



MURRAY CITY MUNICIPAL COUNCIL COMMITTEE OF THE WHOLE

The Murray City Municipal Council met as a Committee of the Whole on Tuesday, February 4, 2014, 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
D. Blair Camp	Council Member
Jim Brass	Council Member
Diane Turner	Council Member

Others in Attendance:

Ted Eyre	Mayor	Justin Zollinger	Finance Director
Janet M. Lopez	Council Administrator	Jan Wells	Chief Administrative Officer
Frank Nakamura	City Attorney	Doug Hill	Public Service Director
Jennifer Kennedy	Recorder	Janet Towers	Exec. Asst. to Mayor
Pat Griffiths	Citizen	Tim Tingey	ADS Director
Jennifer Brass	Resident	Kellie Challburg	Council Office
Deborah Ng	Resident	Russ Kakala	Public Services
Georganne Weidenbach	Centurylink	Scott Dansie	Comcast
Brent Davidson	Deputy Recorder	Pete Fondaco	Police Chief
Aimee Newton	S.L. County Council	Adam Gardiner	S. L. County Council

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

Approval of Minutes

Mr. Hales asked for corrections or action on the minutes from the Committee of the Whole Meeting held on December 3, 2013. Mr. Brass moved approval and Mr. Nicponski seconded the motion. All were in favor.

Business Item #1

Utah Telecommunications Open Infrastructure Agency (UTOPIA)/ Utah Infrastructure Agency (UIA) Update- Doug Hill

Mr. Zollinger stated that he pulled information from UTOPIA/UIA financial statements and put it in summary form so any changes that have occurred during the year are visible. He provided dollar changes, and percentage changes.

UIA has a positive revenue variance over budget this year and last year, and is experiencing growth. He compared operating revenue, operating costs, and the bonds. UIA has had revenue growth of a little over \$1 million year after year, which is a 46% change. UIA also cut their marketing expenses by \$350,000 so efforts have been made to lower expenses. The net income in 2013 was \$885,000 and bond principal payments were paid from that. The operations surplus equaled \$220,000. There was a bond done this year, and the bond payment is \$530,000 for principal and interest. Revenue needs to grow even more to cover the next round of bonding that was just issued. UIA has made some positive improvements, he noted.

UTOPIA has had some revenue growth but revenues are currently coming in lower than the prior year. This is the reason that cities have been asked to help cover operating expenses. Mr. Nicponski asked if this was the \$296,000. Mr. Zollinger confirmed that it was. UTOPIA is asking for money to cover expenses, and that is Murray's portion of the \$2.4 million. Mr. Zollinger mentioned that it wasn't really any better than last year. He said until performance is up and expenses decline, it isn't a favorable situation. Any positive growth has to show up on the financial statements to really be better.

Litigation costs for UTOPIA were \$624,000 last year, primarily from the RUS (Rural Utility Service) law suit. Mr. Zollinger said this entity cannot afford these amounts of legal costs. Expenses have also increased from the prior year.

UTOPIA is not meeting budget projections in fiscal year 2014, while UIA is exceeding them. UTOPIA and UIA are separate legal entities, and one entity cannot cover a problem in the other one.

The monthly subsidy of \$169,000 that has been mentioned remains too high. Mr. Zollinger is hopeful that some of these other costs can be reduced. Mr. Zollinger spoke with the Finance Director and mentioned the opportunity to review and discuss costs with the new leadership.

There has been a lot of discussion regarding the amount of the debt that Murray is responsible for. UIA has a total debt of \$40 million, of that Murray City's portion is \$5.3 million. That amount is not callable until 2021. UTOPIA's debt is \$184,996,000, and the amount of debt retired last year was only \$3,730, which is the amount that went to principal. UIA is paying off debt every single year, and that is what you would expect to see with bonds that are issued appropriately. UTOPIA is not there yet. Murray's portion of the UTOPIA debt is \$22,750,000. That debt is only callable when it is paid in full by all of the cities.

