



## MURRAY CITY MUNICIPAL COUNCIL COUNCIL RETREAT

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The Murray City Municipal Council met on Tuesday, June 24th, 2014, at the Village III Condominium Complex Clubhouse, 1525 East Vine Street, Murray Utah.

### Members in Attendance:

Brett Hales	Council Chair
D. Blair Camp	Council Member
Jim Brass	Council Member
Diane Turner	Council Member
Dave Nicponski	Council Member

### Others in Attendance:

Janet M. Lopez	Council Administrator	Frank Nakamura	Attorney
Justin Zollinger	Finance Director	Kellie Challburg	Council Office

Chairman Hales called the Council Retreat to order and welcomed those in attendance.

### Business Item #1

### Murray City Council Members' Goals

Ms. Turner asked for an explanation of the goals. Chairman Hales replied that the purpose was to determine the goals they wanted to accomplish, either individually or collectively.

Mr. Nicponski stated that the former Council spent two days with a group of moderators establishing goals. He said it was interesting and a mission statement was established.

Mr. Brass said the purpose was mainly determining if any ordinances were needed, or for example, a goal might be the redevelopment of downtown or a New City Hall. He stated that the Council is the legislative body and the goal is to either create or fix legislation. Mr. Nicponski said if it is a strong or overriding goal, such as a New City Hall, it might affect other decisions along the way. If the goal is for a New City Hall, it might determine whether a tax increase was done sooner or later. Mr. Brass noted that it could be goals such as looking into green waste. Ms. Lopez offered to start a list to help create direction into topics that need to be addressed. Mr. Nicponski added that it would be helpful to know the goals of other council members also to reduce the chance of

duplication. Ms. Lopez added that some goals of Ms. Turner might be energy efficient vehicles, and clean air issues.

- Ms. Turner said she does have one topic she would like to address, and asked if this was the proper forum. Ms. Lopez said a CIW (Council Initiative Workshop) would also be the proper forum if she needs more time to prepare. Ms. Turner said she would like some thoughts and feedback from the others.

Ms. Turner stated that when she was traveling in Italy, she visited grocery stores and was asked how many plastic bags she would like. In Italy, they charge 3 cents per plastic bag. Ms. Turner thought that was a wonderful idea and she noticed that she didn't see plastic bags around outside. If people purchased the plastic bags for 3 cents, the bags had a value and were more likely to be used for something else. She mentioned that she had not spoken to the attorney about legal implications. She thought that if the store charged 3 cents per bag, then possibly 1 cent could go to the City, and 2 cents would remain at the store.

She believes it would make the community more aware of the impact of plastic bags. She has researched studies on the harming impact of plastic bags on our society. Mr. Nicponski asked if that included paper bags also. She replied that for now it would just be plastic, since plastic bags are more harmful to the environment. She stated that something similar had been done in Oregon and Washington D.C.

Chairman Hales asked if this could be done on the City level. Mr. Nakamura said he would have to look into it because it is an issue of statewide concern. Mr. Nicponski asked if the City was within the parameters to do that. Mr. Nakamura said that it puts the City in the position of directing corporations such as Harmons, Smiths, etc. so it is a difficult call.

Mr. Nakamura said he believed Harmons offered a similar program, and that they count the number of bags being used. Ms. Turner asked if there was a charge for the bags used. Mr. Nakamura said he believed there was a credit given if the customer uses their own bags. Ms. Turner clarified that a credit was given but there was no charge added for additional bags.

Mr. Nicponski commented that previously he experienced going to the Legislature requesting handicapped parking and the grocers replied that it was their property and they made the decisions. He stated that it was a great idea to make people aware of the problem, and if it goes to the Legislature, then it could be a great legislative issue.

Mr. Nakamura said the issue is whether it is a matter of state wide concern, since the grocery stores have a presence in different municipalities. Ms. Turner said that different cities in Oregon have completely banned plastic bags. Mr. Nakamura said the question is whether or not the stores can charge for a plastic bag. Mr. Nicponski asked if the legal issue was whether one city could do something that the other cities aren't doing. Mr. Nakamura said the initial issue would be that it is an issue of state wide concern due to the varying jurisdictions. He replied he didn't know the answer to that question, and the issue of charging for bags would be another issue.

