



## MURRAY CITY MUNICIPAL COUNCIL COMMITTEE OF THE WHOLE

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The Murray City Municipal Council met as a Committee of the Whole on Tuesday, April 5, 2016, in the Murray City Center, Conference Room #107, 5025 South State Street, Murray Utah.

### Council Members in Attendance:

Blair Camp, Chair	District #2
Diane Turner, Vice-Chair	District #4
Dave Nicponski	District #1
Brett Hales	District #5
Jim Brass	District #3

### Others in Attendance:

Ted Eyre	Mayor	David Stewart	Lobbyist
Janet M. Lopez	Council Administrator	Kory Holdaway	Lobbyist
Tim Tingey	ADS - Director	Bruce Cutler	State Representative
Brian Shiozawa	State Senator	John Rock	Legislature Intern
Jennifer Kennedy	City Recorder	Frank Nakamura	City Attorney
Justin Zollinger	Finance Director	Brenda Moore	Finance
Sheri VanBibber	Youth Council	Gil Rodriguez	Fire Chief
Zachary Rose	Youth Council	Rebekah Heaton	Youth Council
Sarah Rasmussen	Youth Council	Pattie Johnson	Council Office
Sally Hoffelmeyer Katz	Resident		

### Budget and Finance Committee

Councilman Nicponski called the Budget & Finance Committee meeting to order at 5:15 p.m. and welcomed those in attendance.

#### **1. Approval of Minutes**

Mr. Nicponski asked for approval and corrections on the minutes from Mid-Year Budget & Finance Committee Meeting, February 17, 2016. Mr. Camp moved approval. Mr. Hales seconded the motion. All were in favor.

#### **2. Adjournment: 5:16 p.m.**

### **Committee of the Whole Meeting**

Chairman Camp called the Committee of the Whole meeting to order at 5:18 p.m. and welcomed those in attendance. Mr. Camp acknowledged the presence of Senator Brian Shiozawa and Representative Bruce Cutler.

### **3. Business Items:**

#### **3.1 2016 Legislative Session Update – David Stewart, Kory Holdaway, and John Rock**

Mr. Holdaway reviewed portions of the Comprehensive 2016 Legislative Report for Murray City and complimented John Rock for his excellent work and for being the best intern he ever had. He stated many of the bills identified would be a concern to Murray City. Some Issues were referred to Interim meetings.

- **House Bill 436 - Housing and Homeless Reform Initiatives.** (A funding arm for the homeless housing reform initiative, the bill was designed to deal with the homeless situation in Utah, moreover, Salt Lake County.) Mr. Stewart stated working together was imperative. The bill by Representative Gibson, appropriated \$4.5 million ongoing and a \$2.5 million one-time payment, via the State General Fund.

Mr. Stewart stated the initiative was largely driven by Mayor McAdams and Mayor Biskupski, who were diligently trying to address the very old, dilapidated and overcrowded homeless shelters. The program required a desperate overhaul to separate the men from the families and children. In an effort to construct new facilities, either on site, or in a new location, the reality most believed, was the single shelter would likely remain downtown, however, the family shelter could move. Midvale just constructed a new facility that is open year round rather than winter months only.

He stated via the State general funding process, paying close attention to the matter was vital. The County would set criteria, to measure potential locations for additional facilities. With the TRAX line located near and services readily available, many of the criteria could possibly be met in Murray.

Mr. Holdaway said the desire was to disperse the homeless population, as a whole, to different sites throughout the valley. A committee was formed to address the issue during Interim.

Mayor Eyre stated allocations from each of the cities would be requested to meet short-term, shortfall. He had received suggested information from the County, Council of Governments (COG) and Council of Mayors (COM). The original shortfall amount was a little over \$600,000 to keep it funded until the end of July. The County came up with enough money to pay slightly over \$100,000 and requested cities to contribute a total of \$100,000. Percentages requested were based on amounts paid to COG. The Council would be asked to review the issue.

