

Murray City Municipal Council Chambers Murray City, Utah

The Municipal Council of Murray City, Utah, met on Tuesday, the 4th day of June, 2013 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:

Brett Hales	Council Chair
Jim Brass,	Council Member
Darren Stam,	Council Member
Jared Shaver,	Council Member
Dave Nicponski,	Council Member - Conducted

Others who attended:

Daniel Snarr,	Mayor
Jan Wells,	Chief of Staff
Jennifer Kennedy,	City Recorder
Frank Nakamura,	City Attorney
Craig Burnett,	Deputy Police Chief
Tim Tingey,	Administrative & Development Services Director
Brenda Moore,	Finance Controller
Gil Rodriguez,	Fire Chief
Citizens	

5. OPENING CEREMONIES

5.1 Pledge of Allegiance - Craig Burnett, Deputy Police Chief

5.2 Approval of Minutes

5.2.1 Approval of minutes.

None scheduled.

5.3 Special Recognition

None scheduled.

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

Jack DeMann, 6086 Glen Oaks, Murray, Utah

Mr. DeMann said that as the Council deliberates the budget, which he knows they do carefully, he would appeal to them to be as thrifty as possible. The Council has some considerations that they are making for new expenses, new areas of activity, and even some old ones that might be approached a little bit better in terms of cost and in terms of truly serving the citizens. He does not need to remind the Council that it is tough economic times. Mr. DeMann has some grandchildren who live in Murray and some just outside of Murray and they are struggling. Any additional costs in the way of property taxes or fees will certainly be felt. He is hoping that as the Council discusses new things such as the health insurance for the Council, that they will take that into consideration. He does not feel that this is a good time, particularly with the uncertainty in the area and ObamaCare right around the corner. He has an extensive and long affiliation with the hospital people. He knows there is a great concern there because they don't know. To open the doors and start a program where we don't know where it will lead is probably not wise.

Mr. DeMann said that in other areas, if the Council can find ways to cut expenses; and he will pick on his old friend, Mr. Nicponski; the Council has a consideration in the budget for a lobbyist. He would like to say that he has worked with Mr. Nicponski as a lobbyist together for Hercules 30 years ago. It would seem to Mr. DeMann, as Mr. Nicponski is serving his other clients he could probably just as well serve the interest of Murray City and chock it up to service. Mr. DeMann would suggest that the Council consider that and Mr. Nicponski consider offering it. It would save the City \$40,000.00 or \$50,000.00 a year. Mr. DeMann again asked that the Council be careful and prudent and not take us down the street for more expense or costs. He feels that the Council has done a pretty good job with that and he is not complaining about that. In fact, he is not complaining at all, only making some suggestions on what he thinks. What the Council has done, they have done very well

and could even be done better.

Mr. Shaver addressed Mr. Nicponski asking him to bear in mind that the public hearing comments need to be contained within the public hearing forum. So those that wish to make a comment during the public hearing need to do so when it is addressed in the public hearing.

Mr. Nakamura asked if there were any public comments outside of the budget.

Mr. Nicponski stated that if the comments are pertinent to the budget, they will wait for the public hearing on the budget.

Jeri Jensen, 404 East 6360 South, Murray, Utah

Ms. Jensen stated that she has lived in Murray since 1940 and bought their home in June of 1957. She said that they have never had a problem with parking before. But for over a month now, they have between 50 and 100 cars parked in their subdivision during the day, during working hours. This is just not good. Her husband has senior dementia right now and he has even noticed that there are cars parked on the street that shouldn't be there. That is how bad it is. In the beginning, she spoke to the police. She not bothered the good Mayor with this, but she has spoken to Brett Hales from her district, Chad Wilkinson in Planning, Mark Boren in Planning, and Tim Tingey in Planning about this. She worked for Salt Lake County for 21 ½ years in Public Works and has worked with budgets and all of these other things so she may have more knowledge than the normal animal running around. Because of this, she would like to know how many employees this company put on their business license application that they were going to have. In turn, she understands that the company that they are leasing from is Workers Comp. She contacted Workers Comp and found out who the property manager was. Mr. Mike Willardson is the property manager and she has his phone number if anyone would like it. She spoke to Mr. Willardson about the situation and he informed her that it really wasn't the Workers Comp problem but Sutter's problem. When she spoke to Murray City about it, Murray says it is not Sutter's problem it's the Workers Comp problem. All of a sudden, it turns out that they also have the Social Security office in that same area and they are complaining because the parking isn't sufficient for their people. This only came up a couple of months ago and at that point they made a decision in the Workers Comp area to start enforcing the number of parking places they have for the Sutter Company. This is what has thrown it all; they started to enforce the parking about a month ago and that is when all the cars began parking in the neighborhood.

