

# **Murray City Municipal Council Chambers**

## **Murray City, Utah**

**Tuesday, June 7<sup>th</sup>, 2022**

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The Murray City Municipal Council met on Tuesday, June 7<sup>th</sup>, 2022, at 6:30 p.m. (or as soon as possible thereafter) for a meeting held in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

The public was able to view the meeting via the live stream at [www.murraycitylive.com](http://www.murraycitylive.com) or <https://www.facebook.com/Murraycityutah/>. A recording of the City Council meeting can be viewed [HERE](#).

### **Council in Attendance:**

Kat Martinez	District #1
Pamela Cotter	District #2
Rosalba Dominguez	District #3
Diane Turner	District #4
Garry Hrechkosy	District #5 – Conducting
Jennifer Kennedy	Council Director
Patti Johnson	Council Office Administrator III

### **Administrative Staff in Attendance:**

Brett Hales	Mayor
Doug Hill	Chief Administrative Officer
Tammy Kikuchi	Chief Communication Officer
GL Critchfield	City Attorney
Brooke Smith	City Recorder
Brenda Moore	Finance and Administration Director
Robyn Colton	HR Director
Craig Burnett	Police Chief
Joey Mittelman	Fire Chief
Jeff Puls	Fire Marshal
Steven Roberson	Deputy Fire Marshal
Russ Jensen	Murray City Fire Station 81-A
Paul Adams	Murray City Fire Station 81-A
Rich Carver	Murray City Fire Station 81-A
Ryan Marble	Murray City Fire Station 81-A
Griffin Conroy	Murray City Fire Station 81-A

Jordan Guccione	Murray City Fire Station 81-A
Brian Bybee	Murray City Police Officer
Jared Hall	Community and Economic Development Director
Danny Astill	Public Works Director
Kim Sorensen	Parks & Recreation Director
Ryan Madsen	IT Support Supervisor
Danny Hansen	Senior IT Technician
Ben Gray	Senior IT Technician

### **Others in Attendance:**

Members of the media from ABC4, Fox 13, KSL, Telemundo and:

Danya Topham	Lawrence Horman	Mary Jane Forbyn	Darcie Clawson
Darren Ewell	Sydney Reynolds	Kendall Sexton	Irma Clawson
Trista Lowe	Tasha LaRocco	Adam Ewell	Lori Ewell
Teresa Brunt	Charles Turner	Stephanie Tueller	Becky Hanson
Michelle Seely	Carmin McGray	Peter Klinge	Loran Pasatich
Steve Ross	Carson Ross	Nikki Ross	Marianne Ross
Sherm Ross	Lindsey Wright	Brian Wright	Pam Sanders
Don Niederhauser	Colby Niederhauser	Tanner Franklin	Cassidy Ross

### **Opening Ceremonies**

Call to Order – Councilmember Hreckhosy called the meeting to order at 6:30 p.m.

Pledge of Allegiance – The Pledge of Allegiance was led by Pattie Johnson.

### **Approval of Minutes**

Council Meeting – May 3<sup>rd</sup>, 2022

Council Meeting – May 17<sup>th</sup>, 2022

*Note: a few minor word changes were corrected in the draft meeting minutes before they are posted online.*

### **MOTION**

Councilmember Turner moves to approve both meeting minutes. The motion was SECONDED by Councilmember Cotter.

#### **Council roll call vote:**

*Ayes: Councilmember Martinez, Councilmember Cotter, Councilmember Dominguez, Councilmember Turner, Councilmember Hreckhosy*

*Nays: None*  
*Abstentions: None*

*Motion passed 5-0*

## **Special Recognition**

### **1. Recognition of individuals who took life-saving actions for a citizen at the \*Ken Price Ball Field.**

#### Presenting:

- Mayor Brett Hales
- Fire Chief Joey Mittelman
- Police Chief Craig Burnett

#### Recognized:

- Danya Topham, Off-duty IMC Nurse
- Brian Bybee, Murray City Police Officer
- Russ Jensen, Murray City Fire Station 81-A
- Paul Adams, Murray City Fire Station 81-A
- Rich Carver, Murray City Fire Station 81-A
- Ryan Marble, Murray City Fire Station 81-A
- Griffin Conroy, Murray City Fire Station 81-A
- Jordan Guccione, Murray City Fire Station 81-A

Chief Mittelman recognized key people for their efforts and lifesaving actions for a citizen who had a heart attack while playing a game at the Murray Softball Field.

