

# Murray City Municipal Council Chambers Murray City, Utah

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**T**he Municipal Council of Murray City, Utah, met on Tuesday, the 14<sup>th</sup> day of November, 2006 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:

Krista Dunn,	Council Chair - Excused
Pat Griffiths,	Council Member - Teleconferencing
Robbie Robertson,	Council Member - Conducted
Jim Brass,	Council Member
Jeff Dredge,	Council Member

Others who attended:

Gil Rodriguez,	Mayor Pro-tem
Jan Wells,	Chief of Staff
Frank Nakamura,	City Attorney
Shannon Huff Jacobs,	Council Director
Carol Heales,	City Recorder
Gary Merrill	Power Dept. Gen. Mgr.
Blaine Haacke	Power Dept. Asst. Gen. Mgr.
Dan Stireman	Power Dept. Key Accts. Mgr.
Citizens	

Mr. Robertson Conducted Meeting

## **A. OPENING CEREMONIES**

1. Pledge of Allegiance

Zack Castelle

2. Approval of Minutes

Mr. Brass made a motion to approve the Minutes of October 17, 2006  
Mr. Dredge 2<sup>nd</sup>.

Call Vote recorded by Ms. Heales.

**AYE/NAY**

  A   Mr. Robertson  
  A   Mr. Brass  
  A   Ms. Griffiths  
  A   Mr. Dredge

Motion passed 4-0.

Mr. Dredge moved to approve the Minutes of October 24, 2006.  
Mr. Brass 2<sup>nd</sup>.

Call Vote recorded by Ms. Heales.

**AYE/NAY**

  A   Mr. Robertson  
  A   Mr. Brass  
  A   Ms. Griffiths  
  A   Mr. Dredge

Motion passed 4-0.

Mr. Robertson said there is a tradition in council meetings that asks the Boy Scouts and their leaders to introduce themselves and to say what merit badges they are working on.

The boy scouts and leaders of Troop 590 introduced themselves and named the badges that they are working on.

3. Special Recognition(s)

None.

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

Zack Castellec, 6217 S Clear St, Murray Utah.

Mr. Castellec said he felt that Murray City should have a skate park.

**C. CONSENT AGENDA**

None scheduled.

**D. PUBLIC HEARING(S)**

1. Approximately 6:40 p.m.

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

**PUBLIC HEARING #0641**

**Consider an Ordinance approving the Adjustment of the Common Boundary with Taylorsville City (“Taylorsville”) to include into Murray from Taylorsville an area located at approximately 1300 West Winchester Drive (Northeast Corner).**

Staff Presentation: Frank Nakamura, City Attorney

Mr Nakamura explained that under Utah law, Cities may adjust their boundaries by mutual agreement of the legislative bodies of the cities. He mentioned that Taylorsville had not yet passed their ordinance, and asked that if this ordinance is passed, that it would become effective either January 1, 2007, or at the time Taylorsville passes their ordinance, whichever is later.

**PUBLIC HEARING OPENED FOR PUBLIC COMMENT**

Chet Nichols, Signature Development Company representative, stated that he owns four parcels of properties that are involved in the boundary adjustment and asked for clarification of the effective dates.

Mr. Nakamura explained that a de-annexation of that area, from the Taylorsville-Bennion water & sewer district, would also need to occur should this take place.

**PUBLIC HEARING CLOSED**

Mr. Dredge made a motion to approve with the addition of the recommended dates.

Mr Brass 2<sup>nd</sup>.

Call Vote recorded by Ms. Heales.

**AYE/NAY**

<u>  A  </u>	Mr. Robertson
<u>  A  </u>	Mr. Brass
<u>  A  </u>	Ms. Griffiths
<u>  A  </u>	Mr. Dredge

Motion passed 4-0

**UNFINISHED BUSINESS**

1. Consider an Ordinance amending Section 15.20.630 of the Murray City Municipal Code relating to the Electric Service Schedule 30 - Supply Cost Adjustment (SCA).

Staff Presentation: Blaine Haacke, Assistant General Manager

Mr. Haacke said that last month, the Council was presented with proposed modifications to rate schedule 30, or Supply Cost Adjustment (SCA) electrical schedule. Mr. Haacke explained that the SCA helps the City retrieve resource costs above what is expected. He said the City has implemented the SCA 5 times over the past 20 months. The previous formula had a sunset clause written into it at the time of implementation, and the change to the ordinance would do away with the clause. The SCA formula was revised for clarity as requested by the Council.

Mr. Brass, Mr. Dredge, and Ms. Griffiths stated that the rewrite of the formula was easy to understand, well done.

Mr. Brass made a motion to approve the ordinance.

Mr. Dredge 2<sup>nd</sup>.

Call Vote recorded by Ms. Heales.

