



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

The Murray City Municipal Council met as a Committee of the Whole on Tuesday, December 8, 2015 in the Murray City Center, Conference Room #107, 5025 South State Street, Murray Utah.

Council Members in Attendance:

Blair Camp, Chair	District #2
Diane Turner, Vice-Chair	District #4
Dave Nicponski	District #1
Jim Brass	District #3
Brett Hales	District #5

Others in Attendance:

Ted Eyre	Mayor	Janet Towers	Exec. Asst. to the Mayor
Janet M. Lopez	Council Administrator	Mr. Brand	Business Owner
Mr. Hill	Public Service Director	Frank Nakamura	Attorney
Jan Wells	Chief Admin. Officer	Jim Hawks	Business Owner
Jennifer Brass	Resident	Mr. Zollinger	Finance Director
Steve Roberson	Fire/Citizen		

Chairman Camp called the Committee of the Whole meeting to order at 5:45 p.m. and welcomed those in attendance.

1. Approval of Minutes

None Scheduled.

2. Business Items

2.1 Discuss vacating or declaring property located at approximately 255 West 4500 South as surplus. Mr. Hill (15 minutes)

Mr. Hill was welcomed.

Mr. Hill introduced Mr. Brand who is the property owner of the business adjacent to 255 West 4500 South. Mr. Hill recommended that we vacate or surplus this property. Mr. Brand also owns the property that AISU School is located on. About one year ago the Mayor asked if he would be willing to donate property along Little Cottonwood Creek for the construction of a trail. Mr. Brand was very interested in doing this so the City began surveys and market analysis of the property. Mr. Brand asked if the City would be willing to exchange the property adjacent to his business, Moto Station 4500 South 300 West, in return for him donating property to the City for the trail.

Mr. Hill met with the attorney's office, which pointed out that the City must make sure it gets value for value. Property cannot just be given away. In the process of making sure everything was done legally, and in doing all of the survey work and the appraisal work, we did run into some complications he said. The result was failure to tie the two properties together and do an exchange through an agreement. While Mr. Brand is still interested in talking to the City about donating his property for the Little Cottonwood Trail, the focus now is on the property adjacent to the business at 4500 South and 300 West. Mr. Hill recommended that the City vacate or surplus this property.

A map was displayed of 4500 South and 300 West showing 260 West at the freeway entrance. The property being vacated or surplus was pointed out as being adjacent to the property of the Moto Station. Murray City owns this property and was given the deed from UDOT (Utah Department of Transportation), when they were doing the work on I-15 and changing the configuration of the roads at this intersection. A picture of what this property looks like from the road was pointed out. The land is sloped with weeds and has a few Russian olive trees growing on it. It is unusable for the City. Once or twice a year, we take care of the weed growth on the property. That is the extent of the use at this time.

The question was asked if it was the entire strip or just the piece in front of the Russian olive tree and Mr. Hill explained that it goes back to the retaining wall, which was pointed out and the exact property line, as well. Ottleys Flooring was also pointed out as a boundary to the property. Mr. Hill explained that the drive approach comes off of the frontage road that goes up to Ottleys floor covering.

Mr. Nicponski joined the meeting in progress.

Mr. Hill explained that Mr. Brand is looking at expanding his business and would like some additional parking on his property. Expanding the parking on this property would need landscaping to meet the City's landscaping and set back requirements.

The question was asked if this represents Mr. Brand's interests.

Mr. Brand confirmed that he will more than double the size of the business at this location. He already turned in a plan for permitting. The area was pointed out for landscaping where there used to be driveway access that came in from the north, down along where the parking spaces are set back. The City requirement for set back and landscaping would require him to landscape that strip. His thought was reiterated, why not just acquire the land rather than have the unsightly weeds leading up to the property.

Mr. Hill stated the investment made would make a beautiful business when it is completed. There is a hope also for a new entry and tree landscaping to go around the whole side. The vision is very nice.

