

Murray City Municipal Council Chambers Murray City, Utah

Tuesday, June 1st, 2021

The Murray City Municipal Council met on Tuesday, June 1, 2021, at 6:30 p.m. (or as soon as possible thereafter) for a meeting held electronically without an anchor location in accordance with Utah Code 52-4-207(4), due to infectious disease COVID-19 Novel Coronavirus. The Council Chair determined that conducting a meeting with an anchor location presents a substantial risk to the health and safety of those who may be present at the anchor location because physical distancing measures may be difficult to maintain in the Murray City Council Chambers.

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

Council Members in Attendance:

Kat Martinez	District #1
Dale Cox	District #2 – Conducting
Rosalba Dominguez	District #3 – Excused
Diane Turner	District #4 – Council Chair
Brett Hales	District #5 – Council Vice-Chair

Others in Attendance:

Blair Camp	Mayor	Jennifer Kennedy	Council Director
Doug Hill	Chief Administrative Officer	Patti Johnson	Council Office Administrator III
G.L. Critchfield	City Attorney	Brooke Smith	City Recorder
Brenda Moore	Director of Finance & Administration	Jennifer Heaps	Chief Communication Officer
Laura Bown	Deputy City Recorder/Purchasing Agent	Bill Francis	Utah VOD

Opening Ceremonies

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

Pledge of Allegiance – The Pledge of Allegiance was led by Brett Hales.

Approval of Minutes

None Scheduled

Special Recognition

None Scheduled

Citizen Comments

Danny Fazzini Jr. - Read into the record by Jennifer Kennedy

I would like to express my concern over the moratorium on only certain zones or zone change applications. A few weeks ago, Murray announced that they were holding any new applications for Mixed Use developments. Although, I can understand the impact of the increase in applications can have on staff and the process in general, this is not equitable to the other existing zones or the process as a whole. If the City is receiving an increase in applications, the City should probably look at hiring or contracting with additional resources to address this change or also meter the applications to rotate or limit the time staff work on certain zones so that other smaller projects are able to be handled in a timely manner. City staff have brought up the legislation from about 2019 where initially there was going to be a penalty for Cities not considering enough choices alternative or low/moderate housing. In the end, it was amended to only include a report back to the legislature. It does NOT require that every zone support every use. The City, in imposing this moratorium is impacting the ability to provide low to moderate income housing usually in areas where the existing infrastructure and easy access to shopping and services already exists. Although, I agree that the General Plan is a living document. Having directly participated in the General Plan process, I am very aware of the tremendous number of resources in both staff time and public input is considered in the final document. These often provide a buffer in zone changes between commercial and single-family houses. Large changes should not be taken lightly and highly scrutinized, probably more so than the zones covered in this current moratorium. I ask that the City reconsider the moratorium and develop other methods to resolve the increased load of these applications. Thank you.

Consent Agenda

None Scheduled

Public Hearings

1. Consider an ordinance amending the City's Fiscal Year 2020-2021 Budget.

Presentation: Brenda Moore, Director of Finance and Administration

Brenda Moore, Director of Finance and Administration, shared a request for an amendment of the Fiscal Year (FY) 2020-2021 budget. This was reviewed in the Committee of the Whole (May 18, 2021). There are a few minor adjustments, for the following:

1. Receive and allocate \$7,605 state alcohol money received. The original budget is an estimate, this adjusts the budget to the actual received.

2. Transfer \$190,000 from the building division salaries and wages to the building division professional services. There are vacant building inspector positions that require the use of outside professional services for building inspections.

In the General Fund increase sales tax revenue budget by \$137,850 - More sales tax was received than was originally budgeted and appropriate to the following expenditures:

1. Increase the Police Department overtime budget by \$75,000. This can go towards Investigations to be completed by the end of the year.
2. Increase the IT equipment budget by \$22,000 for an additional server due to a lack of disk space because of the volume of data being stored.
3. Increase IT salaries and benefits by \$23,000 due to the reorganization of employee duties.
4. Increase the Outdoor Pool salaries and benefits by \$17,850 due to employee being a 3/4 time but budgeted at 1/2 time.

The Murray Parkway Golf Fund received \$28,000 in greens fees revenue and appropriate to professional services (\$28,000 represents in-kind value of greens fees payment for the ForeUp scheduling software).

The Risk Fund received \$230,581 insurance proceeds and appropriated for professional services. The Risk Fund received \$380,000 from reserves and allocated \$250,000 to professional services for legal expenses and settlement of a case. Additional funds of \$130,000 were allocated for claims expense for potential case settlement.

Citizen Comments:

The floor was opened for public comments: None received.

