



MURRAY
CITY COUNCIL

**MURRAY CITY MUNICIPAL COUNCIL
BUDGET AND FINANCE COMMITTEE
Fiscal Year 2017-2018**

The Murray City Municipal Council met as the Budget and Finance Committee Tuesday, January 30, 2018 in the Murray City Center, Council Chambers, at 5025 South State Street, Murray, Utah.

Members in Attendance:

| | |
|--------------|---------------------------------------|
| Jim Brass | Budget Chair - Council District 3 |
| Dale Cox | Committee Member - Council District 2 |
| Diane Turner | Committee Member - Council District 4 |
| Brett Hales | Committee Member - Council District 5 |

Absent:

| | |
|----------------|---------------------------------------|
| Dave Nicponski | Committee Member - Council District 1 |
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Others in Attendance:

| | | | |
|----------------|-------------------------|---------------|-------------------------------|
| Blair Camp | Mayor | Jan Lopez | Council Director |
| GL Critchfield | City Attorney | Doug Hill | Chief Administrative Officer |
| Pattie Johnson | Council Office | Mike Terry | Human Resources - Director |
| Blaine Haacke | Power – General Manager | Kim Sorensen | Parks and Recreation Director |
| Craig Burnett | Police Chief | Mike Williams | Court Administrator |
| Danyce Steck | Finance Director | Danny Astill | Public Works Director |
| Tim Tingey | ADS – Director | Gil Rodriguez | Fire Chief |
| Kim Fong | Library - Director | Julia Pehrson | MCCA/Library |

Mr. Brass called the Budget and Finance Committee Meeting to order 12:00 p.m. welcomed those in attendance. He introduced Finance Director, Danyce Steck, who had prepared a power point presentation to address financial issues of the city.

REVIEW OF BOND SALE

A pre-pricing call occurred with primary Utah underwriters, Janney Montgomery Scott, LLC. Ms. Steck said they provided a very strong bid, a strong portfolio of investors and were excited to work with the city in the bonding process.

Slight increases to interest rates, were good for investors, but not good news for the city when selling a bond. She noted recent announcements affecting the market, such as, the tax reform law, employers giving \$1,000

bonuses, investments going to infrastructure, and record low unemployment numbers. With numerous economic declarations, and consumer confidence, bond rates came in higher than anticipated for December. She did not believe interest rate decreases would occur any time soon. As a result, it was determined to pursue market sales for bonding.

When the economy improves significantly, the bottom market does not, therefore, but Ms. Steck was hopeful sales tax revenue from December 2017 would be very strong. She stated funds would be available on March 6, 2018.

Bond Process Results

- Bonds were oversold by 2.0 times
- Had to adjust one year of the series (2019), to get it sold - the bond did not sell at 2%.
- By increasing the rate to 3% - the bond sold immediately.
- Bonding was successful and completed
- Final bond - \$5,540,000
- Additional Proceeds: \$1,448
- True interest cost - 2.71686%
- Premium - \$358,578
- Cost of issuance - \$97,130, including underwriting costs and a strong credit rating upgrade to AA
- Annual debt service - \$537,551 - \$551,640

Strong Investors

Ms. Steck felt Janney Montgomery Scott, LLC, approached the best financial companies on the city's behalf, including Swiss, JP Morgan, Goldman Sachs, Edward Jones, and Zions Bank

FISCAL YEAR 2018-2019 BUDGET PREPARATION

Financial statements provided information, as of December 31, 2017, which also related to future planning. Ms. Steck explained financial statements and described items in *good standing*, items with *cautionary notations*, and areas where holding off from the budget would be recommended. The following was noted:

FINANCIAL STATEMENTS

- General Fund - Good standing
 - The city received 47% of its budgeted revenues, but had not received all of its sales tax at the same time, and property tax was anticipated.
 - A budget amendment in March, 2018 would include the new bond and an adjustment required by legislation regarding VECC 911 fee distributions.
 - Mayor Camp commented VECC fees were changed to a state tax, rather than a local tax, which was no longer earmarked by cities.
 - Personnel costs were slightly lower than budgeted, due to new allocation changes for administrative services provided to the utility funds. Other savings were the result of vacancies.
- Library - Cautionary notation

- The Fund balance continues to decrease based on increased facility needs. The estimated year end fund balance would be \$419,600. With ongoing repairs to the old building, improvements to library programs have suffered.
- The majority of property taxes have been received by the Library. Smaller distributions would continue through March, 2018. The city expects to collect an amount equal to or greater than budgets.
- Expenditures are 43% of the annual budget, which is well below budget.
- Redevelopment Fund (RDA) - Cautionary notation
 - The RDA's estimated year end fund balance would be \$175,800, however, the city does not anticipate using all the funds budgeted for land acquisition in the downtown area, which would increase the fund balance by approximately one million dollars.
 - Revenues were lower than Ms. Steck anticipated, and final distributions of property taxes would continue through March. The city expects to collect an amount equal to, or greater than the amount received the previous year, due to growth.
- Golf Fund – In the red
 - The city is working hard to find strategies for operating at a break-even point. The estimated year end net position, less assets, will be approximately \$50,000, after a transfer from the CIP fund in the amount of \$275,000. One of the two assistant pros, employed at the golf course would be resigning, and the position would not be filled, which would help the fund slightly.
 - Revenue was strong, due to a longer golf season.
- Solid Waste – Cautionary note
 - The Solid Waste Fund received 46% of budgeted revenue, which is slightly below budget, however, at the same time, it was ahead of the previous year by 4%.

Ms. Steck said sales tax revenue came in at 5% higher than last year, and stated the following enterprise funds were all in good standing:

- Capital Project Fund
- Water Fund
- Wastewater Fund
- Power Fund
- Storm Water Fund
- Central Garage Fund
- Risk Management

CHANGES TO BUDGET

1. Capital Projects Fund – Resurface the outdoor pool **\$100,000**

Mr. Sorensen explained 200 million gallons of water per month is leaking from the pool. The pool was drained for winter, however, the hope was to locate the leak by running a sewer camera through

pipelines, and pressure testing small lines. In addition, the underground surge tank, where water collects before entering the pumping system, had a minor leak, which was emptied and resealed. A final step, would be to analyze seams in the shell for leaks.

Two repair options were noted: Resurface the pool - estimated at \$80,000, or, install a plastic shell, which is the most modern solution because it lasts longer, is smoother on bare feet, and is more user friendly.

Mr. Tingey said quotes on vinyl were expected soon and timing was urgent.

Mr. Sorensen agreed, the cost for losing millions of gallons of water was \$5,000 per month, therefore, the hope was to secure a contractor for early spring, in order to repair leaks by the Memorial Day weekend opening, and be completely ready for summer.

2. Library Fund – Promotion request \$17,000

Ms. Fong said an assistant librarian was a leader among staff members and runs the summer reading program. Working beyond her job description for quite some time, this person deserves a promotion to the Librarian position.

3. Power Fund – Transformer replacement and upgrade \$2,000,000

Mr. Haacke explained the ground at the old landfill site on 4800 South and 300 West, continues to settle where the old Murray City dump was located 30-50 years ago. As a result, metal structures are bending, transformer bushings need to be replaced and upgraded, and underground conduit is breaking. Part of stabilizing the area requires reconstruction at the substation, and the purchase of two 40 Mba transformers are needed to replace the two existing 20 Mba transformers. Lead time is expected to be one year and the substation would double in size.

The cost for the 40 Mba transformer fluctuates daily, but is expected to be \$750,000 each, due to the cost of copper and steel. Power Fund reserves would be utilized in order to fund the project.

