



MURRAY CITY MUNICIPAL COUNCIL COUNCIL INITIATIVE WORKSHOP

A Murray City Council Initiative Workshop was held on Tuesday, August 17, 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

Member Excused:

Krista Dunn

Others in Attendance:

Frank Nakamura	City Attorney
Michael D. Wagstaff	Council Executive Director
Janet M. Lopez	Council Office
G. L. Critchfield	Attorney's Office
Paul Smith	Utah Apartment Association
Carol Heales	City Recorder
Tim Tingey	Community & Econ Dev. Director
Jan Wells	Mayor's Chief of Staff
Doug Hill	Public Services Director

Mr. Dredge called the meeting to order at 4:30 p.m. and welcomed all those in attendance. Mr. Dredge gave a brief overview of the Council Initiative Workshop noting that the intent of the meeting process is to talk initially about ideas, and decide if there is enough interest in particular subjects to pursue them further. The second step in the process would be to sit down with the administration and city staff to gain input, advice, counsel and direction on the issue brought forward.

Discussion Item #1 - Service and Performance Reviews

Mr. Dredge stated that the nucleus for this idea came toward the end of the budget process. There was some discussion among Council members about the process that the Information Systems (MIS) department was going through. It was

agreed that this type of review process may be of value for some of the other City departments. He thought that other areas might benefit from an outside eye on a periodic basis. The details regarding what departments, and how often to review have, purposely, not been indicated here at the outset of this discussion. The discussion comes down to, is it a value to have this sort of review to provide insight from a different perspective, for potential action by the department itself or by the Council.

Mr. Shaver asked for a reminder of the review that Information Systems is undergoing. He was confused as to the intent of this discussion item.

Mr. Dredge explained that it was determined that it would be a benefit to have an outside entity take a look at the MIS department, and a company has been selected to begin the review. They will look at hardware, software, accounting software, how it is used, if the appropriate tools are being utilized, and if a different networking platform should be instituted.

Mr. Shaver clarified, then, that even the department would be in favor of this type of review due to their own familiarity with particular programs and processes. He asked if it is something the administration would suggest, or if the Council would recommend this review to look at how a department is managed or operated.

Mr. Dredge said that he had not gone far enough with the idea to know the answer to that question. However, it was a group discussion, which lends itself to his own background of systems, internal controls, and procedures. He continued, sharing that he is often brought into long tenured businesses where things have evolved, however, they are not as efficient as possible because the evolution of the business has not encouraged education as times have changed. The outside review of the business is beneficial. And city departments may need to be on a three, five, to ten year rotation for reviews. Mr. Dredge said that when he looks at a department, its staff, in discussions, and considering the budgeting process, over the last seven years, he has seen where it would benefit a department to have a third party look at internal controls, procedures, how information is being presented, and how it could be presented more efficiently.

This meeting is the formalization of those informal discussions between Council members after the budget meetings. Mr. Dredge related his intent for this meeting was to discover if everyone feels the same way, and whether it is time to move forward with specific requests.

Mr. Brass asked how this would be budgeted for, because there will be a cost, and, second, how does the Council get recommendations to be adopted after expenditures for these studies. He remarked that a department study was done in the past, and \$50,000 was spent on an audit. None of the key recommendations were

followed. That was the power department, and that department head is now gone. His overriding concern was that the message sent maybe one of an adversarial role, and he is concerned about that. His preference would be to sit down and talk, rather than build a wall by bringing in outside consultants who may or may not be of value in the end.

Mr. Dredge said that whether or not the idea becomes adversarial depends on how it is approached. The Council would not send an edict down, but have a discussion with the administration on the value of outside audits of departments, as it was agreed with the MIS department.

Mr. Brass concurred on the need for the MIS audit, and bringing that department up to date. Mr. Dredge asked if we know that the Finance department is up to date, as an example. This is based on the need for timely information that is sometimes difficult to obtain due to the tools and processes available. Who makes the determination as to whether or not it may be of value to give the Council more information.

Mr. Shaver confirmed that the question of whom and what is important. Although he realizes that it may be more of an administrative function. He is in favor of a resolution, referendum, or ordinance which states that certain things need to happen on a regular basis, but the implementation is an administrative function. Maintaining the separation is key, and the language is very important.

Mr. Dredge agreed with that point, and with Mr. Brass' note about the money spent and return on investment. Mr. Brass commented that obtaining information may be more of a software issue in finance, not being able to get data. That is a citywide problem, and the issue becomes having the will to spend the money on the software.

