



MURRAY CITY MUNICIPAL COUNCIL COMMITTEE OF THE WHOLE

The Murray City Municipal Council met as a Committee of the Whole on Tuesday, February 5, 2013, in the Murray City Center, Conference Room #107, 5025 South State Street, Murray Utah.

Members in Attendance:

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

Others in Attendance:

Dan Snarr	Mayor	Tim Tingey	ADS Director
Janet M. Lopez	Council Office	Jan Wells	Mayor's COS
Frank Nakamura	City Attorney	Doug Hill	Public Service Director
Pete Fondaco	Police Chief	Craig Burnett	Police
Justin Zollinger	Finance Director	Chad Wilkinson	CED
Zachery Fountain	Legislative	Jennifer Kennedy	Recorder
Patricia Griffiths	Library Board	Kellie Challburg	Council Office
Jennifer Brass	Resident	Russ Kakala	Public Services
Blaine Haacke	Power	Dave Stewart	Lobbyist
Chad Wilkinson	CED		

Chairman Hales called the Committee of the Whole meeting to order at 5:15 and welcomed those in attendance. He noticed the absence of Mr. Stam.

Minutes

There were no minutes for approval.

Business Item #1:

Committee and Board Reports

2.1.1 Blaine Haacke- UAAMPS

Mr. Haacke just returned from Intermountain Power Association (IPA) meetings this morning. The biggest issue with IPA are the "Post 2027" contracts that were mentioned to the Council several months ago.

The Utah Associated Municipal Power Systems (UAMPS) group is working through the budget right now. There are 14 projects in UAMPS. A project consists of any time that a member wants to partner with another member to combine a resource. A project might consist of two or more members.

Murray is involved in 8 projects right now. An example of that partnership would be the Hunter Project. Murray and 10 other Cities form a partnership and figure out costs, etc. Murray is also involved in the Colorado River Storage Project (CRSP) project, Hunter, San Juan Power plant, the Intermountain Power Project (IPP) power plant, the Craig/Mona transmission line, the pool project, and the government project. There is a chair for each of these projects, and a budget is made. UAMPS lumps the budget together. There have been 2 out of 4 sessions, so the budget process is halfway completed.

UAMPS has \$134 million budget, compared to Murray's budget of \$36 million. Of the UAMPS budget, \$10 million is considered A & G. There is some control over the A & G part of the budget, as far as controlling how many full-time employees they have, and what percentage their Cost of Living Adjustment (COLA) is. Murray is just one vote, and there are about 38 other Cities. They have whittled down their need for two and a half more employees, down to one. There has been real progress made with UAMPS. The person that they are going to hire is cyber-security nerc compliance professional.

UAMPS is going through a salary survey, and they are using HRN for that service.

One thing that will affect the budget this year is any kilowatt hour that is brought across even the Rocky Mountain lines, except for the Federal system will increase by about .40 a megawatt. That will be an increase of about \$180,000- \$225,000 to the City for Murray's portion.

All of the other rates are remaining stable. The CRSP rate, which is the most inexpensive rate at \$29.00 an hour, will remain stable for the next couple of years. The Hunter resource is going down by a dollar to \$34, that used to be in the \$40 dollar range until the debt was paid off. San Juan is the most expensive resource at \$66.

Things are going well with UAMPS. It is a matter of check and balances and trying to convince other Cities into joining in the argument on the right side.

The IPA Board of Directors is looking at the post 2027 contracts. There are several different parties going several different directions. Californians have an inner fight with Los Angeles as to what to do with the Delta plant after 2027.

It is mainly three different groups: UAMPS, IPA, and the member cities. It is similar to a family that doesn't talk to each other. UAMPS talks to some of the member cities, and to California, and IPA is talking to the same people. It will be brought to the Council probably in April. It will be asking for the approval of the second amendatory contract that allows the Californians to change to natural gas. There will be another contract in about a year that will decide whether or not Murray wants to stay in the project after 2027. Governor Herbert is

meeting with IPA and the Californians very soon. The Californians want to refresh his memory of the economic impact that the Delta plant has on Utahns. Mr. Brass asked what the impact is if the Californians convert to natural gas, and go away from coal. Mr. Haacke said it may help Vernal, but will surely hurt Price, and Henafer where the coal is coming from. Mr. Nicponski asked where the natural gas supply would come from. Mr. Haacke replied that it could be from Vernal, or out of state also. It would be market driven. The Californians are remaining in the game because of the transmission that they need for the wind farm. Los Angeles needs both transmission and generation.

