

Murray City Municipal Council Chambers Murray City, Utah

The Municipal Council of Murray City, Utah, met on Tuesday, the 7th day of June, 2011 at 6:30 p.m., for a meeting held in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

Roll Call consisted of the following:

Jim Brass,	Council Chair
Krista Dunn,	Council Member
Darren Stam,	Council Member - Conducted
Jared Shaver,	Council Member
Jeff Dredge,	Council Member

Others who attended:

Dan Snarr,	Mayor
Jan Wells,	Chief of Staff
Carol Heales,	City Recorder
Frank Nakamura,	City Attorney
Craig Burnett,	Assistant Police Chief
Gil Rodriguez,	Fire Chief
Doug Hill,	Public Services Director
Gilbert Gonzales,	Chief Building Official
Tim Tingey,	Community & Economic Development Director
Pat Wilson,	Finance Director
Kim Sorenson,	Parks Superintendent
Trae Stokes,	Sr. Civil Engineer
Scott Stanger,	City Engineer
Dan Barr,	Library Director
Jay Bollwinkel,	Historic Downtown Design Review Committee
Jon Harris,	Fire Department
Scott Baker,	Murray Area Chamber of Commerce
Pamela Manson,	Salt Lake Tribune
Peri Kinder,	Valley Journal
Citizens	

6. OPENING CEREMONIES

6.1 Pledge of Allegiance - Scott Baker, Murray Area Chamber of Commerce

6.2 Approval of Minutes for May 3, 2011

Call vote taken, All Ayes.

6.3 Special Recognition

None scheduled

7. CITIZEN COMMENTS (Comments are limited to 3 minutes unless otherwise approved by the Council.)

None given

Public comment closed

8. CONSENT AGENDA

Mr. Stam asked that the following appointments be taken together; no objections noted.

8.1 Consider confirmation of the Mayor's appointment of Amy Supulski to the Murray Library Board of Trustees representing District 3 for a three-year term to expire June 30, 2014.

8.2 Consider confirmation of the Mayor's appointment of Jay Bollwinkel to the Murray City Downtown Historic Overlay District Design Review Committee in an At-Large position to fulfill the remainder of a three-year term to expire January 1, 2013.

Mr. Shaver made a motion to approve the appointments.
Ms. Dunn seconded the motion.

Call vote recorded by Carol Heales.

A Mr. Brass
A Ms. Dunn
A Mr. Shaver
A Mr. Dredge
A Mr. Stam

Motion passed 5-0

Mr. Stam introduced Ms. Supulski and Mr. Bollwinkel.

9. **PUBLIC HEARINGS**

9.1.1 Staff and sponsor presentations and public comment prior to Council action on the following matter:

Consider an Ordinance relating to zoning; amends the Zoning Map for property located at approximately 759 East Winchester Street, Murray, Utah from R-1-8 (Single-Family Low Density Residential District) to R-N-B (Residential Neighborhood Business District).

Staff presentation: Tim Tingey, Community & Economic Development Director

Mr. Tingey stated that this was considered through a public hearing process at the Planning Commission on April 15, 2011; they recommended approval after several public comments and inputs.

The General Plan for this area sees this as a transition area; there have been a number of applications before the Council on similar rezones. It is identified in the General Plan this specific property has a future land use of R-N-B or a transition to the residential area. The allowed existing uses in an R-1-8 includes accessory structures and single family residences; the proposed uses would include single and two-family dwellings, office uses, florists, photography studios, etc. The focus of the R-N-B is mainly a transition area-an area that has a component related to the design of a site to be conducive to a single family environment that would be adjacent to this.

Based upon the General Plan analysis, there has been a lot of public input as part of that General Plan process over time, as well as a review of this by the Planning Commission and staff; the General Plan allows for flexibility, dictates this future change as a future land use, and they feel that the requested change is very appropriate for this site-it is on Winchester, it is a great area for transition per our Code for this type of use, staff is recommending approval as well as is the Planning Commission.

Mr. Tingey added that today, they had received a letter from Mr. Steve Blake, 757 East

Winchester St, that indicated that he is O.K. with change provided that there is adjacent to his property, a six-foot masonry wall in between his property and this proposed property be put in.

Mr. Tingey stated that, based on the City Code, his property is also-in the future- for General Plan purposes, slated to go into R-N-B, and there would not be a requirement per our Code for this masonry wall.

Public Hearing opened for public comment

None given

Public comment closed

9.1.2 Council consideration of the above matter.

Mr. Stam asked: Although it does not require a masonry wall, it does require that there is a closed vision fence or barrier of some kind, is that correct?

