

# **Murray City Municipal Council**

## **Chambers**

## **Murray City, Utah**

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**T**he Municipal Council of Murray City, Utah, met on Tuesday, the 3<sup>rd</sup> day of May, 2016 at 6:30 p.m., for a meeting held in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

Roll Call consisted of the following:

Blair Camp,	Council Chair – Conducted
Brett Hales,	Councilmember
Diane Turner,	Councilmember
Jim Brass,	Councilmember
Dave Nicponski,	Councilmember

Others who attended:

Ted Eyre,	Mayor
Jan Wells,	Chief Administrative Officer
Jennifer Kennedy,	City Recorder
Frank Nakamura,	City Attorney
Janet Lopez,	Council Administrator
Janet Towers,	Executive Assistant to the Mayor
Rondi Knowlton,	Mayor's Office
Craig Burnett,	Police Chief
Joe Tarver,	Deputy Police Chief
Doug Roberts,	Police Lieutenant
Steve Sanderson,	Police Department
Dylan Sorensen,	Police Department
Gil Rodriguez,	Fire Chief
Jon Harris,	Deputy Fire Chief
Doug Hill,	Public Services Director
Kim Sorensen,	Parks Superintendent
Danny Astill,	Water Superintendent
Amy Goller,	Parks Department
Justin Zollinger,	Finance Director
Brenda Moore,	Controller
Tim Tingey,	Administrative and Development Services Director
Trong Le,	IT Division
Blaine Haacke,	Power Department General Manager
Greg Bellon,	Power Department
Kim Fong,	Library Director
Citizens	

## 5. **Opening Ceremonies**

5.1 Pledge of Allegiance – Brandon Burningham

5.2 Approval of Minutes

5.2.1 Council Meeting – April 5, 2016

5.2.2. Council Meeting – April 19, 2016

Mr. Brass made a motion to approve both sets of minutes

Ms. Turner seconded the motion

Voice vote taken, all “ayes.”

5.3 Special Recognition

5.3.1 Swearing in of new Murray City Police Officer, Dylan Sorensen.

Staff Presentation: Craig Burnett, Police Chief

Chief Burnett said welcoming new members into the Police Department is always an exciting time. The Police Department has waited a long time for this. In July 2015, they were given three new positions to fill. Mr. Sorensen has filled the third position.

Mr. Sorensen was born and raised in Murray and was one of the Cadets. There are now four people that have come up through the Cadet program currently working for the Police Department.

When Mr. Sorensen applied to work for the Police Department, they could see he was a quality young man. There were other agencies looking at him at the same time, so they grabbed him. He has been working with the department since January while he finished up the Community College POST. He has been here a long time doing a lot of training and he is more than ready to get out and start doing his job.

Chief Burnett said they are excited to have Mr. Sorensen and know he is going to be an asset to the citizens, the City and the Police Department for many years to come.

The swearing in ceremony was conducted by Jennifer Kennedy.

Mr. Hales said he has known Mr. Sorensen for most of Mr. Sorensen’s life and he is one of the finest young men he knows. He is honest and respectful. He will be a great asset to the Police Department.

5.3.2 Presentation of the “RainHarvest Award of Excellence” to Murray City for its partnership in the RainHarvest Program.

Staff Presentation: Nick Schou, Utah Rivers Council

Mr. Schou said he is the Conservation Director for the Utah Rivers Council, a 501c3 non-profit located in Salt Lake City. This is their 21<sup>st</sup> year of operation.

One of the things the Utah Rivers Council does is promote water conservation initiatives. Few people realize that Utah has the highest per person water use in the United States. Due to Utah’s population growth and the recent years of drought there are increasing water quality problems. They created a program called RainHarvest to encourage residents to collect and use rainwater to reduce water use and improve water quality. Murray City is an outstanding partner and was the first city that wanted to partner with the RainHarvest Program.

This program went viral last year. They were trying to get 200 rain barrels out into the community and ended up getting well over 2,300 rain barrels out. This means every time it rains enough to fill a 50 gallon barrel, 115,000 gallons of water is saved. That will become millions of gallons of water over time. This is all because of Murray City’s leadership. Mr. Schou said he wanted to recognize Danny Astill, Water Superintendent for his excellent partnership.

When Mayor Eyre put his name on the program, many other cities were eager to be a partner of the program and help reduce water use. Many other municipalities joined and they were able to reach over 1,000 different families and households through the program last year and help families begin a lifelong path of water stewardship. That was the most amazing part of the program.

Because of Murray City’s outstanding partnership and needed leadership on water conservation and water quality improvement they want to recognize Mayor Eyre and the Water Department with the RainHarvest Award of Excellence.

Mr. Schou presented the award to Mayor Eyre.

Mayor Eyre stated it was really Mr. Schou that put this program together. He put on such an incredible program that as soon as the City heard about it, they knew this would be a win-win for our community. We are proud to be one of the first cities to step forward for this program.

Mayor Eyre is excited that other cities joined the program also. There were

a lot of other Mayors at the press conference for this program and many called afterward to get involved with it. The City is grateful for this award and thankful for the way Mr. Schou put this entire program together and the success of it.

**6. Citizen Comments** (Comments are limited to 3 minutes unless otherwise approved by the Council.)

No citizen comments were given.

**7. Consent Agenda**

7.1 None scheduled.

**8. Public Hearings**

8.1 Public Hearing #1

8.1.1 Staff and sponsor presentations and public comment will be given prior to Council action on the following matter:

Consider a Resolution approving the Mayor's Award of two separate one thousand dollar (\$1,000) college scholarships to two local high school students.

Staff Presentation: Mayor Ted Eyre

Mayor Eyre said there is a line item in the budget for the Mayor's Office called Mayors Special Projects. That money is used for things such as working lunches, flowers when someone passes away and thank you cards. This year he would like to put some of the money in the Mayors Special Projects line towards two \$1,000 scholarships for two students, one from Murray High School and one from Cottonwood High School.

Mayor Eyre has met with the principals and counselors at both of these schools outlining the parameters of this scholarship. This scholarship should go to someone who might not otherwise qualify for other scholarships. It is not based on GPA, athletics or music. It's based on what the student has contributed to the community and school and what they have overcome to be able to go to college. It should go to disadvantaged kids that have really struggled to overcome and might not otherwise have the support or structure that would allow them to receive a scholarship.

The scholarships are administered by the money being given to the school. The school puts the money into a trust fund and the trust fund holds it until the student is registered for school. Once the student goes to school, the

money will be transferred from the trust fund to the school they are attending; the money is not handed to the student. The Mayor's Office has already received applications and recommendations from both schools.

**Public Hearing Open for Public Comment**

No public comments were given.

**Public comment closed.**

8.1.2 Council consideration of the above matter.

Mr. Hales made a motion to approve the Resolution  
Mr. Brass seconded the motion

Call vote recorded by Jennifer Kennedy

<u>A</u>	Mr. Brass
<u>A</u>	Ms. Turner
<u>A</u>	Mr. Hales
<u>A</u>	Mr. Nicponski
<u>A</u>	Mr. Camp

Motion passed 5-0

**9. Unfinished Business**

9.1 None scheduled.

**10. New Business**

10.1 Consider a Resolution approving an Interlocal Agreement for the Sale of Renewal Power from the Intermountain Power Project, as amended, and authorizing the execution and deliverance thereof and of Renewal Offer documents.

Staff presentation: Blaine Haacke, General Manager – Power Department

Mr. Haacke said this issue has been talked about a lot. He is asking the Council to approve two measures tonight. The first measure is to adopt a resolution that will allow the Power Department to enter into an agreement for the sale of renewal power for 50 years with the IPA (Intermountain Power Agency). The second measure is to pass a resolution that will allow the Power Department to enter into an excess power sales agreement.

