

Minutes of the Salem City Council Meeting held on June 1, 2011 in the Salem City Council Chambers.

**Work Session:** 5:00 p.m. Jeff Nielson presented and went over the preliminary budget for 2011/2012.

**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**

Paul Steven Penrod, Richard H. Whaley, Jileen Meservy, Logan Bennett, Chelsea Connelly, Reid Nelson, Cary Hanks, Mike Walters, Allan Hales, Don Smith, Denise Smith, Reed Cornaby

**1. VOLUNTEER MOTIVATIONAL/INSPIRATIONAL MESSAGE**

Mayor Cope asked if anyone would like to give a motivational or inspirational message. Alan Hales 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. YOUTH COUNCIL**

Logan Bennett and Celsie Conley reported on some of the activities the youth council has participated in over the last month. They helped with the Salem and Foothill Elementary School carnivals. They did a fund raiser to help the library summer craft program which they will also be helping with. They have elected a new council for this next year consisting of 34 youth. They also thanked the Mayor and Council for their support in their programs.

#### 4. PUBLIC HEARING

##### Open

**MOTION BY:** Councilperson Lynn Durrant to open the public hearing for the preliminary budget for 2011/2012.

**SECONDED BY:** Councilperson Sid Jorgensen.

**VOTE:** All Affirmative (5-0).

##### a. Approve preliminary budget for 2011/2012

Mayor Cope explained that this is the public hearing for the preliminary budget for fiscal year 2011/2012. Within the budget it is anticipated that the city will do a truth in taxation, which is a property tax increase. The purpose of this increase is to generate revenues to provide money for our roads and to put money into the motor pool fund for replacement of aging equipment. It will also reduce the amount of money transferred from the enterprise funds, and will also make it possible to build a reserve in the enterprise funds.

Jeffrey Nielson started to read the budget line by line and got into the general fund just past the revenues, when Mayor Cope asked if anyone has a specific question on the budget.

The question was asked if there is someone who works for the city assigned to help bring businesses into Salem. Mayor Cope stated that right now we do not have anyone who is designated for that purpose. He stated that we live in an area which is located away from the main interstate and many companies are not interested. There are groups that work within the state who are trying to bring businesses into Utah, and they send emails out to many of the cities in to see if they capable of accommodating such a business. Mayor Cope also talked about the grocery store, and how he is pursuing different grocery store chains.

The question was asked what the deficit of the city is. Mayor Cope stated that the city is not going broke; we are to a point that we need to generate revenue in a conservative manner. Salem City is working very hard to be prudent in their spending, but when we encounter unexpected expenses, and then we have to cut projects in other areas.

Alan Hales asked what the city has done to reduce costs. He went from 11 employees down to three employees in his business.

Mayor Cope stated that the city has not hired any new employees for over 3 years and that each department has only 3 employees, which is necessary needed for safety reasons. We are also doing a lot of projects in house rather than contracting them out.

Alan suggested that for spring clean up, start charging for those that require spring clean up. He also suggested that in New Zealand, they have outsourced everything, they did that in all of their departments, and as a result they are saving a lot of money. Once the government assesses a property tax, there is no rescinding it. He would suggest looking at other sources of revenue.

The question was asked where the city has cut their expenses. This person suggested looking at cutting recreation programs, like baseball. We are in a recession and he feels it is not going to get any better. He recommends that we cut. It is going to be tough, but he feels that the city needs to look at cutting the budget, not increasing taxes.

Another person was concerned about the tax increase on property. He is concerned that people are getting into a position where they will be losing their homes, and what do we do when people can't afford a home. Inflation is going up, economist are saying that the economy is only going to get worse. We are in a tough situation, please help us and look at the budget. Something has to go. Everyone is looking to get money, and we are only getting deeper in debt. Look at getting rid of the fireworks and look at other areas to cut.

Reed Cornaby stated that this is no guarantee. Even though we have not had a tax rate increase in 30 years, our taxes keep going up.

Chuck Childress commented that we know the current council did not create the situation the city is in and we know the economy has contributed a lot to the situation. He would like to have the council look at the budget line by line and really analyze it. We know this is a tough situation, but look at the impact it would have on our homes, we are asking for help.

Steve Penrod commented that inflation is going up, there are some tremulous challenges going on right now.

Alan Hales suggested looking at our services, and looking at outsourcing the items that can be outsourced. Also look at staff, and see where you can decrease staff. Look at ways to cut the budget and possibly services.

Jileen Meservy commented on how she has donated her time to the city for years, and have not been paid for it. It is a great opportunity to serve the city and donate time and talent to it. Jileen has been the advisor for the youth council for a few years. She stated she does it to help protect our youth and teach them leadership skills and how to. She stated that she will support the increase in the property tax, to help with the services of the city, and to make sure we have activities for the youth.

Another person commented that the services the city provides come at a price. We need more people to volunteer. If we outsource services, we don't get the same amount of service. He thanked the council for what they do.

Mayor Cope talked about the recreation program. He stated that the soccer field which is currently under construction has been done largely by negotiation and in house labor to save money. We also received grants money to help with many of the improvements on that project. The police department each year gets grants to help get necessary equipment which we could not afford otherwise. The library also obtains grants to help with the purchase of new books.

In further discussion of a property tax increase, it was stated that this is one of the toughest things we have had to do as a mayor and council. There is never a good time to raise taxes. We have done a bare bone budget for the last several years. We are at the point where we need a budget that will sustain us as a city. At what point do we discontinue some of the services the city provides and residents have come to expect and how do we decide which services that will be.

