



MURRAY
CITY COUNCIL

MURRAY CITY MUNICIPAL COUNCIL COMMITTEE OF THE WHOLE

The Murray City Municipal Council met as a Committee of the Whole on Tuesday, June 12, 2018 in the Murray City Center, Conference Room #107, 5025 South State Street, Murray Utah.

Council Members in Attendance:

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

Others in Attendance:

Blair Camp	Mayor	Jan Lopez	Council Director
Jennifer Heaps	Comm. & Public Relations Director	Jennifer Kennedy	City Recorder
Doug Hill	Chief Administrator Officer	Pattie Johnson	Council Office
Danny Astill	Public Works Director	Danyce Steck	Finance Director
Craig Burnett	Police Chief	Nate Turner	Power
Jennifer Brass	Resident	Janice Strobell	Resident

Ms. Turner called the Committee of the Whole meeting to order at 5:15 p.m. and welcomed those in attendance.

1. Approval of Minutes - None Scheduled.

2. Discussion Items

2.1 An Ordinance Regarding the Mayor's Compensation – G.L. Critchfield

Mr. Critchfield explained when a city employee retires, and is then re-employed by the city, that employee is subject to a state law called the Post Retirement Restrictions Act. The employee must decide either to forgo retirement benefits and continue to accumulate years of service, or, take the retirement benefit, which precludes them from receiving employer contributions for retirement.

Therefore, in order for Mayor Camp to realize the benefit amount, the ordinance amending Section 2.06.060 of Murray Code was necessary. Mr. Critchfield thought it was important to understand the process, in order to avoid penalizing Mayor Camp for being the mayor after many years of experience in city government, before he became the city mayor.

A review of the amendment occurred, which reflected that Mayor Camp was subject to the Post Retirement Restrictions Act. The ordinance stated that he shall not receive any retirement contributions, but the same amount of money that would have gone to his retirement, would be given to him in terms of compensation.

Mr. Nicponski affirmed Mayor Camp would receive his retirement benefit, in addition to, his salary and forgo additional years of employment counted for retirement. Mr. Critchfield confirmed.

Ms. Turner wondered if the ordinance applied to all elected officials. Mr. Critchfield said the amended ordinance applied only to full time elected officials and full time employees.

Mr. Critchfield suggested the council might, in addition, consider further refinement of the ordinance, so the option would apply to other full time city employees. He would present both options for them to consider during tonight's council meeting.

2.2 Metropolitan Narcotics Task Force Agreement – Chief Burnett

The Narcotics Task Force includes other participating Salt Lake valley agencies, is currently housed with the Drug Enforcement Association (DEA) but is not part of the DEA. The task force is funded by grants and money from the federal government, used strictly for narcotics.

For the last 20 years, Murray has been the host fiscal agency. Meaning, all funding and financial transactions for the task force flow through the city, where funds are tracked, received, recorded, and paid out through the city's finance department. Murray city attorneys also assisted with audits and were involved in handling legal matters, while abiding by Murray City policies.

Chief Burnett stated as of July 1, 2018, the city would opt out as host fiscal agency for the Narcotics Task Force, turning all financial handlings over to Salt Lake City. The amendment would change the name from Murray City to Salt Lake City.

Mr. Nicponski asked how many Murray police officers were dedicated to the force, and was the city paid to act as the financial host. Chief Burnett answered one officer was assigned to the force, and the city would forgo a percentage of grant funding, which was \$35,000 per year.

Ms. Turner wondered if opting out as financial host would be less expensive for the city.

The chief explained in some terms it would provide savings, because the change would remove time consuming responsibilities from Murray City employees in the city finance department and attorney's office.

The amendment would be considered by the council in an upcoming council meeting.

2.3 Central Valley Water Reclamation (CVWR) Agreement– Danny Astill

In January of 2017, a full restatement of the interlocal agreement was prepared by CVWR. The sizable document specified details regarding all interests from all entities, what changes would occur, and minor adjustments going forward, for example, maintenance calculations, and refunding entities, based on percentage of ownership.

