

# Murray City Municipal Council Chambers Murray City, Utah

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**T**he Municipal Council of Murray City, Utah, met on Tuesday, the 13<sup>th</sup> day of November, 2012 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 - Excused
Brett Hales,	Council Member
Darren Stam,	Council Member
Jared Shaver,	Council Member - Conducted
Dave Nicponski,	Council Member

Others who attended:

Daniel Snarr,	Mayor
Jan Wells,	Chief of Staff
Jennifer Kennedy,	City Recorder
Frank Nakamura,	City Attorney
Gil Rodriguez,	Fire Chief
Peter Fondaco,	Police Chief
Justin Zollinger,	Finance Director
Tim Tingey,	Administrative & Developmental Services Director
Doug Roberts,	Police Department
Roy Halford,	Police Department
Mark Dewald,	Police Department
Andrew Mecham,	Police Department
Brad Rowe,	Police Department
Chad Toole,	Police Department
Preston Kirk,	Financial Advisor, George K. Baum
Scouts	
Citizens	

## 5. OPENING CEREMONIES

5.1 Pledge of Allegiance- Spencer Shewell, Boy Scout Troop 396

- 5.2 5.2.1 Approval of Minutes for October 2, 2012.
- 5.2.2 Approval of Minutes for October 16, 2012.

Mr. Shaver asked that these two be taken together; no objections noted.

Mr. Stam made a motion to approve the minutes.  
Motion 2<sup>nd</sup> by Mr. Nicponski.

Call vote taken, all Ayes.

5.3 Special Recognition:

- 5.3.1 **Swearing-in of four new Murray City Police Officers: Mark Dewald, Andrew Mecham, Brad Rowe, and Chad Toole.**

Staff presentation: Chief Fondaco.

Swearing-in ceremony performed by Jennifer Kennedy, City Recorder

The officers introduced their families.

Chief Fondaco congratulated the officers, saying that this is a family and they are all part of the family now.

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

None given.

**Citizen comment closed**

**7. CONSENT AGENDA**

7.1 None scheduled.

**8. PUBLIC HEARINGS**

**8.1 Public Hearing #1**

**8.1.1 Staff and sponsor presentations, and public comment prior to Council action on the following matter:**

**Consider an Ordinance amending section 17.76.160 of the Murray City Municipal Code allowing City staff to approve (1) secondary gates for swimming pools in commercial, multi-family, motel and hotel developments, and requiring compliance with the International Building Code.**

Staff presentation: Tim Tingey, Administrative & Development Services Director

Mr. Tingey stated that this item was brought before the Planning Commission on October 18, 2012; they recommended approval on this and this was discussed during the Committee of the Whole meeting. This is about streamlining processes and adhering to what International Building Code requirements are. Right now, in the City's existing Code, it requires that if there is a swimming pool that is being constructed, that is not indoors, a secondary gate would have to be approved by the Planning Commission. This Ordinance proposal would allow staff to give that approval, streamlining the process. It also helps the City to be more in collaboration with what the International Building Code states. Based on that, Planning Commission recommended approval; staff is recommending approval as well.

**Public Hearing opened for public comment.**

None given.

**Public comment closed.**

**8.1.2 Council consideration of the above matter.**

Mr. Stam made a motion to adopt the Ordinance.  
Mr. Hales 2<sup>nd</sup> the motion.

Call vote recorded by Jennifer Kennedy.

