



Midvale City
CITY COUNCIL MEETING
Minutes

Tuesday, March 03, 2015
Council Chambers
7505 South Holden Street
Midvale, Utah 84047

MAYOR: JoAnn Seghini

COUNCIL MEMBERS: Council Member Stephen Brown
Council Member Paul Glover
Council Member Paul Hunt
Council Member Quinn Sperry
Council Member Wayne Sharp

STAFF: Kane Loader, City Manager; Phillip Hill, Assistant City Manager/Community and Economic Development Director; Laurie Harvey, Assistant City Manager/Admin. Services Director; Rori Andreason, H.R. Director/City Recorder; Alan Hoyne, Interim Public Works Director; Stephen Black, Interim Public Works Director; Lisa Gardner, City Prosecutor; Chief Tony Mason, UPD Midvale Precinct; Chief Stephen Higgs, UFA; Danny Walz, RDA Director; and Jarin Blackham, IT Manager.

Mayor Seghini called the meeting to order at 6:30 p.m.

I. INFORMATIONAL ITEMS
A. DEPARTMENT REPORTS

Chief Mason announced changes in personnel at the Midvale precinct. A COP detective will be assigned to each Council member to contact them once a month to see if there are any issues that need to be addressed.

Chief Higgs said the fire truck will be at the St. Patrick's Day parade.

Phillip Hill discussed the fees related to the Good Landlord Program and the disproportionate fees being charged. The City's consultants listed the following fees that could be charged for rental units:

Participating Landlords (Good Landlord Program):

- Base fee: \$60.23 for new
- Disproportionate Regulatory: \$83.29
- Disproportionate Service: \$7.00

Non-Participating Landlords:

- Base fee: \$60.23 for new
- Disproportionate Regulatory: \$83.29
- Disproportionate Service: \$80.46 for single-family, \$42.38 for duplex, or \$33.42 for multi-unit

The participating landlords would pay the same base fee and disproportionate regulatory fees as the non-participating landlords. However, the disproportionate service fee is discounted for participating landlords.

The disproportionate regulatory fee is the additional cost to administer and regulate the rental units above the base cost (basically this is the cost to administer the Good Landlord Program). The disproportionate service fee is related to the number of police calls for service that are made per rental unit. So the participating landlords are receiving a break in the cost related to calls for service.

Stephen Black said the plows were out today due to the storm.

Councilmember Wayne Sharp asked about the island on 7200 South. He asked if it can be removed.

Phillip Hill said Jeff Neilson and Dell Loy Hansen have requested to talk with the Council one more time. He said he would like to take the Council on a tour of a couple projects prior to meeting with them, he felt it would be helpful. The Council agreed.

Rori Andreason discussed the ULCT conference in St. George.

II. CITY MANAGERS REPORT

Kane Loader said Councilmember Paul Hunt brought a raccoon problem to his attention. He asked the Council to give him the go ahead to find a solution to the problem even if the City has to pay to get it done. The Council agreed.

Mayor JoAnn B. Seghini opened the regular meeting at 7:00 p.m.

III. GENERAL BUSINESS

A. Welcome and Pledge of Allegiance

B. Roll Call – Council Members Stephen Brown, Paul Glover, Paul Hunt and Wayne Sharp, and Quinn Sperry were present at roll call.

IV. PUBLIC COMMENTS

Mike Paul, event coordinator for Cinco de Mayo, invited the scout masters that were present at the meeting to get involved in the Cinco de Mayo celebration. He said they would like to have a two day celebration this year, Friday, May 8th and Saturday, May 9th.

Mayor Seghini said Jesse Valenzuela would like to involve his CERT group to assist in the park during the celebration to reduce the number of police needed.

Mr. Paul discussed his fundraising efforts for the Boys and Girls Club as well as the Family Support Center. He said Midvale City will be the major sponsor for the event.

Kane Loader discussed costs to the City for the event.

Mayor Seghini suggested coming back with costs to the City for the two day event on March 17th.

Barry McClarin, district representative for Congresswoman Mia love, reported on what Congresswoman Mia Love is doing that can benefit the City.

V. COUNCIL REPORTS

A. Councilmember Stephen Brown – had nothing to report.

B. Councilmember Paul Glover – had nothing to report.

C. Councilmember Paul Hunt – had nothing to report.

D. Councilmember Quinn Sperry – Councilmember Quinn Sperry said he received an email from a resident regarding signs, banners and pawn shops in the City and how they advertise. He said this can be discussed at a later time.

