



**MURRAY CITY MUNICIPAL COUNCIL
BUDGET AND FINANCE COMMITTEE
FISCAL YEAR 2022-2023
Budget Contingency - Meeting Minutes**

**Tuesday, May 11, 2022
Murray City Center
5025 South State Street, Council Chambers, Murray, Utah 84107**

Attendance: Council Members and others:

Rosalba Dominguez – Budget Chair	District #3
Pam Cotter - Budget Vice Chair	District #2
Kat Martinez	District #1
Diane Turner	District #4
Garry Hrechkosy	District #5

Brett Hales	Mayor	Jennifer Kennedy	Council Executive Director
Doug Hill	Chief Administrative Officer	Pattie Johnson	Council Administration
Brenda Moore	Finance Director	Karen Gallegos	Courts – Lead Clerk
Tammy Kikuchi	Mayor CCO	Chief Mittelman	Fire Chief
Danny Astill	Public Works Director	Robyn Colton	HR Director
G.L. Critchfield	City Attorney	Brooke Smith	City Recorder
Kim Sorensen	Parks and Recreation Director	Emily Barton	Finance
Isaac Zenger	IT	Kim Fong	Library Director
Lori Edmunds	Cultural Arts	Advisory Board Members	
Residents			

Conducting: Ms. Dominguez called the meeting to order at 3:30 p.m. to discuss contingency items from the previous budget meeting. The following items were reviewed:

Property Tax Increase – Ms. Moore summarized that the proposal for a 20% property tax increase would net the City approximately \$1.885 million. The Reason for this request is because of general inflation in police and fire salaries that has been ongoing since 2019.

Council Members analyzed what the allocation to the GF (General Fund) would look like if the proposed property tax increase of 20% was lowered to 10% or 15%. They discussed how reducing it now would affect other aspects of the budget and affect future property tax increases. Ms. Moore said she preferred implementing a 20% increase because annual costs to the City continue to rise; and the longer a property tax increase was delayed the higher the next one would be.

She said the .2% sales tax revenue transfer to the CIP (Capital Improvement Projects) Fund was initially scheduled to stop in 2030. Instead, the transfer would go to the MBA (Municipal Building Authority) in 2023 when the new city hall building is completed so it can be used to make the bond payments. She said if the proposed increase was not approved, the Council may be faced with implementing a 30% or 50% property tax increase in 2030 to address lost revenue. This is why she believed increasing the tax incrementally was the best option. She feared that a coming recession might cause a significant reduction in the City's sales tax revenue, which could result in her request for another tax increase in the future. She said it was challenging not knowing where inflation would be next year and pointed out that the

majority of the City's revenue comes from sales tax, so the minute people stop buying cars the City could be in trouble financially.

Ms. Moore said the last property tax increase was 46% and it was done in 2018. Smaller scheduled increases were delayed due to the pandemic so the proposed 20% would help to catch up on cost increases. She agreed reserves would need to be used to balance the budget if the proposed amount was reduced to 15% and more so at 10%.

There was a lengthy discussion about how funding the step plan was most significant to overall cost increases for the City; and that citizens had already been subjected to a significant fee increase for sewer rates. There was understanding that a 10% property tax increase was not sustainable; a 15% property tax increase could be manageable and still leave the City's reserves in good standing; but reluctance was expressed about touching the City's reserves altogether. There was a conversation that the proposed 7% COLA (Cost of Living Adjustment) which was reduced to 5.5% by consensus, should be reanalyzed again if the 20% property tax increase was implemented.

