

Minutes of the Salem City Council Meeting held on August 17, 2011 in the Salem City Council Chambers.

Work Session 5:00 p.m.

Jeff Nielson stated that during the August 3rd council meetings work session, two budgets were presented to the mayor and council, budget A and budget B. Budget A included all of the budget requests made by the different departments and it left the employee benefits the same as they currently are. Budget B included the recommended cuts to Budget A including some minor changes in employee benefits. The council recommended budget A. Jeff explained that after that meeting, Mayor Cope met with him and went over the budget again, and modified budget B. The council also contacted Jeff and recommended budget A with the 2% cost of living for employees taken out. Jeff presented the two new budgets again to the mayor and council. After some discussion, the council recommended that budget A, with the 2% Cost of Living Allowance taken out and an additional \$20,000 taken out of the roads budget, be presented to the public. This brought the tax rate increase to a 71% increase instead of the 99% increase as originally presented.

MEETING CONVENED AT: 7:00 p.m.

CONDUCTING: Mayor Jonathan F. Cope

COUNCIL PRESENT:

Mayor Jonathan F. Cope
Councilperson Lynn Durrant
Councilperson Terry A. Ficklin
Councilperson Todd R. Gordon
Councilperson Sid Jorgensen
Councilperson Sterling Rees

STAFF PRESENT:

Jeffrey Nielson, Finance/Recorder
Chief Brad James, Police Chief
Junior Baker, City Attorney
David Johnson, Building Dept.
Bruce Ward, Public Works/Engineer

Excused:

OTHERS PRESENT

(see attached)

1. VOLUNTEER MOTIVATIONAL/INSPIRATIONAL MESSAGE

Mayor Cope asked if anyone would like to give a motivational or inspirational message. Councilperson Terry Ficklin stated he would like to offer a motivational message in the form of a prayer.

2. INVITATION TO SAY PLEDGE OF ALLEGIANCE

Mayor Cope invited those who wish to participate, to stand and say the pledge of allegiance with him. He then led the pledge of allegiance for those who wanted to participate.

3. RED HAT SOCIETY PRESENTATION

Reta Tischner and other members of the Salem Red Hat Society wanted to thank the Mayor and Council for all of the hard work they are doing to make our community better. They then presented a red hat to each of them.

4. PUBLIC HEARING

Open

MOTION BY: Councilperson Lynn Durrant to open the public hearing.

SECONDED BY: Councilperson Terry Ficklin.

VOTE: all

A. Central Bank – Zone Change in Harvest Ridge Subdivision

Mayor Cope stated that this item was continued in Planning and Zoning's public hearing and their recommendation is that the council continues the public hearing on this item until the September 21, 2011 council meeting.

MOTION BY: Councilperson Sterling Rees to continue the public hearing on the zoning request until the September 21, 2011 council meeting.

SECONDED BY: Councilperson Todd Gordon.

VOTE: All Affirmative (5-0).

B. Proposed Property Tax Increase

Mayor Cope explained to the public, that Salem City has not had a truth in taxation for a property tax rate increase for over 30 years. For the last several years the enterprise funds have been helping to fund the general fund. One item of great concern is that the city has not had enough money to do anything with road improvements. The city has inherited some very poor roads when property has been annexed into the city. The city currently gets \$210,000 from B&C road money, which goes to the roads department to help maintain our roads. It is not enough money to rebuild the roads that need to be rebuilt. Although the city does not have an impact fee on roads, he explained how impact fees are regulated and how the funds can be used. The proposed tax rate increase will give the enough money to help begin the process of improving the roads.

Mayor Cope also explained how a small amount of money will be set aside each year for the purchase and replacement of public safety equipment. He went through the current vehicles in the motor pool and expressed his concern at the age of some of vehicles in the public safety departments (Fire and Ambulance). He explained that the city does not have a lot of new vehicles.

Mayor Cope explained that UMPA (Utah Municipal Power Association), an organization that the city belongs to and purchases power from, has increased their power rate this year by 7% which was an increase of \$124,000. The tax rate increase will allow the general fund to start supporting itself, and reduce the amount of money that is being transferred from the power fund to the general fund. This will also offset the power rate increase the city received from UMPA. Mayor Cope also explained that UMPA has stated that power rates will continue to increase in the future years. UP&L is in the process of building a new transmission line through the state, which UMPA and other utilities will use to transport power to different areas. The cost of construction of that line will be passed onto each of the entities using the line, and in turn they will pass those costs onto the consumer, which will also have an impact on the current rates. The city will also be able to replace old lawn mowers and do some minor improvements in the cemetery and parks.

