

**Sunset City Corporation
City Council Minutes
January 20, 2015
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Minutes of a regular meeting held January 20, 2015 at Sunset City Hall, 200 West 1300 North, Sunset, Utah; Mayor Macfarlane presiding.

5:30 p.m. CLOSED SESSION

In accordance with Utah State Code 52-4-205(1)(d) to discuss the purchase, exchange or lease of real property, including any form of water right or water shares.

Council Member Furniss made a motion to enter a closed session in accordance with Utah State Code 52-4-205(1)(d) to discuss the purchase, exchange or lease of real property, including any form of water right or water shares. The meeting will be held in the conference room on the main floor of the City Building. Council Member Snow seconded the motion. The motion passed unanimously with Council Members Furniss, Peterson and Snow voting yes.

Present: Mayor Macfarlane, Council Member Furniss, Council Member Peterson, Council Member Peay (arrived 5:37), Council Member Snow, Recorder Hale, Public Works Director Noyes and Scott Paxman, Asst. General Manager of Weber Basin Water Conservancy District.

Council Member Snow made a motion to adjourn the closed session. Council Member Furniss seconded the motion. The motion passed unanimously with Council Members Furniss, Peterson and Snow voting yes.

6:30 p.m. REGULAR SESSION

Mayor and Council Present:

Beverly Macfarlane	Mayor
Ryan Furniss	Council Member
Chris Hadley (arrived 7:00 pm)	Council Member
Trystal Peay	Council Member
Jake Peterson	Council Member
Kevin Snow	Council Member

City Employees Present:

Susan R. Hale	Recorder
Linda J. Youngdell	Treasurer/Office Manager
Ken Eborn	Police Chief
Norm Noyes	Public Works Director
Andrew M. Sanchez	Fire Fighter

Excused:

Travis Carter	Interim Fire Chief
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Others Present:

Tyler Peterson	Gold Cross Services
Jonathan Ellsworth	Planning Commission
Terry Avondet	Sunset Citizen Corps

Others Present (cont.):

Jenni Williams	Standard Examiner
Jerome R. Willden	Joyce Hammer
Ryan Asmussen	Janet Lujan
Joyce King	Ellen Cutler
Wanema Butcher	Justin Eggl.

The meeting was called to order at 6:30 p.m. by Mayor Macfarlane.

Council Member Peay gave the invocation and led the Pledge of Allegiance.

Public Comments: Jerome Willden said he feels it would be a big mistake to move the skate park. He believes the kids at the park are not as bad as they are portrayed.

Joyce Hammer agreed with Mr. Willden. She has lived across the street from the skate park and she has never had any problems with the kids at the park.

- 1. Presentation of a D.A.R.E. donation by Ryan Asmussen:** Chief Eborn advised the D.A.R.E. program is currently in all three of the elementary schools. No City money is used to fund this program as it is run totally from donations and auctions. Mr. Asmussen contacted Chief Eborn and told him that he would like to make a donation to the program. His business, Pillar to Post, is located in Clinton City. Mr. Asmussen presented a check in the amount of \$750.00 to Chief Eborn for the D.A.R.E. program. He would also like to make future donations to help with the graduations and pizza parties.
- 2. Presentation on Gold Cross Billing Services:** Tyler Peterson, Director of Billing & Billing Services conducted the presentation. Gold Cross has been doing the billing & collections for the Sunset City ambulance since July of 2011. They were chosen through the RFP process. Gold Cross provides billing and collection services for not only themselves, but for 13 other ambulance services throughout the state. Gold Cross has over 45 years of experience in billing and collections, with an extensive data base of patients. They own their own software and are able to use it to help them figure out the best ways to collect on the transports. Through that data base they are able to understand patient payment histories better and are able to anticipate how they are going to pay. They have very little turn over in their agency, so they have many experienced employees who are current on the Medicare & Federal rules. He said a lot of the transports that Sunset City provides are Medicare patients. Medicare only allows payment of about 40% of the bill; the remaining amount has to be written off as a discount. The mileage and base rate of the ambulance bill are set & controlled by the State of Utah. Medical supplies can fluctuate because it is controlled by the City and those charges need to be usual and customary to the area in which you live. Medicare only pays for the mileage & base rate of the bill. There are similar regulations with Medicaid, who pays only around \$200.00 and the Veteran's reimbursement is only around \$400.00. Those transports represent about 52% of the transports that are done in Sunset. The average collection rate is around 40% of the amount billed annually. Budgets should be planned around the gross collection rate and not the net collection rate. With private insurance, they may approve the

full amount but then only pay 80% of it. The remaining 20% would then be collected from the patient or a co-insurance. The affordable care plan is moving the uninsured to insured, but many of those plans have very high deductibles. They are starting to see that collection rates among the private insured are starting to increase some, but the patients sometimes do not have enough money to pay the deductibles. Private insurance also helps to offset the government insurances.