New Position Requests – Ms. Moore reviewed the following that resulted in a consensus to fund all positions below:

- **Police Department**: One police officer – This would bring the force count back to the 2010 level and will allow full staffing of patrol and detectives. Total annual cost with benefits = \$101,791.
- **Public Works**: Two positions requested:
 - One lead worker position – Total annual cost = \$102,645.
 - One equipment operator – Total annual cost = \$98,939.
 - Both positions are intended to create a concrete crew that would conduct work separate from work that is contracted out.
- **Recreation Division**: One recreation coordinator – Total annual cost = \$89,295.
The position would create better continuity for programs previously run by interns and would allow for more programs to be offered. It was noted that the position is not new but was brought back to match staffing totals from 2010.
- **Theater Division**: Two positions requested:
 - One theater manager – Total annual cost = \$117,669.
 - One theater technical supervisor – Total annual cost = \$103,664.
 - Ms. Moore noted that if the theater renovation project was not approved for funding the positions would not be filled.

Finance Department Salaries – Initially it was thought that wages for the finance director and the controller position were comparatively low, so the Council requested information from Ms. Colton for analyzing pay amounts to ensure that wages were in line with other municipalities. Ms. Colton reviewed a table to discuss how the step-plan related to both positions. She compared the existing pay amounts to survey information, other municipalities, the market minimum, and the value minimum based on a value score. She explained the City does not have a policy to implement market adjustments each year, but to stay within market pay ranges they are adjusted to position pay by implementation of an annual COLA increase. She noted that many sister cities would offer as much as an 8% COLA this year. There was consensus that the information was helpful and both salaries would remain unchanged for now.

Update Audio in Courtroom – Mr. White confirmed that the sound system at the Murray Municipal Court

needed improving. Ms. Gallegos said there was often disruption in the courtroom that stemmed from people not being able to hear. Mr. White agreed that the existing technology was outdated and the upgrade would benefit many and last for many years. He said equipment like monitors and televisions would need to be improved also to meet AVA (Audio Visual Aid) requirements that would ensure the City is ADA (American Disabilities Act) compliant for the deaf and hard of hearing. He presented information from Gencomm, the company selected for the system purchase, and suggested the best and most cost-effective AVA and ADA option would be one that included: blue tooth, cochlear hearing aids, digital network in the court room and management services. Total cost = \$92,000.

Ms. Moore explained the Courts usually receive \$15,000 per year in CIP funding but money was not allocated for the last two years, due to the pandemic when projects were on hold. With their current savings balance of \$19,000, combined with available CIP money, the expense would not be paid for with property tax money or any other funding method. There was a consensus to fund the CIP request.

Budget Addendum – Mr. Hrechkosy felt every piece to the addendum was worth funding and asked how the new request for Volunteers of America would impact the Murray community; and if the donation amount was enough. Mayor Hales described his visit to the Women’s Shelter which is operated by Volunteers of America. The shelter was well organized, impressive, and helpful to women in crisis. Ms. Turner thought having the center in Murray was important and if necessary, the amount could be increased next year. Ms. Dominguez suggested a representative visit a Committee of the Whole meeting to do a presentation.

Ms. Cotter led a conversation about whether contribution amounts should be reanalyzed for the Boys & Girls Club of Greater Salt Lake and the Murray Chamber of Commerce. She noted each group expanded beyond Murray in several ways. For example, the Murray Boys & Girls Club located in Murray changed its name and receives funding from the Gail Miller Family Foundation. The Chamber expanded to holding functions outside of Murray and requested more funding for events not always held in Murray. Mayor Hales suggested both groups be invited to a Council work session to give updated reports on financials and operating details. Ms. Dominguez said these organizations depend on sponsorships and suggested a possible match sponsorship for specific events.

Mr. Hrechkosy requested all entities be invited to report to the City Council - specifically about how funds provided by Murray are utilized; and what percentage of Murray’s donation is of their total fund raised. All Council Members were in favor of hearing from all entities. Ms. Turner confirmed the Chamber had visited the Council in previous years, and Cottonwood High School denied funding from Murray in the past. Ms. Martinez would coordinate with Ms. Kennedy to have all entities provide updates about donation spending and contributions could be reevaluated later. There was consensus to leave all addendum items in place as presented.