April 1st is the soft deadline to have these contracts signed by the Cities. UAAMPS has written a letter to IPA because some of the Cities have asked questions. IPA has yet to answer that letter. Murray did not sign that letter because Mr. Haacke had already sent a separate letter to IPA with the concerns and issues.

Some of the questions are the same. What if both plants run parallel for a year or two, he asked. They will have a Question and Answer type of spreadsheet out soon.

It is just a wait and see process right now to see what UAMPS, IPA, and Los Angeles do. If the L.A. City Council votes for the contract to pursue a gas plant then that will draw the line, and the Californians will have to choose a side.

Los Angeles would like Utah to be involved for economic reasons, and they would like to have Utah members if they have a plant in Utah. The plant would be adjacent to the existing one in Delta. The substation is already built and the transmission and the employee base are there. The coal fire plant would be taken to the ground and right next door the gas one would be built. Mayor Snarr asked how many megawatts it would be. Mr. Haacke replied it would be 12.

The director of the Hunter plant thinks he could still run one coal fired plant to take care of the customers. That may be an ace if Utah could still keep control of the coal.

Mr. Shaver asked about the budget of \$134 million and if that included all the projects, whether or not Murray was involved. Mr. Haacke said that was correct. There are two projects that are lagging right now: the Horse-Butte wind farm up in Idaho Falls, and the Nebo gas plant in Payson. Murray is not a member of those projects, but Mr. Haacke believes close to \$60 million is going towards those two projects.

Mayor Snarr asked if the bond retired in 2025 for IPP. He asked why the City wouldn't pick up the 900 megawatt that is already built. Mr. Haacke said it is the unknown EPA costs. Right now, it is going to cost \$800 million to put scrubbers on the IPA project. That might be a question for Mr. Hill, if it was worth putting \$500 million into a plant.

Mr. Hales recognized that Mr. Stam was present.

2.1.2 *Russ Kakala- Trans-Jordan Cities*

Solar Energy is a project that UAMPS is looking into. Trans-Jordan has about 30 acres of open-space. They are issuing a Request for Proposal (RFP) next week to see what comes back. There is a potential of 80 acres to do something with. They have the open space so the board wants to entertain the idea.

Some residents want glass recycling. Draper put one in their City Hall so residents can come and drop off their glass. ACE would pick it up at no fee if that is something that the residents want. It would not be a household pick up, but a drop facility. Most of the glass is whiskey and beer bottles.

Salt Lake County landfill is proposing a \$3 increase for tipping fees on commercial and \$8 at the transfer station. That equals about \$1200 more a year that the City would pay for the collection. That may result in an increase because people that usually use the transfer station will instead start sending the garbage to the City. If the City doesn't raise the commercial rate, there may be a lot of crossover coming from other places. Trans-Jordan is half the commercial rate, so it is currently \$13 of the \$26 rate. If they go up to \$28-29, the City will have to increase to \$14.

Mr. Brass said that they should speak with St. George and Granger both, and what they had to go through to hook up with Rocky Mountain Power. The inter-ties are difficult.

2.1.3 Zachery Fountain- Legislative Policy Committee

Mr. Fountain acknowledged the presence of the lobbyist Dave Stewart also. Mr. Stewart was invited to give a quick update on transportation.

Mr. Stewart said that a few roads in the City; Vine Street for example was brought to his attention. These roads were in the \$1.2 million range. He looked for opportunities, whether it is bonding or other revenue sources. He feels like there is an appetite for that, and it is still early in the process.

He has also worked closely with Mr. Fountain on other issues such as: RDA's, and UTOPIA.

The League held the first Legislative Policy meeting this Monday.

