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PROVO MUNICIPAL COUNCIL Redevelopment Agency of Provo Regular Meeting Minutes

5:30 PM, Tuesday, June 19, 2018
Room 200, Municipal Council Chambers
351 West Center, Provo, Utah

Opening Ceremony Roll Call

THE FOLLOWING MEMBERS OF THE COUNCIL AND ADMINISTRATION WERE PRESENT:

Council Member George Handley	Council Member David Harding
Council Member David Knecht	Council Member David Sewell
Council Member George Stewart	Council Member Kay Van Buren
Council Member Gary Winterton (via telephone)	Council Attorney Brian Jones
Chief Administrative Officer Wayne Parker	Mayor Michelle Kaufusi

Conducting: Vice-Chair Harding

Prayer – Cameron Christensen
Pledge of Allegiance – Cameron Christensen

Presentations, Proclamations, and Awards

1 A presentation of the Employee of the Month for June 2018 ([0:20:11](#))

Joshua Yost, Community Development Planner and Employee Association Secretary, announced the city-wide employee of the month for June 2018 was Taylor Simpson, Help Desk Manager. He invited John Borget, Administrative Services Director, to present.

Mr. Borget shared a brief presentation about Mr. Simpson. He was hired in April 2014 as a part-time help desk employee. Mr. Simpson was offered a full-time position in 2015 and had recently been promoted to Help Desk Manager. Mr. Simpson was a hard worker, regularly handling over 50 requests per week. He oversaw customer service for the Information Systems Division. Mr. Borget credited Mr. Simpson for the high customer service scores they routinely earned on their surveys. Throughout the city Mr. Simpson was known as the "Extra Mile Guy."

2 Presentation by America's Freedom Festival ([0:26:39](#))

Paul Warner, Freedom Festival Director, gave the council an overview of the 2018 Freedom Festival activities. He said the Hope of America program was one of their highlights each year. Over a three-night period, they filled the Marriott Center with 9,000 fifth grade students. He was hopeful the Hope of America initiative would spread throughout the state and nation.

Mr. Warner spoke to the council about the City's role in the festival and noted that the administration had been invited to attend the Freedom Awards Gala. Guest speakers would include a couple from North Korea who had been rescued and relocated to Provo, a gentleman who survived the killing fields in Cambodia and had saved thousands of lives, a 100-year-old veteran who would share storied of his time in the war, and Josh Holt who had recently freed from Venezuela.

The Freedom Run would take place on the morning of July 4, just prior to the Grand Parade. Mr. Warner briefly mentioned that he met with several LGBTQ organization that had been denied entrance to the parade, he thought they had come to a reasonable compromise.

The Stadium of Fire would be the best ever, according to Mr. Warner. There would be illuminated hang gliders dropping into the stadium after dark. He also anticipated Hill Air Field Base would send four F-35 jets to fly overhead.

Mr. Warner said he was grateful the Freedom Festival was a part of Provo.

Mr. Sewell thanked Mr. Warner for organizing a wonderful set of events. Mr. Warner had been involved for over 36 years and said the wonderful people made it a wonderful experience. Mr. Stewart also expressed his support of Mr. Warner and the festival.

Public Comment ([0:37:36](#))

Fifteen minutes had been set aside for any person to express ideas, concerns, comments, or issues that are not on the agenda. Chair Winterton opened public comment.

Delany Maughan was a Youth Leader from the OUTRAGE program operated by the Utah County Health Department. She asked the Council to participate in a survey that would be used to better understand what community health issues the city leaders were most concerned about. The survey was available online and a link had been emailed to each of the councilors.

Mr. Harding told Ms. Maughan about the Provo Youth Council and suggested the two groups may be able to coordinate efforts in the future.

Action Agenda

3 Resolution 2018-23 authorizing the Mayor of Provo City to negotiate and execute a Post-Performance Sales Tax Increment Reimbursement agreement with The Shops at the Riverwoods. (18-066) ([0:42:52](#))

Motion: An implied motion to approve Resolution 2018-23, as currently constituted, has been made by council rule.