Mr. Nicponski pointed out that the hill becomes his set back and that a retaining wall won't be needed. Just landscaping will be needed.

Ms. Turner inquired as to what the Moto Station is. The answer given was that they provide tires, equipment and other retail items for scooters and motorcycles, as well as, repair services.

Mr. Hill explained that he discussed it with the staff and confirmed again that there is no need for the City to own the property. Costs were discussed should the Council decide to sell, vacate or surplus the property. Mr. Brand indicated that he would be willing to pay the market price for that property. Mr. Hill also went on to say that the reason this business item was pulled from the agenda, was that there was question about whether the City would have to vacate the property or whether it would have to surplus the property. The City will now be going through that process and will be checking with the County and the title company to find out how to proceed correctly. The desired result is to have a good deed for the property.

Mr. Nicponski asked if the exchange for the parkway would still take place. Mr. Hill replied that the exchange is now off the table, due to the complications within the agreement. The City will sell the property to Mr. Brand's business as a purchase.

Mr. Camp asked if the idea ultimately was for the City to purchase the property for the trail with the proceeds from 500 West.

Mr. Hill explained that Mr. Brand would inevitably just donate the property to the City. Should Mr. Brand later come back to ask the City to buy it, the City would negotiate at that time. Mr. Hill then stated that they are waiting for Mr. Brand and his partners to work through that entire process.

When asked if Mr. Brand's partners were the Kimball's, Mr. Brand explained that the Kimball's were partners with Ivory and they sold it to him. Mr. Brand's partners are out of Kansas City, a public REIT (Real Estate Investment Trust). Mr. Brand also stated that he owns a number of Charter Schools in Utah, Arizona and Colorado. He sees the Parkway's new trail as a benefit to the City and a benefit to his property. He shared that this property is a school and will always be a school allowing access for biking and walking. Mr. Brand added that his intentions along with his partners in Kansas City, are to donate the property regardless of what happens. He would like to be a good tenant of the City in doing so. Mr. Brand expressed that he does not expect the City to have to buy the right-of-way along the creek and that he believes it will be a benefit for all.

A map of the trail that goes along the south side of Little Cottonwood Creek between the Jordan River Parkway and I-15 was displayed. A yellow line depicting where the trail would go was shown. Negotiations will have to take place with three property owners in order to get an easement to build the trail. Mr. Brand is one of three. Murray still does not own any of the properties. The hope is to have the property secured and then focus on the trail itself.

Mr. Hill continued that a grant is being drafted to UDOT to get matching funds. This will be contingent upon getting the property secured. Agreements have to be met before UDOT will consider an application. The hope is that it will be relatively quick.

Mr. Camp announced that the plan was to bring this subject back January 5, 2016 for further discussion and action at that time.

2.2 Discuss amending Sections 7.04, 7.08, 7.12 and 7.16 of the Murray City Municipal Code relating to Solid Waste and Recycling Management. Mr. Hill (20 minutes)

Mr. Hill invited Mr. Zollinger to share information about the City's bids for waste collections. The City awarded a bid for waste collection starting January 1, 2016. Mayor Eyre recommended that we increase our recycling pickup from every other week, to every week. ACE Disposal was awarded the bid and the mayor signed a contract with them. January 1, 2016 will begin the new collection schedule. Because of three things our fees need to increase: the weekly recycling, the cost was greater with the new bid awarded, and the department would like to increase a temporary employee in the Solid Waste Fund, to a full time employee. The Solid Waste Fund has been borrowing an employee from the street department to help deliver trailers and garbage cans and also repair garbage cans. We would then have two full time employees working in the Solid Waste Fund he said.

With these three things in mind, the expenses to the Solid Waste Fund will increase. Thus a fee increase to residents is needed. As an enterprise fund, revenue must offset expenses.