Mr. Fountain said he wouldn't rehash the pending litigation with the billboards. There are two competing bills on billboards right now: The Reagan bill and the Utah League of Cities and Towns bill, which he characterized as the "nuclear option." There is no interest from the Reagan group to work together on an agreement, so they are running their own bill right now. Mr. Shaver asked if they had a sponsor. Mr. Fountain said he wouldn't share the name at this time, because he may be backing out. Senator Urquhart is running the bill. He started off as a neutral member last year, and feels like he wasn't treated fairly so he is helping the Cities in the fight on billboards. If you look at the State Code now, there are special allowances in land use that are allocated for billboards. This new law would basically unwind the special treatment that they currently receive, including the special use of eminent domain on their facilities, unilateral relocation, and currently they are assessed on the pole and not the totality of the facility. That maxes out at \$6 per structure, so that may change. Also, ban conversion of a current sign, which is what Murray did in 1991. The current use that has been approved is the allowed use. That bill is moving forward, there has been a split in the industry due to some acquisitions that may impact the discussion going forward.

Another prominent issue is fireworks. There is a bill from Representative Dunnigan that if passed, would require an ordinance to be enacted that gives the Fire Marshall the authority to ban fireworks in specific areas if he needs to. The City would work with the Fire Marshall and set up the ordinance for those areas. They would be responsible for executing the policy. There

was some push to get the Fire Marshall full authority but Representative Dunnigan is adamant that the City be involved also.

There is a concerning bill from Representative Stratton discussing privatization. Right now there is a State Privatization Board that focuses on how Government Entities compete with private industry. This becomes important for issues, such as UTOPIA, the Park Center, Golf, Water, and other issues. This bill would strike local government participation on that board and put on two new board members that would represent private industries. Some examples of these would be private gyms, such as Gold's gym, and private golf courses. There is a big push to make this the new watchdog group with state authority. Also, the state auditor would have a new pronounced role in the investigation. The League is really concerned about this right now.

Mr. Shaver asked who was sponsoring that bill. Mr. Fountain said it is Representative Stratton. Mr. Nicponski asked about the mechanics of that, and if permission was needed to take action on a parks and rec facility or a golf course. Mr. Fountain said since it is state legislature, there would probably be new legislation drafted banning the ability to intervene. It gives the investigatory aspect to the state, as well as, the ability to do their independent studies.

Another big one on the bill list is RDA's. Mayor McAdams brought up an issue concerning how levies are set based on the tax assessments at the time when setting up an RDA. If a single entity like Murray decided to raise property taxes, the state tax commission was giving that to the RDA, instead of the standard set when the RDA was established. There is a movement to make sure that we are locked in at the rate at the beginning of the RDA, so as not to accrue those extra taxes. That is important because, Salt Lake County, for example raised \$33 million in property tax increases, and then found out it was going to be like \$37-38 million, because the difference goes to the RDA. The levy needs to be set for the totality of the RDA.

The League feels like it is a good option. Although, the tax payers association wants everything unwinded to find out who paid extra, and could become a mess. Mr. Stewart said the problem is in going back to discover the tax entities were, such as schools, bonds, etc. Those RDA's have encumbered it through bonding, etc. Nothing goes back to the taxpayer; it simply creates a windfall for someone else. Mayor Snarr commented that he would like it if they did away with the redistribution of sales tax for the 32 Cities in Utah. Mr. Shaver clarified that the idea was to get the RDA locked in no matter what the property tax does. Mr. Stewart said that he thought there was talk about having a mechanism that if the entity wanted to, through an interlocal, still facilitate the tax increase to an RDA. Mr. Fountain said that locally you could still have the option of directing that extra money from taxes to the RDA. The big issue is that it is locked in, so that there is not the unwinding needing to be done after that. The unwinding process is a hostile approach to the RDA practice in totality.

The full bill list is 21 pages long. Mr. Fountain asked if the Staff was okay if he cut it down to the important ones, and ones that impact the City. There are those bills that are actively worked with the League, possibly the top 10-20 bills. Mr. Shaver asked if it was possible to get just a title, without necessarily all the information. Mr. Fountain said he could do that. Mr. Shaver said if they had just a short title on the ones that may not impact the City, at least they would know that they exist. Bills have to be numbered by Thursday, so there will be better information then.

Mr. Shaver asked about the 18% to 25% bill. Mr. Fountain said that is an awesome bill and is in committee today. This bill would bump the amount allowed to be held in reserves from

18% to 25%. Mr. Fountain did check to see if it would affect the bond rating at all if it was maintained at lower than the 25%. It would not affect the City's rating at all. It would parallel what the State is doing right now. Senator Henderson is the one carrying the bill.