4. Power Fund – Gas turbine rebuild \$450,000 - \$700,000

Cracks in a 15 year-old turbine combustion chamber must be repaired. The project would be contract work by Solar Turbine, who would begin the project in March 2018. Funds were already budgeted for FY 2018, but another turbine will need to be rebuilt in FY 2019.

The project would prolong the life of the turbines another 10-15 years, and was expected to be completed by June, 2018 when summer peak begins. Gas turbines are used daily for 4-5 hours, and 10-12 hours per day, during summer months. When engines are cycled in this manner, cracks are a normal reaction to the constant fluctuation. Mr. Haacke explained turbines installed in 2003 doubled in value, and are now worth \$8 million each. Turbines are utilized for a base load and a peaking plant, they are a safe guard against earthquakes, in case the grid is lost, and therefore, repairing them would be a valuable investment.

Mr. Haacke said the cost range was due to uncertainty as the project unfolds, but the hope was to keep the cost at half a million dollars. Funds are available in this year's budget, through the turbine planned maintenance account, and the project would be covered without a budget opening.

BUDGET PRIORITIES – General Fund

Ms. Steck noted the definition for the word priority, as *a thing that is regarded as more important than another*. She said as budgets are limited prioritization was essential. She recommended the following items as priority:

- Employee retention- Particularly for public safety, related to career path and compensation.
- Replacement schedules – For vehicles and equipment.
- Maintenance schedules – Including streets, sidewalks, parks, and facilities.
- Improvement projects – Including streets, pavilion reconstruction and replacement
- New construction – Covers a long list of new construction projects.

Ms. Steck explained as funding was determined, priorities could be scheduled.

SALES TAX HISTORY AND PROJECTIONS

As part of bond issuance Ms. Steck had to research and compile data related to sales tax revenue over the last ten years, which resulted in an upgrade to the city's credit rating.

Ms. Steck explained the following details related to sales tax distribution:

- Distribution is delayed 60 days after tax collection
- Local sales tax rate is 1%
- Of that,
 - 50% of the tax collected by Murray businesses is distributed directly to Murray.
 - The other 50% is put into a state-wide pool and distributed based on a % of the population.
 - Murray is currently 2.59% of the State's population.
 - This percent will continue to decrease, as other entities increase in population.

Ms. Steck stressed the difficulty and challenges about the pool distribution process, since Murray's nearly built out, it could no longer increase population significantly.

Mr. Brass noted that Murray City's daytime population was considerably larger than its night time population. He said, for example, the Intermountain Medical Center alone drives the population up because people are making daily trips to visit Murray's hospital - with over 700,000 patient visits or more per year. In addition, numerous employees drive into the city every day. This greatly impacts the city's local eateries, businesses, and roads; therefore, it is important for legislators to realize Murray's daytime population should be considered the true total. As a result, fire services, and police protection are provided for everyone in the city during daytime hours. Murray is only a city of 50,000 people for only a few hours - in reality it is a city of 150,000 people. He felt if sales tax distributions were going to be fair, based on population, it should be fair according to a daytime populous.

Ms. Steck said Mr. Brass was 100% correct. Counting a day time populous, would significantly affect cities like Bluffdale, or South Jordan that do not have high rises, and no significant business population. Recognizing the daytime populous would very much help Murray City.

Sales Tax Distribution - Ms. Steck shared a pie chart (see attachment #1) and explained 56% of the city's

revenue comes from local business, direct sales. Even though half of sales taxes goes to the state pool, direct sales represents 56% the city's revenue, due to the small amount received from the state pool. She noted 24% comes from the population share, and 20% comes from the local option tax. Therefore, 76% of the city's revenue comes from every business in Murray.

Murray City Businesses - A bar chart was shared to explain what Murray City's businesses contributed to the state in sales tax revenue. (See attachment #2). She noted small economic growth in 2011, due to previous years of economic down turn, and a significant jump in sales in 2012, due to an increase in auto dealership sales.

Business Concentration - Types of business were noted in the city related to sales tax for fiscal years 2014-2017 (see attachment #3), for example, restaurants, retail stores, and on-line sales. A huge increase was noted in on-line sales since 2014, which continues to grow, and became 5.5% of the total sales in Murray.

The biggest challenge the city has is auto dealership concentration - with 26% of the city's total sales tax revenue coming from vehicle sales, including recreational and RV sales. Ms. Steck explained the day time population in Murray is highly professional, and highly paid; therefore, while the hospital was noted as tax exempt, the facility brings employees who are doctors and nurses with higher level incomes, and who often purchase vehicles in Murray.

There are 11 auto dealers, and 11 department big box retailers in the city, for a total of 22 businesses that contribute over 40% of the city's sales tax revenue. Losing those businesses would create a negative impact on revenue.

LOCAL OPTION SALES TAX

The local option sale tax was imposed in October, 2015, with projected annual revenue of \$4 million. Funds are committed to:

- Firefighters (2) \$ 150,000
- Police officers (3) \$ 225,000
- Street worker (1) \$ 60,000
- Fire station Debt Service \$ 540,000
- Capital projects \$ 3,000,000

SALES TAX REVENUE HISTORY

Average growth from year to year is approximately 4%. (See attachment #4) Ms. Steck explained as a result of imposing the local option sales tax distribution, a large amount of growth occurred from 2016 to 2017. See the chart comparing local sales tax, to local option sales tax.

Mr. Brass noted 2007 as the year before the economic downturn, and 2008 and 2009 as years the city lost nearly 13% of revenue. Recovery did not occur until 2016, therefore, the city just barely bounced back from the down turn, which took almost 9 years.

Ms. Steck agreed and stated it was critical to understand how long it took the city to recover, and to realize sales tax revenue was the main funding for the General Fund.

FISCAL YEAR 2018 SALES TAX REVENUE – Year to date.

- Total sales tax revenue for the city increased 5%
- Direct sales increased 4.5%
- State-wide sales increased 8.3%
- Average sales tax revenue increase over the past 4 years 4.8%
- Recommend budgeting growth of 3.0% for FY 2019-2023

SALES TAX REVENUE HISTORY AND PROJECTION

Ms. Steck explained a chart going forward, utilizing local option sales taxes, depicting five years -up to year 2023. Continued growth was noted but Ms. Steck stated unfortunately, revenue would be taken by existing increases in the General Fund, and the CIP Fund. (See attachment #5)

CERTIFIED TAX RATE

Ms. Steck explained the certified tax rate and said a city must declare each year how much property tax would be needed to provide services. The state assumes the same amount is declared as the previous year – which is called the certified tax rate. New growth is added to the revenue based on the certified rate.

If a city declares a change to the certified tax rate, a public hearing must be held (Truth-in-Taxation process). Ms. Steck noted the last adjusted property tax revenue was in 2006-2007.

CHALLENGES

- 33% of the total acreage of the city is considered tax-exempt, which requires a demand on services without the benefit of property taxes. Murray is third in the state for a strong concentration of tax exempt properties. Additionally, there is a lack of land space available for growth - the city is only 12.31 miles long. Services are provided for a large population, placing demand on public safety, and roads.
- Property tax levy does not adjust for inflation.
- The city is more vulnerable to economic changes, due to its reliance on sales tax revenue. Becoming more reliant on property tax revenue was suggested because it is very stable, unlike sales tax.
- Best practice recommends small annual adjustments of property tax.

Ms. Steck stated most cities increase property taxes every five to 10 years by 20% - 40%. By increasing property taxes yearly, with a smaller percentage like 3% or 4%, the impact is not as significant to residents and businesses. In addition, as a resident, homes are discounted by 45%, therefore, home owners only pay 55% of home values. As a resident, a property tax increase is least impactful, however, businesses and apartment complexes pay tax on 100% of property values.