Mayor Cope explained that when residents received their tax notice showing the tax rate increase, it showed up as a 99.6% increase. The city was initially asking for a \$350,000 increase in the property tax budget amount. When translated, this increase would cost approximately \$13 per month on a \$215,000 home. This amount was first discussed during our public hearing on the budget back on our June 1st council meeting and was also noticed in the city newsletter. There were three people who came to the June meeting to voice their opinion. Mayor Cope also put it in the news letter and invited everyone to send him ideas on the budget; he has only received a handful of ideas. Since that meeting in June, he and the council have gone through the budget a number of times, and have cut cost on many items. What the council is proposing tonight for the budget is a decrease of \$100,000 in the property tax budget. This reduction now represents a 71% increase on property taxes, and would cost \$9.79 per month on a \$215,000 home. Mayor cope explained that we are trying to maintain the level of services which we have all come to expect and to provide a beautiful place to live for the residents of Salem.

Mayor Cope then asked Jeff Nielson to go over the budget.

Jeff Nielson went over the budget and showed the changes which have been made since the approval of tentative budget in June and the proposed budget for tonight's meeting. He displayed a copy of the budgets for the general fund and each of the enterprise funds as he explained them to the public.

Mayor Cope stated that tonight's meeting is a public hearing, and we will give the public an opportunity to speak. We will allow three minutes for those who wish to speak.

Mavis Nybo – asked how the city has been able to manage over the years without doing a tax rate increase?

The question was asked about the city's bonds. Jeff Nielson then went over each of the bonds that the city has and when they will be paid off.

Kurt Crandall – would like to look at the budget, and would encourage everyone to look at the budget.

Garth Morgan – Would like to see the General fund stand on its own, along with each of the other funds. Taxes should go into the general fund.

Shamaine Williams – Wondering if the tax rate could be done incremental rather than all at once.

Diana Adams – In the proposed budget \$20,000 was taken out of the roads budget; why not keep the tax rate at the 99% increase so the roads can be funded.

Mike Cole – Talked about his property value and how much his property tax would go up. He realizes that the city has improvements, but is asking the council to vote no on the 71% and to look at items to cut in the budget to get a lower amount.

Kurt Christensen – stated that his property tax on his business and home would increase by \$3,000. He then pointed out some highlights from a news article comparing taxes in Mapleton and Salem, and how the article pointed out that Mapleton residents pay less per capita in taxes. He also talked about the police officers and how many officers we have per capita and compared to other cities we have more per capita. He talked about the building department and how the building has decreased in Salem over the years but has our building department decreased any. He would recommend that the council vote no to the tax rate increase and to look at other options of reducing costs.

Camilla Simonson – talked about how the tax rate would affect many people and their mortgage payments, because many mortgage payments have an escrow account to pay for the property tax. A big increase like this would affect the escrow account negatively. She would like the council to consider spreading it over a few years. She further recommended looking at the budget and seeing where costs can be cut.

Duane Montague – stated that people are upset at the tax rate increase, but people also need to realize the importance of supporting local business in Salem, to keep those taxes in Salem.

Donna Penrod – stated that right now everyone is hurting. Her husband has not had a job for over a year. If we raise taxes now, it will hurt those who do not have jobs. She would rather give the money as a donation than to have taxes increased.

Bud Whitaker – wondering what types of cuts the city has made. What about cutting out Salem Days and the Fireworks.

Brad McEwan – stated that many people do support the businesses of Salem, but the businesses need to be competitive. He is wondering what has been done to bring business into Salem. People tonight are saying the same thing. How does the city expect to make up the total cost lost over the last 30 years in one year. You are trying to eat an elephant in one bite. Don't hit the residents all at once. Plan and do it incrementally, say no to the tax rate increase and look at the budget and come to a reasonable number.

Mayor Cope stated that he and the council have gone over the numbers in the budget many times, and have given the proposed tax rate increase a lot of thought. We are faced with a situation in this budget that we did not create, but that we must do something about.

