



MURRAY
CITY COUNCIL

MURRAY CITY MUNICIPAL COUNCIL COUNCIL INITIATIVE WORKSHOP

A Murray City Council Initiative Workshop was held on Tuesday, July 20, 2010, in the Murray City Center, Conference Room #107, 5025 South State Street, Murray, Utah.

Members in Attendance:

Jeff Dredge	Council Chairman
Jim Brass	Council Member
Jared A. Shaver	Council Member

Members Excused:

Krista Dunn
Darren V. Stam

Others in Attendance:

Frank Nakamura	City Attorney
Michael D. Wagstaff	Council Executive Director
Janet M. Lopez	Council Office
Briant Farnsworth	Attorney's Office
Dan Barr	Murray Library Director
Ed & Marge Brass	Citizens
Peri Kinder	Murray Journals

Mr. Dredge called the Council Initiative Workshop to order at 6:00 p.m., welcomed those in attendance, and proceeded to introduce the first discussion item.

Payday Lenders Resolution - Jim Brass

Mr. Brass mentioned that he had been approached by a group who had been visiting cities to request that a resolution be approved asking the Utah Legislature to look at excessive interest rates charged by payday lenders. These lenders have posted interest rates in the range of 400% to 500%. This group has requested to have interest rates limited to 100%, however, the resolution drafted by Murray does not set a rate, due to the fact that the City did not want to be tied to a specific number. At this time there is no state law that supports this, and he is not asking for a law, just to have a discussion regarding the issue.

Mr. Nakamura commented that the state has addressed the issue. Currently, they have deferred to private contracts entered into between the borrower and the lender. State law will preempt cities enacting legislation regarding interest rates.

Mr. Brass indicated that a copy of the draft resolution has been distributed to Council members, and he merely asks that the Council consider putting it on an agenda and decide whether to support it or not.

Mr. Dredge and Mr. Shaver both responded that they were in favor of this resolution. Mr. Brass mentioned that he had emails from both Mr. Stam and Ms. Dunn indicating their support, as well.

Mr. Shaver expressed that it is a benefit to have consumer protection measures in place against those that will take full advantage of others. This is something the City can do to send a message to our legislators and hope they will support it.

Mr. Brass added that the previous year the Council had passed an ordinance limiting the number of payday lender institutions, based on population and distance apart, therefore, it is something the City has given attention to.

Mr. Dredge asked how this would affect title loan companies, who take the title to your car in exchange for a loan, and if it is not repaid, then they can take your car. Mr. Brass stated that this does not address those lenders. Mr. Shaver said that they do charge a higher interest rate than if you were buying a car, but he has no first hand knowledge about the rates in their agreements.

Mr. Dredge asked what the next step is for this topic. Mr. Wagstaff responded that the resolution is drafted, and it can be added to an agenda to be considered at an upcoming meeting. Mr. Dredge said that the City should let the group know so that they can use the information in other presentations.

Mr. Brass noted that the county, and Logan have passed similar resolutions. Sandy City is considering one also. Some cities have chosen not to pass this legislation. Mr. Brass will notify the group spokesperson as to when it will be on a Murray Council agenda.

Mr. Dredge concluded that Mr. Brass has the Council support on this issue.

Library Board of Trustees Ex-Officio Member - Jared Shaver

Mr. Shaver sent emails to the Council, and stated that he is thrilled with his assignment to serve on the Library Board. There are good people there, actively involved with good discussions on topics at hand. He said that as ex-officio he was told

that he had no vote on the Board of Trustees. No language in the ordinance specifically states whether there is voting power or not. He has also been told that the representation is necessary because the Library is a taxing entity. In reality, it is not, it cannot set a tax without Council approval. Fees are set, just as the golf course did. A part of the language in the ordinance refers to the governing body. He did not understand what the governing body is.

Mr. Shaver expressed his confusion as to why a City Council member must be on the board when other similar departments with similar functions do not require that kind of representation. For example, the power department does not have a Council member who sits on the board. He wondered why it is required for the Library, and not other departments.

Three points were made by Mr. Shaver:

- If no taxing is done by the Library Board, why does the Council need to be a part of it?
- Clarification of what the governing body consists of.
- If the Council continues to serve, could that representative have a vote and serve as a full member of the board?

Mr. Brass stated that the Library shows as a line item on property tax statements. There is a levy that is voted on by the City Council to certify the tax levy for the City. In that respect, it is a little different from the power department or golf course, which do not collect property tax. Mr. Shaver insisted that the City Council does set that rate, regardless of what the Library may want to do.

Mr. Dredge asked to have an opinion from Mr. Nakamura regarding the concerns brought up by Mr. Shaver.

Mr. Nakamura mentioned that the governing body under the law, in an optional form of government, such as Murray, refers to the Mayor and Council. The reason for this is because the Mayor has executive and administrative functions, and the Council legislative functions. It is up to the City to decide what is administrative and what is legislative in nature. The term governing body is used because every city has a different form of government, and depending on what it is, that term applies. In Murray, the governing body means both the Mayor and Council, recognizing both the executive and legislative functions. That term should not be changed, and is preferred. Purchase of property is executive, and anything involving funds is legislative.