Mr. Dredge returned to discuss the issues in the power department a few years prior. There was some concern on how funds were being posted. He asked if it was a system or software problem. He agreed that the Council should not tell the administration how to fulfill some of these things, the question is, should the Council ask that periodically systems be reviewed to insure efficiency. The finances are a good point, there is not a lot of control over what the administration puts into practice. The Council has no control over that.

Mr. Brass said there are things that everyone can do better. The unprecedented economic event, longer than most people expected, has brought on much of the strain on the budget. He would like to see the Council and administration communicate face to face rather than lobbing grenades over walls. This issue may just build that wall higher.

Mr. Stam mentioned two points that he sees. Both he and Mr. Dredge relate this issue back to their own personal business. Many times people get into a habit of doing

things a certain way over a period of time. With current economic difficulties many people are going out of business, personally, he is still in business because he has tried to keep up with present practices. It is hard. To become more efficient, it is sometimes necessary to have an outside source help with efficiency. He feels strongly that there must be a mutual agreement with administration to do this. Both must sit down and select which departments need to be reviewed. That becomes a group effort.

Mr. Shaver thinks the periodic reviews are a good thing. He is disturbed when people do not know why things are done a certain way. Processes should be questioned, and updated. How it is done is the question. He does not want to have any unintended consequences down the road.

Mr. Brass concluded that everyone seems to agree on the need for reviews from time to time. He is anxious to see the results of the MIS audit, and he would like to get better data from finance, so that budgeting can be more intentional. Money will have to be spent on software. He does not want to cause issues with particular departments.

Mr. Dredge has envisioned sitting down with the administration to talk about which departments will benefit from this, and determining a regular rotating schedule. He has also seen that people inside the department may have ideas on changes that would be helpful, although, it is difficult to change a large organization. He would like this to be a tool to review in a positive way to improve processes. It should be someone from the outside to look over how things are done. He would like to sit down with Ms. Wells, to talk about it, and report to the Council. He wants to come to terms with the fact that it is valid to do this periodically, and how it can best be done. Step one is to get a consensus from the Council. His understanding is that the concept is good, however, it is important to be careful in implementation, working closely with the administration so that it is a win win project. Determination of magnitude is something to be considered during discussions.

Mr. Brass would like to see five times return on investment.

Discussion Item #2 - Good Landlord Program

Mr. Dredge mentioned that he and Mr. Brass met with Paul Smith of the Utah Apartment Association to learn about this program. Mr. Smith will address the Council shortly.

Mr. Dredge stated that there is very little control over rental units in town, and this is a source of complaints from many citizens. He has long time Murray residents ready to move because the quality of apartment complexes is not being kept up, and individuals being rented to have brought down the area. Many people are in favor of the Good Landlord program. The Hunters Woods complex is a problem in his district,

behind the former Galleria site. The crime rate has increased significantly, and other than leaving the city, residents nearby do not know what to do. People are fearful of going out at night and fearful that their homes may be broken into. The demographic of renters are one that likes crime. This is just one example. His weekly crime report shows that a disproportionate share is centered in rental units. In talking about what can be done to improve the situation, the Good Landlord program was brought to his attention. Mr. Smith will talk about some of the benefits of the program.

Mr. Paul Smith is the Executive Director of the Utah Apartment Association (UAA) that is an association of property managers and landlords. The UAA has partnered with ten cities that have Good Landlord programs. The concept is to license all landlords from the large complexes to single family homes. Any rentals with less than three units are not required to be licensed, currently. The license gives the city contact information, which allows it to notify the landlord when there is crime on the property. When cities send an email notification, then the landlord can use his means to take care of the problem.

Mr. Shaver asked if he means that the landlord himself takes care of the problem. Mr. Smith confirmed that. He further stated those calls for service have decreased as much as 30% on rental property in cities that have the Good Landlord program. The way that it goes down is that the landlord can begin an eviction process, or warn the tenant, serving formal warnings and notices. They solve the problem so that the police do not have to.

