



**Minutes of the
Millcreek City Council
December 11, 2018
8:00 a.m.
Special Work Meeting**

The City Council of Millcreek, Utah, met in a special public work meeting on December 11, 2018 in the City Hall Annex, located at 3330 S. 1300 E., Millcreek, UT 84106.

PRESENT:

Council Members

Jeff Silvestrini, Mayor
Silvia Catten, District 1
Dwight Marchant, District 2
Cheri Jackson, District 3
Bev Uipi, District 4 (left at 8:56 a.m.)

City Staff

John Geilmann, City Manager
John Brems, City Attorney
Elyse Greiner, City Recorder
Kurt Hansen, City Services Director
Francis Lilly, Community Development Director
Mike Winder, Economic Development Director
John Miller, Public Works Director
Rita Lund, Communications & Programs Director
Laurie Johnson, HR-Finance Director

Attendees: Senator Jani Iwamoto, Senator Gene Davis, Representative Carol Spackman Moss, Representative Mark Wheatley, Representative Stephanie Pitcher, Brady Hansgen, Ashley Spatafore, and Brian Stillman.

WORK MEETING – 8:00 a.m.

TIME COMMENCED: 8:15 a.m.

I. Welcome and Introductions – Mayor Silvestrini

Mayor Silvestrini called the meeting to order and welcomed the legislators. He said he would like to talk to them about what they see and what the City sees with the upcoming legislative session. One of the principle issues of concern is planning the future with housing while recognizing the need to accommodate an ever-increasing population. He said the City needs to accommodate housing, so staff needs to work with the legislature on planning with transit because one does not make sense without the other. Introductions were then made by staff, City Council, and legislators.

II. Breakfast Served – Buffet Style

III. Meeting Overview and Expectations – Mayor or Designee

IV. Issues of Concern to Millcreek – Mayor or Designee

a. Sales Tax

i. Potential Tax on Services

ii. Distribution

Mayor Silvestrini said the Governor's message talks about broadening the base of sales tax to possibly include services because the economy is changing with more internet sales. There also is an issue about the distribution. He said it is a struggle educating residents about revenue sources. Cities run on sales tax, property tax, and fees. All of Millcreek's property tax pays for police services. The City used to be in the Salt Lake Valley Law Enforcement Service Area (SLVLESA) taxing district to pay for police services but withdrew last year, so the City levied a property tax to pay for those services. Mayor Silvestrini said sales tax is vitally important to Millcreek. He said if the distribution formula changes, there will be winners and losers. The 1% local option sales tax is based 50% on the point of sale and the other 50% is a portion based on population. Millcreek is the tenth largest city in the state, so it has a healthy population and sales tax base. He asked the legislators to be careful with the distribution formula.

Senator Iwamoto asked how the Mayor felt about the Governor's budget broadening the base of sales tax. Mayor Silvestrini said in his career as a lawyer, he used to think that was an awful idea because it would increase the already high cost of legal services for people, but as the economy changes, it may be appropriate to tax some of those things. Representative Carol Moss said she has spoken to small business owners and they are concerned about the affect it will have on them. Mayor Silvestrini said he does not know the answer. Ashley Spatafore, the City's lobbyist, said it may exclude legal and medical services. She said the Utah League of Cities and Towns said when the distribution compromise came up, it was the cities that brought it forth. Senator Gene Davis said Florida has had a service tax and Utah should look at the issues they have run into. He said we are in a service society, not a retail society.

Mayor Silvestrini said if they could broaden the base and lower the rate, it may make it fairer. Senator Davis said if you look at the general fund overall, he does not think they could lower the rate. The State's fund base is sales tax. Council Member Jackson said in a robust economy, people are willing to pay for services, but services slow down in a bad economy. Mayor Silvestrini said we need to stay away from zoning for dollars.

b. Public Safety Retirement**i. Insurance Premium Tax – Firefighter Retirement Backfill**

Mayor Silvestrini said state law provided that fire insurance companies are supposed to pay part of their premium into the firefighter retirement fund. Spatafore said Unified Fire Authority (UFA) hired a tax attorney, Steve Young, who has put together a framework of how this came about. She said everything started in 1919 but in 1971, the premium tax was created to fund volunteer firefighters and now it also funds retirement for firefighters. In 1971, it was 50% fire and allied funds and 10% of life insurance funds allocated into this account. The account also pays for fire