The interest rate swaps actually declined in value over the prior year. They were about \$100 million the prior year, and have decreased to about \$75 million. As the interest rate increases, the value of the swap decreases. The problem is when you want to refinance or refund the bonds, you are refunding at a higher interest rate; but the swaps don't cost you as much. Ms. Turner asked the definition of a swap. Mr. Zollinger replied that a swap is a financial

instrument that allows you to trade a variable interest rate with a fixed interest rate, with a contract with another party. At that point, there is a fair market value on the market, which would cause the swap to go up and down in value. Mr. Zollinger noted that those were engineered by both Bank of America, and Key Bank. He commented that he is not a big fan, because there are closing issuance costs for the bond, and issuance costs again for the swap. The City has excellent credit, and the swap ties up a possibility of a refund. Usually, the variable rate is issued because it is lower, then the swap is done to get a fixed rate.

Murray's UTOPIA debt payment was \$1.52 million in 2012, \$1.58 million in 2013, and \$1.62 million in 2014. It is a yearly increase of 2%, and would result in an extra \$2.7 million paid.

The total number of connections was 8,500 in 2011, 8,240 in 2012, and UIA had an additional 2,200 connections. In 2013, UIA had 3,722 connections. Although some customers are migrating from UTOPIA to UIA. The 7% decline in UTOPIA is making the operational expense even larger as revenue decreases.

UIA has been billing Murray for operational expenses, even though the Council has stated that the City is not going to pay it. UTOPIA also owes the City \$60,000 for pole attachments, and under the contract that they are required to pay for those.

Mr. Zollinger explained that he started at Murray in 2012, and started budgeting a little differently.

Mr. Camp asked if the increase for UIA connections are mostly commercial or residential. Mr. Zollinger replied that the new connections totaled 1650, and he believes that about 180 were business connections. The prior year, it was 282 business connections. The businesses have a slightly better margin, but there is interest shown from both groups. Mr. Camp questioned whether businesses were the target audience right now. Mr. Zollinger said that he has heard they are targeting the places with the best take rates and the best return on investment.

Mr. Hill emphasized that UIA is doing better financially than UTOPIA, and UTOPIA is doing poorly. Mr. Hill and Mr. Zollinger constantly hear that there is great interest in Murray City to pay the operational expenses subsidy. It is discussed at every meeting.

Mr. Hill also stated that the change of leadership will cause the UTOPIA and UIA boards to consider appointing an interim replacement for Todd Marriott. That will be on the Board Agenda for next week. The boards do not want to choose a person from the outside at this time with the possibility of a proposed deal with Marquarie.

Things are not getting better at UTOPIA, commented Mr. Hill. The cities are feeling great weight and don't know how much longer they can sustain UTOPIA. That is one reason why this latest proposal from Marquarie is being taken so seriously.

Murray's ownership in UTOPIA is 12.37%. There is another divisive issue that deals with parody. Some cities do not have any fiber in the ground and are feeling like their payments do not achieve parody with Murray City that has fiber in the ground. The total percentage of dollars spent in Murray was 15.81% and the total amount of fiber placed in Murray was 17%. The parody is really only about 13% to 17% in equity. That is an important fact because people always bring that issue up. Murray has 61% build-out as far as fiber that is a little over 1,187,480 feet of cable. That figure includes the amount of cable that Murray City Power

Department had already installed in the ground and sold to UTOPIA. The Power Department is currently running an analysis to determine the number of feet of cable that was already in the ground.

The take rate for UTOPIA is 11,400 connections, and the take rate for Murray is a little over 2,000 connections, which accounts for about 20%. Of the connections, 1594 are residential, 236 for businesses, 184 for multiple dwellings, and 35 for governmental/education connections. Mr. Camp asked how many connections would be possible. Mr. Hill said there are approximately 19,000 housing units in the City, and 5,000 businesses. There could be some duplicates in those counts, but it accounts to approximately 24,000 possible connections in the City. Mr. Zollinger added that the UTOPIA financials list that they have passed 63,000 addresses through the whole network and approximately 42,000 that could be connected. Currently, there are 11,000 connections.

Mr. Hill stated that UTOPIA is in litigation in five different cases. Four of the five cases are initiated by UTOPIA, the other one is a former employee that is suing UTOPIA. The biggest case is the RUS case against the Federal government. There is now a court date of July 28, 2014 set to hear that case. UTOPIA could spend as much as \$4 million if the case goes to court. Mr. Zollinger added that \$1.1 million has been spent so far. Mr. Hill commented that things don't look good from a cash flow perspective. If the case is settled or won, then obviously the numbers would change, he noted.