Parks Storage Building and Armory Building Plan Development – Mr. Sorensen reviewed that the Parks division had been using the Armory building for a storage facility; and the Recreation division was storing equipment at the old ice rink. A new storage building would accommodate storage for both divisions. This would free up the ice rink that could eventually be repurposed as something else and help move development plans forward for the Armory to become a new event center. Mr. Sorensen stressed the City has needed a storage space like this for many years and rough estimates indicate that the project would cost approximately \$4 million to complete.

He clarified the CIP request for \$1.2 million would fund construction of a new park storage facility; the CIP request for \$500,000 would fund only the plan development phase of the Armory. A request to fund construction of the Armory would occur in the next budget year.

Mr. Hrechkosy favored the idea of generating revenue for the City and providing a nice center for citizens to rent. All agreed. Ms. Dominguez asked if the Armory project was part of the Parks Master Plan. Mr. Sorensen confirmed. There was favor about new possibilities and a consensus to fund both requests.

Murray Theater Remodel – Ms. Martinez requested a timeline review about the Murray Theater. Mr. Sorensen explained beginning conceptions in 2015 when the City first purchased the theater with RDA funding – and up to current thought processes for the overall renovation. An architect and a contractor were hired in 2019 when grant funding was awarded to Murray City. However, due to the pandemic Salt Lake County pulled the anticipated TRCC (Tourism, Recreation, Culture and Convention) funding of \$3.6 million that delayed the project until now. With reinstated grant money, combined with City savings of \$2 million, funding is currently \$5.6 million. An organization called Pathways was hired to fundraise for the City; Wheeler Equipment has given a \$20,000 donation and parking requirements would include using the post office parking lot to provide 36 additional parking stalls. Currently, the architect has nearly completed a design that would go to bid in June 2022. Once a contractor is selected, he projected that the new theater would be ready in 8 months and open in July 2023.

There was a conversation about the estimated cost of \$10 million. Ms. Dominguez asked if more TRCC funding could be requested from the County. Mr. Sorensen thought it was possible and anticipated that the City would also receive ZAP (zoo, arts, and parks) funding this year. The Council analyzed how the Theater would compare to other theaters like the Egyptian Theater in Park City and Utah Theater in Logan.

Mr. Sorensen said programming ideas include local arts productions, art shows, concerts, movies and plays. Ms. Dominguez wondered about contracting with a management company who could best evaluate renting customers and help ensure that revenue is generated for the City. Mr. Sorensen thought it was a possibility. Ms. Turner expressed concern about a lack of donations and felt involving community participation would be helpful. Ms. Martinez agreed getting larger donors first was key, then smaller asks would come later.

Mr. Hrechkosy led a conversation about the actual operating costs and shared concerns about the theater not producing as expected. Mr. Sorensen said annual operating costs were accurate at \$600,000 to \$800,000, assuming most events were community related. He said programming details could change after the feasibility study was analyzed.

Mr. Hrechkosy wanted to ensure that the Council was being financially responsible if the project was to be funded. He said it was important to him that citizens not become burdened with a venue that might not be financially successful in the future, considering many other cost increases being implemented. He wanted to be supportive but felt the venue was not the solution to the challenges of making downtown Murray a vibrant area like Sugarhouse; and that getting the right programming was imperative for the theater to generate revenue. He said rather than calling the venue the Murray Theater, and to benefit the project financially, the City should agree to naming it after a significant donor who might consider supporting the project. There was further discussion about whether to move the project forward and

more consideration about whether the theater could be the starting point for revitalizing the area.

Conclusion – Ms. Moore would make the appropriate adjustments to the budget as discussed and provide an updated version for Council Members prior to the next council meeting. Mr. Critchfield noted since there was a decision to include two theater positions in the budget, a continued discussion about the theater would not be necessary as planned at the next Committee of the Whole. Mr. Sorensen would report in Committee of the Whole after the feasibility study was completed. Ms. Dominguez added that Council Members should tour the existing facility that would help them understand the renovation project overall.

Adjournment: 5:00 p.m.

Pattie Johnson
Council Office Administrator III