Mr. Haacke said he appreciates the Council and the Attorney's Office for helping them get to this point. It has taken years of negotiation with the California entities

that are partners in the IPA group, as well as the other Utah entities that are also involved in this, to get to this point. The IPA group consists of 23 Utahans, six Co-ops and six California entities. This IPA project began back in the 1980's and the contract expires in 2027, which is why we are here.

The issue at hand is what is going to happen with the coal fired plant after 2027. California legislation does not allow California entities to bring coal fired generation across state lines. The California entities that are currently involved are bound until June 16, 2027 to take power from the IPA.

The existing contract consists of a few things. First of all, there will be no contract after 2027. That is when the Californian's will walk away from the coal fired plant and give ownership to the Utahans. That is an issue that will have to be dealt with when the time comes.

Murray Power currently has 4% entitlement of the 1,800 megawatts existing in the plant; or 72 megawatts. This means Murray Power has entitlement, ownership, or allowance bring back 72 megawatts which is quite a bit of energy. Today, our load is around 70 megawatts and in the summer it will go up to about 110 megawatts. As of right now, we have other ways of bringing power into the City so we are not calling back IPA at all and haven't done so for about six or seven years. We have cheaper places to buy power. However, this coal fired plant has been our ace in the hole. It's been in our back pocket so we could call it back if we ever needed to.

With the plant generation there is also transmission entitlement that has a value. We have quite a bit of entitlement that goes down to Southern California if we have to use it. The problem with the contract is that you have to call back the generation to get the transmission. It's complicated.

We have called back up to 25 of our 72 megawatts in the past. We did that for one season right after the Enron situation when things were really tight in the market and the Western United States. We have not called back anything in the last five or six years because the natural gas prices have been so low that we have been able to get cheaper electricity on the market.

Mr. Haacke told the Council that tonight he is asking them to pass a resolution that will allow the Power Department to, by signature, continue with this plant after 2027. Nothing different will take place until June 16, 2027. Starting that day, there will be a new plant, which will be built in the meantime. There may be new partners as well as new operation methods.

After 2027, the plant will not be coal fired, it will be natural gas. That will happen right away. A couple of months ago, the Council passed the Second Amendatory Agreement which allowed IPA entities to build a natural gas power plant to replace the coal fired plant. That was a big step forward.

The natural gas plant will receive gas from the Kern River or other pipelines that are going along the western part of Utah down into Southern California. Most of the natural gas comes from the Wyoming Basin and they will easily build a 40-50 mile spur line over to the plant and pick up the natural gas. The fuel supply will be there for natural gas however we are not sure what the price will be.

All roads focus on natural gas as being the resource we should be moving towards. Nuclear is coming into the mix, but that will be brought before the Council at a later date.

We will continue to have 4% entitlement in the plant after 2027. The plant will not be sized at 1800 megawatts. We have been told it will at least drop down to 1200 megawatts, a 33% reduction. It may even go as low as 600 megawatts, a 66% reduction. We don't have any control over the size of the plant. LADWP (Los Angeles Department of Water and Power) are the ones that will control the size of the plant.

The Utah callback is 200 megawatts, which is a pretty good chunk. Up until this point, LA (Los Angeles) had to absorb the call back in addition to what their own load was. It has been very hard for them to do that. For example, if they call back 600 megawatts and suddenly Utah called back 200 megawatts, LA would have to come up with 200 megawatts on their own because they had planned on using Utah's load to cover their own load.

Mr. Haacke said he realizes that may not have been a very good explanation of how that happens, but LA will size the plant accordingly. They think it will be about 800 to 900 megawatts; meaning it will be about half the size of what the plant is now. That still allows us to have 4% of that entitlement. If it is cut in half, to a 900 megawatt plant, we will still have 36 megawatts. Having 36 megawatts in our back pocket is still a good resource.

Remember, we are asking LA to build this plant and they are going to build it on their own dime; not one penny from Murray is going to go towards it. Yet at the end of, or during, the contract we can call the energy back as we want. If we don't want it, we can give it back to them. That's the beauty of the contract. Mr. Haacke thinks that there is nowhere else in the world where you can have a contract where you can pick and choose the size of resource you want and give it back and forth.

The reason LA is doing this is because they built it in Utah and they have an allegiance and loyalty to the Utah customers. LADWP has three million customers and one third of them come from Utah's Delta Power Plant. One million people receive their energy from that plant. LA is not going to walk away from this. They are going to bond for it in IPA's name, but they will not walk away from this, which is good for us. They are going to build a plant and then turn it over to us in 2077.

Some Californians will drop out of this and LA will pick up the slack. There are six

Californians involved right now. Anaheim will not be interested after 2027, however the other Californians will.

Mr. Haacke stated he believes all the Utahans will re-up. To him, it's kind of a no brainer. If someone will build a resource and plant for you then allow you to pick and choose the kilowatts you want out of it, why wouldn't you do that?

There is a soft deadline of May 25, 2016 to have this resolution passed by. The reason it is a soft deadline is because the Utahans can act faster than the Californians can on adopting this same type of resolution. The Californians have to go to their CEC (California Energy Commission) to get approval to build a plant in Utah before the cities can take it back to their Council. It's kind of backwards to what we do. The Californians are going through the rigmaroles of State Government right now to try to get the okay to build the plant, then they will go back to their City Councils and ask for the same thing he is asking our Council to do tonight which is to pass a resolution that allows the City to go into an agreement to build this plant.

This is a big day for Murray. This is a 50 year commitment. There is one escape clause with this and that is that we can sell or assign our entitlement to somebody else in Utah. If we decide we want 2% entitlement instead of 4% we can go back and do that.

There are 11 cities in Utah who have already passed this resolution. Four others are presenting it to their Councils tonight and six more will present it next week. All Utahans will have passed this resolution by the end of May.

Mr. Nakamura clarified the 4% ownership is assuming no Utah cities drop out. If some did, we could have more.

Mr. Haacke said that is correct but it won't drop below 4%.

Mr. Nakamura said the reduction in capacity, although we prefer it not to happen, should not impact the decision because we have to sell our excess power to Los Angeles, whatever amount that is.

Mr. Haacke said that is correct and that 4% is the key number, not 72 megawatts. He added they might not know the size of the plant until 2019 or 2020. The reason is because in 2019 the Californians are given an off-ramp if they don't want to stay in the project. It's a moving number and we just don't know how big the plant will be, but 4% of the City's future is something. It's a resource, it's in our back pocket, and it's not going to cost us anything unless we call it back.

Even if we do call it back it's going to be in the market range. It will not be exorbitant or out of whack unless natural gas goes totally out of control, which is not projected.

Mr. Nicponski made a motion to adopt the Resolution  
Mr. Brass seconded the motion

Call vote recorded by Jennifer Kennedy

<u>A</u>	Mr. Brass
<u>A</u>	Ms. Turner
<u>A</u>	Mr. Hales
<u>A</u>	Mr. Nicponski
<u>A</u>	Mr. Camp

Motion passed 5-0

10.2 Consider a Resolution approving an Interlocal Agreement for the Sale of Renewal Excess Power from the Intermountain Power Project, as amended, and authorizing the execution and deliverance thereof.

Staff presentation: Blaine Haacke, General Manager – Power Department

Mr. Haacke said this is a different resolution for a different agreement. This Excess Power Agreement is the call back. This is an agreement between Murray City, IPA and LADWP. LA is the California entity that participates in the call back. The other five Californians are not involved with the call back.

