

South Salt Lake City Council  
Work Meeting Agenda

Public Notice is hereby given that the **South Salt Lake City Council** will hold a Work Meeting on **Wednesday, May 21, 2014** in the City Council Chambers, 220 East Morris Avenue, **commencing at 6:00 p.m.**, or as soon thereafter as possible.

Conducting: Irvin H. Jones, Jr., Council Chair

**MATTERS FOR DISCUSSION:**

1. Business License Fees
2. Budget Discussion

**Motion for Closed Meeting**

THOSE NEEDING AUXILIARY COMMUNICATIVE AIDS OR OTHER SERVICES FOR THIS MEETING SHOULD CONTACT CRAIG D. BURTON AT 801-483-6027, GIVING AT LEAST 24 HOURS' NOTICE.

CRAIG D. BURTON  
CITY RECORDER  
May 16, 2014

Each of the Deseret News and Salt Lake Tribune was advised of the Work Meeting of the Council to be held Wednesday, May 21, 2014 by fax transmittal of the foregoing agenda on Friday, May 16, 2014.

Dated this 16<sup>th</sup> day of May, 2014.

  
\_\_\_\_\_  
Craig D. Burton, City Recorder

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

The undersigned, duly qualified and acting City Recorder of the City of South Salt Lake, does hereby certify that on the 16<sup>th</sup> day of May, 2014, pursuant to Utah Code Annotated Section 52-4-202 (1953), as amended, there was posted (at least 24 hours prior to the meeting time) at the regular meeting place of the City Council of the City of South Salt Lake, written Notice of the Agenda of the Work Meeting of the Council, a copy of which is attached and incorporated herein as Exhibit "A." The undersigned does further certify that there was mailed or delivered to all persons shown on Exhibit "B," Notice of Agenda of the above mentioned work meeting, a copy of which is attached hereto and incorporated herein.

Name: CRAIG D. BURTON  
Title: CITY RECORDER

Signature: 

Witnessed the 16<sup>th</sup> day of May, 2014 by  
Name: SHERI MILLER

Signature: 



**CITY COUNCIL**

SHARLA BEVERLY  
RYAN GOLD  
IRVIN JONES  
KEVIN D. RAPP  
MIKE RUTTER  
DEBBIE SNOW  
ROY TURNER

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**CHERIE WOOD**  
MAYOR

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CITY OF SOUTH SALT LAKE  
CITY COUNCIL WORK MEETING

COUNCIL MEETING

Wednesday, May 21, 2014  
6:00 p.m.

CITY OFFICES

220 East Morris Avenue #200  
South Salt Lake, Utah 84115

PRESIDING  
CONDUCTING

Council Chair Irvin Jones  
Council Chair Irvin Jones

COUNCIL MEMBERS PRESENT:

Sharla Beverly, Ryan Gold, Irvin H. Jones Jr., Kevin Rapp, LeRoy Turner,  
Michael Rutter and Debbie Snow

STAFF PRESENT:

Mayor Cherie Wood  
Lyn Creswell, City Attorney  
Charee Peck, Chief of Staff  
Kyle Kershaw, Finance Director  
Frank Lilly, Deputy Community Development Director  
Michael Florence, Community Development Director  
Paul Roberts, Deputy City Attorney  
Craig Burton, City Recorder  
Kayla Moss, Deputy City Recorder

OTHERS PRESENT:

See Attached List

**Matters for Discussion**

- 1. Business License Fees.** Council Chair Jones advised that they were presented with three proposals last meeting. He contacted eight businesses in his district and they told him that no one likes their taxes raised but they understood why it needed to be done.

Council Member Rutter advised that he has talked to two businesses that were not happy with the old fees, let alone the new fees. He does realize, however, that there is a gap to fill of \$1.8 million. He would like to see the City ran more like a business. This is a prudent business decision to look at the fees to make sure they are fair and equitable.

Council Member Rapp mentioned that landlords are left off of the list. Sixty-six percent of the City housing is occupied by renters. He thinks their fees should be looked at as well.

Council Member Rutter thinks that rentals should be looked at differently than businesses. He is a landlord and can only charge fair market rate for his unit. If he raises rates too high he will lose his tenants. Businesses have more flexibility in ways of generating revenue.