There are several factors that go into a good collection rate, such as having a highly trained staff and understanding what type of patients are being transported. There are five categories of patients being transported: 1- self pay/uninsured, 2- employer/private insured, 3-Medicare, 4-Medicaid and 5-Veterans. Sunset's payer mix as of June 2013 is 52% are Medicare/Medicaid/VA, 36% are private insured and 12% are self-insured. Since the billing of July 2011(FY2012) there are zero dollars on the books left to collect. There were 203 transports that year and the collection rate is 41.15% gross, 70.57% net. The net collection rate for Medicare/Medicaid is between 95-100%.

In FY2013 there is still around \$1,000.00 on the books. This is from working with patients on monthly payment plans that work both for the patient and the City. The gross collection rate is 45.19% and net is 68.69% for that fiscal year. Sunset is billed 5.5% of whatever Gold Cross Services collects and that is all inclusive. Sunset City is billed only on what is collected and not what is billed. That 5.5% fee includes electronic billing and medical record scanning. They have not increased their rates since 2009 when they first started billing and collections for ambulance services and they do not plan to increase them in the near future. They have 20 account representatives to answer phones Monday thru Friday 8:00 a.m. to 5:00 p.m. It also includes 3 collectors and 2 support staff to help patients through the claims process. They work hard to resolve things in a timely manner. Sunset has a full time liaison to assist the Chief if he has any questions or problems.

When the billing process begins, the standard effort is done in the first 89 days. Days 90-179 move to an in-house collections where more reminders and phone calls are done. After 180 days it goes to Mountain Land Collection Agency. Those cases that are collected by Mountain Land are not billed the 5.5% fee from Gold Cross. To be more efficient, it helps if the crew gets signatures on the trip notes. Sunset City's data is backed up daily and is stored off site.

When asked if the 5.5% was on the total bill or just what was collected, Mr. Peterson reiterated it is only on what is collected. All checks are written out to Sunset City and are deposited into the Sunset account. They can only deposit into that account and not withdraw. Mayor Macfarlane stated that there is some confusion with the residents who think the bill is coming from Sunset City when it is really coming from Gold Cross. Mr. Peterson stated that it is done to keep Sunset City Fire's identity going so there is not confusion. The bill could be paid here at the city offices, but they recommend it be done through Gold Cross. It was restated that the State of Utah sets the rates and not Sunset City. The average ambulance bill around the state right now sits around \$1,500.00. The base rate is \$1265.00 plus \$31.65 per

loaded mile and is controlled by the Department of Health under the Bureau of Emergency Services.

Mayor Macfarlane opened it up for the citizens to ask questions. Jerome Willden told of his transport experience and asked why Utah charges more than they do in California? Mr. Peterson said that he cannot answer for California and that he just does the billing. He can only go off of the information provided to him by the ambulance crew.

- 3. Consider renewing the billing services agreement with Gold Cross Billing Services:** Council Member Snow made a motion to approve renewing the agreement. Council Member Peay seconded the motion. The motion passed unanimously with Council Members Hadley, Furniss, Peay, Peterson and Snow voting yes.
- 4. Presentation of the Sunset City FY14 Annual Financial Report:** Jeff Ambrose, CPA with Christensen, Palmer and Ambrose, thanked Treasurer/Office Manager Youngdell and Recorder Hale for their help. Out of the 23 entities they work with, only three write their own report and Recorder Hale does that for Sunset City. The independent auditors report shows Sunset received a clean opinion, which is the highest opinion they can render. The Governmental Funds cash increased about \$395,000.00 from the prior year, total assets increased about \$410,000.00 and debt decreased by about \$32,000.00. The total net position increased around \$360,000.00 for the year. The total net position for the Governmental and Business-type funds increased about \$335,000.00. The Statement of Activities shows the governmental expenditures went down about \$15,000.00 and the business-type expenses increased around \$63,000.00. The net of charges for services and expenses shows that the fees charged for certain activities don't actually cover the cost of those activities. This is why government entities need to charge general revenues such as taxes, etc. The governmental activities change in net position was \$362,000.00 and that was an increase from last year. The only finding is that the Governmental unassigned fund balance is \$720,000.00 which is over the statutory limit by about \$130,000.00. That is a good kind of problem to have.
- 5. Consider Ordinance 2015-01 amending the Sunset City Zoning Map to include the zoning of 4.907 acres located at approximately 2562 North 475 West as R-3:** Commissioner Jonathan Ellsworth advised the Planning Commission held a public hearing on January 15, 2015. Most of the comments were regarding the actual site plan and not the agenda item of the rezone. Commissioner Weller took time at that meeting to go over the two zones with those in attendance. An R-3 zone allows the City Council to have more control over it. After hearing public comment, the Planning Commission recommended that the City Council proceeds with the rezone from R-1 to R-3. Council Member Peterson let everyone know that there were around 15 people who stood up and spoke and that they weren't really for the rezone due to the streets being more busy, concerns about storm water runoff, whether the schools could handle the increase in kids, increased crime, wild life, noise, etc. Commissioner Ellsworth explained that most of the concerns raised were regarding higher density and not necessarily the actual rezone. Council Member Furniss asked whether or not Mr. Holbrook was okay with the change of zone. Treasurer/Office Manager Youngdell explained that it was the property owner who asked for the rezone.

