



**MURRAY CITY MUNICIPAL COUNCIL
BUDGET AND FINANCE COMMITTEE
Fiscal Year 2014-2015**

The Murray City Municipal Council met as the Budget and Finance Committee on Tuesday, April 29, 2014, in the Murray City Center, Conference Room #107, 5025 South State Street, Murray, Utah.

Members in Attendance:

Jim Brass	Budget Chair
Brett Hales	Committee Member
Diane Turner	Committee Member
Blair Camp	Committee Member
Dave Nicponski	Excused

Others in Attendance:

Mike Terry	Human Resource Director	Paul Thompson	Court Judge
Kellie Challburg	Council Office	Doug Hill	Public Works
Justin Zollinger	Finance Director		

Mr. Brass called the Budget and Finance Committee Meeting to order at 4:00 p.m. He stated that there were six items on the agenda.

Judge Thompson's Compensation

Mr. Hales asked Judge Thompson if he would like to speak on the topic. Mr. Zollinger added that currently Judge Thompson is set up to receive a 2% merit increase, and a 1% COLA, similar to the other City employees.

Judge Thompson stated that he had attended two previous meetings. It is a legal requirement for the governing body to review the compensation of the other branch of government on a yearly basis, and he appreciated the effort.

He believes the statutory language is controlling. The salary of a full-time, law trained Municipal judge is set at 90% of the salary of a District Court judge, stated Judge Thompson. Municipal judges are prohibited from any practice of law on the side, similar to District Court judges.

Judge Thompson has been at Murray City for five years and believes the Court is very well run. The disposition rates are good, and the cost per case is excellent. The Court returns substantial

amounts to the City, unlike all courts. The AOC (Administrative Office of the Court) recommends two judges for the caseload that Murray handles. He believes that Murray handles it fine with one judge due to good management.

Judge Thompson said he would like to be treated the same as West Jordan, South Jordan, Ogden, and Sandy judges that receive the 90% of the District Court salary, as well as substantial car allowances. Mr. Hales asked if Judge Thompson receives a car allowance. Judge Thompson said he receives \$100 per month.

Mr. Camp stated that he is supportive of the Judge receiving a fair compensation. He said they have heard from other employees the same argument that they are not being paid the same as their counterparts. He is unsure about carving out one position for an increase, even though the position is unique. He said it may have to be proven that court revenues could support the increase. He noted that he is in support of a raise for the Judge, but the budget this year is extremely tight. Mr. Camp asked to see the numbers and compare salaries.

Mr. Hales said the issue in question seems to be that the Judge isn't in agreement with the numbers received from the comparison. Judge Thompson said there are judges being paid comparably; Taylorsville, for example, but not the cities listed in the personnel manual as a benchmark. He has been a judge for the same number of years as those other judges, and the Murray Court returns hundreds of thousands to the City. He added that Salt Lake City has four and a half judges and is difficult to compare.

Mr. Hales asked what percentage of the salary range is the Judge's salary. Mr. Terry replied that the Judge is at 105% of the salary. Mr. Terry said that midpoint is \$100,000. Judge Thompson replied that he isn't aware of any judges in the valley earning less than \$100,000. Ms. Lopez explained that the City has a salary range for each pay grade. Mr. Hales asked if Judge Thompson feels like the range is incorrect. Judge Thompson stated that he feels like a comparison of apples to apples would be more accurate. Mr. Zollinger asked the length of employment of those other judges. Judge Thompson said that most judges have worked less years or the same number as himself. Judge Thompson said Ron Kunz of West Jordan has comparable years but earns the 90% of the District Court Judge, as well as a large car allowance. Clint Balmforth of South Jordan is also at the 90% level but has only worked for about three and a half years, stated Judge Thompson.

Judge Thompson said the Legislature raised the District Court Judge salary to approximately \$133,000, and the 90% level would be approximately \$120,000.

Ms. Lopez added that Judge Thompson is at 106% of the Murray City salary range for a pay grade 31. Judge Thomson said he isn't sure of the relevance or meaning of the pay ranges. Mr. Terry explained that salary ranges are used when comparing to other cities, and include minimums, maximums and mid-points. Judge Thompson said he doesn't know how the ranges compare, but knows that most of his colleagues make about \$17,000 more than he does.

