

**Minutes of the  
Bountiful City Council Meeting  
City Council Chambers  
April 19, 2000 - 7:00 p.m.**

Present:	Mayor	John R. Cushing
	Council Members	Samuel R. Fowler, Barbara Holt, Stewart Knowlton, John S. Pitt and J. Gordon Thomas
	City Manager	Tom Hardy
	City Attorney	Russell Mahan
	City Engineer	Paul Rowland
	Admin. Services Director:	Galen Rasmussen
	Department Reps:	Mike Barfuss, Fire David Wilding, Water/Sewer
	Recording Secretary	Nancy T. Lawrence

Official Notice of this meeting had been given by posting a written notice of same and an Agenda at the City Hall and providing copies to the following newspapers of general circulation: Davis County Clipper, Deseret News, and Salt Lake Tribune.

Mayor Cushing called the meeting to order at 7:00 p.m. and welcomed those in attendance. He led the pledge of allegiance to the flag, following which Councilman Fowler offered the invocation.

**APPROVAL OF MINUTES**

Minutes of the regular City Council meetings held March 22, 2000 and April 5, 2000 will be approved at the next regular meeting of the Council.

**EXPENDITURES, EXPENSES, AND TOTAL DISBURSEMENTS  
APPROVED FOR PERIOD MARCH 31-APRIL 13, 2000 AND  
SUMMARY FOR MARCH, 2000**

Mayor Cushing presented the report of Expenditures and Expenses Greater than \$1,000 for the period March 31, 2000 - April 13, 2000 in the amount of \$677,819.36 and the Summary for March, 2000 totaling \$3,153,924.78. The staff responded to questions following which both reports were unanimously approved on a motion made by Councilman Thomas and seconded by Councilman Pitt. Councilpersons Fowler, Holt, Knowlton, Pitt and Thomas voted "aye".

**REPORT ON BUSINESS LICENSE OF NORGETOWN LAUNDROMAT**

Mr. Mahan reported that the Davis County Health Department has worked with Norgetown Laundromat and has determined that this business now meets the minimal standards required by the Health Department. Jerry Thompson (of the Health Department) has requested that Bountiful discontinue the Order to Show Cause. No official motion was necessary.

**APPROVAL GRANTED TO US WEST FOR INSTALLATION  
OF LIGHT POLE WITH ANTENNA**

Mayor Cushing reviewed that U.S. West has requested permission to construct a light pole at the end of the golf course parking lot, with an antenna on it to provide them with an additional telecommunication site. Ownership of the pole would be conveyed to the City. It was noted that this is an ideal way to provide the telecommunication device, because it is very unobtrusive and inasmuch as it is a light pole (not a communications tower), no permit is necessary. The lease is for 5 years at \$500 per month. Following a brief discussion, Councilman Pitt made a motion to approve the request for the light pole/antenna as presented. Councilwoman Holt seconded the motion. Voting was unanimous with Councilpersons Fowler, Holt, Knowlton, Pitt and Thomas voting "aye".

**RELEASE OF EASEMENT APPROVED AT 515 SO. 500 WEST**

Mr. Rowland reported that a Walgreen's Drug store will be constructed at the corner of 500 South and 500 West. A power pole was previously located in the middle of the property to serve the overhead power to the three buildings (which have now been removed) and the pole has also been removed. The new developers have granted easements along the boundary of their property and the easement through the middle of the property is no longer necessary. All involved parties have signed the release of easement form and it is the staff recommendation to approve the release of easement and authorize the Mayor to sign the same. Councilman Fowler made a motion to this effect, Councilman Thomas seconded the motion and voting was unanimous. Councilpersons Fowler, Holt, Knowlton, Pitt and Thomas voted "aye".

**APPOINTMENTS MADE TO APPEAL BOARD**

Mayor Cushing explained that Bountiful City is required by State statute to have an Appeal Board to hear certain appeals of City employees. The City ordinance (Sections 2-4-101 through 2-4-106) stipulates that the five members of the Appeal Board are to be selected for two year terms and two of those members are to be appointed by the Mayor from members of the City Council. Mayor Cushing reported that he has asked Councilman Knowlton and Councilman Pitt to accept a turn on this Board and they have consented. This action was formalized on a motion made by Councilwoman Holt and seconded by Councilman Fowler. Councilpersons Fowler, Holt, Knowlton, Pitt and Thomas voted "aye". The other three members are selected from full-time employees of the City through an election process.

