



MURRAY CITY MUNICIPAL COUNCIL COMMITTEE OF THE WHOLE

The Murray City Municipal Council met as a Committee of the Whole on Tuesday, January 8, 2019 in the Murray City Center, Conference Room #107, 5025 South State Street, Murray Utah.

Council Members in Attendance:

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

Others in Attendance:

Blair Camp	Mayor	Jan Lopez	Council Director
Danny Astill	Public Works Director	Jennifer Kennedy	City Recorder
G. L. Critchfield	City Attorney	Kim Sorensen	Parks and Rec Director
Jennifer Heaps	Comm & PR Director	Pattie Johnson	Council Office
Jim McNulty	CED Manager	Doug Hill	Chief Admin Officer
Rob White	IT Director	Danyce Steck	Finance Director
Jon Harris	Fire Chief	Melinda Greenwood	CED Director
Brenda Moore	Finance	Eric Greenwood	Harrisville Resident
Jan Cox	Resident	Janice Strobell	Resident
Jennifer Brass	Resident	Kathleen Stanford	Resident
Brent Barnett	Resident		

Ms. Turner called the Committee of the Whole meeting to order at 5:00 p.m.

Approval of Minutes – None scheduled.

Discussion Items

Determine Committee Participation by Council Members – Diane Turner presenting.

Participation for the new year was determined for six committees as follows:

- Association of Municipals Councils - 2019 - No change. Mr. Hales continue.

- Capital Improvement Program - 2019 - No change. Ms. Turner and Mr. Hales continue.
- New City Hall Committee - 2019 - No Change. Mr. Brass and Ms. Turner continue.
- ULCT Legislative Policy Committee - 2019 - No change. Mr. Cox continue.
- Chamber of Commerce Board - 2019 - No change. Mr. Brass continue.
- Business Enhancement Committee - No Change. Mr. Nicponski and Mr. Hales continue.

Proposed Community and Economic Development Director, Melinda Greenwood – Mayor Camp

Mayor Camp introduced Ms. Greenwood as CED (Community and Economic Development) Director candidate. He was excited about her experience in city management, and as a county council administrator. Many good candidates applied, the competition was very strong, and he believed the best choice was made. He encouraged the council to approve the appointment during an upcoming council meeting. The council conversed with Ms. Greenwood and the following was noted:

Mr. Brass was impressed with Ms. Greenwood’s qualifications during the initial interview process.

Mr. Nicponski invited Ms. Greenwood to briefly share her background.

Ms. Greenwood expressed her excitement and said she was joining a well-organized community, and city with an excellent reputation. She reported the following about herself:

- Actively involved Utah League of Cities and Towns functions, and LPC meetings.
- Majority of past career entailed working in government, which is her passion.
- Last two years worked in private sector, as a public relations consultant, working with Utah Department of Transportation, and local governments on infrastructure projects.
- Public involvement - Assisted in understanding impacts and timelines, interfacing between the public, engineers, contractors and others, to provide technical communications.
- Five years as Pleasant View City Administrator, supervising departments, such as, police, community development, finance, parks and recreation.
- Moab County Administrator - Supervised 17 departments, including EMS, Moab Senior Center, sand plots, and Moab Recreation Center where the famous Slickrock bike trail is located.
- Government career started in Arizona. She held two positions over time; Chandler City Public Works Management Assistant, and later Management Analyst for the City of Casa Grande.

Mr. Hales asked as CED Director, what departments she would oversee. Ms. Greenwood replied code enforcement, building inspections, business licensing, planning, zoning, and economic development. He noted the position as significant for making important decisions affecting residents and land use. Ms. Greenwood said she was willing to learn Murray’s specific items and was anxious to get working.

Mr. Cox wondered if she was comfortable assisting council members with composing correct and informative responses for detailed emails from constituents when needed. Ms. Greenwood said she was happy to work with the council as elected officials, as approved by Mayor Camp.

Ms. Turner asked if she had experience working in Murray’s form of government - a strong mayor, and a strong council. Ms. Greenwood replied no, it would be a new experience, but she had experience with strong personalities. She was willing to work through the learning process, could be flexible, and was open to working with everyone.

Ms. Turner shared concern because Ms. Greenwood did not have RDA experience and noted downtown development in Murray was an RDA (Redevelopment Agency) area. Ms. Greenwood said a lot of the land use, and a lot of the knowledge translates. She knew there were specific differences between EDA (Economic Development) areas, and RDA's, and definitely learn the specifics about how RDAs are formed. She had experience working with land owners, TIF (tax increment financing) agreements, business owners, and calculated payments and agreements related to EDAs. She noted her experience with Joint Community Development areas when employed in Pleasant View; and she thought it would be exciting and challenging to begin working with the RDA process. She would draw great knowledge from Mr. McNulty.

