



MURRAY
CITY COUNCIL

**MURRAY CITY MUNICIPAL COUNCIL
BUDGET AND FINANCE COMMITTEE
Fiscal Year 2016-2017**

The Murray City Municipal Council met as the Budget and Finance Committee on Thursday, May 18th, 2016 in the Murray City Center, Conference Room #107, 5025 South State Street, Murray, Utah.

Members in Attendance:

Dave Nicponski	Budget Chairman - Council District 1 - Conducting
Brett Hales	Budget Vice-Chairman - Council District 5
Blair Camp	Committee Member - Council District 2
Jim Brass	Committee Member - Council District 3
Diane Turner	Committee Member - Council District 4

Others in Attendance:

Ted Eyre	Mayor	Jan Lopez	Council Administrator
Jan Wells	Chief Admin. Officer	Janet Towers	Exec. Asst. to the Mayor
Pattie Johnson	Council Office	Mike Terry	Human Resources - Director
Danny Astill	Water/Sewer Superintendent	Frank Nakamura	City Attorney
Beatriz Mayorga	Attorney's Office	Bruce Turner	Power – Operations Mgr.
Tim Tingey	ADS – Director	Greg Bellon	Power – Assist. Gen. Mgr.
Craig Burnett	Police Chief	Joe Tarver	Assistant Police Chief
Justin Zollinger	Finance Director	Doug Hill	Public Service Director
Gil Rodriguez	Fire Chief	Laura Lloyd	Fire
Kim Fong	Library - Director	Rob White	IT
Mike Williams	Court Administrator	Mary Ann Kirk	Cultural Arts
Kim Sorensen	Park Superintendent	Lane Page	Cemetery
Cory Nelson	Golf Grounds	Russ Kakala	Streets Superintendent
Callie Johnson	Heritage Center/MCEA	Trae Stokes	Public Services

Mr. Nicponski called the Budget and Finance Committee Meeting to order at 9:00 a.m. and welcomed those in attendance.

Budget Overview – Justin Zollinger & Mike Terry

Mr. Zollinger noted his appreciation for the council and was glad to report on the budget. The city

used target based budgeting, which meant budget projections for revenues were built first, then expenses were calculated from there. Mayor Eyre requested the departments keep their budgets as flat as possible so that significant changes could be made for compensation. Since August of 2015, the Mayor and Mr. Terry worked on evaluating each position in every department of the city. Mr. Terry confirmed he and the Mayor met with each department head to attain criteria and learn about certain circumstances that would not be addressed through a merit or a cost of living adjustment (COLA). Some employees would receive a pay adjustment above and beyond the merit and COLA amounts. The recommendation for remaining employees would be a 1% COLA and a 4% merit increase based on evaluation scores. Mr. Nicponski inquired how many employees there were. Mayor Eyre replied 370 employees.

The evaluation structure changed last year by conducting all evaluations in June. Prior to the change, evaluations were conducted on anniversary dates of hire. The overall change meant evaluation scores would render employees eligible for pay increases in July.

Several red-line employees would be eligible for a \$750 one time bonus. The Performance Pro program would still be utilized for evaluations, however, the city is moving away from the five point scale system, to a three point scale. The three point evaluation scale is: 1) not meeting expectations, 2) meeting expectations, 3) exceeding expectations. A total score, within all categories below 2.0 would require probationary actions. Further evaluations would occur after probation to determine if employment would continue. The change in evaluating employees was a great way to teach, correct and create a positive action plan; an increase would still be given, but not full merit. If the required 2.2 score was not met, the employee would receive a 2% merit instead of 4% merit.

Mayor Eyre reported 12 employees had been adjusted last year and 86 were corrected this year with average increases between 9% and 18%. Mr. Terry stated no one should have any complaints. Credit was given to Mr. Zollinger and the city's great economy, 3700 businesses and sales tax increases of over 11% last year.

There was a 3.5% rate increase for *health insurance* coverage, which was only \$12,400. Mr. Zollinger noted a position in the courts was cut from the budget, which provided a savings of \$50-60,000. In addition, a position in Administrative Development Services, (ADS), had not been filled in the last two years, which provided \$80,000. Employees who opted out of health care coverage altogether was another form of savings. Out of 393 full time employees, a total of 39 employees opted out. Mr. Terry explained savings occurred because \$200 per month was paid to an employee who opted out, versus the city paying a thousand dollar premium. Mr. Zollinger believed it was a win win situation with happy employees who received good insurance coverage elsewhere and received extra money for opting out. Proof of alternative coverage would be the criteria in order to receive \$200. Additional savings were also noted when a family plan was changed, to a two-party plan.

It was determined that \$150,000 had been saved to meet wage increases. There was no increases in retirement and no rate increases from URS. A \$200,000 cut from Non-departmental also provided additional funds toward compensation. Mr. Hales inquired what the total savings was from 39 employees who opted out of insurance. Mr. Zollinger reported \$95,000. Mr. Hales stated, it was a rare benefit not offered by most employers.

Mayor Eyre stated the city actually elected to increase insurance costs by .5% to add a rider

covering autistic children. Mayor Eyre and Mr. Terry emphasized because employees were careful when selecting insurance, lower premiums resulted and pay increases were justified.

Mr. Zollinger explained a slightly different approach was used, regarding *sales tax budgeting*. In the past, Mr. Zollinger recommended the city trail behind one year in order to add for growth, however, due to continued growth this year, 2¼ percent was added to the budget. The city had a 5% year over year growth, for the last three years, and is still not budgeting the full amount, which is why Mr. Zollinger felt comfortable with that decision to utilize the funds. New stores coming on line next year at Fashion Place Mall was another reason he felt very comfortable with the change in budgeting sales taxes.

Also, from the city's .2% sales tax, a fall back was provided in the event of recession, which allowed him to utilize sales tax money in a comfortable manner. Mr. Zollinger tracks sales tax very closely. For instance, when Costco discontinued selling tobacco products, a \$25 million sales revenue, \$180,000 in sales tax was lost.

Mr. Zollinger explained with the above factors it was possible for the city to afford the increases and pay for health costs, adding that the departments helped make it happen also, by keeping accurate budgets. Other financial directors often asked him how Murray City kept a savings program and departments did not inflate their budgets. Mr. Zollinger would reply proudly, departments only ask for what they need. Murray City employees are awesome. Mr. Zollinger stated a *budget summary* for each department was included and the *Budget in Brief* covers major changes to the city. Also included in this year's budget books was a *staffing document*, depicting every position and wage requirement.

Mr. Zollinger explained a circle graph indicating some of the resources providing revenue to the General Fund. Property tax provides 14% of revenue, 33% comes from the city's 1% base sales tax, and 7.66% comes from the city's .2% sales tax.

Mr. Zollinger reported software installation of the *new payroll system* went well and specific praise was given to Payroll Coordinator, Joann Miller, for pushing through with great determination to see it succeed. Mr. Zollinger thanked the council for funding and approving the project.

