

**MURRAY CITY MUNICIPAL COUNCIL
COMMITTEE OF THE WHOLE**

Work Session Minutes of Tuesday, September 10, 2024
Murray City Hall, 10 East 4800 South, Poplar Meeting Room, Murray, Utah 84107

Attendance:

Council Members:

Paul Pickett	District #1
Pam Cotter	District #2 – Council Chair
Rosalba Dominguez	District #3
Diane Turner	District #4
Adam Hock	District #5 – Council Vice-Chair

Others:

Brett Hales	Mayor	Jennifer Kennedy	City Council Executive Director
Doug Hill	Chief Administrative Officer	Pattie Johnson	Council Administration
G.L. Critchfield	City Attorney	Rob White	IT Director
Brenda Moore	Finance Director	Greg Bellon	Power Manager
Craig Burnette	Police Chief	Joey Mittelman	Fire Chief
Camron Kollman	IT	Phil Markham	Community and Economic Dev. Director
Citizens			

Conducting: Council Chair Cotter called the meeting to order at 5:00 p.m.

Approval of Minutes: Committee of the Whole, August 6, 2024 and Committee of the Whole, August 13, 2024. Mr. Pickett moved to approve, and Ms. Turner seconded the motion. All in favor 5-0.

Discussion Items:

1. **Discuss an ordinance amending the City's Fiscal Year 2024-2025 budget.** Finance Director Ms. Moore discussed why money is rolled forward from one FY (fiscal year) to the next FY, stating that the proposed budget amendment involves transfers between various funds and budgets and CIP (Capital Improvements Project) Fund transfers related to projects in progress. It receives and allocates various grant funding, reconciles changes in the Benefits budgets due to health insurance updates made during open enrollment and rolls forward funds from Class B&C Alcohol revenue. Any CIP savings would also roll forward and there was one allocation for a new CIP project from CIP reserves.

Ms. Moore reviewed FY 2024 financials for the Murray Theater renovation project noting that \$2 million was already rolled forward to the FY 2025 Budget for the ongoing project.

Ms. Moore said the FY 2025 proposed ordinance allocates \$1.3 million from CIP reserves to cover construction costs and an allocation of \$1.3 million in TRCC (Travel, Recreation, Culture and Convention) grant funding to offset those expenses. TRCC grant money would also be used for the ongoing Murray Mansion renovation project.

Ms. Turner pointed out the \$1 million allocation from CIP reserves to purchase property on Vine

Street. Ms. Moore confirmed property located at 150 East Vine Street that is currently occupied by a real estate firm would be purchased by the City. The purchase is intended for Murray Theater parking and would be paid for with interest earned in FY 2024.

2. **Discuss a resolution declaring the City's intention to reimburse itself for expenditures incurred in connection with financing all or a portion of capital improvements to the electrical systems of the City, and related improvements, with proceeds of bonds that the City intends to issue, and related matters.** Ms. Moore explained that the Murray Power Department may need to bond to pay for future projects due to a reduction in Power Fund reserves. The reduction came when energy prices were soaring and \$12 million was spent on purchasing energy instead of equipment purchases and projects. Because of this she believed there was a 75% chance that the Power Department would eventually need to bond, which was the reason for the proposed resolution. She noted that bonding may not be necessary, but after a bond is purchased, there is a 60-day look back period to reevaluate hard costs of a project and determine uses for the intended funding.

Ms. Moore said there was now an immediate expense of \$1.5 million for the first downpayment on two new substation transformers, and she would like the option to reimburse the City for that cost with bond proceeds. In addition other projects like the existing substation rebuild, the possible construction of a smaller substation in 10 years and the construction of a shelter to store and secure large expensive vehicles, supplies and valuable equipment would also require significant financing.

She said the proposed resolution allows the City to bond up to \$25 million, but the City is not committed to anything. The resolution implies that if the City chooses to bond, some power department projects in progress and some purchases could be reimbursed with bond funding that would include the \$1.5 million downpayment for two transformers. Ms. Moore noted that the transformers were ordered but would not arrive for another four years.

Ms. Turner asked about a power department CIP request of \$20 million. Ms. Moore said the project request and \$20 million amount was intended to build a new power department office building. They would not be constructing a new building now so the \$20 million request would be considered for other needed projects.

Ms. Dominguez said the bond would pay for all the other needed projects. Ms. Moore agreed \$20 million would help pay for all other needed projects in the power department.

Mr. Hock asked about the current balance of the Power Fund reserves. Ms. Moore said reserves that were once in the \$30 million range were reduced to approximately \$14 million.

Ms. Moore said the Power Department is able to pay cash for projects and purchases, but without bonding the City cannot be reimbursed. The same process was used for the Murray Theater renovation project before construction began, and it was ultimately determined that bonding was not necessary for that project.

Ms. Turner asked why then was bonding needed and would bonding save the City money. Ms. Moore did not think bonding would save the City money and explained that as hard costs for projects are paid for with reserves, bonding as a funding resource that might be considered. In addition she wanted the choice to replenish Power Fund reserves after making the transformer downpayment of \$1.5 million.

Mayor Hales said if the City did not bond now, the City cannot reimburse itself for costs incurred on current projects in progress. Ms. Moore said bond spending would occur over a five-year required period and would ensure 60-days to look back at covering expenses. Projects are in the planning phase and the cost for the substation rebuild has not been determined yet.

Ms. Turner verified that the proposed resolution was not a commitment to bond. Mr. Hock noted that any bond proposal would come before the Council at a later time. Ms. Moore acknowledged that the resolution was a legal loophole that would enable her to cover expenses from 60 days ago, but she was undecided about whether she will proceed with bonding.

3. **Discuss a resolution amending the Murray City Council Policies and Procedures.** Council Member Pickett explained that there was a feeling or assumption that Council Members are obligated to read aloud during a council meeting any email comments that are sent to them. He expressed concern about having to read some of the comments aloud and proposed that email comments be added textually into the minutes record only. He said Council Members are still allowed to read email comments if desired and if content was related to agenda items being considered. City Council Executive Director Ms. Kennedy confirmed that the proposed changes were made to page 28 of the current Council Policies and Procedures manual and noted red line detail. She said emails are still welcome at the City Council email address and that a timely response would be given. Mr. Pickett reiterated that email comments are always welcome.

Mr. Hock suggested keeping the existing text related to comments being forwarded to Council Members before a Council meeting. There was consensus to keep the existing text.

4. **American Public Power Association Conference Report.** Council Member Dominguez shared about the various sessions she attended and all that she learned at the conference.
5. **Utah Associated Municipal Power Systems Conference Reports.** Council Members Pickett, Cotter, and Turner shared information and personal insight from everything they heard and learned at the annual conference.

Adjournment: 5:43 p.m.

**Pattie Johnson
Council Office Administrator III**