academy and wildland fire. The account brought in \$10-17 million dollars. In 2014, the state tax commission changed their software and the insurance companies stopped following certain processes. There is no penalty for the insurance companies to not pay the allocations to this account. In 2016, the account went down to \$1 million and last year it was zero. The legislature appropriated \$9 million to it last year. The Utah Retirement System (URS) said the State cannot rely on the annual appropriation, so they are going to assess an increased premium onto the firefighters. She said the \$5 million shortage will affect every city, and Millcreek through UFA will be assessed \$1.1 million. She has been working on getting legislation to strengthen and simplify the current statute. There was a bill last year by Senator Bramble that passed in the Senate, but the Governor's Office killed it because they did not want earmarks. She has met with several legislators about the issue. Mayor Silvestrini said every city will have to pay more to URS for firefighters unless the insurance companies will give the money back. He said the City needs their representatives' support. Council Member Uipi clarified that this account is only for firefighters. Spatafore said yes. Senator Davis said the Executive Appropriations Committee highlighted the issue and he believes some money was set aside for it. Spatafore said there will be an appropriation to cover the shortfall this year and next year but the statute still needs to be changed. Senator Iwamoto said she appreciated getting emails every week during the session on what to support. Spatafore said Brady Hansgen, working with Spatafore, would email the City every week on Friday about on goings and then the legislators would get the email on Monday.

ii. Senator Mayne: Public Safety Planned Retirement

Spatafore said UFA had 17 retirements at one time and so they have been running on mandatory over-time for over a year now. UFA will not start training until someone retires. The bill will allow a six-month period for the retiree to stay on staff and work while someone is being trained; a phased planned retirement.

Mayor Silvestrini said last year Representative McKay sponsored a bill that would allow the Unified Police Department Board the option to hire a Police Chief other than the Sheriff of Salt Lake County. He said Sheriff Rivera is doing a good job, but the Board did not have sufficient control. He said it was important for the residents to know that they were not being taxed double. He said there were similar problems with UFA. This bill passed the House and got caught up in the Senate. The Sheriff was neutral about it and the UPD Board was in favor of it. He said the Board needs the accountability. The cities that contract with UPD have a seat on the Board with an equal vote. There is some tension about whether the vote should be based on population or contribution. Mike Winder said he is sponsoring the bill this year. Mayor Silvestrini said the sense of the Board is that the Sheriff is doing a good job. Unified Police Department rents space in the Sheriff's building. Senator Iwamoto asked about duties like security in the

County building. Mayor Silvestrini said the court security is the Sheriff's Office but serving civil process is shared with UPD. Mayor Silvestrini said if there was a Chief, the Sheriff could take civil services away from UPD officers. Mayor Silvestrini said it was important for tax payers to know what services are provided by UPD and the Sheriff's Office.

c. CRA Legislation

i. Senator Bramble: Tax and Revenue Adjustments

Spatafore said Senator Bramble has sponsored a bill to identify a baseline for what tax increment is assessed off of and to make sure Salt Lake County is assessing that the same way other counties are.

ii. Representative Coleman Bill (TBD)

Spatafore said there is a percentage that goes to affordable housing in community reinvestment areas. She said Representative Coleman would modify an individual track for economic development that would get rid of set aside affordable housing. Senator Davis said setting it aside is very important. Spatafore said the Affordable Housing Commission is trying to expand how to deal with affordable housing on a state level and to not lose current funding. Mayor Silvestrini said there are two philosophies on affordable housing: one is if you increase the supply, you increase the affordability across the board because of the supply/demand problem; the other is a subsidy which is beyond cities' control. He said we need to work on a solution to make housing more affordable.

iii. Representative Winder Bill (TBD)

Mike Winder said he is working on restaurant alcohol proximity restriction amendments. Current law states that there must be 300 feet walking distance from the door of a business serving alcohol to certain public properties and 200 feet from the door to the property line. He said he is proposing to adjust the proximity to 200 feet to the building of the church or school but to the property line with parks. He said this will benefit restaurants.

d. Municipal Water (Representative Coleman)

Council Member Jackson said Millcreek does not have control over their water rates. Mayor Silvestrini said Representative Coleman is running a bill that requires cities that sell water outside of their jurisdictional boundaries to be more accountable and he supports that. Salt Lake City Council has refused confirming Mayor Silvestrini to a seat on their Public Utilities Advisory Commission though their Mayor appointed him. He said there should be accountability to the surplus customers. Spatafore said this bill was part of a task force and has passed as a committee bill; it seems like there is support.