Mr. Brass acknowledged two residents in attendance who were interested in historic preservation. He explained how downtown was once designated as a historic district that changed at the request of property owners. He wondered how she would find and maintain historic character, create balance between historic preservation with more affordable housing, and asked if she had experience with historic preservation. Ms. Greenwood replied not directly; historic preservation was well established where she was previously employed, however, she understood the particulars about historic preservation regulations and navigating what was historic and what was not.

Mr. Brass thought the abundance of grant experience on her resume would be beneficial for attaining preservation grants. He looked forward to working with her and told her to expect inquiries regarding preservation in the city.

Ms. Turner expressed her hope that Ms. Greenwood valued environmental responsibility, and mentioned walkable spaces, biking and things that were important to the city. She wanted assurance that Ms. Greenwood cared for those elements, not just in the downtown area, but throughout the entire city. Ms. Greenwood reviewed Murray's General Plan and said it was one of the most beautiful plans she had seen. She thought the lay-out was specifically important to the environment and admitted finding a good balance was difficult at times because in the end, it was not always possible to make everybody happy.

Ms. Turner asked Ms. Greenwood what 'connectivity' meant to her. She said it meant looking at a regional and statewide perspective, primarily to ensure neighboring citizens are welcomed. Connecting was more than what exists within the boundaries of Murray, it is what extends outside, by working with Wasatch Front, or UTA. It meant capitalizing on transportation stations located in the city, and extending to communities outside Murray, which she would pay great attention to in her new position.

Proposed General Plan and Zoning Map Amendments, 4850 South 380 West – Jim McNulty

The property is owned by the Kimball family, where freeway frontage access on Galleria Drive was noted, and is currently a mixed-use zone. Hamlet Homes requested the amendments to develop a residential project, which would include townhomes and small lot single family homes. The request would change the General Plan (GP) from Professional Office, to Medium Density Residential, and change the Zoning Map from M-U, Mixed Use, to R-M-15 Medium Density Residential. Mr. McNulty discussed the following:

Security National is Class-A office space to the north of the parcel. One concern is that a rezone would be

considered down-zoning the property, because the highest and best use of the land would not be realized. Murray's GP was implemented in May of 2017 and usually kept in place for 5-10 years.

Hamlet Homes could provide a nice residential area on the parcel, similar to the Balintore community they developed on 5600 South and 770 East, which was well received, and sold out quickly. However, he questioned if this was what the city wanted to see - adjacent to Interstate-15 (I-15).

A power point was shared to view the parcel consisting of four vacant lots, totaling 3.35 acres, as well as, photos and a map to highlight the embankment between the frontage road and the freeway. During the planning commission meeting a petitioner thought a developer would never want to construct an office building at this location because it could not be seen, due to the grade change. Mr. McNulty agreed, if the new structure was only three-stories high, but the vision of a 6 or 12-story structure would be visible and not affected by the embankment.

Mr. Brass wondered about impact once the added lane was constructed on I-15 and thought the embankment would become a retaining wall. Mr. McNulty was not certain but thought a taller office complex would be more efficient. Mr. Brass agreed because freeway noise so close to a residential area would be problematic.

Mr. McNulty confirmed the current zone would allow for ground floor retail, and office space, with housing units above. However, Hamlet Homes was not interested in providing mixed-use complexes, and proposed the request allowing for residential only.

A public hearing was held by the planning commission on December 6, 2018, where staff recommended denial of the General Plan Amendment, and denial of the proposed Zoning Map Amendment. The planning commission followed staff recommendations and recommended the city council deny both amendments.

The council would consider both amendments on the 22nd of January during a public hearing.

Proposed Zoning Map Amendment, 5901 and 5911 South 1300 East – Jim McNulty

Two properties located next to Cottonwood High School include a single-family home with accessory buildings. Current zoning is R-1-10, which is Single Family Residential, and the proposed change to A-1 Agricultural would allow both parcels to become a botanical water garden business. Mr. McNulty presented a power point to show the area, with photos of the home and maps to explain the proposed business concept to provide pond maintenance, special horticulture with aquatic and riparian plants, as well as, fish for local pond operators. One employee would work on site, and hired contractors would install ponds when necessary, which is also allowed in the A-1 zone. He said the proposed changes meet intended requirements of the General Plan.

Applicants, Sheida and Christopher Maguire requested the amendment and intend to combine the two parcels into one lot, which is in conformance with the Land Use Ordinance. Ms. Maguire currently operates a botanical business in Millcreek, however, the property was sold. They hope to purchase the Murray property, remodel the house and live there; restore existing buildings and utilize them to operate a home-based business called Utah Water Gardens, which is allowed in the zone. A lot-line adjustment would occur to combine the two sites, which would be completed by Murray staff.