PROPERTY TAX DOLLAR DISTRIBUTION

Ms. Steck detailed property tax distribution for each \$100. For example, \$56.99 goes to the Murray School District, \$22.96 to Salt Lake County, \$13.04 goes to Murray City, \$3.68 to Central Valley Water Conservancy, \$3.17 to the library, and 0.16 to the Mosquito Abatement District.

Mayor Camp requested to know what portion the Granite School District received, due to the location of Cottonwood High School in Murray City. Ms. Steck would research and get back to him.

Mr. Brass said the visual Ms. Steck provided was a great example for understanding property tax distribution. When the city last raised property taxes, it was imperative citizens understand the 41% increase was on \$13.04, not \$100.

Ms. Steck agreed and explained a required advertisement in newspapers, announcing a 41% increase in property tax, would not provide detailed information regarding the actual distribution of \$13.04 to the city.

Mr. Brass added on a \$2,000 tax bill, only \$260 goes to Murray City to cover a number of services, such as, police, fire, paving roads, repairing and installing sidewalks – everything except enterprise services. He stressed, the city provided a great deal for the community, including caring for and maintaining city parks; all of which, is a real bargain for \$260. He said Murray City has been a bargain for a very long time. He might ask, what services citizens would give up to avoid a property tax increase. He recalled after the annexation of east Murray, property taxes were not increased. The city adopted a 10% increase in population, a 21% increase in landmass, shifted fire station locations, and hired public safety employees without an increase. Therefore, he felt since the topic for raising property taxes was imminent, the \$100 bill example should be shared with the public. (See attachment #6)

Mr. Hill added Murray City often provided public safety for situations outside of the city. Mr. Brass confirmed, the city provides services for people who don't live in Murray, and there was no way of collecting for those services. As another example, the library exists on its own property tax revenue with a distribution of \$3.17; the library provides services for non-residents, as well.

Mr. Tingey commented the process of educating the public about property tax distribution was very important with the rationale for what it is used for.

Ms. Steck agreed, and said the outdoor swimming pool, and senior center operations were also covered by property taxes. In detail, she explained how the city distributes its portion of \$13.04 as follows:

| | | | |
|--|---------|--------------------------|---------|
| Police..... | \$ 3.73 | Streets..... | \$ 0.75 |
| Fire..... | \$ 2.58 | Other Public Safety..... | \$ 0.68 |
| Parks & recreation..... | \$ 2.03 | Debt Service..... | \$ 0.67 |
| Administrative & development services... | \$ 1.28 | General government..... | \$ 0.50 |
| Public Works..... | \$ 0.83 | | |

Mr. Brass noted debt service for Murray was relatively lower than most cities, due to paying off a significant amount of debt. Ms. Steck confirmed it was much lower, and UTOPIA payments were included in the debt service.

2017 PROPERTY TAX RATES

Ms. Steck shared a bar graph for 2017 property tax rates, comparing Murray City property taxes, to every other city in Salt Lake County. (See attachment #7)

She noted specific cities whose rates were much higher than Murray City for public safety and who signed property taxes over to the Unified Fire Authority (UFA), and the Unified Police Department (UPD) because council members grew tired of criticism for raising taxes in order to invest in public safety needs. She commended the Murray City Council for choosing to maintain its own public safety and be responsible for monitoring tax increases as needed. She stressed UFA and UPD tax rates were higher than Murray's basic rate.

Mr. Brass commented the city would never consider signing property taxes over to the UFA or the UPD. Ms. Steck agreed and stated Murray City's current form of government is the most cost efficient way of running government operations.

She referred to a property tax comparison table showing Murray City was the sixth least expensive. (See attachment #8). The city has a great property tax rate, followed by South Jordan and West Jordan who have their own public services, as well. Salt Lake City was noted for having the very highest rate 300% higher than Murray City.

PROPERTY TAX REVENUE HISTORY

From 2009 to 2018 property tax revenue only increased by \$160,000.

Mr. Terry asked if new growth was needed in order to increase property tax revenue. Ms. Steck responded new growth would definitely generate an increase. In addition, she noted the city lost property tax revenue when the IMC hospital was constructed.

WHAT IF SCENARIOS

Ms. Steck presented possible scenarios related to the proposed property tax increase, and what it would mean to Murray residents. For example, a resident whose home is valued for \$315,000 would currently pay \$245.15 in property taxes to Murray City. The following would result with each percent of increase.

- 10% increase - Annual increase would be \$24.52, or a monthly increase of \$2.04
- 20% increase - Annual increase would be \$49.03, or a monthly increase of \$4.09
- 30% increase - Annual increase would be \$73.55, or a monthly increase of \$6.18

With a 30% increase the city would bring in an additional \$2 million.

Ms. Turner wondered if possible scenarios affected the annexed area of Murray City. Ms. Steck replied yes, scenarios applied to Murray City, entirely.

A discussion occurred related to possibly imposing smaller increases every year, as opposed to 10%, 20% or 30% increase. For example, 15% for two consecutive years, or, 5% every year - for many, many years. Mr. Brass felt a 5% increase every year was the easiest method, but realized it would require a yearly commitment to Truth in Taxation hearings. When the last tax increase occurred, residents expressed a desire for smaller regular increases every year. However, he felt a challenge could result regarding elected officials committing to the increase year after year.

Ms. Steck said educating the public about the increase process would be beneficial. She felt the topic was most sensitive to the elderly, who might not understand the impact, are often on fixed incomes, but typically have lower property values than most.

Mr. Brass said there were relief programs built into laws, available for those on fixed incomes, however, it was an example of why lobbyist push legislatively for cities to collect inflation without Truth in Taxation hearings. He recalled when the economic down turn occurred people stopped purchasing vehicles and the city suffered greatly, due to the significant decrease of \$2 million in sales tax revenue. The situation created substantial challenges to replace those funds. A more stable revenue was property tax, which was

a reliable source the city could count on for the foreseeable future. The city still has a significant reliance on sales tax revenue.

In addition, Mr. Brass noted the Intermountain Medical Center (IMC), which was a half a billion dollar entity located in Murray City- and did not pay property taxes. He said the facility contributes to the community enormously, and aides to the great success of Murray's big box store, which is a top producer of sales tax in the city, however, the loss in property tax is felt.

Ms. Steck noted the nexus with sales tax, and tax exempt properties. She explained if property taxes were stabilized, excess sales tax could be applied to needed capital improvements that the tax exempt property generated the need for.

Mr. Hill stated the scenarios were good examples of what the increase would look like, and stressed residents should understand the city cannot live on 2006 property tax rates any longer. He said it would be helpful to see what inflation has been since 2006, and what the increase would look like if the city could collect the rate of inflation. He felt the amount would be higher than the proposed 30% increase.

Mr. Tingey commented the consumer price index (CPI) would be a helpful tool in determining inflation rates since 2006.

Mr. Brass said, health, safety, and welfare were primary concerns of Murray citizens, which are the city's priority - placing public safety at the top, all Murray employees are important. He noted the importance of parks, and the numerous requests made by residents for more parks, however, it was important to realize all of the above come with a cost.

Ms. Turner felt quality of life was very important.

Mayor Camp reported according to the assessor's website, IMC was 86% tax exempt, which meant they were paying 14% of \$577 million. Ms. Steck stated 14% was contributed from gift shop, cafeteria, and pharmacy sales, however, it was considered RDA property until 2024.

