



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

Wednesday, April 26, 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	Jared Hall	CED Director
Greg Bellon	Power Department	Matt Youngs	Power Department
Brenda Moore	Finance Director	Don Steffensen	Building Division
Craig Burnett	Police Chief	Kristin Reardon	Police Admin
Doug Roberts	Police Department	Mike Obrey	Police Admin
Karen Gallegos	Courts	Mary Evans	Resident

Conducting: Ms. Cotter called the Budget and Finance Committee Meeting to order at 12:30 p.m.

Department Budget Reviews:

- **Power Department** – Assistant Power Manager Greg Bellon reported that a facilities safety coordinator and a maintenance custodian position would be reassigned to the facilities department under the GF (General Fund). One apprentice lineman position was also added. He reviewed capital maintenance projects totaling approximately \$7 million, noted that the current power rate study should be completed in June 2023, and confirmed that Power Fund reserves are now \$22 million, which is down from \$30 million. The most recent UAMPS (Utah Associated Municipal Power Systems) power bill to the City was \$4.1 million.

Mr. Bellon said what is hurting the department financially is the City's Hunter Coal Plant resource, which remains closed for repairs until June 2023. This means the \$40 per megawatt resource would be replaced with purchasing power from the market for \$70 to \$100 per megawatt. He said overall, the power department financials were budgeted conservatively, revenue was up 14% although power costs were up 60%. Interest income came in 415% above what was expected due to the current investment of reserves. The department paid \$9.2 million in wages alone, and overtime was \$1,000 higher to ensure good coverage and to plan for the metering system upgrade project that was delayed one year. Because of the delay, overtime funding was reallocated, and the same accounting occurred in the power engineering budget. He reported that traffic signal maintenance was moved to the GF budget. The operations budget is up 37% due to supply cost inflation, new software needed for power outages that includes SCADA (Supervisory Control and Data Acquisition) software, and miscellaneous expenditures related to SCADA.

Mr. Bellon discussed purchase power operation costs, all related resources and acknowledged the

challenges of energy purchasing. Ms. Moore said the proposed budget would use \$12.2 million of reserves from the existing \$20 million, and \$4.8 million alone would cover operations. If a rate increase is implemented in June of 2023, a budget opening would be required to increase revenue, that would decrease the use of reserves. The outcome would all depend on whether a 5-year tiered power rate increase occurs or not.

- **CED (Community and Economic Development) and RDA (Redevelopment Agency)** – Director Jared Hall discussed his CIP requests, which were \$17,000 for one vehicle in the Building division, and in the Planning and Zoning division \$45,000 to implement a housing survey and \$130,000 to update the 2017 General Plan. Budget highlights for three divisions were:
 - CED: An office administrator position was added, and one car allowance was added for the new economic specialist position. Slight increases occurred in travel and training and subscriptions for the new position.
 - Building: Expecting to hire two specialized building inspectors, full time wages jumped 29%. The uniform expense account doubled to \$2,300 to include uniforms and mucking boots for all four inspectors and the building official.
 - Planning and Licensing: Not many changes to report other than one full-time position that moved to the CED division. One person was promoted to senior planner.
 - RDA: The RDA has a separate budget from CED, which Ms. Moore created and reviewed. She explained the budget was based on prior years of property tax increment revenues and reported that the overall budget is gaining in funding. Ms. Moore discussed the following:
 - The Smelter Site and Cherry Street are two areas that will expire this year so this is the last year that both will collect property tax funding. The windfall of money is approximately \$100,000 that will come back to the City.
 - RDA funding is still being collected at the Central Business District from two businesses located at Block One. Funding is paying a bond for property located at Block One where low-income housing exists. Approximately \$100,000 was allocated for moving the Townsend home to another site located at Block One.
 - At Fireclay, low-income housing funds of \$4 million were noted, and some of the money will go to reimburse developers annually for infrastructure they installed and for small business development. Mr. Hall said a small area plan would be ready in several months to determine the best use of spending. Ms. Moore noted unspent RDA money is returned to all entities. Last fiscal year \$198,000 came from the City and \$778,000 was collected from other taxing entities located in the Smelter Site area. The plan is to spend funds on cleanup and environmental assessments after grant applications are made this fall.
- **Court** – Lead Clerk Karen Gallegos discussed her only CIP request that was for \$15,000 to replace kitchen cabinets damaged by water. She explained the increase in full-time wages was to account for the retirement of Judge Thompson during fiscal year 2024 that included vacation time and sick payout. Ms. Moore agreed the 6% increase would accommodate for two judge salaries as training the replacement judge would be part of the transition. Ms. Gallegos said the courts budget is simple and does not create revenue. Ms. Moore agreed and noted a 2% reduction in overall operations.
- **Mayor's Office** – Chief Administrative Officer Doug Hill reported a reduced budget. The primary reason was due to an 18% decrease in professional services where contract funding was allocated for a DEI (Diversity, Equity, and Inclusion) Consultant. Mr. Hill explained the contract would not be renewed this year because great value was provided by the DEI consultant and the City would work to implement all recommendations moving forward without the position. There was a small