Mr. Hill commented that Layton City has installed wireless networks in their parks. It is offered as a free connection through UTOPIA to their citizens. Mr. Hill said that Council Member Stam had discussed doing something similar in Murray. Mr. Hill said that Layton City is paying for that service, but UTOPIA is giving them a discounted rate. It is possible to install these wireless hot spots, but there is a cost.

Mayor Eyre commented that many people have never heard about Macquarie before. Marquarie is based out of Australia, the name comes from a man named Leland Marquarie, who was one of the first governors of New South Wales in Australia. Last year, Marquarie had a revenue of \$7 billion, and a net income of \$738 million, total assets of \$15.4 billion, and 14,200 employees worldwide. Marquarie has done infrastructure projects around the world and service over 100 million people. Marquarie has a great number of assets, and a great deal of experience in infrastructure building. Mr. Nicponski asked for some examples of U.S. locations. Mayor Eyre said there is a list on Wikipedia, as well as a list of 70 countries.

Mayor Eyre stated that the pre-development agreement was signed on December 9, 2013. This agreement was preceded by an agreement called the lock up agreement on June 27, 2013, which was later amended on October 28, 2013.

The pre-development agreement has four different phases called milestones. Each milestone has definitive points that they cover before preceding to the next milestone. They would like to begin milestone #1 at the latter part of this month, so a timely decision must be made. Each milestone has a predicted amount of cost, both internal and external.

- Milestone #1- \$480,000- this consists of about eight consulting firms, and also a survey, which would be the 9th entity.
- Milestone #2- \$600,000
- Milestone #3- \$1,290,000

- Milestone #4- \$1,465,000
- Internal Costs- \$1,500,000

The total sum of the milestones equals \$5,335,000, beginning with milestone #1 and completing the phases through milestone #4. At the completion of milestone #4, there would be a concession agreement that would complete the project. The end result would be that the cities then require every person that resides in the City to have an access port on their home. The residents would be charged a fee for having that access port, but would receive basic internet service. The resident would have the choice to upgrade that service. Mayor Eyre stated that the City is paying \$1.6 million in tax payer money to fund UTOPIA. The residential fee charged to the households would then free up the \$1.6 million for infrastructure, public safety, etc. The \$2,750 charge to install service from curb to house would be eliminated. Each one of those phases outlines what projects would be completed in that milestone.

Mr. Nicponski asked what the charge to the homeowner would be. Mayor Eyre said that cost is undetermined as of yet. Mr. Nicponski commented that he is hesitant about telling the residents that they have to have the service and have to pay for it. Mayor Eyre noted that there are a couple of different ways to look at that. One, is that you might be charged for something that you don't want and are not going to use, and he sees the unattractiveness of that. Another, is that the City is being charged for it anyway through taxes, so this is a shift from a tax to a fee, but residents are getting something for it. The resident would receive the connection for fiber optics, and allow the City to free up the \$1.6 million payment and subsequent payments to 2040 to be used for improvements within the City. Mr. Hales asked if that would be shared among businesses, even those that are not taxed. Mayor Eyre replied that was correct.

Mr. Nicponski asked if there would be a property tax reduction, or how would the residents see the savings. Mayor Eyre noted that it is a difficult decision to make. Mayor Eyre pointed out that the fees mentioned for the milestones would be paid by Marquarie. The only payment would be at the concession agreement and if Murray decided not to go ahead with it, then Murray would have to reimburse Marquarie. Murray would be responsible for 12.37% of the \$5.3 million if the decision was made to opt out.

There are no off-ramps for individual cities during the phases, said Mayor Eyre. The off-ramps are for the parties itself: Marquarie, UTOPIA and UIA. If any of the parties choose to opt out, there are off-ramps at the end of the milestones.

Mayor Eyre commented that Todd Marriott had already signed this agreement on behalf of the cities. There is already an obligation to this agreement. Mr. Camp asked if the City was only obligated through phase one or if it went beyond that. Mayor Eyre said that the City is obligated until one of the other parties decides to opt-out. Mayor Eyre said "the agency" is made up of UTOPIA and UIA. Marquarie and "the agency" make up "the party."