Mr. Haacke said if the City determines we want some megawatts for the summer season, we can give them written notice telling them we want to call back “x” amount of our entitlement for just the summer season. Then when our loads drop off in the winter time, we can give it back to California. It’s a give and take type of deal. It has worked splendidly for the past 25 years.

This Excess Power Sales Agreement is really more important than the Renewal Agreement in a way. If the Renewal Agreement gets passed without the Excess Power Sales Agreement, we would have been bound to taking 4% of our entitlement forever. That is too many megawatts to manage. The Excess Power Sales Agreement allows us to leave it on the table if we don’t want it or take it off the table for our use. This is very important because the Renewal Agreement cannot go without the Sales Agreement and vice versa.

Mr. Haacke said everything stays the same until 2027. After that, this new Excess Power Sales Agreement will come into effect.

Right now, we can call back up to 4% of our entitlement through the summer or winter season. These are six month seasons. We have to give LA a six month notice for this under the present contract.

We will get 4% entitlement in the next contract too. The seasons will be a little bit

different. The seasons will be a four month summer season from June until September and an eight month winter season. We put that into the negotiations because it helps us out to have a four month summer season and an eight month winter season. The reason being is because when we called back our resources under the current contract, there are months, such as April and May, where we had to call back an entire summer of allotment and couldn't use it all the because our loads weren't high enough.

We were having to call back for six months at a time which really hurt us because sometimes we were paying for energy we couldn't use. With the new Excess Power Sales Agreement the four month season will fit nicer into our load. As far as the eight month winter season, we have excess in that and will probably never call that back. There are other Utahans that have the counter to that, such as Heber City. They peak in the winter time and want the four month call back in the winter and the eight month in the summer. It just depends on the Utah entity and how they want to do it.

In the new agreement, we will have to give LA a one year notice, not six months. This is not a big issue. If we ever have a call back after 2027 it will be a three year commitment. We have to call it back for three years. On the fourth year, we can lay half of our allotment back and lay back the last half on the fifth year. It will be a five year cycle from beginning to end, right now it is a six month cycle.

The three year commitment in the new agreement is something that LA didn't want to back down on. They have to account for Utah's call back as well as their own load. When we did a six month call back at 25 megawatts, they scrambled. They had to find capacity from somewhere else because it was called back. Because of situations like that, LA wanted a little more stability and length. There is no way to get around that three year call back in the new agreement.

Mr. Haacke said we will be able to pattern our call back which will be a big benefit to us. We won't have to call back between one and six in the morning when we don't need it and we can call it back a little bit more during the afternoon hours. This plays into our load a lot better. This is something they haven't been willing to do up until this point. When we called back before it was a set amount every hour of the day, which sometimes hurt us, because we don't need the load in the morning. By them allowing us to pattern it, it will help us out as well.

Mr. Haacke stated that transmission comes with the generation. He added there may be a market for transmission in years to come and having access to the transmission line from Delta down to Adelanto, California may come into value at some point. Who knows, it may become more valuable than the generation.

Mr. Haacke added he needs this Excess Power Sales Agreement to tie with the Renewal Agreement. One without the other will put Murray into a big bind. He thanked Frank Nakamura, City Attorney and Briant Farnsworth, Senior City

Attorney for all their help in getting us to this point. There have been a lot of meetings with IPA and the City Council.

Mr. Nakamura said the call back provision is critical. We were concerned we wouldn't get it and without that call back provision we would be in serious trouble. Mr. Haacke was the one that negotiated that, and did a great job in doing so.

Mr. Haacke added that if there had not been some type of call back, he would not have brought the renewal to the Council; we would have walked away from the plant.

Mr. Camp asked if the three year commitment can be modified by mutual agreement if we don't want the power for three years and LA agrees to take it.

Mr. Haacke responded anything is possible when LA is the key player. However, he thinks they would want to stick with the three years. He advised the Council to vote as if the three years is going to stick.

Ms. Turner made a motion to adopt the Resolution  
Mr. Hales seconded the motion

Call vote recorded by Jennifer Kennedy

<u>A</u>	Mr. Brass
<u>A</u>	Ms. Turner
<u>A</u>	Mr. Hales
<u>A</u>	Mr. Nicponski
<u>A</u>	Mr. Camp

Motion passed 5-0

- 10.3 Consider a Resolution approving an Interlocal Cooperation Agreement between the City and Salt Lake County ("County") Department of Community Services for receipt by the City of TRCC funds.

Staff presentation: Doug Hill, Public Services Director

Mr. Hill stated the Murray Park Amphitheater was constructed by the City in 1982 and is almost 35 years old. Over that period of time, it has benefited our community in many ways. We have had numerous cultural performances, education events, and hosted beauty pageants and award ceremonies there. It continues to be a very popular facility in Murray Park. However, like everything, over time it ages and we find out things we need to add to the facility to make it better.

Approximately two years ago, we asked the Mayor and Council to fund a study of the Amphitheater. That was completed and the architect who we hired made several

recommendations on what we should do to bring the Amphitheater into compliance with a number of codes as well as uses.

The study is recommending that we add a new plaza to the Amphitheater, change the entrance to add a new steel canopy over the roof of the stage, a new control booth for lighting and sound, a new stage, a loading dock, concession and ticketing area, additional restrooms, additional storage and dressing rooms as well as ADA and safety improvements.

Mr. Hill said all this comes with a cost. The architect's estimate came in at a little over 2.5 million dollars to make all of these improvements.

Mayor Eyre is a member of the Salt Lake County TRCC (Tourism, Recreation, Cultural, Convention and Airport Facilities Tax Act) Board. Anytime someone comes and stays in a hotel or rents a car in Salt Lake County, there is a tax that is collected which goes to the County. The TRCC Board entertains applications each year and ultimately decide how they want to spend those funds.

The City put in an application to remodel the Amphitheater because of the Mayor's participation and influence. The County agreed to fund us up to 50% of the cost or 1.273 million dollars. The agreement being considered tonight would transfer those funds to Murray City over a period of two calendar years. We would get half of that 1.2 million dollars this calendar year and the remaining half next calendar year. The City is required to match this amount of money; it's a 50% match.

Mr. Hill said he hopes the City can come up with the funds to match the money that the County will provide and that we can begin designing this project as soon as possible. If this agreement is approved tonight, we will return it to the County and ask them to send us the money. The project will go out to bid sometime during the summer so construction can start in the fall and all improvements can be completed before the summer season next year.

This would all be in the next fiscal year budget of the City. Mr. Hill said it is his understanding this is one of the components that is being proposed in the budget being presented tonight. The agreement is subject to the appropriation of funds and we are not committed until the funds are appropriated through the budget process.