MOTION: Councilmember Turner moved to adopt the Ordinance. The motion was SECONDED by Councilmember Hales.

Council roll call vote:

Ayes, Councilmember Turner, Councilmember Hales, Councilmember Martinez, Councilmember Cox

Nays: None

Abstentions: Councilmember Dominguez

Motion passed 4-0

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

Presentation: Brenda Moore, Director of Finance and Administration

PowerPoint Presentation: Attachment A - Public Hearing: Transfer of Enterprise Funds

Brenda Moore, Director of Finance and Administration shared the 2021-2022 Enterprise Fund Transfer notice that was included with April utility bills. No adjustments were made from the Mayor's tentative budget. The notice that was sent to customers is the budgeted amount of the transfers.

Citizen Comments:

The floor was opened for public comments: None received.

MOTION: Councilmember Hales moved to adopt the Ordinance. The motion was SECONDED by Councilmember Martinez.

Council roll call vote:

Ayes: Councilmember Turner, Councilmember Hales, Councilmember Martinez, Councilmember Cox

Nays: None

Abstentions: Councilmember Dominguez

Motion passed 4-0

3. Consider an ordinance adopting the Final 2021-2022 Fiscal Year Budgets for Murray City including the Library Fund Budget.

Presentation: Brenda Moore, Director of Finance and Administration

PowerPoint Presentation: Attachment B – Budget Public Hearing

Brenda Moore, Director of Finance and Administration shared the City's tentative budget, as amended, for the fiscal year 2021-2022.

The budget overview includes:

- a. General Fund;
- b. Library Fund;
- c. Capital Projects Fund;
- d. Water Fund;
- e. Waste Water Fund;
- f. Power Fund;
- g. Murray Parkway Recreation Fund;
- h. Telecommunications Fund;
- i. Solid Waste Management Fund;
- j. Storm Water Fund;
- k. Central Garage Fund;
- l. Retained Risk Reserve Fund;
- m. Redevelopment Agency Fund;
- n. Cemetery Perpetual Care Fund.

During the presentation, Brenda noted the following:

- That construction costs continue to be unpredictable.

- The Utah State Legislature passed a law in the last session that the city can keep 35% in general fund reserves. Future discussion will be held on how fast the city wants to get to that 35% threshold.
- The Power Department is going to create a Master Plan as part of their budget.
- The Solid Waste fund is starting to build a small balance since the recent rate increase.
- The Library is saving funds for a new library.
- Enterprise funds are using their fund balance to create assets.

A copy of the 2021-22 Fiscal Year Budget can be found on the city's website: [HERE](#)

Citizen Comments:

The floor was opened for public comments: None received.

Business Item

None Scheduled

Mayor's Report and Questions

Mayor Camp shared the following updates:

- The Parks and Recreation outdoor pool was very popular during the opening weekend.
 - On Saturday, May 29th there were 141 patrons;
 - On Sunday, May 30th there were 240 patrons; and
 - On Monday, May 31st there were 829 patrons.
- The Cemetery crew did a great job for Memorial Day. The cemetery is well maintained year-round, but It looked very nice this weekend.

The meeting was open for questions to the Mayor. Councilmembers shared their appreciation to the mayor and staff.

No additional questions were asked.

Adjournment

The meeting was adjourned at 6:57 p.m.

Laura Bown, Deputy City Recorder

Attachment A - Public Hearing: Transfer of Enterprise Funds
Attachment B – Budget Public Hearing

Attachment A Public Hearing: Transfer of Enterprise Funds

Public Hearing:
Transfer of enterprise fund money to another fund
Discussion of administrative and overhead costs

UTAH STATE CODE §10-6-135.5

JUNE 1, 2021

What's the difference?



TRANSFERS OUT

Calculation based on a % of the enterprise fund revenue

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

Contributes approximately 8% of the General Fund revenue (\$3.97 million)

ADMINISTRATIVE COST ALLOCATION

Calculated based on a % of actual administrative services cost

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

Estimated cost to the enterprise funds is \$3.8 million



Transfers to the General Fund

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

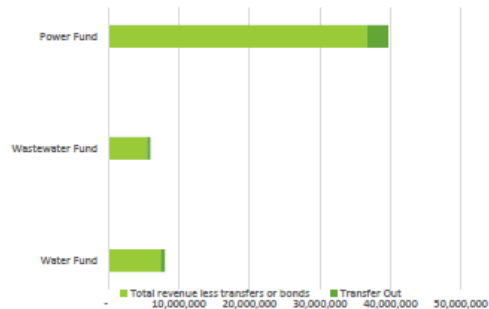
Purpose: Where private sector utility companies are in business to provide a return on investment to its shareholders, Murray City shareholders (taxpayers and citizens) receive this return on investment as a transfer to the General Fund intended to subsidize services which would otherwise require an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