e. Affordable Housing

Spatafore said the Utah League of Cities and Towns has been a big part in the affordable housing strategy and they sent out a document that was a comprehensive overview of upcoming legislation which she will send to

everyone. One part of that is that any bus route that works within the City have an interlocal agreement with the City to maintain the service for a set amount of time. Mayor Silvestrini said bus routes can change anytime. Transit alternatives attract development and vice versa. Senator Davis asked if the S Line streetcar should be extended from Salt Lake City or create a new M Line. Mayor Silvestrini said he hopes the County Council will pass the priorities for the new 4th quarter sales tax that Salt Lake County implemented which will generate \$50 million in sales tax revenue for the County's portion. Millcreek has an application in with Salt Lake City for a transportation study in the city center area. There is a request in for about \$1 million for a multi-modal transportation study to look at extending the S Line streetcar. Millcreek needs to plan how to get people in and out to solve congestion and air quality; to build nodes of density connected by transit. Mayor Silvestrini said 3900 S. is the only street that runs east and west throughout the City that does not intersect with I-15. He said 3900 S. touches 5 cities; West Valley City, Taylorsville, South Salt Lake, Holladay, and Millcreek. Mayor Silvestrini said Millcreek is seeking funding for 3900 S. and has received a federal grant that ran through the Wasatch Front Regional Council. Representative Moss said she gets complaints about 1300 E. Mayor Silvestrini said that road is one of the next priorities. He said for a city that is built out, there have been around 2,000 housing units added in the last year. Millcreek needs to put density where it can be tolerated. Council Member Marchant said it can be tolerated in the city center area on 3300 S. Mayor Silvestrini said there are awesome neighborhoods all over the City.

f. Municipal Boundary Adjustments

Mayor Silvestrini said Millcreek residents ask him about getting Brickyard Plaza back into the City. He said the connection from Salt Lake City to Brickyard Plaza is a power line easement, so the only way you can get from Salt Lake City to Brickyard without going through Millcreek is if you are an electron. Mayor Silvestrini said 3300 S. and Highland Dr. and 1300 E. is the commercial nexus of Millcreek. Mayor Silvestrini said by not having the property, it is an impediment to good planning. He has spoken with Salt Lake City about giving it back to Millcreek but letting them keep the revenue for the next 10 years. Salt Lake City told him to put the city center elsewhere. Mayor Silvestrini said there is consideration for legislation stating that if three sides of an area are surrounded by a jurisdiction, that the city the disconnection is from cannot protest the disconnection. This would help property owners in Brickyard Plaza disconnect from Salt Lake City without its objection. Winder said it would be a high bar, like 80% with an acreage termination, and it would be up to the property owners. Senator Davis gave a brief history on the area and that the property owners needed the utilities that Salt Lake City provided at that time. Mayor Silvestrini said if the property owners want to disconnect, they should be able to do it. Mayor Silvestrini said he spoke with Salt Lake City representatives and they were in opposition of a boundary adjustment.

g. Street Reconstruction Funding

V. Brief Update on Millcreek since Incorporation in 2017 – Mayor Silvestrini

a. City's General Plan

Millcreek City Council is open to the idea of accessory dwelling units, but they wanted to do something in conjunction with the general plan which will be adopted soon. They are concerned about not imposing burdens on existing neighborhoods, so the units need to have off-street parking. Mayor Silvestrini said they are a good way to increase density that does not have a demonstrable effect on the neighborhoods.

Brian Stillman said the implementation of an owner being required to live on the property is a good way to control rental-type problems. Francis Lilly said the planning department gets about 2 inquiries a week about accessory dwelling units. He said people are looking for housing and looking for a way to stay in their housing. Sandy and Murray have experience with the units.

b. City Center Plan

Mayor Silvestrini said the City terminated the blight study because it was what the public wanted. He said Millcreek does well on public engagement. Representative Moss said the word blight is unfortunate and density has become a dirty word. The City is working on a city center master plan.

c. CRAs Being Created in Millcreek

Mayor Silvestrini said the City has adopted two other CRA's, Olympus Hills and Canyon Rim Commons.

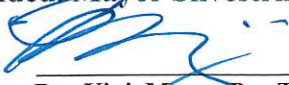
He said the City has also launched a Promise Program that is similar to that in South Salt Lake. There are three Title 1 schools in the City. Millcreek has launched a day time reading program with volunteers at Millcreek Elementary. The goal is to serve the whole community in all the schools; a community wide program designed to build bridges with resources. Millcreek is trying to address causes of problems rather than treating symptoms. Council Member Marchant mentioned that the Read Today program has been going on longer than the City has been around.

VI. Issues of Concern to Legislators – Open Discussion

Representative Mark Wheatley said he would appreciate more contact during the session. Mayor Silvestrini said Senator Iwamoto would email him last year asking for his thoughts on different matters. He said he can provide input to the legislators during the day.

VII. Closing Remarks – Mayor Silvestrini

ADJOURNED: Council Member Jackson moved to adjourn the meeting at 9:41 a.m. Council Member Marchant seconded. Mayor Silvestrini called for the vote. The motion passed unanimously.

APPROVED:  Date 1/14/19
Bev Uipi, Mayor Pro Tempore

Attest: 
Elyse Greiner, City Recorder