The three tier budget consists of employees, operational budgets and capital budgets (CIP). Plans are to pay off \$2.8 million of the 2017 Sales Tax Revenue Bond in December. Mr. Zollinger would ask council to authorize him, to move General Fund reserves that are above 16.5% to the Capital Projects Fund at the end of next fiscal year. One reason for setting funds aside, was to provide new bonding for the anticipated city hall building. Murray reserves have been at the 24% to 25% level, however, after payoff of the bond, that percentage would limit the flow of money for CIP. Mr. Zollinger would like to lower the targeted savings percent and increase it incrementally over the next five years, with council approval. In summary, the council, mayor and staff have provided a balanced and sustainable budget for citizen consideration.

Mayor Eyre inquired how much interest would be saved by paying the 2007 bond off early. Mr. Zollinger replied \$225,000 would be saved.

Mr. Nicponski inquired if the city had \$18 million for the new city hall project. Mr. Zollinger explained \$3 million had been set aside in Capital Projects and the city would bond for the remaining \$15 million after the current bond of \$2.8 million was paid off.

Mr. Zollinger mentioned that the *library* sits on land that is owned by the school district, which has expressed a desire to control the land and attain the building. Discussions are underway about a future location for the library since the lease will be expiring.

Mayor Eyre explained the library wanted to increase property taxes to generate half a million dollars. Of the increase, \$100,000 would toward employee compensation and the remaining \$400,000 would go toward capital improvements on the building. Mr. Zollinger suggested that by shifting the IT position from the library to the city and by lowering several line items by \$6,000, the library could avoid raising property taxes this year. The possibility of building a new library in the downtown project would be a wiser investment. The idea was presented to the Library Board and as soon as they realized they might attain a new building, they dismissed the request saving the city from raising property taxes.

Mayor Eyre complimented Mr. Zollinger and praised the council, because he did not know of any other city which has an extra fall back reserves saving plan that is not part of the General Fund. The ability to have .2% sales tax, approved by the council, gives the city \$3 million to \$3.25 million that can be utilized for capital projects. If or when turbulent times arise, capital projects could be delayed. Mayor Eyre applauded the council for approving the plan and said he had never received a negative comment regarding that decision. In a meeting with the General Manager of Mike Hale Acura, she stated the increased tax had not hurt the auto dealership in anyway, but had noticed an increase in police patrol and safety which was very important to her.

Mr. Zollinger reported finding a new location for the Murray City Museum was underway and potentially, the best location considered was within the new library.

Mr. Nicponski inquired about the city's *Combined Budget Totals by Type* on page 6 of the budget book and stated it appeared that a substantial jump had occurred from fiscal year 2016 to fiscal year 2017. Mr. Zollinger replied the bonding of \$15 million and the use of reserves to pay off the 2007 bonds, were two things that affected the budget, as these items are reflected as revenue in the government funds. It was not ongoing and the total shown would decrease because it was a one-time increase. Fiscal Year 2017 was the first year of attaining all of the .2% sales tax, which added approximately \$700,000 to \$800,000 to the budget.

Recorded total costs for city staff compensation was \$1.1million, however, \$231,000 was Drug Enforcement Administration (DEA), which had been included, unlike in the past.

Mr. Zollinger reported an \$837,505 difference between last fiscal year *wage increases* and this year's increases. Just over \$27 million dollars was reported for 2017 fiscal year total wages and benefit costs. Totals for 2016 were \$26,171,917. Social Security and retirement costs would increase due to wage increases. Health insurance and long term disability increased by \$12,400. One of the highest claim years in Workers Compensation dropped off, resulting in a decrease in rates, a savings of approximately \$20,000. The total increase combining wages and benefits was \$1,085,118.

Mr. Zollinger noted his appreciation in working with Mayor Eyre, Mr. Terry and all department heads this year and stated the benefit of having great team work in order to build a document of this enormity.

Mr. Terry said it was fantastic and thanked Mr. Zollinger and Mayor Eyre for the compensation packages and believed they were the best he had seen in a decade. Mr. Brass said the need had been there for a very long time.

Mr. Hales reported the fire department was pleased and said a different direction had been taken to accommodate their needs. Mr. Zollinger explained, essentially, firefighters conveyed a desire for a little more time off, rather than an increase in pay, therefore, funds were distributed to those employees lower on the range. Mayor Eyre reiterated some firefighters gave up a wage increase to make sure other co-workers received one. Mr. Brass expressed they are family. Mr. Zollinger explained the employees of the fire department would not receive the COLA increase, but the entire department was voluntarily making the desired adjustments.

Ms. Turner questioned the fire department compensation. Mr. Terry explained unlike a regular city employee, who gets 13 paid holidays per year (104 hours), the fire department does not get holiday pay, they receive an extra 4 hours of pay every pay period. Instead of giving 4 hours per pay period, they wanted to receive only 2 hours per pay period and 2 hours for available time off, allowing this one time change. Mr. Camp stated this would affect overtime costs. Mr. Zollinger agreed and reported 174 shifts would be affected. Initially, firefighters wanted to give up all 4 hours of pay just to get extra time off, which would have created significant overtime, but a compromise was made to decrease the 4 hours to 2 hours. It was a wise compromise and all were satisfied.

Attorney's Office – Frank Nakamura and Beatriz Mayorga

Mr. Nakamura thanked the council and mayor for all their support. The department had been extremely busy and he commended his staff for their hard work. They had all assumed more duties and responsibilities as a result of the new risk program. He appreciated their efficiency and their ability to create a positive community when working together. With over 30 years of experience as a municipal attorney, he felt it was rare.

The *risk* program had been more involved than anticipated and allocating resources would continue. Land use continued to be a major area considering new downtown efforts.

Mr. Zollinger noted a new line item was added to the budget summary, reflecting a percentage change which resulted in a flat budget for operations.

Ms. Mayorga confirmed the budget would remain flat. There were no requests other than for funding wage increases. However, changes would occur in the Risk program, where line items were added and would be handled separately. Mr. Zollinger stated the reason for remaining flat was that an employee with significant time had retired.

Mr. Camp inquired about the contract for the indigent defense. Mr. Zollinger stated it was on page 16 under the defense counsel. Mr. Nakamura said it's an interesting dilemma because of the conflict of interest issue. The city does prosecute these matters and it also negotiates and funds the defense contract. There has been recent legislation and questions related to the defense contracts. However, in Murray our indigent defense are very zealous about their representation and there are no issues regarding their willingness to take cases to appeal. Murray recently changed the defense contract so that they are not paid on a flat fee basis. They are paid on work basis or hourly fee.

Mr. Camp inquired about outside legal contracts. Mr. Zollinger stated it was often paid from the Retained Risk Fund. Mr. Nakamura stated it had been the city's philosophy, rather than go through litigation, to hire outside counsel in those cases. Depending on the nature of the case, a large firm could handle complex litigations, provide resources and advise with great expertise. He believed this was of great value and would rather not put the city at risk when large sums of money were involved. In the past, regarding land use, attorneys, Williams & Hunt, and Jody Burnett, had been consulted, along with an expert who was hired regarding the development of downtown.