Residents who attended the public hearing at the planning commission meeting were in full support, and only one had concerns about whether cattle or smells would be an issue since the parcel would become agricultural. Mr. McNulty confirmed that would not occur. The planning commission favored staff recommendations to approve the zone change, and recommended approval by the council.

Mr. Brass thought when appropriate, down-zoning property had great benefits if a new project was considered green space. Mr. McNulty agreed, moving their operations to this area would allow them to expand their business and possibly work with students at Cottonwood High School.

Ms. Turner walked the area regularly and thought it was a great use of the land.

The council would consider the Zone Map Amendment on January 22, 2019 during a public hearing.

Discussion Continued on Comprehensive Annual Financial Report (CAFR) – Danyce Steck

Due to a time constraint at the December 4, 2018 Committee of the Whole meeting, and to provide better understanding, the council requested Ms. Steck return for more CAFR discussion.

Financial changes – Comparisons between FY 2017 and FY 2018. (pages 15-17) Balance sheet activity regarding assets, liabilities and net position were noted and the following was highlighted:

- *Net position* (page 15) - An increase of \$5 million occurred. Ms. Steck said this was considered a “saving year.”

Mr. Nicponski asked if that went into reserves. Ms. Steck said yes and that was between all of the funds.

- *Revenues and Expenditures* (page 17)

Program Revenues - A decrease occurred, due to grants received in FY 2017. Ms. Steck said money received in FY 2017 was utilized for projects like the Canal Trail and Murray Amphitheater. In FY 2018, she expected several increases and decreases throughout the year; large grant funding was anticipated from the county, to be used for projects like renovating the Murray Theater, other projects and redevelopment.

Mr. Nicponski asked if \$5 million in revenue included grant money or was grant funding kept in another account. Ms. Steck confirmed revenue would be much more if grants were included.

Mr. Hales wondered when grant funding would be received for the Murray Theater. Ms. Steck said \$1.8 million would be awarded in FY 2020. Mayor Camp confirmed the total grant of \$3.6 million would require matching dollars. Ms. Steck agreed and said it was important to begin working with family donors to raise money.

Mr. Cox confirmed the decrease in *Program Revenues* was not associated with expenses for running the city, but due to spending grant money. Ms. Steck agreed reduced revenues have everything to do

with grants and not regular revenue sources. All revenue resources increased.

- *General Fund* - Governmental Funds were much healthier in FY 2018 than in FY 2017.
- *Utility Funds* – A slight increase of \$1 million occurred. All funds are operating efficiently.

Review of Funds (pages 19-21)

- *General Fund* – (page 19) Overall distributions were listed by type and the following was highlighted:

Taxes: 77% - Primary revenue sources are critically important going forward because the city is dependent on them, therefore, if distribution changes occur legislatively, impact would be drastic.

Mr. Nicponski confirmed legislators would consider a population-based distribution this year, which happened all the time.

Mr. Brass thought the city could live with a distribution change, only if Murray's daytime population was considered, because that number was significantly higher than the nighttime population - after thousands of people leave the city when businesses close for the day.

Mr. Cox agreed the legislative item was regularly discussed.

Ms. Steck researched sales tax numbers and found such a distribution change would impact the city negatively by approximately \$6 million annually, because taxes are 38% of the city's tax revenue.

Mr. Brass thought a property tax increase to compensate a loss of revenue could be 120%. Ms. Steck confirmed current property tax revenue was \$9 million and agreed that kind of increase would be unthinkable.

Mr. Nicponski thought it was not helpful democrats representing the city were in favor of it.

Expenditures – (page 20) A decrease, due to debt defeasance paid in FY 2017 occurred from \$40.7 million to \$36.7 million.

Ms. Steck said other revenue funds remained status quo, and suggested the council read through the section for further information about each one.

Summary (pages 22, 23)

Ms. Steck described helpful information for recalling what the council adopted in the past – regarding changes to the budget. Each budget year was summarized, with detailed changes. For example, organizational configurations, public initiatives, and contract plan review services to name a few. She highlighted the following:

- *Capital Assets* (page 23) – Money spent on capital acquisition, for example:
 - In FY 2018 \$3.1 million was acquired in property for land and developing downtown.
 - Road and signal improvements totaling \$1.8 million were completed throughout the city.
 - Murray Canal Trail was completed for a total cost of \$739,000.
 - Pickleball courts completed for a cost of \$545,000
 - Developer contributed assets totaling \$495,000, which is water and sewer lines, storm drain infrastructures, and street lights – all donated.
- *Long-term debt* (page 24) - An increase occurred, due to a bond issuance to purchase property and build a new fire station – the bond was \$5.5 million.
- *Economic Factors* (page 24) and *Next Year's Budgets* (page 25) – Sections included information discussed for FY 2019 budget preparation, and upcoming projects. Statewide sales tax revenue increased by 6% last year, showing strong consumer confidence.

