



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

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The Murray City Municipal Council met as a Committee of the Whole on Tuesday, January 19, 2010, in the Murray City Center, Conference Room #107, 5025 South State Street, Murray, Utah.

**Members in Attendance:**

Jeff Dredge	Council Chairman
Darren V. Stam	Council Vice Chairman
Jim Brass	Council Member
Jared A. Shaver	Council Member
Krista Dunn	Council Member

**Others in Attendance:**

Daniel Snarr	Mayor
Jan Wells	Mayor's Chief of Staff
Frank Nakamura	City Attorney
Michael D. Wagstaff	Council Executive Director
Janet M. Lopez	Council Office
Erin McShay	Valley Journals
Doug Hill	Public Services Director
Gary Healy	Golf Professional
Dave Carruth	Golf Superintendent
Scott Baker	Murray Chamber of Commerce
Jeff Edwards	EDCU
Art Franks	EDCU
Lynn Pett	EDCU
Pat Wilson	Finance Director
Greg Bellon	Power
Zachery Fountain	Mayor's Office
Tim Tingey	Comm & Econ Dev Director

Chairman Dredge called the meeting to order at 5:30 p.m. and welcomed those in attendance.

Mr. Dredge called for a motion on the minutes from the Committee of the Whole meeting held on January 5, 2010. Ms. Dunn moved approval as written. Mr. Shaver seconded the motion. The motion carried 5-0.

**Business Item #1 Golf Course Fee Discussion - Doug Hill**

Mr. Hill explained that he and his staff were in attendance to present a proposed

golf course fee amendment. Based on the out come of this discussion, an ordinance would be presented on the next available Council meeting agenda. If the fee increases are approved, the City would like them in place prior to the opening of the golf course, which usually takes place sometime in February.

The proposal is to increase the fees, in general, \$1.50, for regular and senior golfers on nine holes. This amounts to an increase from \$12.50 to \$14. Additionally, the riding cart fee is proposed to go up 50 cents to \$7. This will affect the 10 round punch card, and some changes to the junior and high school rates.

Mr. Hill commented that included in the packet is a golf course market comparison of Salt Lake County, Davis County, and Utah County. The purpose of the proposed increase is not because Murray's fees are below others, although, the comparison shows that the City is lower than market prices. This increase will make them equal to or below the ones Murray's course compares to. Most of the other courses are in the range of \$14 to \$16.

The reason for the proposed fee increase is that, since July 1, 2009, the City has seen a decrease in revenues at the golf course. Actually, since June 1, however, the decrease in June can be attributed to the very poor weather experienced in the City. The staff feels that the economy is impacting the revenue at the golf course. Mr. Hill related that for the first six months of the fiscal year, the revenue is down almost \$100,000.

Mr. Hill paused to introduce Gary Healy, golf professional, and Dave Carruth, golf superintendent. Also, present was Lynn Pett, in whose honor the golf course was named. The decreasing revenue is a concern, especially because there is not a large reserve in the fund. Most golf courses across the state and nation struggle to make enough revenue to cover expenses. This is an enterprise fund. Over the last three to four years a reserve of about \$300,000 has been built, and it is remaining steady, although, it is not being increased significantly. This size of decrease is a concern because it will affect the reserve, and it will have an effect on the City's ability to fund future capital projects.

There are several significant capital projects on the horizon. The most expensive one is replacement of the irrigation system. The golf course opened in 1986 and this is the original irrigation system, which has run the course of its useful life. Repairs are being made all along. The cost of a new system is about \$2 million, and the staff has not figured out the strategy of how to replace it with a \$300,000 reserve. The last thing the City wants to do is reduce the reserve that has accumulated to this point.

The proposed increase will generate about \$150,000 of additional revenue, assuming that the course maintains the level of activity as the last couple of years. If this spring shows a continual decrease of golfers, then this amount of revenue will not be realized in comparison to expenses.

Mr. Shaver clarified that the increase in fees is based on an assumption of why revenue is actually down, not a questionnaire or market study of those coming to the golf course. Mr. Hill confirmed that no analysis has been completed, other than the market analysis on fees charged by other courses showing that Murray can certainly increase fees and remain at or below market prices.

Mr. Healy mentioned that Murray is the busiest course in the area, selling more rounds than any other course. Mr. Hill has received a county report showing that other courses are also down about the same amount. This is something universal.