Ms. Turner inquired the number of staff and attorneys in Murray City. Mr. Nakamura replied five attorneys, including two prosecutors, four legal administrators, and Risk Program Manager, Mr. Knight. Challenges continue with balancing risk program and civil workloads. Two prosecutors were handling between 10,000-13,000 cases per year. Most of the work was handled by the legal administrators. Mr. Nakamura noted by adding the new risk program, claims would only continue to increase, requiring further training for administrators in assisting Mr. Knight.

Mr. Nicponski inquired the number of risk cases. Mr. Nakamura replied there were currently 10-15 cases with the Workers Compensation Fund program, (WCF) and for those, a full time position could be required. Secondly, there are claims related to pot holes, water line issues, water damage/floods, power outages on surges, golf ball damage, accidents related to tripping on sidewalks and police auto accidents. Land use cases were common, along with code enforcement and two automobile cases, both currently in litigation due to injuries. Government Immunity continues to erode. Mr. Nakamura was hopeful that the court would conduct the appropriate analysis and understand the standards of the city related to public treasury. In terms of public safety and public services provided by the city, a standard of care should be given that is applicable to municipal government.

Ms. Turner inquired if it had been helpful to have the new risk manager on staff. Mr. Nakamura replied it had been wonderful. Recently, after meeting with WCF, because claims had dropped significantly, a refund of \$30,000 was expected. We have become more proactive in handling claims, instead of reacting. The new risk program has exceeded expectations.

Mr. Zollinger reported success had come not only by taking good care of claims, but also due to excellent tracking conducted by Mr. Knight. In the future, in order to keep insurance premiums down, he would like to see an incentive be adopted related to WCF claims. By rewarding employees who have never had a WCF claim, he suggested after a period of seven years, with no claim history, \$300-\$700 could be rewarded. This idea was not in the budget currently but he hoped to initiate it.

Mr. Nakamura concluded, for the future, decision making should be data driven. Mr. Knight would continue working on putting the numbers together for the Mayor, with the hope of collecting five years of data. With that information, the city council will be able to see where resources should be allocated.

Mr. Zollinger confirmed with the significant number of claims that needed processing, a claims adjuster consultant had been brought in to assist Mr. Knight with the immense workload.

Administrative & Development Services – Tim Tingey

As a general overview, two changes were proposed in the **Building Division**. A full-time plans examiner position would be decreased and a part-time office aide would need to be hired. Plans to reduce the budget related to personnel would result, however, this would be offset due to proposed increase in wages. A slight increase in overtime would be required.

Regarding the **Treasures** office, Mr. Tingey reported representatives do a lot of work each day, from meter readers, to representatives on the phone with over 2,000 people for utility billing issues. The only increase reported in the treasures office was \$3,000 for equipment maintenance, for a new printer and also for the new Itron, hand held tablet.

The **Utility Relief** program had been zero over the past several years, but now reflected \$12,500, which was a transfer from non-departmental. A line item for years, it was moved to this category to administer the utility relief program. Mr. Zollinger confirmed this was where it should have been all along since Mr. Tingey's department is cutting the checks for aide. The change did not affect the budget overall.

The **Recorders** office had adopted the passport program, which was a wonderful addition to the community and a good service for residents and citizens. Last year, 1,822 passports were issued and currently, by midyear, a little over 2,000 passports had been issued. The revenue year to date was reported at \$58,000. A small increase of \$1,000 occurred for supplies and a reduction of \$20,000 in election costs were reported, due to the "vote by mail" program.

Mr. Tingey was grateful for a huge project unlike the city had ever seen, funded by the council to replace the city's software. He gave credit to Mr. White and Mr. Carpenter in the **Information Technology** (IT) department for their work on the intense, ongoing, three-year project. Completed areas were all financials, payroll, and inventory. The Community Development portion was still underway with utility billing to follow. The huge project required many hours by staff, including many Saturday and Sundays; he said they all did a great job. In addition, server installations, and replacements, all funded through CIP had been completed. Installing Wi-Fi in Murray City Park was still another huge anticipated project.

In the past, there had not been extensive overtime, however, due to the immensity of recent projects, overtime costs of \$4,000 were anticipated. An increase in small equipment of \$22,000 was noted, due to the rising cost of laptops for the police department, which included the computer replacement program. A cost increase occurred in equipment maintenance due to the aging of certain IBM equipment. Increases in software maintenance for IBM and San server were also noted. On a positive note, a decrease occurred for the new phone system because of T1 line requirements.

Mr. Tingey stated a lot of work had been done in **Government Information Systems** (GIS) with large projects at the cemetery and others completed. A significant cost change noted was the purchase of three IPADs and cell phone data plan upgrades.

Building Inspections experienced a reduction in number of employees. The cost of \$491,760 decreased to \$458,336 providing a savings by removing the position, however, a person was recently hired to assist with general responsibilities keeping within the budget. A slight cost increase for supplies, as well as, professional services was noted.

Community and Economic Development reported changes in professional services costs with an increase of \$10,701. Contributions reported for the Chamber of Commerce were \$20,200, and contribution totals for EDCU were \$12,600, both of which had remained the same.

Overall, Mr. Tingey said the **Administrative & Development Services** department was doing a lot of good work and a lot of tough work when it comes to land use. The General Plan would be brought to the council this year for adoption. A draft plan was under review with staff and the advisory committee; public input meetings are expected prior to council review.

Ms. Turner was surprised to know a position had been eliminated in the department with all the future work and building plans ahead for the city. Mr. Tingey explained the position had been in the budget for the last two years, however, after evaluation of the workload, it was decided the position was no longer needed. Tasks and responsibilities could be accomplished by licensed building inspectors, plans examiners and outside professional services, who could analyze very technical plans.

Mr. Camp commented how enthused he was with all the work going on, especially in the IT department where great strides had been made.

Mr. Tingey added, with the proposal to bring the IT person from the library to the city IT department, a Memorandum of Understanding, similar to those prepared for the police and fire departments, would be provided. When the city's IT department was created, the plan was to combine all IT departments into one central area, provide good services, with Mr. White managing the entire division. Mr. Tingey said it was helpful in coordination instead of having so many IT employees spread throughout the city.

Mr. White agreed, with interdepartmental coverage, better collaboration occurred along with cross training and good support could be given to the library and vice versa. The library IT employee, Danny Hansen, is very good at handling MAC computers and will be responsible for that within the city. Mr. Zollinger agreed that future large projects could be mobilized within the entire IT department.

Mr. White explained efficiency of the new *phone system* and reported a training had been offered for employees. Mr. Zollinger reported \$390,000 had been budgeted for the new phone system, however, after all bids were completed, the final cost was \$240,000.

Mr. Tingey believed it had been the most unique year in the **Redevelopment Agency (RDA)** budget in a very long time, due to substantial movement in the Central Business District redevelopment process. Budget amendments were expected over time as redevelopment progressed. The biggest RDA change so far had been paying off bonds to utilize existing bond payment amounts to carry over into a new bond for a parking structure.