Ms. Turner asked if caseloads were equivalent when comparing other cities. Judge Thompson said the caseload at Murray is higher than most. For example, Ogden has a similar caseload, but with two judges. South Jordan has about half of the caseload, and the judge in Midvale earns about \$115,000 with about half of the caseload also. The caseloads in Sandy and West

Jordan are comparable, noted Judge Thompson. Ms. Turner added that seems like an important factor when comparing salaries also. Judge Thompson said he averages about 1,200 cases per month. Mr. Brass added that Ogden and Salt Lake City have a much larger population, with a higher revenue base. Murray City has a population of approximately 47,000 stated Mr. Brass.

Mr. Brass stated that if the City is out of line statutorily than it should be looked at, but otherwise it is difficult when the City doesn't have the revenue. The budget is very tight with the proposed employee raises, and he doesn't see how the City can financially support the increase, said Mr. Brass. He regrets the position, and is willing to review the statute and make sure the City is in compliance. Judge Thompson said the statutory range is between approximately \$60,000 and \$120,000 to account for rural judges, so the City is in compliance with the statute. Judge Thompson said when he compares his salary to the City attorney and others, it doesn't seem equitable.

Mr. Zollinger said that when he looks at the survey, it appears that the Ogden City judges earn \$104,000 and \$108,000 respectively. He stated that he found this information on the transparency website. Judge Thompson replied that information isn't correct, from his conversations with those judges. Mr. Zollinger asked if benefits were being included in the numbers that Judge Thompson received. Judge Thompson replied that it was not; it was simply wages, not benefits. Mr. Zollinger said the Orem and Provo judges appear to be at \$120,000.

Mr. Camp asked if the website that the information was found was the Utah's right to know website. Mr. Zollinger replied that this was the transparency website. Mr. Terry explained there are three websites for gathering salary information. This information comes from the State transparency website, which requires cities to upload information. Utah's right to know gets their information from this transparency website also.

Mr. Zollinger said that there are two judges in West Valley. Judge Thompson commented that those judges have Fridays off, and can do another part-time judgeship.

Mr. Zollinger asked Judge Thompson for his average hours worked. Judge Thompson said he works between 35-50 hours per week, depending on the caseload. He said he usually comes in about 8:40 and works until 5:30 or 6:00. There are two full calendars set every day, commented Judge Thompson.

Mr. Zollinger said the South Salt Lake Judge earns \$101,000. It is difficult to figure out the numbers from Sandy City, stated Mr. Zollinger. Judge Thompson said the judge in Sandy makes more than the 90% recommended amount because he has more than one judgeship.

Mr. Zollinger compared some of the cities on the survey. Judge Thompson said that some of the judges mentioned have more than one judgeship. Those judges received a waiver from the AOC to have other judgeships. Judge Thompson said he could do the same, but feels like it would hurt the Court to have him absent one day a week. The court would lose 20% of the volume, stated Judge Thompson. Mr. Zollinger added that the judge in Taylorsville also does the administrative duties, and that salary would be comparable after the 3% proposed increase. Judge Thompson replied that Taylorsville has two judges that handle the caseload. Judge Thompson said Murray has a hearing officer that can hear certain cases, usually first offenses.

Mr. Camp asked how the judge's salary compares after the 3% proposed increase. Mr. Zollinger replied that it won't be as high as Provo, Orem or Ogden but it is higher than West Valley and West Jordan. Judge Thompson said he disagrees with the information regarding the judge in West Jordan because he makes more than that amount given. Mr. Zollinger said Judge Thompson would be paid slightly higher than Taylorsville and South Salt Lake.

Mr. Brass asked when the budget will be adopted. Ms. Lopez replied it would be adopted on June 18th. Mr. Brass asked for more time to look into the wages and find more comparable data. He would like a straight answer before making the decision. He suggested making phone calls to ensure the information is correct.

Judge Thompson said he knows it is difficult in managing the budget and would just like to be on par with his colleagues.

Mr. Terry said from a HR standpoint, you have to compare salary ranges. Mr. Camp asked if actuals are on the website, or just ranges. Mr. Brass asked if the City has access to actual salaries in other cities. Mr. Terry said that he does have access, but that salary is entered by HR managers, and the other is the State website, entered by Finance Directors. Ms. Lopez stated that she can compare her numbers to the numbers Mr. Terry finds on the other website.

