

MINUTES OF THE UTAH LEAGUE OF CITIES & TOWNS
ANNUAL CONFERENCE BUSINESS MEETING
SHERATON HOTEL
150 W 500 S, SALT LAKE CITY, UT 84101
FRIDAY, SEPTEMBER 16, 2016
8:00 AM

CONDUCTING: ULCT Board of Directors President, Council Member Lynn Pace, Holladay.

EXECUTIVE BOARD

Council Member Lynn Pace, President, City of Holladay
Mayor Steve Hiatt, 1st Vice President, Kaysville
Council Member Beth Holbrook, 2nd Vice President, Bountiful
Mayor JoAnn Seghini, Treasurer, Midvale
Mayor John Curtis, Immediate Past President, Provo

BOARD OF DIRECTORS

Council Member Margie Anderson, Ephraim City
Mayor Dean Baker, Naples
Council Member Andy Beerman, Park City
Mayor Mike Caldwell, Ogden City
Mayor Bryan Cox, Hyde Park City
Mayor Ted Eyre, Murray City
Mayor Carmen Freeman, Herriman
Mayor Gary Gygi, Cedar Hills
Council Member Mike Mendenhall, Spanish Fork
Council Member Jim Ortler, Town of Brian Head
Mayor Jon Pike, City of St. George
Mayor Dave Sakrison, Moab

EX-OFFICIO MEMBERS

JJ Allen, Clearfield, UCMA
David Church, Legal Counsel
Leigh Ann Warnock, UMCA

ULCT STAFF

Kenneth Bullock, Executive Director
Cameron Diehl, Director of Legislative Affairs
Michelle Reilly, Director of Administrative Services
Susan Wood, Director of Communications and Training
Brandon Smith, Legislative Research Analyst
Meg Ryan, Planning Consultant
Nick Jarvis, Director of Research and Technology
Doug McDonald, Economic Policy Analyst
Krysten Olson, Executive Assistant
Peter Lara, Editor/Videographer
Roger Tew, Senior Policy Analyst
Ashley Morfin, Executive Assistant and Staff Photographer

OTHERS PRESENT

Attendees of the Utah League of Cities and Towns Conference

WELCOME AND INTRODUCTIONS

Lynn Pace opened the meeting and welcomed everyone. He commented the meeting was being recorded and minutes taken. He recognized Leigh Ann Warnock and Thieda Wellman with the UMCA and indicated they would be taking minutes. Cities were encouraged to pick up voting credentials. It was announced a Gubernatorial Debate would occur during the lunch hour.

The Business Session was to be conducted by Vice President, Kaysville Mayor Steve Hiatt, and the time was turned over to him. Vice President Hiatt expressed appreciation to Lynn Pace for his service on the League Board.

APPROVAL OF MINUTES

Provo City Mayor John Curtis moved to approve the minutes. The motion was seconded by Jewel Allen of Grantsville. The vote was unanimous. The motion carried.

GAS TAX UPDATE

Cameron Diehl gave a brief update on the status of the gas tax issue. He was tasked by legislative leadership to come back with a resolution and is seeking consensus with all stake holders. The League is looking for confirmation from the members to take this back to the legislature with the support of the League of Cities and Towns.

He had previously presented information to the LPC on Tuesday and explained the hold harmless qualification and entities. He presented information about the breakdown of B & C distributions and explained that the cities and towns received about 4 million less in 2016 than anticipated. West Valley City brought the issue to the leagues' attention. The 6th payment was held, at the recommendation of the League, until the problem could be fixed. Cameron cautioned everyone to not contact UDOT with concerns about the 6th payment, as it is being held at the League's request. A timeline of the B & C distributions over the past year was reviewed.

Cameron also reviewed the framework that had been worked through over the last few weeks and work they had done to get the cities back to the level of distribution that was anticipated. Hold harmless counties had been reduced to two. The hold harmless would shrink to 120% of fiscal year 2015, or 1.2 million ongoing. Hold harmless cities would eventually be phased out and would fix fiscal year 2016, 2017 and going forward. HB 60 helped 12 counties but hurt 18 counties. A special session will be held to ratify the framework. He said cities would be informed about the amount of the distributions before the special session.