Ms. Turner made a motion to adopt the Resolution  
Mr. Brass seconded the motion

Call vote recorded by Jennifer Kennedy

<u>A</u>	Mr. Brass
<u>A</u>	Ms. Turner
<u>A</u>	Mr. Hales
<u>A</u>	Mr. Nicponski

A Mr. Camp

Motion passed 5-0

10.4 Presentation of the Mayor's Fiscal Year 2016-2017 Budget Address.  
(Attachment 1)

Staff presentation: Mayor Ted Eyre

*"Members of our City Council, fellow residents, employees and staff, thank you for giving me a few moments tonight to present my budget recommendations for the proposed fiscal year budget for 2016-2017. This is a combined result of a great deal of hard work by our department heads, staff, and especially our Finance Director Justin Zollinger. It is with deep appreciation that I present for your consideration, my third budget. It is amazing to me how fast the time has gone by, and how much we have worked together on over the years. However, I think each of us is more excited about the future than the accomplishments of the past.*

*Since a picture is worth a thousand words, tonight I'm going to share with you some of the things in our city that the budget will address.*

*The revenue sources that provide for our cities' operating budget come from several different entities. The largest portion comes from sales tax: approximately 33.2 percent of the overall budget. We are extremely fortunate to have over 3,700 businesses in our community that provide goods and services, not only for our residents but for the tens of thousands that come here each day to shop, dine, work and recreate. In the past couple of years, we have had a year-over-year growth in sales tax. This allows for a corresponding 11.57 percent increase in the general fund. The other major source of revenue comes from property tax. This equals roughly 14.4 percent of our general fund budget.*

*This visual represents the overall property tax bill our residents receive and what portion comes directly to the city. As you can see, of the total amount, we only receive 13.54 percent of the funds. Due to extremely wise and conservative financial decisions, we have not raised the residential property tax since 2006, and I'm happy to report that we are presenting a balanced budget without proposing any new tax increases this year. This small amount of funding is designated to help with many projects and services. With the improved economic conditions, we are able to have our projected sales taxes handle any additional costs that we have. Because of the leadership of our department heads, the guidance and direction from our finance department and the decisions this Council has made, we continue to be one of only two cities in our state to maintain a Triple-A bond rating.*

*As you know, our existing city hall has many challenges that we can no longer continue to ignore. The building was remodeled in the early 80s and has served us*

*well for almost 35 years. However, it is not built to current seismic standards, the roof and windows leak, and the infrastructure needs to be replaced. From an economic development point of view, this State Street property would be more valuable for additional development and the city hall could be placed in a different area of the city - \$3 million has already been saved toward this project. Our finance director has planned and saved and is preparing to pay some off our current bonds at the end of this year with the anticipation of allowing the current payment for the future bonds to equal the cost of a new city hall bond payments.*

*There isn't a day that goes by without discussion on how to improve our downtown area. This is exciting for me as I'm sure it is for you. We have had some new projects in the downtown area, and it is just the beginning of an exciting new face and atmosphere. This is such a prime area in our city. We are fortunate to have some very talented local partners and developers with a great vision for the future, as the project gets underway. Several types of funding will be used in this area, such as redevelopment agency (RDA) and tax increment finance (TIF) dollars. This will give us a boost in helping with some of the basic infrastructure improvements. We are anxious for this downtown redevelopment project to compliment the other great businesses we have in the city.*

*In this same area, our oldest fire station that was built in 1979 is located on 4800 South. As the downtown development takes place, we will possibly need to relocate this station. We have property in mind as to where we can construct a new Station #81 and will do that as the timing dictates. We have started to save for this project in this budget.*

*As we are talking about one of our public safety departments, efforts are made each year to maintain our public safety equipment, to update for the best technology possible, and keep other items current. Ambulances don't have a long service life. On a regular basis, funds are budgeted for purchasing new ones. This year, to extend the life of one of our ambulances, it is being rebuilt. This effort will save \$45,000 as the refurbishing cost is \$185,000 versus a new ambulance at the cost of \$230,000. This will also provide extra time to save money to purchase a new one in the future. The new fire truck we budgeted for in past years just arrived, and we received our new ambulance a few months ago. These were both purchased by careful savings through the years, just as we are currently doing now for new vehicles.*

*As part of our CIP planning, in the police department, 10 new vehicles are scheduled to be purchased and rotated to keep our fleet as current as possible. We have also budgeted for a new fingerprint and palm scan machine for our police department.*

*In the budget, we have projected an increase in sales tax revenue of 10.83 percent. We always appreciate new opportunities for business growth in the city. Fashion Place Mall is a great example of a vibrant location that is continually recreating*

*itself to keep that reputation. The Macy's that is currently under construction will be another wonderful anchor tenant. Also, 53,000 square feet of new retail space will be constructed which will add additional businesses and sales tax growth.*

*Having new jobs and new residences in the city creates a greater demand for goods and services. These expanded opportunities for increased revenue will create a healthy mix in our community. We are looking forward to having Security National expand their facilities at 5300 South and west of I-15. The first phase includes a large parking deck and 250,000 square feet of office space. This will bring many new jobs and economic opportunities for our city.*

*We are very fortunate to have one of the finest parks in the state of Utah. We have budgeted for many upgrades to the facilities in the park.*

*Murray Amphitheater is a favorite spot for many of our residents and others to enjoy family entertainment with local performers. This facility was built in 1982 and is in need of updating and renovation. We were just awarded over \$1.2 million from the Salt Lake County Tourism, Recreation, Cultural, and Convention Facilities (TRCC) funds to make improvements to the amphitheater and surrounding area. We have budgeted the matching portion of the grant in our budget. We will be able to improve the area with new fencing, a plaza, path, steel canopy, control booth and stage. The concession area, ticketing booth, additional restrooms, easier ADA accessibility, safety improvements and other projects will all be redone or added as well.*

*Salt Lake County has a program to help communities with facilities called the Zoo, Arts and Park (ZAP) tax. The funds are collected for several years and then distributed to the cities in the county based on applications they make. We have submitted an application asking for several items to enhance our beautiful park.*

*I've proposed that a splash pad be built where the old ice skating rink was located, in addition to new restrooms. Our portion of the funding for this has been included in this budget, and we are hopeful to have it built within 18 months, depending on ZAP funds being available. This will add another fun, family feature to our great amenities in the park.*

*The city has owned the old Armory building, east of the Boys and Girls Club, for several years and has discussed many options for its use. We feel its best use to be that of a Community Center. When incorporated into the park, it will not only be a beautiful repurposed building but will add additional green space to the park. The funding for this upgrade is included in the ZAP grant proposal.*

*Also, we included upgrading for the pavilions and the Vita Course in the park. This drawing show some of the innovative plans that will bring a fresh new feeling to the park.*

*The sprinkling system at the Murray Parkway Golf Course has been in need of a replacement for several years. This is a \$2 million dollar project that we are able to undertake this year. It will be done in a careful and thoughtful fashion to allow play to continue through the season. This will help our golf course maintain its reputation as a premier course for years to come.*

*In the proposed budget, there is approximately \$2.6 million from various sources to make improvements and maintenance to our roads. Some of the roads we will be addressing are Fashion Boulevard, the Chevy Chase and Wesley areas, McHenry Street, Sanford Drive and Murray Parkway Avenue. Our crews are going to be extremely busy this year.*

*The power department is undertaking a several-year project to replace the street lighting in the city with new LED lights and fixtures. With over 3,000 lights in the city, this will be a big effort and \$135,000 is programmed in this budget to begin the project. The goal is to have matching fixtures throughout the city. In the long run, these bulbs will save money and energy.*

*Because of the willingness of all department heads to cooperate in holding their budgets as tight as possible, we are able to once again provide employee compensation through cost-of-living and merit increases. Always when considering employee compensation, I remember that we are a service organization, and I feel our employees go the extra mile to provide the best services possible to the residents. That means we need good people to meet the needs of the city. I am amazed at the great employees who work at the city and their wide variety of talents. It is a pleasure to see their dedication and interest in serving citizens. With a merit system in place, we are able to reward those who go the extra mile to do their jobs. I am recommending a 1 percent cost of living (COLA) increase and up to a 4 percent merit increase based on employee evaluations. This year, with the help of our Human Resource Director Mike Terry and department heads, we were able to discuss every individual city employee and evaluate their salary. If departmental adjustments were needed, we were able to do that this year in addition to a bonus for red-lined employees. Also, because of the careful use of our health insurance by employees, we were fortunate only to see an increase in the premium of less than half of what it was last year, and the city will continue to cover those costs. It is such a privilege to work with great employees, and I'm excited to be able to provide these increases as a reward for their hard work and dedication.*

