

Murray City Municipal Council

Chambers

Murray City, Utah

The Municipal Council of Murray City, Utah, met on Tuesday, the 6th day of June, 2017 at 6:30 p.m., for a meeting held in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

The meeting was conducted by Brett Hales

Council Members Present:

Dave Nicponski, Council District 1
Blair Camp, Council District 2
Jim Brass, Council District 3
Diane Turner, Council District 4/Council Chair
Brett Hales, Council District 5

City Staff Present:

Ted Eyre, Mayor
Jennifer Kennedy, City Recorder
Frank Nakamura, City Attorney
Janet Lopez, Council Administrator
Janet Towers, Executive Assistant to the Mayor
Craig Burnett, Police Chief
Gil Rodriguez, Fire Chief
Doug Hill, Public Services Director
Danyce Steck, Finance Director
Tim Tingey, Administrative and Development Services Director

Mr. Hales called the meeting to order at 6:30 P.M.

5. Opening Ceremonies

5.1 Pledge of Allegiance

The Pledge of Allegiance was led by Ben Barrowes

5.2 Approval of Minutes

5.2.1 Council Meeting – May 2, 2017

5.2.2 Council Meeting – May 16, 2017

MOTION: Mr. Brass moved to approve both sets of minutes. The motion was SECONDED by Ms. Turner. Voice vote taken, all “ayes.”

5.3 Special Recognition

Mr. Hales asked the scouts in attendance to introduce themselves.

5.3.1 Consider a Joint Resolution of the Mayor and Municipal Council of Murray City, Utah in appreciation of Justin Zollinger.

Staff Presentation: Mayor Ted Eyre

Mayor Eyre read the Joint Resolution and presented it to Mr. Zollinger.

MOTION: Mr. Brass moved to adopt the Joint Resolution. The motion was SECONDED by Ms. Turner.

Council roll call vote:

Mr. Nicponski	Aye
Mr. Camp	Aye
Mr. Brass	Aye
Ms. Turner	Aye
Mr. Hales	Aye

Motion passed 5-0

Mr. Zollinger spoke about his time with the city and the Council expressed their appreciation for all he did while he worked for the city.

5.3.2 Swearing in of new Murray City Police Officers Joshua Eschtruth and Kaylene Jackson.

Staff Presentation: Craig Burnett, Police Chief
Jennifer Kennedy, City Recorder

Chief Burnett introduced the new officers and spoke about their backgrounds.

The Swearing-In Ceremony was conducted by Jennifer Kennedy. Ms. Jackson and Mr. Eschtruth introduced their friends and families.

6. Citizen Comments (Comments are limited to 3 minutes unless otherwise approved by the Council.)
Ethel DeFosse – Murray City, Utah

Ms. DeFosse said starting next week, her and her husband are going to be traveling. They will be traveling and living abroad for the foreseeable future. She said both she and her husband have loved living in Murray. She stated how much she appreciated the opportunity she had to serve on the Murray City Library Board. Ms. DeFosse stated that no matter where she and her husband are, home is where the heart is and they will always be citizens and residents of Murray.

Carl DeFosse – Murray City, Utah

Mr. DeFosse stated he has enjoyed being on the city's Personnel Advisory Board. He thanked the Mayor and Council for allowing him to serve on that committee.

The Council expressed their appreciation to the DeFosse's.

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 an ordinance adopting the transfer of monies from enterprise funds to other City funds.

See Attachment 1 for the slides used during the presentation.

Staff Presentation: Danyce Steck, Finance Director

Ms. Steck said legislation passed this year which states that a public hearing must be held when money is being transferred from enterprise funds to the general fund. In addition, it requires that the City provide a cost accounting breakdown of how money from an enterprise fund is being used to cover administrative and overhead costs.

Ms. Steck explained that transfers are calculated based on a percentage of the enterprise fund and administrative fees are calculated on the actual amount that will be spent. The intent is that a portion of the return on investment from the enterprise funds be transferred to the general fund. This keeps property taxes lower than they would be otherwise.

Ms. Steck said the estimated cost to the enterprise funds for administration

services is \$3,000,000 and the estimated contribution to the general fund for that transfer is \$3,850,000. The enterprise funds contribute approximately 8% of the revenue that is brought into the general fund. She reiterated that the transfer is done to subsidize services that would require a property tax increase otherwise.

In 2012 the city had a cost study done. Ms. Steck explained a cost study provides the city a basis for what the services that are provided actually cost the enterprise funds. Overall, administrative services cost the city about \$6,600,000.