Mr. Tingey said that no, not adjacent to this property because in an R-N-B, if it is adjacent to a residential property that the future land use in the General Plan identifies it as R-N-B, it does not require the six-foot masonry wall or enclosed wall. The applicant can provide that, but it is not a requirement of our Code.

Mr. Brass stated that abutting any R-1-8, then it would.

Mr. Tingey said that is correct. To clarify: any adjacent residential uses for future land use to be residential, yes definitely; but future land uses proposed to be R-N-B Commercial does not require that.

Ms. Dunn stated that one of the things that they have always said as a Council is that they would hope that whoever ends up developing it at some point in time, would work closely with the neighbors to hear their concerns and try to mitigate those as much as possible. They would hope that this will happen along the way.

Mr. Dredge made a motion to adopt the Ordinance.
Mr. Shaver seconded the motion.

Call vote recorded by Carol Heales.

A Mr. Brass
A Ms. Dunn
A Mr. Shaver
A Mr. Dredge
A Mr. Stam

Motion passed 5-0

Ms. Dunn asked Mr. Tingey to explain why they have adopted this Ordinance, so that the residential homeowners would have a better understanding of it.

Mr. Tingey said that this Residential Neighborhood Business District was established for the purpose of a transition area; it specifically states that it is zoned to provide a variety of uses-a mix of uses-but the characteristics of that zone must be conducive to a residential environment. In a residential zoning district, the height of structures are allowed to be up to 35'; here, it is much lower unless there is a conditional use permit. In fact, 20' with a conditional use permit you can go to 30'; so you cannot have huge office buildings or large commercial buildings, it is that neighborhood, residential oriented feel. The design has to be conducive to the residential environment as well.

All of these elements make this zone a great area for the transition from residential to commercial, and it is a great buffer for higher-end commercial uses versus the residential.

Mr. Dredge asked if that would also include apartment or condominium complexes or businesses like McDonalds?

Mr. Tingey said that there is the height requirement and things like that, and in this area, single-family or two-family dwellings are the focus.

9.2.1 Staff and sponsor presentations and public comment prior to Council action on the following matter:

Consider an Ordinance vacating a portion of a right-of-way located at approximately 6150 South between approximately 15 East and 15 West, Murray City, Salt Lake County, State of Utah (Murray City).

Staff presentation: Doug Hill, Public Services Director

Mr. Hill stated that the Heritage Center has a desire to expand on their building, primarily the entrance to their building; they have come before the Council before and received Community Development Block Grant funds to help fund this project, over the last two years. In addition, they have raised approximately \$30,000 from donations to make this project a reality. Now that they have the funding in place, they have a couple of hurdles that they need to have cleared before they can get approval from the City to add on to that building and one of those hurdles is that adding on the building would move the building too close to the property line, violating the set-back requirements that the City has.

One way that they are proposing to solve this issue is to vacate the right-of-way or the road in front of the building, thus allowing them to eliminate that property line. Because the City owns all of the property surrounding the road, and the park to the west, the vacation of this road would then eliminate the property lines and eventually become part of this larger parcel owned by the City-the park property, if you will. By filing an amended subdivision plat, which we still would need to do; we can eliminate these property lines, thus allowing the Senior Center to add on to their building. The City does not lose any property, the property would basically just be changed from right-of-way to property owned by the City. The road would still remain there, it would vacate the right-of-way allowing the property lines to be adjusted in the future.

Public Hearing opened for public comment

None given

Public comment closed

9.2.2 Council consideration of the above matter.

Mr. Shaver made a motion to adopt the Ordinance.

Mr. Brass seconded the motion.

Call vote recorded by Carol Heales.

- A Mr. Brass
- A Ms. Dunn
- A Mr. Shaver
- A Mr. Dredge
- A Mr. Stam

Motion passed 5-0

9.3.1 Staff and sponsor presentations and public comment prior to Council action on the following matter:

Consider an Ordinance adopting the Final 2011-2012 Fiscal Year Budgets for Murray City, including the Library Fund Budget.

Staff presentation: Patricia Wilson, Finance Director

Ms. Wilson stated that the budget before the Council has incorporated some changes; these changes were requested by the Finance Department to more accurately reflect current information. Since adopting the tentative budget, they have received the Workman's Comp rates that will be in effect for July, 2011, so these numbers have been changed to reflect the new rates. They have made some corrections to the budget for items which had inadvertently not been included or were excluded properly within the fiscal year 2012 budget-for example: the Community Block Grant numbers were also changed to reflect the most current information they have on the allocation amounts that are expected to be received from the County; the Library had asked for a few changes to be made to their numbers, and these have been reflected.

