



**MURRAY**  
CITY COUNCIL

**MURRAY CITY MUNICIPAL COUNCIL  
NEIGHBORHOOD MEETING  
District #1**

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The Murray City Municipal Council held a neighborhood meeting to share property tax information on Thursday, June 28, 2018 at the Murray City Center, Council Chambers, 5025 South State Street, Murray, Utah.

The meeting was conducted by Dave Nicponski, District 1

Council Members Present:

Dave Nicponski, Council District 1  
Dale Cox, Council District 2  
Jim Brass, Council District 3  
Brett Hales, Council District 5  
Diane Turner, Council District 4

City Staff Present:

Mayor Camp  
Doug Hill, Chief Administrative Officer  
Jennifer Heaps, Communications & Public Relations Director  
Danyce Steck, Finance Director  
Jan Lopez, Council Director  
Pattie Johnson, Council Office  
Joe Tarver, Police Chief  
Jon Harris, Fire Chief  
Danny Astill, Public Works Director  
Kim Sorensen, Parks and Recreation Director  
Chad Pascua, Firefighter  
Cameron Willden, Firefighter  
Brian MacNeil, Firefighter  
Steve Ellefsen, Firefighter  
Brenda Moore, Finance  
Daren Wightman, Firefighter  
Steve Roberson, Firefighter

Other's in Attendance

Citizens

### **Introduction and Welcome – Dave Nicponski**

Mr. Nicponski welcomed and thanked citizens for attending the neighborhood meeting. He introduced city council members, council staff, Mayor Camp, Mr. Hill and Danyce Steck, Finance Director.

Mr. Nicponski noted the meeting was held to explain some of the challenges faced as the budget was prepared for the year, which would describe why a property tax increase was proposed for both the City and the Library. He commented that it was not a solution that came easily, however, the goal is to continue to provide the services citizens expect, deserve and enjoy. As the budget process began back in January, the council met with city administration to discuss their challenges and needs. During that meeting, priorities were set for the budget, balancing both department needs and essentials in the community. The council's priority is to ensure that a community that is both safe and affordable is maintained and that the needs of the place we all call home are being met.

Mr. Nicponski explained that he would allow Danyce Steck, Finance Director, about 20 minutes for the property tax presentation. Following that he would take questions and comments from the attendees. It was expected that the meeting would last until about 8:00 p.m.

### **Presentation – Danyce Steck, Finance Director** (See Attachment #1)

### **Citizen Comments – Dave Nicponski**

Ms. Steck explained that citizen comments would be taken at this time. Speakers would have three minutes to speak, and that the citizen comment form would need to be filled out. Mr. Nicponski invited people to step to the microphone and state their name and address.

### **Jon Siddoway**

Mr. Siddoway noted that he is a business owner in Murray and he has a problem with fiscal responsibility related to properties that are tax exempt. He said that he pays for three school districts and two libraries. His taxes had increased since 2007 from \$5,000 to \$11,000. He recognized that during the downturn, he could not increase costs for his renters, although, with any current increases, his renters will carry the majority of them. Anyone that does business with him will have the expenses passed on to them.

He asked if businesses, such as Costco, for example, had property tax exemptions. Ms. Steck replied that no businesses have tax exemptions.

He then mentioned police calls on his properties and said that they come when called, although, they do not monitor the area where he has drug and alcohol use behind his property. He has installed razor wire, which has been removed more than once. He said he does not mind paying taxes, and he loves the police department, however, he asked that police drive in and flash lights around the property a few times each night.

Finally, he talked about the storm drain fee that was charged a few years ago. He complained that there is no storm drain on his property and that the city has informed him he must pump out his own grease drain.

He commented that he would like to receive commensurate services for the property tax increase.

In response to another question, Mr. Nicponski stated that there would be no citizen vote for the property tax increase, however, it was noted that there would be a public hearing on August 14, 2018 at 6:30 p.m. prior to city council consideration of the property tax increase.

The county would not vote on their tax increase the same night. The county decides the date of the Truth in Taxation hearing for all municipalities and taxing entities so that there is no overlap.