Whatever we can do to get this issue solved needs to be done. The police are coming in and ticketing those who are illegally parked. She has warned a couple of people who come in there that sometimes it is dangerous to park in her neighborhood. You never know what is going to happen to their cars. She was asked what that means and she said that she is just warning them and would suggest they go down and park

at the mall if they can. This is a residential area, not a business parking lot. Whatever the City can do, it would be appreciated.

Mr. Hales stated that there was an accident there yesterday. He asked Tim Tingey, Administrative and Development Services Director, to come up and discuss what he has done on this issue.

Mr. Tingey said that they have met individually with the Sutter Health management; he has also spoken with Ms. Jensen and appreciated the time that they were able to take to discuss this issue. The City is doing a number of things to address this issue. First, this is a landlord issue and a Sutter Health issue. Parking on-site is critical and having enough parking spaces is critical. Whether you allocate some for one tenant or another, there has to be enough parking. One of the issues that Sutter Health has talked about is that they have been talking with the landlord because there is this enforcement issue. The question is whether the other tenants need all of the parking that they are using. They are working in those negotiations right now. Mr. Tingey spoke with them last night and they are supposed to get back with him after the landlord talks with all of the tenants. The City is trying to work through this issue. The bottom line is that they need to have enough parking for all of their tenants on site. It is a landlord issue and it is a Sutter Health issue. That is what the City has communicated. Mr. Tingey has even talked to them about saying that if the City needs to have those specific conversations with the landlord, we will.

Mr. Tingey added that he has been working with Assistant Police Chief Craig Burnett and they are going out and ticketing individuals who are not parked legally on the streets. The City is working and doing all that we can to address this issue and resolve the problem. We recognize the concern it has caused and we want to be able to have Sutter Health be effective and have their employee's park on those sites. Sutter Health has also been contacting other businesses in the area to hopefully get additional parking. Those are the negotiation conversations that the City has had.

Mr. Hales stated that they will follow up with Ms. Jensen in the next week or two.

Mr. Tingey added that there were some individuals who were going to be out of town and he has spoken with Ms. Jensen about this. Hopefully, by early next week there will be a decision on the allocation of the parking spaces.

Burt Milano, 6380 South 370 East, Murray, Utah

Mr. Milano stated that he lives right across the street from the circus that is being discussed. These cars are parked, some illegally, some not. Right now there is no question that they park legally there during the day. The only issue that he has, and has brought this up to the Streets Department, is that there is a raised sidewalk right in front of his house. The traffic there is coming and going with those people that work at Sutter Health. He is concerned that someone is going to fall there. He has brought this to the City's attention twice now about that sidewalk. What if

somebody falls there? They will sue the City and sue him as well because he owns the house right there. All he is asking is for a “get out of jail free card” because he has brought this to the City’s attention twice. Someone came out from the Street Department and was told Mr. Milano that the City just didn’t have the money to make the repairs right now. The City doesn’t need to do a lot to fix it. They just need to bring out someone to grind that hump down or something. The City has fixed the sidewalk there eight to ten years ago. They put new sections in along there. This one is dangerous and somebody is going to fall because of the traffic going back and forth across that street now, especially with the cars. There must be about 20 cars parked along that neighborhood every day. The Street Department has come out and looked at that twice and all they said was they do not have the money to do anything right now. They made him the offer that Murray would come in and haul all that stuff away if he gets someone to come and put the cement in. He has called some contractors but they want a thousand dollars to do that. That is what he pays property taxes for. What caused that sidewalk to rise was a tree that the City planted in the expansion strip, which the arborists took out, but the sidewalk and the problem is still there. The parking problem is still there as well. It is an annoyance.

Carlyle Clarke, 6074 South Fountain Bleu Drive, Murray, Utah

Mr. Clarke had spoken to someone in the City regarding striping. If you go west on Vine Street from his house, there is striping once in a while. Like, you get down from 900 East to State Street there is some striping but then there is not some striping. About two years ago that area was repaved and there is still no striping there. He is a big bike enthusiast. He always wears a helmet and he has lights on the front and back of his bike, but it is difficult sometimes to stay where he is supposed to stay in the lanes because there is no striping. He was wondering if the City has in its budget the funds to stripe those areas, particularly on the busy roads such as Vine Street and 5900 South. He would like to see those striping zones connected.

Mr. Shaver said that was a marvelous question. As a quick answer, that very street that he is talking about is also slated to have some work done on the street and striping is something that they may want to look at.

Mr. Clarke said that on the south side of the street from 900 East, there are some markings on the pavement. He doesn’t know what they are going to do or who he spoke to.

Mr. Shaver asked Mr. Clarke is they could chat about this issue after the meeting as this is in his district and he could explain what is going to happen in that area.

Mr. Clarke added that there are a lot of bikers and it helps them to know where they belong.