The net effect, you actually have a complete itemized listing of these changes, which hit many of these funds, and are included in the Council's packet. The net effect of these total changes have increased the expenditures for the General Fund by \$60,888 and reduced the other funds by \$1,117,408. The budget, after these changes, the total budget for the General Fund at this point, the expenditures are \$39,207,157; the Library Fund expenditures are \$1,586,030; the Power Fund expenditures are \$35,195,059; and combining all of the other funds, \$21,111,943.

You may want to consider some future changes to this budget since there are some financial impacts that have not been completely determined at this time, such as: the reorganization which is currently underway within the City. Generally, this is a broad, general overview of this budget how it stands at this point.

Mr. Dredge thanked Ms. Wilson, her department, the administration, and the department heads for their many hours of work and time they have taken to look at this and carefully and cautiously considering the public funds.

Public Hearing opened for public comment

Earle Hollingshead, 1216 E. 5730 S., Murray, Utah

Mr. Hollingshead said that if this is including using some of the Storm Water Fund to go in towards the budget, he would like to know why does the City have that much surplus in the fund to be able to borrow from it? It was his understanding that they need that money to take care of not only the storm drains, but the gutters and such. If we build up

that much of a surplus, we should not start taking it away...like the government taking from social security and now not having enough there. He feels that they should reduce the fee to the citizens if there is too much coming in, or the City should use it to do what it was meant for. He is also wondering if Murray City has jurisdiction on 5600 S 900 E, where the gutter is in terrible shape, or if that is the County?

Mr. Dredge stated that the Storm Water Fund covers very specific things; part of that is mandated, and the City does not have a choice. He does not believe that there is money coming from the Storm Water Fund that would go into the General Fund to replace anything from the Storm Water.

Mr. Hollingshead said that in a letter he received at home, telling about this meeting, it said that 'included in the tentative budget is an in-lieu of tax transfer to the General Fund of 8.3% of revenues from the Storm Water Utility Enterprise Fund.'

Mayor Snarr stated that it is a little over \$15,000 that comes from the area above 900 East and it covers administrative costs and other costs associated with running the City; \$2,367,000 is taken from the Power Fund every year and give back to the General Fund. A lot of that money goes up to supplement the needs that they have up in the new area that was annexed. We have all those figures available-we do it, a lot of the other communities do the same thing-some of those fees, if they go back to the General Fund, go towards paying some of the costs of providing policing and other things in that area.

Mr. Hollingshead said that in his own opinion, the only reason that we have a Storm Water Fund is because the City needed money and it was a good way to get it.

Mayor Snarr said that we are mandated by the EPA, and the DEQ to monitor and make sure that the water that is going into our creeks and rivers is not contaminated. If we don't go out there and do that work, monitor it-and we have over \$8 million worth of projects on the books to fix our storm water system, and a large portion of that is going up in that area that does not have good storm water systems. This is something that we have done, historically, to bring money back to the General Fund; it is very minor-the amount that we are taking- we are subsidizing that area above 900 East with other funds throughout the city, greatly. He does not feel that there is anything inappropriate about doing things that help provide better quality services to the City. This is only \$15,000, that is what really frustrates him, the businesses down here are saying that they are paying proportionately a lot more money in lieu-of-tax transfers.....

Mr. Hollingshead said that he is not just concerned about his area, he is concerned about all of Murray because everyone in Murray is paying this fee.

Mr. Dredge stated that they are trying to get a good accounting of what it costs to run each of these departments and, as the Mayor said, there are administrative costs; the Mayor, for example, in his time to manage that department, the Finance Department and their costs that are not part of that individual budget, and if you were to think of that cost as an overhead allocation from this department to pay for those costs, that stand-alone

department is incurring, they would have to have those costs of management and finance that are not directly budgeted there. Rather than take a little piece of each one of those costs and allocating it to each of those various departments; there is simply a charge to that department for those overhead costs. That is called the in-lieu-of-tax.

Mr. Shaver stated that the gutters are part of Murray, and they are aware of the issues.

Mr. Hill said that particular corner is owned partially by Murray City and partially by the State of Utah; the area on 5600 South is a Murray City issue and are aware of the storm drain problem. It is a funding issue-the Storm Drain Fund does not, as the Mayor mentioned, have enough funds to resolve all of our problem areas in the City, all he can say is that they are aware of the issue, and hope that they can resolve that problem when there is funding in the future.

Mr. Hollingshead stated that the gutter problem has caused problems with the streets as well.

Mr. Hill stated that this is an issue that needs to be coordinated with UDOT, as it is on the corner of 5600 South and 900 East. He will work on that in the office tomorrow.