Mr. Tingey discussed the corner of 4800 South and State Street and reported a deal was under way for a 100,000 square foot professional office building. The vacant lot, owned by the city, was purchased with tax exempt bond proceeds. Offers were out for the multiple tenant space and if all goes well, it would be the first step in the overall downtown project. Along with a new city hall and several other businesses, a parking structure component for the project would be essential for the entire west side of State Street.

Programming for city hall is close to completion and costs for all structures are currently under heavy analysis. Costs came in high due to the significant increase of square footage for future expansion space. Whittling down overall costs continue with the developer, as well as, negotiations that might exclude completing portions of the upper level, until funds are available. While the professional office building is moving forward, land acquisitions for the parking structure are still underway.

Considering all components, Mr. Tingey stated this was the beginning of the first phase of the enormous downtown project, which included the office building, the parking structure and the new city hall. With many moving parts, the budget was expected to change significantly and often and amendments would be brought before the council as they unfolded.

Mr. Zollinger added there was no bond for the parking structure as of yet. Costs would be negotiated between the city and the developer. Without knowing the exact numbers it was not included in the current budget. Mr. Zollinger stated the potential to pay off the remainder of a 2014 bond next year to allow for a new bond.

Mr. Tingey discussed a few items in the **Central Business District** budget where increases had occurred. Funds were increased in *miscellaneous* due to utility costs for the Murray City Theater. There is also a serious need for repairs there. *Revitalization grants* were reduced from \$50,000 to \$10,000 because of a loss of interest. No applications had been received in the last year.

Mr. Brass inquired if advertising had been done to inform the community. Mr. Tingey replied it was possible that people didn't know, however, he had spoken to Mike Todd about the possibility of available funding.

Low income housing had an increase of \$189,000 due to the CBD extension. Four years ago the city promised to include a low income housing provision this fiscal year. Mr. Camp inquired how totals were derived at for the low income housing item. Mr. Tingey explained it was 20% of collected increments as of the November first report.

Professional services saw a reduction from \$200,000 to \$100,000 and a few adjustments might be necessary.

The *land* budget increased significantly to \$400,000 in case additional property needs to be purchased, particularly UTA property. Details would be coming to the council in due time. Negotiations are moving forward and UTA committees are preparing for the appraisal process. Mr. Zollinger added, this was a two-tier cost with purchases from both RDA and the CIP.

The *buildings* line item acquired the Murray City Theater for \$600,000, however it was decreased to \$100,000 in the event of building repairs, including overall improvements to the theater.

Mr. Tingey explained the overall budget for CBD would continue to change as the *bond principal* and *bond interest* totals are revised after paying bonds off and attaining new bonds for the parking structure.

Two new line items were added to *Fireclay* for *professional services* and *land*. If the city should acquire property in the area, professional assistance may be needed for property acquisition and

infrastructure. Slight increases were seen in *low income housing* for the area and the *Murray School District* item increased 12%, which was \$4,000.

There were no changes to report for *East Vine Street or Cherry Street*. Cherry Street ends in 2023 and there was hair cut provision, therefore, collected funds would only be 80% between the two.

Smelter Site budgeting saw a reduction in *low income housing*, due to amounts carried over for the Neighbor Works partnership expenditures. Minor changes occurred for *professional service* items, however a rather significant new line item was added for the Murray School District of \$106,815; a 12% increase proposed this year. The county has given support for both the expansion of the CBD and the smelter site changes. Meetings with all tax entities have occurred with full support. The Taxing Entity Committee meeting would be scheduled, as well as, bringing revisions before the RDA and the council next month.

Mayor Eyre commended Mr. Tingey for the unbelievable amount of work he had done to prepare the district for the expansion.

Murray Library – Kim Fong

Ms. Fong reported no significant changes other than wage and benefit increases. She reiterated Mr. Zollinger's report that the city offered to fund wages and benefits for the current library IT position. This allowed for wage increases, as well as, changing a seasonal position, to full-time staff. After 23 years, the employee was looking forward to working full-time and Ms. Fong felt it was a great addition with experience to offer. Another employee, who had worked well above her job description, would receive a promotion.

Ms. Fong agreed with the decision to postpone a library tax levy increase, with the possibility of constructing a new library. She believed it would be a great benefit for everyone by creating an anchor for new downtown development. The library board was very enthusiastic about having a new building and were thinking about asking for \$700,000 at that time. Ms. Fong felt waiting on improvements would not be a problem, however, the air conditioners were originals to the building and was a concern. The restrooms are not ideal but were not critical. Mr. Zollinger reported funds of \$38,000 were available should those items become critical. Ms. Fong agreed and stated funds could also go towards new architectural plans.

Ms. Turner inquired how book costs were listed on the budget summary sheet. Ms. Fong explained book costs were broken down into categories, such as, costs for children, young adults and adult reading. Items listed under the *materials* portion of the budget had transferred slightly, due to more emphasis on e-books and e-materials, which continued to climb in popularity.

Mr. Nicponski inquired what *professional services* costs were. Mr. Fong explained marketing costs and collection agency fees were listed there.

Mr. Camp asked Mr. Zollinger why reserves were significantly lower for the library, compared to other departments. Mr. Zollinger replied the library typically would have approximately \$300,000 of reserves by the end of each year and explained while maintaining operations, it was a challenge to build reserves. Without catastrophic events, the library would continue to manage very tightly, however unexpected costs do occur. For instance, reserves had to be utilized a few years ago, when copper wiring had been stolen from air conditioning units. The cost for damage was \$40,000.

Ms. Fong agreed it was a very tight budget.

Mayor Eyre stated the council would consider the cost of a new library that could be utilized for the next 40 to 50 years. The library would go from the current 18,000 square feet, to a possible 40,000 square foot facility. He inquired with everything becoming digitized, what was the justification for doubling in size.

Ms. Fong explained it was predicted for the longest time that e-books would replace real books. However, e-books have actually plateaued in popularity and people are coming back to actual paper book use again. Besides book check outs, library programs have grown by leaps and bounds. Approximately 75 families with children visit the library daily requiring much more space. Concerts and story hour are just as popular as ever, and there is a very high demand for patrons looking for study space. The greatest need is not just materials but space for popular programs and other needs.

Mr. Hales agreed that brick and mortar was back and he mentioned visiting a library in Michigan, where on a busy Saturday, a magician was entertaining families and many other activities were taking place. Ms. Fong reported Saturday programs at Murray Library were bringing in 170-200 patrons and believed it was an activity that would remain essential to the city well into the future. Underbuilding would be a disappointment.

Mayor Eyre stated the desire was to provide a place that would draw citizens to the downtown area. Ms. Fong envisioned a very inviting, family friendly place where quality time could be spent, not just a place to come pick up books. Education by interaction with children, would build a literate community and provide a showcase library attracting many people. Mr. Nicponski added the museum and art galleries playing into the entertainment concept justified a new larger space.

Fire Department – Gil Rodriguez and Laura Lloyd

Chief Rodriguez reported a flat budget. Rather than purchase a new ambulance, an existing ambulance would be refurbished providing a savings of \$45,000. After many incidents, a bollard wall for station #82 was requested for better protection and safety. Boulders had been used in the past but have not helped to prevent accidents. The cost for the wall is \$20,000. Mayor Eyre inquired whether the refurbished ambulance would be up to bariatric standard. Chief Rodriguez confirmed it would be, which would provide two ambulances in reserve.