Mr. Hill explained that Mr. Zollinger worked with him and Russ to put together a fee to cover the expenses. It has been our habit in the past, rather than coming to the Council every year for a fee increase, to project out five years so that the fees don't have to go through a formal process every time something changes, i.e. cost of living or hiring employees. The five year estimate is included in the ordinance so that when we come back to Council meeting, the fees can be adopted and in place for a five year contract.

Mr. Zollinger was asked to explain how the fee was determined by sharing the budget and expenses for waste collections.

Mr. Zollinger began by explaining a chart of information from the contractor, who provided the total number of individuals that have regular garbage cans, as well as, how many had a second garbage can. With this information he was able to build a prospectus/forecast for the next five years. A spread sheet reflected the current rate and what the increases would be. It showed the percentages of increase, as well.

Explaining the table, Mr. Zollinger pointed out that the current garbage can rate is \$4.61. The increase will be to \$5.17, which is a 12 % increase. The percent of increase for recycling is the greatest due to weekly recycling. The total "base rate" charged for waste collection includes the cost of the cans plus wages and benefits. With a full time employee being added, the most expensive scenario was used for estimates. Mr. Zollinger added that ACE Recycling and Disposal

fees will increase every year. He has added a 3% escalator (based on inflation) to determine future annual increases.

Mr. Zollinger explained that ACE Waste Recycling and ACE Waste Collection are two entities. An escalation of costs was also included for Trans-Jordan Landfill dumping fees. All rates were rounded to the nearest 25 cents for simplicity. The chart shows that the projected rate, multiplied by the number of cans results in the projected "total operating revenue". The revenue, less expenses, equals the "net income" on the bottom line. In 2017, that number is \$97,000. Mr. Zollinger opened the discussion by asking if that amount is more or less what is wanted.

(The Solid Waste Garbage Fee Projection chart is included with these minutes as Attachment #1.)

There were several comments indicating the residents may decide to return a second black can once they have the weekly recycling. That will result in lower revenues.

Mr. Brass shared that when this was done for Wasatch Front, it was a substantial amount, 100's of 1000's of dollars in return cans. He explained that in that case, people had been paying their garbage fees with their property tax bill. Once customers started paying it individually and realized they were paying for all multiple cans, it resulted in getting rid of their extra cans. He shared that it was a big financial hit.

Mr. Hill expressed that ours won't be that much because we do not have that many customers, but it could be \$10,000.

Mr. Zollinger urged that he is not trying to predict, but trying to show a little flexibility in the numbers, just in case of unexpected things. Mr. Zollinger expressed that everything else in the budget is held as flat as possible and that things that did not have inflation factors were kept the same. The wages and benefits were escalated because health insurance always increases.

Mr. Hales expressed surprise the \$97,000 net revenue was so high. Mr. Brass asked what reserves would be used for in solid waste. Mr. Zollinger then explained that the truck would need replacing every 10 years and that is \$270,000.

Mr. Hill indicated another use for reserves could be, if the City were to ever increase their services; such as park recycling or yard waste recycling. In this case there would be a need to go out and buy more garbage cans to implement a curb side waste yard/waste recycling. Mr. Hill explained if we have a reserve then we don't have to pass those costs on to the residents.

Mr. Hales asked Mr. Hill about roll-off dumpsters and if all residents are eligible, both Murray and WFWRD (Wasatch Front Waste & Recycling District) customers. Mr. Hill confirmed they are eligible with the budget at \$25,000. Mr. Camp also inquired about whether the program would be over once the money is gone, or could some reserves be used.

Mr. Hill explained that the roll-off program is a cost that is charged to us, based on what it costs the provider. If there were more reservations than anticipated, the expenses would go up, as would the revenue. He explained that a budget opening might be necessary to compensate depending on how big of a difference it is. He informed the group that the revenue would always offset the expense.

Mr. Camp asked what the net revenue was for 2015 and 2016.

Mr. Zollinger apologized he did not have the information at the time and remarked that he would pull up financial statements.

