

**MURRAY CITY MUNICIPAL COUNCIL
COMMITTEE OF THE WHOLE**

The Murray City Municipal Council met as a Committee of the Whole on Tuesday, September 16, 2008, in the Murray City Center, Conference Room #107, 5025 South State Street, Murray, Utah.

Members in Attendance:

Krista Dunn	Council Chairman
Robert D. Robertson	Council Member
Jim Brass	Council Member
Patricia W. Griffiths	Council Member

Members Excused:

Jeff Dredge	Council Member
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Others in Attendance:

Frank Nakamura	City Attorney
Michael D. Wagstaff	Council Executive Director
Jan Wells	Mayor's Chief of Staff
Ed Brass	Citizen
Marge Brass	Citizen
Tyler Dallas	Citizen
Pat Wilson	Finance Director
Kim Sorensen	Parks & Recreation
Wayne Bott	Parks & Recreation Advisory Board
Blaine Haacke	Power General Manager
Maria Villaseñor	Salt Lake Tribune
Erin McShay	Valley Journals
Tim Tingey	Community & Economic Development Director

Chairman Dunn called the meeting to order at 5:30 p.m. and welcomed those in attendance. Ms. Dunn stated that Jeff Dredge was excused for out of town travel.

Approval of Minutes:

Ms. Dunn called for a motion on the minutes from the Committee of the Whole meeting held on September 2, 2008. Ms. Griffiths moved that the minutes be approved as written. Mr. Brass seconded the motion. The motion carried 4-0.

Business Item #1

Murray Park Pavilion Bids- Doug Hill

Mr. Hill stated that he met with the Mayor to review the options on rebuilding the park pavilions. The Mayor indicated that he would like to get the Council Members' comments in order to give the Mayor some direction for his decision.

In last year's fiscal budget it was approved to obtain designs and begin construction of some park pavilions. Mr. Sorenson has been the point person on this project and Mr. Hill mentioned his appreciation for the effort and work toward this plan. In meeting with the staff and Parks and Recreation Advisory Board, selection and hiring of an architect for design of custom pavilions was done last year. It was the feeling of the group, staff and Advisory Board, that something unique be chosen for Murray Park. They did not want a prefabricated design that is seen everywhere else. The architect put together a design that was ultimately accepted by the Board. They are a steel structure with steel poles and roof. There is a picture in the packet provided and it is clear they are a very unique and creative design. They can be painted different colors, and, therefore, they can be named by the color. Instead of calling them Pavilion #1, #2, #3 and #4, we would have the Yellow Pavilion and the Red Pavilion, for example.

Mr. Hill explained that when the architects completed the preliminary engineering a cost estimate was made. We realized that it would cost more money than what was budgeted for this endeavor. At that time, the staff discussed this with the Council and it was decided to take the unspent money from the last budget, which was \$230,000, and roll it into this budget year and put the project out to bid. The engineer's cost estimate was right around \$550,000, however, the hope was that one, two or three pavilions could be built with the \$230,000. The bids went out and the low bid was \$865,000. The bid package was put together so that the City could pick and choose which pavilions to build, one, two or all four. The bids were much higher than the architects cost estimate of \$550,000.

Now, we are looking for direction on how to spend our \$230,000. There could be another bid again in the future to see if a lower bid could be obtained. The problem is that the price of steel is rising dramatically, almost like the price of oil last year. In fact, the low bid has given the City another week to award the project and then that bid will be withdrawn because of the continued increase in steel costs. Mr. Hill communicated his concerns about holding off and waiting to get future bids.

The other question the group considered was if the pavilion that was designed was just too expensive. They asked if a cheaper pavilion could be built in Murray Park. He reported that less expensive pavilions could be constructed.

Mr. Sorenson obtained some preliminary quotes, pictures are included in the packet, of prefabricated structures. A large one like this could be constructed for about \$200,000. That would include demolition of the site and everything necessary. The price for the large custom designed pavilion is about \$325,000. These options were presented to the Parks and Recreation Advisory Board. The staff did not like going this direction as the designs are not unique and do

not fit the reputation of Murray Park. The Park Board agreed with the staff regarding the custom designed plans and recommended that for Murray Park the City should stay with the unique pavilions.