Danya Topham, an off-duty IMC nurse was a spectator in the stands and had prior work experience in a cardiac unit and Emergency Room. She took immediate action when a player (Darren Ewell) collapsed on the field. Because of her immediate action and the assistance of other teammates who called 911, Murray Police officer, Brian Bybee, and Murray Fire employees were able to respond quickly and help save Darren's life.

Chief Mittelman emphasized the word, "teamwork" during his presentation and said without the "teamwork" of Danya, teammates of Darren, Officer Bybee, and Murray City Fire employees, Darren wouldn't be here today.

Chief Mittelman reminded the audience that Murray City Fire teaches a Cardiopulmonary Resuscitation (CPR) class every second Tuesday of the Month and invited anyone to attend.

## CPR

Classes taught the second Tuesday of every month at 5 p.m. in the training room at Fire Station 81 at 4848 South Box Elder Street, Murray, UT 84107.

For class information please contact Fire Inspector George Zboril at (801) 856-2616 or Murray Fire Administration at (801) 264-2780

Image 1: CPR. CPR | Murray City, UT - Official Website. (n.d.). Retrieved June 8, 2022, from <https://www.murray.utah.gov/178/CPR>

Chief Mittelman also shared a brief explanation of Automated External Defibrillator (AED) devices that can assist people who are trying to resuscitate someone and encourages businesses around the community to get an AED because early intervention is important and can help save lives.

On behalf of Murray City and the City Council, Mayor Hales thanked Danya Topham for her service.

Chief Burnett introduced Brian Bybee and thanked him for his assistance.

Chief Mittelman introduced the Station 81-A crew and thanked them for their service.

The Fire Chief, Police Chief, and Murray City Mayor recognized each of the people who assisted with a Life-Saving Certificate and the Fire Chief's Special Recognition "[Challenge Coin](#)."

*Image: The front and back of the Challenge Coin*

Front:



Back:



Danya Topham thanked Murray City Fire, Murray City Police, and his teammates for coming to assist her so quickly and is so happy Darren is here with her today.

Darren Ewell thanked the audience for attending and for everyone who was involved in helping save his life. He also thanked the city council and Mayor for the special recognition given to those who helped save his life.

Councilmembers thanked Murray City Fire, Police, and the off-duty nurse for their service.

The audience and media was invited go outside for follow up interviews and answer any questions.

\*The location of the event was updated during the meeting from Ken Price to Murray Park.

### **Citizen Comments**

The meeting was open for public comment.

Lawrence Horman

Lawrence read into the record a document he wrote several years ago that he shared previously during a County Council meeting, called “Addressing the Myths of Homelessness.”

No additional citizen comments were given, and the open public comment period was closed.

### **Consent Agenda**

None scheduled.

### **Public Hearings**

Staff, sponsor presentations, and public comments will be given prior to Council action on the following matter. The Council Meeting Agenda Packet can be found [HERE](#).

- 1. Consider an ordinance amending the City's Fiscal Year 2021-2022 Budget.**  
Presentation: Brenda Moore, Director of Finance and Administration  
Ordinance: O22-21

## **Presentation**

Brenda Moore shared information about the proposed ordinance to amend the City's Fiscal year 2021-2022 budget. The General Fund budget will increase the Sales tax revenue budget by \$103,500:

- 1) \$75,000 for Fire Department salaries and benefits
  - a. \$35,000 due to Juneteenth holiday in lieu payments and \$40,000 in overtime due to covering open positions.
- 2) \$25,000 for the Recorders office part-time wages and taxes due to increasing the number of hours the passport services are available. The costs associated with passport services are covered by the passport revenue.
- 3) \$3,500 for Human Resource department health insurance due to budgeting of wrong health insurance amount.

In the Storm Water fund, receive \$1,000,000 of ARPA grant funding and allocate it for Storm Water infrastructure projects, as outlined in the resolution passed April 19.

## **Citizen Comments**

The public hearing was open for public comment.

No comments were given, and the open public comment period was closed.

## **MOTION**

Councilmember Cotter moves to adopt the ordinance. The motion was SECONDED by Councilmember Turner.