Mr. Brass said he would like to compare caseloads also, if possible. Ms. Lopez said she believes that information is available on the AOC website. Mr. Zollinger suggested determining actual hours worked also.

Health Care Opt-out Program

Ms. Lopez said the health care opt-out program was previously explained to some of the Council Members, but this explanation is for the benefit of all the Council Members, because there is funding attached to the program. Mr. Zollinger said the funding is already accounted for in the budget.

Mr. Zollinger stated that there are some instances in the City where both husband and wife are employed by the City. The City is paying health insurance premiums for both employees. The opt-out costs the City about \$2,400 per year, compared to almost \$13,000 for an employee family health plan. The City would like to offer one of the spouses the opt-out rebate option, which is a payment of \$200 per month to the employee.

The City decided to offer this option to any eligible employee who has insurance from his or her spouse. With proof of other insurance, they may also receive the opt-out rebate of \$200 per month. Mr. Zollinger said the employee pays approximately \$180-\$190 per month in premiums; the employee would realize that savings in premiums, as well as the opt-out amount of \$2,400 per year.

The amount currently budgeted for the opt-out will cost the City \$33,000 per year, but would most likely be recovered in insurance premium costs.

Mr. Hales asked if this was an optional choice for the employee. Mr. Zollinger said that was correct. Mr. Terry added that in some cases, employees under age 26 could go back on their parents' health plan, and receive the opt-out payment.

Mr. Zollinger said the City will require proof of other insurance. The goal is not to have employees without insurance coverage, but to reduce costs. In the cases of both spouses having the City health plan, it is a large cost to the City, added Mr. Zollinger.

Mr. Hales asked how many employees are covered with the City health plan. Mr. Terry said all eligible employees, except 13, are covered by the City health plan.

Mr. Hales asked if PEHP requires a minimum number of employees to sign up for the insurance. Mr. Terry said PEHP requires 80% of the employees to enroll, and that would not be a problem.

Mr. Zollinger stated that Council is included in the opt-out rebate program.

Ms. Lopez stated that the City pays about \$12,000 per year for a family plan, and would see a substantial savings by paying \$2,400 as an opt-out.

Mr. Brass asked if everyone was in favor of leaving it in the budget. All agreed.

Mr. Zollinger added that the City has Tier I and Tier II employees in the State retirement plan, depending on the date of hire. The City currently contributes 401k payments to the Tier I non-public safety and fire department employees, and nothing to the Tier II employees. The City has included in the budget contributions to the Tier II employees also. This is the benefit that Murray City provides into the State retirement plan. This is an attempt to treat all the employees equally and will cost the City approximately \$32,000.

Mr. Terry clarified that Ms. Turner and Mr. Camp are both post-retired and don't receive contributions. Mr. Zollinger said he will research that issue. Mr. Zollinger said that change happened in July 2011 to prevent double dipping.

Mr. Zollinger said that Tier I firefighters receive 3%, and Tier I non-public safety employees receive a 4.2% contribution. Tier II employees will begin receiving this also, in an attempt to equalize the employees.

Mr. Terry handed out open enrollment information with the different options this year. There will be the traditional plan, as well as a high deductible plan offered.

Mr. Brass said the budget accounted for two Council Members to enroll in the insurance, but he will not be taking the insurance this year. There is money available if another Council Member wishes to enroll, or the money will be used for something else. Mr. Terry told the Council to show proof of other insurance and they can receive the opt-out rebate.

Roadways/Radar Speed Signs

Mr. Brass said Ms. Turner requested a radar speed sign at Fontaine Bleu. Mr. Brass said that District 1 has received most of the speed signs thus far. This year, the proposed locations include three in District 1, two in District 3, one in District 2, one in District 4, and one in District 5. He stated that in fairness if Ms. Turner needs one in her District, she should get it. The question is what sign you eliminate, stated Mr. Brass.

Mr. Camp asked Mr. Hill if he was involved in the Traffic Safety Committee discussions. He said he wasn't but believes the signs were prioritized subjectively from feedback, not as a result of traffic studies. Mr. Camp noted that the Mayor mentioned Holstein Way and he agreed, with the construction there that a sign was needed. Mr. Hill said he was aware of at least four citizens that expressed concerns about speeding on Holstein Way. Mr. Hill disclosed that he lives on Holstein Way.