- **House Bill 300 - Body-worn Cameras for Law for Enforcement.** (A bill setting State required minimum standards for the use of body-worn cameras by law enforcement and statues dictating their use.) The bill addresses the balance between a person's privacy and the public right-to-access body camera footage via the Government Records Access and Management Act (GRAMA). The issue related to body worn cameras took a lot of time. Mr. Rock reported 2015 legislation on body

worn cameras had failed. This year, HB 300 ended up as a very good consensus bill for language surrounding the use of body worn cameras. The session began with a debate on whether it would be a Peace Officer Standard Training (POST) practice to establish standards, or if the legislature would codify standards. After many compromises between the ACLU, the media and the Police Chief's Association, acceptable language was derived for the bill. There were some State required minimum standards, but those standards should mirror what Murray currently has in place. The biggest argument related to the GRAMA language: when should photos be released; what should be open; what should be considered unclassified; and what is private. The final language stated that footage from inside of a home, or footage depicting minors, or images considered gruesome would not be released by GRAMA requests. Independent review would be required for such photos. Under only very specific circumstances would the footage be released, for instance, if a weapon was fired or if a violent encounter had occurred inside. Mr. Rock stated, overall, it was a good compromised piece of legislation and the bill was passed.

Ms. Turner asked if the bill would be codified or if POST would have any input on the matter. Mr. Nakamura reported POST would set the standards

- **House Bill 316 - Building Code Review and Adoption Amendments.** (The bill addressed the ability of state and local entities to adopt a rule or ordinance that is different from the State Construction Code or the State Fire Code, and changes requirements for when building codes have to be updated from a three year to six year schedule.) Regarding reviews for building codes, Mr. Holdaway explained the changes from a three year cycle, to a six year schedule, with the exception of fire codes, plumbing and electrical codes, which would remain at three years. The bill passed.
- **HB 409 - Short term License Amendments.** (The bill sought to keep local government from making any new laws or restrictions on short term rentals for a period of a year in order to study the issues and impacts on cities by this new industry.) The bill from Representative Knotwell of Herriman, essentially related the short term rental of such things as a couch, a basement or a house. Mr. Stewart stated, generally short term rentals would be considered renting for less than 30 days. Such rentals are common in Park City, St. George and various canyons areas, which created discussions related to taxes not being collected on the income. Communities have not taken an active stand to zone for such occurrences. Representative Knotwell sought the assistance of Mr. Stewart to confirm ordinances across the state and review zoning to make it more accessible for those who want to rent, as well as, those who want to rent out a specific space or property. Opposition to the bill was related to removing the City's ability to regulate and zone.

The issue was referred to Interim towards the last week of session. The League committed to meeting with members of the Legislative Policy Committee (LPC) to address and evaluate communities' needs.

Mr. Holdaway echoed that short term rentals and the homeless housing are two issues that would be seen during the Interim and should be watched throughout the year.

- **Senate Bill 182 and House Bill 235 – On-Line Sales Tax Bill.** Senator Harper's bill passed in the Senate, but not the House. McCay's bill also did not pass in the House.

Mr. Stewart explained, Utah has approximately 10,000 "mommy bloggers" who basically prevented the bill from passing. Amazon, which depicts advertisements down the sides of their website,

notified all “mommy bloggers” that their affiliation would be severed because of the bill. These bloggers and small business owners, who generate a good deal of money on line, were greatly affected. The bill had the momentum and looked like it would pass, but did not. On the heels of the Utah Legislature, the state of Louisiana passed a similar bill.

Mr. Holdaway stated the League would be committed to raising the issue again in the Interim. Moving forward to level the playing field in terms of the brick and mortar stores, would be the goal.

- **House Bill 180 - Sales and Use Tax Exemptions.** Mr. Stewart reported Representative Wilson sponsored this bill that would exempt the machinery and manufacturing industry from paying sales tax on parts with a three year life. The cost to the State would have been approximately \$88 million and \$25 million to local governments. The bill passed the House, went to the Senate where it was held. More work on the bill would be anticipated during the Interim.
- **House Bill 384 - New Auto Dealer Amendments.** Mr. Holdaway explained the bill by Representative Coleman would create regulations for online auto sales. Tesla decided they did not like the deal and pulled its support to pursue a lawsuit against the State’s franchise laws. The bill did not move forward, however, it may surface again next year.
- **Senate Bill 110 - Water Quality Amendments.** The bill related to waste water issues dealing with sewer districts and ultimately passed. Mr. Stewart understood that The Association of Sewer Districts was pleased with the bill as it provided for more science in measuring water nutrients and another check in the process. Cities would be able to challenge results and have a review by an independent water control board. It would potentially save the City millions of dollars in upgrades.
- **Transportation** - Mr. Stewart stated one thing to look at and raise with the League and others was the quarter cent transportation and transit tax that failed the previous year. There was no appetite for it this year, however, he believed it could be raised next year with the ability to get it passed. Its failure was largely due to dissatisfaction and general frustration with UTA. Taking out UTA and charging a tax of .15 that could be split, .05 to the County and .10 to the cities, may pass.