TRUTH IN TAXATION

Ms. Steck reviewed the process of Truth in Taxation. (See attachment #9)

GENERAL FUND HISTORY

A bar chart was shared to review revenue and expenses from 2013 to 2017. Ms. Steck noted significant debt was paid off early in 2017. (See attachment #9)

In 2013 the city received excess interlocal funding that carried forward for two years. Expenses were noted higher than revenue for three consecutive years, and she believed expenses were high due to ongoing street improvements, which was not a good position to be in. As a result, she felt it was why Mr. Zollinger pushed to impose the local sales tax option. By 2016 and 2017, the situation reversed and revenue was higher than expenses, which is the current status.

Mr. Brass confirmed funding was received for road construction on 4800 South. Mr. Hill affirmed funding was an appropriation from the county, when the city received \$1 million one year, then \$2 million the following year, and \$1 million the third year.

FY 2017 ACTUALS

A chart was used to compare revenue with expenditures, related to how expenses were covered. Ms. Steck noted it was interesting the city's two main revenue sources, sales tax, and property taxes, pay for public safety, and parks and recreation, which left many other things unaffected. (See attachment #10)

FY 2018 BUDGET

Ms. Steck shared a chart to explain how the city would utilize funding in the current budget year, by comparing revenue, with expenditures. (See attachment #11)

She stated sales tax revenue was not adequate in covering public safety costs, and revenue would not come close in the future, due to a \$2 million gap. Property taxes were noted in the positive, to pay for parks and recreation expenditures, and franchise taxes were close to covering public works expenses. Charges for services, were slightly less than development services expenses.

CONTRIBUTION FROM OTHER FUNDS

Ms. Steck said the city currently utilizes 8% of the original charge for services from enterprise funds. For example, the Water Fund, generates water sales and the city transfers 8% of revenues to the General Fund as a contribution. Similar to a shareholders profit, contributions also come from other enterprise funds such as, power, wastewater, and storm water. Therefore, she encouraged a discussion related to increasing all enterprise contributions from 8% of revenues to 10%, which would increase revenue. She stated not all residents participate in the Water Fund but would benefit.

GENERAL FUND 5-YEAR PLANS

Ms. Steck asked the council to view her proposed projections. Assumptions for each proposal were:

- Sales tax revenue increase of 3%
- Charges for services increase of 2.5%
- Wages and benefits increase of 4%
- Operations and capital increase, and Utopia 2%

Plan A – No change in property tax or contributions from enterprise funds. The ending Fund Balance would be negative because expenditures significantly exceed revenues, leading to a deficit in the ending net position by 2023. Therefore, she stressed Plan A was not favorable.

Plan B – With the same assumptions, and a 20% property tax rate increase next year (2019), with a 5% increase each following year the ending Fund Balance would remain neutral. By 2023, the ending net position would be 22%. Plan B requires committing to Truth in Taxation hearings on a regular basis, and the local option sales tax revenue would be applied to capital projects.

Plan C – With the same assumptions Plan C includes a property tax increase of 5% each year, for five years, and increased enterprise fund contributions from 8% to 10%. Ms. Steck noted the ending fund balance for Plan C would drop the second year, and continue to decrease until year five. Plan C was not horrible, however, great attention would be needed by year four, with possibly another property tax increase at that time.

Ms. Steck said at the mayor's request, transfers out from the Storm Water Fund would no longer occur for Plans A, B, and C. The 8% contribution transfers would only occur from the Power Fund, the Water Fund, and the Waste Water Fund.

Plan D - Described as a one-time Truth in Taxation plan, which recommends a significant property tax increase of 25% this year and would not be addressed again for five years. The increase would hold revenue well until 2023, estimating an ending net position of 17%. A tax increase would be further addressed after five years. Ms. Steck stated Plan D was tolerable.

Mr. Hill affirmed, all plans A-D included assumed increases, but no changes in capital or improvements for projects, such as, sidewalks, roads, and building maintenance. Ms. Steck confirmed.

Mr. Hales wondered why there would be no change in funding capital projects. Mr. Hill believed another tax increase would need to be implemented for sidewalks, roads, park pavilion repairs, as well as, for projects, such as, the Murray Theater renovation. Ms. Steck stated that was a fair assessment, and she would review a five-year CIP plan based on the General Fund estimates.

Mr. Brass explained the In Lieu of Tax (ILOT) transfer, allowing the city to allocate money from enterprise funds to the General Fund because services, such as, power, water, and sewer are provided to non-taxed organizations in the city. He said non-taxed customers provide abundantly for the community, however, property taxes are not collected. IMC is one of the largest Murray Power utilizers, therefore, the 8% ILOT transfer was a means of recovery. For many years the city utilized 8% ILOT transfers, which allowed the city to avoid raising property taxes. However, he felt even an 8% allotment was relatively low compared to other cities who do the same. Ms. Steck concurred and explained other cities no longer refer to the transfer as an ILOT transfer, but rather contributions to the General Fund.

Mr. Hill noted enterprise funds rate structures were approved based on 8% transfers. If enterprise funds allocations to the General Fund should increase, rate increases might need to occur sooner. Great benefit could be realized for Murray residents who do not participate in Murray utilizes and would receive better public services, such as fire and police, without additional cost.

Ms. Steck agreed and stated the contribution increase would benefit the city as a whole. She noted Power Fund reserves of \$18 million. Mr. Haacke said a 1% increase in power contribution transfers would be approximately \$350,000.

Mr. Hales wondered how much the average contribution was comparatively to other cities.

Mr. Haacke said contributions from the Power Fund were lower than most power entities, for example, UAMPS cities collect up to 18% in contributions, and reported the city of St. George at one time balanced the entire city's budget on exact contributions.

EMPLOYEE COMPENSATION

The compensation study is completed and a study session would be scheduled for review in February.

Ms. Pehrson shared her concerns associated with employee compensation and noted constant emails she receives related to this.

Ms. Steck said it was a valid point, however, she stressed the historic economic downturn hit the city hard. The

\$2.5 million loss took years to recover from, all the while maintaining infrastructure and completing needed projects. Employee compensation was put on hold for a long time, which was hopefully going to change, however, she was impressed with how well the city managed financially with 10 years of serious recovery.

Mr. Brass stated the city council provides public services to its citizens, and, in order to provide excellent service, the city needs to keep its valuable employees. He was aware that other entities were competing for the city's employees, which Murray can't afford to lose. He felt results of a property tax increase could ensure maintaining good employees, maintenance, repair and replacement projects.

LIBRARY FUND BUDGET DISCUSSION

The Library Board met and recommends a 50% increase to the current library tax levy. An immediate request for \$580,000 was made to be dedicated to a new library building fund, which would be the debt service, annually on a \$10 million bond for the new facility to be constructed 3-4 years from now. In addition, a \$250,000 allotment was requested to be committed to increased operations.

Mr. Brass pointed out a 50% increase was only on \$3.17 allocated from every \$100 collected in property taxes. Ms. Fong stated the 50% increase would raise their property tax rate to .00052.

Mr. Brass noted Truth in Taxation mandatory advertising would reflect a 50% increase, however, it would not detail the amount increased by 50% - was only 3%.

Ms. Steck compared Murray City's Library tax rate with the Salt Lake County Library tax rate, where the Salt Lake County rate was significantly higher, even with the suggested 50% increase to Murray rates.

Ms. Turner affirmed Murray tax payers do not pay into the Salt Lake County Library Fund. Ms. Fong explained the resident city pay taxes to the county, however, Murray residents only pay into Murray's Library Fund.

Ms. Steck shared a library property tax increase analysis form and explained bond and tax rate scenarios, based on square footage for the new library facility as follows:

30-Year Bond - \$10 million at 4% interest Payment of \$580,000
20-Year Bond - \$10 million at 4% interest Payment of \$740,000

With the current tax rate, the library brings in \$1.5 million annually, combined with anticipated operations cost increases of approximately \$250,000, in addition to the \$580,000 bond payment. Ms. Steck noted revenue should be closer to \$2.3 million.