*Working within the framework of a required balanced budget, we have compiled a budget that addresses our daily operating costs, capital improvement expenditures and employee compensation. I would also like to once again pay tribute to our department heads and the leadership they provide. I truly feel we have the finest staff in the entire state.*

*In conclusion, I would like to add a final comment. After having the privilege, over*

*the past two years, of seeing nearly every aspect of what makes a city work; and after being a part of three different fiscal year budgets, based on balancing our needs with available tax revenues, I have come to this conclusion: What a Bargain!*

*We live in a community with clean and safe neighborhoods, world-class medical facilities, wonderful choices in shopping and dining, great schools and ever expanding economic opportunities. However, just last week the national news announced that for the first time in history, Millennials now outnumber the baby boomers. We have the responsibility to hand off this great bargain to the next generation. We need to ensure that there will be new, good-paying jobs through wise economic developments, increased affordable housing and a new downtown area that will be environmentally friendly, walkable, bikeable and a fun place to congregate. We need to ensure that our vision of the future is their vision of the future.*

*Thank you for the privilege to serve with you in the great endeavor.”*

10.5 Consider a Resolution acknowledging receipt of the Fiscal Year 2016-2017 Tentative Budget from the Mayor and Budget Officer, and referring the Mayor's Tentative Budget for review and consideration to the Budget and Finance Committee of the Murray City Municipal Council.

Mr. Brass made a motion to adopt the Resolution  
Mr. Nicponski seconded the motion

Call vote recorded by Jennifer Kennedy

<u>A</u>	Mr. Brass
<u>A</u>	Ms. Turner
<u>A</u>	Mr. Hales
<u>A</u>	Mr. Nicponski
<u>A</u>	Mr. Camp

Motion passed 5-0

## **11. Mayor**

11.1 Report

Mayor Eyre said the League of Cities and Towns in conjunction with Lt. Governor Spencer Cox, Gail Miller, KSL News, and law enforcement agencies around the State have started a new program. The program is referred to as Beyond the Badge. It is a program to recognize our outstanding public safety officers. The City's Police Chief, Craig Burnett, is supportive of this program and has already started to communicate to some of his managers to look for opportunities where applications can be submitted for this recognition.

Mayor Eyre stated every month there is a meeting called COM (Conference of Mayors). It was hosted by Murray City last Thursday. It was a very informative meeting. There were about 14 Mayors here for the meeting and they discussed items that might be helpful to all the different cities. The Power Department put together gift bags for the meeting. The bags contained some very informative information about LED lights. He thanked Matt Young and Greg Bellon from the Power Department for putting those together.

Mayor Eyre said that last Wednesday, Murray hosted a very successful economic forum that about 30 people attended. Tim Tingey, Administrative and Development Services Director arranged for a trolley to take them on a tour of the City. Mr. Tingey spoke about all the economic development that is taking place throughout the city. The Murray City video was also shown.

Mayor Eyre said he met with David Grauer with Intermountain Medical Center to tell him how much the City appreciates everything he has done. His last day will be Friday and there is an open house for him on Thursday at the Doty Education Center from 2:30-3:30.

#### 11.2 Questions for the Mayor

### **12. Adjournment**

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Jennifer Kennedy, City Recorder