Citizen comment closed

7. **CONSENT AGENDA**

7.1 None scheduled.

8. **PUBLIC HEARINGS**

8.1 Staff and sponsor presentations, and public comment prior to Council action on the following matter:

Consider an Ordinance adopting the Final 2013 – 2014 Fiscal Year Budgets for Murray City including the Library Fund Budget.

Staff presentation: Brenda Moore, Controller.

Ms. Moore stated that they made this budget neutral. The budget was raised by approximately \$300,000.00 mostly due to health insurance for current employees, retirement, and costs that are not within the City's control. She welcomed discussion on this and stated that if there is anything she is unable to answer, she will get back with them with the answers.

Mr. Nicponski asked Mr. Hales to discuss the health insurance benefits that are included in this budget.

Mr. Hales stated that Mr. Nicponski will read into the record an e-mail that was sent to the Council by a citizen. Mr. Hales was speaking with Jack DeMann a few minutes ago. The letter is great but it says that this individual was disappointed. Mr. Hales told Mr. DeMann that there is nothing wrong to be able to discuss these things. That is what a democracy is; that is what the Council is all about, to discuss. But now, to be disappointed if something goes away that you don't want to, he understands. After the Council has listened and talked about this, he will recommend that the health insurance for the City Council is not allotted, even though they are qualified employees. Mr. Stam had mentioned a couple of weeks ago that maybe the timing is not right and Mr. Hales would recommend that they do not go in that direction for the City Council.

Mr. Shaver said that by statute, according to the State of Utah, we have to have a balanced budget and cannot go into debt. But we are thinking that in this next year the amount of reserves that we can hold can also be increased. He asked Ms. Moore if that was correct.

Ms. Moore stated that was correct.

Mr. Shaver stated that the City has been held at 18% and in this budget the intent that the State Legislature said was that we can increase our reserves up to 25%.

Ms. Moore stated that it is correct, we can 'save for a rainy day.'

Mr. Shaver said that when we have an economic down-turn like we have experienced in the past several years, we have the reserves necessary to maybe get us through some of that while we get back on our feet again as we are so dependent upon retail tax.

Ms. Moore said that was correct. Retail is the majority of our revenue.

Mr. Shaver asked, in light of that, have we created a balanced budget for this next fiscal year?

Ms. Moore stated that we have a balanced budget. There are a couple of things that the City is planning on possibly using these reserves for. Those are long-term things that will benefit the City for more than one year.

Mr. Shaver said that one example of that is that we are paying off some bonds.

Ms. Moore agreed, saying that these are Power Bonds, which is the big one. The bond is at 4.5% and if we pay that off we are basically making 4.5%. Anything that we invest in is less than 1% right now.

Mr. Shaver said that if we take Mr. DeMann's earlier comment about being wise, we are trying to do the best that we can in being wise and paying off expensive debt.

Ms. Moore said yes we are paying off expensive debt in order to keep the budget balanced. We will use the reserves to pay off expensive debt and if revenues come in higher and everyone holds to their budget which is balanced, we will increase our reserves.

Mr. Shaver stated that the reserves we take out are put back in. This past year, we saw an increase based on what our budget had been estimated for in revenues. We actually saw an increase in sales tax over what we had estimated. Because we are seeing an increase in revenues, we are being very cautious in the use of those funds.

Ms. Moore agreed saying that the City is not going to count on the amount that we are seeing increases stay that way. They are going to budget a bit less than that to make sure that we have that. Because we have a balanced budget, it keeps our expenditures down and if it comes in higher, great, it adds to reserves and maybe next year we can use that for something else or it will continue to increase the fund for that bad day when something happens and everything tanks.

Mr. Shaver said that much of what we have been able to do as a City, as far as the budget is concerned, has been literally laid on the backs of our employees. They have not had increases, merit or cost of living increases, and this year the Council did the very best that they could to rectify that. Many of the employees have gone several years without any kind of a cost increase and that puts them at a risk. It means that they start looking for someplace to do that and we then take that as part of the budget to make that possible. He asked Ms. Moore if that was correct.

Ms. Moore said that was correct. They are doing slight increases and adjustments for those people who are way below market, have been here for three or four years and have never gotten a raise. The employees can go to other cities and make more money so the City is trying to adjust that up a little bit and give those people some compression adjustments to kind of get them from being below the level that others are paying so that the City can stop some turnover and decrease training costs. If you keep people here, it saves the City money in the long run more than if you have a lot of turnover and having to train new people.

Mr. Brass said that he had the pleasure of serving as Budget Chair this year. The discussion on the compression was as Ms. Moore explained. We train our Police Officers and it takes an officer off the street to train them too. That cuts the number of officers available for patrol down and the City is still somewhat short as it is. We seem to do that at an alarming rate. We get them trained; they get to a certain point and some other City hires them away. We had to address that issue.

