

2009
GENERAL
LEGISLATIVE
SESSION
wrap up

UTAH LEAGUE OF
CITIES AND TOWNS

Agenda

- State Budget/Stimulus
- Taxation
- Public Safety/Employee Benefits
- Transparency/GRAMA/Open Meetings
- Impact Fees
- What to Expect for 2010...and what are your priorities?

*A creative economy is the fuel of magnificence. –
Ralph Waldo Emerson*

©Cartoonbank.com



"IT WAS AT THIS POINT, GENTLEMEN, THAT REALITY INTRUDED."

Fiscal Facts

- '09-'10 Budget – \$11.26 Billion (-13% in state funds)
- Funded the 08-09 shortfall with General Fund Cuts (\$470M), Federal Stimulus (\$390M) and Enhancements (\$70M).
- Federal Stimulus -- \$780 Million (Half used to fund existing program shortfalls)
- Maintained the rainy day fund (\$414 Million)
- Increased insurance premiums for state employees and a small vehicle registration fee increase to help balance budget.
- Expect a special session in August/September to address shortfalls in '10 budget

What about Expenses

- 4% decrease in Natural Resource Spending (\$2M)
- 5% decrease in Public Educations Spending (\$131M)
- 48% decrease in Transportation/Enviro. Spending (\$53M)
- 28% decrease in Capital Facilities Spending (\$56M)
- 7% decrease in Economic Development Spending (\$8M)
- 9% decrease in Higher Ed Spending (\$76M)

TOTAL DECREASE OF 9% or \$470 Million

Filing an income tax return is too difficult for a mathematician. It takes a philosopher. -- Albert Einstein



Taxation Authority of Special Districts (SB135)

- This bill precludes the imposition of a property tax by any special service area that has a non-elected board.
- The bill was substantially amended to NOT apply to municipal special districts.
- The bill only applies to fire service areas (UFA) and public safety service areas (UPD).
- It allows for a transition period for existing boards to make necessary changes.
- ULCT Position: Neutral as Substituted

Expect this same philosophy to be discussed for service districts in the coming year.

Public Hearings on Property Tax Increases (HB67)

- This bill has limited impact on cities and primarily affects the counties by requiring them to consolidate and publish all truth-in-taxation information in a single T-in-T ad.
- The bill does however also make “technical” corrections to the ad requirement to exclude new growth from the calculation of the tax increase.
- **ULCT Position: Support**

SB41 Utility Siting

Preserves a local process

Maintains Local Land Use Control

Transportation Revisions (SB239)

- This bill enhances the transportation investment fund of 2005 with a \$20 increase in the vehicle registration fee. (Funds I-15, Mountain View, and Southern Parkway)
- **Concern:** The state is no longer using the Transportation Fund for new growth funding. (this is the fund that has the B&C Split)
- Impact Fees have been identified as our “new growth” infrastructure tool.
- What does this mean for future discussion on transportation funding?
- Should we be looking for local option funding sources?
- **ULCT Position: Neutral – but, plenty of policy questions to answer**