The fire department worked hard with the city to bring wages up to a competitive rate and all were pleased with the results.

Mr. Nicponski inquired the manpower for the department. Chief Rodriguez stated in addition to one battalion chief, 18 fireman were utilized per shift, which provided a staff of four firemen on an apparatus and two on an ambulance. During vacations, a minimum staffing would consist of three on an apparatus and two on ambulance. Mr. Nicponski inquired if that was adequate staffing. Chief Rodriguez stated it was, however, he had concern for the future, regarding the north end of the city which affected station #81. Calls in the area increased significantly within the last year by 700, including 500 in medical calls. As adjustments were made Station #81 remained the busiest area.

Mr. Camp inquired if the department had accumulated enough data on the new billing system to

see a positive difference. Mr. Rodriguez believed he would know more after 6 months, considering they were still in the transition period. He was optimistic a positive outcome would result.

Mr. Nicponski inquired if there was a line item reflecting ambulance revenue. Chief Rodriguez explained anticipating revenue is a challenge and the number of calls would often end up higher than planned. Overall, he believed the department was in a very good place. Mr. Zollinger confirmed an increase on line item *ambulance supplies*, meant increased calls, which resulted in the collection of more money. Chief Rodriguez noted his appreciation for Mr. Zollinger's support for the Fire Department.

Mr. Camp inquired about recent changes made to time off and holiday pay and if the Chief had any projections on its effect of overtime. Chief Rodriguez stated currently it was a positive change, however, more concerning were long term injuries, creating a greater effect on overtime.

Court – Michael Williams

Mr. Williams reported the budget was fine and shared a few accomplishments over the last year. After attending a collections program, two new ways were discovered for collecting funds. One way benefitted the victim, providing restitution through state tax collections. The other way provided up to two thirds of debt collection and related to very old case collections. Mr. Hales noted his approval for the positive collection process.

The janitorial service contract was renegotiated and a new contract would begin July 1, 2016, which provided a savings of \$200 per month.

The Bureau of Criminal Information (BCI) completed a full audit, which stemmed from the FBI. The audit, conducted by phone and computer cleared well and a personal visit was not necessary.

The courts are operating paperless, including the judge's work stations and clerks' areas. There are no longer paper files in the courtroom and would all be handled in this manner from now on.

There is one less employee in the department, the position was dissolved and the employee was able to transfer to the police department. Responsibilities and duties have been properly delegated.

Small claims will now be handled twice a month, scheduling in mornings and afternoons, due to an increase in cases. Mr. Hales inquired the amount for a small claim. Mr. Williams replied it was up to \$10,000.

A grant was submitted to the state, as well as, a request to CIP to cover the cost of a new finger print machine. Typically the state would provide funding for technology, which would cover half of the cost. Mr. Zollinger confirmed there was \$18,500 available in CIP funding.

Statistically, for the last year and a half, the state has monitored court performances and determined how long it should take to complete a case. The state recommends 90 days, with a percentage rate of 95%. Mr. Williams reported the city is right on target with citations for the city at 97%, crimes 98% and small claims 99%.

Mr. Williams reported because of court programs offered on domestic violence and DUI, Murray

City recidivism rates are 9.9 % on DUI and little above 11% on domestic violence. The state average is usually in the high teens.

Mr. Nicponski inquired on the number of employees at the court. Mr. Williams stated there were fourteen, including full time employees, two bailiffs, the judge and himself.

Ms. Turner inquired about line item *judge coverage* being up 60%. Mr. Williams explained in the absence of Judge Thompson, it was necessary to bring in another judge for coverage and to assist with the workload due to an increase in small claims. Mr. Williams believed Murray City could consist of a two-judge court at all times, however the additional coverage was sufficient when needed. Mr. Nicponski asked if hiring a new judge in the future, for the city's new courts building was necessary. Mr. Williams declined and felt the city does not need a second courtroom. Also noted, Murray City operates with just one clerk in the courtroom and another clerk was utilized during follow-up of court proceedings, to explain charges. Mr. Williams believed this operation was sufficient as well.

Mayor Eyre stated the city currently owns, free and clear, the bottom floor of the court building and leases the top floor month to month. Mr. Williams concurred. Mr. Zollinger reported the cost of the lease was \$50,000, however, once the existing building was sold, the expense would go directly to the cost of the new court building. Additionally, anticipated savings would incur from utility costs, property management, cleaning and maintenance fees, once the court moves to the new city hall building. Mr. Williams believed total savings would be \$70,000 to \$80,000.

Mayor's Office – Mayor Eyre and Jan Wells

Other than wage and benefit allowance, only two minor increases were reported in the mayor's office, *car allowance* and *books and subscriptions*. The total increase was subtracted from the Mayor's *special projects*, which provided a flat budget.

Finance Department and Non Departmental– Justin Zollinger

The ***Finance Department*** reflected a decrease *in software support* due to HTE software being replaced, providing a savings of \$35,000 with the new software in place. Fees would still accrue for utility billing and for community development.

A few changes occurred in the ***Non-Departmental*** budget in order to provide for wage and benefit increases. The prior year total was \$668,328 and this year \$388,943. Mr. Zollinger explained the tax levy, which included new growth, was not reported until June 10, 2016. Typically when these funds came in, they were allocated to Non-Departmental, which could be utilized for repairs, emergencies and future needs. He believed the total for this year would increase once those funds were allocated. *Group insurance* was cut from the budget since there are no employees in this department. *Tuition Reimbursement* increased slightly due to employees taking advantage of the program.

Ms. Turner asked Mr. Zollinger to explain exactly what Non-Departmental was. Mr. Zollinger stated this budget did not necessarily fit into a specific department, for instance, funds provided to the Boys and Girls Club, Homeless Shelter, Miss Murray stipend to name a few would be included in this budget.

Retirement Insurance decreased as more employees worked until age 65 then moved from Murray insurance onto Medicare. *Miscellaneous* reflected a decrease due to wage increases and *The Boys and Girls Club* budget decreased as well.

This year's ***Debt Service and Transfers*** budget summary reflected a great increase due to paying off current bonds. Last year payments totaled \$2,693,538 and this year payments would total \$5,790,245. ***Transfers Out*** reflected an increase, due to a full year of the city's new sales tax. Funds would be transferred to CIP.

Mr. Camp stated how helpful it was to have Mr. Zollinger provide frequent updates on the overall budget and thanked him for always providing a clear understanding.

Mr. Nicponski noted the bond principal and stated it would be paid off. Mr. Zollinger confirmed. Mr. Nicponski said the city would be getting to the point where, after the bond was paid off, the only remaining bond would be UTOPIA. Mr. Zollinger agreed, after the bond was paid off, and acquiring the new bond for RDA, the General Fund would almost be zero, then new bonds could be added back. Mr. Nicponski stated this was very good because a tax increase would not be needed to build the new city hall.