  A   Mr. Hales  
  A   Mr. Nicponski  
  A   Mr. Stam  
  A   Mr. Shaver

Motion passed 4-0

**9. UNFINISHED BUSINESS**

9.1 None scheduled.

**10. NEW BUSINESS**

**10.1 Consider an Ordinance authorizing the execution of an Interlocal Cooperation Service Agreement between Salt Lake County on behalf of the Salt Lake Valley Health Department (SLVHD) and Murray City (the “City”) on behalf of its Police Department to provide safety and security to limited health services at certain established Points of Distribution (“PODs”) in the event of a public health emergency.**

Staff Presentation, Chief Fondaco, Police Chief

Chief Fondaco stated that this came to the City from the Salt Lake Valley Health Department. If there is an emergency where the health department needs these points of distribution for antidotes or vaccinations, this allows the City to provide the security for those locations. This is related to FEMA and the emergency planning that Salt Lake County is doing. Chief Fondaco added that he was contacted by GIS and they have these points of distribution already plotted out on a map within Murray City and if anyone would like to see that, they can provide that information.

Council consideration of the above matter.

Mr. Nicponski asked if this Ordinance spells out the manpower size or if it is at the City’s discretion.

Chief Fondaco stated that it does not spell it out in the Ordinance.

Mr. Stam made a motion to adopt the Ordinance.  
Mr. Hales 2<sup>nd</sup> the motion.

Call vote recorded by Jennifer Kennedy.

- A Mr. Hales
- A Mr. Nicponski
- A Mr. Stam
- A Mr. Shaver

Motion passed 4-0

**10.2 Consider a Resolution authorizing the execution of an Interlocal Cooperation Service Agreement between the Utah Communication Agency Network (“UCAN”) and Murray City for the City to use communication services provided by UCAN.**

Staff presentation, Chief Fondaco, Police Chief

Chief Fondaco stated that, through the budgeting process, the Police Department purchased UCAN radios for all of the officers. They have equipped them now with the walkie-talkies and next budget year they will be asking for the mobiles for the cars. This Interlocal agreement allows the Police Department to join UCAN and actually use their service.

Council consideration of the above matter.

Mr. Nicponski made a motion to adopt the Resolution.

Mr. Stam 2<sup>nd</sup> the motion.

Call vote recorded by Jennifer Kennedy.

A Mr. Hales

A Mr. Nicponski

A Mr. Stam

A Mr. Shaver

Motion passed 4-0

- 10.3 Consider a Resolution of the Municipal Council of Murray City, Utah (the “Issuer”) authorizing the issuance and sale of not more than \$3,300,000 aggregate principal amount of Storm Water Revenue Bonds, Series 2013; fixing the maximum number of years over which the bonds may mature, the maximum interest rate which the bonds may bear, and the maximum discount from par at which the bonds may be sold; delegating to certain Officers of the Issuer the authority to approve the final terms and provisions of the bonds within the Parameters set forth herein; providing for a public hearing and the publication of a Notice of Public Hearing and Bonds to be issued; providing for the running of a contest period; authorizing and approving the execution of a General Indenture of Trust, a Supplemental Indenture of Trust, a Bond Purchase Agreement, an Official Statement (if required), and other documents required in connection therewith; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this resolution; and related matters.**

Staff presentation: Justin Zollinger, Finance Director

Mr. Zollinger stated that initially they would have liked Randy Larsen, the bond counselor to explain this, but he was unable to attend. Mr. Zollinger introduced Preston Kirk, Financial Advisor from George K. Baum who gave some of the details relating to this issue.

Mr. Kirk stated that they have been in discussions with the staff and are aware of a number of storm water improvements that need to be made by Mr. Hill and his staff to the extent that they can't be paid for with the cash on hand that the City has. What they have done is looked at going out into the market and borrowing sufficient money to fund those projects that would span over approximately a 30-month period of time. The amount of the funds is approximately \$2.8 million. The Resolution before the Council tonight is the first legal step, as required by the bond attorney to start that process. Ultimately it starts as this Resolution and once this Resolution is entertained, it provides for a number of things. Embedded in this Resolution is the par amount of bonds that may not be exceeded. They have set that a little bit high at \$3.3 million in the event that they need to fund the customary debt service reserve account based on the costs of issuance. They also include some contingencies if the costs go up or they want those bonds to carry the City a little longer. It is easier to build them in a little high and come in underneath. That would be the intent.