Roger Ball, 1375 Vintry Lane, Murray, Utah

Mr. Ball said that it is his understanding that until July 1, 2006, storm water drainage was paid for out of the General Fund. There were some changes in the EPA requirements at that time, and the City Council decided to create a separate fund and adopted Chapter 13.48 of the City Code, setting up the Storm Sewer Utility as an enterprise fund. Where he lives, this is the only such billing-he doesn't get billed for foul water sewers or electricity-but he receives a billing each quarter for Storm Water, and it come to him as if it were a utility bill; the trouble is, it is not a utility. Utilities tend to bill for consumption; with electricity and water, there is metering and everyone knows how much the customer is using, being able to be billed a flat fee and a usage fee on top of it. There is no such billing here; it is really much more comparable to some other expenses, which continue to be paid from the General Fund. People call it different things-they call it a fee, they might think of it as a tax; the interesting thing about it, as far as he is concerned, it is pretty clear that this is a tax-in the Council's own words. On the bill, it says that "this bill is a property assessment."

The City is required by law to certify delinquent accounts as a tax line; therefore, when he received a note-not for the first time, he gets one once a year for the past several years-saying that tonight there would be an opportunity to comment on the in-lieu-of-tax transfer to the General Fund of 8.3% of revenues from the Storm Water Utility Enterprise Fund, he became rather concerned. It seemed to him that they were talking about taxation of a tax, which seems to be inappropriate, if not illegal. He called the City offices and spoke to someone with his questions and was given some information, and was then somewhat surprised a while later when Mayor Snarr called him. His comment

to the Mayor off the cuff, and he apologizes as it just came, was 'you must be really concerned or afraid that I am inquiring into this' and he still kind of feels that way. That is the first and only time, in all of the times since their area has been annexed, that someone from the City has called him without him approaching the Council first.

He feels that they are a little bit wrong-footed here, and he calls upon them to exclude the Storm Water Fund in-lieu-of-tax transfers of the General Fund; he feels that this is inappropriate, and recommends the very same resolution that the gentleman who spoke previously suggested to you-reduce the Storm Water Fund assessments by 8.3%, and increase our property taxes by a like amount to put things square; he would like to see the Storm Water Fund go into property taxes. Mayor Snarr was kind enough to explain that one of the problems is that one of the largest generators of storm water in Murray is the Intermountain Medical Center, which has hard surface over a considerable area and which, because it belongs to Intermountain Health Care, a non-profit, isn't subject to property taxes. In his opinion, that is a piece of nonsense as well. Intermountain Healthcare is no more a non-profit than anyone else is; all you have to do is look at the salaries earned by their senior executives to realize that some of them are taking a very healthy slice off the top. Neither are they a charity, there are numerous people who have had difficulty meeting their healthcare bills and Intermountain Healthcare is quite happy to pursue them into bankruptcy-regardless of the true nature of their situation.

There is a great deal about a number of these things that goes wrong. However, because of the Storm Water Fund, the City is able to charge Intermountain Medical Center a chunk of money, which it wouldn't otherwise be able to get, so there may be some merit here. It is not all one way or another way, he recognizes that and appreciates Mayor Snarr's time, and he gave him numbers to contact. Among the figures that the Mayor provided him with were the fact that the Storm Water Fund in-lieu-of-tax transfer in total would be more like \$125,000; the \$13,000 – 14,000 that was talked about relates only to the area east of 900 East. He is not asking for this just to be done for the annexed area, it would be inappropriate for any citizen to have to pay for that.

In summary, the problem is that we are taxing a tax; Shakespeare said that 'a rose by any other name would smell as sweet,' and in this case, a tax by any other name smells just as bad. Please, take the Storm Water in-lieu-of-tax transfer out of the 2011-2012 budget and let's make the whole thing look a lot more appropriate.

Bill Hogan, 6245 Rodeo Lane, Murray, Utah

Mr. Hogan said that when this first came into existence, he called and got nowhere. Finally he came down and talked to some people who said 'where they are going to spend the money is keeping the gutters clean, so they needed to buy a new street sweeper; plus, we inherited the area above 900 East, and those canals need to be kept clean.' The ditch companies are responsible for keeping those clean, because he knows that both Big and Little Cottonwood Ditch Companies have that responsibility. He did notice that their money for this has gone to a little green plaques, that have been placed on the gutters that say "this is storm water'. What a waste of money-who reads or even

notices them? He does, because he runs and he sees them everywhere-what a waste of money. Are we trying to figure out how to spend this money? Or are we trying to find out what it is worth-have we really done anything with the canals? Or are we using it simply because the water runs through Murray?

Take the utilities-if they overcharge and have a surplus, they are required by law to refund that. Is the City not required to follow the same rules? Maybe our legislature needs to adopt this and maybe this needs to be sent to our State Legislature to have a law that will enforce doing it the right way.