*The difference between try and triumph is a little umph.
-- Author Unknown*

Public Safety

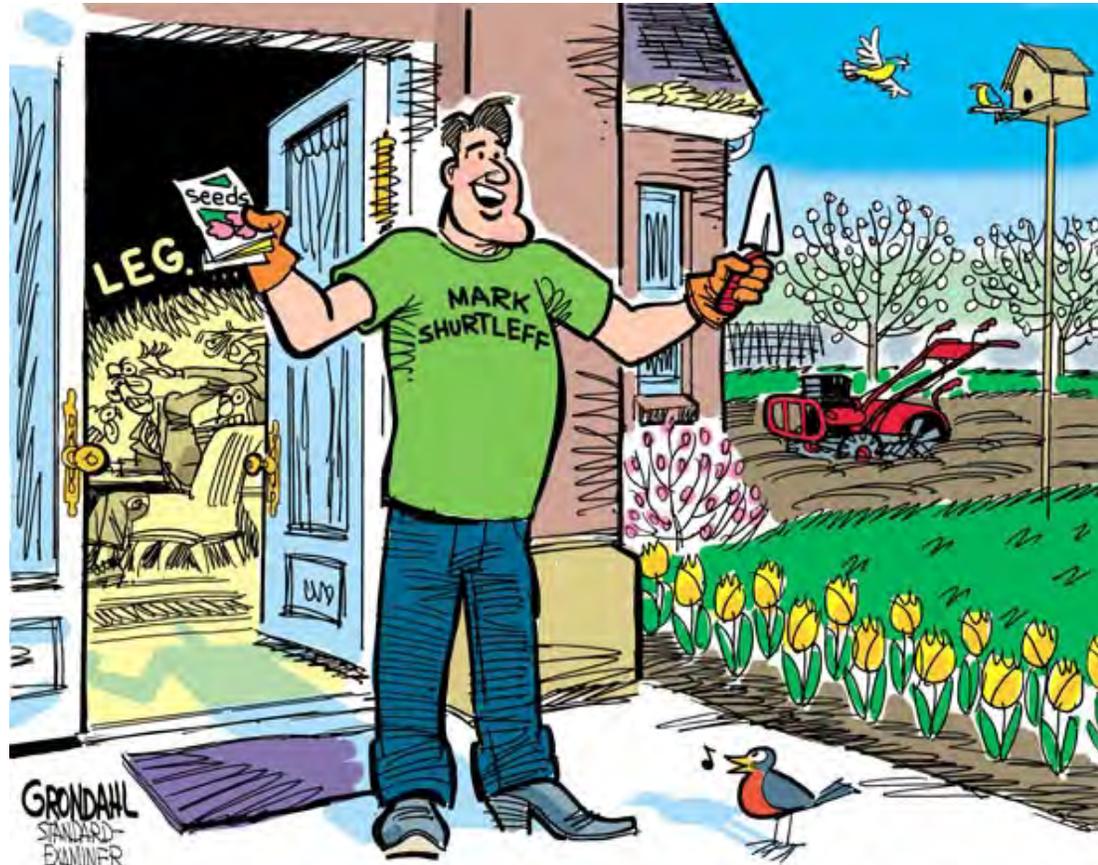
- We successfully defeated HB273 Contracting for Inter-Facility Medical Transports
- The bill would have allowed for inter-facility transports to be provided by private providers in a contract directly with hospitals.
- Had huge ramifications on funding for E911 service as there appears to be large cross-subsidies of E911 with inter-facility transport services
- **What to Expect:** A major recodification effort on emergency service/ambulatory service. Possibly moving Bureau of Emergency Medical Service to Dept. of Public Safety.

Employee Benefits

- **SB139** – Extends that date for selecting an enhanced COLA benefit for public safety officers from Dec. '09 to Dec '12.
- **SB145** – Allows for a public safety retiree the option of an enhanced surviving spouse death benefit of 75% of pay instead of 65% of pay. Benefit must be declared at time of requirement and is offset with an actuarial reduction in lifetime benefit.

What to Expect: The State is watching closely to see how local government handles employee compensation during this fiscal environment.

Secrecy is for Losers – Sen. Patrick Moynihan



GRONDAHL
STANDARD-
EXAMINER

"Come outside and breathe the fresh air of open government."

Transparency

- While secrecy is for losers, we must remember that there is a cost to “free” information.
- SB18 establishes a transparency advisory committee to determine what financial documents should be made readily available and provides local government input on the board.
- It delays the implementation date to May 2011 for municipal compliance.
- Provides special exceptions be granted to those with budgets less than \$10 Million.
- ULCT Position: Support as Amended
- **What it Means:** This ship has sailed. Lets guide the ship.