In 2008, when the economy went off a cliff, we lost about \$3 million in sales tax revenue pretty quick. Our budgets are not that large and that is a substantial reduction in revenue. As Councilman Shaver said, our employees worked very hard with them. The City did not raise property taxes, we did not lose any employees. The City did offer an early retirement and cut our workforce, which saved \$2 million. This Council and previous Councils have always been good stewards of the budget. There are expenses that hit us and they continue to. We have all watched the cost of fuel go up; we drive police cars, fire engines and ambulances and the fuel costs have increased. Oil is a direct cost in asphalt for paving roads and roads have become a big issue for us. Our poor, failing road inventory doesn't go down. It is not because we are not paving roads it is just that it has become impossible to keep up with it under the current funding mechanisms. At some point, somebody has to adjust that or we can go back to driving on gravel roads. Now, tongue in cheek, Mr. Brass has always said that you can achieve speed control through road disrepair. The reality is that the biggest complaints that they get is about the roads and ironically, weeds and speeding. To take care of any of those things, requires money. The City is doing the best it can and continue to do that. This budget is relatively flat. The Mayor put forth an excellent budget. His staff worked very hard at it and the Council looked at it and may have made some minor adjustments. But again, State law requires that any entity within this State balance their budget and he feels that is an excellent law. You look at some of the other states where you hear of them going bankrupt, they are deeply in debt. We don't have that issue in Utah. It is painful but we took this very seriously, as we always do. Mr. Brass wanted to thank everyone for their contributions.

There comes a time though that they do have to give back to the employees. When citizens call the Council to get something fixed, they call the employees. They are the ones that go out and fix things. When that canal collapsed, our people were over there pumping out water, cleaning up streets, etc. He has seen this repeatedly where the employees will work through the night and still show up at 8:00 in the morning for their regular shift and work the entire shift. Those people need to be taken care of, they are our

asset and that is what makes Murray what it is. Those are the issues that we have and he feels that they have handled it the best that they could.

Mr. Stam added that we had two floods in Murray Park where the employees spent a lot of hours.

Mr. Brass said that he drove through there in the middle of the night and saw Russ Kakala, Streets Superintendent, there. He doesn't believe that guy slept for a week or more. Again, Mr. Brass would like to extend a big thank you to the City employees and everyone who worked on the budget.

Mr. Stam added that with the addition of the Capital Improvement Plan and the efforts of the employees to save money in their budgets and giving money back to departments for their projects, it has given them incentive to try to save. That has had a big impact on what they have been able to do in their different departments. We are still coming out of a big hole through not being able to fund repair and our infrastructure for several years. We are still short but with the help of the different departments and the money that they are saving, we are making progress.

Mr. Nicponski stated that consistent with legal's direction he is going to ask staff in anticipation of the June 19th budget meeting to draft some intent language regarding the renewal of the lobbyist contracts so that they will have that for discussion. At this time, he would also like to enter an email letter from former Councilwoman Pat Griffiths (Attachment 1).

Mr. Stam asked to speak on the lobbyist issue so that everyone is aware of it. The City retained a lobbyist in 2008 for the first time. Since 2008, in the contracts with the City we have paid him approximately \$150,000.00. In return, he has brought us \$5.5 million in transportation funding to help with the roads and repair of roads. That was money very well spent because it kept our people busy and it gave us a lot of money to do a lot of road repair that we were not able to do without that money.

Mr. Nakamura, City Attorney, stated that it is his understanding that they will be preparing some changes to the intent document regarding the health insurance for Councilmembers, essentially deleting that from the intent document. Of course, the final decision on that will be made on June 19th, 2013 but they will go ahead and prepare something.

Mr. Shaver asked if it would not also require a change in the budget as well as the intent document.

Mr. Nakamura stated that was correct. The question arises as to where those funds are going to go.

Ms. Moore said that if they have the costs that were allocated for the insurance, do we decrease our revenue expectations on something that we think might not come in at

where we are projecting or do we apply the funds to something else such as the lobbyist that they are talking about and move those expenditures to that. There are funds allocated for the lobbyist. Then, to maintain the budget, we would just lower our revenue expectations. If the revenue comes in higher we will put that into reserves.

Public Hearing opened for public comment.

Virginia Talbot, 5926 Lupine Way, Murray, Utah

Ms. Talbot stated that she hasn't had a raise in the last ten years either. In fact she has had a lowering of her wages because she is retired. She thinks that many of the people here haven't had a raise in the last ten years either. She would like to discuss a couple of items on the budget. On garbage pickup the City has given them, or at least her, a \$153.00 a year increase in the cost of something that used to come out of her taxes.

Mr. Brass interrupted, stating that the City does not do the garbage service east of 900 East; that is Wasatch Waste and Recycling.