Dennis Winslow, 553 LaSalle Drive, Murray, Utah

Mr. Winslow stated that everyone seems to be upset over this Storm Water thing, but there are a lot of other transfers that he sees that the City sends with the utility bills- are these what it is for...the administrative costs? The Power Department-6.4% of the entire power budget is going to get transferred to the General Fund?

Mr. Dredge answered yes.

Mr. Winslow stated that it is a lot of money. \$2 million just in administrative costs?

Ms. Dunn stated that, as Mr. Dredge stated, the City itself has to administrate legal, financial, I.T., all kinds of administration costs and again, it's going to be one thing or another...it is either going to be your property taxes are going to go way up, or we can charge these other fees because they are pertinent to what is being done there. A lot of people, when this was first put in, there was a lot of public discussion on this and they talked about where people would rather see it happen. The Mayor had mentioned, correctly, that part of it is, that in putting it in-lieu-of-tax for Storm Water, you can then charge those groups that actually contribute most to it.

In cases like this, the City is able to take and show where those expenses are actually coming and charging them there. By just charging them under property taxes, you start adding one on top of another and it becomes huge and not even know where those things come from. By doing it under the area where you are actually paying, you know what you are paying for then.

Mr. Winslow said that they are taking it from the Power Department, the Storm Water, the Sewer, the Water...you lump all of that together and it's a sizeable amount of money that is being transferred to the General Fund. The problem that he has with the General Fund is that once it gets in there, the City can do anything they want to with it. With taxation, you should be taxed for the service.

Mr. Dredge stated that is incorrect. Part of service is the cost of administration.

Mr. Winslow asked how they got along without \$2 million going into the General Fund before.

Ms. Dunn said that in a \$35 million fund budget.....

Mr. Winslow said that the City is taking all of this money out of all these different utilities, put it into the General Fund, and then in a year or two come back and say that the City has to raise the utility rates because they aren't profitable and need money.

Ms. Dunn said that when they figure their fee schedule, this is figured right in; it is not that all of a sudden, this is happening. This has been going on for a very, very long time because that is how municipalities cover those costs that are shared across the entire city. We still have to pay for those I.T. people to provide those services to the Power Department, we have to pay our finance people to provide those services to the Power Department, otherwise the Power Department would have to hire their own I.T people, their own finance people, and you don't get the consolidation of those costs across the entire group.

Mr. Winslow stated that he understands that, but rather than just throwing it in the General Fund, wouldn't it better to actually allocate the Power Department and say, this much work is done, and this is how much it costs?

Mr. Dredge said that was a great question, and that is exactly what happens. If you look at the budget, it says that this fee or this administrative service is a part of the General Fund. It says that so much of this goes to pay for the secretaries, the administration, the computers, the G.I.S., all of these services that the city has that goes to each one of these enterprise funds. In the budget itself, it actually lists them exactly as to what each one it; it is not just something whimsical in the General Fund-as the Budget Chairman for this year, this is what we do-we look at it very carefully for that very reason. I hear, many of you, that many of you are disturbed by what we call in-lieu-of-taxes; notice that it isn't a tax-it says 'in-lieu of creating a tax.'

Mr. Brass said it is in-lieu of a tax, or payment in-lieu of taxes. If we had Rocky Mountain Power serving us, then the facility that sits on 4800 South or the sub-stations, the storage yard off of Bullion, all of those would be paying property taxes to the city. We do not get property taxes from our own utilities, so we take a payment in-lieu of those taxes that goes to the General Fund, as any other property tax would. All of our Enterprise Funds do that; the golf course...lots of acres that are not paying property tax. So, as an enterprise fund, we take a payment in-lieu of that property tax. He feels that what people get hung up on is the term tax, and they think that they are getting taxed twice, and it isn't so. This is instead of being able to tax them because they are a non-taxable entity; they are us-we get that payment instead. Essentially, you pay your power bill and it helps keep your property taxes low because we get that transfer on property that we wouldn't normally get a property tax on.

He agrees with Mr. Ball on the fact that IMC is a huge property and it would be nice to be able to get something off of their property, but there are 35,000 vehicle trips, a lot of employees, and they spend a fair amount of money at our restaurants and stores, which helps the city out to some extent. Every power entity in the State does this and he can tell

you that Murray doesn't take near as much as a lot of them do; some of them really fund a lot of inappropriate things with that money. This simply helps us keep our property taxes low.

Mr. Ball suggested that the City send out a more comprehensive letter instead of the small note that is sent out with the utility bill, to more fully explain what the city is doing.

The Council agrees with that suggestion.

Mr. Ball asked the Council if they would look at one other issue-on Sanford Drive, every time it rains, the water coming in from both sides turns that area into a lake that goes across the road; it is not draining properly.