The other option is to phase into this project. Mr. Hill expressed that everyone recognized that all four of the pavilions could not be built in one budget year anyway. It was well known that it would take at least two fiscal years to set aside the money to do this. The City could start the project by building one of the small pavilions with the \$230,000. He stated that he will have to work with the Recorder's office to renegotiate the price with the low bidder to find out what that price would be, however, it will be less than \$230,000. Mr. Hill advised that this year one small pavilion could be built. Then, next year, funds could be requested for another one and maybe instead of two years, it will take four to five years to get the pavilions built. The down side to that is it will cost the City more money because building costs are escalating every year. That is a good option.

Another option that the department is presenting tonight is to add additional funds to do this. Mr. Hill mentioned that he has talked with Ms. Wilson about how to handle this and it would require moving money from reserves to this line item account. At a minimum, if funds are going to be added, he suggested \$100,000 be added to the budget, and that the big pavilion be constructed. That is the recommendation of the Park Board. The large pavilion is used most often and sets the stage for all the other pavilions. In order to do this the budget would need to be opened and more money added in.

Ms. Dunn asked the size of the pavilions that are in the worst condition.

Mr. Hill responded that it is the large one and the smaller one right next to it. They are numbers two and three that are in the worst condition, structurally.

Mr. Hill continued, stating that if the Mayor decides not to open the budget, then he will suggest to start with pavilion number three. If funds are added to the budget, he would suggest building the large pavilion, number two, first.

The final option is to do nothing now and postpone all construction indefinitely.

These are the thoughts and options as proposed by the Parks and Recreation staff and the Advisory Board. At this point, Mr. Hill remarked that he would welcome any feed back from the Council and thoughts on where they would like to go with this project.

Ms. Dunn asked what Mr. Hill anticipated the amount to be added to the budget to complete construction on the large pavilion.

Mr. Hill pointed out that there is a separate bid for the large pavilion and from the low

bidder the cost is \$327,000. The budgeted amount was \$230,000, so another \$100,000 would be necessary. Mr. Sorenson talked with Entelen Design, the low bidder, and they anticipated that the cost for one of the smaller pavilions would be about \$180,000 to \$200,000 for a small one. It would need to be renegotiated.

Ms. Griffiths asked how long the bids are good for.

Mr. Sorenson said that he would have to ask, however, he feels it would be a couple of weeks only.

Mr. Brass commented that he has not been watching steel particularly, however, other commodities have been coming down pretty dramatically in the last couple of weeks, copper, aluminum, oil and gold included. Looking at current metal prices may not be a bad exercise. He wondered if another material could be considered and still maintain the uniqueness of the design. His other concern is a steel roof on a 105 degree day.

Mr. Hill had it bid without the steel roof, using a composite type roof, and that lowers the price \$26,000. The advantage of the steel roof is that it requires less maintenance.

Ms. Dunn commented that the separate roof pieces shown on the design would serve to vent the roof.

Mr. Hill offered that the architect did not think the heat would be a major factor. The staff asked questions about the heat and durability. It depends more on the color selected and the darker the color the more heat is absorbed.

Mr. Robertson asked about the budget and how taxes are coming in and if the City is in a position to take money out of the reserve fund for this purpose.

Ms. Wilson said that she is a little nervous about what the sales tax is doing. She would like to see the next month or two.

Ms. Dunn asked if the reserve fund is about where it was expected to be.

Ms. Wilson responded that, at this point, the last entries are being made now. She is a little unsure where the City will end up in the reserve fund.

Without knowing the revenue picture it is hard to make a decision, Mr. Brass said. He would like to see a rebid. He likes the design and fact that long term maintenance will be better.

Ms. Dunn commented that the durability will probably make it last a lot longer.

Mr. Robertson said that he is concerned about the economy and revenue figures being down, so some of those reserves may be needed.