Others at the meeting were in disagreement with the statement Council Member Rutter made.

Council Member Beverly thinks that the non-prepay gas stations should have a raise in rates because of the issues that are had there.

Council Member Rapp agreed. They are costing the City money by having so many service calls. They should be held accountable to pay for those services. He is not prepared to accept any of the options presented for business license fees as a whole until landlords are addressed.

Paul Roberts, Deputy City Attorney, advised that there are a couple ways of looking at the landlord fees. You can increase the administrative fees by a flat rate, or you could increase a per unit fee which would give you a bigger bang for your buck. There are about 1,000 licenses in the City right now for rental and about 3,500 units of multi-family housing.

Council Member Snow noticed the City does not charge a base administrative fee for rentals currently. There is only a per unit fee of \$24. Other communities charge at least \$100 for the base fee. She thinks this could be charged without hurting the landlords to have competitive rental pricing.

Mr. Roberts advised that if you impose the base fee it will impact the single family homes more than it would the apartments. The biggest apartment complex in the City is Mission Meadowbrook with over 400 units. They pay about \$10,000 a year in fees. If the unit charge were doubled that would bring it to about \$20,000.

Council Member Gold would like to see other things cut from the budget before raising rates for the businesses in the City.

Council Member Rutter mentioned that some businesses will be less impacted than others. Some will have increases that aren't that substantial. He thinks that the fees need to be looked at more often. An incremental increase helps to fill the gap of the \$1.8 million. He would like to see a change in landlord fees as well. He would like to see the increase of fees bring in about \$200,000. He thinks the fee increase proposed of 85/65/15 is reasonable. He does not want to raise property taxes or business license fees if there are other solutions, but it is a cost of doing business. He hasn't heard a major cry from businesses that the increases are unreasonable, he has only heard a few businesses complain.

Council Member Gold advised that the businesses he has talked to are okay with the increase as long as they see an effort from the City to cut back on spending, and that they

are going to see a return for their money. He likes the 85/65/15 option the best as well. He agrees that the City need to make an effort to cut back on spending as well.

Council Member Beverly likes the idea of option one. She would like to see the convenience store non-prepay increased however.

Council Member Turner would like to see the convenience store non-prepay bumped up. He then made other comments that were inaudible.

Council Member Rapp gave his opinion on the business license fees options but they were inaudible.

Council Member Snow would like to see option number two with a more equal increase across the board. She also would like to find ways to mitigate the increase and meet half way by decreasing costs that the City has and increasing the cost of the good landlord program.

Council Chair Jones likes option two with the equal increase across the board, with the exception of the convenience store prepay. He thinks it should be bumped up to 30%. He is okay with any of the options but would prefer that one.

- 2. Budget Discussion.** Council Chair Jones pointed out that in the Capital Fund tentative budget there has been \$50,000 devoted to website development. That includes the redesign of the website and also online payment options.

Council Member Rapp does not think that the Mayor needs a new vehicle purchased. He does not see how that benefits the citizens of the City. He thinks the money would be better spent on a street sweeper.

Council Chair Jones agreed that it may not be necessary.

Council Member Turner pointed out that in past years the City has not kept its fleet up and then it ends up costing more money to maintain in later years. He thinks that needs to be considered when making the decision to replace the Mayor's vehicle or not.

Council Chair Jones requested more money for public works to make sure we are maintaining the roads instead of having a greater cost to replace them in the future.

Council Member Gold is concerned that those who have a City vehicle and take it home are using the vehicle as their main mode of transportation outside of work as well.

Lyn Creswell, City Attorney, advised that there is a specific policy regarding use of City vehicles that are brought home.

Mont Roosendaal, Fleet Manager, advised that outside use could affect wear and tear and depreciate the value of the vehicle. The majority of take home vehicles are police officers. There are specific rules of what they can and cannot do with the vehicles. If they

are on their way home and want to stop at the store that would be permissible. They are not allowed to use their vehicle to go to the store on their off time. The reason for officers to bring their vehicle home is to be able to respond to calls.

Council Member Gold would be curious to see what mileage is used outside of working hours.