Mr. Brass added that he sits on the Central Valley Water Reclamation Facility Board, and the Storm Water fee is partly due to a federal mandate, and interestingly enough, one of the requirements of having a storm water fund is education. The city has to spend X amount of dollars on education and one of the ways to educate is to put little discs on sewers. We didn't make the rules, but are trying to follow them and that is another one that we need to educate more on. The last thing that we want, as a city, is to have to treat storm water; we are doing everything we can to control storm water, the T.V. says that everything ends up downstream-for us, downstream is the Jordan River. There are people who would like the Jordan River to be clear, it probably not going to happen-the biggest point source contributor to the Jordan River is Utah Lake. If we have to treat storm water it could be a \$30 million impact on us to add to Central Valley or any entity in the valley that deals with water treatment. This is a way to hopefully avoid that; again, we need to get out and educate more. As stated, those above 900 East, that is the only bill you get from the City, and that is the one you see. If we don't tell you exactly what is going on there, that is our fault, and we need to do better. There is a reason for this, and it is not just because we want to make more money; it is an enterprise fund.

Other than the in-lieu-of-tax fund that he mentioned, every dollar that goes into it goes back into fixing the storm water systems; we can't do anything else and state law limits the amount of in-lieu-of-tax transfer that any city can take from any of their enterprise funds.

Ms. Dunn said that people can be a help to the City too, by educating themselves and their neighbors about what can go into that, and what shouldn't be dumped into the gutters or dumped into the sewer lines because every time somebody puts something in there that they shouldn't, it comes back to all of us as a whole, to cover those costs.

Mr. Ball asks how do we mitigate the storm water that actually comes from cities above us?

Mr. Nakamura, City Attorney, stated that it is an issue that is being looked at right now.

The City is trying to determine percentages so that the other cities bear their responsibility for what is flowing through the city. It is a good issue, and he believes that all cities are facing this issue; we are addressing it with the cities surrounding us.

Ms. Dunn said that the other cities have also done this, because they have the same requirements that we do.

Mr. Brass stated that because we are down low as he is, it hits us and it backs up, which is what the City is working on.

Mr. Shaver stated that the State requires that each city have a balanced budget-the State says that you can't just make money. Every year the City goes through the budgeting process, look at the revenues, and try to project, the best way they know how. The Council is given the task of actually adopting a budget, by Ordinance, and when they look at it, they look at every penny that comes in, where it is going to come from, and how it is going to work. They don't want to raise property taxes; they don't want to raise taxes anywhere. They would love to have Murray Auto Row really get back and flourishing again because when they are, then the City has the luxury of being able to stop say: 'let's stop doing this..' because we see that revenue come in. Right now, as people are aware, you live on a limited budget, as does the city; because we can't go out and get another job, the only way we have is to look at every revenue that we possibly can. If we could do it, instead of doing it as described, we would love to be able to do it, but that isn't going to work. When we are back on more solid foundation footing financially, changes may happen, that is something they can't promise right now.

Addressing the comments made: the City appreciates the comments, and wants to be held accountable; they love having the citizens looking at the budget and coming to them with questions and concerns. The City vote in-lieu of the citizens, they vote for them.

Myrne Jonas, 5360 Avalon Drive, Murray, Utah

Ms. Jonas stated that there is a ditch behind their home, the Walker Ditch, and every year they keep the bottom clean, but there is so much growth there now that it is almost impossible to control. She would like to know if there is something that can be done about it; last year, they told the neighbor that they were going to clean both sides and it still hasn't been done. They haven't even assessed them this year-most people have shares in that ditch, and most have gardens and they would like to see something done.

Mr. Nakamura stated that it is a private irrigation company, and the City is very limited in how they can interfere with private enterprise and private property interests.

Ms. Dunn said that, as Mr. Nakamura stated, it is true-we cannot do anything about the private ditch companies; all we can do is control what we are in charge of.

Mr. Nakamura said that Ms. Jonas is not alone in this; his office deals with the irrigation companies throughout the city very frequently.

A gentleman asked why the City is doing these fee transfers this year, and if they've done this in the past, why didn't they receive notices in the past?

Mr. Brass said that this year there was a percentage increase, and for that reason the citizens were notified. It has always been a set percentage, but since it was bumped up this year, they notified the citizens.

Ms. Dunn stated that this was a legislative change that we are required to do by State law now, to put that information out by notice. When they first put it in place, there were public meetings all over the city.

Mr. Brass said that it sounds like they need to do another one, but they are not trying to pull a fast one. When he ran for office, a gentleman looked at him and said: 'keep in mind that there is, at least at this level of government, there are no conspiracies-there may be people who don't always do the smart or right thing all the time; there are not a lot of conspiracies, but there are stupid people.' The City has looked at this, they are struggling; the sales tax revenue is off by quite a bit.