Alan Hales commented on the need to keep public safety strong. Then we charge for services provided. Recreation does not offer anything to the city. Look at things that are not critical and look at ways to cut. He feels that we should not go after Grants because it is still coming from taxes. When does it ever stop, and if we keep it up we are heading down the road to socialism

Someone stated that we need to determine what the necessities for the city are. What is negotiable and what is emotional.

Jileen Meservy commented that recreation is a good thing for the city, and it provides opportunity for the youth.

Someone asked about municipal bonds and if that is a way for the city to generate money. Attorney Baker explained the way municipal bonds work, and how cities typically bond for improvements, and then people can invest in municipal bonds.

Mayor Cope asked if there were any other comments from the public. There were no more comments; he then thanked them for their comments.

**Close**

**MOTION BY:** Councilperson Sterling Rees to close the public hearing on the preliminary budget 2011/2012.

**SECONDED BY:** Councilperson Sid Jorgensen.

**VOTE:** All Affirmative (5-0).

**MOTION BY:** Councilperson Lynn Durrant to approve the preliminary budget for 2011/2012 as presented by Jeff Nielson.

**SECONDED BY:** Councilperson Sid Jorgensen.

**VOTE:** All Affirmative (5-0).

**Open**

**MOTION BY:** Councilperson Terry Ficklin to open the public hearing for the amended budget for 2010/2011

**SECONDED BY:** Councilperson Sterling Rees

**VOTE:** All Affirmative (5-0).

A. Amend the 2010/2011 Budget

Jeff Nielson explained that he would like to continue this public hearing until the June 15<sup>th</sup> council meeting. This will give him an opportunity to complete the budget for May.

**MOTION BY:** Councilperson Sterling Rees to continue the public hearing to the June 15 2011 council meeting.

**SECONDED BY:** Councilperson Lynn Durrant.

**VOTE:** All Affirmative (5-0).

**5. APPROVE MINUTES OF May 18, 2011**

**MOTION BY:** Councilperson Lynn Durrant to approve the minutes of May 18, 2011 as written.

**SECONDED BY:** Councilperson Terry Ficklin.

**VOTE:** All Affirmative (5-0).

**6. APPROVE BILLS FOR PAYMENT**

**MOTION BY:** Councilperson Terry Ficklin to approve the bills for payment.

**SECONDED BY:** Councilperson Sid Jorgensen.

**VOTE:** All Affirmative (5-0).

**7. PUBLIC SAFETY**

Chief James reported that the Salem Spring Triathlon will be this Saturday (June 4). They are looking at about 400 participants.

**COUNCIL REPORTS**

**8. MAYOR JONATHAN F. COPE**

## **9. COUNCILPERSON LYNN DURRANT**

Councilperson Durrant stated that the library will be celebrating its 10<sup>th</sup> year anniversary on the 20<sup>th</sup> of June; they will be having a fundraiser to raise money for the library.

She will also be going to Washington DC with UMPA board members and to attend APPA meeting, towards the end of June.

## **10. COUNCILPERSON TERRY A. FICKLIN**

Cary Hanks from the chamber reported that on June 4 there will be an MMA event in Payson sponsored by South Valley Gym. Also Sequoia Motor Sports will be doing a fishing derby at Yuba Lake, and a poker run on the 11<sup>th</sup> of June. Sequoia has a small rental store at Yuba Lake, where you can rent water craft and ATV's. She also reminded the council of the Nebo summit on June 14<sup>th</sup>.

## **11. COUNCILPERSON STERLING REES**

Councilperson Rees reported about a week and half ago SUVMWA met, and they approved the project for ground recharge study. Councilperson Rees stated that he brought this up in council meeting a few months ago. The cost of the study is \$400,000; half of the funding is grant money from CUP. Strawberry Water is participating another \$38,000 and \$160,000 will come from SUVMWA reserves.

Bruce Ward stated it is a really good project for the SUVMWA group. This will be the water model for the south end of Utah County. There are a lot of concerns about where to drill future water wells and this model will help to determine where to drill wells. It may take 10 – 15 years before we will really see the benefits from the project. SUVMWA is not asking for money from the cities for this project, but we need to let them know that we are interested in continuing-with the project. The group doing the study is CRS.

**MOTION BY:** Councilperson Sterling Rees to approve Salem City to opt into the SUVMWA study.

**SECONDED BY:** Councilperson Todd Gordon.

**VOTE:** All Affirmative (5-0).

Councilperson Rees stated that the budget for SUVMWA required an additional \$350 from the city this year.

## **12. COUNCILPERSON SID JORGENSEN**

**13. COUNCILPERSON TODD R. GORDON**

Councilperson Gordon thanked everyone for helping out with the Memorial Day services. The cemetery looked great. Also the directory at the cemetery is also very helpful, and easy to use.

Reed Cornaby stated that he was very proud of the Salem City Cemetery, he goes to most of the cemeteries in the valley, and Salem really looks great.

**14. DAVE JOHNSON, BUILDING DEPARTMENT/PUBLIC WORKS**

**15. BRUCE WARD, CITY ENGINEER/ PUBLIC WORKS DIRECTOR**

**16. ATTORNEY S. JUNIOR BAKER.**

Denise Smith commented about going through the budget, are there ways for the city to generate additional money, for example in Spanish Fork they have the windmills. She is wondering if the city could look outside the box for ways to generate revenue. She stated she would also be willing to donate money to the fireworks.

Cary Hanks also wanted to comment on the Miss Salem Pageant this year and how well it was run. Rayleen Long did a great job. Cary is excited to work with the new royalty.

**ADJOURN CITY COUNCIL MEETING**

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

**SECONDED BY:** Councilperson Sidney Jorgensen.

**VOTE:** All Affirmative (5-0).

**MEETING ADJOURNED AT: 8:50**

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Jeffrey Nielson, City Recorder