



**Minutes of the
Millcreek City Council
January 21, 2020
5:30 p.m.
Work Meeting**

The City Council of Millcreek, Utah, met in a public work meeting on January 21, 2020 at City Hall, 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 (arrived at 5:47pm)

City Staff

John Geilmann, City Manager
John Brems, City Attorney
Elyse Sullivan, City Recorder
Rita Lund, Communications Director
Francis Lilly, Planning & Zoning Director
Mike Winder, Economic Development Director
Kurt Hansen, Legislative Policy Director
Alexander Wendt, Deputy City Recorder
Dan Drumiler, Storm Water Engineer
Erin O'Kelley, Planner

Attendees: Jason Burningham

Minutes by Alexander Wendt.

REGULAR MEETING – 5:30 p.m.

TIME COMMENCED: 5:30 p.m.

Mayor Silvestrini called the meeting to order and asked for a motion to reorder the agenda to allow a report by Storm Water Engineer, Dan Drumiler.

Council Member Marchant moved to reorder the agenda, adding a report from Storm Water Engineer Dan Drumiler. Council Member Jackson seconded. Mayor Silvestrini called for the vote. All Council Members voted yes. The motion passed unanimously.

Pre-Disaster Mitigation Grant Application for Neff's Canyon Debris Basin Study; Dan Drumiler, Storm Water Engineer

Mr. Drumiler reported that City staff submitted a grant request for Pre-Disaster Mitigation Funds to study a debris basin in Neff's Canyon for the amount of \$200,000. The Federal Emergency Management Agency (FEMA) denied the Millcreek grant for \$200,000 for the disaster mitigation study and replied that Millcreek needed to make changes to the grant request and that another city had applied for the grant for \$75,000. FEMA has denied the application twice for \$200,000, however FEMA has said the City can apply for a \$125,000 grant with suggestions to

improve the application. The City would be obligated to match 25%. The purpose of the report was to ask the Mayor and Council to pursue the grant. City Public Works would like to conduct a study on the floodplain in Neff's Canyon creek. Mayor Silvestrini asked if \$167,000 was enough to complete the study. Mr. Drumiler said the City would need additional funds to complete the study; initial estimates were for \$300,000 needed. Mayor Silvestrini asked if the City applied for the \$125,000 if that included the matching amount. Mr. Drumiler said the City would have to match \$42,000 to get to a total of \$167,000.

Council Member Jackson asked what the study determines. Mr. Drumiler said it would be for a hydrology study to study the placement of a potential debris field. The end goal would be taking homes out of the flood-plain if the study supported that. The City would ask an engineering firm to run hydrology models based on the placement of the debris basin. Mayor Silvestrini stated homes could be remodeled and individuals would not have to pay for flood insurance. Mr. Drumiler said there would be conceptual drawings to give an idea of where the best location would be, keeping this out of forest service land was important. John Geilmann, City Manager, said to do the study right, the City would need to add \$175,000. Some people living near the canyon were not happy about potential construction work in the canyon. Council Member Jackson asked how the City would afford the construction. Mayor Silvestrini said the City would need a federal grant to afford it. Council Member Marchant said at worst case, the City would end up with a retention pond. Mayor Silvestrini said the City would like to apply for the grant and would send a good message to the neighborhood. Mayor Silvestrini said some residents do not want the retention device built. The people against it would be the individuals closest to it and then people in the broader community who think the City should not pay for a project like this. Mayor Silvestrini added that residents on Zarahemla Drive were unhappy about a 50-foot-tall earth berm behind their properties. The berm cannot have trees on it, only grass. Another option, said Mayor Silvestrini, is to move the earth berm higher up the canyon but this would require an act of Congress to change the wilderness boundary.