Mr. Brass said that it is a well-regarded course, kept in excellent condition.

Ms. Dunn asked about the two fees listed. Mr. Hill responded that there is a weekday and weekend rate. Friday, Saturday, Sunday, and holidays are considered weekend rates. On senior fees, Murray seems to be on the upper end, and Ms. Dunn wondered if that would affect rounds played. Mr. Healy did not think a difference of 50 cents or a dollar would matter. Several are higher than Murray.

Mr. Healy also mentioned that Friday is the busiest day of the week, with the state four day work schedule. He said that the staff would like to consider Friday a weekend day, which is what the county does, as well. That would affect when junior and senior rates are accepted and when they are not. As the single busiest day, the City does not want to use discounts if they do not have to because the demand is there for full fees. There has been discussion to change this, too.

With no objections voiced, Mr. Hill said the ordinance would be presented at a Council meeting.

Mr. Pett added that it is not wise to allow fees to fall behind other courses, because, then people do not think it is as good a course. That is not the case. He told a related story about when Southwood Park was built with tennis courts constructed. A fee was charged for tennis lessons. The high school tennis courts used the same instructors, and charged no fee for lessons. Southwood Park was filled to capacity, and at the high school the teachers had nothing to do. People do place a value when fees are charged. It is important to keep the grounds up to, and he expressed his opinion that the staff is on the right track with the fee increase for golf. He supports the proposal.

**Business Item #2 Economic Development Corporation of Utah (EDCU) -  
Jeff Edwards, Art Franks, and Lynn Pett**

Mr. Edwards thanked the group for allowing them to make a presentation regarding some of the activity at the EDCU over the last year, and introduce the organization to the new Council members. Art Franks is the membership director, working with all the cities and counties around the state, and Lynn Pett, former Murray Mayor, and EDCU government relations director.

EDCU is a non profit corporation, not a government agency, created in 1987 as a non political economic development entity. Mayors and elected officials come and go, however, this group is not appointed and not political, but a constant voice for economic development. It was also established to be state wide, along the Wasatch Front and in rural communities.

There are two things the organization tries to do. First, their efforts are to try to recruit new businesses to the state, bringing new payroll dollars into Utah. Second, it works toward retention, targeting companies who are under pressure to close or relocate outside the state, due to mergers, acquisitions or some other reason. The goal is to try to increase the number of high paying jobs in the state, and also, to try to increase the capital investment being spent in Utah. The feeling is that projects, regardless of where they are located, benefit the entire state. It is a big picture attitude. The EDCU is funded by a blend of both public and private money. Local government, cities and counties, around the state contribute to what the EDCU is doing, and private companies, such as banks, law firms, construction companies, and engineering firms contribute to the EDCU funding. Currently, there are two hundred private members and about 50 public members that contribute.

In 2004, when Governor Huntsman was elected, he disbanded the state office of economic development, and chose to back EDCU as a member. A new contract arrangement has been successfully negotiated with the present Governor.

Mr. Edwards expressed that when Lehman Brothers went out of business last September, he feared it would cause EDCU to close, as well. The reverse has happened. At this time, there are more projects in the office than at any time in history. There are 307 projects, which are leads by companies looking to find a location somewhere in the western US. They have come to Utah to find out more, and about 150 of those are active accounts. Year to date from July 1, the EDCU can account for about three thousand new jobs created in the state, including about a dozen new companies. On the border of Murray, in Taylorsville, is Nelson Laboratories, a successful family owned company that has been here a long time. They employ about 275 - 300 people. While considering an expansion, they were being courted by other states, including an attractive offer to move to Missouri, with incentives for buildings, land, and other offers. Working with Taylorsville and the state, the EDCU persuaded the labs to expand here where they will double the size of the organization, to about 700 employees. These are high paying jobs for scientists, and lab technicians working in a unique part of life sciences. This is a target cluster for Utah as a state. EDCU is pleased about this decision. This will be a benefit to Murray as people with new payroll dollars will shop in City retail stores and car dealerships. Mr. Edwards reiterated his belief that all parts of the county benefit by having the increased wages and employment opportunities nearby.