Mr. Brass commented that Murray is currently negotiating to get a downtown grocery store and wouldn't want the unintended consequence of alienating a grocery store. He commented that he likes the idea of getting rid of plastic bags also.

Mr. Zollinger said that education efforts might work to let consumers know they have the choice of not receiving plastic bags and the detrimental effect they have on the landfill. Ms. Turner said any method of making consumers aware of the problem might help, and possibly a percentage of the proceeds could go towards environmental issues such as bike lanes, alternative fuel vehicles, etc. Mr. Zollinger said it would be helpful to know the number of bags used every year. Mr. Nakamura said that the Harmons program seems to be successful and hasn't hurt their business. Ms. Turner noted that the other stores don't seem to be mindful of the number of bags they are giving away.

Mr. Nicponski suggested referring it to the League of Cities and Towns. Ms. Turner said she thought of that also. Mr. Nakamura said that would be a good idea for them to take it to the Legislature in order to make state wide changes. Mr. Zollinger said possibly the Chamber of Commerce could encourage grocery stores to think about it also. Ms. Lopez commented that if a few stores started charging, most likely the others would soon follow. Mr. Nicponski said he agrees with Mr. Brass about being careful not to chase away a potential grocer. He asked Mr. Brass which store was considering locating to the downtown area. Mr. Brass replied that he couldn't disclose that information presently.

- Mr. Camp said another goal might be the possibility of setting up the Council Meetings to be streamed online. He said other cities stream online and Murray should look into doing that to show more transparency and accessibility. Ms. Lopez replied that it could be looked into. Mr. Nicponski asked if there was a channel available for that type of thing. Chairman Hales said he believes there might be a channel available. Mr. Zollinger and others replied that it was a great idea.
- Chairman Hales mentioned that he and Mr. Camp had spoken about a panhandling ordinance that Provo City has. The ordinance states that panhandlers cannot go out into the street and it has worked well in Provo. Mr. Camp replied that basically it states that a person cannot hand someone money from their vehicle. Ms. Lopez commented that Salt Lake City has a similar ordinance. Mr. Brass asked if that ordinance had been challenged. Chairman Hales said there would be a challenge to legislation but it is a serious problem around Fashion Place Mall. Mr. Camp noted it would affect the firefighters boot fundraising efforts also. Ms. Lopez added that Mr. Tingey could look into it as part of community development. Mr. Brass said it is a problem on 4500 South and 300 East also and panhandlers walk up to the cars to get the money, and it creates a hazard.
- Mr. Nicponski commented that he would like to change the ordinance to allow a household to have three dogs instead of two. Ms. Lopez mentioned that topic was scheduled for a CIW (Council Initiative Workshop) on July 1<sup>st</sup>. He asked for opinions and if anyone knew a reason not to move forward with it. Mr. Brass commented that he had received emails and calls against allowing more dogs. Mr. Nicponski said he had received a lot of feedback on chickens and bees, but only a couple on dogs. Ms. Turner said it is a concern for those living in multiple family units. Chairman Hales

questioned whether it would be similar to the 80 mph speed limit, and if the number of dogs allowed would be pushed to the maximum limit and more. Mr. Nicponski said he would see the response after the CIW. Ms. Lopez said they would keep the discussion scheduled for the CIW on July 1<sup>st</sup>. Mr. Camp noted he would probably have to agree to disagree on increasing the number of dogs allowed. Mr. Nicponski said that was not a problem and mentioned that some cities allow more and some have no limit, so it might be worth discussing.

- Ms. Turner asked if a tax increase should be discussed. Mr. Brass commented that it should be looked into at mid-year budget, after the City gets through the important pending UTOPIA decision. Mr. Camp said that the upcoming decision may be the beginning of all-consuming decisions. Mr. Nicponski commented that if the other cities vote with the majority, then they wouldn't allow Murray to go dark. Ms. Lopez stated that it was time to move on to the next topic.

## **Business Item #2**

## **Budget and Capital Improvement Process (CIP)**

Ms. Lopez noted that the budget process was just completed and asked if the council members had any suggestions or thoughts about the upcoming year that could improve the process. She added that the budget and capital improvement process begins in February and the committee works until it is passed.

