



MURRAY CITY MUNICIPAL COUNCIL COMMITTEE OF THE WHOLE

The Murray City Municipal Council met as a Committee of the Whole on Tuesday, April 2, 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	Jan Wells	Mayor's COS
Janet M. Lopez	Council Office	Justin Zollinger	Finance Director
Frank Nakamura	City Attorney	Jennifer Kennedy	Recorder
Pete Fondaco	Police Chief	Chad Wilkinson	CED
Angela Price	CDBG	Diane Turner	Citizen
Charles Turner	Citizen	Kellie Challburg	Council Office
George Katz	Resident	Sally Hoffelmeyer-Katz	Resident
Jennifer Brass	Resident	Ted Eyre	Resident

Chairman Hales called the Committee of the Whole meeting to order and welcomed those in attendance.

Minutes

Mr. Hales asked for corrections or action on the minutes from the Committee of the Whole on February 5, 2013. Mr. Brass moved for approval as written. Mr. Shaver seconded the motion. Motion passed 5-0

Business Item 3.1

Community Development Block Grant (CDBG) Recommendations- Chad Wilkinson and Angela Price

Ms. Price handed out the funding recommendation letters to the Council Members. She described the process and presented the initial recommendations to the Council. These were for current review before the hearing on April 16, 2013.

The process was exactly the same this year as it was last year. There was a Request for Proposals (RFP) issued in early November and a technical assistance workshop available to all interested applicants. Applicants submitted a letter of intent mid-December and applications were due at the beginning of February 2013.

The advisory committee was comprised of Angela Price, Chad Wilkinson, Jan Wells, and Mayor Snarr. The committee reviewed all 14 applicants. It was a very long process and Ms. Price appreciates the time that the Mayor and Ms. Wells put into it. It was a great opportunity to ask any questions that they had about the applications. Many times after discussing the application with the applicants, decisions about funding changed.

The committee made their recommendations, and the Council would vote on the allocation and re-allocation of funds on April 16, 2013.

The County initially reduced the CDBG budget by 8.2%, which is a reduction of approximately \$130,000 within the last two years. Murray took a huge hit compared to some of the other cities, based on demographic information and the Housing and Urban Development (HUD) formula. The demographics may soon change with the addition of Fireclay and its new occupants.

Last week, the County notified Ms. Price that there may be an increase in funding, due to sequestration. The County stated that the funding may be level, without a reduction. Ms. Price clarified that initially it was an 8.2% reduction, then a 5% reduction, and now possibly back to level funding. Mr. Shaver asked how that would affect the current funding recommendations. Ms. Price said that theoretically it could mean an increase of about \$10,000. Ms. Price said that it has been accounted for in the recommendations. For example, if there is an increase of 2%, then all the housing programs would get an increase of 2%. That would include Neighborworks, Assist, Valley Services, and CDC. If there is a reduction in funding from what is proposed, which is unlikely, it is proposed that the reduction comes from the Murray ADA improvement project.

Staff is hopeful that the numbers will come in before the Public Hearing. That would be great to have the numbers locked in, but there is a good template in place if not. If there are changes to the budget, hopefully another Public Hearing won't be needed if these numbers and strategies are approved.

Either last year or the year before, "across the board" cuts were done when the budget numbers were received. When funding recommendations are put together, it is to fund the project in its entirety, and if there are "across the board" cuts or increases it causes random overages and shortages. It ends up making the contracts really messy for the sub-recipients.

Mr. Shaver asked if at that time, it was decided to lop side it and go heavy to one group and then alternate the next year. Ms. Price said she believes that had been done.

A few years ago, it was decided that the focus should be on housing. It is a priority from the County, as well as HUD. That is what the funding recommendations were based on first and foremost, to fund housing programs in Murray. This includes programs such as Down Payment Assistance, Assist, Neighborworks, and Valley Services.

Secondly, organizations that serve Murray residents and are located in Murray were the next priority. These are organizations such as: Boys and Girls Club, Headstart, Volunteers of America, and Columbus Community Center.

That was the formula that was used in deciding the funding. Some of these other great programs such as the Family Support Center, and the Road Home didn't receive funding this year. This year they were asking for fences and playgrounds and some of these other groups were asking for bathroom facilities, because the bathrooms are absolutely dilapidated. These groups were spending more on plumbing every month than anything else. That is how things were prioritized this year.

Volunteers of America was an example of a group that wasn't funded last year because the impact didn't seem big enough and cuts had to be made somewhere, but they received funding this year. Mr. Nicponski stated that he was glad to see that.

Mr. Hales asked if it was possible to add a column to see what was granted last year also. Mr. Shaver added that he would like to also see if someone wasn't on the list this year, and was the previous year, or maybe also see the requests that were not honored.