In general, EDCU does not go after retail, because, it is thought that if business

comes in retail will follow. However, another important role for EDCU is an event created around the International Council of Shopping Centers (ICSC). Now in its seventh year, a Utah effort is carried out with many cities participating. Last year 22 cities were involved, cooperating together in the booth.

Golf is an economic indicator. There are more golf courses per capita in Utah than any other state in the country. Very often the subject comes up with site selectors, and they asked about local courses. High quality municipal courses at the fees charged are a positive note for these folks. All of that plays into the quality of life selectors are looking for.

Mr. Franks distributed a packet of information to the Council Members. It contains a recap of the EDCU history. Over the last three years EDCU has been responsible for bringing 95 projects to the state of Utah, representing a total of about 19,000 new jobs. Sixteen of those projects are headquarters, which means the corporate management and higher paying jobs have come along with the other positions. Included is total square footage use of about eight million square feet, and a capital investment of \$5.6 billion. The Board of Trustees is listed with the Murray Mayor on the Board and Executive Committee. He is the longest serving member. There is a page for the total investors' roster, and an outline of benefits of membership. Many data services, and networking opportunities are available. The new members of the Council are invited to attend an orientation on January 26, 2010, at 9:30 a.m. Mr. Franks expressed his opinion that Utah is in a good position to bring new people into the state.

A golf tournament is put on every year, and the funds are given back to the cities in the way of grants. Murray currently has three projects funded by the grants. The money does return to the cities.

It is astonishing that the state of Missouri has a brand new economic development office, although, they have come to EDCU to look at its business model. EDCU is funded at about \$2.3 million, and Missouri was funded for \$5 million at the start up. EDCU has a section on the website that lists available property location sites. Some site selection people will look at that to pre qualify some of their investigative work.

Lynn Pett added that he works on a long term basis, starting for Murray City at the age of 16, working 30 years and retiring at age 46. He then served two terms as Mayor. During that time he became associated with EDCU, and is proud that Murray was one of the original members of EDCU. Serving on the Board and Executive Committee, he was associated with some of the most important people in the state of Utah. He stated his appreciation of the support of the Murray City Council. The EDCU is very unique, in that it combines the efforts of the Chamber of Commerce, elected officials, economic development staff, and private companies. Competition between entities may drive companies away, but now everyone works together. Utah is very effective at ICSC due to this concept. He commented that he is proud of the efforts and

results of the EDCU organization, and he invited Council Members to come by the office and meet the staff.

**Business Item #3 Sister Cities International Discussion - Scott Baker**

Mr. Baker explained that he represents the Murray Chamber of Commerce and gave a little history of the Sister Cities International program. Four years prior, this program was fully sponsored by Murray City. The Chamber of Commerce joined forces to sponsor tours to China, to develop some cultural and economic ties. That year the Chamber agreed to help subsidize the payment of membership for the Sister Cities program. Following that, the Chamber took over the entire membership payment. As time has passed, the Chamber is no longer involved or organizing trips to China. In trying to trim the budget, Mr. Baker informed the group that it is his intent not to renew its membership in the Sister Cities program. He felt it was important to approach this group, before making the final decision, because it was originally a City program. He wondered if the City would like to take the program back itself, or if there were ways or ideas to help put the ties together to make it worthwhile. The cost is \$550 per year, which provides the opportunity to meet with the Sister City, which is Chi Yi, China. Any expansion beyond this opportunity requires absorbing the expenses involved. Mr. Baker commented that the payment was due last month, and they are aware of our consideration to discontinue.

Ms. Dunn stated that this was something started in the Mayor's office prior to Mayor Snarr, and she feels that they should have the opportunity to decide whether it is something the City wishes to continue.

Mayor Snarr said that it is not a priority at this time. He appreciates the relationship that Mr. Baker has tried to build, however, it is not something that the City would pursue now.

Mr. Baker added that he will follow through and let Sister Cities know that membership will not be continued this year.

Mr. Dredge announced that Mr. Wagstaff has been with Murray City for five years, and he has earned the 5-Year Award, which is a Costco gift certificate. Although the first few years were spent in the Mayor's office, Mr. Dredge thanked Mr. Wagstaff for constantly working to fulfill the responsibilities that were given to him when he was hired as Council Executive Director, and said the Council is appreciative of him.

Mr. Dredge adjourned the meeting at 6:13 p.m.

Janet M. Lopez  
Council Office Administrator