



**MURRAY CITY MUNICIPAL COUNCIL
BUDGET AND FINANCE COMMITTEE
FISCAL YEAR 2023-2024**

Tuesday, April 25, 2023

Budget Reviews - Meeting Minutes

Murray City Center, 5025 South State Street, Council Chambers, Murray, Utah 84107

Attendance: Council Members and others:

Pam Cotter - Chair	District #2
Garry Hrechkosy –Vice Chair	District #5
Phil Markham	District #1
Rosalba Dominguez	District #3
Diane Turner	District #4

Brett Hales	Mayor	Jennifer Kennedy	City Council Executive Director
Doug Hill	Chief Administrative Officer	Pattie Johnson	Council Administration
Tammy Kikuchi	Chief Communications Officer	Ryan Madsen	IT
Emily Barton	Finance Controller	Kim Sorensen	Parks and Recreation Director
Brenda Moore	Finance Director	Steve Olson	Fire Department
Joey Mittelman	Fire Chief	Robyn Colton	Human Resources Director
Rob White	IT Director	John Pearson	Golf Course
Jeff Martin	Building Maintenance Director	Soni Hirasuna	Recreation Director
Lori Edmunds	Parks & Recreation	Cory Plant	Senior Center Director
Bruce Holyoak	Park Superintendent	Lane Page	Parks & Recreation
Jason Lundberg	Parks & Recreation/Golf	Jenefer Reudter	Legal Admin Supervisor
Mark Richardson	Senior City Attorney	Aron Frisk	Public Works
Lynn Potter	Public Works	Cody Pearson	Public Works
Russ Kakala	Public Works Director	Trae Stokes	Public Works
Travis Bodtcher	Fire Department	Laura Lloyd	Fire Admin
Jeff Puls	Fire Department		

Conducting: Ms. Cotter called the Budget and Finance Committee Meeting to order at 1:15 p.m.

Approval of Minutes:

- May 4, 2022 Budget and Finance Committee Meeting
 - May 11, 2022 Budget and Finance Committee Meeting
- Ms. Dominguez moved to approve both sets of minutes and Mr. Hrechkosy seconded the motion. All were in favor 5-0.

Budget Overview:

Ms. Moore provided a complete overview of the Governmental Funds, Enterprise Funds, Internal Service Funds, and the CIP (Capital Improvement Projects) Fund. Specific allocations to the GF (General Fund) were noted to confirm that administrative fee charges were made to the Enterprise Funds and all related City departments. She outlined other allocations to the GF and discussed budget priorities of the City. She reviewed the Budget Summary and Analysis report in detail and said the budget was balanced. If any cost increases were needed or if any revenue decreases were necessary, adjustments would be made either by using reserves, increasing property taxes, or by utilizing tax revenue that usually goes into the CIP Fund. She hesitated to use so much of the local option sales tax to balance the City's budget because the income is slated to stop in 2030. This means budget cuts, or a significant property tax increase would be needed because the tax revenue currently provides approximately \$4.7

million to the City.

Ms. Moore said the GF Summary was balanced by a 5% decrease in operations. The fund balance began with \$15 million in reserves, and it would end with \$15.8 in reserves, which is 29% of revenues. She reviewed GF expenditures by function, property tax revenue rates, and noted that a potential property tax increase would help pay for police officers, paramedic firefighters, two new parks and some of the expenses to operate the Murray Theater. A 5% property tax increase is equivalent to \$545,000. She discussed property tax revenue based on growth, provided a ten-year history comparatively and noted that the City's property tax rate comes in mid-range when compared to 17 other surrounding cities. Murray would remain in that position even with a proposed 5% increase in FY 2024. Other cities property tax increases were analyzed.

Ms. Moore gave a detailed review about personnel benefits including the step plan and a proposed Cost of Living Adjustment. She discussed funding sources for the CIP Fund, requirements for spending CIP money, the current 5-year projection list and clarified about how park impact fees are implemented, budgeted, and utilized. She noted that several CIP decisions were still underway for the current budget including many of the 5-year requests.

Department Budget Reviews:

- **Parks and Recreation** – Director Kim Sorensen shared the following highlights for all divisions in his department.
 - Parks: The budget is status quo, however with the acquisition of two new parks there was an increase in part time wages; and due to inflation, the cost for Murray Fun Days went up.
 - Park Center: Cost increases occurred for utility expenses, and in part time wages for lifeguards.
 - Recreation: A 5% increase was necessary to cover a new youth government program.
 - Arts & History: To operate the new City museum, there was a 5% increase to allow a part-time staff person to convert to full-time.
 - Outdoor Pool: The budget is status quo. Mr. Sorensen noted that all maintenance costs fall under the Facilities division. Mr. Markham led a discussion about costs related to fixing the leak and how staff would address that issue. Mr. Sorensen explained high-water table challenges and said plans for resolving the matter were ongoing. Mr. Markham suggested a long-term study plan for Murray Park amenities. Mr. Sorensen agreed and said staff would first meet with a representative who installed the pool, then he would report back to the Council with findings.
 - Senior Recreation Center: The budget is flat. There was a slight increase in meal expenditures due to inflation.
 - Cemetery: There was a 3% increase in building and grounds maintenance, and in salaries.
 - Theater: Mr. Sorensen said all expenditure amounts were educated guesses, as the process to renovate is still underway and a feasibility study has begun.
 - Facilities: Two new positions were funded to help with the new city hall and mansion needs.
 - Golf Course: Only slight line-item increases were noted. Budgets for both the golf course and the golf pro professional service were flat. Ms. Moore noted the Golf Course still receives a \$60,000 subsidy from the GF and any capital projects would be funded by the CIP Fund.
 - CIP requests: There was consensus that the \$500,000 request for the outdoor ice rink architectural plan be placed on contingency. The Council would discuss it further at an upcoming Budget and Finance Committee meeting.
- **Attorney's Office** – Ms. Moore clarified that a wage calculation for an assistant city prosecutor was overlooked, so a \$10,792 adjustment would be made accordingly. In addition, a 5% adjustment would be made for all city attorney positions. City Attorney G.L. Critchfield said the budget was simple and reported no other changes. Regarding the Retained Risk Fund, Ms. Moore would use

\$200,000 of reserves to help lower all assessment account budgets. Mr. Critchfield confirmed insurance costs are rising nationwide and that many cities are looking for ways to reduce those costs. Risk claims have increased because Murray has many activities and is exposed to more risk than other cities.