Ms. Talbot agreed that it is Salt Lake County and not Murray. The thing that she most objects to is the Storm Water Fund, which used to come out of her taxes and that the City wants to use 8% of that money for general tax use. She thinks that if the City puts in a special fund for Storm Water, the tax payer has no control over voting in or out. They are told how much they will pay and they have no control over the increases in that. She does not feel that is a good way for the City to increase its budget. She would rather have the City put it in the taxes where they know what it is and what it is going for.

David Hatch, 6507 River Edge Lane, Murray, Utah

Mr. Hatch stated that he is also under the opinion that utilities should pay for utility projects and not for roads, sidewalks, etc. It should be going to the Capital Improvement Plan. Mr. Stam mentioned that they are having a problem funding projects and Mr. Hatch doesn't believe that taking 8% off of water, off of sewer, off of power or off of the Storm Water fund is right. That money has been designated to those projects. The citizens complain about things that are visible, such as roads, but what they don't realize is that sewer is also a public service and we should also be investing in the utilities. We have a good example in what happened with the canal breaking. If the canal company would have taken their profits and invested in the infrastructure that canal would not have broken. The City should also use the money that has been slated towards utilities and invest in utilities.

Mr. Hatch wanted to pass out a map that shows the average sewer rate for this district. Murray City discharges to Central Valley Water Reclamation Facility, which he has outlined in red. You can see how it compares to other cities and districts and in the same vicinity. He said that you can see that Murray City is one of the top charging of the sewer rates. He feels that if there is a surplus the City should adjust the sewer rates and get them more in line with its neighbors. Mr. Hatch also attached an article from the Deseret News

about how the sewer rates are slated to increase based off of a study that the State has done based on increased costs that the State is going to mandate for nutrient removal. They are saying that it is going to raise the sewer rates another \$3.00 which is about 10%. If we know that is coming down from the State we shouldn't be taking 8%. We should be saving that for when that future budget happens. That is his opinion on using money for what it is slated for.

Wade Marshall Miller, 775 Chaparral Drive, Murray, Utah

Mr. Marshall said that even though he is fiscally conservative, he thinks that what they need to do is this. The library is very small and he thinks what they are going to end up having to do is get a new library soon. He proposes that the old library be converted...he had a structural engineer come up from Boise, Idaho and look at it. The engineer told him that you can't build onto it or change it. Murray is going to have to tear it down. The parking is a problem because a lot of meetings are going on there and parking is tight. There is property is available near the TRAX train not far from the hospital. He suggests that the Murray Library is given to the Police Department for their offices and build a new multi-level library. They can charge \$5.00 per card which is a modest fee that will, over time, pay for it. He understands that taxes will have to be raised a little bit for a new library but he's afraid that it is going to have to be. He has given brand new books to the library only to find, when he goes through the library lobby, that his books are for sale. These are brand new books but they won't put them on the shelves because they do not have the space for them. So they sell them in the library for \$.25. He has been buying back his books because Murray library refuses to put them on the shelf because they say they don't have the space. You can't build onto that library, you can't add a second floor or a basement. The library will have to be torn down and a new one built or build it out someplace else but it is going to have to be bigger.

Public comment closed.

8.1.1 Council consideration of the above matter.

Mr. Nakamura noted that the public hearing for the 19th has not been noticed yet. They will close the public comment. The Council will take into consideration all input provided today for the next meeting.

Mr. Hales said it was brought to his attention that there is some question about UTOPIA being funded through the Murray Power Department. He wanted to make it known that UTOPIA had asked for \$300,000.00 and it was turned down by the Council 4-1.

Mr. Brass said that was correct.

Mr. Shaver said that part of the difficulty with the Library is that the City does not own the land, only the building. The land itself belongs to the School District and if you drive by the library you will notice that they have built some mountains over there with dirt.

We have considered all of those things. One of the things in consideration is that this building in which we reside is not structurally sound, it is falling apart. The City spends a great deal of money trying to keep it up, just trying to maintain it and hold it up. It is an old building. There is a committee formed of administration and Council members as well as Department Heads who are looking at creating a new City Hall. That is not something that is today, it is not in this budget but it is under consideration. Some of the things that the committee has talked about is how to incorporate a library into that structure as one of the possibilities.

Secondly, Mr. Shaver asked Mr. Marshall if he is aware of the Friends of the Murray Library. The City is having these conversations as well. We recognize that the library has served Murray for many, many years but it is tight on space. There are a lot of people who are using those rooms continually for their meetings, etc. There are a lot of things that they have looked at. Obviously, Mr. Marshall's suggestions are taken in kind and will be a part of those discussions.

Mayor Snarr remarked on Mr. Hatch's sewer rate concerns. The City is strictly a user-based fee enterprise fund type of operation. Whatever amount of our sewer capacity you are using during the off season is what you are charged for throughout the year. They amortized that over the entire year. Most of the other cities are represented by improvement districts, except for South Salt Lake, and you will see their rates are very comparable to Murray. You have a combination of being charged on your property taxes as well as receiving a bill from those improvement districts. If you look at the two of those, Murray is right in the middle. You may think that we are out of line but really if you look overall where we are at, we are actually in the middle.

