



SPECIAL CITY COUNCIL MINUTES

Monday, December 17, 2018

Approved January 8, 2019

Highland City Council Chambers, 5400 West Civic Center Drive, Highland Utah 84003

PRESIDING: Mayor Rod Mann

COUNCIL MEMBERS

PRESENT: Brian Braithwaite, Ed Dennis, Tim Irwin, and Scott L. Smith (via phone) Kurt Ostler

CITY STAFF PRESENT: Assistant City Administrator Erin Wells, and City Recorder Cindy Quick

OTHERS: Devirl Barfuss, John Dougal, and Kent Millington (via phone)

The meeting was called to order by Mayor Rod Mann as a special session at **6:15 p.m.** The meeting agenda was posted on the *Utah State Public Meeting Website* at least 24 hours prior to the meeting. The prayer was offered by Devirl Barfuss.

6:15 P.M. SPECIAL SESSION (CITY COUNCIL CHAMBERS)

Call to Order – *Mayor Rod Mann*

1. ACTION/RESOLUTION: 4TH QUARTER CENT SALES TAX AND CURRENT REVENUE PROJECTIONS

City Council will consider approving a resolution asking the County to pass the $\frac{1}{4}$ cent sales tax. Council will take appropriate action.

Assistant City Administrator Erin Wells oriented the Council with the resolution for a quarter cent sales tax option. She explained that the County Commissioners would vote on whether to impose the tax county wide. The tax would be used to fund transportation infrastructure and operations projects. It would raise a little of 22 million dollars a year. As someone makes a purchase it would be one cent on \$4.00 purchase or 25 cents on \$100 purchase. The sales tax came from a bill in legislature. There were options in the bill.

The first option was that the county would enact the tax by next June 30, 2019. Any proceeds collected prior to that being enacted can be kept by the County and could be used to pay down debt or fund regional projects. Beginning July 1, the funds would be split 40/40/20. Cities would receive 40%, UTA would receive 40% and Utah County would receive 20%. Highland would receive \$200,000 SL, Davis County and Weber County have already implemented the tax. There is an interlocal agreement between UT Co and UTA saying they have to use the portion they receive to pay down the debt incurred for the bus rapid transit project and then UTA will spend funds on UT Co projects.

The second option was if they don't act or they vote it down, June 30, 2020 cities can do it themselves and the split would be 50% to cities and 50% to UTA. 250,000 would come to Highland. The County could then enact the tax but cities maintain the 50/50 split. The Interlocal agreement would not apply.

Third option was if neither the County or City enacts the tax they would lose the ability to do so.

She then explained that one County Commissioner wants to put the tax on the 2019 ballot. One Commissioner supports the tax and the third Commissioner wanted cities to weigh in. The County and MAG have identified projects that could be funded. If County does enact the tax Highland could use the funds for transit related projects including trails, sidewalks and roads. The City could also adapt the road fee or help us with the east west connector.

She explained the council would be voting for the resolution that was updated with feedback received from Council and distributed today.

Council Member Tim Irwin asked if there was a sunset date? The response was that there was none. He then asked John Dougall to explain what option he would choose.

Mr. Dougall felt option 1 was the best of the three scenarios.

Council Member Irwin was uncertain whether or not offering their support for any of the options would change the way the State would use the tax.

Mr. Dougall said technically that was correct but politically it would make it harder for them to raise the sales tax after that point.

Council Member Irwin still felt uncertain about the outcome. Mr. Dougall reiterated that if the Council chose not to act, the legislature would and would be able to keep the money. If you act at least some of the money would benefit the residents.

Council Member Scott L. Smith mentioned that a year ago there was a similar proposition that was defeated. He wondered how the option differed.

The Mayor explained that it was defeated however, the difference was the interlocal agreement and that the state offered three options.

Council Member Smith then asked if the problems in UTA have been cleaned up.

Mr. Dougall said no there was a possibility it could be cleaned up with the new structure. He would be actively watching. He explained that they were trying to put a service level agreement in place. What services would be provided in the County, how is that success measured, and how can they shuffle the services? He felt that was a good step.

Council Member Tim Irwin asked what would happen if they encouraged the County to implement the tax and they do implement it and then they decide that they need more money and raise the tax even higher. The response was that would be out of our control. He continued that he could see positives but he was not certain the positives would outweigh a formidable tax for the people of Utah County.

John one way or another the legislature wants to impose a tax to give money to UTA. That should be a given assumption. He felt that paying down debt aggressively would be good for UTA. He said some bonds could go on for about 40 years. However, UDOT would not go past 15 years. Paying down debt is a good thing.

Mayor agreed. He suggested that for 10 years the money would be put to a good purpose and after we could have some influence.

Council Member Ed Dennis noted that one County Commissioner wanted to place it on the ballot. Why would we override a ballot initiative? He did not feel they should be overriding that vote.

Mayor explained the tax option was a different scenario. There were three options. Putting it on the ballot means adding nine months before getting a return and prolongs the debt. He reminded the Council they should decide what was best for Highland and the County. Highland would receive funds sooner.

Council Member Dennis felt that he should not change it when it was defeated quite soundly. He believed no one wanted a tax increase. He could see that it could benefit everyone. However, he was not certain it was a good choice. He felt there was time to have it go back to the voters.

Council Member Brian Braithwaite agreed with Mr. Dougall's statement was accurate that the state is suggesting we either use the tax or they will. He would rather have the option of benefiting Highland. He felt it was the best scenario they had. He supports the option because it was not the same as what was originally voted on.