Mr. Zollinger stated that the budget is open in January for input with the different departments. The departments then have about a month to enter their needed numbers. This year they were asked to keep the operating budgets as flat as possible to make room for employee raises.

In March, the department directors meet with the Mayor and Mr. Zollinger. Mr. Zollinger has met with the Budget & Finance Chair & Vice-Chair and kept them apprised of any goals or difficulties. State law requires the budget to be turned in the month of May.

He added that the process for CIP runs simultaneously to the budget process. Requests for CIP projects start coming in September/October, and those are submitted to Mr. Zollinger or Ms. Wells. Mr. Zollinger puts the requests on a spreadsheet and those are sent to the CIP Committee members. The CIP Committee is made up of Chairman Hales, Mr. Camp, Mayor Eyre, Ms. Wells and Mr. Zollinger. The funding for the CIP projects comes from savings from the prior year. Mr. Nicponski asked if he should go to a Committee Member or the Mayor with CIP requests. Mr. Zollinger said either would be fine, particularly the Mayor. The Committee then prioritizes the project requests and determines which ones fit in the budget. Chairman Hales reminded them that the Council approves the CIP budget. Mr. Zollinger added that the council members serving on the CIP committee rotate every two years so that the existing committee member can train the incoming one.

Mr. Zollinger commented that the CIP budget worked out beautifully this year. Mr. Zollinger added a feature that when the vehicles are sold, that money is given back to the department to be used for future CIP projects. He said it is a fluid process and the numbers aren't really firm until the year end. He said the CIP budget has been anywhere from \$1.8 million to \$3 million, depending on the amount of money saved. Mr. Nicponski clarified that if a department wanted to make a purchase of \$5,000+ for small purchases

and \$25,000+ for large purchases, they would run it through the CIP budget. Mr. Zollinger said that was correct but sometimes purchases less than \$5,000 would also be run through the CIP process.

Mr. Zollinger said the CIP process is a great tool that coordinates between the Council and Administration.

### **Business Item #3**

### **Financial Reporting**

Mr. Zollinger asked if there were any requests for different financial reporting. Chairman Hales commented that he loves the reports that Mr. Zollinger sends out, and Ms. Turner added that Mr. Zollinger is very approachable and available. Mr. Nicponski said that the accessibility to Mr. Zollinger and Mr. Nakamura also is very important to respond to constituent needs.

Mr. Zollinger added that the monthly financial reports are posted online for citizens, as well as the annual financial statements and annual budget. Mr. Brass added that the link for that could be more visible on the City website.

Mr. Zollinger said he has a massive spreadsheet that analyses the sales tax but it needs to be fixed so that report will be coming again soon. The Budget & Finance Chair also reviews the numbers monthly comparative to the budget. The projections have a year to date budget evaluation tool, and the numbers are reviewed quarterly with the Budget Committee Chair and Vice-Chair.

Chairman Hales commented that he purchases hundreds of dollars of lunches every year. Ms. Turner added that the same thing occurs when she attends luncheons and meetings. She said it is expensive to attend every function, and most charge for the meal provided. Chairman Hales said he believes there is nothing wrong with having an expense account, but it depends on the budget. Mr. Brass noted that the council member currently receives \$100 per month/ \$1200 per year and that amount could be changed, but may require the submittal of receipts. Chairman Hales clarified that if the \$100 was taken away, the alternative would be to submit receipts. The question is whether the amount spent is over \$100 per month, added Chairman Hales. Mr. Brass commented that while he hadn't thought about it, \$100 a month can be spent very quickly on a few lunches.

Mr. Brass stated that he believes the per diem for travel is very low. Any restaurant in a big city takes up the entire per diem on one meal. Mr. Zollinger said he would like to correct that aspect of the per diem and simplify it also. Currently the code used makes it confusing to determine the amount. He suggested following the Federal Government GSA (General Services Administration) standards that are updated automatically. Mr. Brass said it was a great idea and would simplify things. He also added that when he gets notification of a reimbursement for per diem, he doesn't know what it is for, whether airfare, hotel or meals.

Mr. Nicponski said he likes the idea of not having to keep track of receipts. Mr. Brass suggested increasing the monthly amount to \$200 per council member. Chairman Hales agreed with that idea and it would make it easier to purchase meals at events or meetings. Mr. Zollinger said that it does set a tone, but a budget opening could easily be done to make the change.