Murray City is part of Central Valley which is one of the most sophisticated sewer treatment plants currently in operation. There is the newer South Valley Sewer District out in Riverton which is going to need significant rates to pay for that. We have made a lot of improvements out there to make sure that what we are disposing back into the water system that eventually goes into the Great Salt Lake is probably the cleanest water you are going to find. The Mayor knows that they are talking about the phosphates and some other issues because he sat on the Board for six years on the Division of Water Quality. He can assure you that the rates here are very, very reasonable. You also have our sewage going to the most sophisticated sewer treatment plant in Utah. That costs money, but it has been a great investment that the City has made in that plant.

Mayor Snarr just wanted everyone to know that and later on he would like to talk to Mr. Hatch about what is known as 'In-lieu of Tax Transfer's' and how they operate. Cities that are serviced by, for instance, Rocky Mountain Power; that money actually goes from them back into the General Fund for the other cities, with the exception of the County.

Mayor Snarr stated he would make another comment about where we are at relative to our taxes compared to any other city in Salt Lake County during the Mayor's comments.

Mr. Hatch asked if he could rebuttal Mayor Snarr's comments.

Mr. Nicponski stated that would not be appropriate because public comment has been closed. He added that he would be available after the meeting for further discussion.

Mr. Brass stated he has had a lengthy discussion with a gentleman on the Storm Water In-lieu of Tax Transfer. As the Mayor said, it is exactly that. In lieu of a property tax that we would collect if it was a private entity we take this transfer instead to cover that. As far as storm water goes, that fee is charged to everybody. In the conversation he had with the gentleman he noted that we have a lot of non-taxable property in Murray. We have Intermountain Health Care, Cottonwood Hospital which is now TOSH, all the schools, all the parks, the golf courses, the TRAX stations, the UTA property and we have Salt Lake County property in a variety of locations. All of which the City does not derive property tax revenue from but all of which pay storm water fees at a higher rate than residential units do. It is based on impermeable surface. That is one way to get revenue from entities that don't normally pay property tax. The transfer from that in lieu of tax allows us to pave roads; some more roads but not a lot of roads throughout Murray because we are not talking about a lot of money.

With In-lieu of Tax Transfer, every city that he has dealt with in his private life does transfers and our percentage is actually one of the lowest of any city in the state. He knows cities that are charging 13% - 15%. We have lowered ours on some of our utilities recently. It does help the General Fund and he should have had that number in front of him, Mr. Zollinger gave that to him, on the percentage of property tax increase that would be if we eliminated tax transfers. Mr. Brass can tell you that the Power Department alone is \$3 million. When the State redistributed sales tax and we lost \$1.5 million. We had to raise our portion of property taxes 41% to cover that \$1.5 million. The \$3 million contribution with the Power Department will give you an idea of what that means.

Mr. Brass said that this gives services to the newer part of Murray to the east of 900 East. They are deriving benefit from most of the utilities which are not over there. It helps the entire City. He knows that people look at it as another fee or that the City is trying to hide something but we really aren't. It is a convention that every city uses.

The storm water is required by Federal Law. You mentioned nutrient removal; we are looking at that. He sits on the Central Valley Water Reclamation Facility Board and they have been studying this for several years, seeing it coming. They are looking at the Jordan River in particular. The Federal Government, the EPA, is looking at all waterways and they want to get nutrients down to acceptable levels. They have picked a number. We argue the science in that. It doesn't take into account all of the other factors that hit the Jordan River such as water coming out of the canyons. As it crosses the valley it picks up a tremendous amount of silt and leaves. Leaf matter decaying in the river raises the nutrient levels and we could argue that point. Storm water is one of the methods that we use to try to keep all of that out. All we can do is control the amount of runoff. If we had to treat runoff, it would be another \$30 million. The fund is necessary; the transfers help and as the Mayor said we would be more than happy to talk about that afterwards.

Mr. Nicponski added he wanted to address the lobbying issue after the meeting if Mr. DeMann will be available at that time.

Mr. Brass added that it would be a 68% property tax increase. It is \$3.7 million dollars and it helps out with police and fire services, street repair patching, street cleaning and sweeping, snow removal, curb and gutter, sidewalks, tree trimming, the library and Parks and Recreation services which are services that all of our citizens avail themselves of and we do tend to subsidize a lot.

Mr. Stam said he wanted to put what Mr. Brass said into layman's terms, which is what he needed to have to understand this. All of the non-profit entities do not pay property tax. Your property tax pays for the police, fire, and the services that are provided. Charging them these storm water fees and then having it transferred is a way of having the non-taxable entities pay for the police and other services. If you take what they are paying and take it out of them, then it is really not coming out of your pocket because you have already paid it in your property tax. It is really a small amount.