### **Betty Larocco**

Ms. Larocco asked why the city allowed so many tax exempt entities to locate in Murray, leaving the tax burden on the residents. The majority of the residents in the room were senior citizens on a fixed income and cannot afford for the taxes to keep going up. She said her taxes have more than doubled in the 20 years she has lived in her home. She said maybe Murray City is not getting the increase but someone is.

Ms. Steck said that the tax exempt entities do not pay taxes, however, they all pay utilities and contribute to the General Fund through the 8% utility transfers that are done. She said about 700,000 patients visit the Intermountain Medical Center (IMC) each year and these people shop, eat and spend money in Murray City which contributes to the sales tax revenue and subsidizes so much of the budget. Property tax is the most stable revenue because when the economy suffers, people don't spend money on cars and other goods.

Further discussion took place on zoning and Mr. Brass added that the city expected an outdoor mall type development with a movie theater, however, that theater group declared bankruptcy soon after and the medical center went in instead with a level one trauma center. This is a benefit to the community, but the city does increase its daytime population from about 50,000 to 150,000 with all the businesses, hospital and mall.

### **Earle Hollingshead**

Mr. Hollingshead said that he is on a fixed income and had been in his house since 1958. Property tax has increased from \$300 to \$1,300. Because he lives east of 900 East, he said he does not have the garbage collection or Murray power and water. He said it is hard to raise this money, although, it goes for good purposes. He goes to the Whitmore Library instead of the Murray Library. That is his concern. He mentioned the storm water transfers and Mayor Camp said that he had discontinued transfers from that fund.

### **Calvin Noyce**

Mr. Noyce said that he had moved here last August and that he is a board member of

NeighborWorks. He mentioned low income loans and grants that may help people in Murray with housing needs. He said this help may be available to residents.

**Tom Decker**

He was curious if the exempt entities also pay the storm drain fees. The response was that they do pay these fees, as well as, residents.

**Joshua Jensen**

Mr. Jensen said that although he is only 28 years old he realizes the tax rate needs to be increased and he is in favor of more police and fire personnel to defend our city and help people feel safe. He noted a growth in drug dealers in his area and West Valley City taking Murray police due to pay increases. He repeated his support for the tax increase and for additional officers to defend our city.

**Jerry Fryman**

Mr. Fryman noted the courts need to ensure that those who break the law are penalized as necessary. He said he had been robbed and caught the perpetrator, however, the police only gave him a ticket. The police never went to look for his stolen property. He doesn't know what good it is if the courts do not follow through.

There being no additional citizen comments Mr. Nicponski closed the meeting at 7:30 p.m.

Janet M. Lopez  
City Council Executive Director  
Murray City Council

Minutes Approved August 14, 2018

# ATTACHMENT # 1



MURRAY

District 1

Councilmember  
Dave Nicponski

June 28, 2018





## BUDGET PRIORITIES

# PUBLIC SAFETY

1. SLC hiring 50 new officers, Herriman creating a new department, other cities and counties are increasing wages and benefits
2. Investment to recruit and train new officers
3. Reduced risk with an experienced force vs new recruits
4. Increase in challenged population after Operation Rio Grande

Total increase to the budget: \$2.3 million



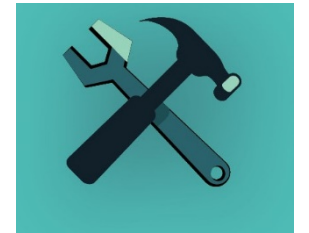


# MAINTENANCE

Taking care of the things we have:

1. Vehicle and equipment replacement schedules
2. Road maintenance
3. Parks maintenance
4. Facilities maintenance
5. Studies

Total increase to the budget: \$650,000







## BUDGET PRIORITIES

# IMPROVEMENTS

## Fire Station 81

1. Hanauer Road connection project  
(Wasatch Front Regional Council Master Plan)
2. Building is over 30 years old, and was in need of further investment
3. Issued debt in the amount of \$5.8 million in 2018