Mr. Nicponski asked if the bond for the new fire station and the bond for storm water improvements were the only two bonds the city had. Ms. Steck confirmed but the 1% low interest storm water loan attained in FY 2018, had not been utilized yet.

Notes (pages 53-89) - The following were highlighted:

- Note 4 - Cash, Cash Equivalents, and Investments
 - FY year-end total: \$64.8 million in cash. Ms. Steck would like to be more assertive with investing, which means attaining better interest rates and returns than in the PTIF (Public Treasurer's Investment Fund) account. She said with \$40 million available at most times, she would like to see \$35 million invested, long-term; \$5 million pulled back, and \$25 million in flux-cash to be utilized.

Brass agreed. Ms. Steck explained the Utah Money Management Act does not allow cities to attain anything lower than a B+ uninsured rating, therefore, investments would be safe.
- Note 5 – Receivables
 - Receivables were low, due to sales tax revenue and unbilled utilities that would be billed in July. The city has a very strong treasury department that operates well.
- Note 6 - Interfund Transfers
 - The General Fund provided \$12.8 million to the Capital Projects Fund.
 - Power Fund and Waste Water Fund received loan payments from the RDA used for development and improvements accomplished several years ago.
 - Transfers to the General Fund - from Utility Funds totaled \$4.2 million.

Ms. Steck explained proposed state legislation could restrict these types of transfers in the future, and impact would be tremendous. She thought the city would be forced to reduce utility rates, and increase property taxes again, due to a surge in reserves. She explained the current 8% transfers insure excess money does not occur in utility funds, and transfers are in place to provide funding not received from large tax-exempt businesses throughout the city that utilize the city's water and power resources.

Mr. Brass agreed transfers profits both ways, where non-taxed businesses receive a reduced rate comparatively, and citizens benefit - because 35% of the city's property is non-taxed. He said this type of increase would make the last property tax increase seem minimal. Ms. Steck confirmed the increase would be approximately 120%.

Mr. Hales said without transfers, each resident could pay at least \$250 more per year fees. Ms. Steck agreed.

- Note 7 – Interfund Receivables and Payables
 - The Murray Parkway acquired funding from the Water and Power Funds for a new sprinkling system and to replace golf carts.
- Note 9 – Investments and Joint Ventures
 - The city participates as joint owner of the Trans-Jordan Landfill, the Center Valley Water Reclamation Facility.
- Note 10 – Interlocal Agreements
 - UAMPS - (Utah Associated Municipal Power System) and VECC (Valley Emergency Communication Center) dispatch facility, and APPA.
 - DEA - Drug Enforcement Administration – Metro Task Force

An officer would be provided to the force and the city prepared and submitted their financial statements for this year.
 - UIA (Utah Infrastructure Agency) was noted.

Ms. Turner asked what the cost was for being a member of each entity. Ms. Steck explained the city invested in both entities. Membership fees paid to UAMPS since 1990, was part of acquiring interest, where the city participated to help build the organization. The next investment would go towards a small nuclear power plant in Idaho.

Mr. Brass confirmed project ownership and said fees were based on system size where Murray is one of the largest.

Mr. Nicponski noted FY 1994 when the city invested \$2 million. Ms. Steck confirmed the investment was to acquire 1.6 megawatts from the San Juan Generating Station Unit 4.

- Note 12 – Long-term Liabilities – Detailed information about overall debt.

Mr. Nicponski asked what the current total was for long-term debt. Ms. Steck stated \$28 million.

- Note 18 – Fund Balance - The General Fund year-end balance was \$10.3 million.

Statistical Sections (pages 111-132)

Ms. Steck described the section as an encyclopedia to the city, providing 10 years of financial shifting. She reviewed the following:

- Schedule Five - Tax revenues to track property tax, sales tax revenue.
- Franchise taxes - decreased over 10 years.
- Transient Room Tax – An increase occurred each time a hotel was added to the city.
- Principal Sales Taxpayers – Ranking growth for things like retail, and vehicle sales.

Mr. Brass noted vehicle sales and said if people stop buying cars the city would realize a major impact. Ms. Steck agreed vehicle sales are 30% of the city's sales tax revenue.

Mr. Brass noted Schedule Nine - Principal Property Taxpayers. He was impressed with Fashion Place Mall's taxable value, because in 2013 revenue was \$97.8 million, and in 2018 it was \$212.7 million. He commended General Growth Properties for making the mall one of the most popular in the valley that benefited the city greatly.

Ms. Turner said the budget was one of the most important issues of council responsibility and valued a more specific review.

Mayor Camp addressed UAMPS membership and explained there was no membership fee, because an adder was placed on each kilowatt that goes through them. He confirmed the membership fee for APPA was \$40,000 per year.

Announcements: Ms. Lopez made several announcements related to coming events for the council members.

Adjournment: 6:18 p.m.

**Pattie Johnson
Council Office Administrator II**