Mr. Brass said the increase should include the explanation that the per diem doesn't cover the cost of travel. Mr. Zollinger agreed that the current policy doesn't cover costs. Mr. Brass said the current per diem of \$25 for meals covers about one meal in large cities, and it is a financial burden to travel. Mr. Nicponski stated that is one reason why he doesn't travel too often because it is a personal cost.

Ms. Lopez said there are two different things being discussed; first, changing the city-wide per diem to the GSA standard, and also increasing the council members' monthly reimbursement for expenses.

Chairman Hales said he doesn't feel like that is taking advantage of the system at all. There are many times that he has picked up the bill for business lunches. Ms. Turner said that would be helpful. Mr. Zollinger said it could be increased to \$150 per month also. Mr. Nicponski and Mr. Brass agreed that this amount would remain in effect for a while so it might be best to increase it to \$200. The decision was made to increase the monthly expense account.

#### **Business Item #4**

#### **Paid Time Off (PTO)**

Mr. Zollinger handed out the preliminary outline regarding employee PTO. Chairman Hales asked if the employees currently have PTO hours. Mr. Zollinger replied that they do not, but the administration has been thinking about making the change for a while.

One of the main objectives of making the switch to PTO is to keep the employees "whole", and not take away anything that they currently have, while decreasing City liability.

The current program does not fit in the new software and needs to be simplified. The current insurance allocation payout contains a separate code for every single line. That is one of the things that need to be changed.

The current overtime policy needs to be updated with a call back code. The present policy was set up with good intentions, but allows for some misuse stated Mr. Zollinger. Sick time is being abused and needs to be limited. Mr. Zollinger showed some examples of employee time sheets, showing employees using sick time for vacations.

Finally, the City's liability needs to be decreased. Currently sick hours keep accruing, and the liability for the City is getting larger.

The current plan is 96 hours of vacation pay and 96 hours of sick pay per year for a brand new employee. The City allows up to 24 hours of sick leave payout once a year if it was never used. There is not a limit on sick hours banked, which needs to be changed. There is a 280 hour vacation limit, with greater limits throughout the year. If an employee accrues more than 280 hours, then hours are lost. There are people that track this issue fervently and try and get hours added back on if they are lost. Mr. Zollinger said he doesn't want this fiddling of hours. There is also an insurance allocation payout.

The new policy allows for the same amount of days, simply more days would be assigned to PTO. Those hours would be designated as personal time to take days off for

whatever reason, including illnesses. He said he believes this is a huge win, particularly for employees that are not sick very often. He said there will be employees opposed to this change because they are currently using both vacation and sick hours for vacation. He believes the majority of employees would be in favor of this change. Mr. Nicponski asked if entry level employees receive that many vacation and sick hours. Mr. Zollinger replied that was correct.

Mr. Nakamura stated that unfortunately sick leave accumulation has been tied to severance benefits, including retirement. If the City reduces the sick leave, then the employee is losing a severance benefit that they had. Those benefits should never have been tied together. He noted that the current sick leave policy favors the sick leave abuser. The employees that don't abuse the sick policy are unbenefited. He added that if people are legitimately sick, and it is out of their control, then number of hours taken shouldn't matter. The current policy doesn't recognize that. Secondly, those employees that abuse the system have zero sick leave hours available. He noted that some of his good employees have over 1,000 hours of sick leave accumulated. He added that if all the hours are in one bank then all the employees are treated equally. At the same time, there needs to be an allowance for those employees that are truly sick.

He cautioned that employees would complain that a severance benefit was being taken away. This was also an issue for Salt Lake City employees when they switched over to a PTO system. Mr. Brass clarified that the employees aren't losing any hours that they have, that would be preserved, and they just would not be receiving anymore. Mr. Brass said he could see how they would see it as a reduced benefit if they were hired under the assumption of receiving all those hours when they leave employment. Mr. Camp said there are those that will use the hours up if they are only going to get a percentage of them anyway. Mr. Brass said the City had already cut post-employment benefits, and some entities such as Central Valley are giving more to those retired employees. Mr. Nakamura said the payout at the end of a career is much higher based on hours accumulated all throughout the career. He said the City liability is huge. Mr. Zollinger said that Murray City's liability is about double that of other cities.