Mr. Brass suggested we publicize the debt free situation, emphasizing low utility fees and the services that citizens enjoy. Mr. Zollinger agreed and stated, with the cost of maintaining the old building, electrical, the old boiler, water leaks, the city has prepared for the cost of a new building by saving and paying off debt and the facility will be built without a tax increase.

Ms. Turner agreed and reported she had not heard any negative commentary from citizens about the new city hall construction, only excitement over when it would take place after much warranted anticipation. Mr. Nicponski added it would make residents proud of their city.

Council Office – Janet M. Lopez

Ms. Lopez pointed out changes under *operations*, for the *travel and training* budget this year. An increase of \$12,000 would allow all council members to attend at least one National League of Cities Conference each year. *Miscellaneous* saw an increase of \$4500 which would provide meals for council members and department heads prior to council meetings. *Professional Service* budget was raised by \$1,500 for video streaming. Ms. Lopez suggested moving the lobbyist budget from the council budget, to non-departmental or the mayor's office budget. The topic would be up for future discussion.

Human Resources – Mike Terry

Mr. Terry felt the budget was adequate. The *operations* budget would remain flat, however a significant increase occurred for *wages and benefits* due to a new position. Human Resources was one of the only offices in the city that did not have a number two person to assist, so a request had been made for a deputy director. He believed having a deputy director would work well as it had in the past. It was anticipated one the human resource analysts would move into the new position, maintaining the same number of staff with a possible increase in hours. Ms. Turner inquired why the position had been dissolved. Mr. Terry explained he held the deputy director position 8 years ago, however, when he was promoted to the director, that position was never filled. He would feel comfortable knowing adequate coverage was available in the event of his

absence or for special projects.

Public Services – Doug Hill

Public Works budget, includes *streets, Class C road funds engineering and building and property maintenance* for the city building located on 500 West. Overall, the budget would remain flat with the exception of wage and benefit increases. There was an increase of \$12,000 in *overtime* in the *streets* division to compensate for snow removal. Cell phone costs would increase in all departments.

Current Class C and CIP road projects include:

- 6100 South between State Street and Fashion Boulevard
- Chevy Chase and Wesley Road - both critical areas located in District 3
- Murray Parkway Avenue - north of 5300 South
- West of State Street - slurry seal projects for various streets
- East side of State Street - sidewalk and ADA ramp improvements
- Purchasing right of way and relocating power lines - Vine Street between 900 East and 1300 East in preparation for widening the street, a federal aid project scheduled for 2019.
- 6220 South and 440 East – spot replace, includes two districts
- Bullion Street – overlay between 700 West and Hollow Springs
- McHenry Street – rebuild and overlay
- Sanford Drive - overlay

Mr. Camp inquired about the status of Auburn Drive. Mr. Hill replied it was on the list but did not get funded.

Mr. Hill continued with funded CIP projects:

- | | |
|--|----------|
| • Transport Trailer - for transporting large equipment, i.e., larger pavers | \$90,000 |
| • Equipment purchase - salt brine equipment for snow pretreatments | 60,000 |
| • Skid Steer | 65,000 |
| • Murray Boulevard and Cottonwood Creek - bridge deck repairs.
Main Street and Big Cottonwood Creek | 75,000 |
| • Pickup truck purchase for engineering department | 25,000 |
| • Radar speed signs | 5,500 |
| • Roof repair and overhead doors at the 500 West city building | 3,000 |

Mr. Nicponski inquired about the status of Fairhaven. Mr. Hill replied it was on this year's budget and they are currently working on it.

The **Parks and Recreation** operating budget increased in *overtime* due to employee compensation for driving floats. A new land lease with Rocky Mountain Power for Germania Park reflected a cost of \$5,000 per year. Funding for a seasonal lifeguard to sit at the top of the waterslide at the Park Center was added to the budget.

Seasonal employee costs increased due to hiring difficulties. Currently most cities pay between \$11 and \$12 per hour for seasonal employees, Murray pays approximately \$8.50 for seasonal employees. The need for the increase proves apparent, for instance, not one application was received at the golf course for seasonal help and they are still short five employees. Mr. Hill did

not feel it was an issue for this year's budget discussions, however believed it would be a very critical topic for next year's budget, not just for seasonal pay, but for overall general full-time, entry level pay for city employment because the market presents a challenge in this area.

Software costs in most divisions for Parks and Recreation fluctuated one way or another due to upgrading.

Mr. Zollinger explained with the new Sportsman Software program for Parks and Recreation, credit card costs and fees were tracked differently than the old system. He asked if the council would approve combining all division totals to one credit card budget line item for better organization. All were in agreement.

Susan Gregory would be retiring from the **Heritage Center** requiring a one-time pay out from the budget. Due to the increase in transportation pickups for the center, a grant was received to aid in the cost for additional bus driving hours. New tables and chairs will be purchased as part of the *operating* budget. Program costs have increased, however revenue will increase equally. Some of the CIP funded projects for the **Heritage Center** are:

- Heating units \$ 16,000
- Ice and Water dispenser 6,000
- Large screen TV 5,000
- Exercise equipment 6,000

The **Murray Cemetery** would have a reduction in *seasonal* costs due to the completed inventory project. Two CIP funded projects are:

- Lawn mower to replace old one \$ 14,000
- Add cremation niche 50,000

Parks and Recreation funded CIP projects are:

- New salter \$ 7,000
- Outdoor fall material beneath play equipment 10,000
- Install outdoor exercise area 100,000
(remove vita course)
- Backhoe lease - one year 3,500
- Service truck purchase (replace current) 29,000
- UV disinfectant system for outdoor pool 50,000
- Fitness equipment – Park Center 22,442

Larger projects include \$1.25 million to match county funds to remodel the **Amphitheater**, and the mayor set aside approximately \$725,000 to match Zoo, Arts, and Parks, (ZAP) funding, should the city be awarded that money. Eventually \$3.3 million would need to be saved for matching funds.

Mayor Eyre inquired about the new construction of the restrooms and the resurfacing of the pathway system in Murray Park. Mr. Sorensen reported the restrooms were coming along well, and expected them, weather permitting, to be completed and open by the second week of June. The pathway throughout the park would be accomplished in house as soon as scheduling allowed. Mayor Eyre inquired the timeline for Wi-Fi installation in Murray Park. Mr. Sorensen believed it

would available by July 4, 2016.

Ms. Turner inquired the status on pickle ball courts. Mr. Hill replied he had just met with architects and bids were currently under review; a decision would follow as soon as possible. He reported, bids came in at what engineers had estimated including the bridge over the creek into the park and costs would include nighttime lighting. The anticipated completion is September.

The operating budget for the **Water Fund** is relatively flat and there were no significant changes to report. Approximately \$750,000 of the water fund reserves would be utilized to assist in CIP projects; this is down from the \$1.7 million utilized in the current budget year. CIP projects include:

- Waterline replacement on 4500 South
- Purchase service truck
- Share cost of transport trailer for large equipment
- Various pipeline replacements, pump improvements and well rehabilitation projects.

