



MURRAY CITY MUNICIPAL COUNCIL

BUDGET AND FINANCE COMMITTEE
FISCAL YEAR 2020-2021
NOTICE OF MEETING

Electronic Meeting Only
Monday, May 11, 2020

The Murray City Municipal Council met as the Budget and Finance Committee Tuesday, May 11, 2020, to hold its Budget and Finance Committee meeting electronically in accordance with Executive Order 2020-5 Suspending the Enforcement of Provisions of Utah Code 52-4-202 and 52-4-207 due to Infectious Disease COVID-19 Novel Coronavirus issued by Governor Herbert on March 18, 2020 and Murray City Council Resolution #R20-13 adopted on March 17, 2020.

The public may view the meeting via the live stream at www.murraycitylive.com or <https://www.facebook.com/MurrayCityUtah/>. No physical meeting location was available.

Members in Attendance:

Diane Turner	Budget Chair - Council District 4
Kat Martinez	Budget Vice-Chair - Council District 1
Dale Cox	Committee Member - Council District 2
Rosalba Dominguez	Committee Member - Council District 3
Brett Hales	Committee Member - Council District 5

Others in Attendance:

Blair Camp	Mayor	Jan Lopez	Council Director
Doug Hill	Mayor's CAO	Bill Francis	Imagination Company
Pattie Johnson	Council Office	G.L. Critchfield	City Attorney
Brenda Moore	Finance Director	Rob White	IT Director
Kim Fong	Library - Director	Jennifer Heaps	Mayor's CCO
Craig Burnett	Police Chief	Jackie Sadler	MECA
Kim Sorensen	Parks and Rec. Director	Paul Thompson	Judge
Blaine Haacke	Power /General Manager	Jon Harris	Fire Chief
Melinda Greenwood	Comm. /Econ. Dev. Director	Julia Pehrson	Library/Assistant Director
Robyn Colton	HR Director	Karen Gallegos	Courts/Lead Clerk
Danny Astill	Public Works Director		

Budget Chair Turner called the Budget and Finance Committee Meeting to order at 12:30 p.m. and made the following statement:

Welcome to the Murray City Budget & Finance Committee Meeting for Fiscal Year 2021. Because of the current health pandemic, and in order to comply with the Governor's Directive to "Stay Safe, Stay Home," and the Public Health Order issued by the County Health Department and County Mayor, we have determined that an in person meeting, including attendance by the public and the Council is not practical or prudent. Therefore, this meeting will be held remotely through electronic means.

Each person is participating from a separate location. We are totally dependent upon the internet and technology to broadcast this meeting and to ensure that the public has an opportunity to view the proceedings, however, there could be a malfunction that is totally out of our control. We do not expect any issues but want you to be aware of that possibility.

All Council Members are present.

Today the City Council is reviewing the Mayor's Tentative Budget for Fiscal Year 2021 with department directors. If you would like to follow along, the complete budget can be found on the City website at www.murray.utah.gov

I want to sincerely thank the Mayor's Office, the Budget Officer, and all department directors for the extensive hours of work and planning that has gone into the budget thus far. Because the state of the economy is unprecedented and future revenues unknown and difficult to estimate, the Council has asked each department to take further reductions in their budgets. We will be discussing those items today. The City Council had an opportunity to study the Mayor's Budget and has several concerns: Revenue projections; General Fund Reserve usage, and staffing.

We have researched historic Murray City sales tax revenue from the Recession of December 2007 to see how that period affected the City. We found that the first full year was relatively mild, however, by year two, the City lost 12.5% in sales tax revenue. And Murray did not reach its pre-recession year sales tax revenue until 2015, eight years later.

General Fund reserves are intended to compensate with emergency funding when unexpected downturns occur. In this situation, we do not know how long the current downturn may last and want to protect our reserves as much as possible. (Or to get us through this emergency.)

The Council recognizes that Murray City employees provide outstanding service to both residents and businesses in our community. The Council acknowledges the experience, knowledge and expertise of City employees, and their dedication to excellence. The Council realizes the investment the City has in its personnel and the importance of retaining skilled, trained, and dedicated employees in the increasingly competitive governmental sector. It is our desire that no city employee lose their job due to the coronavirus pandemic, although, we will discuss whether we can in good conscience provide compensation increases when the future is unknown. We prefer to avoid future layoffs, furloughs, and reduction in benefits by maintaining the current compensation levels. We plan to review all decisions and look at revenues and expenses at Mid-Year Budget in January 2021.

Ms. Turner explained, due to COVID-19 Department Directors were notified ahead of time, with the request to prepare, include, and discuss the following seven items for their budget reviews:

1. FY 2020 – Review the March 2020 Financial Report. What amounts do department directors feel will be unspent at the end of this fiscal year? Please be specific.

2. CARES Act – How many employees are out, whether family sick leave or childcare gaps? Are those departments short staffed?
3. How much travel and training budget is critical to maintain required certifications and license renewals?
4. What would you cut if asked to decrease operations by 4%? Four percent should be figured on the total operations before the Administrative Allocation that decreases the overall budget. This applies to General Fund departments and enterprise funds.
5. Analyze overtime to determine if this line item can be decreased. Be prepared to discuss and provide an estimate of amount.
6. Discuss CIP projects.
7. Discuss any other concerns directors may have.