Mr. Zollinger noted that there would still be a payout of PTO hours. There is a limit of 480 hours on short term disability. He said PTO hours can be used to bridge the gap between short-term and long-term disability, as well as other times when it is needed. The new policy would require three days of PTO and a doctor's note before short-term disability is allowed.

The new policy would have a 400 hour maximum limit on PTO hours. That is an increase from the 280 vacation hours allowed. That was a compromise due to the fact that there would not be an insurance allocation payout. Currently if a person gets injured and they have used up all their sick hours, the City gives them an additional 200 hours. Mr. Zollinger said it does happen, but once again it benefits the sick leave abuser. In order to take out that subjectivity, the new policy would give everyone an additional 200 hours to the short-term leave bank, but those hours would not have a dollar payout. Ms. Turner clarified that a doctor's note would be required to access those hours.

Mr. Zollinger said that after the 480 hours of short-term disability was exhausted, then long-term disability would kick in. Mr. Nicponski asked what the long-term disability was. Mr. Zollinger replied that it was a 90 day policy with a payout of 66%. The policy kicks in at 90 days and covers from that point on as needed.

Mr. Nakamura said there are other entities that have a separate short-term disability insurance program. He said the one benefit is that the insurance company completes a serious medical review to ensure further payments and coverage. He added that it goes back to the original argument that if the employee is truly, legitimately sick then they should be covered. Mr. Nicponski said he had concerns with an insurance company managing the employees instead of the City. Insurance companies can be very cold and number oriented stated Mr. Nicponski. Mr. Nakamura agreed but added that a purpose of this new policy change would be to decrease the amount of abuse occurring. Mr. Zollinger said the City would monitor the employees. He said the City is taking on the responsibility rather than paying someone else to do it. He said that his department would have the tools needed to monitor it. Mr. Nicponski said that he is very comfortable with the finance department handling these things, but believes Mike Terry should be involved also, as another set of eyes. Mr. Nakamura added that Mr. Terry has been involved from the beginning.

Mr. Zollinger said this also gives the opportunity to rewrite a policy that outlines vacation and sick hours as hours worked. He said some of the timesheet examples show inconsistencies with that policy. For example, an employee has been receiving overtime when the vacation or sick hours make them exceed 40 hours for the week. If a person is called out in the middle of the night, then that is a different story and would be coded differently. Mr. Nicponski asked about comp time. Mr. Nakamura said salaried employees receive comp time. Mr. Zollinger showed an example of an employee that worked four ten hour days and then took eight hours of vacation on the fifth day and that becomes comp time since it is over 40 for the week. That eight hours equates to twelve hours with the day off. Ms. Turner said that should fall under administrative issues. Mr. Nakamura agreed that was bad management and the manager should take responsibility also. Chairman Hales asked if this new policy was to correct that issue. Mr. Zollinger replied that was correct. He said the same people abuse the policy and know how to work the system; it is a large number of employees. He has been sending reports to the department heads so they are aware of the continual abuse by the same employees.

Another example shows an employee timesheet using vacation and sick interchangeably. They take them together in two to three day increments. Mr. Zollinger said it is costing the City tens of thousands of dollars. He said that over 21 hours of overtime was being generated, and when researched only one half hour was legitimate overtime.

Chairman Hales said an employee can take 32 hours of vacation and take four days off, come in and work ten hours on Friday, and we would be required to pay them two hours of overtime under the existing policy. Ms. Turner said she believes this change is necessary and makes sense.

Mr. Zollinger said for example if an employee has 300 hours of vacation that have a dollar value and 200 hours of sick time that does not have a dollar value, these hours would be converted to 500 hours of PTO and 200 hours of short-term disability. There would be no hours or dollars lost. The City would have to pay out 100 hours to the employee to bring them down to the 400 hours allowed limit.

Another example would be an employee that has 250 hours of vacation, 600 hours of sick that have dollar value and 1000 hours of sick with no dollar value. He commented that this isn't an absurd example, and there are employees in this situation. The conversion would give the employee 850 hours of PTO and 1000 hours of short-term disability. The City would need to payout 450 hours of PTO to this employee to bring them down to the limit of 400 hours. Also, the hours of short-term disability over the 480 limit would be frozen in a separate leave bank for the employee to use in the future.