### *Council roll call vote:*

*Ayes: Councilmember Martinez, Councilmember Cotter, Councilmember Dominguez, Councilmember Turner, Councilmember Hrechkosy*

*Nays: None*

*Abstentions: None*

*Motion passed 5-0*

2. Consider an ordinance adopting the transfer of monies from Enterprise Funds to other city funds.

*Presentation: Brenda Moore, Director of Finance and Administration*

*PowerPoint Presentation: Attachment A - Public Hearing: Transfer of Enterprise Fund Money to Another Fund & Discussion of Administrative and Overhead Cost.*

Ordinance: O22-22

**Presentation**

Brenda Moore shared a PowerPoint (attached) about the proposed ordinance to adopt the transfer of monies from Enterprise Funds to other city funds. State law requires a public hearing concerning the Enterprise Fund Transfers. No adjustments to the transfer amounts were made from the mayor's tentative budget. A Transfer Notice and public hearing notices were included in the April Utility Bill.

Councilmembers thanked Brenda Moore for her presentation.

**Citizen Comments**

The public hearing was open for public comment.

No comments were given, and the open public comment period was closed.

**MOTION**

Councilmember Martinez moves to adopt the ordinance. The motion was SECONDED by Councilmember Dominguez.

*Council roll call vote:*

*Ayes: Councilmember Martinez, Councilmember Cotter, Councilmember Dominguez, Councilmember Turner, Councilmember Hrechkosy*

*Nays: None*

*Abstentions: None*

*Motion passed 5-0*

**3. Public Hearing on the City's tentative budget, as amended, for the fiscal year 2022-2023.**

**Presentation: Brenda Moore, Director of Finance and Administration**

**PowerPoint Presentation: Attachment B - Budget Public Hearing FY2022-2023**

**Presentation**

Brenda Moore shared a PowerPoint (attached) about the Public Hearing on the City's tentative budget, as amended, for the fiscal year 2022-2023. A copy of the tentative budget was posted on the city website for review:

<https://www.murray.utah.gov/148/Annual-Budget> and a Truth in Taxation hearing will be held on August 9<sup>th</sup>, 2022, to finalize.

Some of the slides in the presentation were about Utah's economic outlook based on information that was shared by Kem C. Gardner Policy Institute during a recent Utah - Government Finance Officer Association (U-GFOA) conference.

Mayor Hales and the council thanked Brenda Moore for her presentation.

### **Citizen Comments**

The public hearing was open for public comment.

Lawrence Horman

Requested future presentations or presenters to explain what the acronyms stand for.

No additional comments were given, and the open public comment period was closed.

### **Business Item**

None Scheduled.

### **Mayor's Report and Questions**

Mayor Hales thanked the council for the opportunity to recognize Danya and the city staff. He hopes for more opportunities to recognize other individuals moving forward.

Councilmember Turner asked if anything has happened with the request to design a City Flag?

Mayor Hales responded that the staff is discussing and doing research.

Councilmembers shared thanks to the presenters and staff.

### **MOTION**

Councilmember Cotter moves to adjourn the meeting. The motion was SECONDED by Councilmember Dominguez.

*Council roll call vote:*

*Ayes: Councilmember Martinez, Councilmember Cotter, Councilmember Dominguez, Councilmember Turner, Councilmember Hrechkosy*

*Nays: None*  
*Abstentions: None*

*Motion passed 5-0*

**Adjournment**

The meeting was adjourned at 7:40 p.m.



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Brooke Smith, City Recorder



# Attachment A:

## Public Hearing: Transfer of Enterprise Fund Money to Another Fund & Discussion of Administrative and Overhead Costs

UTAH STATE CODE §10-6-135.5

JUNE 7, 2022



### What's the difference?

#### TRANSFERS OUT

Calculation based on a % of the enterprise fund revenue

“Shareholder return on investment” to the General Fund to subsidize services that would otherwise require an increase in property taxes

#### ADMINISTRATIVE COST ALLOCATION

Calculated based on a % of actual administrative services cost

Pay for centralized administrative and professional services including legislative, legal, finance, IT, and human resource services.