(Hold harmless on 4% decrease in budget: Library, RDA, Central Garage, Retained Risk and Utility Billing.)

Budget Overview – Brenda Moore

Ms. Moore shared a power point to review the overall status of the City's FY 2020-2021 budget. (See the Murray City's Website) Due to COVID-19, she discussed what the next fiscal year might look like and stated no one knows how quickly the economy will rebound. She reported prior to March 13, 2020 the City was doing well; GF (General Fund) sales tax revenues were above budget, which helped to offset the fourth quarter decrease. Recently, Ms. Moore received an email from the Utah State Tax Commission that the City would receive \$400,000 more than she anticipated for the month of March. Her best estimate was that the City would finish FY 2020 around 20% in GF reserves. As she budgeted anticipated expenses so far, she believed department directors were saving more and not spending as much.

She confirmed with the Mayor's proposed budget, the City would finish FY 2021 at 12% reserve balance. Ms. Moore said reserves are for exactly what the City was experiencing (COVID-19), and to handle the downturn of unanticipated events.

Budget Priorities were noted as follows:

- Preserve the City's workforce.
- Keep city services at the level citizens expect.
- Remove the transfer from the Solid Waste Fund.
- No property tax rate increase.

Budget Adjustments. Proposed by Mayor Camp, due to COVID-19, noted as:

- GF revenue projections ↓ \$4,401,882.
- COLA (Cost of living increases) for employees – none.
- Capital projects approved ↓ \$5,099,500.
- Computer hardware replacement program - Suspended for one year saving \$190,000.
- Other operational costs ↓ by \$90,588.
- Enterprise funds, with allowance for uncollectable accounts increased by 50%. Ms. Moore noted enterprise funds are dependent on weather, as a result of how often lawns are watered, and how much power is used for heating and cooling. She determined the biggest challenge related to COVID-19 would be collecting past due utility bills. Shutoffs are temporarily suspended, which increased

account delinquencies, collection calls, and uncollectable accounts. Payment plans are offered to aid in delinquencies, and renter's upfront utility deposits would be utilized.

- Library: The budget for *fines* and *interest* was decreased. Ms. Moore noted the main revenue source of property tax was not affected by COVID-19.
- Personnel:
 - Medical and dental insurance ↑ 6.5% and 1.9%.
 - Worker's Compensation premiums increased.
 - Tier 2 fire and public safety retirement ↑ 7% and 6.77%.
 - Five new positions were requested: three approved; two denied.
 - Two positions were eliminated.

Personnel – Budget by category. Ms. Moore noted a total of \$49.04 million for personnel expenses, which includes:

- Full-time wages = 61%
- Part-time wages = 4%
- Overtime = 2%
- Social Security = 5%
- Workers Compensation = 1%
- Insurance = 12%
- Retirement = 15%

Overtime – Total budget all departments = \$1.18 million.

Fund Summary - Page 12 was reviewed to illustrate fund balances for Murray City's major, and non-major funds. Ms. Moore noted the following:

- General Fund:
 - General Fund ending balance = \$5,012,727
 - Capital Fund ending balance = \$5,467,063
- Internal Service Funds: Budgeted exactly as planned.
- Special Revenue Funds: Expected increases were noted as:
 - Library Fund ↑ \$600,000, which would be saved for funding a new facility.
 - RDA Fund ↑ \$456,000
 - Cemetery Perpetual Care Fund ↑ \$15,000
- Enterprise Funds:
 - Water ↑ \$1,095,455, due to future projects utilizing water.
 - Wastewater ↓ \$2,090,529, due to the rebuild of the CVWRF (Central Valley Water Reclamation Facility).
 - Power ↓ \$2,811,241. Ms. Moore said capital projects currently underway, are budgeted as if they were cash and maintenance; projects later become assets, so the fund balance would ultimately remain unchanged.
 - Murray Parkway ↓ \$127,000. Ms. Moore said the fund never decreases as much as they budget for, because they never spend all of their funds; and the value of their loan is changing, because they don't owe as much to other funds.
 - Telecom ↓ \$3,250 (payment to UTOPIA).

- Solid Waste ↑ \$368,920. Approximately \$180,000 of this amount was noted - because the usual enterprise fund transfer of 8% was not budgeted this year.
- Storm Water ↓ \$798,094, due to a budgeted capital project.

Ms. Moore said all enterprise funds are maintaining and operating as anticipated, in their long-range five-year plans. She noted a change occurred in how risk assessment was calculated, which better reflects the insurance premium costs of each division. Therefore, allocations would look differently in all department's risk line item. In addition, this caused fund balances for *risk* and *fleet* to decrease, providing artificially low FY 2020 assessments; the result is a substantial change in the percentage in FY2021. Overall, expenses in the two funds did not increase, as much as the department assessment line items would indicate.