Mayor Eyre said the City had promised the citizens to do due diligence on any possible solutions for UTOPIA. Murray would have done their own due diligence and had consultants do a feasibility study, but this way, Marquarie is willing to put up the money for the feasibility study.

Mr. Hales asked if Marquarie could come back and say they were not interested. Mayor Eyre replied that was correct and that was the purpose of off-ramps. Mr. Nicponski commented that he believes this is a sweetheart deal for Marquarie and asked if Todd Marriott committed an illegal act. Mr. Nakamura responded that Todd Marriott had executive authority to sign on behalf of UTOPIA and UIA, if it is within budget constraints. Mr. Nakamura said he hasn't raised the

legality of the signing, and believes it would be difficult to challenge. Mr. Nicponski noted that it would be nice to determine the legality.

Mr. Hales clarified that Todd Marriott was gone. He asked if in the interim, changes could be made to give that person less authority to sign for everyone. Mr. Hill responded that he hasn't read the bylaws on how the organization is structured, but it could be researched. Mr. Hill said the two boards would decide who the head of UTOPIA and UIA would be, and Murray City can provide input and would vote on that. Mr. Hill said he isn't familiar with the authority that the board has, as far as running UTOPIA. Mr. Hales said he is uncomfortable with a person having that much power. Mr. Nakamura stated that the selection of the director would be a board decision, and is a weighted vote.

Mayor Eyre noted that if the City decides to not get on board, then questions remain unanswered as to what would happen with Murray. If all the other cities go ahead, and leave Murray behind, the position of Murray is unknown. Mayor Eyre said that the milestones do offer a checklist of what is to be completed before moving on to the next milestone. Expectations are known, whereas the opt-out doesn't give any expectations.

Ms. Turner asked if the City can provide input to the feasibility study, or if it is just determined by the parties. Mr. Hill said a steering committee has been set up, and Mr. Hill and Mr. Nakamura have both been appointed to the steering committee. They meet every Friday and would give updates on the status of the milestones. The City would provide information to help them complete the objectives of the milestone. Mr. Hill said he is happy to provide any input and keep the communication lanes open.

Mr. Nicponski stated that he really values his constituents and is troubled to tell them they are subject to an undetermined fee. Mayor Eyre stated that the amount of the fee should be known at the end of Milestone one. Mr. Nicponski asked what if the fee is \$50 per month and the City can't do anything about it.

Mr. Zollinger said the City could just not sign the concession agreement if it wasn't satisfactory. He said the risks for the City are approximately \$50,000 after milestone one; if the City follows through to milestone four, then Murray would be accountable for about \$650,000, if the City decides to say no.

Mr. Hales said there is a risk no matter what, and if Murray decided to not do anything with UTOPIA, that is an unknown cost.

Mr. Brass believes that Marquarie is a financially sound company that wouldn't risk their stability by latching onto a bad deal; another thing is that Murray is involved. It may be the first legitimate feasibility study on this network to determine viability, commented Mr. Brass. It might be worth doing this part to find out if it is even viable, he said. Mayor Eyre noted that Marquarie won't continue to milestone two if the project is not feasible for them. Mayor Eyre said that if Marquarie continues to milestone four, and every house is connected, then Murray will be part of the most advanced telecommunications system in the United States.

Mr. Nicponski asked how it could be a bad deal for Marquarie, if Murray is simply underwriting it with the fees. Mayor Eyre restated that the City is not spending money on the feasibility study.

Mr. Nakamura added that part of the feasibility study will involve the legal feasibilities also. He noted that there are a lot of legal issues undetermined as of yet.

Mayor Eyre asked that the Council not misconstrue his opinion as either favorable or not favorable, he is simply presenting the information.

Mr. Nicponski said the information has been enlightening and he appreciates it. Mr. Nicponski said that there are public safety issues, public works demands and this eats into any other possible funding activities.

Mr. Zollinger added that this will continue to eat into the General Fund, regardless. He said the \$1.6 million payment will continue to grow. He believes it is the City's responsibility to determine any other solutions.

Mayor Eyre said that at the end of phase one, if the cities collectively vote against this, that could constitute "a party" that could vote no. There are weighted votes in that, and the majority of the cities could vote against the continuation. Mr. Nicponski asked if Mr. Hill could determine the different weighted vote amounts and the opinions of the other cities.