GRAMA/Open Meetings

- SB26 specifies that meeting minutes are deemed to be public records once they have been completed and are ready for the governing body's inspection.
- Requires that the city or town establish, in ordinance, a formal process for approving minutes.
- Requires that the audio recording of a public meeting be made available for public inspection within three business days of the meeting.

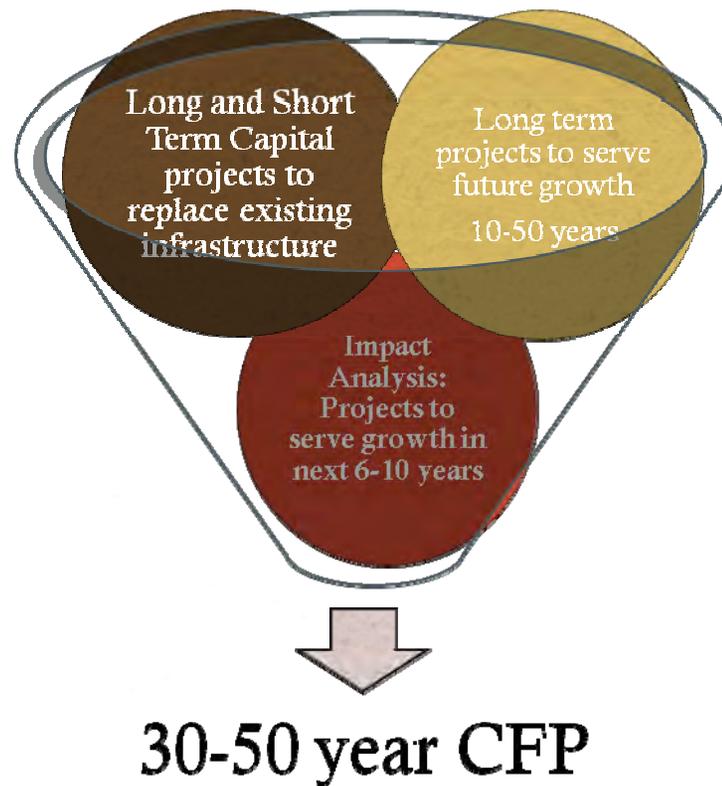
What to Expect: Several other bills were contemplated, but not passed. We anticipate a busy 2010 with GRAMA to include classification of records, cost of records requests, and other related issues.

Impact Fees

Certification

1. includes only the costs for qualifying public facilities that are:
 - a. allowed under the Impact Fees Act; and
 - b. projected to be incurred or encumbered within six years after each impact fee is paid;
2. contains no cost for operation and maintenance of public facilities;
3. offsets costs with grants or other alternate sources of payment;
4. does not include costs for qualifying public facilities that will raise the level of service for the facilities, through impact fees, above the level of service that is supported by existing residents; and
5. complies in each and every relevant respect with the Impact Fees Act.

30-50 Year CFP vs. 6-10 year Impact Analysis



Impact Fees

- Fire Trucks!
 - >\$500,000
 - Non residential development only



Accounting

Modifies impact fee 6 year payment and expenditure accounting procedures :

Removes fee accounting from the Certified Annual Report and independent auditing requirements; rather,

The CFO must certify the *same* information in a separate report in a uniform format developed by the State Auditor

Impact Fees

Schools

- Public schools and charter schools treated the same
- Vesting trigger
- No parks impact fees
- More “hands on” process
- Mediation

State Facilities

- Resolution!
- State Patrol, National Guard exempt from public safety (not fire) portion of impact fees
- No parks impact fees
- Mediation
- Hookup fees, connection fees and impact fees

So... What's Next?

- Local Option Funding vs. “Mother May I”
 - Transportation (road and rail)
 - Cultural Programs
- Preparing for Transparency Taskforce
 - Getting a better understanding of capabilities of various cities
- GRAMA recodification
 - Open Meetings
 - Noticing Requirements
- Water “Wars” to continue
- ULCT Land Use Taskforce to Continue
- Emergency Transportation/Management Proactive Strategy