Revenue

She discussed her projections for sales tax revenue, taking into consideration Salt Lake County, and the ULCT (Utah League of Cities and Towns) estimates. Ms. Moore projected a decrease of 15% next year.

General Fund Resources by Source. A spiral graph was noted to show how the GF is funded:

- Sales Tax = 36%
- Property Tax = 19%
- Charges for Services = 8%
- Other Taxes = 11%
- Class C – Transportation Tax = 5%
- Licenses and Permits = 3%
- Fines and Forfeitures = 2%
- Transfers In = 8%
- Use of Reserves = 7%. Ms. Moore noted, of all sources for spending, the use of reserves to pay for things would be the only source that would fluctuate; anywhere from 6% to 8%.

General Fund Resources by Source. Ms. Moore reviewed where money is spent:

- Personnel = 65%
- Operations = 21%
- Debt Service = 5%
- Transfers Out = 9%. It was noted that the majority of the transfers go to *capital projects*, and *maintenance* for city facilities. Transfers can be adjusted up or down, depending on sales tax revenue totals. Ms. Moore noted money transferred out to capital projects, includes the majority of the .2% sales tax option; and all of Salt Lake County Transportation tax revenue, which must be used on roads, sidewalks, and transportation type projects.

General Fund Expenditures by Function. To reflect who spends what in the City, Ms. Moore briefly noted a bar graph in a descending order, to convey the amount of expense for each department.

Ms. Turner asked Ms. Moore to clarify the difference between costs to the GF, and costs associated with the Citywide Fund. Ms. Moore explained enterprise funds operate as their own units, not combined with GF Revenue. That way tax dollar allocations can be well identified, to convey what functions in the City are supported by tax dollars. For example, the GF is funded by tax revenue, and enterprise funds are

supported by fees; fees are designed to cover the expenses of each division.

General Fund Summary – Page 13. Ms. Moore said Murray City Department Heads would be discussing the enterprise funds. She pointed out line by line budgeted revenues, and highlighted the following:

- Ending Fund Balances:
 - Last year FY 2018-2019 = 25.1% of revenue.
 - Estimated Actual FY 2019-2020 = 20.2%. Ms. Moore noted this was a worst case scenario after adjustments were made.
 - Tentative Budget FY 2020-2021 = 12.1% at the end of the year.
- Expenditures:
 - Personnel ↑ 0.21% - Includes changes in retirement, and insurance adjustments.
 - Operations ↓ 8%. The additional 4% cut would lower the \$10 million expense by \$409,000.

She noted on page 12 the General Fund and Capital Fund are grouped together, because they are interrelated. If allocations were not separated GF revenues would be \$10 million, instead of \$5 million. Ms. Moore explained the City must budget money to pay for things through the Capital Fund for things like vehicles, building maintenance, and City projects; so the two funds work hand in hand.

General Fund Revenue – Pages 14-16. Ms. Moore noted reductions in all revenue sources, however, slight increases were seen in a few small budgets, due to trending growth for multiple years. She noted many budgets were estimates, and highlighted the following:

- Licenses and Permits - *Planning and Zoning fees* ↑ 100%. The increase/change occurred because the revenue used to be allocated to *miscellaneous*; tracking the revenue would now occur in its own new category.
- Intergovernmental Revenue – Except for the following, the City did not budget for intergovernmental revenue.
 - *Metro DEA (Drug Enforcement Administration) Reimbursement* ↓ 42%.
 - *EMPG (Emergency Management Performance Grant Program)* = \$8,000
 - *State Liquor Allocations* = \$70,000.
- Charges for Services:
 - *Animal Shelter* ↑ 262% = \$65,118. The current contract expired, and the new contact now includes renting the facility.
 - *Park Center Aquatic fees* ↑ 1900% = \$100,000. There was a change in paying for swimming lessons. Patrons will now pay the Park Center for private swim lessons, and the City will now pay private swim instructors, increasing part-time wages for the facility. This revenue will offset that expense.
 - *Park Center MAC Fees* ↑ 100% = \$24,000. An outside service will no longer be used to run the Murray Aquatics program.
- Fines and Forfeitures ↓ 15%.
- Miscellaneous ↓ 67%.
 - *Interest Income* ↓ 83%, due to reduced interest rates.

Ms. Moore concluded the COVID-19 situation was different from the recession of 2008, when there was no money to lend for purchasing, and there was no borrowing for car buying. During COVID-19 people are still spending, they are just spending on Amazon. Therefore, her estimate in loss of sales tax revenue was only a best guess. She anticipated spending would pick up again, as restaurants and other retail begin to

open again, and stay at home orders begin to lift; and she was hopeful spending would return to what it was before COVID-19.

Mr. Hales noted the housing market had not suffered, due to COVID-19; he noted conversations with real-estate brokers, and mortgage and real estate companies that confirmed there was no fear similar to 2008. Ms. Moore agreed even though the City's unemployment rate was at 14%, 86% of employees are still working. As soon as the recreation and senior centers open – jobs will be restored. It was hard to foresee how long before other facilities would reopen. She confirmed it will take a long time to make up for \$3 or \$4 million in lost revenue and was pessimistic about March sales tax revenue.