Council Member Marchant said if people were worried about flooding and they did not want the work done, then why would the City spend the money. Mayor Silvestrini said that people were spending thousands of dollars on flood insurance per year and because of the floodplain, residents cannot remodel their houses based on the floodplain rules and the Residential Compatibility Overlay Zone (RCOZ). Residents who live lower in the floodplain may be more amenable to the improvements. Council Member Marchant stated that many homes were valued at millions of dollars and were at risk because of the floodplain. Council Member Jackson said she supported the grant and would like to move forward but there needed to be a line that the Council would not cross. Mayor Silvestrini said the study was the only way to get answers to residents about mitigating insurance costs and the dangers of the floodplain. The City did not have the facts until the study was complete. Mayor Silvestrini said that if the Mt. Olympus Community Council did not want the study, then the City should discontinue the study. Mayor Silvestrini continued saying a meeting was scheduled with the Mt. Olympus Community Council for the first Tuesday in February. Mayor Silvestrini, Council Member Marchant, Council Member Jackson, and Council Member Catten supported moving forward with the grant to conduct the study.

1. Discussion Items

1.1 Millcreek Series 2019 Bond Compliance Report Presentation; Jason Burningham, Lewis Young Robertson Burningham

Mr. Burningham, financial advisor to the City, said he would give a presentation on compliance issues related to the Bond. The Tax-Exempt Bonds and Continuing Disclosure Compliance Procedures were presented to the Council in 2019. Mr. Burningham said that when the City uses tax exempt proceeds, there are rules the Treasury Department has for the City. The Tax-Exempt Bonds document was adopted to meet these requirements. Mr. Burningham will review the summary of sales tax revenue bonds, arbitrage calculation and reporting, and continuing disclosure undertaking. Until ten years ago, the municipal market was less transparent, so bond holders paid less attention. Now there are continuing disclosure requirements for cities. Mr. Burningham stated the City issued \$17.3 million in bonds. These bonds are callable and can be pre-paid or refunded at lower rates after 2029. There are no principal payments for 4 years. Most principal is paid after 2029. After 2030, payments are more expensive. Mr. Burningham explained true interest costs and all-inclusive costs. There are exemptions and exceptions and Mr. Burningham planned to meet the exceptions.

Mr. Burningham explained continuing disclosure. Many cities have an audited financial report. Millcreek is in the process of developing this report. This does not fully satisfy the continuing disclosure requirements. The requirement is that a city has 220 days from the end of the fiscal year to provide a report by February 5th. Mr. Burningham has had to supplement the City's financial statements with financial summaries, the debt structure of the City, and historical revenues from sales tax. The supplemental report updated the debt structure. The City must disclose the revenue anticipation note associated with the Unified Police Department contract. There was a little over \$2.8 million in 2017, \$9.9 million in 2018, and in 2019 there was \$10.5 million in sales tax revenue. Mr. Burningham said a material event notice was when the City incurs a debt, this is for the 2020A Tax and Revenue Anticipation Notes and was submitted.

Mr. Burningham said the sequence for reporting arbitrage is every five years, but calculations are made every year. If 80% of funds are spent within two years of issuance then there is an exemption, there is no rebate requirement. Even if the City did not meet the spend-down requirements there were exemptions that can be made relative to the amount spent. Mayor Silvestrini asked if the City must make more than the interest rate. Mr. Burningham said the City would have to earn more than 2.21% in the reinvestment of their proceeds. Mayor Silvestrini said if the City spent \$16 million on the land, it would get close to the 80% requirement. Lewis Young Robertson and Burningham have not determined if it makes sense to do the report every year or simply file the report. Council Member Marchant asked what type of instruments the City could invest in. Mr. Burningham said all municipal bond processed are governed by the State Money Management Act. Mr. Burningham said they are talking about short-term liquid assets. All over funds invested in would have to be investment-grade. These are usually U.S. Treasury Bonds. Council Member Marchant asked Mr. Burningham to share a basic view of the portfolio. Mr. Burningham said the City could use their own portfolio mix or use the State Treasurer's pool. Mr. Burningham said that the Treasurer's pool has performed well without taking more risk. Mr. Burningham said they are updating the tax increment forecast. John Geilmann, City Manager, asked for a statement on City Compliance. Burningham said as the City's financial advisor, they have been asked to help document and determine compliance with the Bond issue and based all facets of internal policy and continuing disclosure undertaking, the City was in full compliance and was meeting all regulations as outlined.