Mayor Eyre said that of the 11,000 connections, Murray City has almost 20% of the connections.

Mr. Brass asked if the cities say no at the end of this, can Murray buy the network and light it up themselves. Mayor Eyre responded that was part of his promise to the citizens to look in detail at every possible solution. This is just one of them and feels like the City owes it to the citizens.

Mr. Hill said that the plan is to have a resolution by February 18, 2014 for the Mayor and Council to consider and move forward. The goal is to move forward as a unified organization. Mayor Eyre said that gives some time for more research and study. Mr. Nicponski noted that he believes it would be valuable to get input from some other entities.

Business Item #2

Wasatch Front Waste & Recycling District (WFWRD) De-annexation Discussion- Doug Hill

Mr. Hill explained that the area east of 9th East in Murray City is serviced by the Wasatch Front Waste & Recycling District (WFWRD). Just over a year ago, the area separated from the County to become a special district. The Salt Lake County Council still has authority over such items as fees and bylaws, but an independent board was created by WFWRD. The board is comprised of representatives from all of the cities, as well as the County. Jim Brass is the representative for Murray City. Murray has been a member of this board for a little over a year. Mr. Brass and Mr. Hill have learned about the different services provided and their budgets.

Mr. Hill said that WFWRD is a great service provider of waste collection. In many ways, they are a leader in such things as recycling, curb side collection, and other programs. WFWRD provides more services in that area, than the rest of the Murray residents receive. However, there is a cost to providing those services.

On January 1, 2014, a resolution from WFWRD was presented to the Council requesting an increase in fees to \$14.75; in comparison, Murray City charges \$11.00. Residents in the area east of 9th East have called the City and would like Murray City to pick up their garbage for the lower fee, even if it means giving up some services. Mr. Hill said he isn't sure if it is a majority of the residents, but the City staff hears a lot of comments on this topic.

There has also been the issue of the residents that live in that area feeling like they get treated differently than the rest of the Murray citizens, and would like to have similar services. They would also like Murray Power and Water, but those services are more complicated than garbage collection. Garbage collection is an easier service to provide and makes it possible to treat all the citizens equally.

Mr. Hill, Mayor Eyre, Jim Brass, and Diane Turner have met and are proposing to start the process of de-annexation. There has been a tentative schedule set for this process.

Mr. Nicponski asked if the citizens that reside east of 9th East are part of an organized group. Mr. Hill replied that he believes it is just certain citizens, but it is a very common complaint from the citizens there. Mr. Brass commented that when the District was formed, the change in status made it so the garbage fees could no longer be tied to the property tax bill. Garbage collection notices were sent out, and this made the citizens aware of exactly how much they were paying. The additional garbage cans cost \$15.00 extra per month, and many citizens were not aware that there was an extra charge. Citizens returned 4,000 cans to avoid the extra charges, and that was a big financial hit to WFWRD. That is part of the reason that WFWRD had to increase the rates.

Ms. Wells explained to Mr. Nicponski that Murray City picks up the garbage in the small annexed area of his District, which explains why he isn't receiving complaints. Mr. Hill introduced Russ Kakala, and said that Mr. Kakala is the one receiving all the calls and complaints, and coordinating garbage collection in the City.

Mr. Hill explained that the proposal consists of a joint resolution presented to the Council on Feb. 18th to support the intent to de-annex. It isn't anything official, but simply supports the intent. That resolution would then be delivered to WFWRD so they are aware that Murray City is researching the de-annexation process. The Council can still decide against the de-annexation, but are simply making others aware of the current intent to de-annex.

In March, an informational letter would be sent to all residents in that area. Mr. Hill showed a draft letter and noted that he would appreciate any comments or feedback on the letter. Basically, the letter would notify the citizens of a series of public meetings, one in each Council District, to be held in March, noted Mr. Hill. Based on the meetings, the decision would be made to officially de-annex or not.