Brent Warren – a resident and local business owner, stated that Salem has great people in the city and we do appreciate the support for our business from the residents of Salem. We do need to look at ways to support our business in Salem. When looking at the building fees to build in Salem, for a business it is really tough. If his business was a Wal-Mart, cities would usually give them a tax break. We need to do what we can to help out the small businesses in Salem. As a business owner, we have to cut our expenses, to look a little harder to see where we can cut and he feels the city needs to do the same.

Mayor Cope explained that this budget is not loaded with unnecessary spending. We have cut \$100,000 out of the budget. This has been a very difficult decision.

Derk Whitaker - Asked about the short fall in the budget and how will the city deal with it next year.

Robert Oldham – commented about the fact that the city is a business and needs to look at ways to cut. He feels that the residents need to be heard from again as far as ways to cut the budget. The room is packed with people along with the foyer and there are even people walking away because there is no room. He feels like the city needs to address this in another forum. He feels like this presentation is being pounded to us.

Jan Ward – stated he lives on 100 East. He is wondering what time frame the city is looking at for this decision. Can the tax rate increase be researched a little bit longer? How long do we have to study the budget and come to a conclusion? He is also concerned with the traffic on 100 East and the lack of police presence. He feels there is a problem.

Mayor Cope stated that the first budget meeting and decision on property tax increase was in June. The notice was in the June news letter advertising the meeting, and explaining that we were looking for ideas on the budget dilemma. The council has met and discussed the budget many times since.

Dave Hill – commented that on his property tax, it would increase \$14 a month. Has the city looked at employees and if there can be cuts. His question to the City is; with building down what has the city done to decrease the expenses for that department? You need to look at what ways the city can tighten the budget.

Paul Tervort – he owns a couple of vacant building lots in Salem, the valuation went down but the tax went up \$75 on the lots. How can someone sell more lots with the cost of the lots going up. There are a lot of empty lots in Salem.

John Strong – asked if city officials have already made up their minds about the tax rate increase or are they going to listen to the citizens. John works for Medicaid and they are looking at doing furloughs for some of their employees. He is wondering about employees and if the needs for their job function have decreased, then look at cutting employees. If you increase the tax, then we will not have money to spend at the grocery store or other businesses in Salem. He is wondering if this decision on the tax rate needs to be made tonight.

Lucille Christensen – She had concerns with the conditions of the roads in Salem.

Wes Jenkins – stated that if he were to go to his boss and ask for a 71% increase, his boss would not like that. He asks the council to vote no, and to look at a lower rate. He also stated that over the years he has heard that employees have not had increases to their salaries to help other employees keep their jobs. He feels he would like to see some type of increase for the employees.

Glen Cole – is a business owner and appreciates the people in Salem. His home was valued at about \$400,000, and his increase went up \$600. With his business, he would have to pass the tax rate increase onto his tenants. The state employees have been asked to cut 10% of their employees. Think of ways to cut cost, look at furloughs as an option.

Brandon Warenski – as a business owner, he will have to pass the cost onto consumers. He encourages the council not to raise taxes.

Darren Averett – think in the residents defense, a reasonable tax rate increase that would not be so significant. He feels that next year, more people will be at the budget meeting.

Golden Adams – look at ways to cut back, especially planning for next year.

Bob Lewis – Concerned about being blindsided, wondering about when the notice of the meetings were. He did not know about it until he got the tax notice in the mail.

Randy Brailsford – stated the past administration did not raise taxes. A budget is a projection. In the last 30 years the value of property has increased. If we have problems with roads, then we need to deal with it. Our senior citizens have been on fixed incomes and would be to impose a tax rate increase on them. He is questioning the budget and wondering if there is a short fall, have we considered putting a freeze on it? The city has great workers; the public safety is the best around. It takes a full police department to work properly.

A resident asked what is the point of this meeting. What is the next step? They would like to see the city utilize the billboards in the city to communicate with the citizens better.

Don Smith – We live in a beautiful city and we owe it to the city and the leaders. He read the notices in the June Newsletter, came to the meeting in June. He knows the council has been through the budget many times.