**WATER USE COOPERATION AGREEMENT WITH SOUTH DAVIS COUNTY WATER IMPROVEMENT DISTRICT APPROVED**

Mr. Wilding reviewed that the City attempted to solve a water resource need for the south end of the City by drilling a well. This effort was not successful in terms of producing an economically useful quantity of water and prompted the staff to seek an agreement with South Davis County Water Improvement District in which Bountiful would have the right to use *surplus capacity water* from District wells. A Cooperative Agreement has been completed and it is the staff recommendation for the Council to approve it. Mr. Wilding expressed appreciation to Lynn Beckstead and members of the Water District for their willingness to work with the City in providing this temporary (and possibly long-term) solution to a need for water. The basic provision of the Agreement provides that Bountiful can use the surplus water produced by South Davis wells (which will be diverted under water rights owned by the City) and in return, the City will assist with pumping costs and maintenance of the wells.

Mr. Wilding reviewed the Agreement and then described the additional facilities that will need to be constructed and he explained how the water will be managed as it comes into those facilities. Following a short discussion, Councilman Pitt made a motion to accept the terms of the Agreement with South Davis Water Improvement District, as outlined. Councilman Fowler seconded the motion. Councilpersons Fowler, Holt, Knowlton, Pitt and Thomas voted "aye".

### **INSURANCE PROPOSALS FOR PERPERTY AND EXCESS LIABILITY COVERAGE APPROVED**

Mr. Mahan gave an overview of the past insurance coverage of the City and he explained that for the past ten years Bountiful has been self-insured in the areas of Workmen's Compensation and general liability insurance. Insurance alternatives for the fiscal year commencing July 1, 2000 have been reviewed, and it is the recommendation of staff to approve the following:

1. That Worker's Compensation insurance be continued with Employer's Re-Insurance Corporation for \$15,000/year.
2. The excess liability insurance be continued with States Insurance for \$82,754.00/year. (This was the lowest of six quotes received by the City).

Mr. Mahan noted that further information is needed prior to selecting property insurance and he requested that this proposal be presented at a future meeting. Councilman Fowler made a motion to approve the Worker's Compensation and excess liability insurance as recommended. Councilwoman Holt seconded the motion and voting was unanimous. Councilpersons Fowler, Holt, Knowlton, Pitt and Thomas voted "aye".

### **FINAL ACCEPTANCE GRANTED TO FRANKLIN FARMS SBDVN., PHASE 4 AND BRIDLEWOOD SOUTH ESTATES SBDVN, PHASE 3**

Mr. Rowland reported that Franklin Farms Subdivision, Phase 4, and Bridlewood South Estates Subdivision, Phase 3, have passed their warranty period and are ready for final release of the remaining ten percent of the bond and acceptance by the City. Both subdivisions are ready for the City to accept full responsibility for the maintenance and upkeep of the public improvements. Councilman Thomas asked for clarification on where the sidewalk will be completed and where it will be waived, following which he made a motion to grant final acceptance to both subdivisions, as recommended. Councilman Pitt seconded the motion. Councilpersons Fowler, Holt, Knowlton, Pitt and Thomas voted "aye".

### **R. A. FLEMING CONSTRUCTION AWARDED CONTRACT FOR GOLF COURSE DRAIN WORK**

Mr. Rowland reviewed that there has been an ongoing problem with surface water near the #10 and #11 fairways at the golf course. In the past, some of this water has been diverted into the pond on the #10 fairway and used for irrigation; and the runoff near the #11 fairway has been diverted into the storm drain. The outlet piping system for the pond has failed, making it impossible to use the water. In an effort to correct this situation, it is recommended that the water be piped into the irrigation water holding pond, which will provide a more inexpensive irrigation water, and at the same time eliminate problems created by the water flowing into the storm drain system. Proposals for this work were received from two contractors and it is recommended that the low bid from R. A. Fleming Construction in the amount of \$19,875.00 be approved. The project will be funded through the Golf Course Capital Improvements fund and with excess amounts on several line items in the Golf Course Operating Budget. Councilwoman Holt made a motion to this effect, Councilman Knowlton seconded the motion. Councilpersons Fowler, Holt, Knowlton, Pitt and Thomas voted "aye".

### **REVIEW 2000 - 2001 BUDGET**

Mr. Hardy commenced the 2000-2001 budget review with a summary of the background

of property tax. He stated that historically, property tax has been the major revenue source for state and local governments, with property tax accounting for 80% of revenues. However, over the years there has been a major shift in the taxing structure. Sales tax has become more predominant and property tax has been lowered significantly, with home owners being given a 45 percent tax break and the "truth in taxation" legislation passed about ten years ago requiring that those who levy taxes roll back the property tax rate so that they can collect no more than they collected the previous year. The net effect of this legislation is that the expenses and expenditures required by government increase due to inflation, but the property tax is kept flat and does not reflect an increase as inflation occurs. Since Bountiful essentially has no growth, this results in a proportionate decrease in revenue from property tax. Mr. Hardy also noted that of each \$1.00 of property tax collected by the County, Bountiful receives only 10 percent (10 cents), with other agencies (school district, county government, sewer district, etc.) receiving the rest.

