

Murray City Municipal Council Chambers Murray City, Utah

The Municipal Council of Murray City, Utah, met on Tuesday, the 1st day of March, 2016 at 6:30 p.m., for a meeting held in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

Roll Call consisted of the following:

Blair Camp,	Council Chair
Brett Hales,	Councilmember – Conducted
Diane Turner,	Councilmember
Jim Brass,	Councilmember
Dave Nicponski,	Councilmember

Others who attended:

Ted Eyre,	Mayor
Jan Wells,	Chief Administrative Officer
Jennifer Kennedy,	City Recorder
Frank Nakamura,	City Attorney
Janet Lopez,	Council Administrator
Janet Towers,	Executive Assistant to the Mayor
Craig Burnett,	Police Chief
Gil Rodriguez,	Fire Chief
Doug Hill,	Public Services Director
John Pearson,	Golf Course
Dave Carruth,	Golf Course
Tim Tingey,	Administrative and Development Services Director
Blaine Haacke,	Power Department General Manager
Greg Bellon,	Power Department
Citizens	

5. Opening Ceremonies

5.1 Pledge of Allegiance – Dave Carruth

5.2 Approval of Minutes

5.2.1 Council Meeting – February 16, 2016

Mr. Nickponski made a motion to approve the minutes

Ms. Turner seconded the motion

Voice vote taken, all “ayes.”

5.3 Special Recognition

5.3.1 None scheduled.

6. Citizen Comments (Comments are limited to 3 minutes unless otherwise approved by the Council.)

No citizen comments were given.

7. Consent Agenda

7.1 Consider confirmation of the Mayor’s reappointment of Steve Barth to the Murray City Board of Appeals in an At-Large position for the remainder of a three-year term to expire November 1, 2018.

7.2 Consider confirmation of the Mayor’s appointment of Karen Daniels as a Murray City Hearing Officer for the remainder of a three-year term to expire May 6, 2018.

Mayor Eyre stated Ms. Daniels held three consecutive terms on the Planning and Zoning Commission and has been a servant to this City for a lot of years and has done a wonderful job. She is incredibly qualified to be a Hearing Officer which is a difficult position. They are the last word on many of these hearings. The City needs someone with her expertise and quality of judgement to serve in this position.

Ms. Turner asked that all items be taken together; no objections were made.

Ms. Turner made a motion to approve the Consent Agenda

Mr. Brass seconded the motion

Call vote recorded by Jennifer Kennedy

A Mr. Nicponski
 A Mr. Camp
 A Mr. Brass
 A Ms. Turner
 A Mr. Hales

Motion passed 5-0

8. Public Hearings

8.1 Public Hearing #1

8.1.1 Staff and sponsor presentations and public comment will be given prior to Council action on the following matter:

Consider an ordinance amending Chapter 12.28.030 of the Murray City Municipal Code related to Golf Course fees.

Staff Presentation: Doug Hill, Public Services Director.

Mr. Hill said they are proposing to raise the fees at the golf course by \$1.00 per nine holes for the regular rate, \$.50 per nine holes for the seniors and changing the ten round punch card by \$10, increasing it from \$120 to \$130.

Mr. Hill stated that since this information was put together, they found out that in Salt Lake County all of the golf courses have changed their senior age to 60. He would like to propose that Murray changes its age to be consistent with what the other golf courses are charging. The City's senior age is 65 and he would like to see that lowered to age 60.

Mr. Hill stated the main reason for the fee increase is to help fund the replacement of the irrigation system at the golf course. Currently about \$35,000 or more per year is spent on just replacing parts that are wearing out. The system was installed when the course was opened back in 1986 and is out dated and not very efficient. This fee increase will help generate approximately \$50,000 in additional revenue per year which could be used to go towards a bond should they decide to move in that direction in the next year.

By comparison, the fees that are being proposed to increase to are still consistent with what other courses in Salt Lake County are charging. In some cases it's lower than some of the courses and in other cases it's higher. The City is falling about in the middle of the range of the fees that are being charged in Salt Lake County.

Public Hearing Open for Public Comment

No public comments were given.

Public comment closed.

8.1.2 Council consideration of the above matter.

Mr. Brass said they have been trying for 12 years to get the irrigation system at the golf course fixed. He is happy to see us moving towards getting that done. It's a great golf course.