Mr. Hales asked how many signs are available. Mr. Brass said there were eight. Mr. Hales said he would like to see a sign on the other side of 725 East. Mr. Brass agreed that street is a concern also. He mentioned that he believes 4800 South is necessary. He would like a sign on Three Fountains Drive, but added it is a street with curves, so he could go either way. Mr. Camp clarified that the sign on 4800 South is a large sign, so really counts for two signs, so there is still a total of eight signs. Mr. Hill added that the difference in cost between a small sign and a large sign is \$1,100. He said the cost for a small sign is \$2,800 and \$3,900 for a large sign.

Mr. Brass commented that he would give up the sign on Vine Street. He asked where Loch Hawkins Drive was located. Mr. Brass looked at the map and discovered it was near 1300 West and Cimarron Drive. Mr. Hales said he isn't familiar with Loch Hawkins Drive. Mr. Hill said that someone from the Traffic Safety Committee would be a better source to answer their questions. Mr. Brass said that they would propose eliminating the sign on Vine Street and giving it to Fontaine Bleu Drive, and also eliminating Loch Hawkins Drive sign and putting it on 725 East. Mr. Brass asked that the change be made on the intent document.

Ms. Lopez confirmed the other signs would be located at: 4800 South, Avalon, Anderson, Walden Glen, Holstein Way and Three Fountains Drive.

Taylorsville Pedestrian Bridge

Mr. Brass said he was intrigued by this bridge but didn't make it to the hotels to see the impact on them.

Mr. Hill said that Taylorsville is making the assumption that if the bridge is located further north on 4500 South that Murray City will negotiate with the hotel owners and bring it back to 4500 South where the right of way is. Murray has not had any conversations with the hotels regarding this location. It could potentially be a negative for the hotels and put the City in an awkward position. Mr. Brass commented that if it helps the three businesses to offer an outdoor parkway for exercise, then he might support it. If it isn't a benefit to the Murray businesses, then he would question the need for the bridge.

Mr. Brass said he was asked to look into it by Mr. Nicponski and he supports that, but would like to evaluate the benefit to the hotels and businesses. If the hotels don't want it, then there is the answer. If they do want it, then \$44,000 might be a good investment. He is concerned that it could end up costing more than that amount. Mr. Hill said Taylorsville is asking for \$44,000 to participate in the bridge, but would also ask for the cost to build and buy the right of way for the sidewalk. He hasn't run the estimates for that part of the project yet. Mr. Hill said UDOT (Utah Department of Transportation) has safer sidewalk funds that allow for sidewalks to be built adjacent to State roads. The City could apply for those funds, since 4500 South is a State road. There is still a lot of work to be done on this project to know whether it could be built, and what

the total cost would be. The \$44,000 would only go towards the construction of the bridge. Ms. Turner stated it sounds like more research needs to be done. Mr. Brass asked if Mr. Hill could run an estimate of the costs, before a decision is made.

Mr. Zollinger asked if Mr. Hill knew why they didn't want the bridge right next to 4500 South. Mr. Hill said he did not. Mr. Hill said the sidewalk is on the Taylorsville side, not the Murray side.

Mr. Brass asked that the decision be made at a later time. Mr. Zollinger said the project would be funded by one-time money, if the decision is made to fund it.

Mr. Hill noted that they could have conversations with the Hotel also, and run an estimate of the costs. Mr. Brass thanked Mr. Hill.

Mr. Camp asked if road projects were going to be discussed. Mr. Brass said he didn't believe roads were placed on contingency. Mr. Camp asked about 440 East and if it was scheduled for repair. Mr. Brass said to place roads on contingency to be discussed at the next meeting.

Clean Energy Vehicle Purchases and Conversions/House Bill 61

Ms. Turner commented that she would like the City to get started and possibly put some money away for this project. She would like to start on two or three vehicles to show that the City is serious about this. She talked with Mr. Zollinger about setting aside \$15,000 for three vehicles. That would be the upfront cost of a conversion, and then the City would apply for funding from House Bill 61. Mr. Brass said the funding isn't guaranteed, and last year funding was given for three vehicles. Ms. Turner said that was correct and the assumption of funds cannot be made. It sounds like the Legislature wanted to see that the City was serious about the conversions, before giving any funds.