Mr. Nicponski said if the policy is costing the City tens of thousands of dollars, then the policy should be revisited.

Mr. Camp asked if the payout was paid at full value because currently it doesn't have a full cash value unless it is used. Mr. Zollinger said it would be paid out at their current rate, because it is money that the City owes. He said that only the 10% and 25% sick hours would be put in PTO, the rest of the hours that are not associated with dollars remain.

Mr. Nakamura said it would be interesting when it comes to the severance agreements.

Mr. Nicponski asked what the next steps would be to move this policy forward. Mr. Zollinger said it is an administrative policy so he is working with the Mayor and Mike Terry. He recommended that the Council write a letter to the Mayor showing support of the PTO program. Mr. Nakamura stated that there is a financial component to the policy that the Council would need to address, so it is a joint issue. Mr. Zollinger said it definitely is a budget issue that impacts dollars so the Council should be involved. Ms. Lopez asked if it would need to be a budget opening. Mr. Zollinger replied that it would because money would need to be paid out. He added that it could cost as much as \$600,000 out of the General Fund. He added that the City owes the money and needs to decrease the liability.

Mr. Zollinger said he has many more examples and has more information if needed. Chairman Hales thanked him for his presentation.

#### **Business Item #5**

#### **National League of Cities Conference Attendance**

Chairman Hales suggested waiting another year to see how the next year's conference goes before determining any future involvement. Mr. Nicponski asked where the location of the conference would be next year. Mr. Brass replied it is always held in Washington D.C.

Ms. Turner said she thinks it is valuable, particularly learning about issues in other cities and how they handled it. It helps to make connections with other municipalities. The problem there is that the same people need to consistently attend the meetings, which is a large expense. Mr. Nicponski asked what the cost is. Mr. Brass said the cost was just under \$3,000 and could increase by another \$1,000 for pre-conference meetings. He said the total is around \$4,000 to send two people. Ms. Lopez added that it costs more for returning members to attend, which doesn't seem to make sense.

Mr. Brass said the League meetings are very good, but do get repetitive. He said the National League is great for brand new people. If you have been an elected official for a

while, it could be money better spent elsewhere. He suggested attending the APPA (American Public Power Agency) conference, for example, because Murray does have the utility. There are some serious issues right now regarding power agencies. Mr. Brass said he attended APPA this year. Ms. Lopez added that all council members are invited to attend and budgeted for.

Mr. Nicponksi suggested putting a list together of all the eligible conferences that they could attend and the costs involved.

Mr. Nicponski mentioned he would also like to see a list of all the groups that they belong to and those membership fees.

Mr. Brass stated that a benefit of the National Conference is that you can get real time with your Legislators and that has value. It is important for the legislators to know what is going on in Murray, so he is in agreement with Murray attending for another year. He said Ms. Turner is correct if you want to network and really benefit from connections, it should be at least one designated person attending every year, and maybe alternating the other person every year. Chairman Hales noted that due diligence was needed when setting up appointments to meet with the legislators.

Ms. Turner believes the National perspective was very helpful. Ms. Lopez said it sounds like everyone is in agreement to continue attending for the upcoming year.

Ms. Turner said Jim Matheson was great. He was very kind and loves Murray. She said Senator Hatch said he may run again.

#### **Business Item #6**

#### **Power Department Reporting**

Chairman Hales said this topic needs to be discussed due to the elimination of the Power Advisory Board. He said he spoke with Mr. Haacke, and it was mentioned that he should be reporting to the Council. Chairman Hales thought it should be part of a Committee of the Whole at least every quarter.

Ms. Lopez included an example of the type of reporting he did every month to the Power Advisory Board. She said that Mr. Haacke is happy to report to the Council as often as they would like. Mr. Nicponski said the Council should have him report, possibly as often as a monthly basis. Mr. Brass said the Power Department amounts to almost half of the City budget, with little to no oversight. Mr. Zollinger said he monitors their budgets. Mr. Nicponski said it should be demonstrated that the Council is involved. It was suggested that Mr. Haacke report quarterly, with the option of meeting more frequently if needed.

Mr. Brass said there have been some significant outages recently and people are getting upset. He said the elected officials should be aware of those problems. He said an eye needs to be kept on their spending also, as with all departments.