Dixon Holmes, Economic Development Director, presented. Mr. Holmes explained that The Shops at the Riverwoods had requested a post-performance sales tax increment reimbursement agreement to assist with their plans for expansion and remodeling. The owners planned to reinvest \$13 million into the property. To benefit from the agreement, they would have to generate more than their current base of \$98,251. The agreement would expire after 15 years and there was a cap of \$1.5 million. Mr. Holmes said the city had offered three similar agreements recently, this was most similar to the agreement with

Days Market, because The Shops at the Riverwoods would also have the ability to earn back up to 11.5 percent of their total investment.

Mr. Holmes explained it was hard to compete with other communities that were offering large incentives to attract retailers. He said the current owners had continued to invest in this project and had done so without city involvement. He thought agreeing to this incentive was one way to compete with the other cities.

Mr. Van Buren summarized his understanding of the agreement. He said the shops currently had annual sales of \$21 million, which resulted in Provo receiving \$105,000 in sales tax. He hypothesized that if they had a five percent increase, the city would still receive that base of \$105,000 and the shops would get the difference. Mr. Holmes emphasized that the baseline was always protected. He added the most recent baseline from March 2017 to April 2018 was \$98,251.

Vice-Chair Harding opened public comment. There was no response.

Mr. Sewell said he was sensitive to the issue of competition in other cities. He was in favor of offering this incentive and thought the new owners had done a good job of managing the shopping center so far. He hoped to see them be very successful.

Mr. Harding thought the current environment necessitated this type of incentive. However, Mr. Harding believed there needed to be discussions with neighboring communities about the responsible use of tax increment financing, therefore, he was considering voting against this agreement. He said his vote was symbolic of his stance on the issue.

Mr. Knecht agreed with Mr. Sewell's comments and planned to vote in favor of the agreement. However, he agreed with Mr. Harding's concerns. He suggested this topic should be added to the Provo-Orem Joint Meeting agenda for a meaningful discussion.

Vice-Chair Winterton called for a vote on the implied motion.

Roll Call Vote: The motion to approve Resolution 2018-23 passed 5:2 with Council Members Handley, Knecht, Sewell, Stewart, and Winterton in favor. Council Members Harding and Van Buren opposed.

4 Resolution 2018-24 approving the Governing Body Participation Agreement related to the Commercial Property Assessed Clean Energy (C-PACE) Program with the Governor's Office of Energy Development. (16-092) (0:52:57)

Motion: An implied motion to approve Resolution 2018-24, as currently constituted, has been made by council rule.

Brian Jones, Council Attorney, explained this was a routine clean up item. He said several years earlier the city had entered into an agreement with the Governor's Office of Energy Development (GOED) to finance energy efficiency. At the time, there were discussions about how the city would handle solar energy, so the council at the time decided to exclude any incentives for solar energy from the agreement. Since then, the city had passed ordinances to address commercial and residential solar use within the city and the current council thought it would be appropriate to re-execute the agreement

with GOED to include solar projects. This resolution would ratify the Mayor’s signature on the agreement.

Vice-Chair Harding opened public comment, there was no response.

Mr. Sewell explained that right after Provo signed up for the program, the legislature made improvements to increase efficiency and make it more available to businesses. Then Provo signed up under the new program and was the first city to be approved for the improved program. He was hopeful that many businesses in the community would be able to take advantage of the low-cost financing for renewable energy and solar projects.

Vice-Chair Harding called for a vote on the implied motion.

Roll Call Vote: The motion to approve Resolution 2018-24 passed 7:0 with Council Members Handley, Harding, Knecht, Sewell, Stewart, Van Buren and Winterton in favor.

5 *Continued*** A resolution to adopt the amendments to the General Plan text for the General Plan update. (PLGPA20180142)**

Vice-Chair Harding said this item had been continued indefinitely to a future meeting. Mr. Jones clarified that a decision on the item had been continued indefinitely, but discussion on the item would resume at the work session meeting on July 17.