Mr. Brass commented that every City should make efforts to clean up the air. He commented that Mexico City made great improvements in pollution and now has particulates lower than Salt Lake City.

Mr. Brass asked where the \$15,000 would come from. Mr. Zollinger said it would come from reserves, as a one-time project expenditure. He would suggest using funds for three vehicles this year, and also make suggestions to the departments to purchase alternative fuel vehicles. Mr. Hales believes this will start the process and believes \$15,000 is worth it. Mr. Brass said this is comparable to the radar speed signs, in that it shows the citizens that Murray City is making efforts towards improvement.

Mr. Brass said he would like to evaluate the cost of improving the one alternative fuel pump in the City. He said it is a very slow pump, and the City should talk to Questar about that improvement. He said Salt Lake City converted the Sinclair on 900 South and West Temple to multiple CNG pumps.

Mr. Zollinger said he has a natural gas vehicle and fills up there in approximately two minutes. Mr. Brass said to evaluate that pump. Mr. Zollinger asked if the \$15,000 could come from non-departmental since the converted cars could come from any department. Ms. Turner said the cost is \$5,500 each. Mr. Zollinger changed the amount to \$16,500. Mr. Zollinger said the amount could be re-evaluated at the end of the year for next year's budget.

Mr. Brass said to add to the intent document that the intent it to convert three vehicles this year, for this amount of money.

Mr. Zollinger added that money would be saved on fuel also; natural gas is \$1.60 per gallon currently.

Mr. Brass said that the cold temperatures in the east, a natural gas refinery and a refinery in Wyoming have recently blown up and therefore reduced the supply, which drives up the prices. These three events have impacted supply and would impact Murray power also, but expects prices to drop once these events are remedied.

General Fund Reserves

Mr. Brass noted that he added reserves to the contingency list. Ms. Lopez stated that in 2013 the State Legislature approved a higher reserve amount for cities, up to 25% from 18%. Last year, the Council decided to increase the reserve amount to 19% and incrementally raise it year to year, until the maximum was reached. In the intent document for this year, the reserve amount should be 20% if the plan is still to gradually increase the percentage, stated Ms. Lopez.

Mr. Hales asked what the current reserve amount was. Mr. Zollinger stated that it was at 25%. Mr. Zollinger commented that one idea was to pay for the New City Hall out of pocket. Of the total reserves, \$6 million could be taken out of the General Fund, and \$3 million from Capital Projects to pay for a large amount of the New City Hall. An additional option is that a portion of the bottom level of the New City Hall be retail, and also have a portion available to lease as office space. The bond amount would cover the remainder of the building, less any revenue from the leased portions. The lessees would then pay for the bond, and in time if the City needs the space, then they could take over the leases at some point. That would take the reserves down to 5% to 7%. The minimum amount that the State requires is 5%, noted Mr. Zollinger.

Mr. Zollinger said he open to all options, but if the reserve level is kept at the maximum, then it would be better to draw from if needed for a New City Hall.

Mr. Brass said the philosophical discussion would involve roads needing to be paved, while the reserve amount is at 25%. On the other hand, if the mall collapses, then the City would struggle covering bills. He remarked on the recent shakeout training for emergency preparedness. Mr. Brass said previous scenarios involved the collapse of the mall, Costco, transformers exploding, etc. All of the rescue efforts would require money, and that is a good argument to keep the reserve levels at the maximum. If a transformer explodes, that is a \$3 million repair ticket, and would take about a year to get it up and running.

Mr. Brass said efforts have been made to store the servers in a different location than City Hall, which is helpful. He added that Kaysville keeps their back-up servers in Brigham City's EOC (Emergency Operations Center). He said that the City would still need access to the data, but in a major shake, all roads, and communications could be severed. Ms. Turner commented that a minor earthquake could bring City Hall down.

Mr. Zollinger commented that sales tax revenue from last year was approximately \$12.6 million. There was a positive variance this year, bringing the total to the \$13.1 million range. That is a

4.5% positive variance. He said that if there is a recession, and those numbers drop to \$12.3 million for example, you have to draw on the reserves also. Murray City is so dependent on sales tax that the reserves act as a cushion when the path gets bumpy.