Ms. Steck explained Murray residents and businesses would be effected by the increase as follows:

Resident

| | | | |
|-----------------------------------|----|---------|-----------------------------------|
| Home Value | \$ | 300,000 | |
| Residential Discount | | 55% | |
| Taxable Value | \$ | 165,000 | |
| Current Property Tax – To Library | \$ | 56.76 | |
| Operational Increase | | 9.45 | |
| Bond Payment | | 21.93 | |
| Total Residential Property Tax | | 88.15 | (About a \$30 increase per year.) |

Business

| | | |
|-----------------------------|----|---------------|
| Business Value | \$ | 1,000,000 |
| Current Property Tax | \$ | 344.00 |
| Operational Increase | | 57.30 |
| Bond Payment | | <u>132.93</u> |
| Total Business Property Tax | \$ | <u>534.23</u> |

Library Five-year projections

Ms. Steck explained the library board's recommended increase, and debt service payments would not be effective until 2022, which was the estimated time frame for constructing a new library.

She was not certain if the library board's intent was to automatically increase operations by \$250,000, or apply the amount over time. By allocating the increase all at once, the fund would operate in the negative, and therefore, was not a favorable scenario. She explained, with a 4% increase to personnel, and a 2% increase for operations and maintenance, the 250,000 request could not be applied until after the bond was issued.

Ms. Fong stated the intention was to receive a \$250,000 increase immediately.

Mr. Brass asked the age of the library building. Ms. Fong stated 27 years old. Mr. Brass felt a 30-year bond would be favorable and he would not want to pay bond money on a facility that was deteriorating, and on property the city does not own.

Ms. Fong said looking beyond the bond process, and should the construction of a new library building not come to fruition in the MCCD, funding of \$250,000 would still be needed to improve the current facility, because space was very limited and every square inch was bursting at the seams.

Mr. Tingey said a significant challenge was lack of parking at the library, and should the facility be remodeled, perhaps by adding another floor, or expanding, parking issues would remain the same.

Ms. Steck stated she would work with Ms. Fong to reevaluate a better operational increase, and therefore, the overall increase to property taxes could be more than 50% of the \$3.17 allotment.

CAPITAL PROJECTS FUND BUDGET FIVE- YEAR PLAN DISCUSSION

Ms. Steck noted the following as priority projects on the capital list:

- Vehicle replacement
- Equipment replacement
- Parks maintenance
- Road maintenance
- Sidewalk improvements
- Building maintenance
- Building abatement

Ms. Steck utilized five-year plans from the previous year, for her recommendations, as she was waiting for

estimates from various departments for creating a new five-year plan.

Two projects she believed should be called improvement projects were noted as: the pavilion replacement project, and the Ken Price Grand Stand, and restroom replacement project. She shared justifying concerns related to the grand stand replacement project, because concrete is deteriorating, and the entire stand is made of concrete. This issue was a dangerous situation.

Mr. Sorensen reported concrete was deteriorating, however, not to the point where the venue had to be closed; although, he said the situation would continue to get worse.

Ms. Steck stated the cost of replacing the grand stand would be \$3 million, and pavilion projects were estimated at \$1.5 million, based on estimates ten years ago.

RENOVATION AND NEW CONSTRUCTION PROJECTS

- City Hall
- Murray Theater
- Murray Mansion
- Murray Chapel
- Hanauer Street
- Armory
- Splash pad (proposed)
- Museum relocation – requested by the Arts Advisory Board
- Murray Park storage facility

Without determining the exact cost for each project, the estimated total cost for all projects was \$40 million.

Mr. Tingey addressed ongoing facility maintenance for buildings, such as, the recreation center, and the aquatic center, with significant cost over the next several years.

Mr. Brass felt those particular cost estimates were definitely necessary in a five-year plan, however, determining projects of absolute necessity - this year - was important, because there were very critical projects that should no longer be delayed.

Mr. Sorensen said there were many critical areas in the city, for example, 16 heavily used city playgrounds. The life expectancy of playground equipment is 20 years, however, over the last four years, only five playgrounds have been replaced, leaving seven that are 20 years or older. Equipment continues to be maintained for safe use, however, he felt at any time, some would have to be torn down, due to outdated replacement parts. In addition, there are a number of public restrooms that are 50 years old – he was not certain how long patching and repairing could continue, for fear of roofs possibly collapsing and old sewer lines ready to burst.

Mr. Brass stated it was good for the council to understand these situations, in order to get projects done appropriately in a timely manner. Tough decisions needed to be made, and felt the city always sacrificed other areas to get roads taken care of.

Mr. Hill encouraged pre-planning for maintenance and replacement - whether for vehicles, buildings, or equipment. He explained departments request their needs, and depending on what funding was left over,

after funding operations— a decision would be made as to what could be afforded. By pre-planning, projects could be accomplished, according to a financial schedule saving funds for those items of greatest need. He said having a pre-planned saving schedule built into the tax increase, could help provide funding for these priorities. Additionally, 20% may not be enough.

Ms. Turner wondered about a rotation situation for planning projects.

Ms. Steck agreed, and informed the group she had such a plan in mind. She stated often the squeaky wheel gets the grease, when other critical issues are unfunded, and delayed. For example, when the fire department needed to replace an old ladder truck that reached its 10-year capacity, it was not funded, due to lack of money. The cost for a new truck is \$1 million. In addition, engines in other trucks need replacing. The need and the cost to the department continues to increase year after year. She noted the city did well to set aside funding for replacing police vehicles when a six year cycle was put in place, to replace 12 vehicles every six years at a cost of \$450,000 per year.

Ms. Steck proposed the city set aside specific amounts of funding annually, and that while a priority list was presented to the council, she requested the council allow the professionals to prioritize projects – with the exception of new construction, or improvements.

For example, a fire replacement schedule could set aside \$350,000 per year, every year. The fire department could chose not to spend the savings one year, with money allocated to a reserve specifically designed for the fire department - to be utilized at a later time. Therefore, each department, with its own pool of savings, would oversee what equipment was needed, and when to purchase it, and be allowed to control their own improvement and replacement schedules.

CAPITAL PROJECTS FUND FIVE-YEAR PLAN – DETAILED ESTIMATES

Assuming a \$25 million bond was attained for the City Hall building - Ms. Steck included a proposed replacement schedule on the chart. She said the information was a concept only for the council to review, as she invited feedback. She explained the plan was similar to Mr. Hill's suggestion, where each department would receive a significant amount of money for their needs, to be used specifically for that department (See Attachment #12) with reserves for later use. Department head personnel would request appropriation from the council, however, resources would be at their disposal. The council would have knowledge of which projects were to be accomplished.

Ms. Steck utilized existing five year plans to create her proposal. She noted only one million dollars per year would remain for other capital or road projects. The plan assumed transfers into the General Fund, but allowed each department overall control of their schedules, and yearly allocations.

Ms. Turner felt the concept was proactive and made sense and she felt the city should adopt a plan for saving.

Mr. Tingey agreed, however, he felt extensive discussion was needed to prioritize immediate critical needs related to maintenance within the city. As department head over facilities maintenance, he reported Mr. Martin recently evaluated all city facilities and needs were many. Mr. Tingey felt the suggested \$50,000 per year for building maintenance would not cover those needs, which did not include city hall. He named the public services building, parks and recreation building, and the Park Center, and stated all building maintenance throughout the city this year alone, had an estimated cost of \$1.4 million. He said many projects were very critical.