Mayor Snarr asked about the resident at Parkside that wanted some money.

Mr. Shaver said he was mostly concerned with those that were funded last year and not this year. He would like to see those names. Ms. Price said she would add a list of everyone that was funded last year, including the amounts and add that to the sheet.

Most of the proposed recipients are "repeat offenders" that ask for money every year. Mr. Nicponski asked Ms. Price if she ever corresponds with any other agencies, such as United Way and others to compare grants given to some of these groups. Ms. Price said that if an organization asks for funds, it states in the application to disclose any other funding received from other groups. Ms. Price doesn't specifically coordinate with the other cities or agencies to compare grants, but would have an idea of the monetary total received.

The process this year is dependent on whether the money is needed for "soft costs" or for housing improvements. If it is a "soft cost" need or program funds to pay salaries, then the County will allocate those funds. The representative on that committee is Diane Turner. If the application is for housing funds, it is sent to the County, but then those applications are sent to the respective City, and the City can determine how those funds are spent. The nice thing about that is that it streamlines the application process for the sub-recipients and also gives the opportunity to see what is being asked for from other cities. Sometimes Murray gets more applications because Murray allocates all of the CDBG funds, whereas some of the other cities hold some in reserve.

It may provide an opportunity also for some cross-collaboration between cities. For example, Murray and Midvale may want to both chip in on a project for a family support center. Currently, that isn't possible because the County sets contract limits and those need to be in excess of \$10,000. Some of these projects wouldn't be possible because Murray would have to fund it in its entirety but if it was possible to partner with another city, more projects could be funded. That discussion is going on right now. Mr. Shaver commented that is on point with Mr. Nicponski's comment about collaboration between cities and agencies. Ms. Price believes that is a step in the right direction.

Mr. Nicponski commented on those groups with a funding recommendation of zero dollars. On 4 of the 5 groups, the needs are not life or death needs; such as painting an exterior, and renovating playground material.

One of the 5 groups listed is the Haven; their needs seem to be a little more serious, such as replacing pipes, sinks, showers, and toilets. He asked if there was a reason that they didn't receive any funding. Ms. Price said that she agreed with Mr. Nicponski that the other projects needs were more aesthetic. The reason the Haven was zeroed out was simply the lack of money, and cuts needed to be made somewhere. She believes that the Haven serves 6 Murray residents. Mr. Nicponski clarified that the report said that 25 Murray residents were served. Ms. Price said that the funding formula is to look at Murray facilities, and determining whether the items are critical needs. The recommendation was to fund bathroom projects and more critical items than fencing or new paint jobs in Murray. Mr. Nicponski asked if the fact the Haven is not located in Murray worked against them. Ms. Price said that it did have an impact. The Haven requested 11% of the total project cost from Murray. Ms. Price restated that it is difficult to come up with a logical system for choosing that makes sense to everybody.

Ms. Price has tried to work with the County and see what projects they are funding. Volunteers of America is a great example. Mr. Nicponski said that there was one drug and alcohol program that was funded, and he believes that is important that one drug and alcohol program was funded. Ms. Price said it isn't anything negative against drug and alcohol programs, and that the Haven and the House of Hope have been funded in years past.

Another difficult one not to fund was the South Valley Sanctuary. Mr. Brass said that the Murray Victim's Advocates helped in setting that up, and even though it isn't located in Murray, it has a strong tie to Murray. Mr. Shaver noted that he has a conflict of interest with South Valley Sanctuary, because he is on the Board of Directors. Ms. Price said that was a hard decision, and the caveat was the \$10,000 minimum, and a portion of that couldn't be given. Another reason was that the application wasn't entirely complete. Mr. Brass said he understands if it is an aesthetic issue versus a security issue.

Mr. Nicponski said that he sees a rhyme and a reason to those requests that have been zeroed out. Mr. Hales said that at the Credit Union, they also look at the applications and how well they have been filled out. Mr. Brass commented that the Council used to have to make these decisions, and this is a much better process.

Mr. Shaver clarified that this is the recommendation and asked if Ms. Price could get the information to the Council Members before it is seen again at the Public Hearing. Ms. Price said that the information would be available the following day.

The ADA improvement project was implemented last spring by HUD. All cities had to survey all city owned buildings and make sure they were in compliance with the Uniform Federal Accessibility Survey (UFAS). Murray owns a lot of buildings that CDBG funds touch. City Hall, the Public Services building, Neighborworks, Heritage Center, and others all had to be surveyed. It was a thorough survey that Gilbert assisted with. The findings were put together for HUD. Murray needs to have these improvements made to the facilities by November 2014. CDBG funds are allowed to be used for those improvements. Also, with the potential of a New City Hall, there have been some additional allowances given.