Council Member Peterson made a motion to approve Ordinance 2015-01. Council Member Hadley seconded the motion. The motion passed unanimously with a roll call vote. Council Member Furniss – yes, Council Member Peterson – yes, Council Member Snow – yes, Council Member Hadley – yes, Council Member Peay – yes.

Mayor Macfarlane thanked the Planning Commission for all their hard work this year.

6. **Appoint Jonathan Ellsworth as the Planning Commission Chair and Scott Stevenson as the Planning Commission Alternate Chair for 2015:** Council Member Furniss made a motion to appoint Jonathan Ellsworth as the Planning Commission Chair and Scott Stevenson as the Alternate Chair. Council Member Peterson seconded the motion. The motion passed unanimously with Council Members Hadley, Furniss, Peay, Peterson and Snow voting yes.
7. **Consider approval of Amendment No. 2 to Interlocal Cooperation Agreement between Davis County and Sunset City for Animal Control Services:** Mayor Macfarlane advised that this needed to be tabled. Council Member Hadley made a motion to table this item. Council Member Peay seconded the motion. The motion passed unanimously with Council Members Hadley, Furniss, Peay, Peterson and Snow voting yes.
8. **Consider continuing membership in the Davis Chamber of Commerce:** Mayor Macfarlane believes it is very valuable to be a part of the Davis Chamber of Commerce. When she attends their functions, almost every City is represented. She feels it is important to be part of this as we try to increase our economic development.

Council Member Snow made a motion to continue the membership with the Davis Chamber of Commerce. Council Member Peterson seconded the motion. The motion passed unanimously with Council Members Hadley, Furniss, Peay, Peterson and Snow voting yes.
9. **Approve Council meeting dates for 2015:** Council Member Hadley made a motion to approve the calendar dates as presented. Council Member Peay seconded the motion. The motion passed unanimously with Council Members Hadley, Furniss, Peay, Peterson and Snow voting yes.
10. **Consider appropriating \$67,000 for a water main project along Main Street from 1300 North to 1425 North:** Public Works Director Noyes advised that in preparation for putting in a traffic light at 1300 North and Main, a storm drain was found to run through the water main. It will need to be fixed and he feels now is a good time to fix that while the road is being worked on. It will continue the line down from 1425 N. to 1300 N. If the project is done now, it will save the City money due to not having to resurface Main Street. The current water line has leaks quite often and this would fix that problem. UDOT will bid to do the project and then Sunset City will pay for the upgrade to the project. It is scheduled to happen this summer, but it is unknown if it will happen during the FY15 budget or the FY16 budget. It is estimated to cost around \$66,600.00, could be a little over or under that amount.

Council Member Furniss made the motion to appropriate \$67,000.00 for the water main project. Council Member Peterson seconded the motion. The motion passed unanimously with Council Members Hadley, Furniss, Peay, Peterson and Snow voting yes.

11. Discussion on street lighting: Council Member Snow advised that street lighting has been an issue for many residents in the City. He and Public Works Director Noyes have discussed lighting and the possibility of adding a fee to the utility bill for street light improvements. If there was a fee added of \$2.00 it would bring in approximately \$40,000 a year. Those funds could help offset the cost the City is currently incurring for power and allow new lights to be added in the City. Treasurer/Office Manager Youngdell advised the Council that the current bill has no further lines to be used to add an additional fee. The City would have to go to a full sheet of paper that would then need to be put in an envelope. This would be an increase in costs for paper, postage and supplies. Council Member Furniss asked Treasurer/Office Manager Youngdell to contact Caselle and see if there was a way to add an additional line. Council Member Snow suggested maybe the City needs to go to a new billing system and maybe add electronic bill pay. Council Member Hadley stated maybe the City would have to add \$0.50 to the bill if the resident wanted to still receive a paper copy to help cover the cost of going to a larger bill.