Kent Millington offered a UTA prospective. He explained that he was on a task force for nine months that had a conservative effort to make changes with the funds that were made available to UTA. There was a strong effort to make the change but it had only been implemented for two months. Having served on the UTA Board a decade ago, he was aware of problems with accounting and those problems will receive significant attention. He confirmed that changes were being made and they were making efforts to do better for the public.

Council Member Scott L. Smith voiced being uncomfortable with voting on something that has previously been defeated. He felt it should be put to a vote of the people.

Council Member Ed Dennis wondered if the tax did go on the ballot would we lose option one. The response was no that option one would still be viable.

Assistant City Administrator Erin Wells explained that the County has until June 30, 2020 for cities to enact the tax themselves.

Council Member Dennis felt the window of opportunity to include this on a ballot may even incentivize the County.

Council Member Brian Braithwaite didn't want to give county more money until they had proved that changes were implemented. He felt it should be based on results. He did not like option two with the 50/50 split and no ability to give it money to the County.

Council Member Dennis asked for clarification that option one would still be in place through the election next fall. Council Member Braithwaite confirmed it would still be in place.

Council Member Kurt Ostler asked for input on why he would not want to have this put on the ballot in 2019.

Council Member Braithwaite was concerned that the communication would not be handled well enough to define the options clearly. He did not want to go with option three and would prefer option one or two. He explained that it would be difficult to vote against the residents if communication was not done properly.

Mayor Mann asked if any of the Council wanted to modify the resolution. There was no response.

Council Member Kurt Ostler MOVED to approve Resolution No. R-2018-27 supporting and encouraging Utah County Commission to implement the One Quarter Cent Sales Tax option.
Council Member Brian Braithwaite SECONDED the motion.

The vote was recorded as follows:

<i>Council Member Brian Braithwaite</i>	<i>Yes</i>	
<i>Council Member Ed Dennis</i>	<i>No</i>	<i>(because he did not want to override the vote of the people)</i>
<i>Council Member Tim Irwin</i>	<i>No</i>	
<i>Council Member Kurt Ostler</i>	<i>Yes</i>	
<i>Council Member Scott L. Smith</i>	<i>No</i>	

The motion failed 3:2

Council Member Kurt Ostler asked if there were any other motions that the Council would like to propose.

Mayor Mann then suggested that they could revise the motion to put the vote on the ballot in the fall. He suggested that it could be changed to read, now therefore be it resolved that Highland City Council hereby supports and encourages the Utah County Commissioners to put the question of a One Quarter Cent Sales Tax for Transit and Roadway Maintenance on the November 2019 ballot.

Council Member Kurt Ostler MOVED to approve Resolution No. R-2018-27 supporting and encouraging the Utah County Commission to implement a ballot initiative to be voted on in November 2019 concerning the One Quarter Cent Sales Tax option.
Council Member Ed Dennis SECONDED the motion.

Council Member Brian Braithwaite asked for clarification that they were supporting the option or were they placing it on the ballot.

Council Member Kurt Ostler reiterated that the motion was to place the option on the ballot.

Mayor Mann asked if Council Member Brian Braithwaite was asking to amend the motion and include a statement that Highland City is in support of the One Quarter Cent Sales Tax option.

Council Member Brian Braithwaite explained that he was in support because the state had chosen to take things away and they also had the UTA agreement directing the funds. He felt with those two pieces he was in support of it.

Council Member Scott L. Smith felt that the option should go to the vote of the people and the City should not say whether or not they support it.

Council Member Brian Braithwaite clarified that any time something goes to the vote of the people then City Council should provide a reason of why they are putting it to a vote. He felt they should let them know what their position was so they can provide feedback. Mayor Mann felt it might be easier to have that discussion when everyone was present. He felt they could state their support or not if it goes to the ballot. Council Member Braithwaite was fine with his suggestion.

Council Member Tim Irwin thought it would be nice to know what the elected officials wanted. He felt that putting it on the ballot would not accomplish anything except allowing the majority to vote. He questioned what the role of government was and whether or not it was to allow public transportation from UTA? He did not feel it was. He felt that they should make the best possible decision that that could make. He felt the state would do what they needed to do as well.

Vote on new motion

Council Member Kurt Ostler MOVED to approve Resolution No. R-2018-27 supporting and encouraging the Utah County Commission to implement a ballot initiative to be voted on in November 2019 concerning the One Quarter Cent Sales Tax option.

Council Member Ed Dennis SECONDED the motion.

The vote was recorded as follows:

<i>Council Member Brian Braithwaite</i>	<i>Yes</i>
<i>Council Member Ed Dennis</i>	<i>Yes</i>
<i>Council Member Tim Irwin</i>	<i>No</i>
<i>Council Member Kurt Ostler</i>	<i>Yes</i>
<i>Council Member Scott L. Smith</i>	<i>No</i>

The motion passed 3:2

Council Member Tim Irwin thanked them for putting the meeting together and allowing them to discuss the option. Council Members and the Mayor wished everyone a Merry Christmas!

ADJOURNMENT

Mayor Rod Mann called for a motion to adjourn.

Council Member Kurt Ostler MOVED to adjourn the meeting and Council Member Scott L. Smith SECONDED the motion. All voted yes and the motion passed unanimously.

The meeting adjourned at 7:02 PM.

I, Cindy Quick, City Recorder of Highland City, hereby certify that the foregoing minutes represent a true, accurate and complete record of the meeting held on December 17, 2018. This document constitutes the official minutes for the Highland City Council Meeting.



Cindy Quick, CMC
City Recorder