The County Council would then vote on the issue, and make the decision to de-annex. Mr. Hales asked what their determination might be, and whether it is a financial issue for the County. Mr. Nakamura noted that any outstanding financial obligations would have to be resolved. He doesn't believe there are any bonds or issues. The criteria is that they determine that the area should not receive service from the County. The County just needs to agree that the area would be adequately serviced. Mr. Nakamura noted that whatever Murray City requests should carry a great deal of weight. Mr. Nicponski asked if it comes down to the amount of money involved. Mr. Brass said it is approximately 2000 households and would have a financial impact. Mr. Brass said that WFWRD has clusters all over the area, so by eliminating

that small portion of Murray should not disturb the efficiency. Mr. Brass commented that there is work to do, and there are four representatives of the County on the WFWRD board, and he feels like they would be favorable.

Mr. Hill said that if the County Council approves the move, the remainder of the year would be spent preparing for the service to begin on January 1, 2015. Garbage cans would need to be ordered, purchased and delivered. The contract needs to be reviewed to see if it can be amended, he noted.

Mr. Hales said this move would really tie the annexed area into Murray. He often hears from the residents that live there that they only have a connection with fire and police. The annexed residents don't see the other services given to Murray residents. This could be a real benefit to them, noted Mr. Hales. Mr. Hill said there isn't really a financial benefit to Murray, the residents are simply charged the amount of the cost, and there isn't any profit.

Business Item #3

Proposed Procurement Code Modifications-Tim Tingey and Brent Davidson

Mr. Tingey commented that the department has been working with the Attorney's Office to make some modifications to the procurement code. This change has been prompted by changes at the State level on bid limits.

Mr. Tingey said another proposed change would expedite purchasing processes in times of emergency. Staff is still working with the Attorney's Office on the specific wording of that.

Mr. Davidson noted that the three proposed changes are in the small business area, relating to Ordinance 3.10.110.

The three proposed changes are:

- Operational supplies- janitorial and office supplies, power and fleet, furniture, computer supplies, etc.
- Construction supplies-lumber, sheetrock, paint, etc.
- Non-professional services- janitorial, landscape, carpet cleaning, etc.

The current bid limit is less than \$1,000, a field P.O. (purchase order) or procurement card must be used. The City still recommends receiving different quotes on the purchases and services. The change would increase the bid limit to less than \$5,000. Mr. Tingey said this change is consistent with the changes made at the State level.

Mr. Davidson said the next area is small purchases. Small purchases require an informal procurement process, a purchase order, and three different quotes. The current bid limit is \$1,000 to \$25,000. Mr. Nicponski asked if there was a form required for the three different quotes. Mr. Davidson replied that the quotes can be entered in the computer system or attached to the purchase order. The proposed change would increase the bid limit to \$5,000 to \$50,000.

Mr. Davidson said that the General Procurement is for formal bids. The formal bids are sealed and require public noticing or Bid Sync. The current limit for General Procurement is \$25,000, and the proposal would increase it to \$50,000.

Mr. Brass asked if the City uses Bid Sync. Mr. Davidson replied that they do. Mr. Davidson said most of the bids are done on Bid Sync, with the exception of small local projects. Mr. Brass said that Bid Sync is a bidding service and notifies people of any upcoming projects. Mr. Davidson said it saves on advertising costs; however, the City still uses the newspaper for smaller projects.

Mr. Tingey said that this change provides for greater efficiency and would save time for minimal purchases. The State has made some other changes also, but these are the ones that Murray City would like to adopt. This proposal would be brought to the Council at a later time.

Business Item #4

Open and Public Meetings Act Training-Frank Nakamura

Mr. Nakamura said that annual training is required every year on the Utah Open and Public Meetings Act. He provided written material but believes the Council and staff understand the issues very well.

The purpose of the Open and Public Meetings Act is to ensure that there is transparency in the business dealings. He believes that Murray is was one the most transparent cities in the State, and has been very good with noticing requirements.

Mr. Nakamura said he doesn't recall ever having to do an emergency notice, under 24 hours. The City is very good at early noticing.

The public needs to know exactly what will be discussed at the meetings, and staff ensures that the agendas are very specific. Mr. Nicponski asked where the notices are posted. Ms. Kennedy replied that the agendas are posted in the hall at City Hall, the Utah public noticing website, and the Murray City website. Mr. Nakamura said certain matters, such as public hearings, are noticed in the newspaper. He believes that the Council does not deviate from what is on the agenda, and that is to their credit. He restated that the staff is excellent in helping out in these areas.