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



FY 2021/2022 Budget

	User Fee Revenue	Transfer Out	% of Revenue
Water Fund	7,414,000	593,120	8.0%
Wastewater Fund	5,502,000	440,160	8.0%
Power Fund	36,735,000	2,938,800	8.0%
Total	49,651,000	3,972,080	8.0%





Administrative Services Allocation

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

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

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



Administrative Services Allocation

ADMINISTRATIVE SERVICES COST

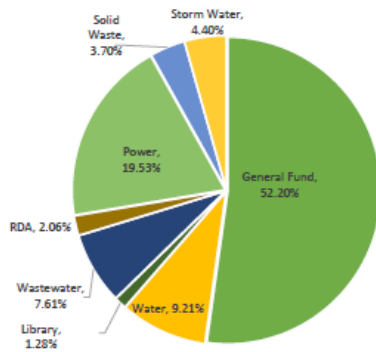
Department	Total Cost
City Council	\$ 545,487
Mayor	824,809
Finance	622,154
City Treasurer	286,180
Human Resources	432,258
Attorney	708,797
Community Development	298,258
Utility Billing	675,456
Recorder's Office	406,344
IT	2,208,702
GIS	556,646
Facilities	1,017,336
TOTAL	\$8,582,427

ALLOCATION

Fund	Allocation %	Allocated Cost
General Fund	52.2%	\$4,480,349
Power	19.5%	1,676,061
Water	9.2%	790,590
Wastewater	7.6%	653,025
RDA	2.1%	176,643
Solid Waste	3.7%	317,813
Storm Water	4.4%	377,896
Library	1.3%	110,051
TOTAL	100.0%	\$ 8,582,428

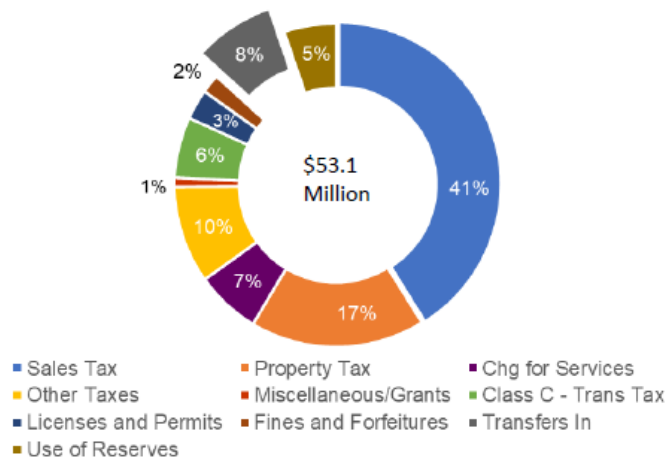


Administrative Services Allocation

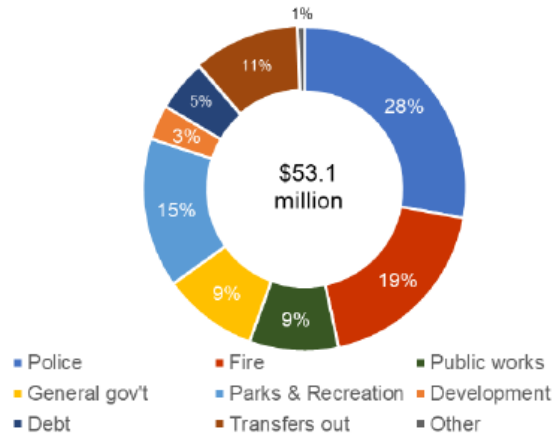


Fund	Allocation %
General Fund	52.2%
Power	19.5%
Water	9.2%
Wastewater	7.6%
RDA	2.1%
Solid Waste	3.7%
Storm Water	4.4%
Library	1.3%
TOTAL	100.0%

Where It Comes From: General Fund



Where It Goes: General Fund



Attachment B Budget Public Hearing

Budget Public Hearing FY 2021-2022

June 1, 2021

What will next fiscal year bring?

- ▶ The Utah economy in total is doing well. There are some business sectors and individual business still suffering from the effects of the COVID-19 Pandemic. A concern for FY 2022 is possible inflation, especially in construction costs.
- ▶ Best estimate is the city will finish FY 2021 around 30% in general fund reserves and as the budget is proposed at 26%.
- ▶ The City will receive American Rescue Plan Act (ARPA) funds during FY2022 and FY2023. The budget does not include these funds.