He thought it would be possible and would have to come from the cities and the county, then back up to the legislature. With the upcoming election year, there was no appetite for transportation bonding. However, he thought next year there would be an opportunity to bond for other large projects, assuming the economy continues. Identifying smaller \$1-2 million projects may prove successful.

- **House Bill 360** – (Requires counties and municipalities to publish certain land use ordinance information.) Mr. Holdaway explained the bill would require the City to mail notices out when codes are changed. The League was not fond of the possible repercussions because it would force cities to comply with the State statute just as it was written. Poorly written, with many foreseeable problems, the bill would be difficult to implement and place cities in a state of noncompliance. The Senate did not consider it.

Mr. Holdaway acknowledged what great representation Murray has, including Senator Shiozawa, who was considered a valuable partner. Mr. Stewart added, it would be difficult to lose Johnny Anderson; he would not be running for reelection and had been a valued ally.

- **Senate Bill 196** - Ms. Turner reported, towards the end of the session, Senator Iwamoto had introduced a bill regarding plastic bags. Considered similar to a fee, Senate Bill 196, would have had positive, major impact on landfills. The bill passed at the committee, but did not pass the Senate. She hoped it would be reintroduced again and believed it would have been a great benefit.

Mr. Brass stated plastic bags had become a nightmare for recycling. Since there was no longer a market for recycling plastic bags, the center is no longer taking them. A visit to Rocky Mountain Recycling would display the difficult task of managing the plastic bags. Constantly pulling them from recycling streams, not to mention, retrieving them from across the street, where bags blow away and pile up against fencing.

Ms. Turner stated the importance of making the public aware of the horrendous problem that results from the continued use of plastic bags and the cost overall to manage their disposal.

- **Medical Marijuana** - Mr. Camp inquired about the status of medical marijuana.

Senator Shiozawa commended the City's representation on the hill. In addressing the medical marijuana issue, he explained there were three bills for medical marijuana. Basically, one bill would allow plant cannabis use for medical marijuana with a broad range of implications. A more limited bill came from Representative Vickers and was intended for children to use Cannabidiol (CBD) as an aid in epileptic, Dravet and intractable seizures. It had shown fairly good results. It is not a panacea, but has proven very helpful in children to a certain extent, although some liver enzyme issues have been seen. An interesting concept, in perspective, great benefits are seen, along with potential problems.

The second bill legalizing CBD was an expansion of the previous bill. Senator Shiozawa stated, it was basically a bill to kill the other bill. Because of mounting public pressures to pass medical marijuana, this provided a way to stop it.

Senator Shiozawa reported he supported a third bill, which was a resolution with two components. Component one, would remove marijuana from Schedule I drug list and put it on Schedule II. This was very important since Schedule I stated marijuana had no medicinal value, had high physical dependence and injury potential. For example, Schedule I drugs include: methamphetamines (Meth), heroine, and GHB, the date rape drug. Research is not allowed on Schedule I type drugs. For reasons unknown, during the 1970's marijuana was placed on Schedule I and remains there to this day, preventing drug research. Hence, moving marijuana from Schedule I to Schedule II, research could be conducted, however, it will continue to be defined as a potentially addictive drug.

The second part of the bill would call upon world class institutions, such as, USTAR, the University of Utah, Medical School, Huntsman Cancer Center, and the VA Medical Center to collaborate, use tax payer dollars and conduct research in a meaningful way. He stated there were already five Schedule I researchers, who can take on medical marijuana research. Such institutions would determine if marijuana works, if it is effective or not, and how it works. Also, research could show what side effects might exist and what risks and problems might result. Had research been done two years prior, this discussion would not be needed now. Imagine the University of Utah leading a study such as this; answers would be revealed and information would have been published in the New England Journal. He had asked Senator Hatch and Representative Chaffetz, on the floor, what their intentions were and they seemed indecisive at the time. Senator Shiozawa believed the fact was, research needed to be done. This bill passed and was signed by Governor Herbert.