Mr. Nakamura stated that a quorum consists of three individuals, and there have been questions regarding the meetings of three or more Council Members and the noticing requirements. He complimented Ms. Lopez on her efforts in that area. Mr. Nicponski asked about social functions. Mr. Nakamura said there is an exception noted in the act for social functions and/or chance meetings. The purpose of this act is to ensure that City business is done openly and he knows that City officials don't discuss City business at social gatherings.

There are very specific reasons in the statute that allow for a closed meeting. Murray City very seldom has a closed meeting. The most recent closed meeting had to do with a real estate transaction. That meeting was closed to discuss pricing that could affect the ability to negotiate for the sale. The other reasons for a closed meeting could be to discuss character, personal competence or physical/mental health of an individual, and/or litigation matters. Beyond those reasons listed, there is no provision for a closed meeting, stated Mr. Nakamura.

One upcoming issue is the use of cellphones, and communicating via text while in a meeting. He urged sensitivity to the possible perceptions given while texting in a meeting. Utah laws have not really caught up with technology, but refers back to the premise of the act of doing business publicly.

Mr. Nakamura speaks with attorneys on GRAMA issues, and he always hears that Murray is a very open City, and complimented the staff.

Business Item #5

Introduction of Aimee Winder Newton, Salt Lake County Council

Mr. Hales welcomed Aimee Winder Newton, the newly appointed Council Member to the Salt Lake County Council.

Ms. Newton stated that she was glad to hear that Murray was such a transparent City. Ms. Newton said she was recently appointed to fill the vacancy of David Wilde on the County Council and will continue his term until the end of the year.

Ms. Newton said she is very familiar with Murray, and does much of her shopping in the City. She asked about any important issues that the Council would like to discuss, and handed out her business cards.

Ms. Newton stated that she has a Municipal background and feels strongly that the County should coordinate better with the cities. She believes that the government closest to the people governs best, and that would be the City governments. She said it is important to push decisions and funds down to the local level that knows the City's needs better than anybody.

Mr. Hales commented that the de-annexation with WFWRD is a big issue currently. She mentioned that she was appointed to the WFWRD Board recently, and is familiar with WFWRD. Mr. Nicponski said that this is what the residents want, and the Council would come forward to the County on behalf of the residents. Mr. Brass commented that Murray provides a lot of services to the citizens, and could do more in that area. Ms. Newton noted that Murray is unique because it is so self-sufficient. Mr. Nicponski added that it is a historical tie also, and the City would like to keep it that way.

Mr. Nicponski asked Ms. Newton the area she was responsible for. Ms. Newton replied that it was all of Taylorsville, a third of West Jordan, half of West Valley, and half of Murray, and a small portion of Millcreek.

Mr. Camp commented that Millcreek was mentioned and asked Ms. Newton her philosophy on townships. Ms. Newton said she was involved in the incorporation of Taylorsville City, and is partial to cities. It has been a positive experience for Taylorsville to be its own city. There are some issues with the townships; one is that some of the west side townships have nowhere to expand and don't have enough sales tax revenue to survive on their own. Her philosophy is that if the majority of the citizens vote to become a City, she is supportive of that. She mentioned that recently the Olympus Hills neighborhood wanted to annex into Holladay, and Ms. Newton made a motion to allow it to proceed. Unfortunately, that motion was denied. Ms. Newton said she would love to see wall to wall cities, if it was feasible.

Mr. Hales asked if Ms. Newton had heard anything about the Performing Arts Center coming to Murray. Ms. Newton is aware of the issue from working at Taylorsville, but hasn't seen enough of the proposals to make an assessment. She mentioned that she feels like she represents both Murray and Taylorsville and would look closely at the proposals.

Mayor Eyre complimented Ms. Newton for her attitude on the Performing Arts Center and her willingness to take a balanced look at the proposals.

Ms. Newton introduced her aide, Adam Gardiner. Mr. Gardiner formerly worked for Congressman Rob Bishop for four years.

Mr. Hales thanked Ms. Newton and Mr. Gardiner for coming.

Announcements

Ms. Lopez noted that she will be out of town for the next week and will send out the preliminary agenda when she returns. She stated that Kellie Challburg would be in the office from 9:00 until 3:00 every day if there were any questions.

Mr. Hales adjourned the meeting.

Kellie Challburg
Council Office Administrator II