Murray has always been strong with the car lots, but people aren't buying cars. Now that they are buying cars, you can't get auto parts are hard to get from Japan. It is slowly coming back, but the state legislature changed the way that they distribute sales tax, and one of the things that they did was held several cities harmless for a period of time; what that meant is that they guaranteed us a certain amount of sales tax revenue-for us it is \$12.2 million. We are running right about \$10.5 million now, but we get \$12.2 million; when that floor goes away, we won't get that extra \$1.5 million, so we are really working on this budget to get things trimmed out. We offered early retirement, which 34 people took, which will save the city almost that much; they have cut the budget quite a bit and they will continue to do that. They take the tax dollars seriously as many of us live here and own businesses here as well and get hit too. It is not a slight of hand-we conform to state law and what those laws require of us and that is where the storm water comes from.

Ms. Dunn said that they all came into these positions from where the public is sitting right now. They were all residents of the city and got involved and came here; some of them because of issues with the way things were run, some because they wanted to serve. That is how people come into local government. They look at the budget, which is probably their number one priority as a group; she can say that she has served with a whole bunch of Council members here, and she has never seen one come in with an agenda, such as getting money for this or that. She has watched them pour over page after page, hour after hour, and they have your best interest in mind.

As Mr. Brass stated, over the past year they have offered incentives-34 people are leaving and most of those positions are not going to be replaced; they have cut back the budget in every department, almost every single line item in the budget; while at the same

time, the economy has been poor, the revenues are not coming in, the gas prices go up-we have to use gasoline, but we are mitigating those costs within our budget. We have cut back to a bare-bones budget and we have a budget to stay on; as Mr. Shaver mentioned, we have a budget we have to meet-we can't sock away dollars and make money on it- we have to balance our budget, just like everyone has to do at home, and we have to do that based on the revenues that are coming in. From her own viewpoint, she has watched countless Council members over the years do that very thing, and this city continues to have some of the lowest property taxes in the valley, we have the lowest power prices, we do our best to keep the prices lower; but, no matter what we do, there is still inflation and we still have to pay those costs with the revenues that come in.

Mr. Stam added that we have some of the lowest property taxes, and yet some of the best services in the valley.

Mr. Shaver said that it is important to understand that irrespective of the economic conditions, we still charge the in-lieu-of-tax to cover overhead costs; it is not something new, or something that will change. It is an accounting methodology for tracking the costs of providing services. He agrees with the others, they don't like where they are at, but this is not a way to fill the hole.

Mr. Stam stated that if every enterprise fund had to hire enough people to do the same services, the cost would be higher; because we are consolidated, we are able to keep it lower.

Public comment closed

9.3.2 Council consideration of the above matter.

Mr. Brass stated that action on this matter will be taken at the next meeting.

Ms. Dunn said that they generally take comments, and then they consider those comments for some time, and take action at the next meeting.

Mr. Stam stated that the Council will take action on this matter on June 21, 2011.

10. UNFINISHED BUSINESS

None scheduled

11. NEW BUSINESS

11.1 Consider a Resolution approving the adoption of a Locally Preferred Roadway Alternate for the Cottonwood Street Environmental Assessment.

Staff presentation: Doug Hill, Public Services Director

Mr. Hill stated that for about a year now, the City has been working on trying to figure out how they can connect Cottonwood Street, which right now terminates at Vine Street by the new IMC Hospital, and connect it with Main Street at 4500 South. To help them do that, they have hired an engineering firm-Lochner Engineering-who has guided them through this environmental process; in the federal government terms means 'to select a route that will have the least impact on historic properties, other properties; something that would benefit the city in terms of economic development.'

For the last year, the engineering staff, the business and residential community in this area, the federal and state governments have been evaluating all of the various routes and they are now to a point to where they have selected a preferred route. It has not yet been approved by the Federal Highway Administration, but they are very close to submitting the documentation to get that approval. One of the components of that would be to have the City indicate their support for the locally preferred alternative.

In brief, the locally preferred alternative is actually a very unique design; it is what is called a one-way couplet, which, rather than taking a three lane road through a neighborhood area (Box Elder and Hanauer) and through the Downtown Historic District, they are proposing using the existing streets and making one of them one-way going north, and the other one-way going south. This would minimize the impacts of all of those areas and believe it would be a great benefit to our Downtown Historic District, as well as providing several improvements to those existing areas, such as pedestrian and landscaping improvements that would enhance those neighborhoods.