Mr. Camp said he knows nobody likes rate increases of any kind, but it's important to take care of that infrastructure down there. They have to water the lawn and he feels this is a reasonable request and will support it.

Mr. Brass made a motion to adopt the ordinance including changing the senior age to 60.

Mr. Camp seconded the motion

Call vote recorded by Jennifer Kennedy

- A Mr. Nicponski
- A Mr. Camp
- A Mr. Brass
- A Ms. Turner
- A Mr. Hales

Motion passed 5-0

8.2 Public Hearing #2

8.2.1 Staff and sponsor presentations and public comment will be given prior to Council action on the following matter:

Consider an ordinance relating to Land Use; amends the Zoning Map for property located at approximately 1041 West Bullion Street, Murray City, Utah from A-1 (Agricultural) to R-1-8 (Single-Family Low Density Residential). (Robert Wyatt applicant.)

Staff Presentation: Tim Tingey, Administrative and Development Services Director.

Mr. Tingey said this item was considered at the February 4, 2016 Planning Commission Meeting. This is simply a zone change and the General Plan supports this proposal. It goes from Agricultural to Residential R-1-8

which is what the General Plan has this lot and property designated for in future land use.

The intent in moving forward with this is that if they plan to separate or sub-divide the property, they have to adhere to the lot size standards, especially for Residential. In an Agricultural District it requires one acre. They are requesting R-1-8 which requires an 8,000 square foot lot. They would adhere to that if they moved forward with the sub-dividing process.

The Planning Commission recommended approval and staff is recommending approval of this change as well.

Mr. Camp asked Mr. Tingey if this was basically a lot split that has no building planned. There is already structures on both properties.

Mr. Tingey responded both structures, the residential and the automotive business, are non-conforming so they are allowed to be there because they were in place prior to the zoning designation. If they do sub-divide the property, they will have an 8,000 square foot lot for the Single-Family Residential which will work. The non-conforming status for the automotive business stays the same.

Public Hearing Open for Public Comment

No public comments were given.

Public comment closed.

8.2.2 Council consideration of the above matter.

Ms. Turner made a motion to approve the ordinance
Mr. Nicponski seconded the motion

Call vote recorded by Jennifer Kennedy

 A Mr. Nicponski
 A Mr. Camp
 A Mr. Brass
 A Ms. Turner
 A Mr. Hales

Motion passed 5-0

8.3 Public Hearing #3

8.3.1 Staff and sponsor presentations and public comment will be given prior to

Council action on the following matter:

Consider a resolution adopting the 2015 Power Department Impact Fee Facilities Plan Update and the Impact Fee Analysis.

Staff Presentation: Blaine Haacke, General Manager, Power Department

Mr. Haacke said he wanted to review this impact fee a little bit. Who does it impact? They are assessing an impact fee because existing customers are impacted. The whole purpose behind an impact fee is to make whole the existing customers and give new customers that might build businesses and residences the opportunity to buy into the City's system.

By definition, an impact fee is a onetime fee that is charged and is used for construction of a capital purpose. An example of that is a developer that comes in and builds a subdivision. He impacts our system, the amount of electricity we have to buy, the transmission, the substations and conductor size. This assessment of an impact helps pay for that. An impact fee cannot be used for any O & M costs. It is just for capital expenditures; a onetime cost.

Mr. Haacke said the Power Department increased their 46KV line to a 138 KV line in the past ten years and that was in part paid for by impact fees. That was a six or seven million dollar bond they had to get and impact fees helped pay for part of that. They have added major sub-station transformers to the tune of one million dollars per transformer. This was also paid in part by impact fees.

An impact fee was done in 2003 and again 2010. This will be the third one the Power Department has done. They are not under mandate by how often they do it, but they like to do this about every five years. They are proposing to come back around 2020 or 2021 with another impact fee.

They hired a consultant with Richmond Consulting to do the work on this impact fee. She has worked with the City in the past. She knows our system, she knows Murray City and, for a fairly reasonable price, she was able to give us data numbers.

This impact fee is the Power Department's plan for the next five years. It lists some of the projects that have been done in the past. If they have not been completed, they were moved into the next impact fee assessment. There are some big projects coming up.