# Attachment 1

# 2016-2017 Budget Address

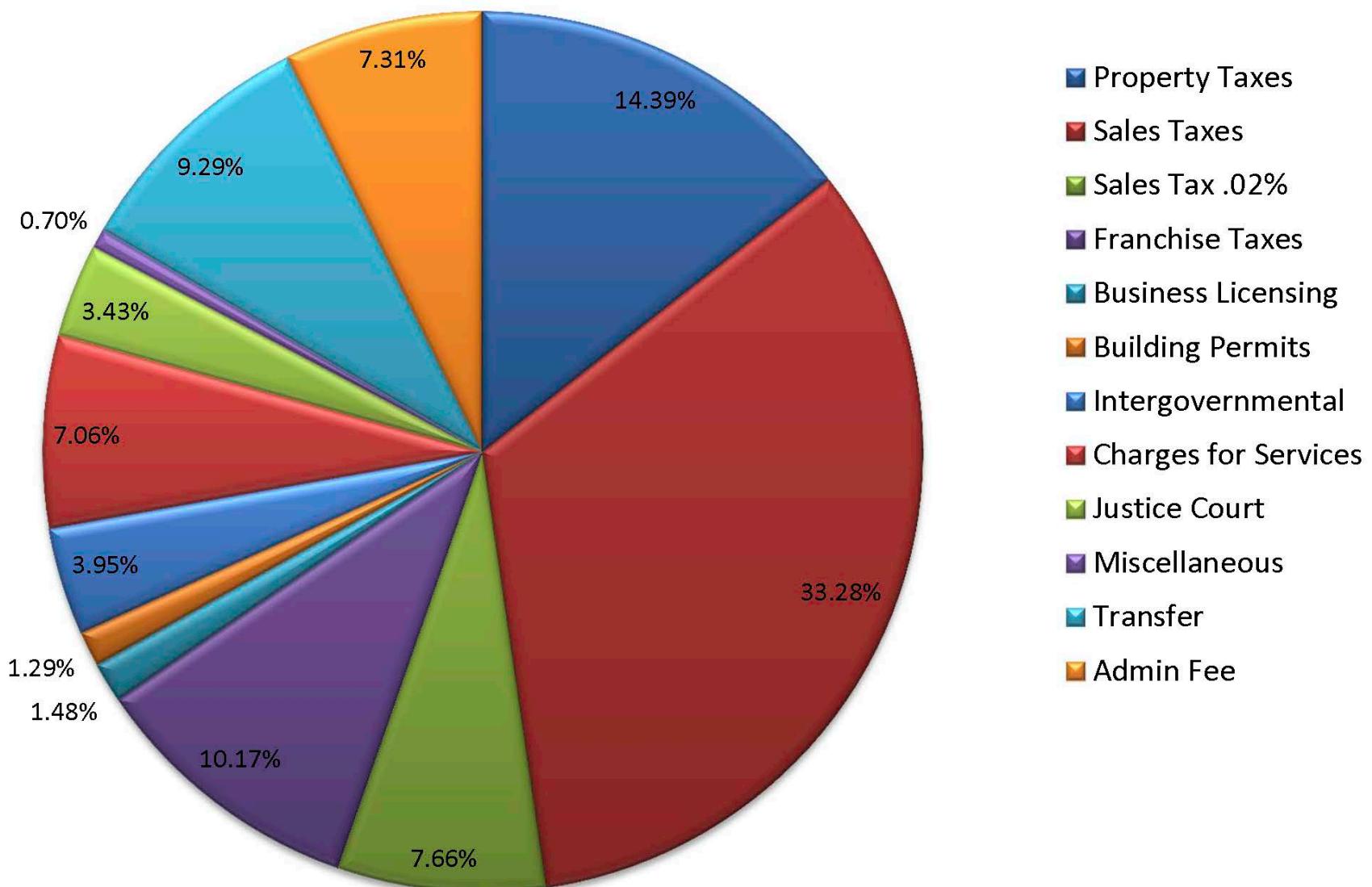
Mayor Ted Eyre

May 3, 2016

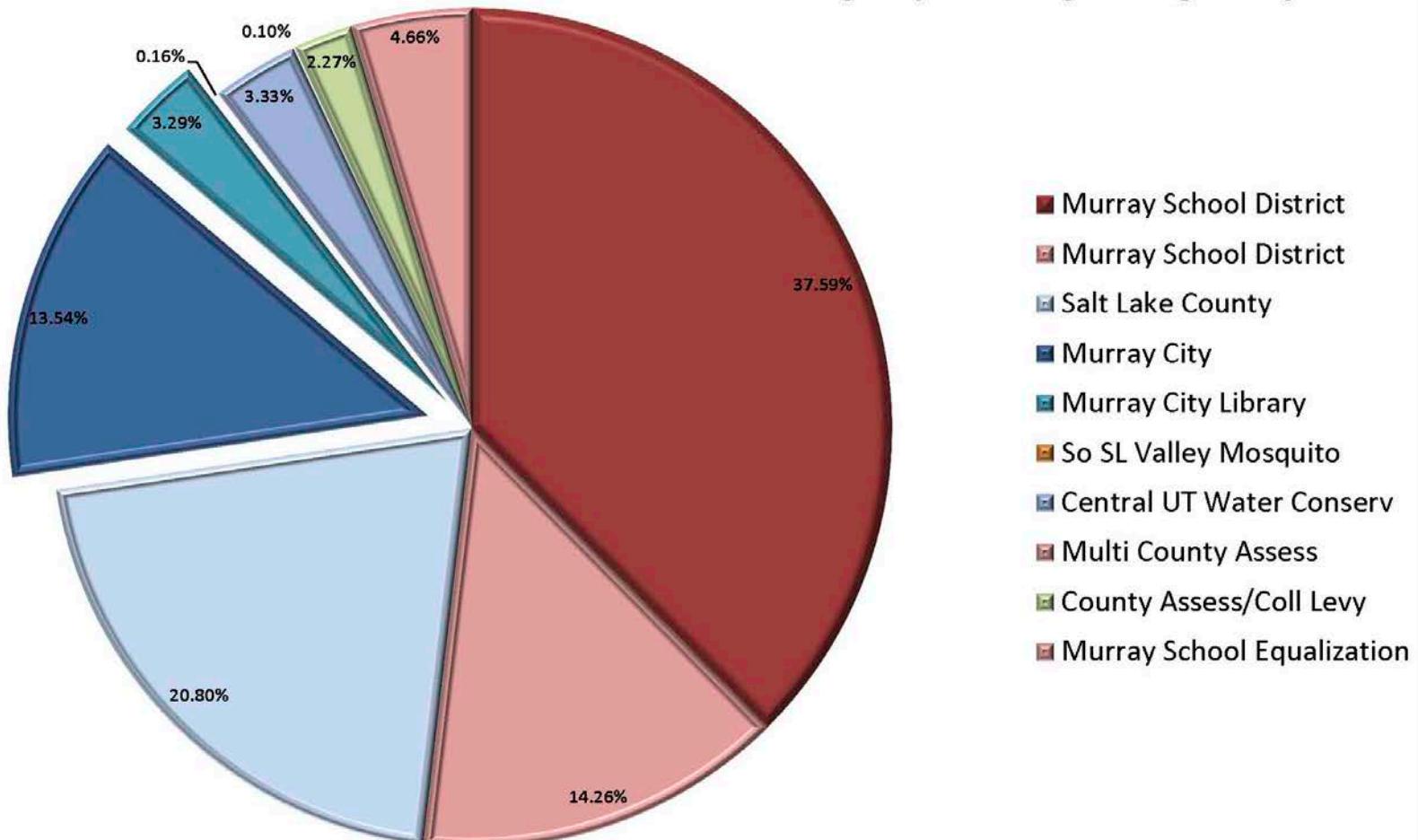


MURRAY

## General Fund Revenue by Type

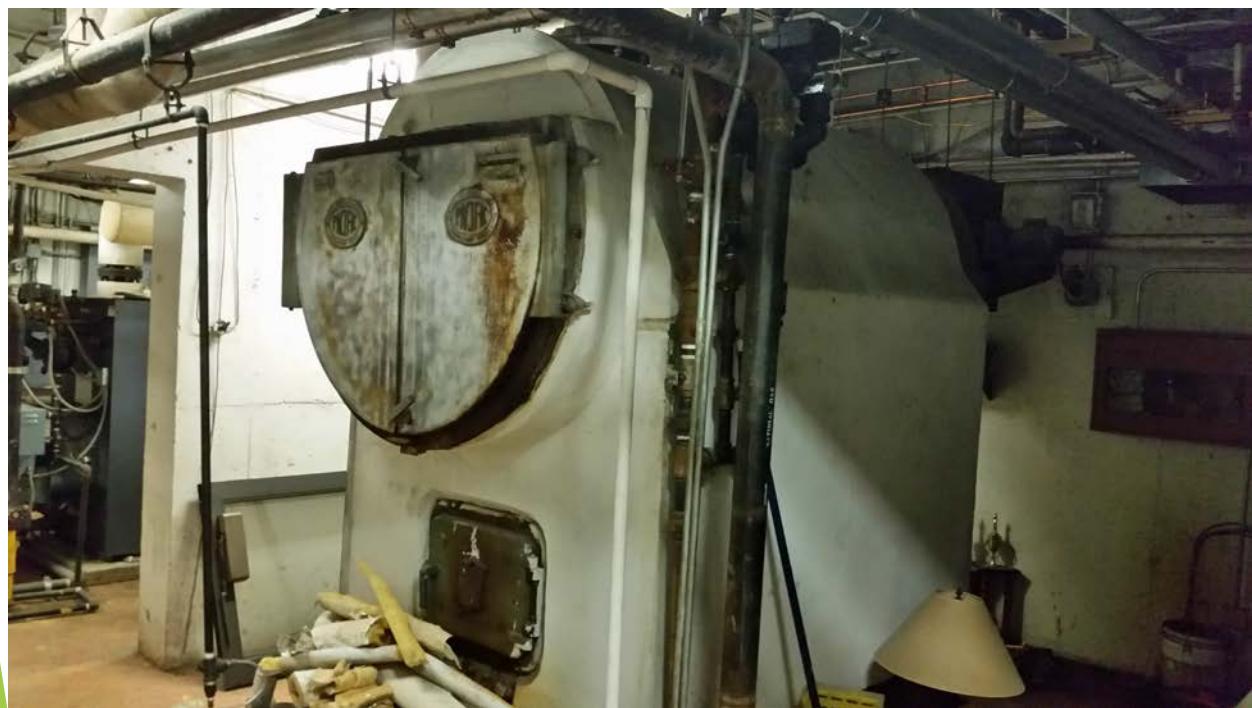


## Property Taxes by Taxing Entity



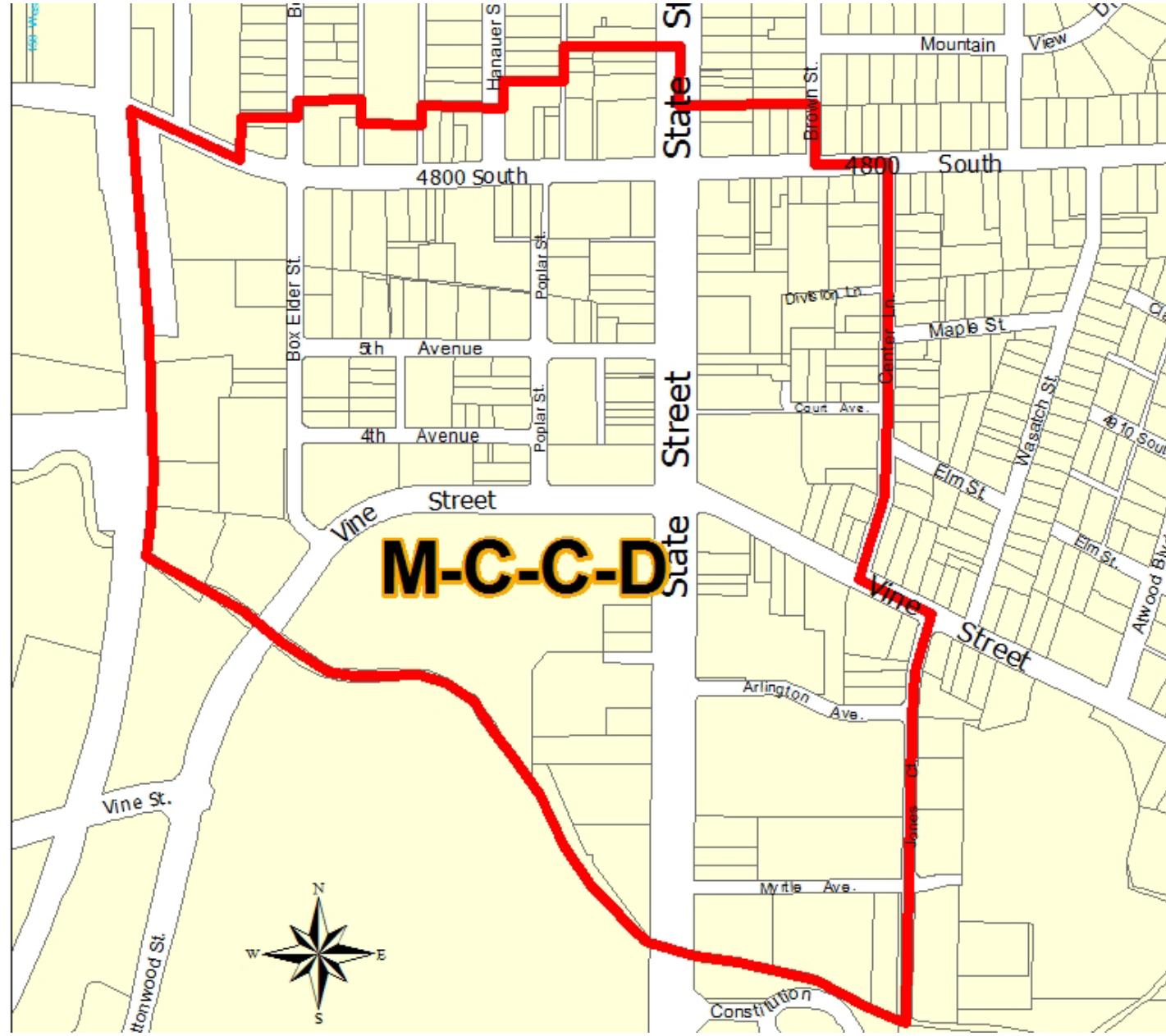




















Currently proposed expansion of the mall (on the north end) is 83,572 square feet, 50,000 of which will be leasable space.



# Professional Office Development

Security National has proposed a six-story office building totaling 200,000 square feet and a four-story parking structure at 5300 South 360 West. This is the first building in a multi-phase project at this site (7.23 acres).

## SECURITY NATIONAL -PHASE 1

53rd Corporate Park - Murray, Utah



