



MURRAY CITY MUNICIPAL COUNCIL COMMITTEE OF THE WHOLE

The Murray City Municipal Council met as a Committee of the Whole on Wednesday, June 19, 2013, in the Murray City Center, Conference Room #107, 5025 South State Street, Murray Utah.

Members in Attendance:

Brett Hales	Council Chair
Dave Nicponski	Council Member
Darren V. Stam	Council Member
Jim Brass	Council Member
Jared A. Shaver	Council Member

Others in Attendance:

Justin Zollinger	Finance	Tim Tingey	ADS Director
Janet M. Lopez	Council Office	Jan Wells	Mayor's COS
Frank Nakamura	City Attorney	Kim Fong	Library
Georganne Weidenbach	Centurylink	Larry Walters	Centurylink
Blair Camp	Resident	Kellie Challburg	Council Office
Diane Turner	Resident	Mike Terry	HR
Sage Fitch	Resident	Buck Swaney	Resident
Cari Barrios	Treasurer	Jennifer Kennedy	Recorder
Jackie Sadler	MCEA	Peri Kinder	Valley Journals

Chairman Hales called the Committee of the Whole meeting to order at 5:17 and welcomed those in attendance. He excused the Mayor's absence.

Minutes

Mr. Hales asked for corrections or action on the minutes from the Canal Meeting on May 9, 2013, the Committee of the Whole meeting held on May 21, 2013, and also minutes from the Council Initiative Workshop meeting held on May 14, 2013. The minutes were all approved as written, all in favor.

Business Items 2.1

Trans-Jordan Cities

Mr. Kakala stated that the 2013 budget should hit about 100% of revenue. Trans-Jordan is doing a good job controlling expenses, and are coming in around 80%. Salt Lake Valley is holding off on the proposed fee increase of \$2.00 until mid-year, so it won't impact the budget this year. It could increase to \$14 or a little higher, but that will be revisited in January. The 2013-14 budget was adopted with a 2% COLA and a 2% merit increase. There was a fee schedule adopted also, and the only change in that fee schedule was an increase for the cost of Freon from \$8 to \$9 per unit. Mr. Stam clarified that it is probably a waste charge, for people that are turning in a refrigerator or something similar that contains Freon. Mr. Kakala agreed. He also stated that they don't accept commercial waste, and residential is free of charge. The fees are staying the same as last year.

The transfer station area that was being looked into was the fur breeders property. Trans-Jordan made an offer of \$4.5 million, and there was a counter offer of \$5 million. The appraisal came in at \$4.8 million, and they have also requested a 200 foot buffer in between the two areas. Trans-Jordan is still trying to decide if it is going to work out. Mr. Shaver asked about the buffer and if it was a property that needed to be purchased to create the buffer. Mr. Kakala said that was unclear about how the buffer was going to work. They decided to wait until the estimates were returned and those should be back in time for the next board meeting.

Sandy City is trying to put a waste/ energy facility in place. Mr. Nicponski asked if it was a burn facility that vaporizes it. Mr. Kakala said he is unsure of the details but that Sandy City is bringing it to the next board meeting after things are finalized. Mr. Nicponski noted that he had heard that there were financing problems. Mr. Kakala said that Sandy City is pretty tight-lipped about the facility right now. He is unsure of the effect it will have on Trans-Jordan, but could affect it greatly.

Mr. Nicponski thanked Mr. Kakala and his crew for their assistance with the Murray Bluffs canal break. Their efforts were commendable and produced a great amount of good will.

Murray City Library

Kim Fong

Ms. Fong stated that the new circulation policy had been instituted. There had not been any issues, and patrons seem to be happy with the new policy. The library specific collection agency will begin in July, and that should be a good reminder to patrons to return items before they end up in a collection/credit report issue. Mr. Hales asked if that would be reported to credit agencies. Ms. Fong said that at 60 days they receive the first letter from a collection agency, so it is probably close to 180 days before any negative reporting would happen. The emphasis is on returning the items, rather than paying the fees.

There is a much anticipated event this Saturday when the new windows in the Library will be unveiled. The windows are beautiful and she invited all to attend the short ceremony and public open house.

Mr. Shaver commented that the Library Board had been very fiscally responsible, and that is much appreciated. Ms. Fong said she would pass that on to the Board at the meeting that

evening. She also mentioned that the windows were paid for entirely by donations, and not with any Library funds. She complimented the Friends of the Library for raising those funds.