Mr. Haacke stated the numbers were given to the consultant who determined that for every kilowatt impact on the system, the customer will be charged \$118. They assume the average residential customer will use

three kilowatts. There are some big houses in the City that use a lot more than three kilowatts, but the average home uses about three kilowatts capacity. So, for a new residential customer building a residential house in the City, they would have an impact assessment of \$354 (3 X 118) through the building process and impact on the system.

As customers come in and build small businesses, they will upgrade their system, maybe put a bigger panel on a strip mall, they will also be assessed an impact fee for the difference between the existing panel and the upgraded panel.

Mr. Haacke noted that the new fees they are proposing can be located on page 1-2 of the documents the City Council received in their packets.

In 2014 the Power Department received \$195,000 in impact fees and in 2015 the received \$148,000. So far this year, they have received about \$100,000. They are proposing the impact fee go down about 25% from what it is now. From 2003 to 2010 the fee was also lowered by about 25%. You could say that the impact fee is about half of what it was back in 2003.

During the last 12-13 years, they rebuilt the 46KV system throughout the entire City. That included 90 foot poles versus 70 foot poles. A lot of work went into that. They upgraded all the substations and beefed them up to where they have 200% capacity over what the system load is right now.

There are a few projects here in the City that they are going to be dealing with in the next little while. Lionsgate and the Security National area will require some work on the Power Department's part. There are a lot of expenditures to make sure there is substation and conductor capacity. There are other areas of the City, such as State Street and City Hall, they have had to try to put into the impact fee assessment. The builders and contractors will be assessed an impact fee before they can pursue very far into their constructions.

Mr. Haacke added that under Utah Code, the Impact Fee Act, this was noticed in the newspaper and on the Public Notice Website. There were also hard copies at both the Library and Power Department that people could come and see. With the rate going down, he hopes there is not too much controversy with this, but an assessment is an assessment. They just want to make the existing customers whole and make sure they were not feeling the burden of new people coming in. We like growth, but we want to make sure it is fair.

Public Hearing Open for Public Comment

No public comments were given.

Public comment closed.

8.3.2 Council consideration of the above matter.

Mr. Nicponski made a motion to adopt the resolution
Mr. Brass seconded the motion

Call vote recorded by Jennifer Kennedy

 A Mr. Nicponski
 A Mr. Camp
 A Mr. Brass
 A Ms. Turner
 A Mr. Hales

Motion passed 5-0

8.4 Public Hearing #4

8.4.1 Staff and sponsor presentations and public comment will be given prior to Council action on the following matter:

Consider an ordinance amending and lowering the Power Department Impact Fees.

Staff Presentation: Blaine Haacke, General Manager, Power Department

Mr. Haacke stated on the analysis that was just approved on page 1-2 the new rates are listed. He acknowledged Frank Nakamura, City Attorney and Briant Farnsworth, Senior City Attorney as well as Charles Crutcher, who is now retired, for the work they put into this project. The fees being proposed are 24% less than the 2010 assessment. In the analysis for the next five years, they are expecting a 1 to 2% growth in the electrical load.

Mr. Nakamura stated most of the City's ordinances take effect on the first publication. Because of the Impact Fee Act this ordinance will take effect in 90 days from now, should the City Council adopt it.

Public Hearing Open for Public Comment

No public comments were given.

Public comment closed.

8.4.2 Council consideration of the above matter.

Ms. Turner made a motion to adopt the ordinance
Mr. Camp seconded the motion

Call vote recorded by Jennifer Kennedy

 A Mr. Nicponski
 A Mr. Camp
 A Mr. Brass
 A Ms. Turner
 A Mr. Hales

Motion passed 5-0

9. Unfinished Business

9.1 None scheduled.

10. New Business

10.1 Consider a resolution approving the “Fifth Amendment to Intermountain Power Agency Organization Agreement”, and authorizing the execution and deliverance thereof.

Staff Presentation: Blaine Haacke, General Manager, Power Department

Mr. Haacke said back in 1977 when the IPA Plant started being put together they started to fund Utah. Utah and California started a partnership and decided to build a power plant in Delta, Utah. It took seven or eight years to get the formulation and by 1985 the plant had been built. Since then, it has been a coal fire, clean plant, it is the cleanest plant probably in the Western United States; if not one of the cleanest coal fire plants in the country. That has to do with the management, the technology and the overall work staff down there. They have a very dedicated work staff that is probably the economic driver for Central Utah in a lot of ways, not only in Delta but in Price. He would hate to see that plant close; it would be a huge impact. To date, the plant has paid close to \$500,000,000 in state and county taxes. Miller County being the beneficiary of a lot of that.