A new formula will apply to 2016 and things will go forward from there. Gas tax framework:

1. All cities and towns received 17.5% increase from FY 15 to 17 as originally intended.
2. HH qualification returns to pre-HB 362.
3. HH Guarantee 120% of FY 2015 plus annual compounded growth.
4. Soft landing: brief re-allocation to 10 HH entities who naturally grow out of HH.

The League feels comfortable this approach will fix the 6th distribution, fix FY 17 and Fix FY going forward better than was originally envisioned in HB 362. HB 60 benefitted some counties, but others got hurt. Work has been done to benefit everyone as originally intended. UDOT will share data for the 6th distribution which will be passed along to cities and towns by next week so they will know how much they will be receiving and can complete budgets.

John Hisky of Sandy City moved to support the ULCT's position regarding the timing of the release of the gas tax. The motion was seconded by Jon Pike of St. George.

The motion was amended to include support for timing and the framework. The vote was unanimous. The motion carried.

RESOLUTION 2016-003

A RESOLUTION OF THE ULCT REGARDING LOCAL PROPERTY TAX

Lynn Pace explained the intent of the resolution regarding property tax. The Board had discussions over the last year regarding needed funding for municipalities. This was a long term priority. With increased amount of online sales that did not garner sales tax, the League supported state or federal legislation to acquire sales tax on internet sales.

Lynn explained the rate based tax and used income tax and sales tax as an example. On the other hand, property tax is a revenue based tax; the revenue stayed the same, the rate was adjusted every year to keep revenues the same. Property tax was a flat tax, there was no increase in property tax with the exception of new growth. Most people thought that property tax was a rate based tax, but that wasn't accurate; it was a revenue based tax and it was flat.

The reason for the resolution was to start a multi-year dialog about the property tax structure; it wasn't sustainable and the truth in taxation statute that required entities to indicate that taxes were being raised when they were actually remaining the same wasn't truthful. This caused municipalities to zone for retail development, which they were also criticized for doing.

Jewel Allen of Grantsville asked if the resolution was recommending a change in the tax formula or to begin a dialogue. Lynn said it was to support the truth in taxation language to not require cities to indicate an increase in property tax if the rate was staying the same.

Roger Tew explained that property tax was a part of the constitution; the rate could be zero.

Lynn Pace moved to adopt ULCT Resolution 2016-003 with a modification of paragraph 3 to make it more generic and allow for flexibility regarding truth in taxation. The motion was seconded by Margie Anderson of Ephraim. The vote was unanimous. The motion carried.

The motion was amended to take out paragraphs 3 and 4 and add language to say the staff of the League and State Legislators will explore dialogue for possible modifications to the truth in taxation requirements to improve greater accuracy, transparency, and flexibility in setting the annual property tax rate. The vote was unanimous. The motion carried.

ULCT RESOLUTION 2016-001A

A RESOLUTION OF THE UTAH LEAGUE OF CITIES AND TOWNS REGARDING THE REGULATION OF FIREWORKS.

Lynn Pace explained the purpose of the resolution. This resolution is a combined resolution from Vernal City and Salt Lake County Council of Governments at the LPC meeting regarding State fire regulations. The resolution asks that the legislature review three elements of the current fireworks code; aerial fireworks, number of days that fireworks can be set off, and restoration of local control of fireworks regulations. He reported the Council of Governments approved this resolution focusing on current state fire regulations which have become out of balance.

John Park commented things can get chaotic if different days are allowed in different communities. Roger Baker of Tooele commented veterans feel like they are in a war zone again and animals are suffering and should be included in the language of the resolution.

Mayor Baker of Naples moved to include veterans to the language of the resolution. The motion was seconded by Bill Appleguard of Riverton City. A 2/3 majority vote was determined.

Mayor Baker moved to adopt language as follows: Whereas military veterans and others suffering from post-traumatic stress disorder (PTSD) can experience a heightened sensitivity to loud fireworks, the sound of which can resemble an active battle zone. The motion was seconded by Mayor Eyre of Murray. A 2/3 majority vote was determined.

Mayor Nielson of Washington City moved to adopt the resolution with the amended language. The motion was seconded by Mayor Baker of Naples. The vote was unanimous. The motion carried.

ULCT RESOLUTION 2016-005

A RESOLUTION ENCOURAGING THE UTAH STATE LEGISLATURE TO SUPPORT LOCAL GOVERNMENT USE OF 311 FOR NON-EMERGENCY USE.