Total increase to the budget: \$480,000



# ADDITIONAL POSITIONS (SERVICE)



POLICE  
OFFICER



OFFICE  
ADMINISTRATOR



2-CROSSING  
GUARDS



BATTALION  
FIRE CHIEF



GIS ANALYST



MAINTENANCE  
WORKER



RISK ANALYST

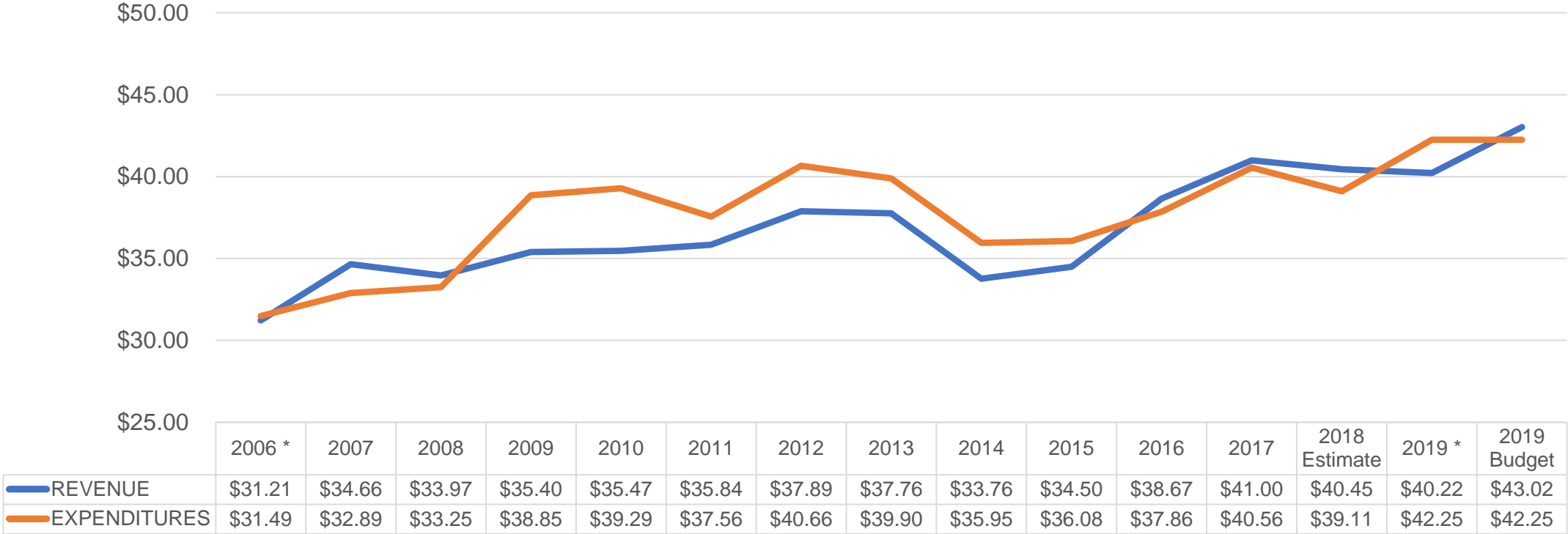


FACILITIES  
SUPERVISOR



