

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