Mr. Brass said there will be a New City Hall discussion at the next RDA meeting. One of the options includes retail on the bottom. Another positive element is that there would not be height restrictions on the building, since it is in the downtown area. One important factor is that the Police Department needs to feel secure and comfortable. It is important also if the goal is to bring people to the downtown area, that the City Hall be downtown.

Mr. Zollinger commented that the existing property is RDA owned, so it can be redeveloped. Mr. Brass said an idea for end of project was high end residential for doctors and staff, and also a grocery store and parking structure on the existing property. Another option was to place the grocery store across the street at Lost Creek, and have everything connect with wide bridges, or a nice, wide, and open tunnel. He said it is time for input from the Council as to any other ideas.

Intent Document Discussion

There have been some minor changes and clarifications to the intent document, noted Mr. Brass. Ms. Lopez said that the latest revision made by herself and Mr. Nakamura is available with changes highlighted. She added that Mr. Nakamura didn't like the section about the mid-year evaluation for employees so that was removed.

The General Fund Reserves section needed a decision on the desired amount to leave in reserves. Mr. Brass said he would leave the written amount at 20% and is aware that the City already has 25%, but that allows for some flexibility.

Mr. Zollinger said he is still hoping for high revenue at year end, and would take that amount determined and move it to reserves. Mr. Camp noted that it states that the reserves amount should be at least 20%, so that could be higher.

Ms. Lopez said that the department savings plan would be continued from previous years. The departments would still receive 75% of any funds saved to be used for next year's CIP projects, provided that the reserves are still a minimum 20% of the budget. Mr. Zollinger stated that simply means that reserves would be funded before transferring monies to the CIP.

Ms. Lopez added the two paragraphs on the clean energy vehicles and conversions. Mr. Brass asked her to add that the intent is to fund three vehicles at a total cost of \$16,500 this year.

Ms. Lopez said she would add the chosen streets for radar speed signs to the list.

Ms. Lopez asked if the Council would like the wording from Mr. Hill included regarding the cemetery. He said a study could be done to determine the number of lots that could be sold if the unnecessary roads were removed; and the amount needed from the sale of the lots to make a zero impact on the cemetery budget. Mr. Camp said he believes that was the recommendation from the CIP committee.

Mr. Brass said at some point the discussion should be had regarding the acquisition of more land for the cemetery to expand. Mr. Hales said that many residents that have lived their lives in

Murray would like to be buried in Murray. Mr. Zollinger said these lots would not be available unless the road removal project is done. Mr. Camp added that he would like to discuss the expansion of the cemetery at a later point.

Ms. Lopez noted that the Winchester Bridge design is a health and safety concern and would cost the City \$175,000, along with some County and State participation to repair the bridge. Mr. Brass said the project should be called the Winchester Bridge/Jordan River low head dam. Mr. Zollinger said that project is in the budget and brief section of the document.

Mr. Brass asked if the RFP (Request for Proposal) for the New City Hall is in this budget. Mr. Zollinger replied that it was.

Mr. Zollinger added that there was also \$50,000 set aside for the new City General Plan. Mr. Brass said he thought that was part of a three part \$50,000 contribution. Mr. Brass said to add the \$50,000 for a General Plan study.

Mr. Brass said the intent document could be reviewed and revised before the budget is adopted.

Mr. Zollinger said all of the above items are in the budget document also. Ms. Lopez added that they are in the budget, but the intent document is more of a policy statement.

Ms. Turner commented on the large expense for the cemetery irrigation.

Mr. Brass urged the Council to disclose any areas of question, such as zoning, etc. in their districts when developing the new General Plan. Also, to invite their constituents to attend the meetings that will be held to discuss the new General Plan.

Mr. Camp asked if there needed to be any language in the document regarding road repair and rebuilds. Mr. Brass replied that since the item is up for further discussion it doesn't need to be in the document yet.

Ms. Lopez stated that the topics for discussion at the next meeting include: the Judge's salary, the Taylorsville Bridge, road projects, and a review of the draft of the intent document.

Ms. Lopez asked about the date of the next meeting. Mr. Brass said that everyone should check their calendars and the date would be determined later.

Mr. Brass adjourned the meeting.

Council Office Administrator II
Kellie Challburg