Mr. Nicponski asked if Mr. Fountain and Mr. Stewart could remain there for the VECC conversation.

2.1.4 Jan Wells-Council of Governments (COG)

Council of Governments (COG) typically is a little slower this time of year.

In November, they held the general assembly and focused on three issues:

- Regional Gang reduction- This is a problem in every City to some extent.
- 911 update- This is the VECC issue that Mr. Nicponski will address.
- Transportation- Transportation is ongoing and just needs to be updated. The mechanism for that is through the COG. They do the corridor preservation funding, the Statewide Transportation Plan (STP) planning, the funds for air quality and the unified transportation plan. Those are almost always on a COG Agenda.

In December, the main issues were:

- Jail funding for the County
- Homelessness
- The Public Safety Answering Point (PSAP) merger with VECC and 911. The big issue has come because Sandy has said they are withdrawing, and Taylorsville has stated that they want the option to leave. Hopefully this issue can be worked through.
- RDA issues that Mr. Fountain talked about earlier.

2.1.5 Dave Nicponski- Valley Emergency Communications Center (VECC)

VECC is still working on what to do with the Sandy departure, and haven't come to a conclusion yet. The discussion is that a technical committee be formed to look at the technical realities of communications. The thinking is that one would be better than three. This technical committee would determine the most cost effective way to do this. The Legislature is getting involved by this technical committee to speed things up.

Mr. Fountain said that the Legislature requested that group. Rep. Dee asked that a study be done so there wasn't a proliferation of PSAPs. It showed that Salt Lake City and the University of Utah were able to maintain their independence because of the daily influx that they had in terms of individuals. VECC was left as the other option, so Unified Police Department (UPD) and Unified Fire Authority (UFA) would try and consolidate. Mr. Nicponski asked that everyone wait until the bill was seen.

Ms. Wells commented that Murray is a member of the Metro Fire Agency, and most of the Metro Cities are also the Cities left in VECC, except for Sandy. The bottom line is that Metro could manage VECC if the possible push comes from the legislature. Mr. Fountain said that the

last bill from Representative Dee to save one PSAP, they amended the bill to a study function with a caveat. Ogden is implementing impact fees on development, as a request by 911. Mr. Shaver said it isn't just a VECC or UPD issue, it is happening in multiple places. It will cost Murray money though because the City is already dealing with multiple PSAPs, remarked Mr. Fountain.

2.1.6 *Dave Nicponski- Association of Municipal Councils*

There is a proposed agenda for the next year that will be sent to the rest of the Council Members.

2.1.7 *Jim Brass- Central Valley Water Reclamation*

The big issues were the elected officers. They also received an update on the Jordan River/Farmington Bay water quality coalition. It will cost the City money, it just isn't known how much.

The Environmental Protection Agency (EPA) attitude is that sewer rates in Utah are so low compared to other parts of the Country, the rate increase is necessary. The EPA wants the nutrients removed, which is nitrogen and phosphorous from the discharge from the plant. The expert has said that the EPA does not take into account everything that happens to the river before additional water is put into it. If there is a hard freeze up the canyons, and then a strong wind, tons of leaves are dumped into the river. Those leaves sit on the bottom of the river and decay, which adds oxygen and nutrients to the river.

There are also tributaries that cut through the valley and pick up sediments that cloud the Jordan River. He doesn't believe the Jordan River will ever be as pristine as the Provo River or the Green River. There is a picture that gets painted that the river will be a gorgeous thing. Science indicates that even if the maximum amount of money is spent, it will not change the Jordan River. That appears to be the route though, and could cost the City several million dollars as their share. There is a group that discusses that, with an approved budget of \$596,000. The Central Valley share is about \$150,000. It is money well spent and could have an impact on the destiny.

The plant is in great shape. Mayor Snarr asked what percentage is taken from the sewer, sludge and recycling of the green waste versus taking it out and doing land applications. There is definitely a convenience factor, he said. Mr. Brass said the compost operation is a money making operation, he didn't know the actual costs. Mayor Snarr asked if the land by Cedar Valley was still leased out for wheat farming.