E. Councilmember Wayne Sharp – Councilmember Wayne Sharp distributed the following letter and asked that it be put in the minutes:

“I think there were some ill feelings as results from a portion of the budget retreat. It has bothered me and I hope to make amends because the relationship between the Mayor, City Council, and Staff is very important to me. Sometimes I need to write things down to be clear and leave out the emotions. Concerns were expressed and comments were made regarding programs for the poor and the needy. It was suggested that the people of Midvale do not want to help them in any way. I would like to clarify and in defense of myself, and many Midvale residents point out a few facts.

1. Yes there are some who do not want to help in any way but they are forced to pay and help through Federal and County taxes.
2. I voluntarily donate a percentage of my income directly to the needy through my church.
3. I know thousands of Midvale residents who also donate to their church or charities for the same reason.
4. Thousands of hours are donated yearly by Midvale residents to different programs that directly help the needy.

If anyone questions the above facts you can contact me personally and I will give you many examples.

To say the people of this community do not care about or want to help provide is not a fair statement. There are many avenues in this county for individuals to donate or help on a personal level or as collective group if they choose.

I have heard countless comments from citizens which I agree with that it should not be a function of Midvale City to provide or subsidize such services to be funded by those who wish to donate elsewhere. To be clear, please do not use Midvale resident's tax dollars for these programs. Most residents do care and want to help but they want to do it in their own personal way."

Councilmember Wayne Sharp said a gentleman would attend a Council meeting to discuss displaying artifacts from the museum. Kane Loader said he would schedule that for March 17th and have the Historic Society report as well.

Councilmember Wayne Sharp commented on Nobel Prize Candidate from Hillcrest High. Link to News Article:

<http://www.kutv.com/news/features/top-stories/stories/Hillcrest-High-School-senior-on-track-to-win-Nobel-Prize-in-Physics-90669.shtml>

VI. MAYOR REPORT

Mayor JoAnn B. Seghini – reported that they have been busy at the legislature.

VII. CONSENT AGENDA

A. APPROVE MINUTES OF FEBRUARY 10 & 17, 2015

MOTION: Councilmember Wayne Sharp moved to approve the consent agenda. The motion was seconded by Councilmember Paul Glover. Mayor Seghini called for discussion on the motion. There being none the Mayor called for a roll call vote. The voting was as follows:

Council member Stephen Brown	Aye
Council member Paul Glover	Aye
Council member Paul Hunt	Aye
Councilmember Wayne Sharp	Aye
Council member Quinn Sperry	Aye

The motion passed unanimously.

VIII. ACTION ITEMS

A. CONSIDER RESOLUTION NO. 2015-R-12 AUTHORIZING THE EXECUTION OF AN AGREEMENT BETWEEN MIDVALE CITY AND THE REDEVELOPMENT AGENCY OF MIDVALE CITY FOR THE PLACEMENT OF ARTIST'S COMMISSIONED WORK

Danny Walz said on January 14, 2014, the Redevelopment Agency of Midvale City Board of

Directors approved creation of the Bingham Junction Art Program. The goal of the program is to integrate public art into private development or public spaces. Funding is approved and allocated through the Agency's annual budget.

Over the past year, Agency staff has been working on the location, solicitation and selection of the first piece to be commissioned as part of the program. The chosen site is situated along the Jordan River, adjacent to the FLSmith corporate headquarters. Because the location is within the City's open space, the Agency is proposing a license agreement.

The agreement provides for the placement and artist's installation of the selected art piece. As part of the agreement, the Agency assumes responsibility for contracting with the individual artist as well as paying for the installation and ongoing maintenance of the piece. At a future point in time the Agency may or may not transfer ownership of the piece, as well as maintenance funds, to the City. The license agreement becomes void in the event the artwork is removed from the location.

The agreement has been drafted by the City Attorney and is subject only to minor revisions as necessary. If the Council is comfortable with the terms staff recommends approval of the resolution and execution of the agreement.

FISCAL IMPACT: The projects costs are funded as part of the Redevelopment Agency's 2014 FY budget. Ongoing maintenance costs will be provided by the Agency with the potential that ownership of the art piece as well as maintenance reserve funds could be transferred to the City.

He said the art will be placed east of FLSmith property along the Jordan River on Midvale City Property.