increase in books and subscriptions due to cost increases for the software related to the E-newsletters and social media design. As for CIP projects, the request for \$35,000 would provide for the annual Boards and Commissions dinner, the employee appreciation day social and the occasional mayors luncheon event.

- **Human Resources** – Director Robyn Colton reported no significant changes to the budget. Minor changes occurred in software because the cost for the Performance Pro program increased \$500. There was a 20% decrease in professional services due to a reduced health insurance brokerage fee.
- **Police Department** – Police Chief Craig Burnett discussed his CIP requests that included 12 police cars as part of the 6-year rotation program. Ms. Moore noted the amount to replace police vehicles was calculated wrong and the correct amount should be \$660,000. There was a request for \$50,000 in small equipment to replace in-car computers, cameras, and printers; \$25,000 to update a 1977 SWAT team vehicle and \$50,000 for a trade-in motor replacement program.

Staffing needs include one officer position at \$119,016 per year and \$11,000 to promote two existing administrative positions. A lengthy conversation followed about whether adding one officer position was enough to address increased call volumes and if another code enforcement officer was needed, or should an additional officer be added to next year's budget. There was further discussion about the estimated cost for adding two sworn officers including equipment and vehicles. There was consensus to place the item on contingency for further discussion at a future meeting.

The uniform allowance went up 7% due to inflation; travel and training went up \$5,000 to reinstate a budget cut and to address rising costs. There was an increase in small equipment to purchase thermal paper for car printers and \$6,000 is needed to replace ballistic vests which are improved but more expensive. A 63% increase was noted for the cadet program and crossing guard supplies have also increased in cost by \$1,000.

The budget for the Murray Police Training Center has increased. The need for more repairs, supplies and building maintenance is due to an aging facility of 25 years, and wear and tear from many agencies using the center over time. Reorganizing rules and prices for using the center are underway to ensure the center remains safe and undamaged.

- **City Council Office** – Executive Council Director Jennifer Kennedy discussed one CIP request, which was for \$30,000 to be added to the Clean Energy fund. Ms. Turner, who initiated the fund, said she would like to increase that amount to \$60,000. Ms. Turner explained the reason she created this fund was to provide money that would encourage the use of alternative fuel and to save money and the environment. Ms. Moore noted electric string trimmers, batteries and two hybrid vehicles had been purchased with some of the money in the fund. A discussion took place on whether or not additional funds should be added for clean energy. It was noted that staff is aware of the fund but are hesitant to purchase alternative fuel vehicles and battery operated equipment because of their high prices, lack of storage space due to the battery size, lack of infrastructure, and EV technology still being relatively new. There was consensus to place the item on contingency for further discussion at a future meeting.

Ms. Kennedy continued her budget review. She reported that the car allowance increase of 33% was due to a budget error for fiscal year 2023. There was a 22% increase in meals due to inflation

and the expected Oath of Office and City Holiday luncheon. A slight increase of 14% was necessary in supplies for purchasing copy paper and small equipment and miscellaneous were increased for the potential cost of three new council members. Professional services went up 22% for audit fee increases.

- **Contingency List** – Ms. Kennedy said the contingency discussion would be held on May 2, 2023.

Adjournment: 3:45 pm

Pattie Johnson
Council Office Administrator III