Ms. Martinez agreed the timing of the budget and being one week into the orange phase of COVID-19 created great unknowns. Therefore, her hope was to reconsider budget items, at the mid-year budget review. For example, suspending pay/step increases noted on page 4, until a better determination could be made. Ms. Lopez placed the item on contingency for further evaluation on May 15, 2020. Ms. Martinez said her priority was to keep everyone employed if things did not get better faster. She was pessimistic also, and expressed concern about increasing wages during this time, with a focus on protecting City employees.

Mr. Hales looked forward to hearing from department heads about their thoughts on step increases. He expressed faith in their knowledge after eight years of trusting their judgment.

Mr. Cox asked if the cost of \$438,855 to fund step increases included all taxes and pensions. Ms. Moore said no- the amount was the straight cost of funding salary increases; she would look into what the City could save if step increases did not occur and get back to the Council with an estimate.

Parks and Recreation – Mr. Sorenson addressed the seven items as follows:

1. Estimated Unspent Funds:
 - A. Parks and Recreation = \$460,000. The projected total is due to closures of the Park Center, and Senior Center, and Arts and Cultural Division, where programs, classes and events were canceled. Closures are anticipated until July.
 - B. Golf Fund = \$7,000.
 - a. Golf Superintendent = \$3,700.
 - b. Golf Pro = \$3,300.
2. CARES Act: The department was able to work around a few short-term childcare needs without impact.
3. Travel and Training needs = \$7,000.
 - A. Parks = \$4,000.
 - B. Recreation = \$1,000.
 - C. Golf Superintendent = \$1,000.
 - D. Golf Pro = \$1,000.

Mr. Sorenson confirmed the total cost for the Parks and Recreation travel and education training budget was fairly small to maintain certification. He noted in 2007/2008 when funds were taken away, there was significant impact on maintenance operations. He explained the practice for hiring cemetery, golf course, and parks divisions employees, was to attain younger unskilled labor, who would train all year in becoming better employees. He said valuable teaching throughout the year,

included all employees be pesticide certified; they all understand maintaining ball fields; and several become certified playground instructors. Cutting this small budget would mean a great loss in training and retaining employees.

4. Operation Deductions of 4%:

- A. Parks and Recreation total = \$125,100.
 - a. Parks = \$35,000.
 - b. Park Center = \$20,700.
 - c. Recreation = \$14,100.
 - d. Senior Recreation Center = \$21,300.
 - e. Cemetery = \$4,200.
 - f. Outdoor Pool = \$4,300.
 - g. Arts and History = \$8,200.
 - h. Facilities = \$17,300.
- B. Golf Fund total = \$15,250.
 - a. Golf Superintendent = \$7,150.
 - b. Golf Pro = \$8,100.

5. Overtime: Parks and Recreation has minimal overtime, however, decreases are not possible without impact to operations. Mr. Sorensen discussed as follows:

- A. Parks Department = \$35,000. They are not paying overtime often, employees earn comp time, however, many employees work holidays, and Saturdays and Sundays; many are called upon to remove graffiti within a 24 hour notice according to City policy; and many are required to plow snow at any hour. By offering overtime, moral is high for urgent situations.
- B. Park Center: OT budgets are small, and payments are related to 4th of July celebrations and programs throughout the day. (All events are cancelled, due to COVID-19.)
- C. Cemetery: OT pays for burials late in the day and on weekends. A fee is charged for those time slots, which is more than the cost of overtime.

Ms. Dominguez observed overtime was most required during summer months. Mr. Sorensen confirmed, summertime is most consistent because work is required every day, seven days a week. He noted heavy snow years when overtime budgets did not cover needs, so budget adjustments were necessary. In addition, with COVID-19 restrooms require cleaning twice per day, on weekends.

6. CIP Projects: (See page 91 and 92 tentative budget)

- A. Parks and Recreation Division = \$370,000.
- B. Parks Office = \$14,000.
- C. Arts and History = \$500,000
- D. Transfer to Golf Course = \$58,000
- E. Facilities Division = \$35,000

Mr. Sorensen described all projects as: pavilion replacements, replace outdoor pool parking lot, upgrade playground at Winchester Park, fall material for playgrounds, and a copy machine; pro-shop water heaters, fairway aerator, and golf restroom upgrades; two facility vehicles, facility emergency repairs, Aquatic Center strainer replacement, upgrade Murray Mansion, and Murray Theater remodel.

Ms. Moore noted \$300,000 allocated for replacing the pool parking lot, which was budgeted in FY 2020

for this year's CIP list, and would be rolled forward as part of the budget process.

7. Other Concerns: Mr. Sorensen discussed the importance of keeping the step-plan funded, to increase wages. He valued the step-plan and said under-skilled young people are usually hired as maintenance workers and start out at low wages. As employees are trained, step increases are received, which ensures employees stay with Murray City. He compared the COLA (Cost of living adjustments) increase that affects every employee; but appreciated step increases more, because they greatly affect new, lower level and low wage employees. Struggling to keep good and well-trained employees has been a challenge in the past, due to pay, so he hated to see that loss again for the small amount that it would cost the City to fund the step-plan.