Ms. Steck responded adjustments could be made, as she did not have current five year plans to aid the concept. Building maintenance might be funded with half a million dollars per year, or \$700,000 for the first two years, in order to meet those needs. She felt having the savings allocated would better determine what finding was needed, and where the tax levy should be to support a variety of projects. She stated the CIP has no revenue source; it was basically the General Fund.

Mr. Tingey he would not suggest his department was in need of the most funding, however, prioritizing critical issues was very important.

Mr. Brass and Ms. Turner felt the topic and concept gave them a good idea how to formulate a realistic plan.

Mr. Brass noted all enterprise funds have reserves for replacing critical equipment, however, General Fund reserves were the only savings readily available, therefore a public safety reserve would be useful. However, as an elected official, the council would need to agree on the concept.

He felt since 1903 the city always practiced taking care of needs on a priority basis, and got things done when they needed to be done. However, in theory, if a new city hall facility was constructed, other departments would be housed there as well, removing much of the critical existing building maintenance projects. In addition, being well informed of all critical issues, when they occur, and how much they cost immediately would be helpful in deciding where to proceed first. He pointed out, a lesson was learned related to police cars, that if you wait too long to replace them, the cost would be more significant when they all stop running at once, which was the same situation for the fire department.

Ms. Turner said Ms. Steck's concept would be helpful for the city, and said good planning was very important. She felt there were times the city was desperately trying to figure out how to meet many financial needs.

Mr. Brass recognized Mr. Tingey's point, and said he realized the current city hall building would require attention for at least two more years.

Ms. Steck commented additional funds would derive from the selling the existing court house building, as well as, the land where the current city hall resides. Funds could be dedicated to some critical issues, which might justify addressing them now, and replenish other reserves.

Chief Rodriguez explained unforeseen government mandates were imminent, which could hit at any time, for example new required radio systems, with a cost of \$300,000, in addition to the cost of a new ladder truck, and new engines.

Ms. Steck said in essence the council would distribute a CIP savings plan to be budgeted by each department, and expect them to control funding appropriately. Mr. Brass commented the council would need to respect their decisions.

CITY HALL

The programming process was completed for the facility, related to the size of office space needed for each city department. With 121,000 square feet anticipated for the structure. Approximately 30,000 square feet would be utilized for future expansion on the fourth floor.

Once an architect was hired to finalize construction plans, a fee would need to be paid. The set budget for

that service on a 121,000 square foot building was \$30 million. Mr. Tingey asked the council if they were comfortable moving forward with a \$30 million bond, which only included the building - not a parking lot, or landscaping. He wondered before signing a contract with the architect, in order to be deliberate with regard to budget planning, should the building size be reconsidered.

Ms. Steck stated bonding for the fire station was complete, and she requested a total for city hall including parking and landscaping costs. Mr. Tingey said he had those totals, however, definite square footage for the structure was needed.

Mr. Hill said he attended the fire station pricing and bonding discussion recently, and it was evident interest rates were not working on behalf of the city, therefore, further delays would result in higher interest rates. A decision was imperative, and he wondered other than finalizing construction plans, was there any other obstacle preventing the city from beginning construction, as soon as, tomorrow on the city hall project.

Mr. Brass felt looking over programming plans one final time would be beneficial in realizing true costs.

Mr. Tingey stressed it was imperative the council be certain about what the city was willing to pay for the building. According to architect estimates, \$30 million was accurate for constructing a building of this size, as the market indicated. Otherwise, architects were ready to move forward at any time. He stressed council members need to be in agreement for a bond of \$30 million, before a contract was signed.

Mr. Hill wondered once the location and size was chosen for city hall, and the budget was decided, could construction begin, simultaneously – while moving the fire station, building a road, and finalizing property for the new fire station.

Mr. Tingey said there was nothing to prevent the start of construction, other than acquiring one last piece of property, which was very close to being finalized.

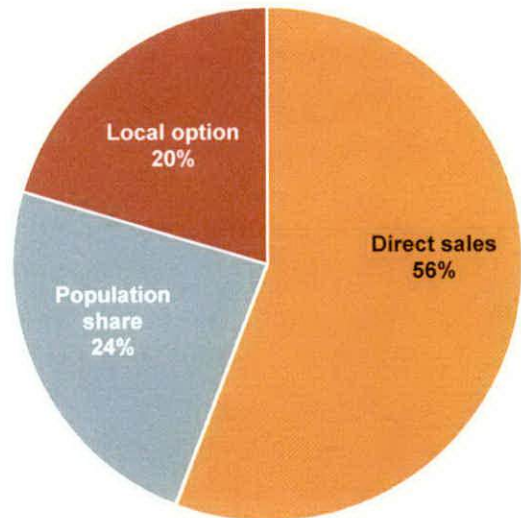
ADJOURNMENT

Mr. Brass adjourned the Budget and Finance Committee meeting at 3:07 p.m.

Pattie Johnson
Council Office Administrator II

ATTACHMENT #1

SALES TAX DISTRIBUTION



ATTACHMENT #2

MURRAY CITY BUSINESSES



ATTACHMENT #3

BUSINESS CONCENTRATION

| | FY 2017 | FY 2016 | FY 2015 | FY 2014 | FY 2017 % of total sales |
|--|------------|------------|------------|------------|-----------------------------|
| RETAIL - AUTO DEALERS (INC REC & USTC) | 5,577,621 | 5,176,433 | 4,664,059 | 4,536,624 | 26.0% |
| RETAIL - DEPT/BIG BOX STORES | 3,892,965 | 3,768,180 | 3,701,666 | 3,550,190 | 18.1% |
| WHOLESALE/TRADE | 1,912,264 | 1,764,459 | 1,907,758 | 1,812,603 | 8.9% |
| RETAIL - MISC | 1,583,458 | 1,603,645 | 1,514,736 | 1,468,538 | 7.4% |
| RESTAURANTS | 1,394,188 | 1,310,793 | 1,238,749 | 1,159,367 | 6.5% |
| NON-NEXUS SALES (INC ONLINE) | 1,180,625 | 983,835 | 833,442 | 795,859 | 5.5% |
| RETAIL - APPAREL | 1,066,782 | 1,130,658 | 1,096,330 | 1,053,460 | 5.0% |
| RETAIL - HOME AND FURNISHING | 981,392 | 991,071 | 971,921 | 997,073 | 4.6% |
| UTILITIES/TELECOM | 801,285 | 843,348 | 858,845 | 867,378 | 3.7% |
| SERVICES | 813,365 | 832,498 | 777,214 | 658,219 | 3.8% |
| GASOLINE/AUTO REPAIR & MAINT | 768,107 | 735,500 | 781,227 | 748,583 | 3.6% |
| RETAIL - GROCERY/FOOD | 634,796 | 624,682 | 602,748 | 606,979 | 3.0% |
| MANUFACTURING | 372,104 | 312,284 | 299,670 | 265,286 | 1.7% |
| CONSTRUCTION | 303,361 | 286,848 | 263,429 | 259,630 | 1.4% |
| LODGING | 208,150 | 192,383 | 159,774 | 88,303 | 1.0% |
| TOTAL | 21,490,462 | 20,556,617 | 19,671,569 | 18,868,093 | |

ATTACHMENT #4

SALES TAX REVENUE HISTORY (IN MILLIONS OF \$)