Senator Shiozawa concluded, the other two bills did not pass, even with mounting pressure to move them forward. Thirty one states currently have some sort of permission approved. He believes in a year or so, a referendum could be expected similar to Colorado. Remaining proactive and in control would be the positive route, rather than a referendum for marijuana as a recreational drug, which would bring the same problems here. Whether marijuana is appealing or not, Colorado is having many issues. For example, pediatric ER visits have spiked in terms of overdoses. Reports show that children are getting ahold of edibles, in the form of a soft drink or consuming tainted brownies. Adults are considered intoxicated after consuming only 10 milliliters (ml). If a small child of three years old consumed the same amount, they end up in ICU and the ER. Evidence shows, marijuana has become a gateway and has addiction values. Consumed during early ages, bipolar disorders and schizophrenia can be exacerbated or could bring it on earlier. Marijuana is not a panacea, however, on the other hand, many compelling stories are reported by people with chronic pain, opioid addiction and seizures, who might benefit from it. Stories from veterans with post-traumatic stress disorder (PTSD), chronic pain and injuries, as well as, others with paralysis tell how they could be helped. He stated it was a very benign drug. Nurses asked him if he would support it, study and compare it to heroine and opioids. He agreed to consider it.

Senator Shiozawa stated he had been dealing with the issue for a couple of years. He did cosponsor the bill to approve Cannabidiol and with all respect to his republican colleagues, he stated he did vote for it this year. The bill carried in the Senate, with a number of bipartisan votes, because of the notion that a difference can be made. He would continue with research.

Mr. Brass thanked Senator Shiozawa for his time and insight. Senator Shiozawa thanked the Council for allowing him to share and stated it was a great honor to represent Murray City.

- **House Bill 96** – Representative Cutler reported his bill to form a State website with a single user name and single password for subsidiary websites had been implemented. Access to all state agencies, cities and counties would be available. The League and the Chamber both supported the bill. First year funding had been received and approved, except \$50,000. He hoped that next year funding would be available for the remaining cost. Representative Culter expressed his gratitude for being able to represent Murray, and Midvale. In addition, he informed the Council he spoke on the floor in favor of the Midvale homeless shelter, enforcing the open, year-round status. He added, the decision should have been a local one, made by city council, instead of the State legislature.

The Council thanked Representative Cutler for his time and efforts. Chair Camp thanked all the lobbyists for their work in representing Murray City.

### **3.2 Introduction of the Murray Youth City Council – Sheri VanBibber**

Ms. VanBibber stated the youth present had been actively involved in the Youth Council since junior high school. In operation since 2008, the Murray Youth Council had been acknowledged across the United States, as one of kind. The youth engaged in business, service, and governmental aspects. They attended yearly legislation meetings, sat in on bills, and created a bill for the Red Cross two years ago, with the help of the CEO. The bill would allow 16 year olds to donate blood. The Murray Youth Government was responsible for getting the bill passed.

The Mayor of the Youth Council, Zachary Rose, who had been involved for one and half years, conducted the presentation and introduced two attending members, Rebecca Heaton and Sarah Rasmussen. A slide show was shared to describe numerous accomplishments. The club has also become the official

Murray Exchange Youth Club, a national club similar to the adult Exchange Club. Core values and three aspects of the club are family, country and community. The group supported and assisted with dozens of events. Mr. Rose shared the completed projects related to these aspects:

- **End Child Abuse Project** - The group participates in and supports the proclamation against child abuse; raising thousands of dollars, they also helped set up the pin wheels in front of City Hall, for its annual National Pinwheel Garden Ceremony this month.
- **Golf tournament** - Last June the group held a golf tournament in order to raise money to pay off scholarships.
- **Fourth of July** - Leading the City parade route, the Club handed out the 10's of thousands of mini United States Flags helping to raise patriotism, acknowledging country and community as one of their core values. A Henna tattoo and face painting booth was also provided to help raise additional money for child abuse prevention.
- **The Red Cross** - Every Monday, throughout the summer the group volunteered putting together blood drive kits, which were sent out all across Utah and neighboring states. Mr. Rose stated their club is the only youth exchange club that does not take the summer months off.
- **Relay for Life** - A booth was set up during the event to raise funding for the Cancer Society, and although they were lacking sponsors for their relay team, they participated. A blood drive was also held that evening. The hope next time is to have sponsors for their team.
  - Mr. Rose reported many of the members had obtained a presidential certificate and award, for meeting the required 75 or more hours of service, for the Summer Service Challenge.
- **Burrito Project.** For the third time, the group participated in the Downtown Burrito Project SLC. With the support of Frida Bistro, the group met in the back kitchen where 600 burritos were made and hand delivered to the homeless. The event was announced on Facebook so that Murray adults and other volunteers could provide assistance to the youth group.
- **Haunted Woods** - The Club worked to prepare the woods for the event, raking, moving branches and clearing debris, to ensure safety on the trail. Decorating, as well as, working as goblins along the trail, the event ran for three consecutive nights. Total visitors ranged from 800 to 1200 per night and approximately \$8,000 was raised. Money would be used for the youth homeless shelter, stipends to the shelter kids, Taylorsville Family Center, Midvale Family Center and scholarships for students who are turning their lives around.
- **Share the Warmth** – Clothing donation bins were distributed to the Park Center, City Hall, and other locations. The items were taken downtown for the needy. Over 150 coats were collected. Clothes, handmade scarves and hats were also donated to the Midvale Family Homeless Shelter.

Meetings are held every two weeks breaking over Christmas and spring break. Planning projects over the last year was exciting and members were anxious for the future. Mayor Rose reported 1000's of volunteer hours over the year.

The costs solely rest upon of the youth members, including transportation and lunches. Mayor Rose, stated reimbursement was not expected for projects, but in order to optimize all efforts for the community and to provide its members college scholarship opportunities, the Club proposed \$5,000 support from the City for the upcoming year. Mayor Rose stated he and the Co-President, Anna Heaton, conduct all club meetings using Robert's Rules of Order. The value of the Excel Club is to put God before country so each meeting begins with prayer and the pledge of allegiance.

Mr. Camp stated how impressed the Council was with the Murray Youth Council and all members agreed. Ms. Turner expressed her appreciation in meeting the youth and stated she was familiar with some of them.

### **3.3 Fiscal Year 2015 – 2016 Budget Amendment Discussion – Justin Zollinger**

Mr. Zollinger reported the City was moving forward and fully utilizing the new payroll software after two years of hard work.

#### **Items for budget opening:**

- **1300 East State Road Funding** - As a bond issue from the State, \$649,702 had been received a few years ago. The funds could be utilized for the Vine Street project and was included in legislation. Due to a misunderstanding, the County provided the funding for the project on Vine Street. These remaining funds would be utilized for 1300 East project, because it was discovered by Mr. Hill, Public Service Director, and Trae Stokes, City Engineer, that more work was needed on 1300 East than previously thought. The remaining funds for the budgeted project and improvements were approved by the State for the remaining work.
- **Wi-Fi in Murray Park** - Bids were received for Murray Park Wi-Fi. Initially, the Mayor desired a base package installation for the Park Center facility and Farmers Market areas. The base package bid was \$114,722 and funds were available in the budget to complete the project. If Ken Price Ball Park, the outdoor swimming pool and park amphitheater were included in the package, the cost would be \$189,000. If installed separately to these areas later, the cost would be \$234,750. Therefore, for an additional, \$74,000 the City can provide Wi-Fi to all areas mentioned and not just the Park Center and Famers Market area. Substantial savings for the better package deal could be made.

Ms. Turner stated she certainly supported the better package deal and believed it was essential for those areas. Chair Camp echoed the thought.

- **Snow Removal** - This year the City has had quite a bit of snow removal. An abundance of snow came on holidays and weekends requiring significant overtime. Generally, budgets are accurate and handle snow and removal needs, however, with the timing of the snowfall, overtime costs were significant affecting many departments: General Fund \$25,000; Storm Water \$12,000; Water Department \$15,000; and the Waste Water Fund required \$4,000. The GIS conducts snow removal and was not affected. The situation would be common during significant snowfall years.
- **Streets Department** - A cost of \$25,000 was needed to repair the back end of a backhoe. The cost to replace the backhoe was \$140,000. The budget in the equipment maintenance account cannot provide for the repair, therefore, the department was asking for reserves to be utilized to repair the backhoe. Mr. Zollinger supports the funding for the repair.