# CHALLENGE – Revenue to Expense

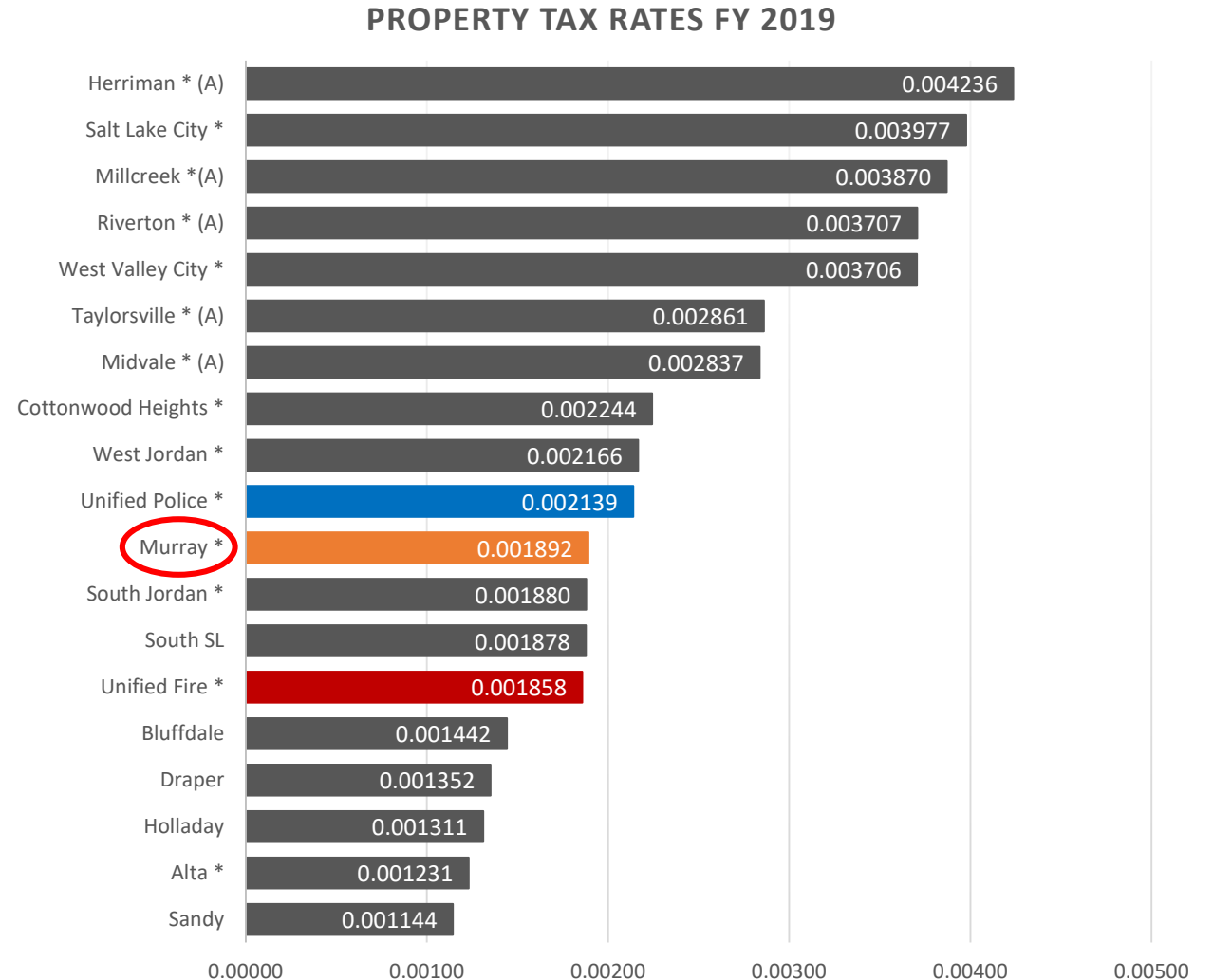
10-Year History  
(in millions)



\* Prior to property tax increase

# CHALLENGE - PROPERTY TAX

- 35% of our city is tax-exempt
- No increase since 2006
- Fill the inflationary gap for personnel and operations
- Requesting a property tax increase