The par amount of \$3.3 million is at an interest rate not to exceed 5%. There are multiple interest rates which have been set that high. The effective interest rate to the City will be approximately 3.25% for 21 years. They know that the study that was done for these improvements, along with the accompanying rate increase was over a 20 year period of time. If we enter the market early, January or February, and have the payment dates be March 1 of every year, the bonds may actually be 20 years and a month. The best way to cover that would be to put in 21 years but essentially have 20 years of payments. Other items embedded in this is an offering document referred to as a preliminary official statement which is needed to access the market. There is also the running of a contest period and a publication notifying the public of the intent to issue bonds at the par amount and interest rate, the number of years, the discount and so forth.

One of the things that has happened in the market recently has been some volatility in the market. This Resolution delegates to a number of individuals the ability to consummate this deal at a future date to lock in the actual par amount, interest rate and the terms without coming back before the City. Recently, they had a sale of bonds for the Murray School District. They had originally picked a sale date of the 30<sup>th</sup> of October, 2012. On the 29<sup>th</sup> of October, 2012, tropical storm Sandy went through New York and the bond market was closed. Fortunately, they had rescheduled their sale for the 1<sup>st</sup> of November, 2012 which was made possible by this delegating line in the Resolution which doesn't lock into a specific date that ties directly to a City Council meeting. Ultimately, those are the items that are entailed in this Resolution.

Mr. Stam asked if there was any penalty for early payoff on this.

Mr. Kirk said that generally, no. With most municipal bonds that they sell, there is generally a ten year provision where the bonds are not callable. A lot of the individual investors in these, whether it be a large financial institution or an insurance company, don't want to have these bonds issued and then called out immediately afterwards. If you make the call provision earlier than the ten years, there may be an off-setting interest rate adjustment upward to compensate the investors. At these fairly low rates that

shouldn't be a huge concern, particularly if you are borrowing for 20 years around 3 - 3.25%. They will make sure that they get the best call provisions that they can for the City.

Mr. Nakamura stated, for the record, that the City has scheduled a public hearing for January 8, 2013. Mr. Nakamura asked if in the Resolution there is a time period to receive reimbursement for costs already incurred.

Mr. Kirk said that often times when you bond for a project, the actual proceeds from the bond issue don't come in exactly as they are needed and the City up-fronts some of the money beforehand from other monies that they didn't intend to draw down. Embedded in this resolution is the ability for the City to look back 60 days from today and reimburse themselves for any hard costs that they have incurred. That would include pipe, cement, steel, etc. to the extent that there have been some engineering, architectural or design work, even if it were four or five months ago, within reason. The City would be able to reimburse itself with those bond proceeds once the interest rates are locked in and the bonds are closed.

Mr. Shaver asked if that would be 60 days from today or 60 days from the public hearing passage.

Mr. Kirk said that it would be 60 days from tonight. The City can back up on hard costs incurred since September 13, 2012.

Mr. Shaver asked Mr. Nakamura if there is a period when those parameters, principals or interest are met, is there a procedure that they need to follow to move forward with it, or is it designated by Mr. Hill?

Mr. Nakamura stated that in locking in the interest, we are designating the Finance Director and others to make that decision to take advantage of when the market is good. The Council is approving the ability to do that and there definitely are parameters and limits as to what the interest rates are. They are allowing some flexibility to the Finance Director, mainly, as to when to 'pull the trigger' if you will, on that.

Mr. Kirk noted that nothing much more is going to happen between now and year end. They will continue to work with the staff and apprise them of any decisions or general directions that they are headed in and hopefully that information will be passed on to the Council.

Mr. Zollinger added that they wanted the reimbursement provision added in so that they could pick up any costs. They are also trying to avoid arbitrage. Arbitrage calculation costs are \$3,000.00 if they don't draw down the bonds within two years. That is another reason that they implemented that provision into the contract.

Mr. Shaver asked Mr. Nakamura to clarify if this would be coming to a public hearing at a later date.

