



APPROVED 6/12/17

Minutes of the
Millcreek City Council
Second Public Budget Meeting
Tuesday, June 6, 2017

Councilmembers present

Jeff Silvestrini – Mayor
Silvia Catten – Council District 1
Dwight Marchant – Council District 2
Cheri Jackson – Council District 3
Bev Uipi – Council District 4

Other present

Leslie Van Frank – Acting Recorder

Mayor Silvestrini called the meeting to order at 7:03 PM and led the audience in the Pledge of Allegiance.

The mayor invited public comment.

PUBLIC COMMENT

Josh Sherman, 2749 So Lake Street. Mr. Stewart lives near Nibley Park Elementary. He pointed out to the city council where there are several sidewalks missing, or gaps in the sidewalks. Some where kids walk.

Mayor Silvestrini indicated that the city is working on a sidewalk plan, and that there are many sidewalks in Millcreek that need attention. It's a budget issue.

Councilmember Cattan asked Mr. Sherman if he had neighbors who are also as concerned. 615 East is getting sidewalks this year. She indicated she did not know how long that process has been for them. She said that she knew that the neighbors worked together, and gave a petition to the county, and that was one of the reasons the county decided it was priority.

Mayor Silvestrini indicated that it's the city's job now. The city can get Mr. Sherman's concern on a priority list. The process is to put the concern on a spreadsheet, then evaluate it according to a variety of factors: Is it a route to school? Traffic count? How many pedestrians use it? Then the city's worst needs are identified and the money is put there. It's a monetary issue. The good news about this budget is that there'll be about \$2.3 million more than last year coming this fiscal year.

Mr. Sherman thanked the Council, and then asked where he would need to go for permits to put on a block party on July 15th on Claybourne. The Mayor explained that he can apply at Salt Lake County for a special events permit. He asked the date, and said that city representatives would like to come. He described the public engagement process the City is launching for visioning. The city would like to go to block parties, and collect input.

The public comment closed.

PUBLIC BUDGET HEARING:

Mayor Silvestrini announced that the only other matter on the agenda tonight is the proposed budget for the 2017-18 fiscal year.

Resident Lamont Tyler asked when the fiscal year is. The mayor responded that it is July 1 to June 30.

The mayor explained that the estimated budget for January-June 2017 had been a guess. The city had no information. In the end, we received only \$100,000 and lived within that. The rest of the funds that were received were paid to the MSD, and those must be paid to the MSD until the end of June. The mayor pointed out the Class C road funds revenue came in and went right back out to the MSD

The mayor then explained the sources of the city's revenue. The \$10 million in sales tax is a conservative number that the mayor estimated from information from the state tax commission, the Lewis & Young report, and Salt Lake County Mayor's finance. They all estimated \$10,400,000. We are being conservative. Councilmember Marchant pointed out that this doesn't include the sales tax on internet sales tax, and that this will be a bonus.

The mayor explained that the franchise taxes are only levied on cable television, and are not new taxes, but are the same ones the county collected before incorporation.

Telecom tax is based on telephones and cell phones that the state imposes for 911 services.

Permit revenues are based on historical numbers.

Sheriff's cell towers revenue comes in but goes directly off as expense.

Grants - \$75,000 from the Wasatch Front Regional Council and \$20,000 from Salt Lake County RDA, all earmarked to do general planning and write a new zoning ordinance.

The mayor explained that there was not enough information to provide a number for zoning and planning fees

The \$1.8 million in Class C road funds is from Lewis & Youg, confirmed by the County Mayor's office

Fines is for traffic violations – this revenue source is offset by court service costs

\$1.273 million is a distribution from the judgment levy the county has been collecting. Was used to refund property tax and to pay judgments. The history of risk incurred over years was only \$100,00 to \$200,000 per year, so the mayor lobbied to get it distributed to the city.

The city received \$400,000 in start-up funds from the MSD.

Mr. Tyler asked why the actual 2017 figures were so dramatically different than the 2017 budget. The Mayor explained that the 2017 budget estimate was a guess because the city had no figures at that time. In the end, the revenues were probably much greater, but it was mostly a net zero for Millcreek as Millcreek only had the \$100,000 initial grant spend. Otherwise, the MSD took all the revenue and paid all the expenses.

The mayor then explained the individual expense lines in the proposed budget:

\$193,000 is a total of rent, CAM, gas, electric, phones, custodial, etc. The numbers will probably be revised, for example, the rent costs and CAM will be less based on the finalized space the city will need. The city do the best we can to predict, and then make adjustments as the city go forward during the year.

Question from the public: Where is the new office? The mayor explained that it is located at 1300 East and 3300 S, one-half of the building. The city received a great lease rate. The shopping center is almost empty. The landlord wants the city there while they improve the site. Councilmember Marchant explained that the location is centrally located – east to west.

Question from the public: The rumor is that Fred Healey owns the property. The mayor explained, no, the city let an RFP to the whole city, and received several responses. Mr. Healey helped the council wade through those. The Mayor no, we let an RFP to the whole city. We rec'd responses. Fred helped us wade through those. Mayor explained what the space will look like.

The mayor then turned back to the budget expenses and explained individual items:

Courts – based on a contract with the county

The mayor explained why the city is negotiating with the county for services. The city is starting out self-providing services slowly. The plan is for just one department now. The contracts are for one year.

City manager salary – based on a number from consultant.