Ms. Steck stated she thinks the administrative fees and transfers are pretty consistent, fair and reasonable. They have been calculated based on data and information, not speculation.

The public hearing was opened for public comment.

Robert Parry – Murray City, Utah

Mr. Parry said he is not against enterprise fund transfers, but he prefers them to be property tax based. If there is too much money being collected the fees should be lowered across the board and property taxes should be increased.

Doug Wright – Murray City, Utah

Mr. Wright asked for some clarification on the transfer amounts.

Ms. Steck replied the transfer is \$3,000,000. There is a separate reimbursement to the general fund for staff and providing administrative services to the enterprise funds which is another \$3,000,000. The total enterprise fund pool is being reduced by \$6,000,000 and that money has been given to the general fund.

Mr. Hales closed the public hearing.

8.1.2 Council consideration of the above matter.

MOTION: Ms. Turner moved to continue the ordinance adoption until June 20, 2017. The motion was SECONDED by Mr. Brass.

Council roll call vote:

Mr. Nicponski	Aye
Mr. Camp	Aye
Mr. Brass	Aye
Ms. Turner	Aye
Mr. Hales	Aye

Motion passed 5-0

8.2 Public Hearing #2

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

Consider an ordinance adopting the Final 2017-2018 Fiscal Year Budgets for Murray City including the Library Fund Budget.

Staff Presentation: Danyce Steck, Finance Director

Ms. Steck said the tentative budget has been on the city's website since May 16, 2017. It is current and includes some amendments that were made about two weeks ago.

The public hearing was opened for public comment. No public comments were given and the public hearing was closed.

8.2.2 Council consideration of the above matter.

MOTION: Mr. Brass moved to continue the ordinance adoption until June 20, 2017. The motion was SECONDED by Mr. Nicponski.

Council roll call vote:

Mr. Nicponski	Aye
Mr. Camp	Aye
Mr. Brass	Aye
Ms. Turner	Aye
Mr. Hales	Aye

Motion passed 5-0

9. Unfinished Business

9.1 None scheduled.

10. New Business

10.1 Consider a resolution approving an Interlocal Cooperation Agreement between the City and Utah Department of Transportation to receive funding from the Federal Aid Highway Funds for the project consisting of Vine Street; 900 East to 1300 East.

Staff presentation: Doug Hill, Public Services Director

Mr. Hill said the city applied for and received a grant from Wasatch Front Regional Council and the Utah Department of Transportation to reconstruct Vine Street between 900 East and 1300 East. The total amount of the grant was \$4,290,000. The city is required to match 6.77% of those funds which is equal to approximately \$290,000. These are federal funds that come from the gas tax.

The plan is to widen Vine Street to an 80 foot right-of-way that will include sidewalks, park strips, parking and bicycle lanes, two lanes of travel and a center turn lane. Should this agreement be approved, the city will start the design process and hold public hearings. The hope is that construction of this project will start by 2019. The city has also applied for and received a similar grant to widen Vine Street from 1300 East to Van Winkle Blvd. in much of the same way.

Mr. Camp clarified that when Mr. Hill said two lanes of travel, he meant one lane in each direction. Mr. Hill stated that was correct.

MOTION: Ms. Turner moved to adopt the resolution. The motion was SECONDED by Mr. Camp

Council roll call vote:

Mr. Nicponski	Aye
Mr. Camp	Aye
Mr. Brass	Aye
Ms. Turner	Aye
Mr. Hales	Aye

Motion passed 5-0

10.2 Consider an ordinance amending Section 2.66.020 of the Murray City Municipal Code relating to date of publishing notices for elections.

Staff presentation: Frank Nakamura, City Attorney

Mr. Nakamura said the 2017 Legislature made some changes to the Election Code and the city is incorporating those changes. The first change was to move the date to notify the public of municipal elections from February 1st to May 1st. The second change is to require that a campaign financial disclosure statement be filed by candidates in the Primary Election seven days before the date of the Primary Election.

MOTION: Mr. Brass moved to adopt the ordinance. The motion was SECONDED by Ms. Turner.

Council roll call vote:

Mr. Nicponski	Aye
Mr. Camp	Aye
Mr. Brass	Aye
Ms. Turner	Aye
Mr. Hales	Aye

Motion passed 5-0

10.3 Consider an ordinance amending Chapter 12.14 of the Murray City Municipal Code relating to telecommunications franchises, including franchise taxes and costs.