Mayor Eyre asked if waterline replacement included enlarging the size of the pipes. Mr. Astill stated increasing the size of the waterlines was more of an issue for sewer lines than water. Mr. Hill explained that Mr. Astill had been working with a consultant and was in the process of updating CIP projects for the **Water and Waste Water Funds** to create a five year plan. Mr. Astill along with a rate analyst, would meet with Mr. Zollinger to review rates and determine an increase, which was expected next fiscal year. There had not been a rate increase in approximately 10 years and the amount would include Central Valley Water Reclamation (CVWR) rate increases, which could be a significant.

The *operating* budget for the **Waste Water** fund would also remain flat, with CIP projects requiring \$900,000 from reserves. The projects include:

- Purchase two service trucks – replace existing trucks
- Purchase emergency axillary pump
- Payments to CVWR for capital projects

Due to a green fee rate increase the **Murray City Golf Course** budget was amplified, generating an extra \$50,000 or more per year, which would help pay off a bond needed for replacing the irrigation system. Mr. Carruth and Mr. Plant have worked closely with architects to design the new system. The project would begin in the fall and be completed by early next spring. Working on two holes at time, four or five months of construction would be necessary. The course would remain open during construction, however, a rate adjustment would compensate for fewer holes played. Golf carts would be replaced in July and a new fairway tee mower would be purchased as well. New costs included a lease with Rocky Mountain Power, which is approximately \$6,000 per year and expected to escalate up to \$10,000 a year, within the next ten years.

Mr. Hill commended John Pearson for his work organizing leagues and excellent customer service. Funding for clubs, balls and equipment increased, however, costs would be offset by new revenue. Mr. Pearson reported golf shop sales in 2014 were \$167,800, in 2015 sales were \$188,000, an increase of approximately \$20,000 was due to the popularity of women's and men's leagues. With the increase in players, came the increase in liability costs. There were over 300 in the men's league, an increase of 65 players from the previous year. With leagues twice a week, approximately \$2,500 was coming in for the liability fund. Mr. Zollinger stated he was not

concerned that the expense account seemed over budget, because revenues were also over budget. Estimating from year to year was a challenge.

There was nothing to report in the **Solid Waste** fund budget, except a new five year contract with ACE Disposal and new costs associated with weekly recycling collections. The increased costs would be offset by a fee increase effective February 1, 2016.

Mr. Brass inquired if the city was protected from recycling cost increases, due to Rocky Mountain Recycling and ACE raising rates fairly regularly. Mr. Hill replied the city was not protected and currently shared the costs with ACE Disposal for recycling at a 50/50 split. Rates are currently \$15 per ton for recycling and if rates increase, the city shares 50% those costs with ACE.

The **Storm Water** fund budget remains almost completely flat and was actually lower than last fiscal year due to no CIP projects. This was concerning because funds are not available for emergency flooding situations, or storm drain improvements. An approved rate increase by the council, which would go into effect this summer will determine the outlook. The hope is to evaluate how the rate increase will lend to generating revenue, in order to bond for \$2 million to \$3 million in needed projects beginning next year. For the current year, maintenance will continue, however no improvements are scheduled. Reserves have not been neglected, however remain at the minimum level. Mr. Zollinger added the fund was very tight and he would like to structure bonds for a 15 year period, reissuing every five years. After a three year cycle the old bond would retire filtering funds into capital each year. A rate increase will help and further discussions would be necessary, as many there are various areas of concern affected by flooding during heavy rain seasons.

Mr. Brass added a general possible concern eventually, might be having to treat storm water depending on the outcome with CVWR regulations. At some point, storm water entering the Jordan River would have to be addressed. Mr. Hill replied he had just met with Mayor Eyre and Mr. Holdaway, the city's lobbyist, about unfunded mandated regulations related to storm water. Outside of CVWR regulations, it is possible that new inspections and additional testing may be required in the future. Rate studies and new operational costs, in addition to adding an employee who would have to conduct the tests and research, were definite topics of concern to Mr. Hill.

The **Central Garage** fund operating budget remains the same as last year with no significant changes. The shop, which maintains the city's equipment, had two funded CIP projects to replace the lighting fixtures, as well as replace the service truck. The biggest need, eventually for the shop, would either be improvements to the structure and ventilation system, replace the building or move to a new location. The small structure is not energy efficient and heating costs during the winter exceed what they should be. Considerations would continue.

Cultural Arts: Mr. Hill reported the upcoming retirement of Mary Ann Kirk and stated replacing her would be a concern. Acting as a one person operation, yet handling so many responsibilities, such as, the history, the museum and arts programs of the city, replacing her with just one employee would probably not be sufficient. An overlap of training before she leaves would be imperative, so that continuity was not lost. It may be necessary to close the museum temporarily. This would allow utilization of funding to pay a part-time employee to work with Ms. Kirk for a training period. Further discussions would take place on reducing services for this process.

Power Department – Greg Bellon and Bruce Turner

Mr. Bellon reported revenue for the department was down \$500,000 from last year. *Metered* sales were decreased \$465,000 just to be conservative for the coming year. Paying off its last bond, the department would be completely debt free as of June first. Mr. Hales asked how common it was for the department to be bond free and debt free. Mr. Zollinger replied historically the department has had bonds going back many years. Overall, Mr. Bellon stated the budget remains very conservative and balanced. Capital increases over last year of \$300,000 were reported and reserves for the year would increase by \$389,000. Power costs increased by \$125,000 and currently natural gas prices remain low.

The *miscellaneous* revenue line item showed a 42% increase. Mr. Zollinger confirmed the miscellaneous revenue is for uncertain circumstances that could occur from year to year. Growth is not expected.

The overall *administration* budget remains flat, however a 900% increase was made in *Employee Assistance Program*, which only amounts to \$1,000 total. An increase of \$125,000 is planned for building and *grounds*, in order to remodel the dispatch center. It was anticipated that \$62,500 would be available in a normal year and that would reflect a decrease for next year. *Public power week* was increased 33% to ensure good public participation. *Credit Card fees* budget required a 28% increase for a total of \$160,000 to accommodate a growing number of residents who use credit cards. Mr. Zollinger stated that paying by credit card has its costs. *Professional services* budget increased to \$100,000, an 18% increase from the previous year. That budget covers various things including cost of service studies, the Enerlyte (to check energy efficiency on utility bills), and possibly APPA.

The ***Engineering*** division increased 25% for *equipment maintenance* - plant, which included \$130,000 for two breakers at the central substation. Mr. Zollinger explained that several accounts in the division had been dissolved and others had been combined for reorganization, which would explain higher increases in some of the line items. There was a 19% decrease in *equipment maintenance for turbines 1, 2, and 3*. This will be a huge savings, due to a major project taken on in house saving hundreds of thousands of dollars rather than having an outside firm upgrade the controls at the turbine plant. *Professional services* line item in this division decreased 31% and the \$75,000 would be used mainly for an engineering study to upgrade the central substation. This substation is located on a landfill and will require major work due to settling issues. The upgrades will take place over several years and replacing the transformer alone, would cost approximately \$1.2 million.