Budget Overview

Revenue

- ▶ No property tax rate increase in the budget.
- ▶ Sales tax revenue is budgeted at 1% above expected FY2021 collections.
- ▶ Charges for Services and Fines & Forfeitures budgets in the General Fund have been decreased due to some continuing effects of the COVID-19 Pandemic.
- ▶ Charges for Services in the Water, Wastewater, and Solid Waste Funds were increased due to previously approved rate increases.
- ▶ All remaining revenues have been budgeted conservatively.

Budget Overview

Personnel

- ▶ Step Plan increases are funded.
- ▶ 3% cost of living increase is funded.
- ▶ Medical and dental insurance increased 6.1% and .5% respectively.
- ▶ Workers Compensation premiums increased.
- ▶ 3 new positions were requested and approved:
 - ▶ Civil Engineer 1, Senior Planner, and a Police Lieutenant.
- ▶ 13 Pay ranges adjusted to stay within 5% of market.
- ▶ 6 position adjustments to better align with duties and requirements.

Budget Overview

Operations

- ▶ Returned line items which were cut in FY2021 to FY2020 levels where necessary.

Capital Improvement Projects

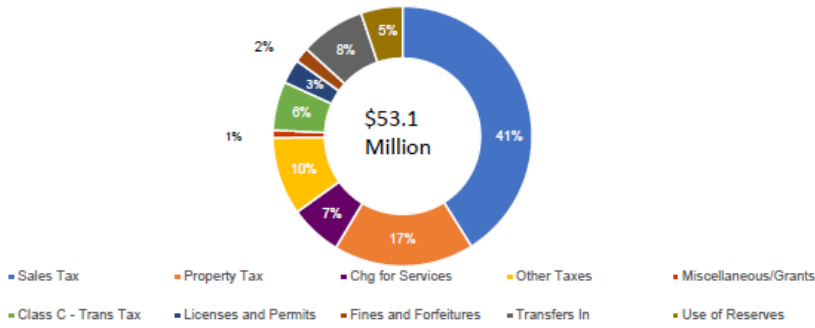
- ▶ The CIP Fund contains \$7,815,600 in projects to maintain or purchase facilities, equipment and infrastructure.
- ▶ The Enterprise funds are continuing to do infrastructure projects as outlined in their master plans to maintain their systems.

Budget Overview

Murray City Tentative Budget							Fiscal Year
							2021/2022
FUND SUMMARY							
Fund	Beginning Balance	Revenue	Expenditures	Transfers In/Out	Ending Balance	Change In Fund Balance	
GENERAL FUND							
General Fund	14,703,469	46,069,962	(47,475,486)	(1,354,020)	12,033,925	(2,750,544)	
Capital Fund	8,019,810	1,010,000	(7,815,800)	5,023,500	6,237,710	(1,782,100)	
INTERNAL SERVICE FUNDS							
Central Garage Fund	90,218	462,416	(488,416)	-	73,218	(26,000)	
Retained Risk Fund	1,435,269	1,701,671	(1,701,671)	-	1,435,269	-	
SPECIAL REVENUE FUNDS							
Library Fund	4,516,175	2,678,164	(2,254,007)	-	4,940,332	424,177	
Municipal Building Authority	28,203,752	40,000	(21,283,650)	-	6,960,102	(21,223,650)	
RDA Fund	4,735,384	3,788,462	(3,171,168)	(35,150)	5,317,528	582,144	
Cemetery Perpetual Care Fund	1,407,857	18,500	-	-	1,426,357	18,500	
ENTERPRISE FUNDS							
Water Fund	3,211,184	7,734,000	(7,703,050)	(593,120)	2,649,014	(562,170)	
Wastewater Fund	(1,162,200)	5,757,000	(6,636,906)	(419,035)	(2,461,231)	(1,299,031)	
Power Fund	19,430,678	37,485,000	(42,401,022)	(2,317,675)	11,596,979	(7,833,697)	
Murray Parkway Fund	(1,000,821)	1,218,000	(1,835,337)	295,500	(1,322,658)	(321,837)	
Telecom Fund	116,295	46,000	(49,350)	-	112,945	(3,350)	
Solid Waste Fund	1,061,713	2,548,000	(2,205,805)	-	1,403,918	342,105	
Storm Water Fund	(154,377)	2,491,000	(2,747,743)	-	(411,120)	(256,743)	
TOTAL	84,713,263	113,046,195	(147,749,333)	-	50,012,007		

Budget Overview

Where It Comes From: General Fund



Budget Overview

Where It Goes: General Fund