Contributes approximately 8% of the General Fund revenue (\$4.18 million)

Estimated cost to the enterprise funds is \$4.03 million

## Transfers to the General Fund



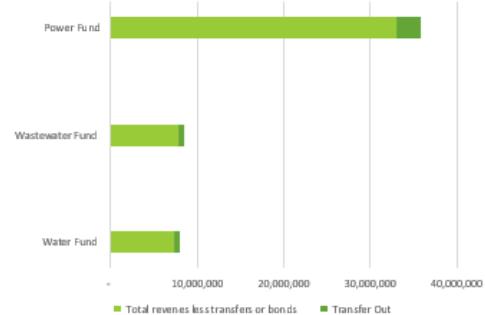
Definition: The movement of cash or other resources from one fund to another

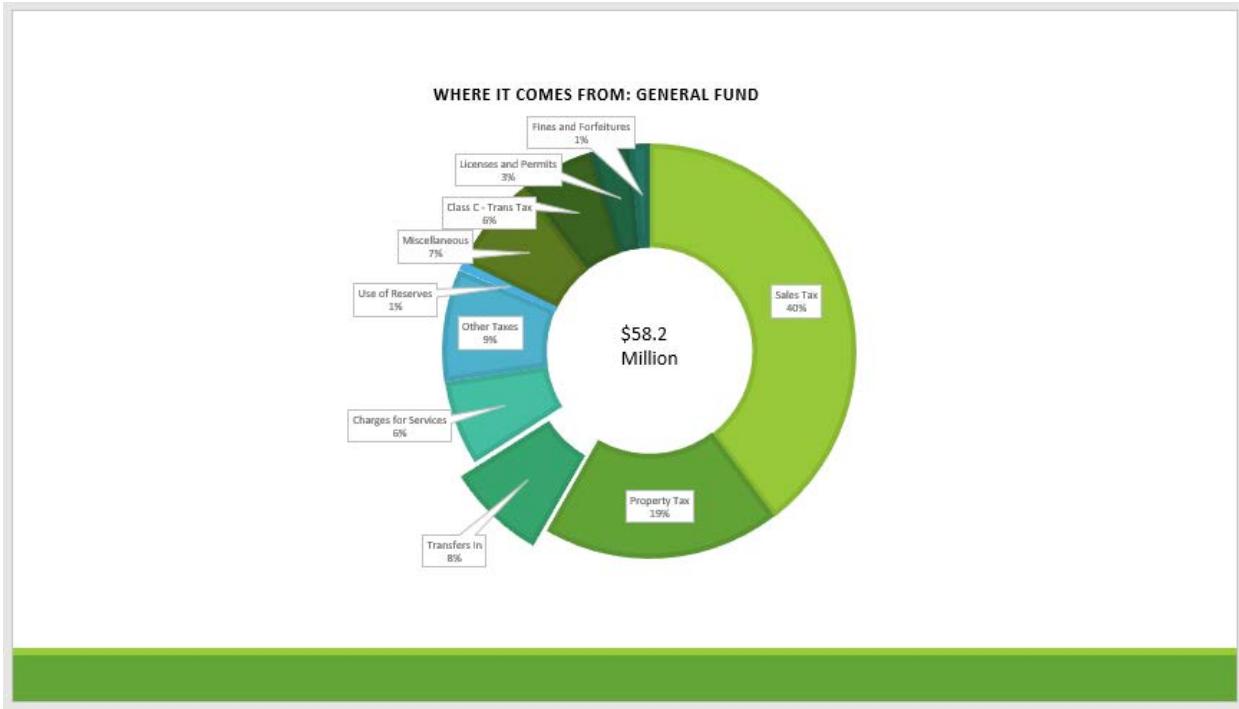
Purpose: Where private sector utility companies are in business to provide a return on investment to its shareholders, Murray City shareholders (taxpayers and citizens) receive this return on investment as a transfer to the General Fund intended to subsidize services which would otherwise require an increase in property taxes.

Methodology: Calculated on 8% of budgeted revenues in the Water, Wastewater, and Power.

## FY 2022/2023 Budget

	User Fee Revenue	Transfer Out	% of Revenue
Water Fund	7,916,000	633,280	8.0%
Wastewater Fund	8,465,000	677,440	8.0%
Power Fund	35,840,000	2,867,200	8.0%
<b>Total</b>	<b>52,224,000</b>	<b>4,177,960</b>	<b>8.0%</b>





## Administrative Services Allocation



Legislation requires "a cost accounting breakdown of how money in the enterprise fund is being used to cover administrative and overhead costs of the city attributable to the operation of the enterprise fund" (USC §10-6-135.5).