Mr. Brass said a meeting should be held soon to discuss the recent APPA conference. Ms. Lopez suggested either the July 15<sup>th</sup> or August 5<sup>th</sup> meeting. Chairman Hales said to schedule it for the August 5<sup>th</sup> meeting. Ms. Lopez suggested that Mr. Haacke start with his original reporting format and the Council could give him feedback. Mr. Zollinger commented that he would like Mr. Haacke to use the financial statements that are already produced on a monthly basis for his reporting. Ms. Lopez commented that the

reliability report for power should possibly be included. Mr. Brass commented that the reliability rates are important and should be reported also.

### **Business Item #7**

### **Community Development Block Grant Allocations (CDBG)**

Ms. Lopez commented that there were some last minute things that came up in the annual CDBG meeting that might solicit some discussion about the process. She received feedback that council members should be represented on the committee that meets with the applicants requesting money. Chairman Hales said he spoke with Mr. Tingey, the Mayor, and Ms. Wells and they were in favor of Council representation on the committee. He suggested that two council members serve on the CDBG committee. Mr. Brass commented that the CDBG meetings are tough ones, due to the fact that there are \$500,000 in requests and \$200,000 to give away. The committee is the one that has to make those heart wrenching decisions because all of the causes are worthy. The problem with turning it over to someone else is that they may have different opinions for unknown reasons, so oversight would be nice. Mr. Nicponski suggested two council members serve on the committee.

Mr. Nicponski added that he would like a ceiling on the applications requesting money. He commented that applicants ask for \$1 million, when there is \$100,000 to give away. Mr. Brass said that the applicants are going to all the other government agencies for the same request; Murray may give them a portion and they could receive the remaining balance from other agencies. Ms. Turner asked if there were limit parameters set on the applications given, as well as the criteria required. Mr. Brass said there are parameters set but people always ask for more money than is available.

Mr. Brass stated that they try and choose the entities that truly benefit Murray City.

Mr. Nicponski suggested that Ms. Lopez solicit two council members to serve on the CDBG committee. Ms. Lopez commented that the timeframe is usually March or April so two members could be selected by then, possibly by January. She added that it takes a couple of full days to review the applications.

### **Additional Business Items**

- Mr. Nicponski said he has been solicited by different employee representatives. He states that every one of them have attacked the merit system or questioned the possibility of a better system. He asked if the Council needs to take a look at the merit system and evaluate other available systems. He said he understands that it is hard to make everyone happy and there is never enough money to do that. He would like to understand the existing merit system better and learn the pros and cons of it.

Mr. Nakamura stated that the law requires the City to have a merit system. The options would be a different process. Mr. Nakamura clarified that the law requires a merit system, with the exception of a few appointed positions. State law sets certain criteria including the requirement for a merit system, termination without cause, etc. This allows for a competitive system.

Mr. Nicponski said he would like to see some competing systems for merit increases.

- Chairman Hales wanted to discuss the Boys and Girls Club, and their future and monetary requests. He said the Director, Bob Dunn appears visibly stressed and has made it known that he needs about \$200,000. Mr. Nakamura added that the issue is there is a possible funding match from the State, and that is being investigated. Chairman Hales asked if this was a desperate situation that could impact the success of the Boys and Girls Club. Ms. Turner noted that this is a common situation with non-profit entities, and requires changes to the business plan, and a reduction in expenses and activities. Ms. Turner was unsure of how they got in this situation. Mr. Nicponski commented that it may open the door for requests from other non-profit entities.

Chairman Hales stated that the Mayor is concerned about the situation and has asked for support. Mr. Nakamura said the issue of the matching funds is important if the State is willing to give money away. Secondly, he added that it is a Murray institution that was established by the City. He understands that Murray would have to give \$125,000 to qualify for a State match of \$75,000.