Vicki Peterson – She loves living here in Salem, it is not a big city and we don't have the big box stores like the big cities that bring in sales tax revenue. People come to Salem to get away from the big cities. It costs money to live in the city of peace, so we can enjoy the peace and the small town feeling. She knows that we would not raise taxes if we did not need too. UMPA has increased their power rates and it needs to be passed onto the citizens. When we look at the mill levy, it is not as big as what it seems when you really look at it.

Mayor Cope explained that the increase from UMPA of \$124,000 is built into the budget with the tax rate increase, so we would not have to increase the power rate to the residents.

Councilperson Terry Ficklin stated that the council had looked at raising rates for power to help offset the power rate increase from UMPA. We also looked at raising some of the other enterprise funds, but at some point we have to stop using the enterprise funds to subsidize the general fund. In the current budget we looked at a power rate increase to try to offset the money being used from the power fund as a means of covering that increase. A large portion of the tax rate increase is to offset that power rate increase. We have looked at the budget, and

have trimmed where we can. The city will still need to pay for the power rate increase this year.

Derrick Whitaker – stated that he is a 24 year single student and his perception is that the city has not trimmed enough. 71% is a lot, and he feels that the council could look at other cuts. He asked, what would happen if the tax rate is voted down tonight?

Attorney Junior Baker stated that by state law, a budget would need to be adopted tonight.

Mayor Cope stated that the council has cut a lot out and we are running pretty lean on the budget. We have a city to run and we have a great crew of employees.

Mrs. Christensen – stated that it appears that this deficit has been growing for years and years. She wonders why the city spent money on this building and the city shop buildings. She was very concerned when she got the notice showing the rate increase.

Mayor Cope asked if there were anymore comments. There were no more comments.

Close

MOTION BY: Councilperson Todd Gordon to close the public hearing.

SECONDED BY: Councilperson Lynn Durrant.

VOTE: All Affirmative (5-0).

Mayor Cope asked for a five minute recess. Council meeting reconvened at 9:20 p.m.

Mayor Cope asked the council what they would like to do with the tax rate. The council stated they would like to take an additional \$100,000 out of the roads budget. This would reduce the tax rate increase to 0.0020031, which would be a 44% increase. Mayor Cope asked Jeff to show what the new rate would be and what it would be per month for a \$215,000 home. Jeff showed on the screens what the new rate would be. The increase would be \$6.04 per month.

5. APPROVE RESOLUTION ADOPTING TAX RATE

Mayor Cope stated that the council has proposed a new tax rate of 0.0020031, with a budget amount of \$525,472.

MOTION BY: Councilperson Lynn Durrant to approve the tax rate of 0.0020031 which is an increase of 44%.

SECONDED BY: Councilperson Sid Jorgensen.

VOTE: Councilperson Sterling Rees; Aye, Councilperson Lynn Durrant; Aye, Councilperson Sidney Jorgensen; Aye, Councilperson Terry Ficklin; Aye, and Councilperson Todd Gordon; Nay (4 Aye, 1 Nay).

6. APPROVE FINAL BUDGET FOR FISCAL YEAR 2011/2012

MOTION BY: Councilperson Terry Ficklin to approve the 2011/2012 budget as it was presented in the work session and to public during council meeting, with the reduction of \$100,000 out of the roads budget to reduce the property tax budget to \$525,472.

SECONDED BY: Councilperson Lynn Durrant.

VOTE: All Affirmative (5-0).

7. ADJOURN TO RDA MEETING

MOTION BY: Councilperson Lynn Durrant to move into the RDA meeting.

SECONDED BY: Councilperson Sterling Rees.

VOTE: All Affirmative (5-0).

8. APPROVE MINUTES OF AUGUST 3, 2011

MOTION BY: Councilperson Sterling Rees to approve the minutes of August 3, 2011 as written.

SECONDED BY: Councilperson Todd Gordon.

VOTE: All Affirmative (5-0).

9. APPROVE BILLS FOR PAYMENT

MOTION BY: Councilperson Lynn Durrant to approve the bills for payment.

SECONDED BY: Councilperson Sterling Rees.

VOTE: All Affirmative (5-0).

10. PUBLIC SAFETY

COUNCIL REPORTS

11. MAYOR JONATHAN F. COPE

12. COUNCILPERSON LYNN DURRANT

Councilperson Durrant reminded the council of the UMPA summer meeting/party on the 26th at the pond.