Supported by a cost study performed in 2012 by Willdan Financial Services, study included a cost allocation model that can and has been updated by the City.

Departments considered in the allocation model are the Council, Mayor, Finance, Utility Billing, Human Resources, City Attorney, City Treasurer, Recorder's Office, IT, and GIS.

## Administrative Services Allocation



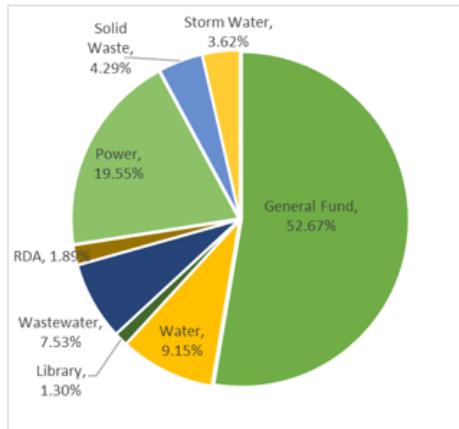
### ADMINISTRATIVE SERVICES COST

Department	Total Cost
City Council	\$ 550,944
Mayor	848,741
Finance	734,562
City Treasurer	239,436
Human Resources	517,632
Attorney	773,228
Community Development	286,596
Utility Billing	708,822
Recorder's Office	406,251
IT	2,348,138
GIS	592,134
Facilities	1,117,724
<b>TOTAL</b>	<b>\$ 9,124,208</b>

### ALLOCATION

Fund	Allocation %	Allocated Cost
General Fund	52.7%	\$ 4,805,445
Power	19.6%	1,783,804
Water	9.1%	835,093
Wastewater	7.5%	687,105
Storm Water	4.3%	391,131
Solid Waste	3.6%	330,345
RDA	1.9%	172,895
Library	1.3%	118,390
<b>TOTAL</b>	<b>100.0%</b>	<b>\$ 9,124,208</b>

## Administrative Services Allocation



Fund	Allocation %
General Fund	52.7%
Power	19.6%
Water	9.1%
Wastewater	7.5%
RDA	1.9%
Solid Waste	3.6%
Storm Water	4.3%
Library	1.3%
<b>TOTAL</b>	<b>100.0%</b>

## **Attachment B:**

# **Budget Public Hearing FY 2022-2023**

June 7, 2022

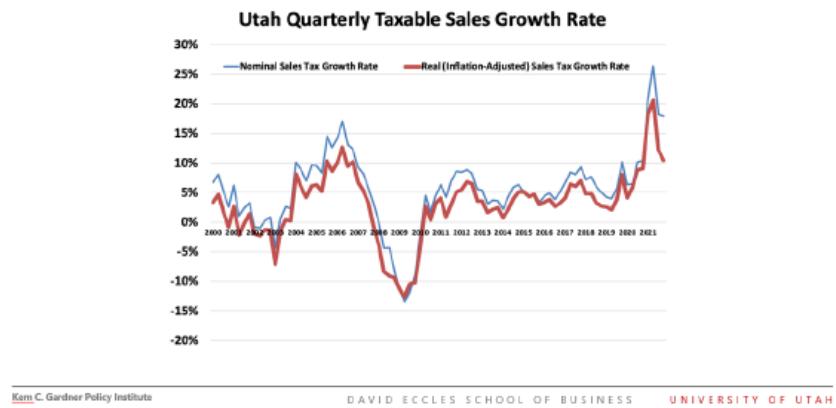
## **ECONOMIC OUTLOOK**

### **Setting the Stage: Five Observations**

1. Economic disruptions continue constraining goods supply
2. Massive fiscal and monetary policy responses continue supporting strong demand
3. Accelerating inflation spurring interest rate increases
4. With wages below equilibrium, labor shortages continue (and will continue until wages increase)
5. Utah's underlying economic fundamentals remain quite strong, despite some challenges

## ECONOMIC OUTLOOK

### Stimulus Impacts – Utah Taxable Sales Grew Rapidly



## ECONOMIC OUTLOOK

### Tax Takeaway

- Household **balance sheets** are **VERY** strong overall
- But....**not everyone has benefitted** - some are being left behind
- With lower debt obligations, increased **ongoing capacity to spend**
- Great **uncertainty about when households spend accumulated savings**