Legislative Policy Committee (LPC)

Jan Wells

Ms. Wells has been on this committee with Mr. Fountain for a long time. One item of focus with the League is the Marketplace Fairness Act Bill by Senator Harper. This bill would tax internet sales. People have different opinions on this bill, but it could be very positive for cities, if it ever passes. The question is whether or not the cities would get a portion of that tax. The League is spending a lot of time and energy on this bill, and working with Senator Harper. Mr. Shaver asked what Mr. Harper believes the distribution would be. He has heard other opinions weighed in, but not the opinion of the Senator. Ms. Wells said that Senator Harper has an interesting perspective on this and has worked with the cities a lot. She believes that Senator Harper feels like the cities should get a portion of that, although, she doesn't know what the portion would be. The emphasis hasn't been on the distribution of it, but rather getting the bill passed. Once the bill is passed, she believes he would then take up the job of dividing up the money. He is aware that the cities have an interest and have been his partners in helping with this for years.

WFRC (Wasatch Front Regional Council) has been hosting a variety of meetings to talk about future plans for transportation. Basically, the STIP (Statewide Transportation Improvement Program) has to be redone every four years and updated. That is also a part of ongoing legislation and is tied to funding for projects.

The Department of Water Quality Task Force met on nutrients and water quality, and is recommending a monthly fee of \$3 to \$6 for every resident in order to meet the EPA (Environmental Protection Agency) standards for cleaning up water. Mr. Brass has mentioned this before as well. Ms. Wells noted that this would impact all of the residents but will most likely happen because of a Federal mandate. The League is trying to mitigate this in whatever ways possible, to keep the impact reasonable. Mr. Stam asked if this would be a state-wide fee. Ms. Wells said yes, although the amount of the fee may be different in some locations. It is believed to be a State wide issue, because it is a National issue. Mr. Brass said the problem is that the sewer rates in Utah are very low compared to the rest of the Country, so there is no sympathy there. The reality of it is the money will be collected and the resulting impact, according to the available science will be minimal. The EPA is not taking into consideration all of the other sources that feed into the water supply. For example, a City like Corrine that feeds into the Bear River could suffer serious financial problems if they have to build a water treatment plant. Ms. Wells said the League is aware of this issue and is working on it, even though there are certain mandates that are going to be unavoidable. Mr. Brass said the fees would most likely be paid again if the plant is required to drop phosphorous and nitrogen.

The Justice Courts are having a variety of issues. There is a lot of talk about how to deal with the perceived challenges.

Ms. Wells met with Cameron Diehl to see if cities could have the ability to sign plats that the County changes or approves. Currently, the City doesn't have the ability to know what the County has done with plats. For example, there was a property in Murray that the County approved a change, and completely removed all the easements from a property. That property becomes effectively useless. This is a Murray driven initiative but Ms. Wells has spoken with the League about it. Ms. Wells was told that the clerks and recorders of the different entities don't

want to take this responsibility. This will also be discussed in the land use committee over the next year.

Council of Governments (COG)

Jan Wells

Ms. Wells stated that a letter was sent from the Governor to all Utah cities asking them to look at their regulations regarding zoning in an effort to make cities more business friendly. Mr. Tingey is working on that response detailing Murray efforts that are being made and will be made in the future. The Governor believes cities may be enacting too many regulations that make it more difficult for businesses. He would like cities to look at the requirements that may have been on the books for a long time and are possibly antiquated. Ms. Wells believes Murray has done a good job keeping requirements current.

There is a lot of work being done on air quality. Mayor Becker is the current Chair of COG and is driving this initiative in COG. The State Department of Environmental Quality, and the Air Quality Division have a goal to cut emissions by half. The two main focal points of these initiatives are large industrial areas that provide goods and services that are used by all; and the second one is transportation. This will cost everybody in a variety of ways. The States are required to comply with Federal standards. WFRC is working on the easy and voluntary fixes by encouraging people to comply. UDOT (Utah Department of Transportation) has created a website called Travelwise that encourages people to use public transportation and combine trips.

The VECC (Valley Emergency Communications Center) merger is being worked on with COG and UPD (Unified Police Department). Mayor Johnson from West Jordan has taken the lead on this. One of the biggest issues is the fact that there are two operating systems: Spillman and Versaterm. It is unknown how to combine those or how those would play together. Murray uses Spillman, but some of the cities and the County use Versaterm. Originally, when the County was joining, the plan was to use both CAD (Computer-aided design) systems simultaneously, and then determine the effectiveness of each and select one after a year. The latest thinking is that the UPD doesn't like that plan and they won't come in unless Versaterm is chosen. That could cost additional expenses if it goes in that direction. Mr. Nicponski noted that it is too bad that issue developed because the merger had been moving along at a pretty good pace. There isn't a need for three systems, so at least two of them would have to be combined. The State could then force Sandy and Salt Lake City to be absorbed by the current system. Mr. Shaver clarified that there is a group of multiple cities using the same system and possibly the State could force the others into using it also. The Legislature basically said there could be two systems, but not three. Salt Lake City is so large that they are able to have their own system right now, but as Mr. Nicponski said possibly when the situation is worked out with UPD and VECC members, there could be a push to combine even further. Mr. Nicponski noted that Brad Dee, the Majority Leader of the House, carries this agenda. He passed a bill this past session that would consolidate the State systems, including those for Highway Patrol and Public Works. VECC approved their budget today and is continuing to work on this issue. It doesn't appear to be a cost increase for Murray at this point. VECC is also working on getting a new Executive Director. The previous Executive Director relocated to Monterey, California.