Mayor Silvestrini said the Council would meet in a closed session to discuss property acquisition.

1.2 Proposed MedTech CRA; Mike Winder, Economic Development Director

Mr. Winder said St. Mark's Hospital was the City's largest employer which anchors the City. The area has enormous potential. Although some buildings are vacant, there is potential for redevelopment. If the City can assist St. Mark's with a north tower, then the parent company would help make it happen. The proposed 5-story tower would have a new lobby, three procedure rooms, and many rooms for patients. St. Mark's Hospital plans to have larger and better hospital rooms. The medical tower is not cheap, it will create a half million dollars in tax increment per year. Mr. Winder showed the proposed Medtech Community Reinvestment Area (CRA) boundaries. Mayor Silvestrini asked that the residential properties be taken off the map. Council Member Jackson asked if properties would have to be developed as health based. Mr. Winder replied no, and estimated the increment would be \$400,000 a year, conservatively. There would be a 70 -30 split with 70% going back to taxing entities, 5% goes to administration, and 15% to affordable housing. Mayor Silvestrini said this was a selling point with taxing entities. Mr. Winder said the City would receive \$4.4 million over 20 years, \$1 million can be reimbursed to HCA, the parent company for St. Mark's, for an enhanced façade. Mr. Winder added that the HCA brokers were trying to prioritize their projects and even a little help from the City would go a long way.

Mr. Winder said as a community partner, the City should help the biggest employer. He said \$50,000 could go to Promise Program support for ten years and then for the second ten years there could be park improvements for Millcreek Elementary. Council Member Marchant said the neighbors expected a park space there, not a building if Millcreek Elementary moves. Mr. Francis Lilly said there was a precedent for this in South Salt Lake when Woodrow Wilson Elementary moved. The City repurposed part of the old building and the rest became a park. The CRA was a way to protect that. Council Member Jackson asked how the Promise Program could be supported. Mr. Winder said that would be determined when the CRA Board makes the plan. Mayor Silvestrini said the City had obligations to the school. Council Member Jackson said the Promise Program in that area would be funded. Mr. Winder said the streetscape, bus stop, and transit enhancements were good because it could help the other taxing entities. The remainder could be a fund for building and infrastructure improvements to attract additional medical uses and restaurants to the area. Mayor Silvestrini said this could include greater density as the Hospital grows. Mayor Silvestrini believes this would be popular because St. Mark's Hospital was very popular in the City. Mr. Lilly said the Planning staff was looking at crafting an Institutional Facilities Zone. Erin O'Kelley, Planner, said St. Mark's came to the City and said they did not match the current zone because some uses were restricted in the zone. Mr. Lilly said the Planning staff was doing public engagement on this issue.

Mr. Winder said that the Medtech CRA would entice a new north tower, provide support for the Promise Program, encourage park space, increase transit, and solve the restaurant desert in the area. Council Member Marchant said the new building did not increase beds in the Hospital but increases care for patients. Council Member Marchant asking about a parking plan. Council Member Jackson said an acquaintance of hers said that employees would have to park across the street from the Hospital. Mayor Silvestrini said St. Mark's had talked about building a parking structure on the north side of 3900 South and may build a sky-bridge to

prevent pedestrian accidents. Council Member Marchant asked if a tunnel would be better than a bridge. Mayor Silvestrini said a tunnel would be more disruptive to 3900 S and is more dangerous. Mr. Winder said staff planned to do a community meeting on February 12, 2020. Mr. Lilly said this was a City-initiated re-zone. Mr. Winder said staff would meet in March and April to work with taxing entities and make an agreement. Council Member Marchant asked how much it would cost the City. Mr. Winder said it would cost the City nothing, but the increment could be \$50,000 a year for 20 years as an example. Mr. Winder said the plan had a community benefit for everyone. Mayor Silvestrini said this was a continuing use and people were used to the area being commercial. John Geilmann, City Manager, said this was a great place for a CRA, the anchor was already there in the heart of the CRA. Mr. Brems, City Attorney, asked if \$1 million would be of an incentive for St. Mark's. Mr. Winder said that while a million dollars was a drop in the bucket for a facility like this, staff want to reward St. Mark's but also encourage them to do more. Mr. Geilmann said the \$1 million dollars would be for façade enhancement. Mr. Winder said Wednesday the 29th of January at 6pm would be the community meeting. The Council asked that the meeting be noticed.