#### TAKEAWAYS

- (1) Some of household spending increase is likely real ongoing revenue
- (2) Probably unwise to plan on real budget growth rates like that experienced in the past few years
- (3) Help your elected officials understand that the dramatic sales increases are partially illusory and need to be reserved for increased costs

## ECONOMIC OUTLOOK

### Jobs, Jobs, Jobs in Utah & "The Great Resignation"

- March 2022 year-over job growth 63,000 (4.0%)
- March 2022 unemployment rate 2.0%
- **33,400 unemployed Utahns**
- Nearly **79,000 Utah jobs available**



Source: Utah Department of Workforce Services and Indeed.com

Korn C. Gardner Policy Institute

DAVID ECCLES SCHOOL OF BUSINESS

UNIVERSITY OF UTAH

## ECONOMIC OUTLOOK

### Budget Brief

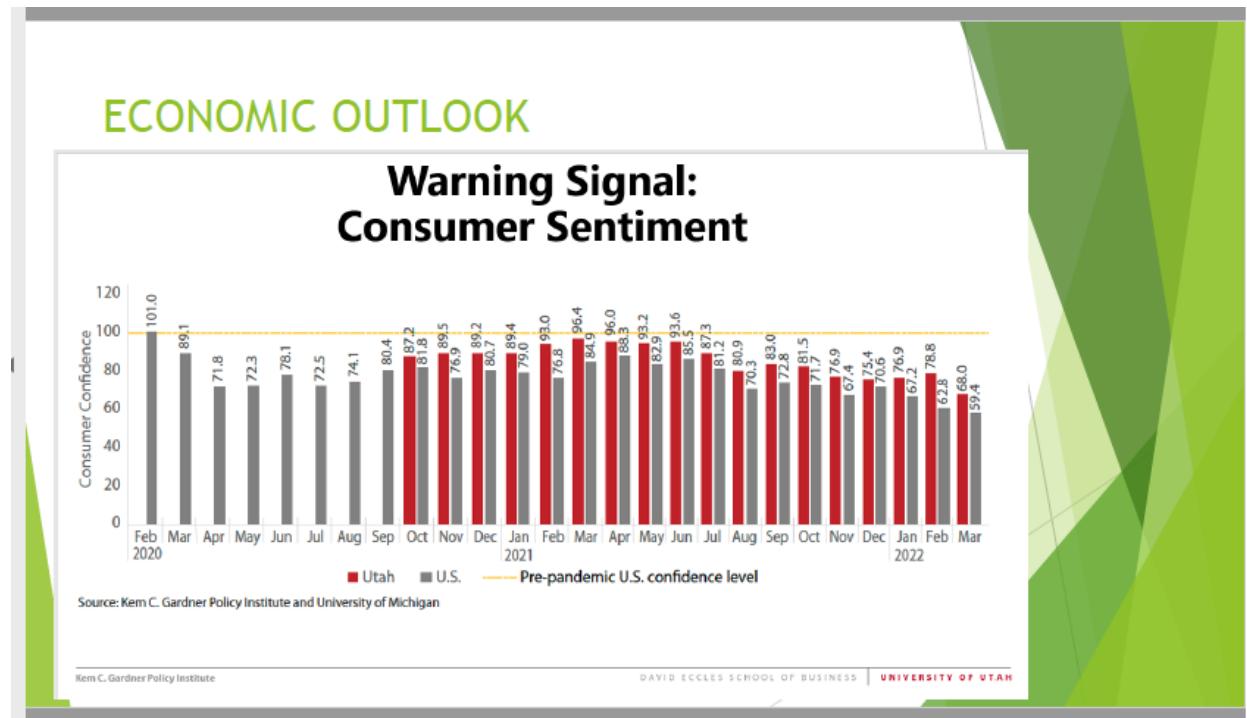
- Both **skilled and unskilled labor increasingly hard to find**
- A portion of labor shortage influenced by **permanent demographic changes** (Baby Boomer retirements)
- Other portions can be impacted by **real wage increases**

#### TAKEAWAYS

- (1) Focus on keeping your productive employees (it's probably much easier than finding new ones)
- (2) Help your elected officials understand that the dramatic sales increases are partially illusory and need to be reserved for increased costs

Korn C. Gardner Policy Institute

DAVID ECCLES SCHOOL OF BUSINESS | UNIVERSITY OF UTAH



## Budget Overview

- ▶ Best estimate is the city will finish FY 2022 around 28.4% in General Fund reserves before a year end transfer to decrease the balance to 26%. There is a budgeted use of reserves of \$465,799 General Fund balance is projected to end the year at 25.8%.
- ▶ The City will receive American Rescue Plan Act (ARPA) funds during FY2023. The budget recognizes the revenue in the General Fund and transfers it to the Capital projects fund for future projects.
- ▶ The first bond payment of \$1,826,950 for the new City Hall is being paid.