Council Member Snow advised the City may need to look at a graduated increase, as \$2.00 may not be enough to cover the costs over time. Director Noyes said Rocky Mountain Power is not ready to change over the lights at this time. When they are ready, they offer rebates to cities to upgrade the lights. Council Member Snow advised it cost \$2,000 to upgrade an existing light. If it is a new pole it costs around \$10,000 and they have to go through an easement process. Decorative lights cost even more.

Council Member Snow recommended they start with a \$2.00 fee. Council Member Hadley was in favor of adding a fee for street lights. Council Member Peay would like more information because she feels \$2.00 is a lot to ask and would like to get citizens on board. She does feel that we need lighting, but wants to take into consideration the amount they are asking. Council Member Furniss advised that the fee may be collected, but it may take years to see improvements. He would also like more information. Council Member Peterson would like to discuss it more around budget time. Council Member Hadley suggested placing a message on the utility bill asking for residents' input.

Council Member Furniss would like Council Member Snow to develop a plan that shows how the money will be used to go along with the fee and possibly create a lighting committee to decide where the new lights are placed. Council Member Snow stated the whole fee at this time would be just to recoup the electricity costs and maybe to use \$10,000 to purchase one light. Council Member Hadley would be interested in upgrading the existing lights and then work on adding new lights. Public Works Director Noyes advised there are approximately 180 lights in the City and it would cost around \$300 to upgrade each light to LED. Council Member Peay would also like a plan to show what the fee is going to be used for and believes that will help get the citizens on board. Council Member Furniss would like the plan to address new lighting and not to pay for existing lights. Mayor Macfarlane would like a

plan to address timing of implementing this fee because currently Rocky Mountain is not offering the upgrades to LED.

12. Mayor and Council reports: Council Member Furniss (on the North Davis Sewer Board, over Property Management, Transportation & Youth City Council) reported that the skate park is not moving and that was decided long ago. He commended Mr. Assmussen on his donation to the D.A.R.E program. He commented that the 1st ambulance was not purchased by the City; it was purchased by the Fire Department Employee Association and donated to the City. The 2nd ambulance was purchased by the City for a very reasonable cost. The North Davis Sewer Board has been watching their costs for consulting fees and have decided to hire a new accountant who will also serve as the Clerk to the Board. This will save money in the long term. He is glad they are moving in the direction of fixing issues in the City while there is a project already going on so the City saves money. He asked the Youth City Council about the donations they received today and it was reported the Pizza Pie Buffet offered two free buffets, Papa Murphy's offered free pizzas, two free oil changes at Grease Monkey and a free manicure. They are collecting these items for an upcoming raffle that will be held at a food drive. He stated his appreciation for the fire fighters and said he had a meeting with them last week. It was not a good meeting as he was not in a good mood. Due to some heated emotions, a couple of them resigned. The Fire Department is not lost and keeping the Department may not be the easiest solution, but he believes in them and that is why he fights to keep them. He is committed to keeping the fire department, although they may have to shut down the ambulance for a little while until they get enough coverage to run it. He feels that training is an issue and believes that the policy may need to be modified. The Department will never be one that is worked at for the money.

Council Member Peterson (Planning Commission Liaison & over Public Works) reported that this is Public Works Director Noyes last meeting before retiring. The Planning Commission held a public hearing on the rezone and the residents were pretty verbal about their concerns. He feels the concerns were legitimate. Mayor Macfarlane commended Council Member Peterson for being committed to the Planning Commission.

Council Member Peay (over Economic Development, Recreation & Senior Program) said there isn't anything to report on economic development at this time. She reported Recreation Supervisor Maylin is working on Winterfest and asked where they could find the history of Winterfest. She is working on getting a good Kids Club Supervisor and was concerned that there has been no background check done on the employees that are working with kids. She is still working with Supervisor Maylin on the direction they want to go.

Council Member Hadley (over Citizens Corp and Emergency Preparedness) reported he attended a meeting on January 3rd at the Davis County Sheriff's office and met with Emergency Management. Some of the cities have been struggling to get their CERT program running and some are doing well. There has been some discussion on possibly starting new training and combining meetings together with other cities to get more people to attend. Allyson Jackson, Sunset's Citizen Corps representative, emailed CERT citizens and around 12 of them showed up for a meeting to try and revive the Citizen Corps program. They

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discussed possibly having someone from the Youth City Council serve as a liaison and attend the meetings. The meetings will be held on the 2nd Wednesday of each month in the Sunset Room. They will be working on updating their records for training, etc. Council Member Furniss will check with Peggy Stevenson on a liaison. Mrs. Jackson would like to be at the City Council meeting on February 3, 2015 to give an update. They are working on reestablishing CERT classes and they will be doing an inventory of the CERT supplies to see what they have and what they need. The next CERT meeting will be on February 11, 2015.