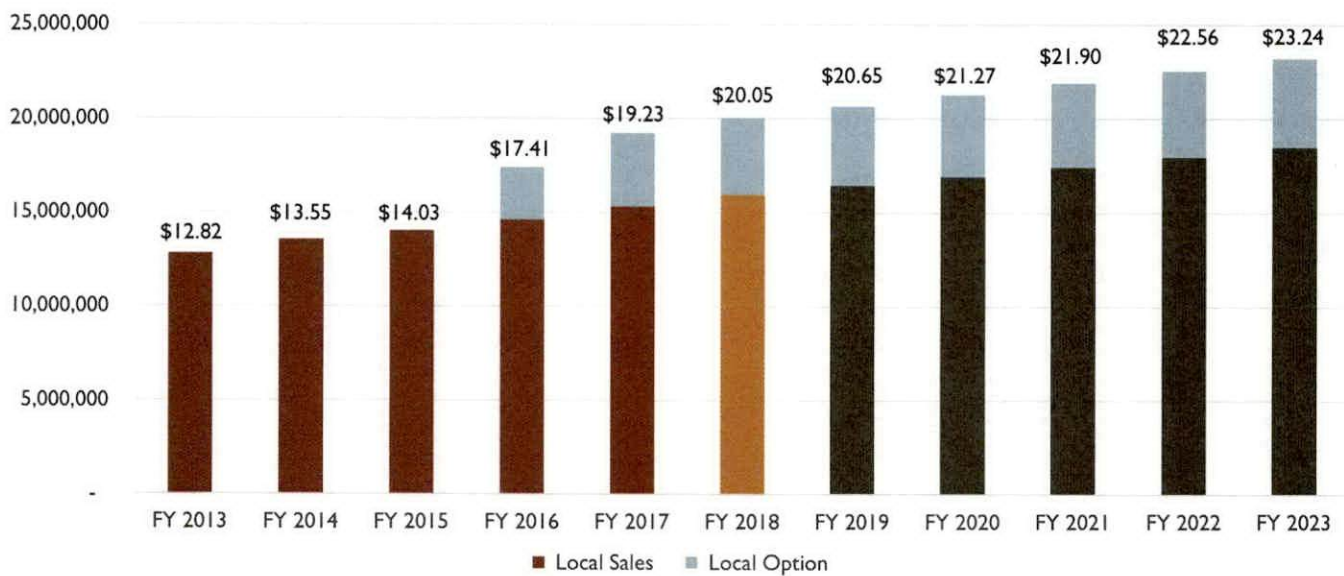


"why do I need to pay sales tax when it wasn't on sale?"