Mr. Camp said he was confused with the Boys & Girls Club proposal to expand to two new schools, if they are that short on funds. Ms. Turner asked if Murray has any oversight to the club. Chairman Hales commented that they have offered to open their books for an audit. Mr. Brass said the oversight comes from the Board of Directors, which consists of Art Pasker, and other businessmen in the community. Mr. Brass reiterated what Mr. Nakamura said and stressed that the Murray Boys & Girls Club serves the children of Murray and keeps the kids off the streets. He has donated money personally to the club. He also understands the conflict of expanding if there isn't any money. He would like to have an audit done of the books as well. He is aware of travel and is unsure who is paying for the travel. He said there are some questions such as travel to a club meeting in Hawaii. He is also aware that some years the Director hasn't been able to take a salary. He isn't implying that there is anything shady going on but maybe cuts can be done somewhere. Ms. Lopez said some oversight might be good just for a new set of eyes to see the material.

Mr. Zollinger said he has heard that this money is needed to pay off a loan but if they don't have money to operate, how they can pay off a loan, he asked. He said it seems like there are two problems. Mr. Brass said that individuals on the Board have loaned money and would like it back.

Chairman Hales said that Mr. Dunn should meet with the Council and answer any questions. Mr. Nakamura added that the proposed expansion should be discussed, although he is aware that certain grants can only be used for certain purposes. It could be that a certain grant only covers the expansion to include schools not previously covered. Chairman Hales stated that Mr. Dunn attended a recent Committee of the Whole to give a report but did not mention the financial deficit. Chairman Hales said he heard that there was a financial need about a year ago, but the discussions were dropped. Mr. Camp said Mr. Dunn mentioned in the Committee of the Whole that they were short on cash. Ms. Lopez said when it was discussed a year ago, the Council had asked Mr. Dunn to contact banks and see

what he could get. Mr. Zollinger said the banks require security and the City owns the land. Mr. Nakamura added that the land reverts back to the City if it isn't a Boys and Girls Club, so the collateral issue is difficult. In the minds of the bankers, that isn't adequate security. Ms. Turner stated that it is an important part of Murray and helps a lot of children, but they need to be held accountable for any funds given.

Mr. Nakamura said the City has given \$118,000 this year, in addition to the CDBG money. Mr. Nicponski said he previously asked Mr. Dunn the monthly cost to run the operations, and he answered \$200,000 per month. Mr. Zollinger said that staffing documents and financial statements would be important for a complete audit.

- Mr. Camp commented that the Council needs to be diligent about maintaining decorum in Council Meetings. The time needs to be better recognized when the public can speak and certainly not engaging in dialog when not conducting the meeting. Chairman Hales clarified that discussion should be handled by the council member conducting the meeting. Mr. Nicponski agreed and said he has made that mistake before. Chairman Hales said he believes typically the meetings have been good. He referred to the meeting last week where a citizen kept her hand up and it makes it tough on the person conducting as to whether or not it is time for public comment. He added that it is difficult at times, but said that Ms. Turner handled that situation exactly as he would have. Mr. Nicponski commented that he doesn't mind at all when Mr. Nakamura steps in and sets them on the right path. Chairman Hales added that maybe the council members could improve and always go through the chair of the meeting for discussion. Mr. Nicponski apologized for responding to a public comment.

Mr. Brass added that if there are only a couple of people present and there is time, it is often better to let the citizens speak. He reminded them that once the decisions are made, they are not open for debate. He said there are always people that would like to voice their opinion, particularly when ILOT (in lieu of tax) transfers are being discussed. Ms. Turner said she could have better emphasized the time for comment section. Mr. Brass said that he has opened up the public comment section in a full room and nobody responded, and that will often happen. Mr. Zollinger noted that the lady at the previous meeting had some misinformation and it is hard to clear up misinformation during a meeting. Mr. Nicponski said a good way to handle that is to meet with the person after the meeting.

- Mr. Nicponski added that the Kimball group has offered to take the Council and Mayor for a tour of the Fun Dome building. They have suggested the morning of July 3<sup>rd</sup> if anyone can attend. Mr. Nakamura said it should probably be noticed if all members want to attend. Ms. Turner suggested 11:00 am to meet at the Galleria building.
- Ms. Lopez stated that if anyone receives requests for survey results or any other information about the Macquarie decision, it needs to be done through a GRAMA request (Government Records Access Management Act) form. Ms. Lopez said that Chairman Hales would announce the survey results during the Council meeting. He said there would not be public comment allowed at the Council meeting that evening. Chairman Hales said he would be conducting the meeting.

Chairman Hales adjourned the meeting.

Kellie Challburg  
Council Office Administrator II