- **Retained Risk Fund** - In preparation for a potential settlement payment \$190,000 needs to be transferred from the Retained Risk Fund Reserves. With the direction of Mr. Nakamura, Mr. Zollinger was ambiguous on purpose. Details could be made available during a closed session. Mr. Nakamura stated it would become public knowledge and fully disclosed, however the process and negotiations remain ongoing. Mr. Nicponski inquired how many cases were involved. Mr. Nakamura reported just one.
- **IBM AS400** - Auditors asked the City to make a change on payment of the AS400 lease. The payment was initially made from capital projects, however, it should have come from the General Fund.
- **Murray Parkway Golf Course** - Partial payment, of \$500,000, for the new irrigation system will come from the General Fund. Mr. Hill had reviewed the plan previously with the Council. Mr. Zollinger announced there had been a good, solid, positive revenue variance above budget on sales tax. He was comfortable reporting the funds were available this year and thought assisting the golf course with the new system was only right, because the construction of the Murray Parkway, had been paid for by the golf course. The budgeted money will assist with partial costs for the much needed irrigation system.
- **Fireclay Street Light Crossing** - For several years a signal has been needed in this area. It was desired that the county pay for the project either by design or through land acquisition. The county is booked out for the next year and half and would not have time to accomplish the project. Mr. Hill asked Mr. Zollinger if an additional \$30,000 could be available to complete the project by hiring a private firm. Mr. Tingey agreed that RDA funding could be approved for this purpose.

Mr. Nicponski inquired about the total cost. Mr. Zollinger reported \$230,000. Waiting another year would not be beneficial. Mr. Tingey stated the project was located at Fireclay and Main Street where a light would be installed.

- **Storm Water** - Mr. Zollinger reported that Mr. Hill was aware of redevelopment at 4500 South and Commerce Street. A storm drain for that area has been on the list for replacement repairs. Currently, with new development occurring in the area, repairing the drain now for \$215,635 would provide a savings, as the cost would double if it were delayed until later. Funding was not available in the Storm Water Fund at this time, however it was available in storm water reserves. This is the value of having reserves. Mr. Zollinger supports the decision to move on the repair.
- **.2% Sales Tax** - City reserves now have the potential of going up. The higher amount of revenue available, the larger amount of reserves you can have. It's a percentage. If \$40,000,000 of revenue was available, 25% is \$10 million that could be used for reserves. However, if revenue increased to \$50,000,000 an additional \$2 million would become available in reserves. With the reserve rate typically at the maximum, it was Mr. Zollinger's thought that backing off on the reserve percentage would prevent cutting off next year's CIP funding. The City could inch back up to the 25% if we choose, however, by reducing to 24%, the same amount of dollar reserves would be available. He did not see the need to return to the 25%.

Mr. Zollinger explained the procedures for reserves on the white board, using imaginary numbers:

Property tax	\$5,000,000
Sales tax	\$16,000,000
Franchise tax	\$4,500,000
License, Permits	<u>\$1,500,000</u>
	\$27,000,000
Reserve %	<u>X .25</u>
Reserve	\$6,750,000

Chair Camp inquired if this is required action. Mr. Zollinger explained it had been placed on the intent document, as well as, the budget document. The reserves beyond the 24% or 25%, departments that underspend and revenues that come in a little high, are monies then transferred to CIP. This proposes that the Council would authorize him to move the funds.

Mr. Nakmura added it may not be absolutely necessary to take action on the issue next week. He believed it was safer because it was different than the intent document. It is considered part of the budget documents.

Mr. Camp called for announcements.

**4. Announcements:** Ms. Lopez made the following announcements:

Council Member Brett Hales would no longer be able to represent the Council at the Chamber of Commerce. Ms. Lopez inquired if another council member could take over the position. Meetings were held the second Tuesday of each month, at 7:00 a.m. located at the Crystal Inn. Mr. Camp stated he would discuss the matter with Ms. Lopez.

**5. Adjournment: 6:15 p.m.**

**Pattie Johnson  
Council Office Administrator II**