ATTACHMENT #5

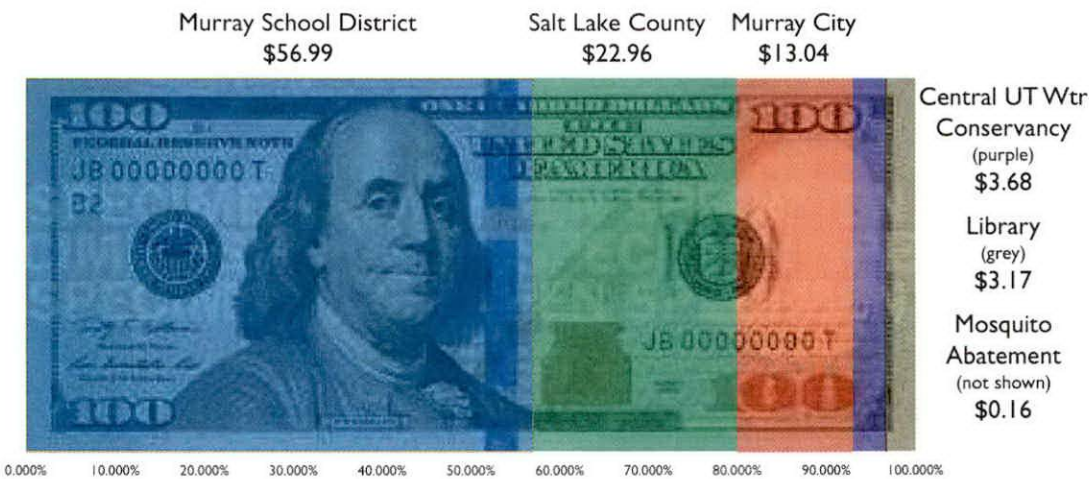


SALES TAX REVENUE HISTORY & PROJECTION



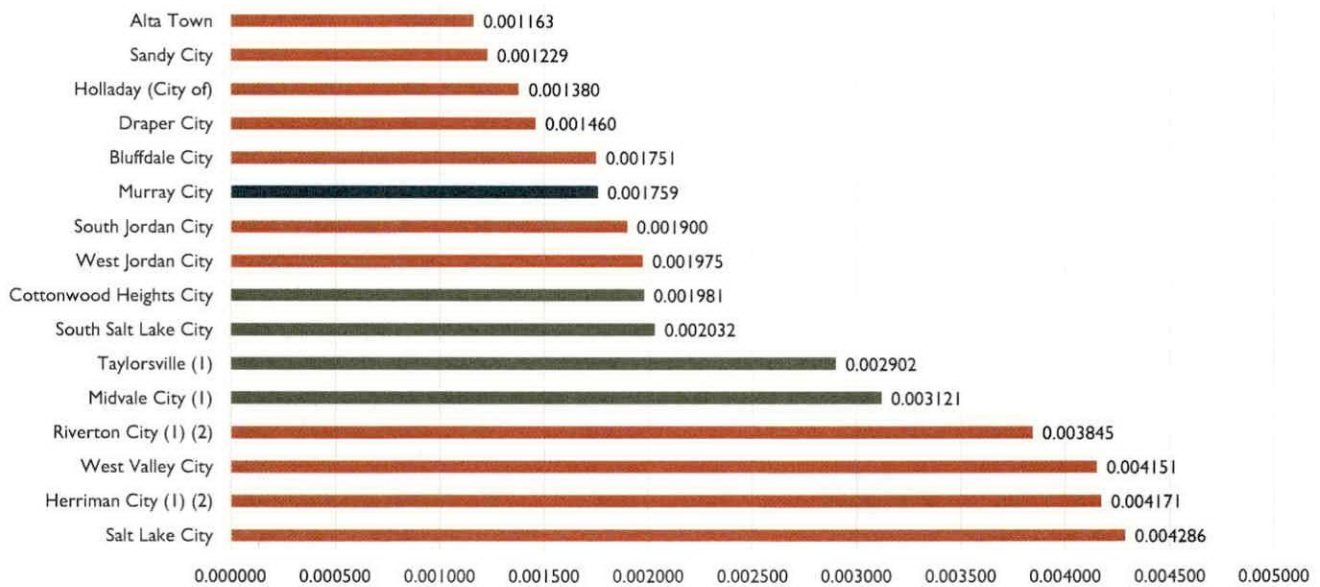
ATTACHMENT #6

PROPERTY TAX DOLLAR DISTRIBUTION



ATTACHMENT #7

2017 PROPERTY TAX RATES

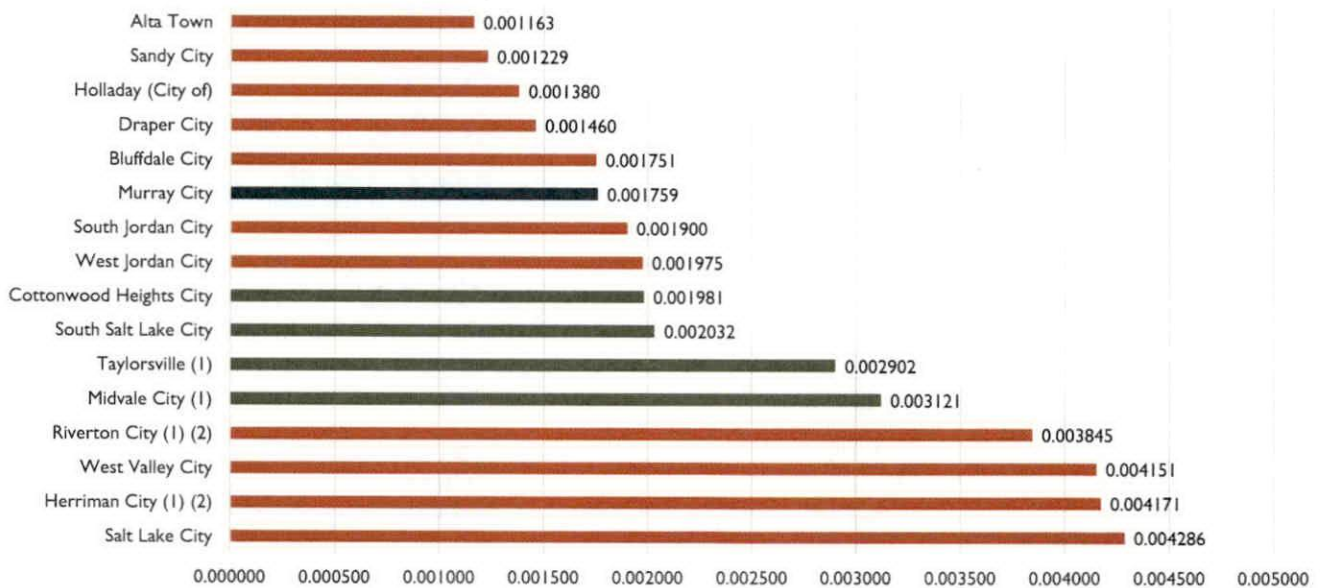


(1) Unified Fire Authority included in rate (.001812)

(2) Unified Police included in rate (.002033)

ATTACHMENT #8

2017 PROPERTY TAX RATES



(1) Unified Fire Authority included in rate (.001812)

(2) Unified Police included in rate (.002033)

ATTACHMENT #9



TRUTH IN TAXATION PROCESS

- Prior to the first meeting in May, the Mayor will recommend a tax levy to support the Tentative Budget
- If a levy change is supported, community education and involvement begins
- By June 15, certified tax rates are released by the Salt Lake County Auditor
- By June 22, the City must declare an intended certified tax rate
- By June 22, the City will adopt a budget based on the declared tax levy
- Salt Lake County will set a public hearing date in August for all entities who have declared a change in levy rate
- 1st notice of public hearing will be issued 2 weeks prior to the hearing date
- 2nd notice of public hearing will be issued 1 week prior to the hearing date
- Public hearing and adjustment to the budget if needed

ATTACHMENT #10

FY 2017 ACTUAL

| REVENUES | | EXPENDITURES | |
|----------------------|---------------|--------------------|-----------------|
| Sales tax | \$ 19,433,656 | Public Safety | \$ (20,965,791) |
| Property taxes | 6,792,773 | Parks & recreation | (5,859,041) |
| Franchise taxes | 4,666,627 | Public Works | (3,416,835) |
| Charges for services | 3,463,994 | Development Svcs | (3,119,138) |
| Other | 2,256,707 | General gov't | (1,629,985) |
| Licenses and permits | 2,087,591 | Debt service | (3,850,742) |
| Intergovernmental | 2,294,644 | UTOPIA | (1,714,078) |
| Transfers In | 3,952,182 | Transfer Out | (4,684,000) |
| TOTAL | \$ 44,948,174 | TOTAL | \$ (45,239,610) |



ATTACHMENT #11

FY 2018 BUDGET

REVENUES

| | |
|----------------------|---------------|
| Sales tax | \$ 19,363,702 |
| Property taxes | 6,738,908 |
| Franchise taxes | 4,642,000 |
| Charges for services | 3,290,100 |
| Other | 2,139,460 |
| Licenses and permits | 1,328,050 |
| Intergovernmental | 1,955,806 |
| Transfers In | 4,137,389 |
| TOTAL | \$ 43,595,415 |

EXPENDITURES

| | |
|--------------------|-----------------|
| Public Safety | \$ (21,123,052) |
| Parks & recreation | (6,132,890) |
| Public Works | (4,773,679) |
| Development Svcs | (3,872,110) |
| General gov't | (1,501,674) |
| Debt service | (267,280) |
| UTOPIA | (1,748,365) |
| Transfer Out | (4,857,103) |
| TOTAL | \$ (44,276,153) |

ATTACHMENT #12

Capital Projects Fund 5-Yr Plan



| | FY 2019 Estimate | FY 2020 Estimate | FY 2021 Estimate | FY 2022 Estimate | FY 2023 Estimate | Growth Factor |
|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|------------------|
| REVENUE | | | | | | |
| Intergovernmental | | | | | | |
| Bond Proceeds (City Hall) | 25,000,000 | | | | | |
| Other | | | | | | |
| | 25,000,000 | - | - | - | - | |
| EXPENSES | | | | | | |
| Operations and maintenance | 300,000 | 306,000 | 312,120 | 318,362 | 324,730 | 2% |
| Capital | 31,765,000 | 3,853,000 | 3,944,340 | 4,039,190 | 4,137,733 | |
| | 32,065,000 | 4,159,000 | 4,256,460 | 4,357,553 | 4,462,463 | |
| TRANSFERS | | | | | | |
| Transfers In | 3,201,682 | 3,315,470 | 3,425,822 | 3,536,275 | 3,645,264 | |
| Transfers Out | - | - | - | - | - | |
| | 3,201,682 | 3,315,470 | 3,425,822 | 3,536,275 | 3,645,264 | |
| Change in net position | (3,863,318) | (843,530) | (830,638) | (821,277) | (817,199) | |
| Beginning net position | 9,171,658 | \$ 5,308,340 | \$ 4,464,810 | \$ 3,634,172 | \$ 2,812,895 | |
| Ending net position | \$ 5,308,340 | \$ 4,464,810 | \$ 3,634,172 | \$ 2,812,895 | \$ 1,995,696 | |

| | | | | | | |
|-----------------------|------------|-----------|-----------|-----------|-----------|-----|
| Capital List | | | | | | |
| Vehicle replacement | 1,200,000 | 1,236,000 | 1,273,080 | 1,311,272 | 1,350,611 | 3% |
| Equipment replacement | 300,000 | 309,000 | 318,270 | 327,818 | 337,653 | 3% |
| Parks maintenance | 750,000 | 772,500 | 795,675 | 819,545 | 844,132 | 3% |
| Road maintenance | 350,000 | 360,500 | 371,315 | 382,454 | 393,928 | 3% |
| Sidewalk improvements | 100,000 | 110,000 | 121,000 | 133,100 | 146,410 | 10% |
| Building maintenance | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 10% |
| Building abatement | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 0% |
| Capital projects | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 0% |
| City Hall | 28,000,000 | | | | | |
| | 31,765,000 | 3,853,000 | 3,944,340 | 4,039,190 | 4,137,733 | |

CAPITAL PROJECTS

| | | | |
|---------------------|-----------|---|-----------------------------------|
| Murray Theater | 1,000,000 | INCLUDED IN PARKS MAINTENANCE | |
| Murray Mansion | | Murray Park pavilion replacement project | 3,000,000 |
| Chapel | | Ken Price grandstand & restroom replacement | 1,500,000 |
| Hanauer Street | 1,300,000 | VEHICLE REPLACEMENT | |
| Armory | 2,000,000 | Police | 450,000 5-yr rotation 12 per year |
| Splash pad | 3,000,000 | Fire | 300,000 |
| Museum relocation | 300,000 | Streets | 400,000 |
| Murray Park Storage | 500,000 | Other | 50,000 |

EQUIPMENT REPLACEMENT

| | |
|---------|---------|
| Fire | 50,000 |
| Streets | 50,000 |
| Parks | 150,000 |
| IT | 12,000 |
| Other | 20,000 |