



MURRAY
CITY COUNCIL

Municipal Building Authority December 6, 2023



Municipal Building Authority of Murray City Meeting Notice Wednesday December 6, 2023

PUBLIC NOTICE IS HEREBY GIVEN that the Municipal Building Authority of Murray City will hold meeting beginning at 6:30 p.m. on Wednesday, December 6, 2023 in the Murray City Council Chambers located at Murray City Hall, 10 East 4800 South, Murray, UT.

Meeting Agenda

6:30 p.m. **Council Chambers**
Garry Hrechkosy conducting.

Call to Order

Approval of Minutes

Municipal Building Authority Meeting – November 14, 2023

Public Hearing

1. Public Hearing to receive input from the public with respect to: (a) the issuance and sale by the Municipal Building Authority of Murray City, Utah of not more than \$25,000,000 aggregate principal amount of Lease Revenue Bonds, Series 2024, and (b) any potential economic impact that the improvements, facility or property financed in whole or in part with the proceeds of the bonds may have on the private sector; and related matters. Brenda Moore presenting.
2. Consider a resolution acknowledging the holding of a Public Hearing to receive public input with respect to (A) the issuance of the Series 2024 Bonds and (B) any potential economic impact that the project described herein to be financed with the proceeds of the Series 2024 Bonds may have on the private sector.

Adjournment

NOTICE

Supporting materials are available for inspection on the Murray City website at www.murray.utah.gov.

Special accommodations for the hearing or visually impaired will be made upon a request to the office of the Murray City Recorder (801-264-2663). We would appreciate notification two working days prior to the meeting. TTY is relay Utah at #711.

On, Friday, December 1, 2023, at 9:00 a.m., a copy of the foregoing notice was posted in conspicuous view in the front foyer of the Murray City Center, Murray, Utah. Copies of this notice were provided for the news media in the Office of the City Recorder. A copy of this notice was posted on the state noticing website at <http://pmn.utah.gov> and on Murray City's internet website www.murray.utah.

A handwritten signature in black ink that reads "Jennifer Kennedy". The script is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Jennifer Kennedy
Council Executive Director
Murray City Municipal Council

MURRAY CITY CORPORATION

Order to Convene a Special Meeting of the Murray City Municipal Building Authority (MBA) to discuss Public Works Bond Parameters.


A special meeting of the members of the Murray City Municipal Building Authority shall be held on Wednesday, the 6th day of December 2023, at 6:30 p.m. at the Murray City Center Council Chambers located at 10 East 4800 South.

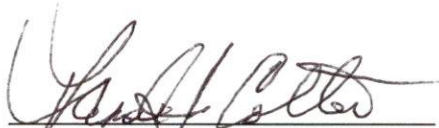
The purpose of the special meeting is to hold a public hearing to consider a resolution for the Public Works bond parameters.

Dated: September 20, 2023

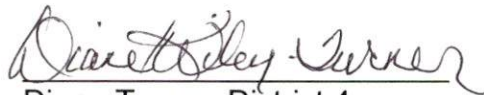
Murray City Municipal Building Authority

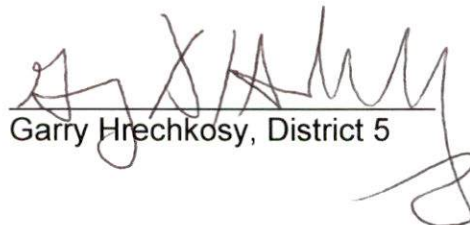



David Rodgers, District 1

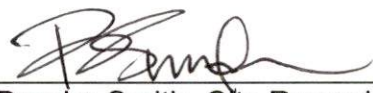

Pamela J. Cotter, District 2


Rosalba Dominguez, District 3


Diane Turner, District 4


Garry Hrechkosy, District 5

ATTEST:


Brooke Smith, City Recorder



MURRAY
CITY COUNCIL

Municipal Building Authority Minutes

MUNICIPAL BUILDING AUTHORITY OF MURRAY CITY, UTAH
BOARD OF TRUSTEES

Meeting Minutes

Tuesday, November 14, 2023

Murray City Hall, 10 East 4800 South, Council Chambers, Murray, Utah 84107

Attendance:

Municipal Building Authority Board of Trustees:

David Rodgers	District #1 – Trustee
Pam Cotter	District #2 – Vice President/Trustee
Rosalba Dominguez	District #3 – Trustee – Arrived at 6:33
Diane Turner	District #4 – Secretary, Treasurer/Trustee
Garry Hrechkosy	District #5 – President/Trustee

Others:

Brett Hales	Mayor	Jennifer Kennedy	City Council Executive Director
Doug Hill	Chief Administrative Officer	Pattie Johnson	Council Administration
G.L. Critchfield	City Attorney	Tammy Kikuchi	Chief Communications Officer
Shenelle Salcido	Bond Counsel	Brooke Smith	City Recorder
Matt Dugdale	Stifel, Financial Advisor	Russ Kakala	Public Works Director
Craig Burnett	Police Chief	Danny Hansen	IT
Ella Olsen	City Journal	Rob White	IT Director
Citizens			

Call to Order: President Hrechkosy began the meeting at 6:30 p.m.

Approval of Minutes: Municipal Building Authority Meeting – September 19, 2023. Ms. Cotter moved to approve the minutes and Ms. Turner seconded the motion. All in favor 4-0. (Ms. Dominguez was not present for the vote)

Business Items:

- **Consider a resolution of the MBA (Municipal Building Authority) of Murray City adopting the regular meeting schedule for calendar year 2024.** Council Executive Director Jennifer Kennedy presented the 2024 MBA meeting schedule.

Motion: Mr. Rodgers moved to approve the resolution; Ms. Turner seconded the motion.

Council Roll Call Vote:

Mr. Rodgers – aye
Ms. Cotter – aye
Ms. Dominguez – aye
Ms. Turner – aye
Mr. Hrechkosy – aye
Motion passed: 5-0

- **Discussion and consideration of the Municipal Building Authority of Murray City, Utah authorizing the issuance and sale of not more than \$25,000,000 aggregate principal amount of Lease Revenue Bonds; Series 2024; and related matters.** Finance Director Brenda Moore said since the Murray City Community and Economic Development department moved from the public works facility into the new city hall building, a feasibility study was conducted on the old buildings and the entire public works site to understand how the property would function moving forward. As a result two proposed alternative

options were determined because the existing site would barely meet future needs.

The plan that was chosen included a new consolidated administration building, demolition of other buildings, and new buildings for the Fleet, Wastewater and Stormwater divisions and the sign shop. The natural gas station would be relocated, and drying beds would be relocated and extended. Ms. Moore shared conceptual drawings of the new site. She reviewed basic governmental bonds called Lease Revenue bonds to fund the project, where the City would lease the public works property to the MBA and the MBA would purchase bonds, oversee construction, and lease all facilities back to the City. When bonds are paid off the new buildings become Murray City property. The same financing method was used for the new City Hall, but this time seven divisions within the public works department would contribute to making bond payments.

Ms. Moore discussed bond parameters, which were a maximum of \$25,000,000, a maximum interest rate of 6.50% at a maximum term of 26 years; designated officers were noted, a review of the proposed MBA resolution and the City Council resolution occurred, and a sample of the debt service schedule was provided. The first bond payment of approximately \$1.4 million would be made on December 1, 2024; the anticipated interest rate would be 4.95% for approximately \$19,640,000. Sample bond payment amounts were analyzed for each related division.

Council Member Hrechkosy asked what the initial cost of this project was. Ms. Moore said six months ago the cost was \$17 million. Ms. Turner wondered if now was the best time to bond. Ms. Moore said it was not the worst time because in past years the City had issued bonds at 5%. Construction costs continue to rise faster than interest rates and it would be impossible for a municipality to save \$20 million to fund this type of project. Mr. Hrechkosy agreed that waiting for costs to go down might increase the overall cost of the project if interest rates go up. Ms. Moore stressed the importance of providing City employees with a safe working environment; and that all equipment should be stored in efficient garage areas.

Ms. Turner expressed concern about accumulating more debt after constructing the new City Hall. Ms. Moore said outdated buildings will not function for another fifty years, they need to be replaced and the option to refinance is there in ten years. Ms. Turner wondered if the exact cost was certain. Ms. Moore confirmed the project should not exceed \$20 million and City staff would do some of the work with capital improvement funding.