Staff presentation: Frank Nakamura, City Attorney

Mr. Nakamura said his office has been trying to update the city's ordinances. There are some substantive changes to this telecommunications ordinance. Normally there is a telecommunications tax but in some cases it is not imposed because there are no end users. The Attorney's office feels there is a cost associated with using the city's right-of-ways and this ordinance would impose a fee for franchisees that have no end users and do not pay the telecommunications tax.

MOTION: Ms. Turner moved to adopt the ordinance. The motion was SECONDED by Mr. Camp.

Council roll call vote:

Mr. Nicponski	Aye
Mr. Camp	Aye
Mr. Brass	Aye
Ms. Turner	Aye
Mr. Hales	Aye

Motion passed 5-0

10.4 Consider an ordinance amending Chapters 3.04, 3.28, 3.36, 3.40, 3.44 and 3.50 and amending and renumbering Chapters 3.05, 3.16, 3.20, 3.24, 3.32, and 12.29 of the Murray City Municipal Code relating to financial administration.

Staff presentation: Frank Nakamura, City Attorney

Mr. Nakamura said these chapters deal with finance. In addition to the technical and grammatical changes, the substantive changes made to these chapters included updating the types of payments the city can receive and amending the definition of transient room tax.

Mr. Camp asked Mr. Nakamura if the city has the ability to charge a service fee for credit cards if we desired to.

Mr. Nakamura replied yes.

MOTION: Mr. Nicponski moved to adopt the ordinance. The motion was SECONDED by Mr. Brass.

Council roll call vote:

Mr. Nicponski	Aye
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Mr. Camp	Aye
Mr. Brass	Aye
Ms. Turner	Aye
Mr. Hales	Aye

Motion passed 5-0

10.5 Consider an ordinance amending Chapter 3.10 of the Murray City Municipal Code relating to procurement.

Staff presentation: Frank Nakamura, City Attorney

Mr. Nakamura stated some of the changes to this chapter included: updating the bid limitations to reflect 2017 amounts; clarifying the definition of the authority of the purchasing agent, adding allowing the use of electronic communications in regards to bid processes, updating small purchase bid limits, allowing procurement with other governmental entities, making the sole source procurement standards a little more strict because the city would like to have a competitive bid process as much as possible, and incorporating some construction management programs.

One of the most important changes that was made to this chapter was regarding the purchase and sale of real property. They have defined the procedure and clarified what happens when the city has surplus property.

MOTION: Ms. Turner moved to adopt the ordinance. The motion was SECONDED by Mr. Nicponski.

Council roll call vote:

Mr. Nicponski	Aye
Mr. Camp	Aye
Mr. Brass	Aye
Ms. Turner	Aye
Mr. Hales	Aye

Motion passed 5-0

10.6 Consider an ordinance amending Title 5 of the Murray City Municipal Code relating to business licensing.

Staff presentation: Tim Tingey, Administrative and Development Services Director

Mr. Tingey said a lot of these changes were made to bring the chapter up to the standards adopted by state law. Legislation that was passed this year prohibits charging a fee for home occupations unless the home occupation "materially exceeds offsite impact." The Legislature did not define what they meant by that, so the city has defined "materially exceeds offsite impact" as when there are impacts

to the neighborhood such as customers or vehicular traffic coming into the neighborhood. The city will continue to collect fees related to major home occupations if it is determined the home occupation has that off-site impact.

Another update made to this chapter will streamline the licensing process for mobile food trucks. If one political subdivision has already reviewed and issued a license to a food truck, the food truck can provide the necessary documentation from that review to license with the city. The fees for mobile food trucks has also been added to the chapter.

Mr. Tingey stated other changes that were made in this chapter included: alcohol licensing classification and provisions, eliminating bonding requirements for certain businesses, and changes related to penalties.

Mr. Camp stated that section 5.04.030 of the city code changes the City Licensing Administrator from the City Recorder to the City Business License Specialist. He asked if the designation of the Business License Specialist should be an administrative function. Otherwise the Mayor will have to come back to the City Council to change the ordinance if there is ever some reorganization within the city. He suggested the ordinance could read that the Mayor has the ability to designate the City License Administrator so it doesn't conflict when a change is made.

A discussion ensued on whether designations of positions should be made in the city code or administratively. Mr. Nakamura noted that there are many ordinances that specify positions throughout the code. The council decided to leave the wording as it is.

Mr. Camp asked if the date of renewal notices is specified in the ordinance or is it in a policy.