2.1.8 *Jim Brass- Wasatch Front Waste and Recycling District*

Currently there are housekeeping issues, converting from a County run entity to being its own separate entity. There was a land exchange with Salt Lake County for the property that the facility sits on. Another is an interlocal agreement with Salt Lake Valley Landfill, which is still a County entity.

The County is increasing tipping fees, and that will impact the fees that the citizens east of 9th East pay. Those citizens will start seeing those first bills this month. There has not been an increase in the fee, but the residents have never seen this bill before. It has always been a

part of the property tax. The residents have been noticed, but there may be phone calls. The bill will come from the District with an explanation that it is now separate from the property tax bill.

Mr. Nakamura said that another problem is that a lot of mortgage companies pay that out of the escrow account in reserves. Now that this is no longer a property tax, it will not come out of that account. Mayor Snarr commented that there would be extra money sitting in the escrow account.

Mayor Snarr asked Mr. Brass if the County would ever consider selling their garbage cans. He asked about the possibility of those customers wanting to join the Murray customers that are paying lower prices. Mr. Hill had already given the prices for purchasing the cans. If Murray was to take it over, would they be able to purchase those cans, he asked. Mr. Brass said right now they are the property of the Wasatch Front Waste and Recycling District (WFWRD). They do have a facility that repairs those cans and cycles them through the district. He isn't sure if they would have an excess of cans, because the cans do get beat up and need to be replaced. Mr. Shaver commented that it is an interesting question, because the citizens now have the option of not wanting to be part of the district. The residents don't owe any money on the cans; they should all be paid for.

Business Item 2.0

Business Licensing City Code Text Amendment- Tim Tingey

In a few weeks, there will be several changes to the business code and licensing. Jennifer Kennedy and Chad Wilkinson have been working on this issue. One is the removal of the recorder being responsible for business licensing and giving that to Community Economic Development area. Also, special events are a part of that that needs to go into the area for the Recorder.

There are some changes to the fees that are important and significant. Mr. Wilkinson said the City has been going through a comprehensive fee review of the business licenses over the past eight months. Lewis Young presented that to the Council a few months ago. The City is still working on the actual fee to be assessed. Some of the proposed changes include:

- A change to the calculation of late fees. One of the biggest concerns has been the issue of the postmark. Citizens have the postmark on time, but the City does not receive it on time. The current policy is that the City does not accept postmarks, and it is not considered a timely payment. The City is working with businesses on this issue and proposing a ten-day grace period. The late fee would be waived if the payment was received within ten calendar days. The City still will not accept postmarks, but will give some flexibility with this grace period. Mr. Hales asked if the City was waiving a lot of those fees anyway. Mr. Wilkinson said that some are waived if a legitimate reason is given. The due date will not change though; there will not be a grace period on the grace period.
- The Code requires the penalty fee to be calculated based on the entire business license fee. For example, an office use of one employee would have an annual business license renewal fee of \$106.00. A 200 unit apartment building would have a regulatory fee that would apply for \$1200.00, plus the base fee. The late fees are based on the length of delay. Between 30-60 days late, there is 50%, and 100% after 60 days. The difference between those two examples is hundreds of dollars. There is no ceiling on the fees currently. The late fees will now be based on the base fee. The base fee is \$100.00, and is a processing fee, and the late fee will be a percentage of that. Regulatory fees pay for the police service, etc. The new proposed change would change it to: after 30 days, a

\$50.00 late fee, and after 60 days, a \$100.00 late fee. After 60 days, it will be a 100% of all charges. If a business goes that long without renewing, they are basically getting the benefits of having a business license without paying for it. Mr. Hales asked if there was a collection process. Mr. Wilkinson said that usually the business license is revoked. Revocation is the first step in the process.

- There has been some confusion as far as the “per employee” fee. It is listed as a regulatory fee on the application and a base fee in the Code. That is going to be changed to a regulatory fee.

Mr. Nicponski asked what the green sticker was for. Ms. Kennedy said she believes it allows parking in a loading zone within the County, except for Salt Lake City.

Mr. Hales asked if someone would be available to cover the Heritage Center employee of the month presentation the following day. Mr. Shaver said that he would do it.

Mr. Hales adjourned the meeting at 6:15.

Kellie Challburg
Office Administrator II