Ms. Moore stated if the step-plan was pulled the total savings in wages would \$438,000.

Ms. Turner confirmed the amount was a Citywide cost. Ms. Moore agreed.

Ms. Martinez asked about impact, for delayed registration fees for classes, programs, events and activities; and how things would progress according to safety levels; she noted registration deadlines are usually long before activities start. Mr. Sorensen confirmed staff is discussing the matter daily, and meets with the Mayor several times a week. They are hopeful registration will happen again, once things open back up; small special events might be allowed first.

Ms. Dominguez asked about other options for funding the step-plan and sustaining workers to avoid overtime with other employees. She suggested contacting Salt Lake County, or other cities to inquire how and if they are funding wage increases since COVID-19. Mr. Sorensen confirmed his discussion with the parks and recreation director of Sandy City, who believed Sandy would continue to provide increases for employees; he was uncertain about SL County. Ms. Moore noted the County is not on a fiscal calendar, therefore, they were not addressing their budget at this time; other cities conducting layoffs were doing so because they were planned prior to COVID-19.

Attorney's Office – G.L. Critchfield addressed the seven questions related to three divisions, as follows:

1. Estimated Unspent funds:
 - A. City Attorney = \$6,000. Due to cancelled conferences, and related travel and training.
 - B. Prosecution = \$7,100 (Assuming that e-prosecution does not come due.) The Attorneys office is contractually committed to pay for software licensing, and the hope is to attain grant funding to cover those costs; grant timing is uncertain.
 - C. Risk = \$50,000 (cuts to travel and training, professional services, and small equipment)
2. CARES Act: To be discussed by HR Director, Ms. Colton.
3. Travel and Training. Mr. Critchfield noted the travel and training budget is critical for all attorneys related to annual dues, and continuing education to maintain licensures.
4. Operation Deductions of 4% = \$4,845 from Risk, essentially cutting travel and training.
5. Overtime: None.
6. CIP Projects: None.
7. Other Concerns: None.

Public Works – Danny Astill

Mr. Astill discussed the following divisions: Streets, Engineering, Wastewater, Water, Storm Water, and Solid Waste.

1. Estimated Unspent funds:
 - A. Streets = \$34,475
 - a. Travel and learning = \$575
 - B. Engineering = \$18,850
2. CARES Act: To be discussed by HR Director, Ms. Colton.
3. Travel and Training: Mr. Astill said travel and training is essential to all operations in each division; some training is offered locally, however, most opportunities are held out of State. Training allows employees to work with peers, gain knowledge about current equipment, keep up on operational ideas, and maintenance procedures, as well as, stay connected to national organizations. He said they could get by with less, however, he did not want to see them miss out on attaining up to date knowledge. He noted engineers are required to maintain required certifications.

Ms. Turner asked if the entire \$12,000 budgeted for *travel and training* in the Streets division was critical to maintain required certifications and licenses only. Mr. Astill confirmed some of the money was applied to daily operational practices that did not require licenses; so less funding might be possible. Ms. Turner asked how much less would be sufficient. Mr. Astill thought \$10,000 might cover needed training. However, similar to the parks department, unskilled employees are hired and trained to gain institutional and practical knowledge. Ms. Turner said times are crazy, so they must consider budget cutting, as much as possible.

Mr. Cox stated each department is different; he understood with road work there are many options, different mixes, and road base products available on the market that could save the City money. He agreed budget cuts are necessary, but thought it was just as important that staff continue their travel to learn about necessary practices. He thought the Council should be careful in understanding exactly where cuts are coming from, and the affect budget cuts actually have; because they could be stepping over dollars to save dimes. Mr. Astill agreed 25 people require training; he said keeping everyone up to date would not be easy with cuts, because \$12,000 was generally the minimum amount needed to get by with.

Ms. Turner said these are exceptional times, and asked Mr. Astill to consider all necessary budget cuts.

4. Operation Deductions of 4% - Mr. Astill discussed budget cuts for Streets and Engineering. He explained by cutting operations budgets the City runs the risk of not providing services that citizens expect. Therefore, he proposed to cut seasonal part-time positions to equal the requested 4% amount, instead of operation costs.

Ms. Turner noted 4% budget cuts of \$22,859 in the Streets budget; and \$2,222 from the Engineering Division. Mr. Astill confirmed.

Mr. Cox asked what part-time positions would be cut. Mr. Astill confirmed positions were not office workers but employees working in the field.

5. Overtime: Mr. Astill explained *Overtime* in his department varies from year to year, and when necessary, every division in the Parks and Recreation department works together to handle urgent matters. For example, the *Streets* division is the leader in the department that coordinates and organizes workload; whether for snow removal, flooding, and street repairs Streets employees are called upon first when other employees are not available for emergencies. He said the overtime budget was adequately set where needed. He explained it is hard to expect workers to take comp time for urgent matters.

Mr. Hales asked about snow removal. Mr. Astill confirmed all departments are called out, at all hours, to assist with snow removal.

