



MURRAY CITY MUNICIPAL COUNCIL COMMITTEE OF THE WHOLE

The Murray City Municipal Council met as a Committee of the Whole on Tuesday, August 6, 2019 in the Murray City Center, Conference Room #107, 5025 South State Street, Murray Utah.

Council Members in Attendance:

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

Others in Attendance:

Blair Camp	Mayor	Jim McNulty	CED Manager
Brenda Moore	Finance and Administration Dir.	Blaine Haacke	Power
G.L. Critchfield	City Attorney	Dave Kimball	Citizen
Jennifer Kennedy	City Recorder	Pattie Johnson	Council Office
Connie Carpenter	City Council	Kat Martinez	Citizen
Robert White	IT Director	Stephen Hopkins	Citizen
Danny Astill	Public Works Director	Jennifer Brass	Citizen
Kim Sorensen	Parks and Recreation	Greg Bellon	Power
Janet Lopez	City Council Director		

Chair Dave Nicponski called the Meeting of the Committee of the Whole to order at 5:16 p.m. There were no minutes to approve.

Discussion Items

Quarterly Financial Report FY 2019 – Brenda Moore.

Ms. Moore said reports were preliminary in nature and her intent was to have final numbers prepared by November. She noted a 1.5% increase in sales taxes compared to this time last year, which did not reflect the homeless shelter deduction that had since been added back in. She said the trend for sales tax to slightly increase above the prior year – puts the fund close to budget. (Attachment #1) The following was highlighted:

- **Enterprise Funds** - A statement was noted to review revenues, expenditures, and changes to fund balance. Ms. Moore highlighted the following:
 - **Water Fund**. Revenue was down only 3% from budget but trending upward. Due to a late start to watering season (a two-month delay), revenue was down \$175,000. A change in net position was negative \$28,000 because bond proceeds were not included, which had since been received.
 - **Power Fund** - The final UAMPS bill received, reflected a \$300,000 credit instead an \$800,000 charge. It was due to UAMPS reallocating plant costs that the credit resulted, which was a \$1.1 million swing in their fund balance for the year; very good news.
 - **Parkway Fund** - While the fund balance is still in the negative, and although the golf season was delayed, due to a wet spring, the fund = 98% of budget. This is still more than the previous year, which was encouraging. The golf course is doing well, and costs are down.
 - **Solid Waste Fund** – Due to an increase in recycling fees, the fund reflected a decrease to \$600,000, as projected.
- **General Fund** – Ms. Moore noted the budgeted transfer of .2% city option sales tax to be made next week. The overall fund balance would be left at 27% before considering restricted funds. She noted \$5.5 million was to be moved to Capital Projects. Also noted:
 - Revenues: \$509,000 over budget without transfers. (Includes an estimate for sales tax revenue from the previous month.)
 - Expenses: Under budget \$2 million, due to Class C road money, other projects that need to be moved and reallocated in the FY 2020 Budget. Every department was slightly under budget, for operations and payroll.
 - Transfers In: Under budget, as a result from water, power and other enterprise funds being under budget.
- **Library Fund** – Revenue = 109% of budget. Primarily due to property taxes and an increase in interest. The library did well this year, costs were also held down. If the situation remains unchanged, over \$1 million will go into reserves to help pay for a new Library.

In summary, all accounts are in good standing, and revenues continue to come in. Ms. Moore would inform the council of changes, resulting from the current audit; and would work on Capital Project rollovers, related to spring projects, and report back in a few weeks.

City Hall Bond Reimbursement Resolution – Brenda Moore.

Ms. Moore presented the resolution to ensure incurred expenses can be reimbursed by the bond proceeds; the Bond Parameters Resolution will not be ready for a few months. She explained the

importance of the resolution since expenses are currently incurring for architecture and various preliminary work to build a new City Hall. She noted the cost was not expected to exceed \$35 million.

Mr. Nicponski asked the target date for attaining the Bond Parameters Resolution. Ms. Moore expected completion in September or October, and bonds to be issued in January or February 2020.

Brownfields Grant Agreement – Mayor Camp, Jim McNulty.