## Budget Overview

### Revenue

- ▶ There is a \$1,413,894 (15%) property tax rate increase in the budget. This equates to a \$69 yearly tax increase to a total city tax of \$532 on the average residential property valued at \$523,300. (\$5.75 per month increase)
- ▶ Sales tax revenue is budgeted at 3% yearly cumulative increase over FY2019 collections.
- ▶ Some of the Charges for Services in the General Fund have been increased due to strong demand for services.
- ▶ Charges for Services in the Water, Wastewater, and Storm Water were increased due to previously approved rate increases.
- ▶ All remaining revenues have been budgeted conservatively.

## Where your property tax goes



Within Murray School District

## Where your property tax goes



Granite School District

## A Property tax increase is needed because?

- ▶ When property values increase the tax rate is adjusted down UNLESS the City requests a property tax increase. The City is guaranteed the same amount of Property tax dollars + new growth every year.
- ▶ Property tax growth had averaged \$109,000 per year since calendar 2018.
- ▶ The personnel budget for Public Safety (police and fire) has increased 17% or \$3.2 million dollars since the last property tax increase.
- ▶ In 2018 (the last property tax increase of 45%) the city was asked to do more frequent and smaller increases. Due to the Pandemic, no increases were requested in the last 3 years.
- ▶ The City is too dependent on Sales Tax which is not stable, this shifts the revenue mix a little bit to property tax.

## Budget Overview

### Personnel

- ▶ Step Plan increases are funded.
- ▶ 7% cost of living increase is funded.
- ▶ Medical and dental insurance increased 3% and 1% respectively.
- ▶ Workers Compensation premiums and retirement contributions decreased for most employees.
- ▶ Continued to pay the Employee portion of Tier 2 Employee required contributions of 2.59% an increase of .32%
- ▶ 5 new positions were requested and approved:
  - ▶ Police Officer, Streets Concrete Crew - Lead worker & Equipment Operator I, Recreation Coordinator, Theater Manager, and a Theater Technical Supervisor.
- ▶ Fire Captains, Battalion Chiefs, City Building official and Building Inspector pay ranges adjusted to be average of the market.
- ▶ 5 position adjustments to better align with duties and requirements.
- ▶ General Fund personnel increased 6% from FY2022.
- ▶ All other Funds personnel increased 7% from FY2022.

## Budget Overview

### Operations

- ▶ There was no change in General Fund operations after adjusting for one-time FY2022 budget adjustments.
- ▶ The Budget for power purchases was increase \$2.8 million. Reserves will be used to cover the increased cost.
- ▶ The Power Fund has budgeted for a Power master plan and a rate study.

## CIP FUND

- Total projects funded \$15,582,000
- Murray Theater \$5,250,000
- Murray Mansion \$500,000
- Parks storage building \$1,200,000
- Armory building plans \$500,000
- Police cars and equipment \$578,000
- New ambulance & other fire equipment \$1,040,000
- Playground update Murray Park \$270,000
- Streets Projects \$3,371,000
- Ongoing maintenance of City facilities \$775,000
- Other equipment & projects \$2,098,000