Mr. Astill said it was hard to cut the overtime budget, because if overtime was not available to give, it would be difficult to motivate employees to voluntarily address urgent matters. For example, problematic storm drains, after hours; ducks caught in storm drains, and other unexpected situations already mentioned.

6. CIP: Mr. Astill reviewed the following projects based on a list created over the years:
 - Public Services - Streets: Road salt, slurry seal projects and sidewalk and ADA ramps, and one crack sealer vehicle. Ms. Moore confirmed the budget was lowered based on estimates for anticipated Class C road funding that would be received.
 - Public Services – Transportation Tax: 300 West Bridge evaluation, and six street projects, that include water line installations, overlays, reconstruction and rebuilds.
7. Other Concerns: Mr. Astill discussed hard times during 2008-2010 when retaining employees was a great challenge, and other cities continued with wage increases, when Murray did not. As a result, the City lost a total of five well trained employees to other cities paying more. His greatest concern was losing employees again after the City invested in training; he favored funding the step-plan, so this would not happen again.

Ms. Turner said if the step-plan was suspended, it would not be permanent and they would continue evaluating to reinstitute the plan, as soon as possible.

Ms. Turner noted the Streets *professional services* budget was \$100,000 on page 48. Mr. Astill was unclear as to what the allocation was for. Ms. Moore thought money was for surveys or to address hazardous areas, and transportation studies. Ms. Turner requested the item be placed on contingency. Mr. Astill would research and provide details.

Enterprise Funds – Mr. Astill

1. Estimated Unspent Funds:
 - A. Water Fund total = \$378,000. This includes *Water Administration*, *Water Operations*, and *Metering Operations*.
 - B. Wastewater Fund = \$309,000. This includes *Wastewater Operations*, and *CVWRF* (Central Valley Water Reclamation Facility).
 - C. Storm Water Fund = \$77,200.
 - D. Solid Waste Fund = \$2,800.
2. CARES Act: To be discussed by HR Director, Ms. Colton.

3. Training and Travel requirements:

- A. Water = \$12,000. (Minimum amount needed for 18 people. Each license requires 30 hours within a three-year period, which is 10 hours per year in the classroom.)
- B. Wastewater = \$9,000. (ten people require licenses, which is 30 hours of class time)
- C. Storm Water = \$10,000. Mr. Astill noted the training budget was essential to maintain certifications. Local training is used, and some training is located in St. George, Utah. If necessary, he thought the budget could be reduced to \$8,000, however, he stressed that training was essential.
- D. Solid Waste: Travel and training is funded by Street division or the Land Fill, which is offered locally.

Ms. Dominguez asked how employee training was scheduled or prioritized. Mr. Astill explained supervisors keep track of certification hours, and keep training lists up to date. Since staff is hired untrained, employees work their way up, similar to an apprentice program to complete both Murray's required training and required State certification training; full certification takes 4 years to complete.

4. Operation Deductions of 4%

- A. Water = \$84,000
- B. Wastewater = \$27,312
- C. Storm Water = \$22,092. Ms. Turner noted the *equipment maintenance* budget was ↑ 67%. Mr. Astill confirmed the expense was high due to several old pieces of equipment that failed, including the jetting truck, where the pump itself was \$35,000 to replace.
- D. Solid Waste = \$61,154. Mr. Astill stressed the budget was already so tight. He proposed not cutting anything at all from this fund, because it would result in a budget opening later to request an increase.

Mayor Camp led a discussion about the effect of cutting the budgets of enterprise funds, and noted by doing so, savings would not occur across the board Citywide, if that was the goal; he noted money generated in each fund, stays within each fund.

Ms. Moore interjected revenues of enterprise funds would not drop, due to COVID-19, because citizens are still paying utility bills, including storm water fees. Enterprise revenue and budgets are based on the number of utility customers -over 12 months' time. She pointed out the requested 4% reduction in all enterprise operations would only hurt those entities, because revenue was not affected by the COVID-19 situation. She said an increase in collections might occur, however, most residents continue to pay water, power, and garbage bills; or face having utilities shut off. She explained time could be spent cutting enterprise budgets, and reducing flexibility, but enterprise budget cuts would never save the City, or the GF money.

Ms. Moore noted the only thing that would affect enterprise budgets overall, would be not funding the step-plan, which was a Citywide transaction. She stated if the GF cannot afford the Citywide step-plan, or COLA increases, enterprise funds could not either, even though their revenues remain stable. She thought it was important to discuss before budget cuts occurred. Most likely if 4% reductions occurred, divisions would end up coming back to request fee increases, in order to buy things, they need to buy, and do what needs to be done for Murray citizens. Mr. Astill agreed utility fees were recently increased in order to better fund operations.

Ms. Turner suggested adding the enterprise funds to the contingency list, to be held harmless from the requested 4% reductions.

5. Other Concerns: Mr. Astill reiterated the step-plan should funded, because he did not want to lose well-trained employees. Ms. Moore noted the need for filling two positions as important. Mr. Astill confirmed, due to regulations that require more water sampling, with time constraints to meet consistent backflow programs, they would like to hire additional help in the Water Division to provide the right amount of manpower to monitor required testing. In addition, an inspector is needed in the Storm Water division, due to the results of a recent audit that requires a specific amount of program inspections at various sites, which is required for attaining proper permits.