Councilmember Uipi joined the meeting at 7:39 PM

Software – is what the cost of data processing is estimated to be

Treasurer – based on a current contract with the city's finance director. The mayor explained the city's checks and balances system. An employee enters the checks. Councilmember Marchant (the city treasurer) and the mayor sign the checks. The finance director looks at the accounts every month. There is an audit every year.

Administrative – this is funds to hire people to help run the city. It includes salaries, and benefits for 2 to 3 people. The city will need to work with the city manager to see what's necessary. For example, there will need to be someone to answer phones.

Recorder – The recorder’s job is a lot of work. The current volunteer (the mayor’s wife) drafts agendas, keeps track of records, drafts ordinances and resolutions, publishes notices, does the website, and prepares the weekly email. The figure in the budget includes publication costs, and anticipates salary and benefits for a replacement for our volunteer recorder (who will not be hired).

Salaries and benefits for the council. These have not yet been decided, but the proposal is reasonable given what is being paid by other cities to mayors and council members. The mayor is working full time. He and the council members sit on other boards. To entice others to run once they are no longer involved, the salary and benefits must be sufficiently enticing to attract people other than those who are retired and can work for very little. This is a policy question. For now, the council is comfortable with the numbers shown in the budget.

Training – This keeps your leaders up to speed on how to best govern you.

Discussion among the mayor, the council, and the public about the volunteer time that’s been put in by consultants, the mayor, the council people, and the recorder

City attorney – John Brems, the current city attorney, has been working a lot recently. He writes ordinances, helps with hearings on planning issues, would defend lawsuits. The mayor talks to him two or three times a day. He has negotiated contracts with the county for services and the lease for our office space. Councilmember Marchant points out that the expenses so far are less than what we budgeted for 2017.

Non-departmental – is for consultants and training for employees.

Elections – this includes the primary election. This will be discounted if a primary is unnecessary.

Community outreach – this line item is to provide for a program similar to South Salt Lake’s Promise program, which provides after school training and tutoring, basically helping underprivileged kids or those who have language issues or underprivileged. The city has a sizeable refugee community.

Planning and zoning – this is a number based on the Lewis Young report. They surveyed eight different communities. This is an average of what they spend.

Community Planning - \$95K for general plan, funds for the CCs,

Animal control – the mayor explained that the city will be contracting with the County’s no-kill shelter, and outlined a few of the services that will be provided.

VECC – This is for the 911-emergency services program

Sheriff’s cell tower – has been broken out traditionally like this

The mayor continued to explain specific budget items, including that the city has almost \$3 million for capital improvements, in contrast to the \$667,00 spent in Millcreek last year, and what parks the city had inherited from the county.

Community development director – This is funds for a person to prepare the newsletter, keep up the website, and engage in community outreach.

Economic development – this person would help the city’s existing businesses thrive and attract new ones. This position will be Important to build the city

Communications is the expenses for the newsletter and website

Tenant improvements and startup is an estimate of the cost to get the office built out. Councilmember Jackson added that even with these expenses, the cost of housing city offices will be much cheaper than the other spaces that were considered, because of the discounted rent the city negotiated.

Lobbying – Mayor explained some of the legislation the city accomplished this year, and that the city will need more help next year. He explained the Utah League of Cities and Towns, and that they helped the city get an additional \$1.7 million for road projects out of the billion dollar bond the state authorized. The Council of Governments is an organization of all of the local mayors in the county, who meet and work on regional planning together.

Reserves – The mayor explained that the state requires 5% for reserves, and this budget includes 7.5%. The judgment levy funds helped fund this. A large fund balance will help with borrowing if such becomes necessary at some point in the future, for emergencies or for large capital projects (like redoing 1300 East). The mayor indicated that he is pleased that the city can fund reserves at a very healthy level.

Public comment – Thanked the mayor and council for a very thorough and detailed explanation.

Question from the public: A gentlemen wants to know why the planning and zoning number is so large; what goes into it?

The mayor explained that planning and zoning exists to make sure buildings are safe, and that plans comply with city zoning laws. Several planners will be required, plus the expenses of maintaining and updating a GIS system to keep track of underground utilities like the sewer and electricity. In addition, code enforcement, business licensing, building inspections are included, which will require several more employees. The budgeted expense also funds economic development, which requires another employee, plus the expenses of potentially enticing big projects to the city.

Question from the public: Is the county doing some of these tasks? The mayor explained that planning and zoning is being brought inhouse.

Question from the public: How many new positions will there be? The mayor indicated that it’s difficult to pinpoint. Right now, six people work on Millcreek projects in the county’s planning dept. The city will need several inspectors. Some cities have 50 people working for them. Millcreek doesn’t want to get that big that quickly, but the city is quite a bit larger than many neighboring cities.

With no more questions from the public, the mayor closed the public budget meeting, and thanked the public for attending.

Council member Jackson moved to close the meeting to convene in a closed session to discuss the character, professional competence, or physical or mental health of an individual, pending or reasonable imminent litigation, and the purchase, exchange, or lease of real property, as provided by Utah Code Annotated §52-4-205. Council member Catten seconded the motion. Motion passed by roll call vote with members voting as follows:

Councilmember Uipi – Aye

Councilmember Catten – Aye
Mayor Silvestrini – Aye
Councilmember Jackson – Aye
Councilmember Marchant – Aye

The meeting convened in closed session at 8:22 PM.

The meeting reconvened in open session at 9:20 PM. Councilmember Uipi moved to adjourn.
Councilmember Jackson seconded. The motion passed, and the meeting adjourned at 9:20 PM