Mr. Creswell advised that not all officers are on call when they are off duty, only a select number. All of the officers under State Statute are 24/7 law enforcement officers throughout the State. They are category I officers. The State expects them to respond if they see a crime in action. The City gives them the vehicle so that they can do that. It does not mean the vehicle has to be with them all the time but that is one of the reasons why they take their vehicles home. Almost all police departments do that.

Council Member Gold wondered if vehicle use is the same with the Fire Department.

Mr. Roosendaal advised that Battalion Chiefs have an assigned take home vehicle for similar reasons. There are five of those vehicles. When they are on duty they have a specially designed vehicle to be able to perform all of the functions they need. The take home vehicles are equipped with code equipment and radios. They are called out a lot. There is an offset fee for police officers that live outside a certain radius of the City. In the new fleet policy it will include all take home vehicles. The rates have also been raised for those traveling a distance in City vehicles.

Currently the fleet in the Police Department is in critical status. Some vehicle replacements have been put off for too long. Public Works is another big area that needs improvement. The Fire Department is fine. The administration including the Parks Department, Recreation, Mayor's Office, Building Department, and Urban Livability has some need but has been cut back quite a bit. Police and Public Works are in the worse condition.

Council Member Rutter asked if they cut back vehicles in every category but Police and Public Works if the City would still function.

Mr. Roosendaal advised that yes it would but the other departments still need vehicles, that's how jobs are done. The needs for the other departments were put of the current budget year already.

Council Member Turner advised that he understands where Council Member Rutter is trying to save money on vehicles but he doesn't want to go back to where the City was in the past with worse problems when they aren't replaced.

Council Member Gold wondered if every vehicle replacement listed was essential.

Mr. Roosendaal responded that they all are.

There was discussion on whether some of the vehicles that are issued are perks or not.

Mont advised the Council that there is about \$85,000 worth of lawn mowing equipment owned by the City currently. They will last about 10-15 years and get a low of use out of them.

Mayor Wood advised that a lot of property maintenance is accomplished through community service workers. About \$220,000 of community service a year is property maintenance.

Council Member Rutter would like to see a two percent cut across the board in all departments. He wanted to know what that would do.

Kyle Kershaw, Finance Director, advised that each department head would have to tell the Council the ramifications from that. They have asked for cuts since about 2008 when the recession started. The cuts may not be evident because they ask for a two percent cut one year but then the next year the department moved money around because one area was short so money was transferred. There are certain increases in the non-personnel area that are mandated and will increase. Contracts with VECC and waste collection make avoiding increases more difficult. Gasoline prices fluctuate so much that there may be a decrease one year and an increase the next.

Council Member Rutter wanted to know if the two percent cuts could be made in employees and benefits and what affect that would have.

Mr. Kershaw advised that you would be talking lay-offs then. The Council is considering a raise for employees currently. The raises will have to be taken off the table if a solution isn't found for them this budget year. To decrease personnel costs is to decrease people at this point. There aren't line items in the budget for personnel that aren't tied to a staffing level.

Council Member Gold asked if contracts with providers are renewed annually.

Mr. Kershaw advised that the contract with ACE waste management has been extended for three years and they build in costs for inflation based on the consumer price index. VECC gets presented a budget and they have the same issues the City does with employees and costs. The increases then get passed on to the City.

Council Member Gold asked if the City has people who are contracted instead of being employees.

Mr. Kershaw answered yes.

Council Member Gold asked if the contracts with those people are renewed annually or is there something written in their contract that gives them an increase each year. He also asked if there are employees of the City that have a contract that call for increases.

Mr. Creswell advised that no contract that they have in the City has an automatic increase over time. They may renegotiate terms of a contract but they don't have any contract he

is aware of. If they do it is a select number which kind of escalates from year to year. For example the public defenders have been given one increase over the last four years and that's because the market kind of drove it. Most of the other contracts are pretty stable.

Council Member Snow thinks that the professional services line items may have some discretion to be reduced. The admin professional services budget has increased by \$20,000 in the last two years. Court has increased by \$100,000.

Mayor Wood advised that the Court increase is because the bailiff services were contracted out instead of being employed by the City.