In 1980 when these contracts were being put together, they knew there would be some amendments that would come through. There have been four amendments to the original contract; this is the fifth amendment. Mr. Haacke said he cannot say what happened to one, two, three, and four although the Council passed the second amendatory several months ago when we agreed to allow IPA to look at a different fuel. Look at the future of that plant and determine after 2027 burning coal might not be an option. The second amendatory allows for that.

The second amendatory had to be passed by everybody; all the Utahans, all the Co-ops, and all the Californians. They got 100% passage on that which is allowing the IPA Board to look at alternative fuels.

Each time a municipal entity does something they need an opinion letter from their attorneys. All the 23 Utahans, 6 Co-ops, and 6 Californians are in the process of getting opinion letters.

Mr. Nakamura said an opinion letter says that we have followed all of our processes. The substance of it becomes and executive that we followed all of our processes. Then we agree to pass the agreement.

Mr. Haacke said all the Utahans have submitted their opinion letters. The Californians are struggling on getting the opinion letters from the attorneys back. It is not a done deal on the second amendatory; it is being pursued and they do not expect any issues.

This fifth amendatory is a bullet list that the IPA Board has been keeping track of for five to ten years. They wanted to put a lot of it together then do all the changes at once. That is kind of what is happening with the fifth amendatory. It's a lot of crossing the T's and dotting the I's.

The duties of the Board Director have been tweaked a little bit since 1980. Some rules have been amended as to what happens with an unexpected vacancy on the Board of Directors because they had that happen before. There are some issues about the protection of the Board of Directors. It's a 5.5 billion dollar plant and the Board makes hundreds of millions of dollars of decisions as far as bonding each year. Some Board members worry about what would happen if they made a wrong decision or vote on something that goes bankrupt. The fifth amendatory has clauses put in it to protect the Board of Directors and the City as well.

Verbiage with the by-laws has changed and it also details the fact they are looking at different fuel now. The way it was written in the original contract is focused on coal. Some of the fifth amendatory verbiage allows for other fuels: natural gas, solar, or whatever they decide. It allows a little bit of latitude for the Board of Directors to pursue that.

Mr. Haacke stated there is a disposition of assets. When this is retired in 2027, who gets the plant, where does the ownership go and who is going to pay for the demolition of the plant if that is the direction they go. This protects Murray City in the event they have to dismantle the plant.

Mr. Brass made a motion to adopt the resolution
Ms. Turner seconded the motion

Call vote recorded by Jennifer Kennedy

 A Mr. Nicponski
 A Mr. Camp
 A Mr. Brass
 A Ms. Turner
 A Mr. Hales

Motion passed 5-0

11. **Mayor**

11.1 Report

Mayor Eyre said Cottonwood High School has been selected to be the first high school in the United States to put on the play, “The Mockingbird”. It will be on March 15, 16, and 17, 2016 at 7:00 and March 19, 2016 at noon. This play was first commissioned by the Kennedy Center. It is a play that involves a young girl who has autism and changes the attitude of an entire community. It is recommended for ages 10 and older. Cottonwood is thrilled to be the first high school in the country to do this. It’s an adaptation of a play by the award winning playwright, Julie Jensen. It is a pretty emotional play.

Mayor Eyre stated the building that has gone up is now completed at the TOSH campus, also known as the Cottonwood Medical Clinic. The ribbon cutting is on March 14, 2016. We are grateful to see that medical facility expanded.

Mayor Eyre stated they have been working with the League of Cities and Towns with all the issues that are taking place up at the Legislature. The session closed March 10, 2016 at midnight. He said that if anyone has outstanding legislative issues to contact the Mayor’s Office.

Mayor Eyre acknowledged the Exchange Club for all the things they do in Murray City. They will be holding an open house here on March 11, 2016 from 11:00 to 1:00. Nationally this is the 105th anniversary for the exchange club. It’s amazing the things they do in the city that a lot of people aren’t aware of.

11.2 Questions for the Mayor

12. **Adjournment**