Mr. Astill explained the requirement that money earned through treatment plant operations, of approximately \$800,000 per year, was dispersed to seven entities. However recently, due to construction costs related to expansion work, a lack of money was experienced when the CVWR finance department was paying bills. Therefore, to help offset future incoming expenses, the idea of allowing entities to hold refund monies in a CVWR reserve cash account was suggested - by the CVWR board.

Through action by the CVWR board, a restated amendment to the one-year old interlocal agreement was proposed, greater flexibility for the payment of assessments to CVWR to cover operating costs and expenses to allow CVWR to collect and hold revenue as cash reserve.

Currently, the facility tries each month at best to anticipate costly construction expenses, and charges each entity twice a month. The method has been effective, however, larger more significant expenses are expected in the future creating an anticipated larger impact. By having the agreement in place before major construction begins, CVWR could better determine a proper budget. Mr. Astill thought Murray would not be affected negatively, because those expenses were already budgeted. He said immediate action was required by all participating entities.

Mr. Astill noted document changes in red; one particular, indicating that going forward, CVWR board members must review the agreement annually.

Mr. Brass agreed the CVWR board had a significant turnover rate this year, by losing three board members, which resulted in the losing historical knowledge related to the plant. He agreed having the requirement to review annually was a good way to remind people about the history of the plant and all changes the plant must undergo.

Mr. Astill noted other minor changes suggested in the agreement related to general billing processes. He was satisfied with the agreement and explained the amended interlocal agreement could become void if just one city council, representing one of the seven entities, voted against the agreement. He said he consulted City Attorney G.L. Critchfield, who also gave approval of the changes.

Mayor Camp affirmed a unanimous vote to change the agreement was required only from CVWR board members, and not among city councils.

Mr. Astill said there was a consensus among all entities to move forward with the recommended changes.

The amended agreement would come to the council in July 2018 for their consideration.

2.4 Water Division Project Funding – Danny Astill and Danyce Steck

As part of the completed Master Plan in 2017, debt service would be necessary in order to take on very large projects. The project list from the Master Plan was reviewed and included recommendations for two well replacements, and approximately \$40 million in line replacement projects. Mr. Astill said as a result of the rate study and going forward with the new water rate increase, he anticipated additional funding to complete more projects every year, which was built into the budget.

Ms. Steck said when the Master Plan unfolded last year, large project funding was discussed, in addition to, the belief that bonding upfront for well replacements would be required. It was explained that debt service payments would occur, as well as, accumulating funds for ongoing capital projects once bonding occurred. Therefore, issuing debt for the Water Fund was needed. Currently, there is one bond in the Water Fund, which is \$2 million. Parameters of the resolution for the council to consider were noted as:

- Not to issue more than \$8.6 million of principle, which would mature within less than 21 years.
- Not to discount the sale of the bond for less than 97.5%.
- Not to exceed an interest rate of 5%.
- Designate officers as: The mayor, and finance director, with authority to select bond purchaser.
- Officers would approve principle amount, terms, interest rates and maturity dates.

The city applied for a state sponsored low interest loan with the Division of Drinking Water, also known as the Water Quality Board. Bond interest was anticipated at 3%, which is the least expensive option for the city to issue debt.

The last water quality bond the city issued was a sewer bond, at 2.5% interest. Ms. Steck explained should the bond not be funded by the Water Quality Board, the resolution provides another option, which is for designated officers to purchase a bond on the open market. She noted the budget included the anticipation of the bond, and the debt service as an assumption for the Water Fund.

The council would consider a parameters resolution to issue during tonight's council meeting.

3. **Announcements:** Ms. Lopez made several announcements related to coming events for the council members.
4. **Adjournment:** 5:45 p.m.

**Pattie Johnson
Council Office Administrator II**

Minutes Approved August 14, 2018