The process from here would be that Lochner would continue to complete the documentations along with the Resolution of Support, submit it to the Federal Highway Administration, who would continue to take public comment, and if we did everything right, we would get an environmental clearance or approval which clears the way for the City to build the road. Of course, we would still need to come up with the money to build the road, purchase properties and acquire right-of-ways, but this would be the first step in allowing us to move in that direction. The nice thing about having this

environmental documentation is that it does allow us to apply to the State and Wasatch Regional Council for Federal funds, so that the City would not have to pay the entire portion of the costs of building this roadway connection.

Ms. Dunn asked Mr. Hill to give a brief explanation of the education process that has gone on with this; they have been involved in this for a very long period of time, and like everything else, this is not something the City just put together and are voting on.

Mr. Hill introduced Laney Jones from Lochner Engineering.

Ms. Jones stated that she is the project manager for this project; the public involvement activities that have taken place have included a public meeting on the alternative, and they also went out to the neighborhood at the beginning of the project and were available to talk to the residents about the project. They also had a website-CottonwoodStudy.com did door to door notices so that all those in the study area got notices on their doorsteps, they did mailers to all the property owners and had a stake holder committee who helped guide them through the process.

Mr. Shaver said that if his memory serves, this also has the least impact as far as widening the streets through that area.

Ms. Jones stated that is correct.

Mr. Shaver made a motion to adopt the Resolution.
Ms. Dunn 2nd the motion.

Call vote recorded by Carol Heales.

 A Mr. Brass
 A Ms. Dunn
 A Mr. Shaver
 A Mr. Dredge
 A Mr. Stam

Motion passed 5-0

12. MAYOR

12.1 Mayor's Report

Mayor Snarr stated that they are anxiously watching the rivers every day-both the Big and Little Cottonwood Creek; they still have additional capacity. The temperatures have been working in their favor, although if they decide to turn hot very quickly, it could cause problems for the 4th of July celebration, if Murray Park becomes Murray Lake.

The Mayor gave his compliments to the County and the County Flood Control people, and particularly our City departments, everyone has worked hard to mitigate the flooding that would occur this year. They are still anticipating knowing that they can fill Echo Reservoir five times if they wanted to-there is a lot of snow pack in both Big and Little Cottonwood at this time in the higher elevations, and it will eventually come down.

Firefighters from across the country are in Utah this week, with a pink fire engine on a "Pink Hills" tour, for Hills Cancer; employees who wish to be wearing pink T-shirts this week to support finding a cure for breast cancer are encouraged to do so.

The Utah Legislative Redistricting Committee invites anyone interested in participating in the process to attend one of the three meetings to be held in Salt Lake County; the times and locations are listed on our City website.

They also received a notice from the Murray Greenhouse, the property on 900 East; they grow and sell both vegetables and flowers, and this year they have an excess number of flowers and other plantings if anyone would like to drop buy and purchase some, they would appreciate it.

Mayor Snarr said that if you go down on Fireclay past the foam manufacturing facility, you will see that the project is finally under construction after many, many years of working. We didn't get exactly what we wanted, but we are making progress and that is the most important thing in the city. They have taken down a lot of debris and other undesirable things from the property, and it is looking clean and is moving ahead.

On June 16, 2011, there will be another public hearing on the Hoop and Knowlton Project, where the old mining equipment used to be stored. That site is cleaned up, and as you are aware, they will need to move some of the contamination to create a better footprint for the layout of the facility for the buildings themselves, but it will be buried under parking.

There is a sign out on the new Toyota building that says December 2011 the new Honda dealership will be open, where the former Toyota dealership was located. Big D is the contractor on this project, and he will find out when this will be ready to go; they have been doing some surveying there. They are also excited about the progress on the Mall, and that will be completed...they are being moving aggressively on that.

Hopefully, all these additional projects in the City will contribute to the success of the city and to the bottom line, and keep your property taxes the lowest in Salt Lake County. That is something that can't always be promised, but you get more bang for your buck here than any other city.

12.2 Questions of the Mayor

The question was raised on whether or not the city has thought about annexing the Millcreek area.

Mayor Snarr stated that residents there have thought about coming into our city, and there have been meetings and discussions with them, and we are open to the idea. The City does not initiate annexations. Economically, the area from 900 East really challenged our city, but we are glad that they are here and part of our citizenry. They contribute to the community, and we are thrilled they are here; those people have the same selling point to him on a regular basis- they shop here, they buy cars here. Our city tries to make progress every day here and others appreciate that. Especially with our storm drains.

The laws that came down are Federal laws, which supersede State laws and when it came to saying 'you better start watching what happens with your storm drains systems and what types of contaminates are being dumped into them,' we have to comply or pay the fines.

13. ADJOURNMENT