ACTION: APPROVE RESOLUTION NO. 2015-R-12 AUTHORIZING THE EXECUTION OF AN AGREEMENT BETWEEN MIDVALE CITY AND THE REDEVELOPMENT AGENCY OF MIDVALE CITY FOR THE PLACEMENT OF ARTIST'S COMMISSIONED WORK

MOTION: Councilmember Stephen Brown moved that we approve Resolution No. 2015-R-12 authorizing the execution of an agreement between Midvale City and the Redevelopment Agency of Midvale City for the placement of Artist's commissioned work. The motion was seconded by Councilmember Quinn Sperry. Mayor Seghini called for discussion on the motion. There being none the Mayor called for a roll call vote. The voting was as follows:

Council member Paul Glover	Aye
Council member Paul Hunt	Aye
Councilmember Wayne Sharp	Aye
Council member Quinn Sperry	Aye
Council member Stephen Brown	Aye

The motion passed unanimously.

IX. DISCUSSION ITEMS

A. LEGISLATIVE UPDATE

Kane Loader introduced Dave Spatafore, Lobbyist, who updated the Council on the legislative session and bills that may affect the City.

B. DISCUSS CONVENIENCE FEES AND CREDIT CARD FEES

Laurie Harvey discussed the following information regarding convenience fees and credit card fees.

Bank account analysis fee

- Approximately \$7,500 per year
- Has been decreasing over time
 - Average \$9,800 FY 2008-2011
 - Average \$7,500 FY 2012 – 2014

Xpress Bill Pay fee

- Third party on-line payment service
- Approximately \$14,000 per year
- Increasing over time
 - \$2,600 in FY 2009 - \$13,700 in FY 2014
- Flat fee per transaction – less than 50 cents
- 3,500 payments processed per month – over 40,000 per year
- Efficient, uploads directly to our accounting software.

Merchant fees

- Fees assessed by credit card companies – approximately \$50,000
 - Average 1.5% for Visa/Mastercard (\$42,000 per year)
 - Average 2.1% for American Express (\$8,000 per year)
- Volume and cost is increasing – has doubled since 2009

Customer payment preferences

- Approximately 1/3 of our customers pay via credit card
- Of those customers, 80% pay online
- More than 1/2 of court fine payments are paid via credit card

Types of fees allowed

- Surcharges
- Service fees
- Convenience fees

Surcharges

- Percentage based
- Can be charged in any payment channel (over the counter, online)
- Allowed on “auto-pays” (monthly utility bills, for example)

- Allowed on credit transactions, disallowed on debit transactions
- Xpress Bill Pay does NOT support surcharges
- Potential annual revenue - \$25,000

Service fees

- Percentage based
- Can be charged in any payment channel
- Allowed on “auto-pays”
- NOT allowed on utility payments (separate rate available)
- Xpress Bill Pay supports service fees
- Potential annual revenue - \$25,000

Convenience fees

- Only flat fees allowed
- Can only be charged in an alternative payment channel
 - Cannot charge at payment window
- NOT allowed on “auto-pays”
- Xpress Bill Pay supports convenience fees
- Potential annual revenue with \$2 fee - \$30,000

Considerations

- Going green
- Businesses accept credit cards to stay competitive
 - Midvale City customers can't go elsewhere to purchase services
- More efficient payment processing keeps staff levels down
- Staff has encouraged customers to use online methods
- Providing a convenient payment method softens the blow of having to pay a court fine
- Fewer returned items
- No single type of fee charges all credit card users – hit and miss

Other options

- Discontinue accepting American Express – savings = \$2,000 per year
- Pursue “utility rate” options – savings = \$12,000 per year

Comments

From Jared at Xpress Bill Pay: “I realize that other companies may not be complying with the rules regarding fees, but I assure you these are the rules. If needed, I can direct you to the correct sections in Visa’s rules and regulations”

MOTION: Councilmember Paul Hunt moved to open public comment. The motion was seconded by Councilmember Wayne Sharp. Mayor Seghini called for discussion on the motion. There being none the Mayor called for a vote. The motion passed unanimously.

Deloris Pahl, Midvale resident, said that she hates fees. She would rather drive to City hall to make a payment to avoid a fee to pay online. She suggested promoting Xpress Bill Pay.

MOTION: Councilmember Wayne Sharp moved to close public comment. The motion was seconded by Councilmember Paul Hunt. Mayor Seghini called for discussion on the motion. There being none the Mayor called for a vote. The motion passed unanimously.

The Council instructed staff to move forward with the utility rate option as well as discontinuing the acceptance of American Express and adding a convenience fee of \$2.00.

C. DISCUSS BUDGET RETREAT FOLLOW-UP

Kane Loader said he decided to put this item on the agenda to get additional direction from the Council in order to prepare the City budget.