There have been several reports on proposed transportation projects and the various funding sources in COG. There is \$4 million in the STIP recommended for the 2014-2019 plan for Vine Street, from 9th East to 13th East. That \$4 million has been confirmed. Vine Street is on the STIP as listed but not funded, and will be an expensive project. The TAP (Transportation

Alternative Program) has the Hawk Signal on 7th West to Bullion Street and 5900 South with Federal funding of \$99,000 approved. This will help with the children's crossing of the two schools there.

The homelessness funding request also came through COG. The City has sent an approved agreement and placed the funding in the budget to be approved. This item will be an ongoing request in the future. There was a note from Taylorsville that they had cut this request from their budget.

UTOPIA (Utah Telecommunications Open Infrastructure Agency) Jan Wells

The bonding for the next round of funding is underway. The approval for this UIA funding was previously given. There are several projects in Murray that may benefit from this fiber installation. The plan is that it would be used for areas that can provide a high return on investment, in a short period of time. Some of the fiber will be placed in business locations outside the current City network. For example, there are some facilities in Salt Lake City that they are looking at that can provide a quick return on the investment there. Mr. Shaver said he had heard about a challenge by others investing in places not a part of the UTOPIA group as a whole. Ms. Wells said those discussions have been ongoing for quite a while. She doesn't know if there had been a resolution one way or another. At this point, she believes they are planning to move ahead. Mr. Stam said there is nothing that says that fiber can or cannot be placed outside the network.

Murray has not paid the portion of the operational funding that is needed right now, and the City Managers group has basically shut down. The other cities are not interested in discussing the utility model with Murray staff at this point. The focus by the majority of the cities is to move forward with this separation, with only minimal ties to run the core of the fiber system. Murray needs to answer the question of what the participation will be in the future, and make some decisions. She stated that not making a decision, isn't really a decision. Murray still needs to decide what the future will be. That decision still is on the table, even though the decision to not pay has been made.

The number of subscribers in the City continues to increase. There are almost 200 queue customers being billed in Murray. Businesses continue to call the office constantly asking for this service. There is an increasing knowledge and also demand for the service. There is also a UTOPIA/ULCT committee that has been meeting for a while. They are in the process of making legislators aware of the utility model, so there are not problems when moving to this model. Ms. Wells passed around some literature with the new model. She restated that Murray is not included in this. Ms. Wells said she is still included in the board discussions. These other things are handled in a different way and being driven by the League.

UIA (Utah Infrastructure Agency)

Darren Stam

Mr. Stam said that Phase 1 for UIA is drawing to a close officially because of the new bonding that is going forward. The original plan called for a monthly revenue income of \$264,000 at the end of Phase 1. The current monthly revenue income is \$254,000 per month, which is \$10,000 less than the original projection, and the exact deadline is unknown, so they are pretty close to the original projection. The bond moving forward looks like it is coming in just under 4%. Mr. Shaver clarified that was the interest rate. Mr. Stam confirmed. That provided an opportunity to revise the projection for Phase 2 going forward, seeking the highest return on investment. Mr. Hales asked about the bond interest rate, and how it was less than 4%. Mr.

Stam replied it was based on the market and their credit. The UTOPIA bonds were about 6%. In the plan going forward, which is based on the return on investment, there was a shortfall of \$225,000. That shortfall would end in July 2016 at about \$50,000 per month. Because of the lower interest rate, it is going from \$225,000 shortfall to about \$19,000 shortfall per month based on the projections. Their projections were based on the first request for assistance due to the shortfall, they were requesting a figure based on the \$225,000 per month. At this point, at the end of this month, the shortfall should be \$196,000 per month. Currently, the shortfall is at \$192,000, so they exceeded their projections. They closely met their revenue source and exceeded their expectations on decreases in the shortfall over the last three months. UIA did do what they said they were going to do. Mr. Shaver agreed they are getting closer and the 4% rate is a positive thing.

VECC (Valley Emergency Communications Center)

Dave Nicponski

Mr. Nicponski noted that VECC had previously been discussed.