IBI GROUP  
10 Exchange Place - Suite 112  
Salt Lake City UT 84111 USA  
tel 801 532 4233 fax 801 532 4231  
[ibigroup.com](http://ibigroup.com)

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IBI Project # 37136

## SITE PLAN SUBMITTAL

March 06, 2015

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OWNER:

Owner:  
Security National  
5300 S 360 W, Suite 300  
Salt Lake City, UT 84123



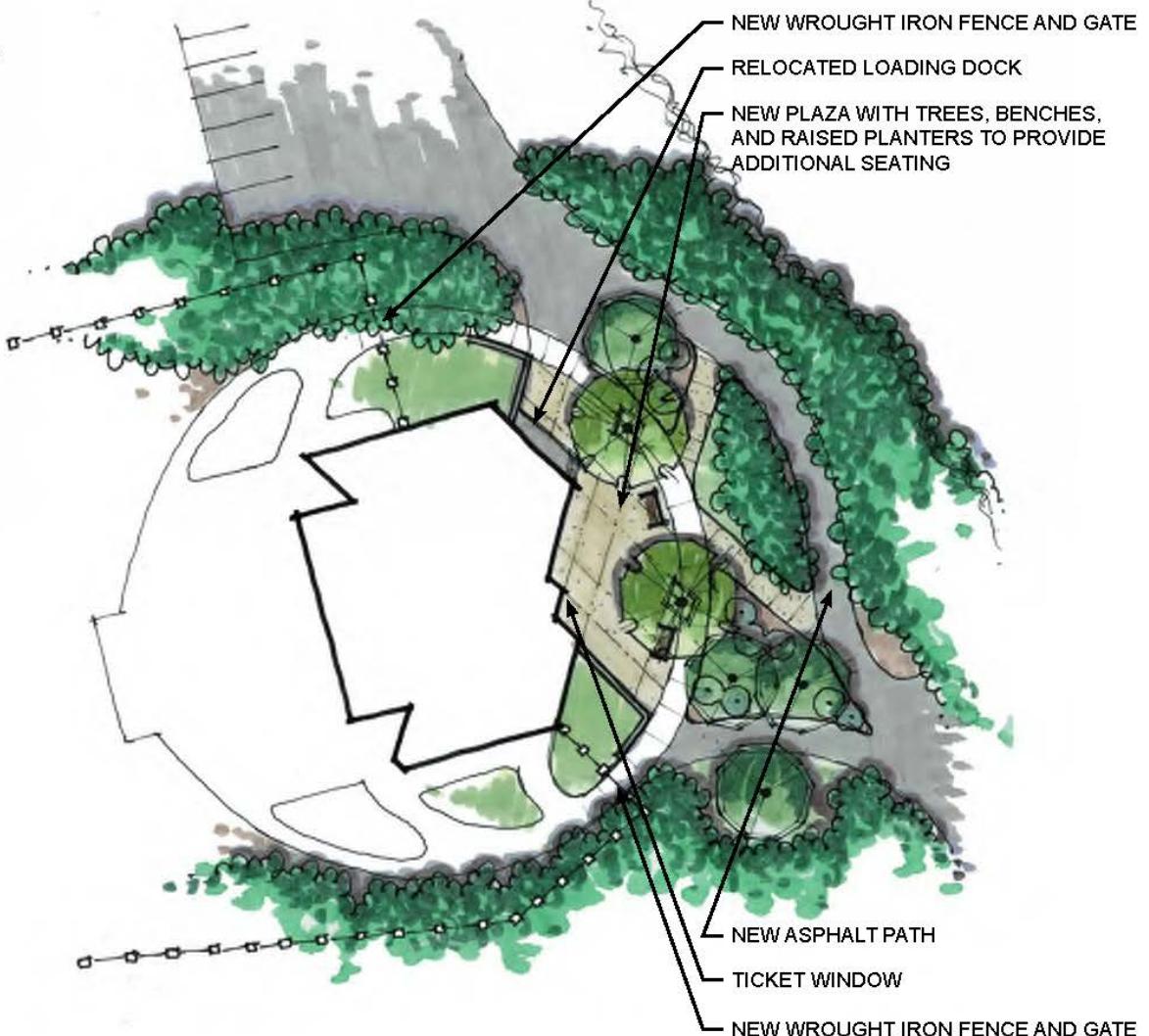


## AMPHITHEATER | Vision

As the existing arrival process of patrons was evaluated, it quickly became clear that the biggest problem with the current amphitheater was the fencing that cut off theater from the rest of the park. Adding permanent ticket and concession booths would not remedy this problem.