Mr. Creswell advised that a lot of the professional services costs are tied to projects. When the streetcar project started those costs increased. That amount will go up and down depending on what is happening in the City.

Council Member Snow would like to see the professional services broken down more so that they can decide whether everything is essential or not.

Mr. Kershaw advised that they could put a schedule together of what is comprised in each of the amounts.

Council Member Rutter asked what was going on with health insurance. He wonders if the City wants to get out of the health insurance business and just pay employees to get their own.

Mr. Kershaw advised that the affordable care act would prevent the City from being able to do that. The City is an employer above 50 employees so the City has to provide medical benefits. The City's employee group has spent a few months deliberating over medical insurance. They have done a fantastic job at finding options. The City isn't paying for any increases in medical insurance. The City has a set amount that is paid towards medical insurance. Anything above that is the employee's responsibility. The best the City could do this year with current health plans was an eleven percent increase. The plans have been changed significantly where most employees would end up going to an HSA qualifying high deductible plan. By doing this the costs decreased a little bit. The City hasn't had any increase in medical insurance for the past two to three years. Costs are not going to go down with the new laws in regards to health care.

Council Member Rapp made a comment that was inaudible to the recorder.

The Mayor advised him after his comment that there is a high amount of the elderly population that don't have access to the internet. The newsletter has a new format and the costs for printing are only about a third of what they were. The newsletter line item also includes PR for the City, not just the printing costs.

Council Member Rapp would like to see how many people are actually residents that participate in the programs provided by the Recreation department. He would like to see the tax payer dollars going to benefit the citizens.

Someone advised him that those that don't live in the City are charged a higher rate.

**1. Business License Fees- Continued.** Mr. Roberts presented new options for the business license fees including options for rental housing. There are 506 single family homes that are on the good landlord program. There are 188 apartment complexes that are on the program. They currently don't pay a base fee. The option presented keeps the single family homes without a base fee and increased the apartment complex to a \$100 base fee. Currently the per unit fee is \$24. The option would be raised a dollar per month per unit to \$61. The sticker shock is harder for single family homes so it isn't being increased at this time. With that increase there will be about \$66,000 extra being brought in every year. They also dropped some of the percentage of increase for certain business categories.

Meeting adjourned at 8:03 p.m.



Irvin H. Jones, Jr., Council Chair



Craig Burton, City Recorder



## Good Landlord Fees of Surrounding Jurisdictions

Jurisdiction	Fees	Notes
Salt Lake City	\$114 + \$20/unit	
Midvale	\$80 + \$7/unit	
West Valley	\$110 + \$20/unit	Owners of 1 or 2 units are exempt from base fee
N. Salt Lake	\$100 + \$29/unit	Apartments only
Taylorsville	\$90 + \$15/unit	SF Rental fee is \$20
West Jordan	\$75 + \$7/unit	\$50 Application Fee
S. Jordan	Varies by sq ft?	Only for 4+ complexes
Ogden	\$83/bldg, \$7/unit	\$13/SF, \$12/Dup., \$3/Owner occupied duplex

## Fees in Jurisdictions without GLL Program

Jurisdiction	Fees	Notes
Salt Lake Co	\$150 fee	
Murray	\$100 + \$6/empl. + \$6/unit	
Sandy	\$140 + \$11/emp. + \$17/unit	
Draper	\$75 + \$3/unit	
Cott. Hghts.	\$120	\$170 initial application, \$25 inspection fee/location
Riverton	\$200	General License Fee
Lehi	\$80	General License Fee
Provo	\$20 SF, \$60 Dup.	
Orem	\$150	
St. George	\$50	

South Salt Lake \$24/unit

Date of survey: 5/16/14

Sources: Websites of jurisdictions

RDA Professional Services Account 71-70-310-00  
Detailed Schedule

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Total Budget \$398,000

Items:

Chamber of Commerce Contract	\$40,000	
Legislative Session Consulting/Lobbying	\$40,000	
Economic Development Contracted Services	\$150,000	
Economic Development Strategic Plan Including Retail Leakage	\$60,000	
Central Point/Market Station		
Professional & Technical Studies	\$100,000	
Contingencies	<u>\$8,000</u>	
		\$398,000