6 A public hearing on transferring utility revenues to the General Fund and other funds. (18-005) (0:57:26)

Dustin Grabau, Budget Officer, presented. He explained this was the second year the city would comply with a requirement to provide additional disclosures for transfers to the general fund. There had been a notice included with the utility bill and posted on Utah’s public notice website. Mr. Grabau asked council staff to display a summary of the transfers.

Transfer From	Transfer to General Fund			Transfer to Other Funds			Total	% of Revenue
	10% Transfer	1% Road Transfer	Administrative Overhead	Telecom Debt Service	Provo 360	Water		
Energy	\$ 7,014,777	\$ 701,478	\$ 495,014	\$ 3,250,000	\$ 301,927		\$ 11,763,196	15%
Water	\$ 1,370,400	\$ 137,040	\$ 242,649		\$ 150,627		\$ 1,900,716	14%
Wastewater	\$ 1,523,400	\$ 152,340	\$ 200,559		\$ 94,500	\$ 583,820	\$ 2,554,619	16%
Sanitation	\$ 531,850	\$ 53,185	\$ 130,840		\$ 66,500		\$ 782,375	15%
Storm Drain	\$ 520,000	\$ 52,000	\$ 100,650		\$ 45,500		\$ 718,150	14%
Total	\$ 10,960,427	\$ 1,096,043	\$ 1,169,712	\$ 3,250,000	\$ 659,054	\$ 583,820	\$ 17,719,056	15%

Mr. Grabau reviewed the following details:

- The largest portion of the transfer was a 10 percent transfer from each of the utility funds.
- There was a transfer of 1 percent that went directly to funding roads.
- Administrative overhead was a charge to each of the areas based on objective metrics they identify for assessing costs for shared services, such as Legal, Human Resources, Information Systems and etc.

- The transfer to the telecom debt service was from a fee on utility bills to pay for the bonding of the fiber network that was sold to Google.
- The transfer to Provo 360 was proportionate to the benefit each utility would derive from the Provo 360 project; this was largely related to the utility billing aspect of the project.

Mr. Harding asked about the transfer from wastewater to water. Mr. Grabau explained that both water and wastewater fell into the same operation, so rather than paying bills from each area, they pay it from water and then transfer the amount owed from wastewater to water. This included the overhead of positions that oversee both water and wastewater.

Vice-Chair Harding opened public hearing, there was no response.

7 A public hearing on Ordinance 2018-19 adopting a budget for Provo City Corporation for the fiscal year beginning July 1, 2018 and ending June 30, 2019, in the amount of \$211,626,977, and amending the Consolidated Fee Schedule and Provo City Code related to Employee Salary Ranges and Classifications. (18-005) (1:03:06)

Motion: An implied motion to approve Ordinance 2018-19, as currently constituted, has been made by council rule.

It was noted the amount published on the agenda had been revised. The correct amount was \$212,100,024.

Dustin Grabau, Budget Officer, presented. He explained there had been several more changes included in the final budget being presented for approval. There had also been changes discussed in the work session meeting, but he suggested council could adopt the proposed budget and the requested changes could be addressed at a future meeting. He said many of the changes were insignificant and involved shifting small amounts within the general fund.

Mr. Grabau presented a summary of all the changes that had been made from the original proposed budget to the current version.

General Fund	Changes
Parks - Event Funding	(19,908)
Property Tax Decrease	(9,200)
Commuting Fees Reduced	(46,200)
Transfer in from Sanitation	7,150
Transfer to B&C	(650)
Payroll Adjustments	(5,732)
Float Money	(10,000)
Interest Income	75,000
Miscellaneous Income	9,540
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Sanitation	
Increased Recycling Revenues	65,000
Increased Recycling Costs	(65,000)

Vehicle Replacement

Radio Equipment Replacement (372,406)

Library

Property Tax Increase 46,616

Capital Purchases Increase (46,616)

Mr. Grabau said they were proposing to incorporate changes to the format of the budget document that would help address the hiring of police officers. The proposed budget had been posted online at <https://www.provo.org/departments/finance/financial-reports>.