Mr. Tingey replied that was an administrative function and is not in the code.

MOTION: Mr. Nicponski moved to adopt the ordinance. The motion was SECONDED by Mr. Brass

Council roll call vote:

Mr. Nicponski	Aye
Mr. Camp	Aye
Mr. Brass	Aye
Ms. Turner	Aye
Mr. Hales	Aye

Motion passed 5-0

10.7 Consider an ordinance amending Title 6 of the Murray City Municipal Code relating to animal control.

Staff presentation: Frank Nakamura, City Attorney

Mr. Nakamura said the main update to this chapter is to allow for an additional K-9 dog in addition to the number of animals that are already limited by the ordinance. This was done to come into compliance with state law.

MOTION: Mr. Brass moved to adopt the ordinance. The motion was SECONDED by Ms. Turner

Council roll call vote:

Mr. Nicponski	Aye
Mr. Camp	Aye
Mr. Brass	Aye
Ms. Turner	Aye
Mr. Hales	Aye

Motion passed 5-0

11. Mayor

11.1 Report

Mayor Eyre said this Friday and Saturday the annual tree climbing championship will be held in Murray Park. There are about ten city employees that will be competing in that. The person who wins will be able to go to Washington DC to compete for the international title.

The first movie in the park this year, Zootopia, will be shown this Friday at Ken Price Ballpark. There will be four movies this summer and the last movie will be shown at the outdoor swimming pool.

This year the city was able to award two scholarships, one to a student at Murray High School and the other to a student at Cottonwood High School. These scholarships are awarded to students who have overcome serious challenges in their lives. They don't need to be a 4.0 student or great athlete to receive this scholarship. He told the story of the student at Murray High School who received the scholarship and the challenges she has overcome in her life.

Arts in the Park will be starting this Saturday with a group called Joshua Creek. Due to an incident at the amphitheater, it won't be opening up until the first of July so Joshua Creek will be performing at Murray High School.

Kenneth Hartvigsen, who is a Murray City resident has his own art on display at City Hall through June 27, 2017.

Mayor Eyre thanked the employees who prepare and maintain the park facilities.

11.2 Questions for the Mayor

There were no questions for the Mayor.

12. Adjournment

The meeting was adjourned at 7: 40 P.M.

Jennifer Kennedy, City Recorder

Attachment 1

Public Hearing:
Transfer of enterprise fund money to another fund
Discussion of administrative and overhead costs

UTAH STATE CODE §10-6-135.5

JUNE 6, 2017

What's the difference?



TRANSFERS OUT

Calculation based on a % of the enterprise fund revenue

“Shareholder return on investment” to the General Fund to subsidize services that would otherwise require an increase in property taxes

Contributes approximately 8.8% of the General Fund revenue (\$3.85 million)

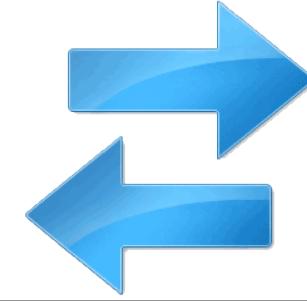
ADMINISTRATIVE COST ALLOCATION

Calculated based on a % of actual administrative services cost

Pay for centralized administrative and professional services including legislative, legal, finance, IT, and human resource services.

