



MIDVALE CITY
CITY COUNCIL WORKSHOP MEETING
Minutes

Tuesday, February 9, 2016
Council Chambers
7505 S. Holden Street
Midvale, Utah 84047

MAYOR: JoAnn Seghini

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

STAFF: Kane Loader, City Manager; Laurie Harvey, Asst. City Manager/Admin. Services Director; Rori Andreason, H.R. Director/City Recorder; Bob Davis Public Works Director; Danny Walz, Redevelopment Agency Director; Dalin Hackett, Asst. Finance Director/City Treasurer; David Starkey, Senior Accountant; Christopher Butte; Economic Development Director; and Jarin Blackham, IT Manager.

Mayor Seghini called the meeting to order at 6:36 p.m.

I. DISCUSSION ITEMS

A. DISCUSS PROPOSED BUDGET AMENDMENTS

Laurie Harvey discussed proposed budget amendments for the Fiscal Year 2016 budgets as follows:

General Fund

- New Grants
 - Utah Department of Public Safety - \$10,000
Emergency Management Performance Grant-Volunteer Outreach/EOC equipment
 - U S Department of Justice - \$15,000
2015 Justice Assistance Grant (JAG) – pass through to UPD for LIDARS
 - State of Utah - \$1.2 million
Improvements to 7200 South between 700 East and Union Park Avenue (CIP)
 - Utah Local Governments Trust - \$7,300
Trust Accountability Program Grant - \$3,000 for employee rewards, \$4,300 for safety equipment
 - Federal Transportation Administration - \$104,000
80% of the cost for two new vans for Senior Center – City's match is \$26,000

General Fund

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- Grant Carryovers from FY 2015
 - Federal Highway Administration (Wasatch Front Regional Council) - \$193,900
Holden Street (CIP)
 - Salt Lake County - \$45,100
Pass-through grant for Boys & Girls Club
 - Salt Lake County Tourism, Recreation, Cultural and Convention grant - \$450,000
Splash Pad in Midvale City Park
 - US Department of Justice - \$18,800
2014 Justice Assistance Grant (JAG) – pass through to UPD for ballistic vests

General Fund

- Adjustments to grants
 - Environmental Protection Agency – (\$94,900)
Grant for site coordinator ended
 - State of Utah Department of Health – (\$48,700)
 - Abstinence Education grant now paid directly to Communities Building Communities
 - State of Utah – B&C Road Funds - \$100,000
Bi-monthly distributions are 10% higher than prior year (85,000)
Adjust estimated revenue from 5 cent increase in gas tax (\$15,000)

General Fund

- Adjustments to expenditure budgets
 - 20% match for two vans (federal transportation grant) - \$11,000
Balance of match (\$15,000) will come from sale of existing van (Fleet Fund)
 - Portion of fee for lobbyist - \$15,000
\$90,000 contract split between General Fund, RDA, and developers
 - Urban Wildlife program - \$6,900
 - Repairs to Police Station roof - \$4,200
Balance to repair roof is already funded in CIP
 - Utilities for City buildings - \$10,000
 - Street striping - \$30,000
Program has been underfunded prior two years

General Fund

- Adjustments to expenditure budgets (continued)
 - Professional services – building inspections - \$25,000
 - New FTE – Facilities Manager - \$25,000
Funding for March – June of 2016
- Total requests for adjustments to expenditures - \$127,100
 - Reduction in transfer to Telecommunications Fund - \$47,500
 - Sales tax revenue \$79,600

Enterprise Funds

- Water

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- Additional FTE - \$31,000 (January-December)
Covered by user fee surplus
- Sewer
 - South Valley Water Reclamation Facility operations costs - \$200,000
 - Damage contingency - \$16,000
Covered by sewer connection fee surplus (75,000) and Fund Balance

A public hearing is scheduled for next week on the proposed budget amendments.

B. MID-YEAR BUDGET REVIEW

Dalin Hackett discussed the mid-year budget review as follows:

General Fund Revenues

Total revenue budgeted - \$15.1 million

- Telecom tax - \$50,000 short of \$430,000 budget
- Sales tax - \$450,000 over the \$6.0 million budget
- Building permits/plan check fees - \$400,000 over the \$650,000 budget
- B&C road funds - \$100,000 over the \$895,000 budget

*Estimated revenue - \$800,000 over budgeted revenues

General Fund Expenditures

- Total expenditures budgeted - \$16.1 million
- Estimated expenditures - \$400,000 less than budget

General Fund Summary

- Revenues greater than budget by \$800,000
- Expenditures less than budget by \$400,000
- Surplus of \$1.2 million
 - Cont. from fund balance of \$1.0 million
 - Proposed budget amendments \$200,000

Rainy Day Fund

- Balance as of June 30, 2015 - \$2.7 million
 - 17% of General Fund Budget
- Appropriated to FY 2016 Budget – 1.0 million
 - Drops to 10%
- Estimated appropriation required = \$0
- Fleet Fund reserves - \$740,000 belonging to General Fund
 - Adds 5% - total 22% of General Fund Budget

Public Utilities Fund – Water

- Revenues and expenses are on target with budget
- Temporary part-time meter tech in FY2016

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- Help with solving meter issues
- Will not affect budget – turnover savings available
- Contribution from fund balance - \$300,000
 - For capital projects
 - Healthy cash reserves

Public Utilities Fund - Sewer

- Sewer user fees are on target with budget
- Connection fees are \$75,000 over the \$25,000 budget
- Expenses are on target with budget
 - Unexpected charge from SVWR of \$175,000
- \$350,000 contribution from fund balance
 - Reserves at 6/30/16 = 45 days of operations
 - Reserves may go into a negative position in FY2017

Storm Water Enterprise Fund

- Revenues and expenses are on target with budget
- Cash reserves
 - Healthy in terms of funding operations
 - Debt coverage ratio not adequate
 - Additional personnel needed in near future

Street Lighting Enterprise Fund

- Revenues and expenses are on target with budget
- Cont. from fund balance of \$270,000 budgeted and expected
 - Fund balance essentially \$0

Sanitation Enterprise Fund

- Revenues and expenses are on target with budget
- Fund balance adequate to cover 90 days of operations

Telecommunications Enterprise Fund

- User fees (CUE contracts) are on target
- Expenses \$50,000 less than budget
 - No UIA opex in FY2016

Summary

- General Fund – dipping into fund balance for FY2016 not expected
- Sewer and storm water funds are struggling – recommended rate increases likely
- Fleet fund is overfunded – may see rebates back to funds in FY 2017 (100,000 - \$200,000)
- Budget Retreat – March 16th (Wednesday)

Councilmember Glover said the intent of the City Council now is to reduce and/or eliminate the street lighting fee once the bonds are paid off.

C. DISCUSS TRANSIT ORIENTED DEVELOPMENT ZONE

This item has been rescheduled until February 16, 2016.

D. REVIEW MIDVALE CITY WEBSITE DESIGN

Jarin Blackham previewed the new Midvale City website design with the City Council.

The Council agreed to proceed and asked staff to look into advertising Midvale businesses on the website and charging a fee to do so.

III. ADJOURN

Mayor Seghini adjourned the meeting at approximately 8:21 p.m.

Rori L. Andreason, MMC
CITY RECORDER

Approved this 16th day of February, 2016.