Ms. Dunn stated that she is torn on what to do, because the money is available for a small pavilion, however, she agrees with Mr. Hill. The larger one has the most usage, it is the center of the park and everyone sees it. She would like to have that one replaced.

Ms. Griffiths agreed that the financial picture is a worry, especially with the sales tax revenue being down against last year and projections.

Mr. Hill stated that he appreciates the input and will discuss this further with the Mayor to come to a decision.

Ms. Dunn offered that the Mayor can call the Council Members for input.

Mr. Brass asked if the steel was bid with a firm price.

Mr. Hill responded that there is a date that it is firm, which is about two weeks out.

Mr. Wayne Bott stated that he is a Parks and Recreation Advisory Board member and has volunteered for various organizations. He spends a lot of time at the park and walks there frequently. He feels that Murray Park is a big attraction all over the valley. Though some of these designs are a little artsy, he would like to give his approval. He feels it is the way Murray does things, going for the best for the City.

Business Item #2

Committee and Board Reports

Blaine Haacke - UAMPS and IPP

Mr. Haacke said that he has just recently attended a Utah Associated Municipal Power Systems (UAMPS) monthly meeting and the Intermountain Power Agency (IPA) Coordinating Committee, of which he is a member. There are a couple of issues to report on.

When going through the budgeting process, the Colorado River Storage Project (CRSP) had made it clear that there would be a rate increase in October. At that time it was unknown what it would be, however, 14% and 18% were figures that were mentioned as possibilities. The Western Area Power Administration dictates the increase and it was revealed in the Federal Register last Friday that the rate increase is to be 6% at the beginning of October. Murray Power has budgeted for an increase of 14%, so it will be in good shape for this year. The rates are creative, as they have decided upon a two tier rate increase. October 1, 2009, there will be an additional 10% rate increase, making it 16% over two years. The difference is about \$90,000 that will not be expended this year for Murray Power. One key point was the opportunity to comment

to the federal government and Murray made two comments, one through the staff and another through the Power Advisory Board. A number of other people also wrote to request the two tier rate increase. This time the government did take the recommendation.

Regarding the IPA there are three issues of concern. One matter is the stray voltage on the dairy cow that IPA is being sued for. Another is the Crandall Canyon Mine situation, of which IPA has part ownership, and the third issue is the Intermountain Power Project (IPP) Unit 3 issue in which UAMPS is suing IPA for pulling out of the IPP 3 project.

Mr. Haacke feels the dairy cow situation will be settled out of court because the farmers failed to take some stray voltage recordings in the ground when the plant was down last spring. This was a court order that was disregarded. The judge is questioning this move. Murray has 4% ownership in IPA, so anything that happens affects us to that level.

Several lawsuits have been filed on behalf of the six miners who lost their lives in Crandall Canyon, the three rescuers and the six people who were injured. (It is being called the 6-3-6.) IPA had insurance, as well as, Murray Energy (no relationship to Murray City) for situations such as this. They feel like the insurance will be ample to settle out of court and give the families what they want.

The lawsuit of IPA versus UAMPS conducted the first court session in July. Both parties felt that they won victories. IPA was able to reduce the lawsuit from \$200 million in damages to \$15 million. UAMPS victory was the fact that the lawsuit was not thrown out of court. Mr. Haacke feels this issue will take a couple of years to resolve.

IPA has some issues with the wind farm in Idaho. A private company is constructing a wind farm near Milford and installing a 90 mile transmission line. It is trying to tie into the voltage line that goes to California. The question has been raised as to whether there is room to allow these people on the transmission line. The worries are that once California gets this renewable energy, they may lower their portion of the coal fired plant. They want to erase their carbon footprint, and that would affect Murray due to the fewer kilowatt hours coming out of the plant. There are fixed costs that would then be divided among less kilowatt hours. The issue about the transmission line, and whether it should be built in Utah, is being debated in front of the Public Service Commission. There are also some issues with the railroad contract and transportation.