- **Public Works** – Director Russ Kakala reported all budgets remain flat for Streets, Engineering, and Class C Roads. Increases in overtime were seen in Class C Roads and the Streets division due to a heavy winter and anticipated flooding. Overall increases were seen for fuel, supplies, small equipment, and road salt due to dramatic inflation much higher than previous winters. One engineer technician was just hired which leaves one additional position available. The only significant change to the budget was for Class C road projects, where \$100,000 would be allocated for traffic signal maintenance. Ms. Moore confirmed the City would contract with the County to oversee this now instead of the Murray Power department. She reported the Public Works department would get State and Federal funding this year for overlay projects and street upgrades. Mr. Kakala confirmed the City would spend \$1.5 million in road work, and \$350,000 for sidewalk repairs and for Americans with Disabilities Act compliance projects.
 - Water Fund: Mr. Kakala discussed various city water projects and pointed out \$354,000 in building funding. He explained that this amount is for remodeling the current public works building and that each Enterprise fund would contribute to the cost based on the number of related employees. Initial funding would get design plans and engineering work started once the planning and zoning division moves over to the new city hall. Next month he would report back about an easement assessment and to share the master plan for the remodel project.
 - Wastewater Fund: There were no significant changes to report. Another bond is expected for the Central Valley Water Reclamation rebuild but the total amount is unknown. The contribution for the public works building remodel is \$150,000.
 - Solid Waste Fund: The budget is flat. One adjustment was made to accommodate a \$2 increase in tipping fees. The contribution for the public works building remodel is \$60,000.
 - Storm Water Fund: The budget remains the same. Five stormwater projects are requested totaling \$759,573. The contribution for the public works building remodel is \$141,573. Mr. Kakala noted an error for the maintenance budget which should be \$150,000, and not \$15,000. Ms. Moore confirmed.
 - Central Garage Fund: A request was made for one additional mechanic that would change the position title for the existing mechanic. The related cost is \$15,179. The contribution for the public works building remodel is \$63,000.
 - Ms. Moore noted that a bond for \$100,000 related to water and wastewater projects was paid off.
- **Fire Department** – Chief Joey Mittelman discussed four CIP requests that included one staff vehicle, a CPR machine, a fire apparatus and one ambulance. The Chief pointed out that one paramedic/firefighter position was added at a cost of \$115,380 to reduce overtime. A lengthy discussion followed regarding how many firefighters might actually be needed, versus a desire to save money on overtime. Three battalion chiefs will become assistant fire chiefs at a cost of \$39,613. There was a 44% increase in travel and learning to provide for various required trainings and schooling for all firefighters. Budget increases for fuel, ambulance supplies, and professional services were noted due to inflation and increased call volumes. Part-time wages would increase 13% to cover pay raises. There were also budget increases in fuel and fire prevention costs.
- **Library** – Ms. Moore discussed the budget because Library Director Kim Fong was unable to attend the meeting. Ms. Moore said there were no new employee requests, and the overall budget was status quo. With increased popularity in E-books and all E-services a total of \$4,800 was allocated for library programs to cover hotspot fees. Saving money for a new library building continues. Two

CIP requests were noted, which is to continue replacing old HVAC and furnace systems, and to remodel outdated restrooms. Ms. Fong would follow up with the City Council at an upcoming Budget and Finance Committee meeting.

- **Information Technology** – Director Rob White discussed budgets for two divisions.
 - IT (Information Technology): Mr. White said due to the cyber-attack in August of 2023, a 7% increase was needed in the software budget to increase secure monitoring. Pay rates for some IT positions would be adjusted to match market values and there was a 9% increase in small equipment due to inflation. The funding supports the computer replacement program. A 127% increase was needed for travel and learning so that more staff can attend IT cyber security training and annual data base courses.
 - GIS: There were two personnel changes which makes the division fully staffed. Mr. White reported an increase in equipment maintenance, which went from \$1,400 up to \$2,000 for a maintenance contract; and due to inflation, there was an 8% increase in software programs.
 - CIP Discussion: Requests included \$200,000 to purchase additional Storage Area Network, \$25,000 for technology upgrades outside of annual replacement; \$34,800 for key card door access upgrades at the police training center and \$50,000 to replace and update Wi-Fi in Murray Park.
- **Finance and Administration** – Ms. Moore discussed budgets for four divisions.
 - Finance: A new accountant was hired to fill the position for an employee who is retiring. Support for a specific software program was discontinued so the budget was zeroed out.
 - Treasury: The current treasurer would move to the Human Resource department to fill a part time position better suited for her. No other significant changes to the budget were needed.
 - Recorder's Office: Part-time wages would increase 92% because the passport division would now have four part-time employees instead of two. She noted that passport revenue would off-set the increase in passport supply costs. Full-time wages would also increase to match market values.
 - Utility Billing: The budget remains basically the same, and only slight increases were seen in contract services and supplies accounts.

Adjournment: 4:38 pm

Pattie Johnson
Council Office Administrator III