Mr. Nakamura continued to address the statue, which requires a Council

member on the board; that is correct. The taxing entity is the City Council who sets the tax levy. The non-voting matter is contained in the Library Bylaws, and the board has the authority to enact bylaws consistent to state law. There is no reference there as to the non-voting power. He stated that, perhaps, Mr. Barr could explain where that came from.

Mr. Barr said that he does not know the history behind the non-voting power. He did say that the bylaws contain the clause stating that the City Council should elect a representative to serve as a non-voting member of the board as liaison between the Council, and the Library board. This does address the function, of liaison, however, as to the non-voting he is not sure of the origin. He commented that the language must have referred to some questions at the time it was approved. Mr. Barr was not part of the Library at that time. As an anecdote, he indicated that there were times in the past when there appeared to be some tension between the Library board and City government. He recalled that sometime before the current building was constructed, the entire Library board resigned as a group. He does know if any of this was related, however, he feels some of the language in the bylaws was to promote better communication between the Library and City government.

In his tenure of 16 years, Mr. Barr expressed that some Council representatives were in attendance for only one meeting a year, and others have attended almost every board meeting. It may be more circumstantial, depending on the issues, and it has not made any difference to the board members. Mr. Barr communicated that if there were issues the Council should know about, he would certainly alert them. Attendance is not critical for the Council member, due to the fact that the position is non-voting, and the activities of the board would continue, as necessary.

Mr. Shaver has discussed this privately with Mr. Barr, and he concluded that the administration hires people who are experts in their field, and each one has specific areas of expertise, in which they advise the administration and the City Council. Mr. Barr contains the knowledge in his area, and it makes sense for him to come and inform the Council on activities, rather than a Council member explain what was done. He feels that makes more sense in facilitating information.

Mr. Barr feels that both can be done, and he is happy to serve as an informant to the Council, however, the function of the liaison might be lost without the ex-officio Council member. Determining the value of that position might be difficult, and he does not want to prevent any Council member from participating and attending, even without the title. He understands that it may be broader than just the Library board. Looking at other boards and commissions, it may be wise to make things as consistent as possible.

The Library is unique in that there is a Library fund with a separate tax levy, and

the board has certain powers, for example, he is employed by the board, not the Mayor. It is unusual, and not consistent with other departments.

Mr. Brass reflected that recently there was the issue with kids hanging around the Library after school. At that point the Council representative to the Library board received many phone calls from constituents about the issue, and was able to meet with the Library board, and then work with the Council and School Board during community meetings to resolve the issue, very quickly.

Mr. Dredge stated that he looks at the matter similarly to Mr. Shaver. He thinks that the format of the Committee of the Whole provides the opportunity for department heads to discuss issues with the Council whenever necessary, such as the parking lot, increasing rates, or other presentations to the group. He does not want to upset things, unless special circumstances exist, which he does not see, that requires a Council member to be in attendance. He stated that the minutes from the meetings are received, and he agrees with Mr. Shaver.

Mr. Shaver shared that Mr. Stam commented that if there is taxing done by the Library, then he is in favor of a Council member being in attendance with a vote.

Mr. Brass said that Ms. Dunn would like to keep it the way it is now, but give the Council member a vote on the board. Mr. Brass stated that all the boards are advisory boards to the Mayor and then the Council is notified. When he was first elected, he noted that he would have an impact on Planning Commission decisions, just by being present. Mr. Brass confirmed that the Library board is different, in that they hire the director and his employment is based on that. The power board does not hire the power general manager, and the history board does not hire Ms. Kirk. The Library is different, and it is nice to have the seat present, if needed, in case someone does something unacceptable.

Mr. Shaver mentioned that he has not completely resolved the matter in his own mind, however, he does not like that he has no voice. Mr. Barr reassured Mr. Shaver that his comments during the strategic plan process were very well received due to his experience. One never knows what value they may provide to a group.

Mr. Shaver concluded that he would like to work with Mr. Nakamura on language that may be more common between the Library bylaws and the City ordinance.

Mr. Barr mentioned the board representation from Council districts. Mr. Shaver remarked that in other departments, rather than serving from a specific district, board members may be from the City at large. Mr. Barr explained that it is difficult at times to get representatives from each district, and sometimes a board member serves longer because a replacement has not been named. If members are at large from the City, the

oversight is still approved by the Mayor, who may want to consider balance. Mr. Dredge agreed that it is something the administration would like the Council to address globally. It is tough to find people willing to serve on the boards.

Mr. Barr announced that the Library board would meet the following night and he will keep them abreast of the conversation, also, he would like to meet with Mr. Nakamura to make sure there is consistency between the Library bylaws and municipal code.

There being no additional business, the meeting was adjourned at 6:25 p.m.

Janet M. Lopez
Council Office Administrator