Estimated cost to the enterprise funds is \$3.07 million

Transfers to the General Fund



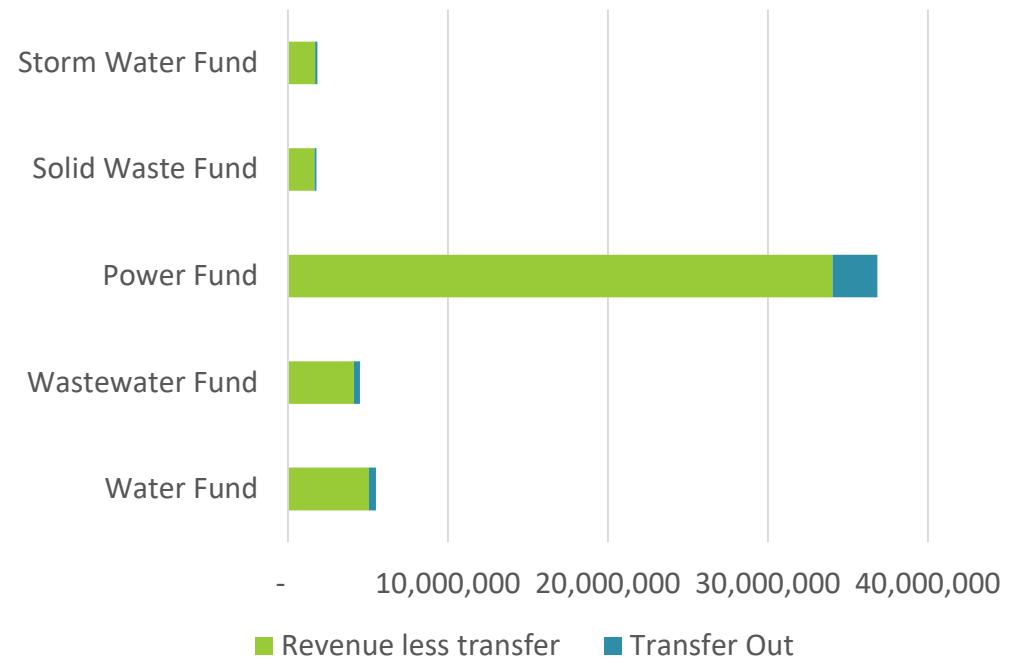
Definition: The movement of cash or other resources from one fund to another

Purpose: Where private sector utility companies are in business to provide a return on investment to its shareholders, Murray City shareholders (taxpayers and citizens) receive this return on investment as a transfer to the General Fund intended to subsidize services which would otherwise require an increase in property taxes.

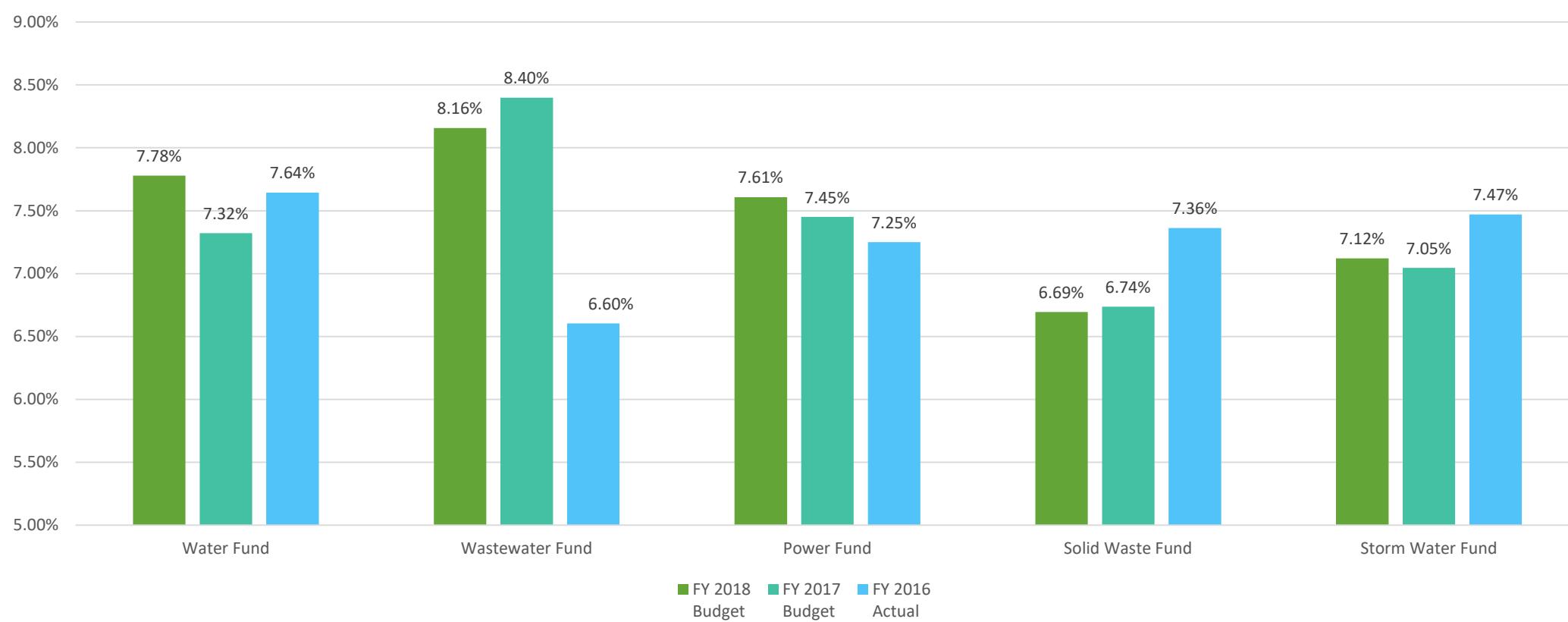
Methodology: Calculated on budgeted revenues and is generally between 6%-8%, and contributes 8.8% of the general fund revenues