## Budget Overview

Murray City Tentative Budget

Fiscal Year 2022/2023

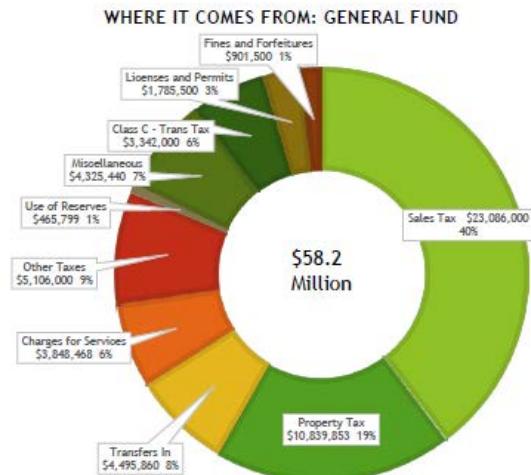
### FUND SUMMARY

Fund	Beginning Balance	Revenue	Expenditures	Transfers In/Out	Ending Balance	Change in Fund Balance
<b>GENERAL FUND</b>						
General Fund	13,900,165	53,234,761	(53,274,742)	(425,818)	13,434,367	(465,799)
Capital Fund	17,090,169	15,000	(15,482,500)	4,353,678	5,986,347	(11,103,822)
<b>INTERNAL SERVICE FUNDS</b>						
Central Garage Fund	70,394	474,697	(504,697)	-	40,394	(30,000)
Retained Risk Fund	1,374,262	1,900,072	(1,900,072)	-	1,374,262	-
<b>SPECIAL REVENUE FUNDS</b>						
Library Fund	4,189,967	2,701,680	(2,285,518)	-	4,606,129	416,162
Municipal Building Authority	21,940,829	1,866,950	(12,483,950)	-	11,323,829	(10,617,000)
RDA Fund	6,286,429	4,659,432	(3,311,670)	(35,150)	7,599,041	1,312,612
Cemetery Perpetual Care Fund	1,359,980	13,500	-	-	1,373,480	13,500
<b>ENTERPRISE FUNDS</b>						
Water Fund	1,250,340	8,221,000	(8,074,833)	(633,280)	763,227	(487,113)
Wastewater Fund	906,564	8,723,000	(8,016,134)	(656,315)	957,115	50,551
Power Fund	24,145,982	36,615,500	(48,092,360)	(2,846,115)	9,823,007	(14,322,975)
Murray Parkway Fund	(487,672)	1,476,000	(1,890,678)	233,000	(669,350)	(181,678)
Telecom Fund	115,820	45,500	(49,250)	-	112,070	(3,750)
Solid Waste Fund	1,440,813	2,448,000	(2,232,959)	-	1,655,854	215,041
Storm Water Fund	1,206,157	2,870,624	(3,197,775)	-	879,006	(327,151)
<b>TOTAL</b>	<b>34,790,200</b>	<b>125,265,716</b>	<b>(160,797,138)</b>	<b>-</b>	<b>59,258,779</b>	

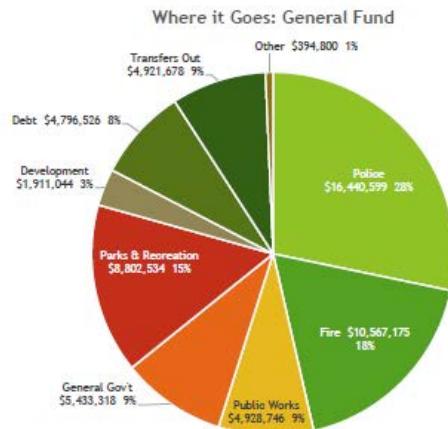
## Budget Overview

Murray City Tentative Budget		Fiscal Year 2022/2023			
GENERAL FUND SUMMARY		Prior Year Actual FY 20-21	Estimated Actual FY 21-22	Amended Budget FY 21-22	Tentative Budget FY 22-23
<b>FUND BALANCE</b>					
Beginning Fund Balance	\$ 11,717,206	\$ 12,576,216	\$ 12,576,216	\$ 13,900,165	
Revenues	51,712,612	59,995,172	53,474,043	53,234,761	
Expenditures	(42,775,319)	(47,517,674)	(49,571,296)	(53,274,742)	
Transfers In	4,204,504	4,289,980	4,289,980	4,495,860	
Transfers Out	(12,282,787)	(15,443,528)	(14,172,042)	(4,921,678)	
<b>Ending Fund Balance</b>	<b>\$ 12,576,216</b>	<b>\$ 13,900,165</b>	<b>\$ 6,596,901</b>	<b>\$ 13,434,367</b>	
% of Revenue	24.3%	26.0%	14.1%	25.2%	
Change in fund balance	859,009	1,323,949	(5,979,315)	\$ (465,799)	

## Budget Overview



## Budget Overview



# Questions?