Mr. Smith said the Good Landlord program is basically three things:

- License everyone.
- Give two fee options - By state law a fee study must be completed, called a disproportionate fee study, about \$25,000. This determines whether or not there are a disproportionate number of calls on rental properties. For example, West Jordan has 78% more calls for service on rental properties. They can justify a \$200 fee per unit on rentals. The purpose of the fee is a two-step incentive, which could result in lowering the unit fee down to, maybe \$7 per unit.
- More than 85% of landlords opt to participate in the program that helps to lower the calls for service.
 - The city asks that the property owner run background checks on prospective renters.
 - The property owner agrees to handle the problem when the city lets

them know there was a crime committed. The owner might begin the eviction process.

Mr. Brass stated that after hearing about the program earlier, he had concerns. One issue surfaced in a Tribune article regarding a man with a police record who was making a good effort to rehabilitate himself, and he lost his job and will probably be evicted from his housing. Mr. Brass said that there does not seem to be much room in the Good Landlord program for people who are trying to turn their life around. He admitted problems surrounding rental properties that are not having the lawns watered and cut. He would love to have a way to fix that, but he is concerned that this program comes very close to legalized housing discrimination.

Mr. Smith responded that there are eight protected classes that prevent Murray owners from discrimination against people. Criminal history, credit, previous landlord histories are not protected classes. It is common for landlords to deny people for those things. What he thinks was important, brought out by the Tribune, was the question, "should the city tell landlords what their criteria should be." He thinks no. Ogden and some cities say that in addition to the background check, owners must deny people according to certain criteria. Mr. Smith likes the approach of South Salt Lake and Taylorsville. These cities ask for the background check, so the landlord will know who they are renting to, but then they decide for themselves whom they wish to rent to. They go on to say that the landlord may rent to that person to give a second chance, however, they may not give a third chance, and once there is a problem, the renter must be evicted. He feels the background check should be mandated, and then the landlord should be accountable for whatever decision he makes regarding whom he rents to.

Mr. Smith gave an example of a rental property he owned and the renter stopped paying rent, therefore, he began the eviction process. Two days later the police contacted him about a crime issue there. They told him police had been to the property 15 times. Mr. Smith was surprised the police had been there 15 times without notifying him. He then went to the neighbors and asked them to inform him when they saw a problem. Many times the neighbors do not know what they can do to solve a problem. What the city does with the Good Landlord program is to facilitate a solution. With the licensing and contact information the city can inform the owner. Neighbors love the program for improving the quality of renters, and this facilitates the owners having more tools so that the area is not negatively affected by the rental property.

Mr. Dredge stated that he has learned that people who don't have proper contracts cause the problems; those with good property management attorneys build safeguards into the contract. He feels it is important to sit down with the police and attorney's offices to craft a good ordinance for how Murray would utilize it. He also stated his concern because Midvale, Taylorsville, and West Valley had adopted the Good Landlord program, then their less than desirable individuals, people who do commit crimes, where will they go to rent.

Mr. Brass liked the idea of licensing everyone. Although, he feels it will be impossible to force someone to water their lawn. Some people will be physically and/or financially unable to do it. There must be a way to help them so that the laws can be enforced equally. Getting rid of a meth lab or habitual criminal will not be a problem, however, helping someone rehabilitate is a different subject.

Mr. Smith expressed the process that works well. Gather a group involving code enforcement, police, business licensing, Council and administration. After three to four meetings the group would develop an ordinance that would fit Murray. Landlords should be free to make decisions regarding whom they rent to, however, it is within city rights to say there are some basic principles of property management that will reduce calls for service. The goal is to reduce costs, reduce calls for service, and improve neighborhoods. Carefully crafted it can be done. In West Valley some neighborhoods have seen crime reduction as much as 60%. In two years, South Salt Lake has had a crime reduction of more than 20% citywide. Ogden calls are down 31%, and some of the other cities have similar results.

Mr. Brass asked if there were documentation of the crime reduction. Mr. Smith stated that he could get contact information to obtain the numbers from the cities themselves.

Mr. Dredge commented that he feels this program will give the neighbors hope. If one lives next to a rental property where there are continual problems, the residents don't see what can be done.

Mr. Shaver agreed that the lack of education on the side of property owners is a problem. Mr. Smith explained that the UAA has developed a property management 101 course that has been put on for over six thousand property managers. They usually arrive grumbling that the city is requiring them to do this. At the end of the class, 95% of the people remark as to how helpful the information was. The knowledge of the laws, risks, and how easy it can be to deal with issues is very helpful. This basic information helps them be more profitable and better citizens to reduce costs and improve neighborhoods.

Mr. Brass added that he has had property owners in his district that have discovered meth labs in their rental properties, which has come as a surprise and been financially devastating.