Association of Municipal Councils

Dave Nicponski

The Association of Municipal Councils is made up of one Councilmember from each city. The meetings are held once a month, and there is usually a group making a presentation. Last month, CDBG (Community Development Block Grants) made the presentation. The meetings are held in Murray, and probably about 50% attend.

Central Valley Water Reclamation

Jim Brass

One of the bigger concerns has been the nutrient issue that is now being handled by the State. The Board has been very concerned about this issue because of the money involved, and the impact it will have on many cities. Any city that discharges into any waterway will be affected.

There was an RFP (Request for Proposal) sent out to look at the feasibility of generating more energy within the facility from the waste products that are processed. Those responses from the RFP are being evaluated now. Sewage plants by their nature create a lot of methane gas, and heat. There is water flowing through the plant, which creates a variety of different ways to recover energy. Currently, some electricity is generated using methane off the plant, through the turbine generators, much the same as the landfill gas plants. The study is to determine whether it is worthwhile to bring in more restaurant garbage and run it through the digesters to boost the output and make the plant self-sufficient. Also, can enough power be generated to make it a viable source to sell to other people, he asked. There is no expense right now to evaluate it and it could prove to be interesting, he noted. Mr. Brass commented that if enough excess power could be generated and if it qualified as renewable power, he would talk to Murray Power. The two landfill gas plants have been very successful, and adding renewable power to the City's portfolio would be a positive thing.

WFWARD (Wasatch Front Waste and Recycling District)

Jim Brass

This Committee is the old Salt Lake County Garbage and Solid Waste Fund. It has been changed to a special service district and since the east side of Murray is in that district, the City has a position on the Board.

The issue facing Murray is that when this area became a District, the citizens received letters telling them they would be billed directly. It was previously part of their mortgage payment, and most residents weren't aware of what they were paying for garbage. Those residents that were paying from an escrow account will be charged twice this year and refunded next year. The bottom line is that Murray is receiving calls and complaints about the way this is being handled.

This issue created the discussion of whether Murray could provide the services to the citizens on the east side. The annexed area doesn't receive too many Murray services, and it would be very difficult to connect some of the other utilities. Police, Fire, and Roads are currently serviced to the annexed area by Murray City, so garbage pickup is another possible service the City could provide. Discussions have been started with WFWARD to see if they would consider de-annexing that area to Murray City.

There has been a survey created which has been shown to the WFWARD board and director, so that the survey is fair and balanced. WFWARD does provide specific services and is looking at additional services that Murray City doesn't provide. Murray City charges lower fees, and the cost for additional cans is lower. The question is whether it would net out. There is another meeting scheduled for the City to meet with the director and the County Councilmembers that sit on the Board. The feeling is that the City should be able to survey the Murray citizens and find out what they want. If the vast majority chooses to go with Murray City, then the City could provide services, but it could be contentious.

Some examples of the different services are: Murray does not do an annual neighborhood cleanup, and the City does not drop large dumpsters off at no charge. Murray City will provide a large dumpster for a fee of \$110. WFWARD has started a pilot program of a green waste program for an initial fee of \$90 plus the monthly charge for the can. Murray is not looking into any such plans at the moment. WFWARD is also looking at a fee increase. There is a requirement for a specific fund balance in the reserves, and WFWARD will be a shortage sometime in 2014.

Mr. Shaver asked what some of the issues might be, including new cans. Mr. Brass said the City would have to buy new cans, because their cans are not compatible with Murray's systems, including different colored cans. There would be an upfront cost of approximately \$300,000. The cost would be bearable and it would make the east side citizens feel more like they are a part of Murray. The east side residents were given the option of going with Murray or staying with the County when they were first annexed, and they chose to go with the County. For the most part, it has worked reasonably well. This new discussion simply came about because of the change in billing that made the price difference highly visible. Mr. Hales noted that he believes it would make the residents in that area feel more included in the City. He hears from those residents, and they speak very complimentary of the Police and Fire services. He believes this would be an additional positive service to them.

The cost to bring Murray Power to that area would be very expensive and right now Rocky Mountain Power is not amenable to selling the system to Murray. Murray isn't looking at buying their system either, because of the need to rebuild it.

Announcements

Jan Lopez

Ms. Lopez reminded the Council Members of the Golf tournament and lunch coming up and reminded them to get their responses to Kellie Challburg.

Also, Fun Days parade will be on July 4th. Ms. Lopez has arranged for vehicles to be provided through Larry H. Miller auto dealerships. She has also ordered three cases of candy for each Council Member. The candy and magnetic signs will be here on June 28th and available for pick up. The cars will be available on June 3rd.

Mr. Hales thanked everyone for their presentations and the meeting was adjourned.

Kellie Challburg
Office Administrator II