FY 2017/2018 Tentative Budget

	Revenue	Transfer Out	% of Revenue
Water Fund	5,488,000	426,874	7.78%
Wastewater Fund	4,493,125	366,511	8.16%
Power Fund	36,838,125	2,802,663	7.61%
Solid Waste Fund	1,774,000	118,766	6.69%
Storm Water Fund	1,831,500	130,425	7.12%
Total Transfers Out	50,424,750	3,845,239	7.63%



Transfers Out as a % of Enterprise Fund Revenues



Administrative Services Allocation



New legislation requires “a cost accounting breakdown of how money in the enterprise fund is being used to cover administrative and overhead costs of the city attributable to the operation of the enterprise fund” (USC §10-6-135.5)

Supported by a cost study performed in 2012 by Willdan Financial Services, study included a cost allocation model that can be updated by the City

Departments considered in the allocation model are the Council, Mayor, Finance, Human Resources, City Attorney, Administrative and Development Services, City Treasurer, Recorder’s Office, IT, and GIS

Administrative Services Allocation



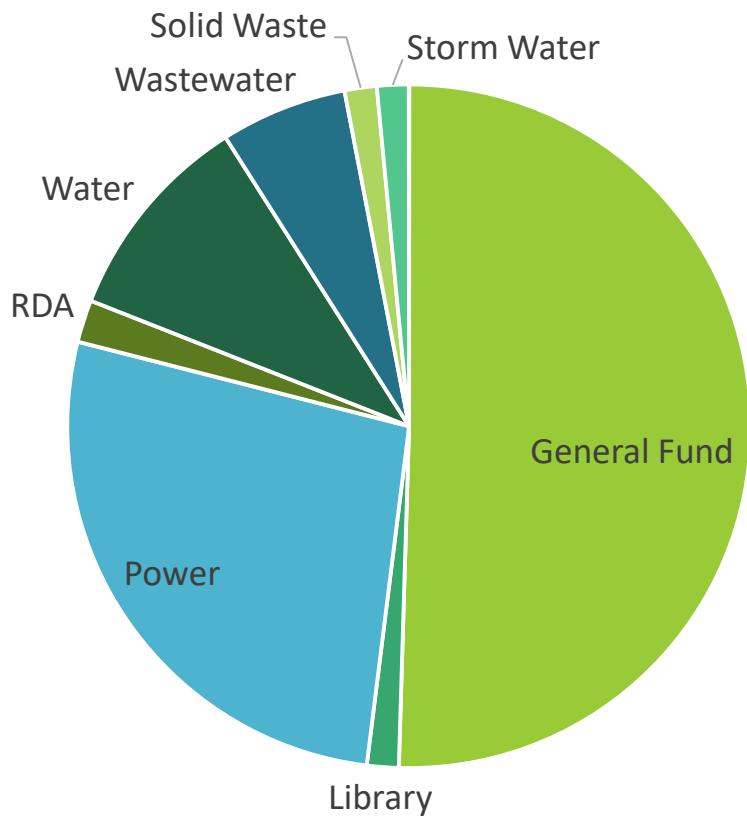
ADMINISTRATIVE SERVICES COST

Department	Total Cost
City Council	\$ 396,575
Mayor's Office	494,447
Finance	599,914
Human Resources	432,288
City Attorney	484,457
ADS	278,192
City Treasurer	1,017,599
Recorder's Office	778,015
IT	1,640,024
GIS	553,837
TOTAL	\$ 6,675,348

ALLOCATION

Fund	Allocation %	Allocated Cost
General Fund	50.48%	\$ 3,369,601
Power	27.00%	1,802,344
Water	10.00%	667,536
Wastewater	6.00%	400,520
RDA	2.00%	133,507
Solid Waste	1.51%	100,797
Storm Water	1.51%	100,797
Library	1.50%	100,246
TOTAL	100.00%	\$ 6,675,348

Administrative Services Allocation



Fund	Allocation %
General Fund	50.48%
Power	27.00%
Water	10.00%
Wastewater	6.00%
RDA	2.00%
Solid Waste	1.51%
Storm Water	1.51%
Library	1.50%
TOTAL	100.00%