Shortly, the Power Department will come before the Council to request a Supply Cost Adjustment (SCA) on rates. There was the 5% rate increase on July 1 and the 5% increase on October 1. The SCA is the stop-gap for any unusual resource costs that may occur each month. There will be a proposal to reinstate that in the next couple of weeks.

Mr. Brass commented that on the IPA/UAMPS lawsuit, Murray City has possible

exposure on both sides.

Mr. Haacke responded that Murray has pulled out of the IPP3 project, so there is no involvement on that, however, Mr. Brass is correct about IPA and UAMPS, just as other entities are also involved. It is almost like suing yourself.

Mr. Brass asked if there are any planned outages at any of our major resource plants that would throw the City into a SCA situation.

Mr. Haacke answered there are no planned outages, however, volatility and natural gas come into play. For example, in August, Murray spent \$600,000 on natural gas. This was to avoid the spot market on electricity.

Mr. Nakamura commented on the SCA. According to ordinance it is the Mayor's decision to charge the SCA or not to institute it. He is obligated to inform the Council on his decision and explain the impact of the SCA, however it is the Mayor's decision.

Doug Hill - TransJordan Landfill

Mr. Hill stated that the auditors are currently at TransJordan and have indicated that there are no problems with the financial records. Not that there were worries about that, however, as a quasi government organization it is good to know that things are running well financially. A copy of that report will be delivered to Ms. Wilson for her records once it is complete.

Regarding the power generation plant, the building is nearing completion and the air permit has been secured. The generators will be delivered next week and it is expected that power generation will begin in November.

TransJordan is now accepting electronic waste from residents and small businesses, so computers, cell phones and those type of items can be taken to TransJordan to be processed. The funding for this is being provided by the Salt Lake Valley Health Department.

Last month Ms. vonWeller reported that West Valley City wanted to become a member agency of TransJordan and was lobbying the board to allow them into the organization. The board decided that if West Valley City was willing to pay the non-member rate, which is \$22 per ton, then it would be allowed into TransJordan. For comparison purposes, Murray pays about half that amount. The board is doubtful that West Valley City will come in at that price, which is the commercial amount, and they are now waiting the hear West Valley's final decision.

Mr. Hill reported that cell number three is currently being closed. The gas collection and drilling will be done and a liner will be put on the top.

On Thursday, between the hours of 11:00 a.m. and 1:00 p.m., there will be an open house at the landfill. There will be tours and a light lunch. TransJordan has purchased a used van that will be devoted to the tours.

Lastly, Ms. vonWeller, who is currently attending the International Code Council Conference, will be representing the City at the Waste Conference (the garbage conference). This is something that is paid for by TransJordan and she will gain education and training on landfills.

Jan Wells - Council of Government (COG)

Ms. Wells expressed that the Super-COG meeting was held on Monday and the focus was around transportation.

The first item of discussion was the blue-print Jordan River that COG continues to ask for input on. Murray has not focused on this because Murray is the model and everyone wants to know how we did it and what we did. There is an on line survey if anyone wants to participate on that.

Corridor preservation funds for transportation was discussed and this consists of three dollars of the ten dollar car registration fee that goes to the cities. The list of projects for those funds was reviewed, there are some in Sandy and a lot in Herriman. There was a vote in which it was decided that none of those funds would go toward the Mountain View corridor, in light of the fact that the other seven dollars of the ten dollars collected already goes for Mountain View.

Ms. Wells addressed the Mountain View corridor stating that there have been some changes in construction plans. Rather than build the super highway of four lanes in each direction, there is discussion to purchase the entire right-of-way, over 300 feet, building two lanes in each direction, with stop lights on it now, but built in the footprint of the long term design. If there is a road that will cross over the corridor, that will be built as part of the first phase, and eventually every intersection will be transformed into an interchange. The purpose is to construct something that will not need to be tolled. Over time when the demand increases the interchanges will be added. The studies show that this will be sufficient until 2015 or 2020.

A report from Utah Transit Authority (UTA) was presented about the quarterly projects. There was discussion about the Mid-Jordan extension, which is underway. From Murray's perspective the issue is the realignment of the Cottonwood Street road. It is currently a mess and it will be closed for a short time, but it is moving forward.