1.3 Report on 11.48.00 Anti-Idling Ordinance; Kurt Hansen, Legislative Policy Director

Kurt Hansen, Legislative Policy Director, presented the draft ordinance to the community councils and three councils were in favor of the it. The Millcreek Community Council voted against it 4-7. They suggested not passing the ordinance because there are too many rules and the City should do a public service announcement on not idling instead, and others said to have a sticker made that businesses could hand out to promote anti-idling. Mayor Silvestrini said maybe the Public Works Department could make the signs and have them posted for uniformity. Council Member Catten said that Holladay City has signs up on anti-idling. Mayor Silvestrini said it would be hard to enforce and some people would simply do it to follow the law. The proposed ordinance does give enforcement ability to the City. Council Member Catten said that people do go up to windows of people idling their cars and ask them to stop idling their car. The anti-idling ordinance gives the ability to add teeth. Council Member Marchant asked about what to do about people parked picking up their kids at school and school buses. Mayor Silvestrini said there were allowances in the law. Mr. Hansen said some people advocated to eliminate the heat and cold allowances totally or change the cold and hot weather temperature limits to 32 degrees and 90 degrees, and do not use the Salt Lake airport as a gauge. Salt Lake City has a temperature limit of 90 degrees. Council Member Jackson said the City boundary with Holladay was more nebulous than the Salt Lake City boundary.

Mayor Silvestrini said that having a uniform temperature range was more important when people cross city boundaries. Mayor Silvestrini said to use the Salt Lake Airport as the temperature gauge because it is the official temp of the whole valley. Mr. Hansen said he would look at other city ordinances on the temperature. Mayor Silvestrini said that the Council needed to look at the state law, so the City was not pre-empting state law. Mayor Silvestrini said there needed to be an allowance for people charging their car battery. Mr. Hansen said some people suggested doing a resolution instead of an ordinance, like Draper City. Mayor Silvestrini said an education campaign was important, but there needed to be teeth in the ordinance. In the Millcreek Community Council, they suggested a "don't be a smog frog" for a jingle. Council Member Jackson said people might like a

bumper sticker they can get at City Hall.

1.4 Proposed change to 11.20.060 Parking of Trucks and Commercial Vehicles to reflect 19.04.551; Kurt Hansen, Legislative Policy Director

Mr. Hansen said the City had two definitions for commercial vehicles that do not match. He asked to take the definition from Chapter 19 in the City Code and make that the definition in Chapter 11 of the City Code, so they match. Mr. Hansen said the definition applied to street parking only. Mr. Hansen asked if the weight could be over one ton. Mayor Silvestrini and Council Member Jackson replied yes. Mr. Hansen asked if the council and mayor would attend Local Officials Day at the Capitol. Mayor Silvestrini, Council Member Jackson, Council Member Uipi and Council Member Marchant replied yes. Mr. Winder said the lunch was good for the Youth Council and then State Legislators could come meet them.

1.5 Strategic Planning; Laurie Johnson, HR-Finance Director

Ms. Johnson was excused.

1.6 Mayor and Council's Discretion on Discussion Topic

Council Member Jackson asked for an update on House Bill 411. Mayor Silvestrini said twenty-four cities had passed it a resolution opting in. There was a meeting that week on developing some form of governance.