The ***Power Distribution*** division would increase *travel and training* line items due to opportunities for continued education providing great training for new apprentice and journeyman positions. *Materials* for transmissions lines was increased to a more viable amount of \$10,000. *Materials* for *street lights* had a slight increase for all general maintenance to assure street lights are efficient. *Vehicle maintenance* and *equipment maintenance* line items were adjusted, however, there was only a small overall increase.

The ***Power Arborists*** division saw increases to the *chain saw supplies* and *small equipment* accounts due to new hires and extra work conducted in the annex area. The *street trees* account was decreased from \$99,000 to \$30,000 due to a lack of spending on street trees.

The **Purchase Power** budget is \$20,700,000 and would remain relatively flat, with only a couple of increases. Our least expensive resource, the CRSP program increased 15% providing a savings in costs of \$60,000 because we started doing our own scheduling. Mr. Bellon explained dispatchers had done well in scheduling.

The *San Juan* account reflected a 14.2% increase and the question was asked if the other plants there would be closed. Mr. Bellon reported reserves had been built up to pay for sensors and other requirements. This is 1.5 MW of our load and as part of it the city must remain committed to see it through.

Power pool was reduced to 22% and the *power exchange* account was reduced by 7%. The only other increase for the division was the *Trans Jordan Landfill*, which represents the landfill's ability to produce more energy than needed. A percentage of the extra methane gas is sold.

The *meter reading* has a reduction in small meters. About 300 old meters are left in the commercial change out before the city would be 100% complete. The 10 year old meters had reached the end of their life span.

The *NERC* (North American Electric Reliability Corporation) account has only \$10,000 remaining in the budget for training, supplies, equipment and software. The position that Matt Young holds was moved to the engineering division.

The *reserve build up* account would increase to \$300,000 with this year's budget.

Power CIP projects mentioned would include constructing additional warehouse space. The budgeted is \$650,000 and plans are to build onto the existing structure.

New construction rebuilds have \$270,000 budgeted for power lines, and \$625,000 for rebuilds and new poles spanning various neighborhoods. Mr. Bellon said backyard rebuilds are a challenge and very involved, but help the system to operate as efficiently as possible.

The *equipment* line includes \$55,000 for transformers and \$135,000 was budgeted for LED street lights. The department is excited to get those installed throughout the city and it was anticipated Murray Park would be finished from the 2015 budget year. Mayor Eyre inquired if the replacement for lights in the park included the entire stand of the lighted poles and how many would be replaced. Mr. Turner said it did include the entire pole and 65 would be replaced.

Mr. Turner reported one bucket truck for the line crews had repairs of \$10,000 and needed replacing after 25 years. He said a bucket truck would be purchased for trouble calls. Mr. Bellon reported a required \$110,000 budget, for department vehicle costs and services, overall, for the new fiscal year.

The *power debt service* account was deleted from the budget.

The *power financial functions* (FF) account had a 13% increase in *risk assessment* and a 15% increase in *fleet assessment*, while the General Fund transfer was reduced slightly by 1.1%. Overall, \$4,500,000, would go back to the General Fund from the power department as it had for previous years. Mr. Hales asked if the transfer had always been millions of dollars to the General Fund. Mr. Bellon replied eight years ago it was as high as \$5.5 million. Currently, the rate is 8%

and the transfer and has always been a great benefit to the city. Mr. Zollinger added a private entity would give a distribution of dividends to their shareholders, and the city received revenue, which prevented tax increases on the residents.

Mr. Brass reported taxes were raised in 2006, in an effort to attain \$1.5 million, and was advertised as a tax increase of 41%. He said with the current transfer of \$4 million, a 100% tax increase would have been necessary to replace those funds, however, with the transfer there is a significant savings to tax payers.

Mr. Camp believed this was a great benefit to the entire city. Mr. Bellon agreed that administrative fees were covered with the transfer. Mr. Zollinger noted administrative fees cover attorney, IT, utility billing, and human resources for services. He reported the General Fund pays approximately 50% of the city's service fees with administrative fees from funds paying the other 50%.

Mr. Bellon extended a warm thank you to the council, Mayor Eyre and all staff involved for the compensation package proposed this year. He realized all the hard work and effort that went into to making it possible and stated his appreciation and was happy to announce it publically.

Police Department – Chief Craig Burnett

Chief Burnett reported no significant changes to the budget from last year and said there were only four increases. *Software and maintenance* increased \$8,000 due to IT maintenance and an estimated increase of 8% was anticipated for the *VECC assessment*.

The department would like to add the *Canine* program again resulting in a new \$4,000 line item. Funds combined with CIP project funds would include the dog purchase, equipment and required vehicle.

Contract services increased 5% due to the continued positive relationship with West Jordan City, for the operation of Murray City's animal shelter. Renovations and improvements to the facility would be completed in the 2015 budget year.

Mayor Eyre added that a new furnace would need to be addressed in the future. Lethal injections would continue versus gas extermination. Mr. Nicponski added gas chambers were being removed from animal shelters across the state, with only 6 left, out 56 shelters. Chief Burnett agreed reporting the city had not utilized gas in many years. He also said Murray Cadets often visit the animals and let them out to run around and play in the yard.

Mayor Eyre reported great success with the adoption program at the shelter with only three dogs and six cats remaining.

Chief Burnett reported beer tax monies from the state were utilized to purchase body and vehicle cameras instead of using CIP project funds.

The biggest struggle currently in the department was finding good officers, which was an industry wide challenge. Two positions remain open and interviews continue. With expected retirements ahead and shrinking benefits within the industry the need is great for good officers. He believed making the position more attractive with a better retirement package could be a positive solution to

hiring millennials, who have a different mindset than previous hires. Mr. Zollinger noted law enforcement, in general, could often offer a better package than the private sector, however, adding a 401K and making benefits a little more attractive could make up the difference. Mr. Brass agreed it would be worth looking into, as other states offer better options. Mr. Hales inquired what the retention was for the department. Chief Burnett reported they had not lost anyone to another agency, other than one officer who just recently transferred to Seattle for better benefits. Officers transferring from one city to another city, within the state, was not as common as changing industries altogether. Mr. Zollinger noted there were many reasons why it was hard to find and retain good help. Chief Burnett agreed.

Mr. Camp reported the VECC assessment was at \$429,124, which was about a \$30,000 increase. The fire department reflected \$10,000 less so and the difference would need to be made up.

MCEA – Callie Johnson

Ms. Johnson stated on behalf of city employees, members were excited about the positive economy, COLA and merit increases proposed, insurance changes and the positive things that lie ahead for Murray City. As a whole, employee morale was up and everyone seemed to appreciate the support and changes suggested by the council and the mayor. Ms. Johnson was not aware of any negativity. Ms. Wells inquired if a letter from the mayor was well received. Ms. Johnson replied it was received well, very good communication and reassuring to hear directly from the mayor's office with solid information.

Adjournment

Mr. Nicponski adjourned the Budget and Finance Committee meeting at 3:15 p.m.

Pattie Johnson
Council Office Administrator II