Mr. McNulty confirmed staff approached the city council in November of 2018 about entering into a Brownfields Coalition Agreement with Salt Lake County and Salt Lake City. As a result, on June 5, 2019 the EPA (Environmental Protection Agency) informed the city that an award of \$600,000 would be given to the coalition group. Funds would help with environmental cleanup that included mitigation, site assessment, and phase one of environmental work (not the actual cleanup itself) but for studies on projects, such as, the following areas identified when the application was made to the EPA:

- A beauty salon on 4800 South
- A mechanic business on 4800 South and Box Elder
- Bart Warner's ore sampling; a costly project which could utilize most of the funds.

Mr. McNulty explained the next step is to consider an Interlocal Agreement with involved entities. Murray City legal counsel reviewed the agreement along with Salt Lake County and Salt Lake City's legal counsel, who all agreed to the wording in the proposed agreement. He said it was beneficial to have had all three entities agree to one Interlocal Agreement rather than three separate agreements. He noted the contract allows 50 years' time to utilize funds; however, he expected spending to occur in two to three years after another grant is pursued.

He clarified \$600,000 would be divided equally between the three entities, however, additional money was available for training; so, he and staff would attend coalition meetings with the County, (the lead sponsor). The hope is to inform staff on valuable EPA Brownfields training by the end of the year. He confirmed grant money would afford them to attend a four-day workshop and other trainings to learn more about utilizing the funds effectively.

With regard to the ore sampling mill, Mr. Brass reported CVWR (Central Valley Water Reclamation Facility) experienced a similar problem; they discovered uranium while digging a trench. He said the total cost to clean it up was \$2.11 million; transferring uranium to Enviro-Care, Inc. is \$2,600 per bag, therefore, he stressed spending \$200,000 could occur quickly. The city council would consider adopting the agreement in three weeks.

Rezone Proposal for 4670 South 900 East – Jim McNulty

Mr. McNulty reported the proposed rezone was heard by the Planning Commission on July 18. It includes a General Plan amendment, as well as, a rezoning of the 10.52-acre K-Mart property site at 4670 South 900 East. The request is for a rezone from G-C (General Commercial) to M-U (Mixed-Use) and amend the General Plan Land Use Map from Commercial to Mixed-Use. A rendering of the site was displayed. The developer is Kimball Investment, who is currently developing an assisted living facility

across the street from the high school, as well as, a hotel. At this site, Kimball is working with Ivory Commercial to possibly develop a multi-family high-density residential project, as well as, commercial structures adjacent to 900 East.

Mr. McNulty shared concerns heard from residents during the planning commission public hearing, who noted a lack of space in the area. A primary concern raised was related to access from 4680 South to 900 East. He discussed aspects of specific streets and said the matter will need to be addressed in detail going forward. Density was an issue, as was building height; by changing to M-U, a residential component is introduced to the project. He affirmed the council would only be considering a rezone at this point.

He said Murray City has no intention of purchasing the property, and if rezoned to M-U, there is a requirement that 15% of the site be maintained as open/green space. The property is currently zoned Commercial Development, and the General Plan shows it as General Commercial. Therefore, two motions would be required to amend both the General Plan, and Zoning Map to allow for M-U.

While visiting the site, Mr. McNulty observed neighbors do utilize the access lane to get in and out of the neighborhood, and to his knowledge, it is the only point of access. He confirmed the General Plan was adopted in May of 2017, when the decision was made to keep the area as General Commercial, and noted over past years, individuals came forward with concerns about big box commercial being located there. While it was not likely to be developed as pure commercial, developers can pursue M-U that allows for horizontal mixed-use development with commercial and residential components.

Mr. McNulty read findings noted as: Re-designation of the Future Land Use Map for the subject property, as requested, is in keeping with the patterns of development in the area, which currently includes a mix of residential and commercial uses. The amendment from C-D to M-U is supported by the description and the intent of the General Commercial Land Use designation, as well as, supporting criteria within the General Plan. The Future Land Use Map and Zoning Map were carefully considered for the site and surrounding area and the policies and objectives of the 2017 General Plan were found to be in harmony with the goals of the plan.

He thought the time was right to get a good project at this location and noted Millcreek residents recognized something is bound to happen on the property, because it sat idle for so long. Public input was expected and residents in the area will have concerns during the site plan and conditional use review process.