Mr. Hrechkosy asked for the total amount of outstanding City bonds. Ms. Moore said the City Hall bond was \$30 million, sales tax bonds are \$14 million; the Stormwater division has \$3.1 million in bonds, and the Water and Sewer divisions have bonded for \$9.5 million.

Mayor Hales said the project addresses huge safety concerns because the public works buildings are not safe. Ms. Cotter agreed the City needs to bond to provide safe and seismic facilities for employees.

Ms. Dominguez pointed out bonds for the project were tied to the new City Hall bonds. Ms. Moore said bonding is crossed collateralized, meaning if one rent payment is missed to the MBA for either project the City would lose both properties. She assured them that bond payments would be made, and collateral was only to show good faith to bond buyers. Upon approval of the MBA resolution, the City Council would consider the Council resolution in a council meeting, and bonding would occur in February 2024.

Motion: Ms. Dominguez moved to approve the resolution; Mr. Rodgers seconded the motion.

Council Roll Call Vote:

Mr. Rodgers – aye
Ms. Cotter – aye
Ms. Dominguez – aye
Ms. Turner - aye
Mr. Hrechkosy – aye
Motion passed: 5-0

Adjournment: 7:01 p.m.

Pattie Johnson
Council Office Administrator III



MURRAY
CITY COUNCIL

Municipal Building Authority Public Hearing

NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED

PUBLIC NOTICE IS HEREBY GIVEN pursuant to the provisions of the Local Municipal Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended, and the Local Government Bonding Act, Title 11, Chapter 14, Utah Code, as amended (together, the “Act”), that on November 14, 2023, the Governing Board (the “Governing Board”) of the Municipal Building Authority of Murray City, Utah (the “Authority”) adopted a resolution (the “Resolution”) declaring its intention to issue its Lease Revenue Bonds, Series 2024 (the “Bonds”), and calling a public hearing to receive input from the public with respect to the issuance of the Bonds.

TIME, PLACE AND LOCATION OF PUBLIC HEARING

The Authority shall hold a public hearing on Wednesday, December 6, 2023, at the hour of 6:30 p.m. The location of the public hearing is at the City offices of Murray City, Utah (the “City”) located at 10 East 4800 South, Murray City, Utah. The purpose of the hearing is to receive input from the public with respect to: (a) the proposed Bonds, and (b) any potential economic impact that the improvements, facility or property financed in whole or in part with the proceeds of the Bonds may have on the private sector. All members of the public are invited to attend and participate.

PURPOSE FOR ISSUING BONDS

The Authority intends to issue the Bonds to provide funds to (a) finance the acquisition, construction, furnishing, and equipping of, and improvements to, public works buildings and related public works site improvements (collectively, the “2024 Project”); (b) fund any required deposits to a debt service reserve fund; and (c) pay costs associated with the issuance of the Bonds.

PARAMETERS OF THE BONDS

The Authority intends to issue the Bonds in a principal amount of not to exceed Twenty-Five Million Dollars (\$25,000,000), to bear interest at a rate or rates of not to exceed six and one-half percent (6.50%) per annum, to mature in not more than twenty-six (26) years from their date or dates, and to be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, plus accrued interest, if any, to the date of delivery of the Bonds.

The Bonds are to be issued and sold by the Authority pursuant to the Resolution, including as attachments to said Resolution a form of the General Indenture of Trust dated as of November 1, 2020, as previously supplemented and as further supplemented by a Second Supplemental Indenture of Trust (collectively, the “Indenture”) and a form of Master Lease Agreement dated as of November 1, 2020 (the “Master Lease”), as amended and supplemented by a First Amendment to Master Lease Agreement (the “First Amendment to Master Lease” and together with the Master Lease, the “Lease”), which were before the Governing Board at the time of the adoption of the Resolution. The Indenture and the Lease are to be executed by the Authority and/or the City with such terms and provisions and any changes thereto as authorized by the Resolution

SECURITY FOR THE BONDS

The Bonds are payable solely from the rents, revenues and other income received by the Authority from the leasing of the 2024 Project to the City on an annually renewable basis (the “Lease Revenues”).