Some of the improvements include handrails in the bathroom that need to be moved and some curb and gutter work needs to be done to make the facilities accessible per the standards.

The money allocated to the City for this has been separated out, so it doesn't appear to be going to the CDBG program, and is instead for the ADA improvements.

Mr. Shaver asked about the 37th year allocation that is coming out. Ms. Price said this is the 39th year and some contracts have expired or that the projects totaled less than the amount requested. The CDBG administration is an example of one of them. That is due to cuts in the program to try and save as much money as possible.

Valley Mental Health did not follow CDBG requirements when going out to bid, and the County said that they could not be reimbursed for that project. Ms. Price encouraged them to apply this year, but they chose not to.

South Valley sanctuary had \$7 leftover from a window project. Family Support Center had \$60 remaining. Valley Services had \$2800 left, because the contract was taken over mid-year from somebody else.

Mr. Shaver asked if it is a two year use policy. Ms. Price said that the County has two years on the contracts that they administer. CDBG has had a two year use, but are changing to a one year this year. Mr. Shaver asked if that meant that when the funds are received, they have to be used within the one year time frame. Ms. Price said that was correct but there may be exceptions due to weather or extenuating circumstances. There will be some flexibility on the one year date, if needed.

These rollover funds were lumped into the total amount that the CDC had allocated. CDBG recommended \$23,000, and the \$14,000 was built into that \$23,000.

Mr. Nicponski asked if CDBG would be impacted by sequestration. Ms. Price said that isn't known yet. There are varying reports out there.

Mr. Nicponski asked if the funds come directly to CDBG or if they go through the County. Ms. Price said the funds go through the County and the County gives an allocation based on the formula from HUD. CDBG reports to the County and the County administers some of the contracts. If an agency is funded by more than one city or by CDBG and the County, then the County will administer the contract.

CDBG administers the Neighborworks and Down Payment Assistance contracts. Neighborworks gets home money from the County but CDBG would like a little more control over those two programs to determine the impact on Murray City. Ms. Price administers those contracts and watches those funds carefully.

CDBG has also administered the Boys and Girls Club contract in the past, unless they received funds also from the County or another agency. Mr. Hales asked the amount that was funded last year to the Boys and Girls Club. Ms. Price said she believes the amount was \$25,000, this year it is \$16,000.

Ms. Price said to give some perspective; Neighborworks was funded at \$97,000 last year. Everybody has taken a really big hit. Mr. Shaver said the nice thing about Neighborworks is their focus right here in Murray City. Ms. Price explained that one reason Neighborworks received so much money last year was that a property had been sold, and those funds were able to be re-allocated to them. They are also on the verge of selling 4747 Box Elder; once that property is sold then CDBG will propose to give Neighborworks the profits made on the sale of

the property. Neighborworks also gets Tax Increment Financing (TIF) money; they receive 20% of the smelter site low income housing funds. Neighborworks received a substantial cut, but it isn't reflective of the work that they are doing. It was due to unfortunate cuts that had to be made.

Mr. Stam mentioned that the census was done and the numbers ended up being less than 50,000 which made it so the City wasn't eligible for entitlement community. He asked if the City had to wait until the next census or could the City show that it had more than 50,000 before the next census was done. Mr. Wilkinson said the City could apply but would have to provide the population count. If the City waits for the next census then the Federal Government does that count. It would take some resources from the City to provide that information. Mr. Stam said that the City has the current count and possibly once Fireclay is filled up, the numbers should be pretty close to the 50,000 requirement.

Ms. Price commented that South Jordan just became an entitlement community, and it has been a lot of work for only a little more money. There are perks about being an entitlement community but the County would then stop writing the reports every year, the analysis of impediment, and having to deal with other things that the County does. If the City got to that point, it would need to be a substantial increase in funding to make it worth it. CDBG would probably have to hire another person to oversee the program. It would be an option worth exploring if the City reaches those numbers.

Mr. Wilkinson complimented Ms. Price on the job that she does. He wanted to restate that the emphasis on housing is coming directly from HUD. CDBG was originally all about housing, and the pushback is to have CDBG focus on housing needs. Mr. Wilkinson said that all of the applicants were great with fantastic programs, and the day spent interviewing the applicants is a highlight to him. They are all doing such good work, and it is a tough thing to not be able to give all of them funding. He thanked Ms. Price again for the work that she has done.

Announcements

Ms. Lopez announced that the May 21st Council meeting has been rescheduled. The meeting needs to be held to approve the tentative Council Budget. There is the possibility that two Council Members will be out of town for the ICSC Convention. Mr. Shaver stated that he would make it back to town for the meeting.

Mr. Hales adjourned the meeting at 6:19

Kellie Challburg
Office Administrator II