# PROPERTY TAX INCREASE

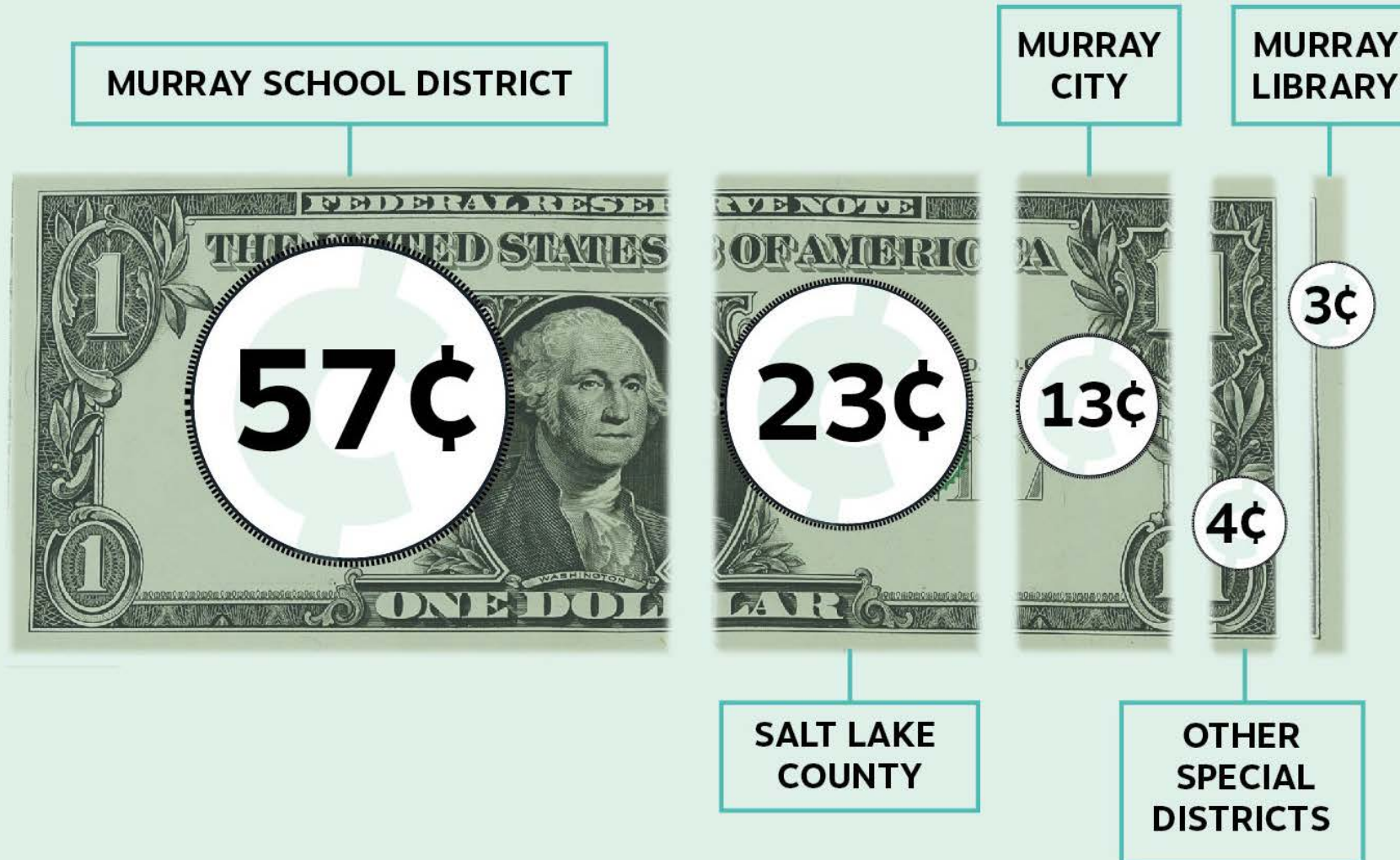


An increase to the total property tax bill of  
**\$34.77 A YEAR PER \$100,000**  
of assessed market value (not taxable value)