Another exacerbating factor related to property tax is that, after the tax rate has been set and the County notifies the City of the revenue we will get for the coming year, this amount can be decreased if property owners approach the Board of Equalization and are granted a tax reduction. Decisions by the State Tax Commission and Courts can also impact the amount of property tax revenue collected. Property owners are paying less in property tax than they did eight years ago and the difference between the certified (budgeted) tax revenue and the final settlement continues to grow negatively. Mr. Hardy stated that he will recommend to the League of Cities and Towns that they encourage the State Legislature to reconsider legislation related to property tax..

Mr. Hardy reviewed the Consumer Price Index for the Wasatch Front (using an Index of March 1988), as well as percent changes within the past six months and one month. He noted that the increase in gasoline prices is a critical factor as it relates to the City's budget. He stated that the department heads were asked to put a budget together for next year that would provide the same level of services as we have had this year. The initial budget, which included a four percent cost of living increase, reflected a shortfall of \$590,000. The staff and Council have worked to close the gap, including pushing the COLA to 3 percent, and have reduced it to \$214,000. Mr. Hardy suggested that the Council consider a property tax increase for the coming year and reviewed an example of a proposed tax rate increase. If the tax rate were increased 12 percent, the owner of a home assessed at \$185,000 would pay an increase of \$15.98 per year. Other alternatives for coping with the shortfall are (1) taking money from reserve funds – a short-term fix; or (2) cutting services – less road work, a reduction in personnel, etc.

Councilman Thomas stated that he did not want to raise taxes and asked if it would be possible for the Mayor and Council to study this matter and determine if there are things in the proposed budget that could be eliminated or reduced. Mr. Hardy indicated that he could easily balance the budget, but it would necessitate eliminating services or reducing capital improvement expenditures. Then, in four or five years, when the infrastructure has not been maintained and needs substantial improvements, that City Council will be stuck with the decision of this Council. Mr. Hardy noted that even with a tax increase, Bountiful's taxes will be lower than other entities in our area.

Mayor Cushing noted that 20 years ago the City had 210 full time employees. Today, with a 30 percent population growth, there are only 180 full time employees. He noted that any going business concern recognizes that when costs go up, adjustments should be made for revenue. Councilman Thomas asked if taxes were raised this year, then what would happen next year if there was a revenue shortage. Would taxes be raised again? Councilman Pitt suggested that with the shortfall from property taxes which goes back to 1993, the City should be looking at economical growth and some other increase in City income. Councilwoman Holt emphasized that a mechanism needs to be put in place which will provide budget stability from year to year. Any action taken by the Council should be of a conservative nature and should be fair to the taxpayer, as well as those in the City who provide the service, and will allow the City to be competitive in the market.. Councilman Thomas asked that the record reflect that he supports a cost of living increase for the employees.

Mayor Cushing expressed appreciation to the Council for their serious concern regarding the budget and their attempt to be prudent with taxpayer's money.

### **COUNCIL COMMITTEE REPORTS**

Councilman Thomas expressed appreciation to Mr. Mahan for his efforts regarding the chiller for the Public Safety/Court building. He also reported the concerns of the Community Service Council regarding their liability and whether or not they could be covered under the City's insurance. Mr. Mahan stated that in order for them to be covered by the City insurance, they would need to be adopted as an arm of the City. The Community Service Council should decide whether or not they want to be adopted by the City, or maintain their independence. Once they make that decision, and if that decision is to be adopted by the City, then the Council would need to consider their request.

Mr. Rowland requested that a Traffic Safety Committee meeting be scheduled for May 3 at 6:00 p.m. The Mayor requested that the Finance Committee meet at 1:30 p.m. this Friday.

Councilman Pitt reported that the annual Easter activity sponsored by the Youth Council was a great success, with 500-700 persons participating.

The meeting adjourned at 8:41 p.m. on a motion made by Councilwoman Holt and seconded by Councilman Fowler. Councilpersons Thomas, Pitt, Holt, Fowler, and Knowlton voted "aye".

JOHN R. CUSHING, Mayor

KIM J. COLEMAN, City Recorder

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