FrontRunner through Salt Lake Valley was also a big topic of discussion. UTA is working on some of the preliminary aspects to begin construction and completion is anticipated to be 2015.

Robbie Robertson - Valley Emergency Communications Center (VECC)

Mr. Robertson stated that there has not been a board meeting since June and the next scheduled meeting is Wednesday, so he will have more information to report following that.

Jim Brass - Central Valley

Mr. Brass remarked that the liability and facility insurance has just been renegotiated and the cost did not increase. Central Valley was able to obtain better coverage at the same amount of money. So that is good news.

The budget process will begin next week and Mr. Brass, along with Mr. Astill, will review that prior to the meeting to make sure there are no surprises.

Land sales are still being negotiated in Cedar Valley, which should bring in some revenue to offset the expense on the disinfection system.

Jim Brass - Association of Municipal Councils

This meeting was for discussion of possible tolling for the Mountain View corridor, however, because the state decided to build that in stages it made tolling unnecessary. The pressure to get Mountain View completed, hinges on donated land. Part of the agreement on obtaining the land was that the road would be built right away. Some of the land is Kennecott land donated for their projects.

Krista Dunn - Legislative Policy Committee of the League of Cities & Towns

Ms. Dunn commented that the Annual Fall Conference of the League of Cities & Towns was excellent with many informative meetings for staff members and city councils.

The League has been talking with the Utah Home Builders Association about affordable housing. This is the first time ever that the home builders are coming to the government and confirming their desire to go this direction. This is an on-going effort of the LPC.

Ms. Dunn stated that there are a couple of legislative bills, or more, that address changes in the Government Records Access and Management Act (GRAMA) requests and the League is following this closely. GRAMA requests are a real burden on attorney and recorders offices, with people that continually request documents from cities. Some cities have had to hire full time employees just to handle GRAMA requests. There is some discussion on whether companies or individuals should be allowed to put that sort of burden on the cities. Regulation of this is being considered through some legislation.

Ms. Dunn explained that another item brought up at the recent conference was a Dan Jones survey that is completed every year. Many questions are duplications from year to year, in order to study changes in results. One question is about taxes and which tax is most opposed by citizens. A surprise to everybody was that the response, which is usually property tax, came back as franchise fees such as utility taxes. She feels that the legislature may institute more of these type of taxes and this is something that should warrant a watchful eye.

Mr. Brass added that there are still some water issues and the legislature continues to want to come after the cities on water rights.

Mr. Wagstaff offered that there are issues on transparency in government. The League is also in the process of dealing with Salt Lake County on the telecommunication sales tax error.

Ms. Dunn pointed out the survey on House Bill 40, about annexations and townships, has been completed. The County and cities are interpreting the results differently. The legislature is looking for a unified viewpoint, as is the County. The cities seem to have opposite views. There are meetings scheduled to discuss this further.

Patricia Griffiths - Library Advisory Board

Ms. Griffiths said that the Library Board will meet the following day and did not meet in August. There is not much new information, however, the Grand Re-opening of the Library will be on Saturday, September 27. She thanked the Murray Journal for the nice article on the front page of the last issue notifying the public of the event. The ribbon cutting ceremony will be at 11:00 a.m. and she hopes the Council Members will be able to attend.

Staff Report - Mike Wagstaff

There is one item that was just brought to Mr. Wagstaff's attention which is the Municipal Building Authority meeting scheduled for October 14.

Another new item suggested is a November 18 Legislative Breakfast. This is a time to invite Murray representatives in to talk with City officials prior to the next legislative session. He asked everyone to check their calendars and let him know if this is a convenient date. Mr. Robertson, Mr. Brass and Ms. Dunn all confirmed their availability for that date.

Mr. Wagstaff reminded Mr. Brass of the newspaper update article that is due on Friday.

There being no further business Ms. Dunn adjourned the meeting at 6:25 p.m.

Janet M. Lopez
Administrative Secretary