Mr. Francis Lilly spoke about the City Center plan and the meeting planned for Wednesday, January 22. Mr. Lilly said both options for the plan had plaza hard space but north of 3205 S. the space was nature oriented. All options have a space in the middle of the plaza that is pleasant in the winter and summer. There are suggestions for small kiosks managed by a non-profit. This area could be used as a business incubation program said Mr. Lilly. In one concept, there would be two ways into the space. Only vehicle access on one side of the plaza. There is a lot of parking on street and in small parking areas. Option A has a road on one side and is a one-way street. Council Member Jackson asked about access for Americans with Disabilities Act (ADA) and seniors. Mr. Lilly said that was a large concern, so that road would have no curb or gutter. Option B also had road closure bollards to allow for other events said. Mr. Lilly explained there would be 300 parking stalls for Option A. This was enough for a typical day said Mr. Lilly. Mr. Winder said he had been speaking with Cottonwood Residential about building a parking structure. One scenario was to give up to \$5 million if developers can help get affordable housing in the area. Then Cottonwood can give \$5 million to a parking structure with 300 spaces. Council Member Jackson asked where the fault line was. Mr. Lilly said the fault line was on the red dotted line in the illustration. Mayor Silvestrini said that the fault line only goes off City property in the parking lot of the Riverbank Bar. Mr. Lilly said in both scenarios there was an idea for a small river.

Council Member Catten asked what option for roadways affected traffic the least. Mr. Winder and Mr. Lilly said Option B would be better for traffic. Mr. Lilly said that Option B meets the idea of a plaza where traffic is part of the scape. Mayor Silvestrini added that staff was listening to residents and the business community to blend the space and make it pay for itself. Mr. Winder added that the buildings illustrated were purely hypothetical. Mayor Silvestrini said that property owners had been approached about their options.

Many businesses have changed their ideas and are open to new movement. Council Member Jackson said she wants more notice for people that the buildings are just concepts and are purely hypothetical. Council Member Jackson asked where the farmers market would be. Mr. Winder said many places in the plaza could be the farmer’s market. Mr. Lilly added a farmer’s market could be a nice northern anchor. Council Member Marchant asked where the water wheel would be. Mr. Lilly said the south end could have public art and the water wheel could be there. Council Member Catten asked who would manage the space. Mr. Lilly said that a down-town alliance could be contracted.

Mayor Silvestrini said the City Council should go into the closed session to talk about property acquisition.

Council Member Jackson moved to go into close session per UCA 52-4-205(1)(d) to discuss the purchase, exchange, or lease of real property at 7:36 p.m. Council Member Uipi seconded. The Deputy Recorder called for the vote. All Council Members voted yes. The motion passed unanimously.

Council Member Uipi moved to go back into the open meeting at 8:05 p.m. Council Member Jackson seconded. Mayor Silvestrini called for the vote. All Council Members voted yes. The motion passed unanimously.

1.6 Discussion of Correspondence and/or Future Agenda Items

Mr. Lilly said billboards and signs ordinances would be on the next agenda. The Planning Commission had increased the setback of billboards, limited the size of billboards, and restricted where billboards could be. Mayor Silvestrini stated that he had a conflict on this matter, Reagan Outdoor Advertising gave contributions to his campaign and the Mayor and his wife had done work for them. Mayor Silvestrini said he was opposed to changing the current code, first, he was opposed to changing the code that would make the City a target of the Legislature, second, he wanted to be able to move billboards in the City, and third, he did not want the City to have the ability to restrict non-standardized billboards. That would make it harder for companies to sell space on billboards and make Millcreek a target of the Legislature. Council Member Jackson asked for comparisons from neighboring cities. Mr. Lilly and Council Member Uipi said that would be in the staff report. Mr. Lilly said that Ms. O’Kelley would brief the Council on the sign code again. Council Member Uipi said there would be a variance hearing that Friday for a Utah Department of Transportation (UDOT) property on Virginia Way.

ADJOURNED: Council Member Uipi moved to adjourn the meeting at 8:10 p.m. Council Member Jackson seconded. Mayor Silvestrini called for the vote. All Council Members voted yes. The motion passed unanimously.

APPROVED: _____ **Date**
Jeff Silvestrini, Mayor

Attest: _____
Elyse Sullivan, City Recorder