Mayor John Curtis of Provo indicated their city had used 311 for a few years as a number for citizens to call to report non-emergency issues and said cities across the nation have used it. There had been a move at the legislature to take that number from municipalities to use for a suicide hotline. Mayor Curtis maintained there are other number options for the state to use and obtained the 20 signatures necessary to bring the motion forward.

Jon Pike of St. George moved to allow the resolution to be brought before the body. The motion was seconded by Mayor Spuhler from Garden City. 2 opposed, a 2/3 majority vote was determined. The motion carried.

Jewel Allen of Grantsville moved to adopt ULCT Resolution 2016-005. The motion was seconded by Mayor Taylor of North Ogden. The vote was unanimous. The motion carried.

STATE AUDITOR

Utah State auditor John Dougall was introduced by Steve Hiatt to give his report. Mr. Dougall addressed the members and explained that the purpose of the State Auditor's Office is to ensure good governance. He reviewed some of the things they were working on to improve their program relative to use of public funds. He mentioned improper credit card use and controls that should be in place to provide protections against improper use.

The State Auditor's office focuses on compliance as well as training and now have an online training program. They would like to be a resource to help organizations to be in compliance with the law, and understand their duties and responsibilities.

LEGISLATIVE UPDATE

Cameron gave a brief overview of the 2017 legislative session. He explained the history of land use legislation over the past several years and said municipalities would see the following in the 2017 legislature:

1. Short term rentals
2. Substantive overhaul of impact fees act
3. LUDMA Revisions

Cameron strongly suggested that cities look at their codes to see that they are up to date relative to LUDMA. Ten years ago there was an attack on land use. Now a new storm is coming. Tech-savvy legislature is pushing infrastructure which requires land use planning. The League provides resources to help with all areas of land use.

He commented there will be bills dealing with criminal justice, indigent defense litigation, JRI implementation, drones and how they relate to public safety, privacy and legitimate government uses.

Other topics discussed will be governmental immunity, caps on damages, governmental liability and immunity and the Board of Examiners process, Special Districts raising taxes, better accountability to voters and better balance between city and county governments, online sales tax, and manufacturing parts and equipment sales tax exemption.

The session will begin January 23, 2017, closing on March 9th.

JEFF STUDENKA, DIVISION OF WATER QUALITY

80 cities in the State of Utah are large enough to be required to obtain an MS4 permit, meaning their storm water collection systems have to be regulated.

UPDATE

Ken Bullock addressed the group. He expressed the importance of everyone attending Local Officials' Day at the Capitol on January 25th and gave an update on the gubernatorial debate to be held later in the day.

BETH HOLBROOK, 2nd VICE PRESIDENT

Beth recognized departing members of the ULCT Board and expressed appreciation for their service. The new Board Members were introduced:

2016-2017

President, Steve Hiatt, Kaysville
2nd Vice President, Beth Holbrook, Bountiful
1st Vice President, Jon Pike, St. George
Immediate Past President, Lynn Pace, Holladay
Treasurer, JoAnn Seghini, Midvale

Board Members

Dean Baker, Naples
Andy Beerman, Park City
Mike Caldwell, Ogden City
Karen Cronin, Perry City
Ted Eyre, Murray City
Carmen Freeman, Herriman
Mike Mendenhall, Spanish Fork
Kelleen Potter, Heber City
Curtis Ludvigson, Town of Sterling
Dave Sakrison, Moab City
Bob Stevenson, Layton City
Brent Taylor, North Ogden City

All were presented for ratification.

Motion for ratification of the 2016-2017 ULCT Executive Directors and Board of Directors was made by Steve Fairbanks of Sandy City. The motion was seconded by Randy Fox of Ferron City. The vote was unanimous. The motion carried.

Lynn Pace recognized the League staff and expressed appreciation for all their work. Gratitude was extended to the Executive Committee and the outgoing Mayor Curtis. Mayor Steve Hiatt was presented the ceremonial gavel as the incoming president of the ULCT Board.

ADJOURN

There being no further discussion, Matthew Braithwaite of Highland moved the meeting adjourn at 10:29 a.m. The motion was seconded by Jon Pike of St. George. The vote was unanimous. The motion carried.

MINUTES APPROVED:

Chairman

Date

Secretary

Date

DRAFT