Thus a comprehensive new site plan was developed that moves the fence line back, allowing the dressing room and ticket booth addition to open directly into the park, create a new plaza in front of the amphitheater that could be used by park visitors during the day, and for early arrivals to the productions in the evening.

A loading dock was maintained for back-of-house arrivals, but making this adjustment gives the amphitheater a real presence in the park.

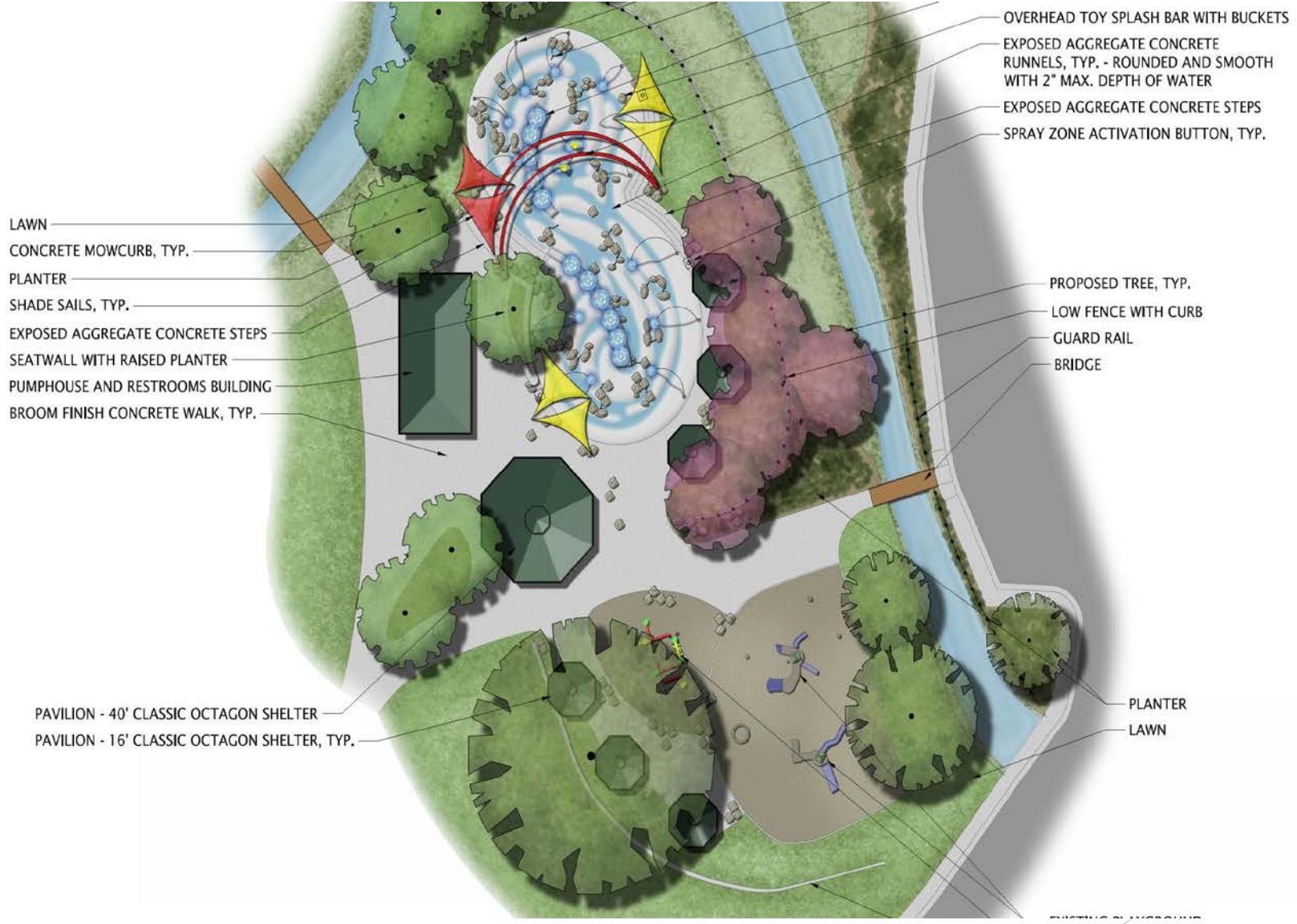


### SITE IMPROVEMENTS

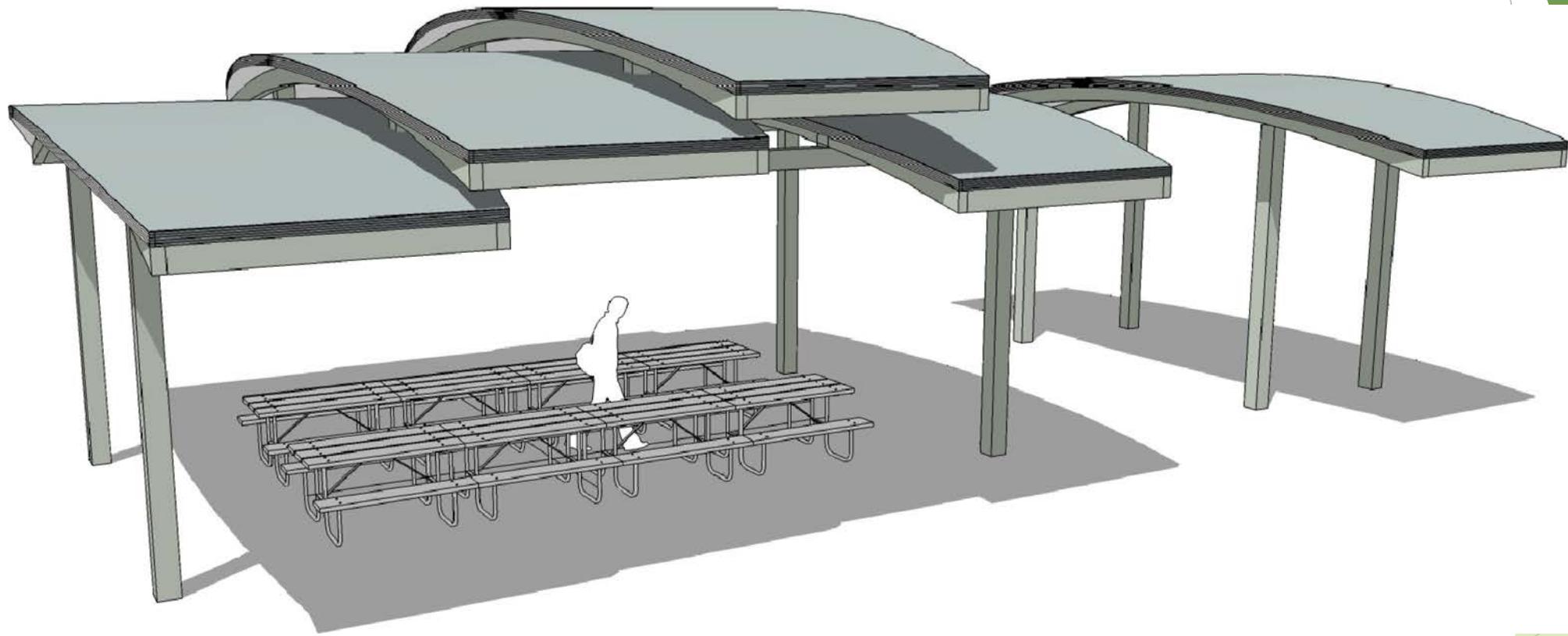
Murray Park Amphitheater Upgrade Study



ARCHITECTURAL  
**nexus**















# 2016-2017 Budget Address



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