13. COUNCILPERSON TERRY A. FICKLIN

14. COUNCILPERSON STERLING REES

15. COUNCILPERSON SID JORGENSEN

16. COUNCILPERSON TODD R. GORDON

17. DAVE JOHNSON, BUILDING DEPARTMENT/PUBLIC WORKS

18. BRUCE WARD, CITY ENGINEER/ PUBLIC WORKS DIRECTOR

19. ATTORNEY S. JUNIOR BAKER.

ADJOURN CITY COUNCIL MEETING

MOTION BY: Councilperson Terry Ficklin to adjourn city council meeting.

SECONDED BY: Councilperson Todd Gordon.

VOTE: All Affirmative (5-0).

MEETING ADJOURNED AT: 9:45 p.m.

Jeffrey Nielson, City Recorder

Salem City Council Meeting Attendance Record
 For Council Meeting held on August 17, 2011

	Please Print Name	Please Sign Name
1	Terry Cox	Terry Cox
2	Robb P Childs	Robb P Childs
3	Nancy King	Nancy King
4	Paul Paul Fenrod	Paul Paul Fenrod
5	Charmaine Childs	Charmaine Childs
6	Vanice LeFevre	Vanice LeFevre
7	David Price	David Price
8	Jenny Graham	Jennifer Graham
9	JEFF DENAUSHEL	Jeff Denaushel
10	Darren Averett	Darren Averett
11	JEFF SIMONSEN	Jeff Simonsen
12	Nelson Todd	Nelson Todd
13	Sherril Peterson	SHERRI PETERSON
14	Briham Cheney	Briham Cheney
15	Melinda Nyman	Melinda Nyman
16	Art & Connie Biggar	Art & Connie Biggar
17	Geo & Virginia Motheson	Geo & Virginia Motheson
18	Jimm Stamm	Jimm Stamm
19	Kathy Cannon	Kathy Cannon
20	Rick Darling	Rick Darling
21	Debbie Camp	Debbie Camp
22	Sandra McCoy	Sandra McCoy
23	Gene Meckam	Gene Meckam
24	Deborah Meckam	Deborah Meckam
25	Garth A. Hill	Garth A. Hill
26	Janet Bacon	Janet Bacon
27	Bonnie Landowne	Bonnie Landowne
28	Camilla Simonsen	Camilla Simonsen
29	Robert Ralprey	Lamar Reynolds
30	Janie Christensen	Janie Christensen

Digger

Salem City Council Meeting Attendance Record
 For Council Meeting held on August 17, 2011

	Please Print Name	Please Sign Name
31	Carol DeGraw	Carol DeGraw
32	Virginia Twitchell	Virginia Twitchell
33	Charley Twitchell	Charley Twitchell
34	Carol Mack	Carol Mack
35	Gary Noll	Gary Noll
36	Dawn Hill	Dawn Hill
37	Sandy Hill	Sandy Hill
38	Lorraine Underwood	Lorraine Underwood
39	Randy Brailsford	Randy Brailsford
40	Aaron Cloward	Aaron Cloward
41	Doug Blackett	Doug Blackett
42	Dianne Blackett	Dianne Blackett
43	Charlotte McIntier	Charlotte McIntier
44	Connie McVey	Connie McVey
45	Carolee Baker	Carolee Baker
46	Heather Brindley	Heather B
47	Sammy Beck	Sammy Beck
48	Jul Beck	Jul Beck
49	Richard F. Hanks	Richard F Hanks
50	Dirk Bogges	Dirk Bogges
51	Wyatt Graham	Wyatt Graham
52	Bob Wahl	Bob Wahl
53	Charles Eppley	Charles Eppley
54	Gaylen Palmer	Gaylen Palmer
55	Larry W. Christensen	Larry W. Christensen
56	Larry W. Christensen	Larry W. Christensen
57	Harold Coe	Harold Coe
58	Walter Coe	Walter Coe
59	Osil Mayes	Osil Mayes
60	Mavis Dubs	Mavis Dubs

Salem City Council Meeting Attendance Record
 For Council Meeting held on August 17, 2011