An increase of  
**4.8% -5.9%**  
of resident's property tax bill

# PROPERTY TAX DOLLAR

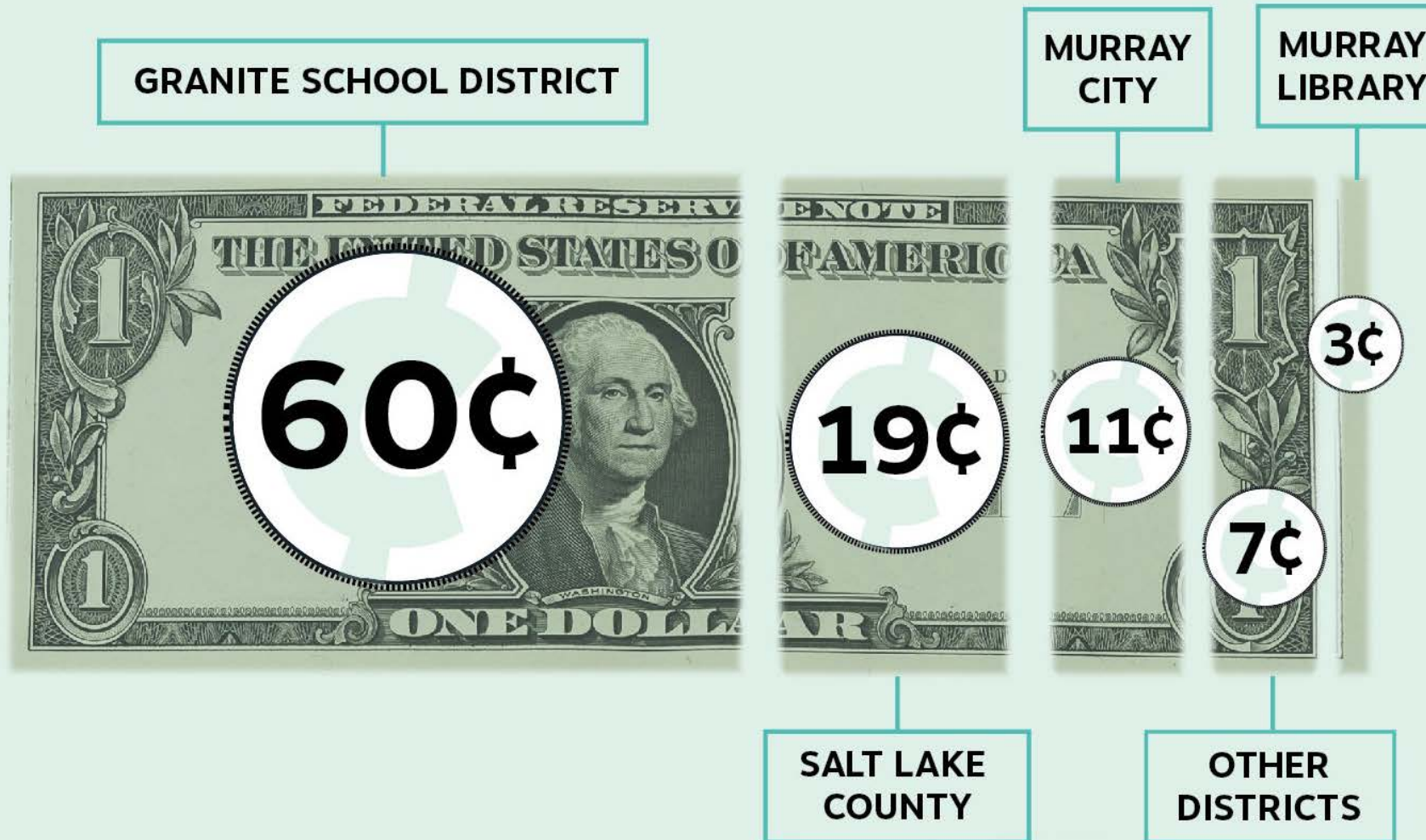
2017 PROPERTY TAX DOLLAR





# PROPERTY TAX DOLLAR

2017 PROPERTY TAX DOLLAR







# Truth in Taxation Process

	Last Year	This Year		Proposed
City Value	\$ 4,363,185,689	\$ 4,807,610,994	10%	\$ 4,807,610,994
Tax Rate	<u>0.001415</u>	<u>0.001305</u>	- 8%	<u>0.001892</u>
City Revenue	\$ 6,173,908	\$ 6,273,932	1%	\$ 9,096,000
Home Value	\$ 100,000	\$ 107,700	8%	\$ 107,700
Discount	<u>-45%</u>	<u>-45%</u>		<u>-45%</u>
Taxable Value	\$ 55,000	\$ 59,235		\$ 59,235
Tax Rate	<u>0.001415</u>	<u>0.001305</u>		<u>0.001892</u>
Property Tax	\$ 77.83	\$ 77.30	- 1%	\$ 112.07
Per month	\$ 6.49	\$6.44	- 1%	\$9.34
Increase per year				\$34.77
Increase per month				\$ 2.90



## NOTICE OF PROPOSED TAX INCREASE

### Murray City

Murray City is proposing to increase its property tax revenue.

- Murray City tax on a \$323,500 residence would increase from \$288.59 to \$424.14 which is \$135.55 per year.
- Murray City tax on a \$323,500 business would increase from \$524.72 to \$771.16 which is \$246.44 per year.
- If the proposed budget is approved Murray City would increase its property tax budgeted revenue by 46.93% above last year's property tax budgeted revenue excluding new growth.