Ms. Turner asked the maximum height allowed. Mr. McNulty said there are few restrictions in the M-U Zone, however, within 100 feet of residential, if proposed, a maximum height of 50 feet is allowed with multi-family residential. Mr. Cox asked what could be done to improve access. Mr. McNulty said city staff, the Development Review Committee, and the city engineer will conduct more research on the easement issue. Inevitably, a public road of some type will be required providing access from the neighborhood to 900 East. Mr. Brass stated the property was also shown on Millcreek City's General Plan and there was doubt as to whether the intention was for it to be straight residential. Mr. McNulty confirmed Mr. Hall received a call from a Millcreek City Council Member, prior to the public hearing on July 18, who was in support of a rezone.

Mr. McNulty affirmed the exciting prospect belonged in Murray City, and the land should not go to Millcreek in any way. He reported staff's recommendation to the Murray Planning Commission, on July 18, was to forward a positive recommendation to the City Council for both the General Plan Land Use Amendment, and the Zoning Map Amendment in support of Mixed-Use rather than Commercial development. Mayor Camp noted the Murray Planning and Zoning Commission's positive recommendation to the council, as well. Mr. Brass confirmed. Mr. McNulty stated the vote was 5-0 in support of the rezone.

Red Mesa Tapaha Solar Project – Mayor Camp, Blaine Haacke

Mayor Camp said the power department continues to look at ways to diversify resources. Mr. Haacke confirmed and noted a map to discuss a large-scale solar project located in the Four Corners area. At a future meeting, staff will request adoption of a resolution allowing the city to enter into an agreement through UAMPS to buy into the solar project. Mr. Haacke liked the fact that the project is a PPA (Power Purchase Agreement) versus ownership; the goal of the project is to participate in a renewable project.

He estimated 250 people in the city have small scale solar on their roofs, which is helpful at certain times of the day; but other times, generation is minimal. In this case, by entering into the agreement, the city's involvement will show environmental stewardship, as well as, progressive movement on behalf of municipal power systems. As a result, REC (Renewable Energy Credits) will be received that at some point may become valuable. The proposed resolution will allow the city to enter into a long-term agreement with the NTUA (Navajo Tribal Utility Authority). The following details were highlighted:

Murray will have five megawatts of the 66-megawatt project. NTUA already has two similarly sized projects in operation that are revenue resources for them. Plans are to use the money to complete the Light Up Navajo Project. The intent is to enter into a 25-year contract that starts at \$23.15 Mwh (per megawatt-hour) and escalates 2% every year for the life of the contract. However, by the time generation reaches a Murray substation, it will be necessary to add transmission and administration costs, so, the actual 25-year average cost Mwh, could range from \$25 up to \$30.

He said the cost is comparable to the federal power, and Hunter resource in Price, which is approximately \$35 Mwh; he noted the Cottonwood Hydro resource is about \$15 Mwh, the San Juan resource is \$50 to \$60, and the Landfill facility is \$60 to \$70. He stressed the solar project is a very reasonable resource at \$23. The terms of the PPA were described. Degradation was expected to be .5% per year.

It was noted that they were not currently looking at battery storage. By the end of September, UAMPS was expected to present a firm contract to the NTUA who will begin construction. Completion was anticipated in May of 2022. It is a green resource and will mix nicely with the city's dispatchable resources. Other solar resources were considered, but each had problems; this was the best option they had found. He reported the five megawatts would meet three to five percent of the city's energy needs. Power demand in the City was described. Mr. Haacke would return in three weeks when to the council would consider the adoption of the resolution.

Proposed Revisions to the Murray City Council Rules – Jan Lopez

Ms. Lopez presented proposed revisions to the council rules as follows:

- A. The Audit Committee shall consist of the City Council Budget and Finance Committee Chair, and Vice-Chair, and the Council Executive Director as staff support. This committee shall convene as required:
1. During the selection of the audit firm:
 2. Annually to review audit procedures and conclusions, and
 3. For any other such purposes, as the city council deems appropriate.

Announcements: None

Adjournment: 6:02 p.m.

Pattie Johnson
Council Office Administrator II