	Please Print Name	Please Sign Name
61	Louise B. Meason	Louise B. Meason
62	Deanna Pendleton	Deanna Pendleton
63	Joel Pendleton	Joel Pendleton
64	DAVID HILL	David Hill
65	David Hill	David Hill
66	JANICE WILLIAMS	Janice Williams
67	Glen Cole	Glen Cole
68	PAUL TERVORT	
69	Chamique Wollenzien	C. Wollenzien
70	Brandon Warenski	Paul Whit
71	Brandon Kirk	Brandon Kirk
72	Kurt Christensen	
73	ERIC HARTMAN	Eric Hartman
74	DONNA PENROD	Donna Penrod
75	Mary Ann Ford	
76	Richard Seitz	Richard Seitz
77	Derek Whitaker	Derek Whitaker
78	Laren Hawkins	Laren Hawkins
79	RICHARD A. JOHNSON	Richard A. Johnson
80	MARK MIZENY	Mark Mizeny
81	Gordon Sanderson	Gordon Sanderson
82	Bryan Christensen	Bryan Christensen
83	Kelly Huff	Kelly Huff
84	Steve De	Steve De
85	Claudia Fox	Claudia Fox
86	Brent Warren	Brent Warren
87	Robert Oldham	Robert Oldham
88	ALAN	Alan
89	STEVE JACKSON	Steve Jackson
90	David LeFevre	David LeFevre

Salem City Council Meeting Attendance Record
 For Council Meeting held on August 17, 2011

	Please Print Name	Please Sign Name
1	GARTH R MORGAN	Garth R Morgan
2	Diane Adams	Diane Adams
3	Golden Adams	Golden Adams
4	Allen Adams	
5	ROBERT LOVELLIS	R. Lovell
6	LARRY TRATCHER	Larry Tratcher
7	Cindy Tratcher	Cindy Tratcher
8	Nyle Robinson	Nyle Robinson
9	Brian Dudley	Brian Dudley
10	Mike Pritchett	Mike Pritchett
11	Chris Arerett	Chris Arerett
12	Steve Cox	Steve Cox
13	BUD WHITAKER	Bud Whitaker
14	J. Reed Cornaby	J. Reed Cornaby
15	WAYNE PACE	Wayne Pace
16	BLAINE LINDGREN	Blaine Lindgren
17	Terry DeGraw	Terry DeGraw
18	Richard H. Whaley	Richard H. Whaley
19	BRAD GORDON	Brad Gordon
20	Jan Gordon	Jan Gordon
21	Mag J. Farley	Mag J. Farley
22	JAN J. WARD	Jan J. Ward
23	Varita J. WARD	Varita J. Ward
24	Mark Cope	Mark Cope
25	Paul Lemon	Paul Lemon
26	Mindy Lemon	Mindy Lemon
27	Neely McEwan	Neely McEwan
28	Brad McEwan	Brad McEwan
29	WES JENKINS	Wes Jenkins
30	JUNIOR UNDERWOOD	Junior Underwood

Salem City Council Meeting Attendance Record
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	Please Print Name	Please Sign Name
31	Fred Swain	Fred Swain
32	DICK VEINÖTE	Dick Veinöte
33	DIANNE VEINÖTE	Dianne Veinöte
34	Barbara Wilson	Barbara Wilson
35	Annette Murphy	Annette Murphy
36	Sheree Balge	
37	Barbara Brynson	Lee Brynson
38	Tommy Cloward	Tommy Cloward
39	Michael Cole	Michael Cole
40	KERRY BRACKENBURY	Kerry Brackenburg
41	Lito Gomez	Lito Gomez
42	DAVID M. HULL	David M. Hull
43	Betty L. Hull	Betty L. Hull
44	MARVIN BAKER	Marvin Baker
45	Jeremy James	Jim James
46	Brent Hancock	Brent Hancock
47	Neil Peterson	Neil Peterson
48	Vicki PETERSON	Vicki Peterson
49	CARY HANKS	Cary Hanks
50	Uolanda Moser	U Moser
51	Kestle Christensen	Kestle Christensen
52	DONNA ANN FELLOWS	Donna Ann Fellows
53	MARILYN L. PALMER	Marilyn L. Palmer
54	Gaylen Palmer	Gaylen Palmer
55	ROBERT BIRD	Robert Bird
56	Ron	
57	DARRY BRACKENBURY	
58		
59		
60		