Mr. Shaver mentioned that the language of the program will need careful crafting, however there are multiple benefits.

Mr. Tingey asked to address the Council on the Good Landlord program. He referred to the housing market study that was completed and adopted in June 2009. One of the components of the study strategies was to look at rental housing needs in the community. He and his staff have worked diligently to make these things come to

pass, and one suggestion was to evaluate programs to enhance rental housing including the Good Landlord program. The CDBG coordinator was assigned the task to evaluate this program.

Mr. Tingey does understand that each of the Council members have issues in their areas that they receive calls about, and he admitted that he does not have that perspective. Research done in the department has led him to some skepticism related to this Good Landlord program. He feels that the issues need to be brought forward, thought through, and evaluated prior to adopting this program.

Mr. Dredge stated that the Council values his opinion, but noted the shortness of time. He explained that nothing would be adopted that evening. This meeting was merely to see if Council members agreed to the merit of this issue, and there would be another meeting to sit down and talk about his concerns.

Mr. Shaver agreed, stating that another forum would be appropriate with the time to allow him to address the program. When the Council looks at language and how it would be done. This will give the Council a chance to go back, read through, see where it fits in with city material, and then have Mr. Tingey present that information when they start to adopt something.

Mr. Tingey wanted the Council to know that his department has done some research on the Good Landlord program. They have looked at it, evaluated it, and contacted many other cities. There are some merits to it, and he has met with Mr. Smith. There are things that would enhance the rental needs, however, there are issues of concern that he has heard from other communities that have adopted this. It is important that everyone understands these issues. The biggest issue is related to costs. It needs to be evaluated based on the costs to the city, especially as it has to be administered. The code enforcement is under his department, and it is important to reflect on those, and understand the perspective from cities who have adopted the program, are administering it, and having some challenges with it.

Council members felt it was important to have that information. Mr. Dredge noted that there would be a Committee of the Whole meeting to discuss all the issues. Mr. Shaver confirmed that he would like to look at some of the other cities' ordinances. Mr. Dredge stated that he asked Mr. Wagstaff to put together a homogenized example of an ordinance, recognizing that the details would need to be worked out with City staff.

Council members decided to look into this topic further. Mr. Dredge asked Ms. Wells to put that on a list to talk about in more detail.

Discussion Item #3 - Murray City Service Council's Award

The final topic introduced by Mr. Dredge was a service award that was inspired by Carol Heales who had suggested that Mr. Dredge read the book Quiet Leadership.

The book talked about true leaders as people who do the small things in a community who are not recognized as the well-known flashy people we read about in the news.

Mr. Dredge was recently made aware of some gentlemen in Ms. Dunn's district, who were helping a single mother load her belongings into a truck for a move to Texas. In conversation, the mother expressed concern about driving this big truck from Utah to Texas. Two of the men helping volunteered to drive the truck through, and at their own expense flew back to Utah. Based on this illustration, Mr. Dredge thinks these acts of quiet kindness and leadership serve as examples for others around them to "pay it forward" and do good for other people. This is not something to take away from the Mayor's annual service award, however, as the Council sees these quiet acts of kindness, his suggestion is to recognize those individuals for the greater good, as an inspiration to others. It would be an award presented at a Council meeting, asking the press to come by and take a picture. It is intended to be given as the Council sees service of this type. It would become an agenda item under special recognition.

The documentation gives an example of how it would be brought forward, and this format can be modified as necessary. He welcomed feed back, and opened the meeting for discussion on this issue.

Mr. Brass expressed his favor of the idea, giving the focus to the positive every now and then. Mr. Shaver agreed, as did Mr. Stam, who commented that some people do lots of things that deserve a thanks. It would be nice to do so.

Mr. Nakamura saw no administrative impact, and clarified that the Council could go ahead with awards of this nature.

Mr. Dredge thanked Ms. Heales for her inspiration in this area.

Mr. Brass expressed his request that as Council Initiative Workshop ideas come forward, each sponsoring member should have an opportunity to sign off with their support. He objected that his name was on a couple of issues, one that he specifically had concerns with, and did not support to move forward.

Mr. Wagstaff confirmed that the suggestion was well taken and would be used to in the future. This is only a meeting for initial discussion; no formal action.

Mr. Dredge adjourned the meeting at 5:26 p.m.

Janet M. Lopez
Council Office Administrator