Mayor Snarr said that they have not paid their property taxes but they have paid it by paying their fees. The money in the In Lieu of Tax Transfer has gone back to the General Fund.

Mr. Nakamura said that they will now have a decision based on the comments of today and the Council will make a decision on the final budget on June 19, 2013.

9. UNFINISHED BUSINESS

9.1 None scheduled.

10. NEW BUSINESS

10.1 None scheduled.

11. MAYOR

11.1 Mayor's Report

Mayor Snarr thanked the residents in attendance for attending and weigh in on the budget. He said it was good opportunity to have a good educational moment.

As far as he knows, and the press calls him on this quite often, your property taxes are the lowest in Salt Lake County. The City has worked hard to keep them low. To Mr. Brass' point, when the Legislature decided that we were 'too wealthy' because we made way too much money on sales tax they came in and redid their redistribution formula of the sales tax money. It did hurt us to

the tune of close to \$1.5 million. With that said, Ms. Wells did receive a report, and everyone here should be thrilled because Murray is number six out of all the cities in the entire state of Utah as far as what we generate with sales tax. On a per-capita basis, he believes that he is correct in saying that we are number one. If you take our population and divide it into what we bring in we are number one. Although the hospital is a non-profit entity, Mayor Snarr praises them because they are the economic driver and will be the sustainer of the future success of Murray for decades and decades to come. Mayor Snarr said that Mr. DeMann was instrumental in making that possible and it was not an easy task. A lot of things had to be done in order to get everyone to agree to sign off on the clean-up of the property.

Mr. Nicponski interjected saying that it started off with the Murray golf course.

Mayor Snarr agreed saying that the idea was that Murray was in charge of the clean-up. The Mayor praised Mr. Pett and Mr. DeMann for the great work that they did on the Parkway. It is the finest parkway in all of Salt Lake County. As a resident, we need to look at the positive things we have as well and say this is really nice. We provide a great quality of life at a very reasonable price for all of our citizens. He looks at the hospital and realizes that we have the number one Costco because there are 5,000 employees sitting next door to it.

While he was out spraying some weeds for a citizen, he went over to Costco. He saw ten people behind every register. They did not have but four of the lanes open which is something that they are going to change, but we are very lucky to have Costco here. We have a very successful mall which generates over \$640.00 per square foot and is the number one mall in the western United States. Murray does have a lot of things going for it and he sometimes thinks that we should look on the bright side of what we have. This In-lieu of Tax Transfer has kind of bothered him because Murray is more than fair.

As far as roads go, Mayor Snarr has had one complaint from the very beginning. Nineteen ninety-seven is the last time that they raised the fuel tax. You have lost 40% of your buying power since then because of the cost of oil and some other factors and materials. A lot of our budget has been subsidized by the General Fund for improving our roads. We get what is called B and C Road Funds which are not near enough to do what we need to do.

Mayor Snarr had an extensive conversation at the Mayor's Conference last Thursday and they would like to see the optional County Fuel Tax which would mean additional money that would come straight to the City and would be dedicated to fixing roads only. This money would not go into the General Fund which serves a lot of masters; it would go strictly to the road fund to improve the roads. They are asking for this and he is in favor of it even if it means people will be angry with him. He knows that in the end if we had the money and the resources to fix roads in a timely manner it would ultimately save the City more money. When you do a total rebuild it is almost ten times more expensive than if you had done regular routine maintenance on the roads. In the end it would save us money if we were able to get on top of repairing our roads in a timely manner. He is in favor of that so if you see this happen, you can blame him for the fuel taxes going up because he said to put him at the top of the list for the change. He recognizes what this can mean for the City, just like he did with the Power Department. Murray has one of the best power rates. The Power Departments and can conceivably be debt free in the next three years.

No other power department can claim that. Your rates are not going to be going up because the City has been very judicious in the last four years in managing our power resources.

Mayor Snarr admitted to a little preaching here, but after fifteen years and five months in office, he realizes how lucky he is to be living here in Murray. It is probably the best city in Salt Lake County overall with the costs for you to live here and the services you receive. He is proud to say that he lives in Murray and it is a great, great city. It is the best city in America when you look at what Murray has to offer and what we can give the citizens and what we end up charging them for what we give them is unbelievably reasonable. He gets the data from everyone else. The residents that comment most favorably are from people who move here from other places. He has been told things like they have never seen the roads plowed so fast. The reason that the City can do that is that is because we don't just have a Streets Department of plows. We have a Water Department, a Sewer Department if we need them, the Power Department. We have a Parks Department. We do everything in-house. Perhaps that is why we have more employees than others, because we are not serviced by improvement districts.