Mr. Nakamura said that it is scheduled for a public hearing on January 8, 2013. Mr. Nakamura added that Randy Larsen, the bond counsel from Ballard Spahr had arrived and could answer any other questions that the Council might have.

Council consideration of the above matter.

Mr. Hales made a motion to adopt the Resolution.  
Mr. Stam 2<sup>nd</sup> the motion.

Call vote recorded by Jennifer Kennedy.

A Mr. Hales  
A Mr. Nicponski  
A Mr. Stam  
A Mr. Shaver

Motion passed 4-0

10.4 **Consider a Resolution adopting the regular Meeting Schedule of the Murray City Municipal Council for calendar year 2013.**

Council consideration of the above matter.

Mr. Stam proposed that the meeting scheduled for Tuesday, July 2, 2013 be moved to the following week to avoid the week of the 4<sup>th</sup> of July. He also asked Ms. Lopez if the dates of the UAMPS conference had been looked at.

Ms. Lopez stated that those dates had been looked at and the meeting dates in August had not been changed, but the June date had been changed for APPA.  
Mr. Stam asked if the date in August interferes with the UAMPS conference.

Ms. Lopez said she did think that the meeting does go through August 20, 2013.

Mayor Snarr stated that the meeting is in California and that the meetings are actually Sunday night, Monday and Tuesday.

Mr. Stam said that not knowing how many of the Council Members are interested in going, that is one of the things that they have had conflict with.

Council discussion was held on the dates available to change the meeting to.

Mr. Stam made a motion to adopt the Resolution, with the exception of July 2, 2013 being moved to July 9, 2013, and August 20, 2013 being moved to August 27, 2013.  
Mr. Hales 2<sup>nd</sup> the motion.



Call vote recorded by Jennifer Kennedy.

  A   Mr. Hales  
  A   Mr. Nicponski  
  A   Mr. Stam  
  A   Mr. Shaver

Motion passed 4-0

## 11. **MAYOR**

### 11.1 **Mayor's Report**

Mayor Snarr stated that Mr. Nakamura and Ms. Wells met with the Salt Lake County Council in regards to the sanitation district above 900 East. They have agreed to provide Murray City with a seat on the board to represent the Murray residents who live above 900 East. He appreciates their willingness to do that. Mr. Nakamura will be attending the meeting tomorrow to solidify what is going to be taking place. Mr. Brass had indicated that he may be interested in serving on the board. This position requires the representative to be an elected representative. It is going to be interesting how things play out with that as they are looking at doing something totally different with the garbage pick-up service that is currently provided by Salt Lake County. Mr. Nakamura can fill the Council in on the details, but basically they are going to create their own independent sanitation district separate from that of the County.

Mayor Snarr indicated that the City had looked into providing services as much as they could, but the issue is the \$300,000.00 acquisition of the garbage cans. He suggested that the County give the city residents the cans as they had already purchased the cans and then turn them over to the City. That didn't work though.

Mayor Snarr stated that December 6, 2012 will be the FrontRunner station opening at Central Station where the current light rail is. The grand-opening is from 8:30 – 11:30 a.m. It is a big day in the City's history and he hopes that everyone will come out to enjoy the festivities.

Mayor Snarr noted that there is a challenge right now with FrontRunner and with Chick-Fil-A in that the significant snow has presented an issue as far as the soil being dry in order to asphalt it. Yesterday they graded off all of the snow and they said that they are close in having it ready. They want to get it as dry as possible and much of it depends on the temperatures. If the weather gets into the 50's it helps, but next week is Thanksgiving and historically, they close down the asphalt plants that Thursday and Friday. They need to get that asphalt down before they can open the light-rail station. They are pushing a challenging situation with this extraordinary amount of snow pack that we recently received here in the valley. Hopefully they will figure out a way to get it done quickly. He added that Chick-Fil-A did pour the drive-up today. They did some drying work and

put in some additional road base and did a compaction test to make sure that the concrete would be stable. The drive-up is all concrete but the rest of the parking lot will be asphalt. They still want to open up sometime in January and are pretty much on-line to do that if they can get the parking lot paved.