OUTSTANDING BONDS SECURED BY LEASE REVENUES

The Authority currently has \$30,725,000 bonds outstanding secured by Lease Revenues.

OTHER OUTSTANDING BONDS OF THE AUTHORITY

Information regarding all of the Authority's outstanding bonds may be found in the City's audited financial report (the "Financial Report") at <http://auditor.utah.gov/accountability/financial-reports-of-local-governments>. For additional information, including any more recent than as of the date of the Financial Report please contact Brenda Moore, Finance and Administration Director of the City, at (801) 264-2669.

TOTAL ESTIMATED COST

Based on an estimate of the current interest rate and financing plan, the estimated total debt service cost of the Bonds, if held until maturity, is \$47,538,605.

A copy of the Resolution and the forms of Indenture and the Lease are on file in the City offices, located at 10 East 4800 South, in Murray City, Utah, where they may be examined during regular business hours from 8:00 a.m. to 5:00 p.m., Monday through Friday for a period of at least thirty (30) days from and after the last date of publication of this notice.

NOTICE IS FURTHER GIVEN that a period of thirty (30) days from and after the date of the publication of this notice is provided by law during which (i) any person in interest shall have the right to contest the legality of the Resolution, the Indenture, the Lease, or the Bonds, or any provision made for the security and payment of the Bonds, and after such time, no one shall have any cause of action to contest the regularity, formality or legality thereof for any cause whatsoever, and (ii) active voters (as defined in Section 20A-1-102 of the Utah Code) within the City may sign a written petition requesting an election to authorize the issuance of the Bonds. If written petitions which have been signed by at least twenty percent (20%) of the active voters of the City are filed with the Authority during said 30-day period, the Authority shall be required to hold an election to obtain voter authorization prior to the issuance of the Bonds. If fewer than twenty percent (20%) of the active voters of the City file a written petition during said 30-day period, the Authority may proceed to issue the Bonds without an election.

DATED this November 14, 2023.

/s/ Diane Turner
Secretary-Treasurer

RESOLUTION _____

A RESOLUTION ACKNOWLEDGING THE HOLDING OF A PUBLIC HEARING TO RECEIVE PUBLIC INPUT WITH RESPECT TO (A) THE ISSUANCE OF THE SERIES 2024 BONDS AND (B) ANY POTENTIAL ECONOMIC IMPACT THAT THE PROJECT DESCRIBED HEREIN TO BE FINANCED WITH THE PROCEEDS OF THE SERIES 2024 BONDS MAY HAVE ON THE PRIVATE SECTOR.

WHEREAS, pursuant to the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), the Municipal Building Authority (the “Authority”) of Murray City, Utah (the “City”), adopted a resolution on November 14, 2023 (the “Resolution”) in which it authorized the issuance of the Authority’s Series 2024 Bonds (to be issued in one or more series and with such other series or title designation(s) as may be determined by the Authority) (the “Series 2024 Bonds”) to be used to finance the acquisition, construction, furnishing, and equipping of, and improvements to, public works buildings and related public works site improvements (collectively, the “2024 Project”); and

WHEREAS, pursuant to the Act and the Resolution, a notice of public hearing with respect to the issuance of the Authority’s Series 2024 Bonds was posted no less than fourteen (14) days before the public hearing date (i) on the Utah Public Notice Website (<http://pmn.utah.gov>), (ii) on the City’s official website (www.murray.utah.gov), and (iii) in a public location within the City that is reasonably likely to be seen by residents of the City; and

WHEREAS, the public hearing was then opened to receive input from the public with respect to (a) the issuance of the Series 2024 Bonds and (b) any potential economic impact that the Project described herein to be financed with the proceeds of the Series 2024 Bonds may have on the private sector.

NOW, THEREFORE BE IT RESOLVED by the Municipal Building Authority of Murray City as follows:

It is hereby acknowledged that a public hearing required under Title 11, Chapter 14 of the Utah Code was held on December 6, 2023 regarding the issuance of Series 2024 Bonds and the impact that the Project to be financed may have on the private sector.

PASSED AND APPROVED this day of December 2023.

(SEAL)

Garry Hrechkosy, President

ATTEST:

Diane Turner, Secretary-Treasurer



MURRAY
CITY COUNCIL

Adjournment