Mayor Eyre offered and was not sure if everyone on the council agreed, but added that there are actually three increases. Two of which the City has control over, the other one the City does not. Whatever ACE increases this contract to, is out of the City control. The Mayor believes ACE has tried to make it as competitive as they can. Mayor Eyre explained the other two increases: recycling weekly and whether we make this employee full time or not. These are the items within City control. It is appropriate for the Council Members to know the monthly cost to a customer was 88 cents per month for weekly recycling. The additional cost to take the employee from part time to full time is four cents per month. In summary if anyone asks, there are 3 reasons for the projected increases: 1) the ACE contract increased; 2) the cost was increased by 88 cents to give weekly recycling service; 3) we brought a part time employee to a full time employee.

All agreed that it was very good to know these amounts.

Mr. Brass discussed what was in the packet and referred to a cost comparison sheet. He noted what Murray charges compared to everyone else in Salt Lake County. He explained that as you look at this list, West Jordan charges less for all the services that they get. Mr. Brass stated that they subsidize from the General Fund by law and that this is why it is low. He also noted that Midvale is a little bit less than ours, however, their water is one of the highest. Mr. Hill acknowledged that Murray's fee, even with the fee increases, is still lower than the majority of the other cities for services in Salt Lake County.

(The Garbage Service Comparison is included with these minutes as Attachment #2.)

Mr. Hale asked the administration if people have been requesting the green recycling can every week. The Mayor confirmed wholeheartedly, stating it was the biggest reason he recommended that we change to weekly service.

Mayor Eyre informed the Council that 1500 surveys were mailed out and 250 of the surveys had already been returned. They had hoped to get 300 total responses. Recycling was one of the questions posed. The survey will answer the question much better once the information is compiled.

The Council agreed how confusing it is currently to figure out which week is recycling and which one is not. Overall, this will encourage people to recycle more and more. Recycling is a big deal Mr. Brass said.

Mr. Hill reaffirmed that this was an important item on the agenda because of the fee increases and budget amendment. He said that the Council would come back on January 5, 2016 and hold a public hearing. Comments from the public on both the budget amendment and the fee increase could be covered at that time. It was hoped that the fee could be in place sometime after January 5, 2016 and fee increases would be set for five years.

Mr. Brass addressed Mr. Nakamura and shared that in reading the ordinance, Section 17.12.020, all the definitions were deleted. He pointed out that half way through this section it says "allowable recycling materials as those specified by the collector". Mr. Brass pointed out that someone may be actually looking at the ordinance to try to figure out what can be recycled. He pointed out that there is nothing after this to explain it in detail and that line could be eliminated. He said he understands certain items may be eliminated because there is zero market for them. Plastic bags are one of those items.

Mr. Nakamura expressed that he did not want a specific definition on items that are recyclable, given that this may change over time. He suggested that public services can help to inform the public.

Scratching the definitions was suggested by Mr. Brass. He shared the thought to scratch the above line all together because it becomes unnecessary at this point and it causes confusion. It's something to think about before we need to act on it. Mr. Nakamura said he was fine with that

Mr. Camp asked if there were any further comments or questions for Mr. Hill or Mr. Zollinger. He thanked Mr. Hill, Mr. Zollinger and Mayor Eyre for putting all the information together.

3. Announcements

Jan announced that December 12, 2015 was the MCEA Party and it would be held at 6:30 p.m. at the Doty Center with spouses welcome.

On December 14, 2015 the Business Enhancement Committee was cancelled. Blair and Dave were informed.

The December 15, 2015 Council Holiday Party would be held at noon. Ms. Towers and Ms. Wells graciously offered their help. Ms. Pattie Johnson would begin her employment that day.

4. Adjournment

There being no further business, Chairman Camp adjourned the meeting until 6:30 p.m. Council Meeting.

Pattie Johnson
Office Administrator II