Mr. Nicponski said that tonight they took the first step in issuing \$3.3 million in bonds. He asked the Mayor to talk to them about where the City is at with bonding obligations and how much room the City has relative to future bonding.

Mayor Snarr said that when they first implemented the fee for storm drains, there were some concerns among the residents. Addressing that infrastructure is absolutely imperative for the City to prevent the same types of tragedy that occur when there are significant events, whether it is a hurricane, a lot of rain or snow. The City has had events in the past with significant flooding where we have not had adequate storm drains. Much of that money, ironically, is going to be shifted to address areas in the newly annexed area where they really had some concerns about the storm drain. As everyone is aware, during the meeting they discussed approximately \$18 million worth of storm drain projects. As far as the City being able to do it with Enterprise Funds, the City is in great shape.

Mr. Zollinger stated that the City has lots of bonding capacity but then the ability to pay comes in too. The City can bond up to a certain percentage of the value of the properties within the city limits. The number coming to his memory is approximately \$400 million. The ability to repay that would come at a hefty price so we want to be careful with doing that. The different enterprise funds have room to bond; many of them are trying to build the reserves right now to pay for projects.

Mr. Nakamura added that the only limitations would be the City's sales tax bonds. To remain tax exempt, the City has a limit of \$10 million per year. He isn't sure where the City is with that, but we should be ok. There are limitations on the bonding.

Mr. Zollinger said that they can still issue more than that amount, it just isn't tax exempt.

Mr. Shaver explained that there are several different ways that the City bonds and that is perhaps what they need to address. There are sales tax bonds, GEO bonds, zero obligation bonds, etc.

Mr. Zollinger stated that the City also issues bonds based off of sales tax bonds. With the enterprise funds, we pledge the revenues to bond. We have an MBA bond that we could issue if needed, RDA bonds, etc. The thing about the RDA and MBA bonds is that they are usually more expensive and at a higher interest rate. The best interest rate we can get is with a GEO bond followed by a sales tax bond because they are revenue based.

Mr. Nicponski noted that with the snowfall, he didn't think there were any power outages and that was due to the city's tree cutting efforts.

Mayor Snarr said that he was not aware of any power outages either. He added that when he was first elected, it was somewhat controversial in the fact that as the City added an extra set of arborists that cost the City about \$500,000.00 between what we had to pay the three additional people for the first year and all of the additional equipment that was purchased. As he has always maintained, you prepare for the worst and hope it doesn't happen. Our City has always been better prepared than any other agency that delivers power in the state of Utah. In 2003, we had a very significant storm event and areas above 900 East, which are not served by Murray Power, were out for up to seven days. Our average outage was two minutes and we had one area of about 130 homes that were out about six hours. Those 130 homes were out that long because a lady refused to allow the City to do the proper trimming on the trees to prevent the limbs from dropping onto the power lines. All of the neighbors came back and made sure that they let her know that they were not happy that she had not let them trim the trees properly.

To the credit of the Power Department, this City is very lucky. To the residents, the Mayor added that they are not charged to have those arborists in our city. Other cities charge to have an arborist come out to trim the trees. In Murray, the trees in the parking strips are trimmed on the dime of the Power Department and the rates are reasonable. Although he took a lot of heat for adding those arborists, it paid big dividends because the City did not have to spend a lot of money restoring the power, nor replacing lines which were taken down in Rocky Mountain Power's distribution system. He sometimes tells people that we are not spending money, we are investing money to secure our infrastructure and update and enhance it in a timely manner so that if an event does occur, we are ahead of the game.