**AYE/NAY**

  A   Mr. Robertson  
  A   Mr. Brass  
  A   Ms. Griffiths  
  A   Mr. Dredge

Motion passed 4-0

**F. NEW BUSINESS**

1. Consider a Resolution changing the policy of the City regarding the use of Independent Auditors to prepare Annual Financial Reports as required by State Law.

Staff Presentation: Don Whetzel, Finance Director

Mr. Whetzel explained that the current policy was passed over 20 years ago. At that time, the City had ten or eleven firms that were qualified to do the outside audit. Of those, six or seven were national firms, two of which the City had used in the past. The others were small local firms that were qualified to perform the work. Over the 20 year period, these national firms had consolidated down to four independent accounting firms, and they are no longer interested in doing a \$44,000 a year audit, as it is too small an amount for them to invest their time into. The last request for proposal, approximately 5 years ago, the City invited the two national firms that the City had worked with previously, and the four local firms to bid. The national firms refused to bid due to the small dollar amount. Of the local firms, two did not have the staff to adequately perform the audit. Mr. Whetzel stated, due to the limited participation, he is proposing that the audit time be increased from five years to ten years; and to extend the current contract with Hansen and Bradshaw for another five years. He added that the City would go out to bid at the end of their contract.

Mr. Brass made the motion to pass the Resolution.  
Ms. Griffiths 2<sup>nd</sup>.

Call Vote recorded by Ms. Heales.

**AYE/NAY**

  A   Mr. Robertson  
  A   Mr. Brass  
  A   Ms. Griffiths  
  A   Mr. Dredge

Motion passed 4-0.

2. Consider a Resolution of the Municipal Council of Murray City, Utah (the "Issuer") finalizing the terms and conditions of the Issuance and Sale by the Issuer of its Electric Revenue Refunding Bonds, Series 2006, in the Aggregate Principal amount of \$9,865,000 (the "Series 2006 Bonds"); awarding and confirming the sale of said Series 2006 Bonds; authorizing the Execution by Issuer of a Third Supplemental Indenture of Trust, an Escrow Agreement and other documents required in connection therewith; authorizing and approving a Preliminary Official Statement and Final Official Statement; authorizing and approving a Bond Purchase Contract; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this Resolution; providing a Severability Clause; repealing Resolutions and Orders in conflict; providing an effective date; and related matters.

Staff Presentation: Don Whetzel, Finance Director

Mr. Whetzel introduced the representatives from the firms assisting the City with the issuance and sale of the bonds, Preston Kirk, Senior VP for George K Baum & Company; Randy Larsen, bond counsel for the law firm of Ballard and Spar.

Mr. Whetzel stated that in the resolution, the amount of \$9,865,000 has been changed to \$9,700,000. He said the terms of the bonds will be 13.5 years, the true interest rate will be 4.0126%, and the bonds will mature on June 01, 2021. The net present value savings on the bonds will be \$611,765.

Mr. Whetzel continued by stating that part of the resolution is to confirm and award the sale of the bonds to George K Baum & Company, and to authorize the Mayor to approve the purchase agreement. The resolution also authorizes the *Third Supplemental Indenture of Trust* and an escrow agreement with Zions Bank. Mr. Whetzel stated that all the proceeds from the bonds will go into an escrow account, which in turn will pay off those portions of the 2001 original gas turbine bonds the City is refunding. In addition, the resolution authorizes and approves the issuance of the preliminary official statement, that was issued on October 30, 2006, and the final official statement that will be issued next week before the bonds are closed (November 29, 2006). The resolution also allows the City to take any other actions as necessary to complete these transactions.

Mr. Whetzel also noted that the *Rights of Severability Clause* repeals any orders or resolutions that are in conflict with the resolution, and provides for an effective date to move forward with the bond issuance.

Mr. Whetzel acknowledged George K Baum for a job well done. He emphasized

that the City saved two to three basis points by issuing today, which is the lowest the index has been in the past three to four years. He concluded by stating the \$611,000 net value savings is a substantial amount to the City.

Mr. Kirk stated he wished his partner Jim Matsumori had been able to attend because he did the majority of the work, and is responsible for securing the bond insurance and ratings.

Mr. Dredge made a motion to adopt the Resolution with the exception of changing the amount as discussed.

Mr. Brass 2<sup>nd</sup>.

Call Vote recorded by Ms. Heales.

**AYE/NAY**

<u>  A  </u>	Mr. Robertson
<u>  A  </u>	Mr. Brass
<u>  A  </u>	Ms. Griffiths
<u>  A  </u>	Mr. Dredge

Motion passed 4-0.

**G. MAYOR**

1. Report

None Given

2. Questions of the Mayor

None

Pat Griffiths expressed how proud she felt when the City received the National Phoenix award for the City's Smelter Site Development. She attended the award ceremony which was held in Boston.

**H. ADJOURNMENT**

Recorded by Carol Heales