Mr. Handley noted that in the past there had been a budget committee, he asked if the administration had plans to collect citizen input via a formal budget committee in the future. Mayor Kaufusi explained that in a future meeting Isaac Paxman would be presenting the recommendations of a committee Norm Wright and Dustin Grabau had served on. She said their proposal did include citizen input and oversight in conjunction with the council.

Vice-Chair Harding opened public hearing.

Pam Jones, Edgemont Neighborhood Vice-Chair, spoke about how tax increases could be challenging for those on fixed incomes. She said people who rely on Social Security were not able to ask them for more money every time there was a tax increase. She previously presented Congressman Curtis with a chart showing the amount she paid in taxes each year and said it had increased quite a bit over the past several years. At the time he pointed out that the rate had actually gone down, but the value of her home had increased. Ms. Jones advised that just because her home value had increased, it did not mean she was able to pay more in taxes. Ms. Jones stated that she received an email from Mr. Sewell that said he was comfortable with the budget and she trusted his judgement.

There were no other comments from the public or the council. Mr. Harding called for a vote on the implied motion.

Roll Call Vote: The motion to approve Ordinance 2018-19 passed 7:0 with Council Members Handley, Harding, Knecht, Sewell, Stewart, Van Buren and Winterton in favor.

Recess as the Municipal Council and convene as the Redevelopment Agency by unanimous consent.

Redevelopment Agency of Provo

8 A public hearing on a Resolution 2018-RDA-06-19-1 adopting a budget for the Redevelopment Agency of Provo City Corporation for the fiscal year beginning July 1, 2018 and ending June 30, 2019, in the amount of \$7,377,462. (18-062) (1:16:19)

Motion: An implied motion to approve Resolution 2018-RDA-06-19-1, as currently constituted, has been made by council rule.

It was noted the budget amount published on the agenda had been revised. The correct amount was \$7,382,203.

Dustin Grabau, Budget Officer, presented. He said the Redevelopment Agency budget remained unchanged from the proposed budget and was available in the appendix of the budget.

Redevelopment Chair Knecht opened public comment, there was no response. He called for a vote on the implied motion.

Roll Call Vote: The motion to approve Resolution 2018-RDA-06-19-1 passed 7:0 with Board Members Handley, Harding, Knecht, Sewell, Stewart, Van Buren and Winterton in favor.

Recess as the Redevelopment Agency and reconvene as the Stormwater Service District unanimous consent.

Stormwater Service District

9 A public hearing on transferring Stormwater fund revenues to the General Fund and other funds (18-063) ([1:18:41](#))

Dustin Grabau, Budget Officer, stated the transfer had been discussed earlier when he reviewed the other General Fund transfers. He offered to answer any other questions, there were none.

Vice-Chair Harding opened public hearing, there was no response.

10 A public hearing on Resolution 2018-SSD-06-19-1 adopting a budget for the Provo City Stormwater Service District in the amount of \$4,713,241 for the fiscal year beginning July 1, 2018 and ending June 30, 2019. (18-063) ([1:20:04](#))

Motion: An implied motion to approve Resolution 2018-SSD-06-19-1, as currently constituted, has been made by council rule.

Dustin Grabau, Budget Officer, explained that in previous budget hearings the amount presented included a transfer out, which was irregular, so current proposed budget represented only the expenditures for the operating and capital improvement division of the Stormwater Service District. The actual budget amount was \$4,763,091.

Mr. Grabau and Mr. Harding thanked the Council Policy Analysts for all their work to incorporate many last-minute changes.

Vice-Chair Harding opened public hearing, there was no response. He called for a vote on the implied motion.

Adjournment

The meeting was adjourned by unanimous consent at approximately 6:51 p.m.