That is something the City is always trying to do. There have been some significant events, including in his neighborhood where they had a lot of flooding and they had to foot costs. Their storm drains were not adequate and flooded out the school board chair's house. Mildred and Ralph Horton's home was damaged from the water. The storm drain was undersized and inadequate for the storm event. The City has had several events since that time and have not had any problems as they have taken care of it down there on the west end, upgrading and enhancing the system.

The challenging area is above 900 East where there has never been an adequate storm drain system put in. That is what the City is going to work on over the next several years. These bonds are a start to that. The bonds that the City has taken out are to enhance the sewer system to make sure that the expansion of the mall can take place and to ensure that there is adequate capacity with the sewer lines. We have put in the laterals to go down to 500 West, through the hospital site, to accommodate the restrooms and other sanitation needs there. We have also installed the laterals to accommodate the growth around Fireclay and the substantial number of units being built there. We have also put in a lateral that runs from Winchester Street on the west end of the valley all the way down to 500 West that connects to the main trunk line that takes the water to Central Valley. We are making enhancements throughout the City to make sure that we are prepared for the future. That is good planning and the City has excellent engineers and Department Heads who are always looking out for what's right for the future of Murray, not

necessarily that which looks politically good because they are not raising fees.

Mayor Snarr stated that he is the type of person who says raise the fees to take care of challenges before they become catastrophes. That is what he has always believed in and he will continue to feel that way for another year.

Mr. Stam noted that this past weekend there was a significant snowfall and there were not a lot of leaves down yet from the trees, there was still not a lot of damage compared to last year.

Mayor Snarr stated that the City had been very aggressive in trimming the trees this year. A lot of the limbs that were going to break had already been taken down. In his particular area, there are a lot of the flowering pear trees and they had minimal damage this year; last year during the big storm events. There was a lot of damage. The City trims to the specifications that the arborists learn to trim to and they have been somewhat aggressive this year. The Mayor has had some neighbors complain that they have been too aggressive, but he has said that either the arborists trim it or the garbage trucks trim it. You get a better cut with the arborists than you do with the garbage trucks.

Mr. Stam said that the record snowfall broke a record that was set in 1886. The other interesting thing that the news said, and he doesn't know how it compares to Murray, is that just east of here, the amount of snowfall over the weekend was greater than the entire amount received last year. We may have a little wetter year this year and less water issues.

Mayor Snarr said he hopes so. Our aquifers are charged by Big and Little Cottonwood Creeks and that is what keeps our water rates very favorable. Mayor Snarr added that Ms. Wells sends out great communications from their office and one of the things that he is very proud of is the money that the City has spent to enhance the McGhie Springs by the Old Mill. Cottonwood Heights is working on the final approval of the trail. There has been a 30% improvement of productivity of that spring. It has been a very controversial area. In 1919 it mortgaged every single resident in the amount of almost \$4,000.00 and everyone was concerned about it. Today, because our ancestors made that critical decision, we have a great water resource which is extremely valuable and it was much less expensive back then than it is today in acquiring the water right-of-ways to get the water down through all of the million dollar yards in the Holladay area.

Mr. Stam mentioned that the scouts who come in to learn and observe are appreciated. One of the things that they have found is that part of the Merit Badge requires a service project that benefits the community. He said that if they need any help with ideas for that, the Council has a list of people they can contact.

Mayor Snarr stated that the Council makes all of the budgetary decisions and they have done an excellent job over the years. They all recognize that the City is investing in the future of Murray City, not haphazardly spending money on projects that don't have value. They are looking at the infrastructure of the City and that is what makes businesses

want to come and do business here. They look at our Power Department, our Sewer Department, our Water Department and our Streets Department and know that Murray is on top of the game and taken care of those things that make businesses successful. The City wins because there are great businesses here paying property tax as well as sales tax.

Mr. Shaver added that the Council has pins for the scouts in attendance and that if they have any questions, the Council will be happy to address those questions.

### **11.2 Questions of the Mayor**

None.

## **12. ADJOURNMENT**

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**Jennifer Kennedy, City Recorder**