Council Member Snow (over Beautification, Better Landlord Program, Donations, Housing, on the Development Review Committee for MIDA & the Mosquito Abatement District Board) reported that Mosquito Abatement is in the process of doing a building expansion. When they did the assessment four years ago, the cost was \$2.4 million and it has now increased \$800,000. He believes now is the time to start working on the fire station and public works building because costs just keep increasing and the interest rates are low right now. He inquired about the Rachel Runyon fund. Chief Eborn advised they do not know if the case will or will not be solved. The Council could choose to do something else with the fund, but they would have to answer to the depositors for using that money. They would also be on the hook for that reward should the case later be solved. The Police Department does have some names; they just do not have the proof. He is unsure what was put in place to govern that reward money. Council Member Snow commented that Design West currently has Christmas lighting at 33% off and he wondered if there was money in the budget to purchase more lights. Currently that type of thing is taken out of building and grounds. The money could be used, but it is emergency money and it would cost around \$4,000. He believes the lights would last around five or six years.

Mayor Macfarlane (over Administration, Court, Military Affairs Committee, Police, Fire & on the Wasatch Integrated Systems Board) reported she has been working with the Fire Department and the Clinton and North Davis Departments are both willing to help with training. She is hoping that Gold Cross can provide more training for them so they know what information needs to be on the forms. She attended Commissioner Louenda Downs' retirement. She met with Col. Jolley, the Syracuse Mayor and Col. Langstrom. She has been asked to be a presenter at the 75th Fighter Wing award ceremony and an Honorary Commander for the 388th Fighter Wing of Hill AFB. Sierra RV would like to proceed with an appraisal of the park. Matthew Godfrey has been solicited to work with them and to help them find a place to locate if it isn't in Sunset City. A public hearing would have to be held in order to sell a portion of the park to them. She went over and looked at the park; it was a bigger area than she thought it was. The walking track is going to need to be repaired within the next couple of years, the tennis courts need to be resurfaced this year and the restroom needs to be replaced. Two covered tables, a drinking fountain and the small bowery is located there. Matthew Godfrey suggested that they improve the storm water holding pond in the Public Works yard. He feels the City needs the tax revenue from Sierra RV. Council Member Snow wanted them to get an appraisal. Council Member Peterson asked if the school district was on board. Mayor Macfarlane didn't know yet. She had already advised the school district that the City was not interested. Council Member Peterson advised it would cost \$500 to have the City Engineer put a plan together to transform the storm water holding

pond to a park. Council Member Furniss feels the cost for these plans should be on Sierra RV. They should put forth the effort to propose their plan. The Council was not in favor of selling the property, so Sierra RV should put forth the money and come in with a proposal to show what they are offering. Council Member Peay, Council Member Hadley and Council Member Snow agreed. Mayor Macfarlane will advise Sierra RV that it is up to them to provide the appraisal and their proposal.

- 13. Department reports:** Police Chief Eborn thanked Mr. Assmussen for the D.A.R.E. donation and said it will go far in the program. He said it has been nice working with Public Works Director Noyes and it will be hard to replace the wealth of knowledge that he has. Mayor Macfarlane and the City Council thanked Director Noyes for the job that he has done.

Treasurer/ Office Manager Youngdell reported they are still trying to get all the business licenses renewed. Those that have not been renewed are now in the first penalty stage. The tenants in the City rental home have moved out so Public works will go and check for damage. She also thanked Public Works Director Noyes, said she has enjoyed working with him and he will be missed.

Fire Fighter Andrew Sanchez is filling in for Chief Carter. The vehicle currently for sale has received two bids. He is working on a power point to show what the officers are in charge of. There is a new Medical Director that will be coming in for training next Thursday. He will charge the same as the prior Medical Doctor, which is \$6,000.00 annually.

Council Member Peterson made a motion to adjourn. Council Member Peay seconded the motion. The motion passed unanimously with Council Members Furniss, Hadley, Peay, Peterson and Snow voting yes.

The meeting adjourned at 10:15 p.m.

Approved – February 17, 2015

/s/Beverly K. Macfarlane, Mayor

/s/Susan R. Hale, Recorder