Laurie Harvey reviewed the following discussion points from the Budget Retreat for the FY2016 budget:

Options for increasing revenues

- One-time assessment of G.O. Bond obligation - \$405,000
 - \$35 per year for owner of \$200,000 home
 - \$335 per year for owner of \$1 million business
- Reduction of Fund Balance to 12% - \$260,000
 - Considering fleet fund reserves, 16.4% balance
- Increase street lighting fee to cover operating costs - \$130,000
 - Residential rate of \$2.00 per month would increase to \$3.20
 - Commercial rate of \$6 per month would increase to \$9.60

Ongoing budget requests included in projections

- Warrants service – constable’s office - \$30,000
- Monthly newsletter – net cost of \$22,000
- Contract for landscaping – estimated at \$50,000
- Potential property insurance increase – estimated at \$15,000
- Full-time bailiff coverage of Court entrance - \$20,000
- 2% merit increases - \$60,000
- UPD contract increase – 3.6% - \$220,000

Ongoing budget requests not included in projections

- Increasing mayoral position to full time - \$50,000
- Additional FTE for parks - \$48,000
 - Plus one-time costs of \$30,000 for vehicle
- Additional FTE for sewer operations - \$48,000
 - Plus one-time costs of \$30,000 for vehicle
- Additional FTE – Fleet/Facilities Manager

One-time budget requests included in projections

- Lobbyist - \$35,000
- Repair of cemetery road - \$25,000
- Copy machine for public works - \$20,000
- Warrants clerk in Court - \$25,000
- Arts Council contribution - \$21,000
- Boys & Girls Club contribution - \$20,000
- Elections - \$28,000
- Sweeper/tractor for building maintenance - \$20,000
- Network security analysis - \$10,000
- Cemetery plat map - \$5,000
- Grant writers - \$15,000
- Trench shoring equipment (water) - \$6,000
- Sewer master plan (sewer) - \$20,000

One-time budget requests NOT included in projections

- Asphalt overlay for P.W. parking lot - \$40,000
- Fence along west side of cemetery - \$25,000

The Council – agreed to eliminate the cemetery plat map, lobbyist, and cemetery road repair for FY2016.

The Public Works copy machine can be partially paid by the Enterprise Funds as well as the network analysis. The sweeper/tractor can be paid through by the Fleet Fund.

MOTION: Councilmember Wayne Sharp MOVED to move into the Redevelopment Agency Board Meeting, close the City Council Regular meeting temporarily, and then reopen the City Council meeting. Councilmember Stephen Brown SECONDED the motion. Mayor Seghini called for discussion on the motion. There being none, she called for a vote. The motion passed unanimously.

The Council recessed to hold the Redevelopment Agency Meeting at 9:41 p.m.

The Council reconvened into open session at 9:58 p.m.

X. CLOSED SESSION TO DISCUSS THE CHARACTER, PROFESSIONAL COMPETENCE, OR PHYSICAL OR MENTAL HEALTH OF AN INDIVIDUAL

MAYOR: JoAnn Seghini

COUNCIL MEMBERS: Council Member Stephen Brown
Council Member Paul Glover
Council Member Paul Hunt
Council Member Quinn Sperry
Council Member Wayne Sharp

STAFF: Kane Loader, City Manager; Phillip Hill, Assistant City Manager/Community and Economic Development Director; Laurie Harvey, Assistant City Manager/Admin. Services Director; Rori Andreason, H.R. Director/City Recorder; Lisa Gardner, City Prosecutor; Chief Danny Walz, RDA Director; and Jarin Blackham, IT Manager.

MOTION: Councilmember Paul Glover **MOVED** to go into a closed session to discuss the character, professional competence, or physical or mental health of an individual. Councilmember Quinn Sperry **SECONDED** the motion. Mayor Seghini called for discussion on the motion. There being none the Mayor called for a roll call vote. The voting was as follows:

Council member Stephen Brown	Aye
Council member Paul Glover	Aye
Council member Paul Hunt	Aye
Councilmember Wayne Sharp	Aye
Council member Quinn Sperry	Aye

The motion passed unanimously.

The Council went into closed session at 9:58 p.m.

MOTION: Councilmember Paul Hunt **MOVED** to reconvene into open session. Councilmember Stephen Brown **SECONDED** the motion. Mayor Seghini called for discussion on the motion. There being none, she called for a vote. The motion passed unanimously.

The Council reconvened into open session at 10:30 p.m.

XI. ADJOURN

MOTION: Councilmember Wayne Sharp **MOVED** to adjourn the meeting. Councilmember Stephen Brown **SECONDED** the motion. Mayor Seghini called for discussion on the motion. There being none, she called for a vote. The motion passed unanimously.

The meeting adjourned at 10:30 p.m.

Rori L. Andreason, MMC
CITY RECORDER

Approved this 17th day of March, 2015.