City is all about education and that includes the arts and the recreation as well. I have worked 26 years with the USF. I have seen business leaders quote Shakespeare from the stage of the Randall Jones Theatre. Cedar City is very desirable due to the arts influences. I've heard stories of the cultural activities and how it saved a child from going down the wrong road. I don't see this as a tax, it's an ugly word, and the results far outweigh the investments. Volunteers are the backbone of Cedar City. I can't imagine Cedar City without its educational and cultural institutions. We have so many opportunities, but we'd just be a gas stop without these vital elements. I think it is due to what we put our priorities. It is education however we look at it. I don't have children in the schools, but I am happy to pay a tax for education and for the library. I know that it is in our best interests as a whole. Don – Jyl, that is the spirit of Cedar City.

Byron – I agree with Jyl one hundred percent. Part of the challenge at the Heritage is that our usage is up 3.5 times since five years ago and we are growing in usage. Our revenues may be up, but we will never bridge the gap. We've talked about the lump sum for the improvements, but that is over a 10 year period and we want to catch up and not find ourselves with a bill we can't pay and a dilapidated building. Paul C – I love the arts but we need to be responsible. I don't think the taxpayers would vote to create entities that would force other taxes to be raised. This places a large burden on the general fund. Byron – However we decide to fund it, it's just a reality and we just need to chip away at replacements. I work hand in hand with the arts organizations and want them and the citizens to have a good experience when they enter that theater.

Mayor – Is there anyone else who wants to speak? Jennifer Weaver – I have a couple of questions. On the recreation side the RAP Tax has been earmarked for replacement. Instead of 10 percent off the top can it be done on the arts side and have the Heritage apply? Paul B – The arts funds are a third smaller than parks and recreation. Jennifer – This applies only to City-owned entities for maintenance? Mayor – Yes. Jennifer – I would like to see our City have the responsibility of looking elsewhere for naming opportunities and programming and grants. I would like to take some responsibility to see what the City could do to help the other entities. I do agree and support that idea.

Mayor – Are there any additional comments? John – This is going to be invaluable and why we haven't done this before is beyond me. I'm glad you all came to share. Don – We appreciate citizen involvement and glad to have you here.

ADJOURN: Councilmember Marchant moved to adjourn at 5:20 p.m.; second by Councilmember Paul Cozzens; vote unanimous.

Barbara Barrick
Executive Assistant

RAP Tax Arts Grants to Date

	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	Org Total
Braithwaite Fine Arts Gallery		$ 2,500.00	$ 2,610.00	$ 2,500.00	$ 3,228.00	$ 1,000.00	$ 1,800.00	$ 1,700.00	$ 15,338.00
Cedar City Arts Council	$ 2,687.47	$ 6,300.00	$ 6,190.00	$ 5,000.00	$ 6,850.00	$ 3,000.00	$ 3,500.00	$ 4,000.00	$ 37,527.47
Cedar City Children's Musical Theatre							$ 5,600.00	$ 8,000.00	$ 13,600.00
Cedar Valley Community Theater						$ 4,000.00	$ 6,500.00		$ 4,000.00
Cedar City Junior Ballet		$ 10,000.00	$ 6,458.00	$ 5,000.00	$ 9,889.00	$ 4,000.00	$ 6,000.00	$ 7,500.00	$ 48,847.00
Cedar City Livestock and Heritage Festival				$ 6,000.00	$ 10,350.00	$ 8,000.00	$ 9,000.00	$ 10,000.00	$ 43,350.00
Cedar City Music Arts	$ 13,870.83	$ 13,000.00	$ 9,695.00	$ 9,500.00	$ 13,288.00	$ 8,000.00	$ 9,700.00	$ 11,000.00	$ 88,053.83
Cedar City Public Library				$ 2,000.00					$ 2,000.00
In Jubilo		$ 500.00	$ 1,000.00	$ 1,000.00	$ 2,954.00	$ 2,000.00	$ 2,500.00	$ 2,750.00	$ 12,704.00
In Tune						$ 2,000.00			$ 2,000.00
Iron Mission Museum			$ 5,000.00						$ 5,000.00
Neil Simon Festival	$ 26,007.80	$ 35,000.00	$ 21,103.00	$ 23,000.00		$ 16,000.00	$ 20,000.00	$ 21,500.00	$ 162,610.80
Orchestra of Southern Utah	$ 18,205.46	$ 12,000.00	$ 8,950.00	$ 9,500.00	$ 13,745.00	$ 8,000.00	$ 10,000.00	$ 10,500.00	$ 90,900.46
Rubik's Cube Square Dance							$ 500.00	$ 1,000.00	$ 1,500.00
The Heritage Theater						$ 12,000.00			$ 12,000.00
Suzuki Strings								$ 1,500.00	$ 1,500.00
Master Singers	$ 6,935.41	$ 6,000.00		$ 6,000.00		$ 3,000.00	$ 3,000.00	$ 3,000.00	$ 27,935.41
Utah Shakespeare Festival	$ 82,358.03	$ 109,543.00	$ 72,863.00	$ 76,503.00	$ 74,975.00	$ 67,244.00	$ 60,144.00	$ 63,884.00	$ 607,514.03
Year Total	$ 150,065.00	$ 194,843.00	$ 133,869.00	$ 146,003.00	$ 135,279.00	$ 138,244.00	$ 138,244.00	$ 146,334.00	$ 1,182,881.00

Parks & Rec RAP Tax Awards to Date

		FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	Org Total
AYSO							$ 18,000.00			$ 18,000.00
Cedar Leisure Services	Main St & Canyon Parks								$ 96,000.00	$ 96,000.00
Cedar Leisure Services	SB Fields	$ 35,000.00								$ 35,000.00
	Bicentennia	$ 60,000.00								$ 60,000.00
	New Ball Fi	$ 175,130.00	$ 225,000.00							$ 400,130.00
	Reservoir		$ 50,000.00			$ 177,000.00				$ 227,000.00
	Aquatic Center FF & E		$ 50,000.00	$ 150,738.00	$ 162,006.00					$ 362,744.00
	Portable Race Clock		$ 2,186.00							$ 2,186.00
	Golf Course			$ 100,000.00		$ 72,833.00			$ 20,000.00	$ 192,833.00
	Trails				$ 75,000.00			$ 75,000.00	$ 112,778.00	$ 262,778.00
	Playground Equip							$ 77,000.00		$ 77,000.00
	Main Street Park						$ 205,188.00			$ 205,188.00
Easton Weaver - Eagle Scout					$ 39,000.00					$ 39,000.00
Friends of Festival County K-9s								$ 5,000.00		$ 5,000.00
Healthy Iron County			$ 15,000.00	$ 12,000.00						$ 27,000.00
Iron Mission					$ 16,000.00	$ 4,195.00	$ 45,300.00	$ 1,350.00	$ 12,000.00	$ 78,845.00
Lions Club		$ 5,000.00							$ 25,000.00	$ 30,000.00
Paiute Indian Tribe of Utah								$ 24,323.00		$ 24,323.00
Rotary		$ 25,000.00	$ 42,500.00	$ 5,000.00		$ 4,000.00				$ 76,500.00
Southwest Wildlife Foundation						$ 7,500.00	$ 8,000.00			$ 15,500.00
YETI								$ 93,815.00	$ 26,890.00	$ 120,705.00
Year Total		$ 25,000.00	$ 384,686.00	$ 267,738.00	$ 292,006.00	$ 265,528.00	$ 276,488.00	$ 276,488.00	$ 292,668.00	$ 2,080,602.00