Court – Karen Gallegos, and Judge Thompson.

1. Estimated Unspent funds = \$55,000 by end of the year. The court has been closed since March 13 with hopes to reopen in June.
2. CARES Act: Two employees.
3. Travel and Training: All travel and training is critical to maintaining required certification. Ms. Gallegos said she would not be able to cut the budget, due to maintaining ALC (Administrative Law Court) standards.
4. Operation Deductions of 4% = \$10,000.
5. Overtime: None.
6. CIP Projects: Lighting needs to be upgraded to LED, and the old furnace may need replacing.
7. Other Concerns: Ms. Gallegos noted uncertain times with an uncertain future, but they would make the best of circumstances. Judge Thompson agreed like everyone it was wait and see with the issues at hand. They would follow COVID-19 safety guidelines; he thought utilizing WebEx would be a good transition for joining jail processes for defense councils, prosecutors and defendants.

Mr. Cox asked from where exactly funding cuts would occur. Ms. Gallegos explained the courts have been using WebEx for prosecution trials since COVID-19, which is conducted on-line; therefore, the majority of her reductions would come from the *prisoner transportation* budget. With the technology in place, prisoners will no longer need to be brought to the courthouse; eventually ALC will require all courts to operate this way by August of 2020.

Mayor Camp informed the courts budget was greatly reduced over the last year to become self-sustaining. Upstairs offices were eliminated and many budget cuts had already been made. Therefore, because the courts are running so efficiently, he confirmed it would be difficult to make additional budgets cuts again. He said the staff is doing a great job running the courts efficiently in this manner. In addition, he noted the State would be raising the amount that cities pay the State for *fines*; therefore, not allowing the City to increase fines; this will affect the Courts already tight budget in the future.

Ms. Dominguez noted the *interpreters*' budget was high; she asked if this was due to utilizing WebEx, and the decrease of in-person court hearings; she asked if the budget would decrease after August. Ms. Gallegos confirmed by law they must have one interpreter for every language; however, the budget was actually down 27%, due to the courts being closed for two months. She explained on June 3, 2020 Spanish speaking interpreters would be retained in the court twice a month and the budget was

expected to go back up. She said they would still be paying interpreter fees for WebEx court sessions, even though they are not physically at the Murray Courts.

Library – Kim Fong and Julia Pehrson

1. Estimated Unspent funds = \$35,000 in *part-time employee* budget, but funds might be needed to help pay for additional e-resources or retrofitting the library to comply with COVID-19 standards for public spaces.
2. CARES Act: None
3. Travel and Training: Possible cuts could total \$5,000. But, Ms. Kong noted the library is required to provide a certain amount of staff training for library State re-certifications.
4. Operation Deductions of 4%: The library is held harmless.
5. Overtime: None.
6. CIP Projects: The only CIP expense is the HVAC system (consisting of 16 units), which depends on how long they continue functioning. Units are replaced or repaired as they fail, not all at once.
7. Other Concerns: None.

IT (Information Technology) – Robert White

1. Estimated Unspent funds = \$43,000.
 - A. IT = \$25,000
 - B. GIS = \$ 18,000
2. CARES Act: None.
3. Travel and Training: \$9,000 was budgeted. Mr. White explained IT does not require any certifications; however, because the IT industry changes on a daily basis, cutting this budget would be difficult. Reliance on attending conferences provides all training to assist in gaining knowledge or software, upcoming software releases, and all future technology matters. He would like to keep the budget intact to continue learning and necessary required training.
4. Operation Deductions of 4%: Total = \$21,500.
 - A. *Software Maintenance* = \$10,000. Mr. White explained once the City goes live with the new Tyler Utility billing system, the old program will no longer be needed providing this savings.
 - B. *Overtime* = \$7,000. Mr. White said they would offer comp time as well, to help reduce the budget by 4%.
 - C. *Professional Services* = \$4,500, which is a 27% cut.
 - D. *Small Equipment*: Mr. White reminded the Council \$190,000 was previously cut from the *small equipment* budget, which was 23%. Therefore, by adding the 4% cuts listed above totaling \$21,500, Mr. White reduced the total operations budget by 26%.
5. Overtime: Reducing all overtime was not possible, so a \$7,000 reduction was made, and comp time would also be offered. He noted significant projects coming up that require weekend work, so overtime would be necessary. For example, City owned fiber optics need to be re-spliced and buried underground at Murray Park pavilions. Anything preformed on software upgrades, patches, is all done on weekends to keep the system up 24x7. Much of their work is done on off hours. Without overtime staff would be lacking and levels of service might be affected.
6. CIP Projects = \$2,982,000. Projects were reduced down to just two projects:
 - A. Migrate to Microsoft Office 365 G3 Edition.

- B. Two Factor Authentication – for CJIS users. The system is required to comply with the Utah criminal justice information systems.
7. Other Concerns: Mr. White reiterated the importance of overtime, where staff works many weekends to provide adequate service to all departments in the City.