Our ancestors were very independent in 1903 when they founded Murray and said that they were going to do it and do it right and in-house. Even to the tune of having our own library and school district. Mayor Snarr is one to say that our city is a great city and it is not because of the Mayor. It is because of good people who are here to serve the residents and do the best that they can. Things are not free and everyone wants to think that government can do it for free but that is why we are where we are at today. They promise them everything without stepping up and saying what it really is going to cost and charge them for it. That is why he is so supportive of raising this new legislation which will support the County's fuel tax. It came very close last year and he thinks that they are going to get it through this year in having that optional fuel tax. The Mayor said that people wouldn't be calling their office all the time complaining about the roads if this happens because you would see roads being repaired. They might be complaining about the cones everywhere though because the City would be repairing roads everywhere if they had that additional money. That would bring in almost an additional \$868,000.00 to our City every year to fix the roads. Just know that he is supportive of that.

Mayor Snarr said that everyone is invited, and he is very excited about the brand new Home2 Suites Hilton Hotel which is being built on Vine Street and State Street. Tomorrow at 10:00 a.m. they are having a big ground breaking. The Power Department has been over there working very aggressively to take the overhead lines and put them underground. All of the Department Heads have been invited to join the Mayor for the ceremony.

Mayor Snarr said that he and his staff have worked on Murdock Hyundai's Wounded Warrior Project. They are having a big festival over there to raise some money. You have seen it on T.V., they have talked about it on the radio and they have picked our City to come and do the concert. The gates open at 5:00 and if you would like to come, they would really like to have you. They have over six different bands and they do an excellent job. Unfortunately, he told the people who put this together, who are out of California, that Sunday is not the best day to hold a concert in Utah and asked them to do it on Saturday. They took his advice and that is when it is.

11.2 Questions of the Mayor

None

12. ADJOURNMENT

Jennifer Kennedy, City Recorder

Attachment 1

Reprinted from an email to Council Members, Monday, June 3, 2013

Murray City Council Members:

I was disappointed to note the topic of discussion at the Council Initiative Workshop on May 14, 2013 was provision of health and dental insurance for City Council Members. I see from the Council agendas, that this is now being considered in the budget. I regret that I am unable to attend the public hearing on this issue due to conflicting commitments and respectfully submit the following and request that it be read as part of the record:

I feel compelled to express my opinion on this issue, based on many years of experience in varied positions with Murray City.

In the 1960's, my late husband, Judge LeRoy H Griffiths, was appointed and worked for five years as Murray City Attorney, prior to his appointment to the bench where he served for 25 years. At that time, this was a part-time position with a salary of \$10,000 annually, plus \$125 per month to help defray the expenses of maintaining an office, library, and secretarial help. (Coincidentally, I was the secretary for his private practice and assisted him in his City responsibilities that included prosecutor and counsel to the City Commission. I did not receive a salary from the City.) Of course, no benefits were offered to him by virtue of the part-time status of this position. The hours worked far exceeded what was considered part-time work, but we were both happy for the opportunity and personal growth this experience offered us as we began our careers; and most importantly, it gave us the satisfaction of public service.

For approximately a year and a half in the 1970's, I worked part-time as a secretary in the City Engineer's Office. I was paid an hourly wage and, of course, no benefits were offered (nor expected) due to the part-time status of the position.

Throughout the years, particularly during the years of economic struggles, part-time employees have provided a valuable service to the community, often to balance the budget while performing necessary tasks to maintain quality services. As we all know, part-time workers in the City still are not eligible for benefits, and department heads need to carefully monitor their schedules to work within the policy guidelines.

City Council members are also part-time employees, just serving in a different role, and their positions are tenuous depending upon election results. From my eight-year experience as a City Council member (January 2002 thru December 2009), there were times when I spent more than 30 hours a week but other times were not as demanding, so it all evens out. Anything over that, I considered public service, the motivation I had to seek the office in the first place.

Whether or not other cities provide insurance benefits for their Council members is immaterial, in my opinion. I do not think that outweighs the inequities created by favoring one group of City employees over the others or the personnel morale problems that would result from such an action. In the final analysis, our City employees (part-time as well as full-time) are our most valuable resource, and they ultimately make the difference between success and failure of our community. Another group of people who contribute greatly to our community are the members of the City Boards & Commission, who serve selflessly without expectation of compensation or benefits. I appreciate the opportunity I have enjoyed over the years as a member of the Board of Adjustments, Planning & Zoning Commission, and Library Board which has been very rewarding.

I personally feel that the annual salary of \$13,738 (plus the benefits of cell phones, 401(k) benefits through the Utah Retirement Systems, a public relations stipend, and provision of a laptop computer) is adequate compensation for City Council Members. Especially considering the impact of the uncertainties of implementation of Obamacare, now is not a good time for the City to add insurance benefits for Council members. To add insurance benefits would be tantamount to Council members giving themselves a huge raise, something City employees have not enjoyed for several years.

Respectfully submitted,

Patricia W. Griffiths