Ms. Turner appreciated Mr. White for cutting budgets in the best way possible.

Mr. Hales acknowledged that Mr. White made significant budgets cuts, and said not all departments were able to do that. He said his personal goal was not to cut overtime budgets if doing so placed City services at risk, by having to use comp time instead of overtime. Mr. Cox agreed

Ms. Dominguez asked if training conferences were available on-line during COVID-19. Mr. White agreed with Mayor Camp that some things are still fluid, including IT training. On-line training is offered for somethings, however, in person conferences offer valuable breakout sessions that provide certain certifications. He noted the cost for on-line classes was the same as in person conferences; he mentioned a major opportunity was lost when the Tyler Software conference was recently cancelled, and hoped it would be rescheduled soon since the City just migrated to this system.

Mr. Hales thought in-person conferences were valuable where networking with other cities also provided valuable learning. Mr. White agreed all IT conferences are important to Murray IT operations, as well as, the ability to meet with various software developers to discuss specific needs for Murray.

Finance and Administration – Brenda Moore

1. Estimated Unspent funds: Total = \$16,417
 - A. Finance Department = \$2,000. Most savings will come from travel and training.
 - B. Treasury = \$1,813
 - C. Recorder's Office = \$12,579

Other Estimated Unspent funds:

 - Non-Departmental = \$162,000. Supplies were cut before COVID-19.
 - Utility billing = \$71,000. None of which will help the GF, but will provide a savings in the enterprise funds.
2. CARES Act: One person is out.
3. Travel and Training: Minimum requirements were noted as:
 - A. Finance = \$5,000.
 - B. Treasury = \$1,500.
 - C. Utility Billing = \$500.
 - D. Recorder = \$4,000.
4. Operational Deductions of 4%:
 - A. Finance = \$1,400. Which includes books and subscription, dues and memberships.
 - B. Treasury = \$1,750. Which includes books and subscriptions, dues and memberships and bank fee. Ms. Moore noted the department is fairly new, and budget cuts occurred over the last year when reorganization occurred.
 - C. Utility Billing = Held harmless.
 - D. Recorder = \$2,379. Includes canceling books and subscriptions and reducing travel and training.

5. Overtime: The overall budget is small, with busy times of the season. Budgeted totals:
 - A. Finance = \$1,000.
 - B. Treasury = \$500.
 - C. Recorder = 0
 - D. Utility Billing = \$500. After hours training is necessary.
6. CIP Projects: None.
7. Other Concerns: Ms. Moore noted the need for an additional position in Utility Billing - funded through the *administrative services transfer*.

Ms. Turner asked for other concerns, or items to be added to contingency.

Ms. Dominguez suggested required training, and certifications items be placed on contingency. She wanted to review what trainings, licenses and certifications are considered State required, and what other trainings could be addressed later at mid-year budget reviews. Ms. Lopez agreed certification details were unclear, however, a list could be requested to get that information. Mr. Dominguez said a list of ongoing training would be helpful for reevaluating if money for training should be approved now or later.

Mr. Hill responded to provide direction, and said the term certification must be defined. He would send Ms. Lopez a list for each department, however, it would be difficult to prioritize, because each department defines 'certification' differently. He thought deciphering would be problematic because whether employees attain knowledge, renew licenses, or get certified, each department requires training according to different needs.

For example, the attorney's office, where a certain number of CEU's are required to maintain licensing with the Utah State Bar; and the same is true with water department employees – they require a certain number of CEU's for their job requirements. Other departments are different, like park employees must understand how a certain piece of equipment is used, CEU's are attained- although training is still required. He said it would be hard to distinguish what training takes priority over another. In addition, conferences are just as important as attaining CEU's. Mr. Hill would provide the list, however, he thought it would be a challenge to choose between what departments say they need, and what the Council thinks should be funded according to their definition of CEU's and other training needs.

Ms. Dominguez did not want to cut training budgets needed for ongoing training, or lose employees, due to lack of training, but wanted better clarification. Mr. Hill asked Ms. Dominguez if she then thought Department Directors were asking for money not related to training; he said what Department Heads placed in their budgets, was exactly what they think they will need.

Ms. Dominguez said more understanding was needed to prevent cutting budgets. She thought some directors provided vague training information, and others were more specific. Mr. Hill reiterated that was because each department defines required training and certification differently, which should not be interpreted as what is needed now, and what is not needed. He explained parks and recreation employees do not need CEU's to be maintenance workers; and Streets employees do not need CEU's to maintain their jobs. Therefore, there was risk in only wanting to pay for credentialing.

Mr. Cox appreciated the learning exercise for both the Council, and Department Heads who searched

their budgets. He suggested trusting Department Heads to trim budgets, and find savings for the City in the best ways possible. He thought City budgets were already close to bare bones, and he commended all of them for running their departments quite efficiently. He thought it was best to continue on with how things are and find additional ways to save money. He thought after a final total for unspent money was determined, better decisions could be made about what needs to be done. Ms. Turner agreed.

Adjournment: 4:12 p.m.

Pattie Johnson
Council Office Administrator II