All concerned citizens are invited to a public hearing on the tax increase.

### PUBLIC HEARING

Date and Time: August 14, 2018 at 6:30 P.M.  
Location: Murray City Council Chambers  
5025 S. State Street  
Murray, UT 84107

#### REMEMBER:

This combines the City and Library's tax rates, and is 47% of 16% (or 7.5%) of your total property tax bill.

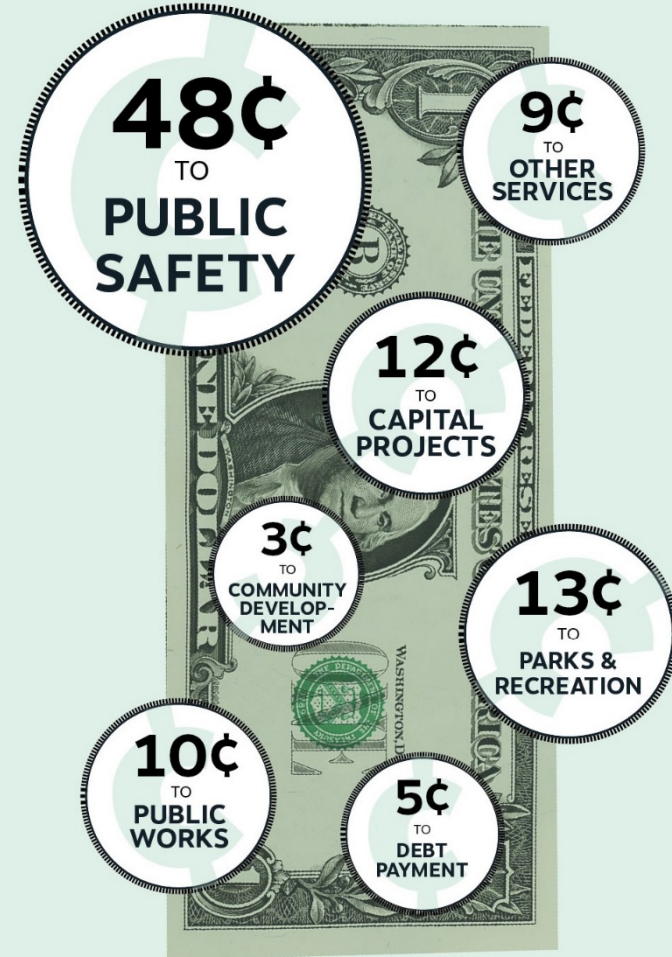
To obtain more information regarding the tax increase, citizens may contact Murray City at (801) 264-2662.

# SUMMARY

## 2019 REVENUE BUDGET



## 2019 EXPENSE BUDGET





	2018 Budget *	2019 Budget	% Change	Change
<b>Revenue</b>				
Sales tax	\$ 19,208,702	\$ 20,325,000	6%	\$ 1,116,298
Other revenue	13,806,779	13,599,899	-1%	(206,880)
Property tax	6,173,908	9,096,000	47%	2,922,092
Transfers in	4,137,389	4,161,725	1%	24,336
Use of reserves	<u>680,741</u>	<u>576,282</u>	-15%	<u>(104,459)</u>
	<b>44,007,519</b>	<b>47,758,906</b>		<b>3,751,387</b>
<b>Expense</b>				
Public safety	20,671,825	22,994,895	11%	2,323,070
Capital projects	4,857,103	5,510,000	13%	652,897
Parks & recreation	6,001,694	6,372,050	6%	370,356
General government	5,688,176	5,715,834	0%	27,658
Public works	4,773,076	4,672,119	-2%	(100,957)
Debt payments	<u>2,015,645</u>	<u>2,494,008</u>	24%	<u>478,363</u>
	<b>\$ 44,007,519</b>	<b>\$ 47,758,906</b>		<b>\$ 3,751,387</b>

\* For comparison purposes, excludes \$5.8 million of debt issued for the construction of the Fire Station 81.



ONE OF THE PRIORITIES IS YOUR

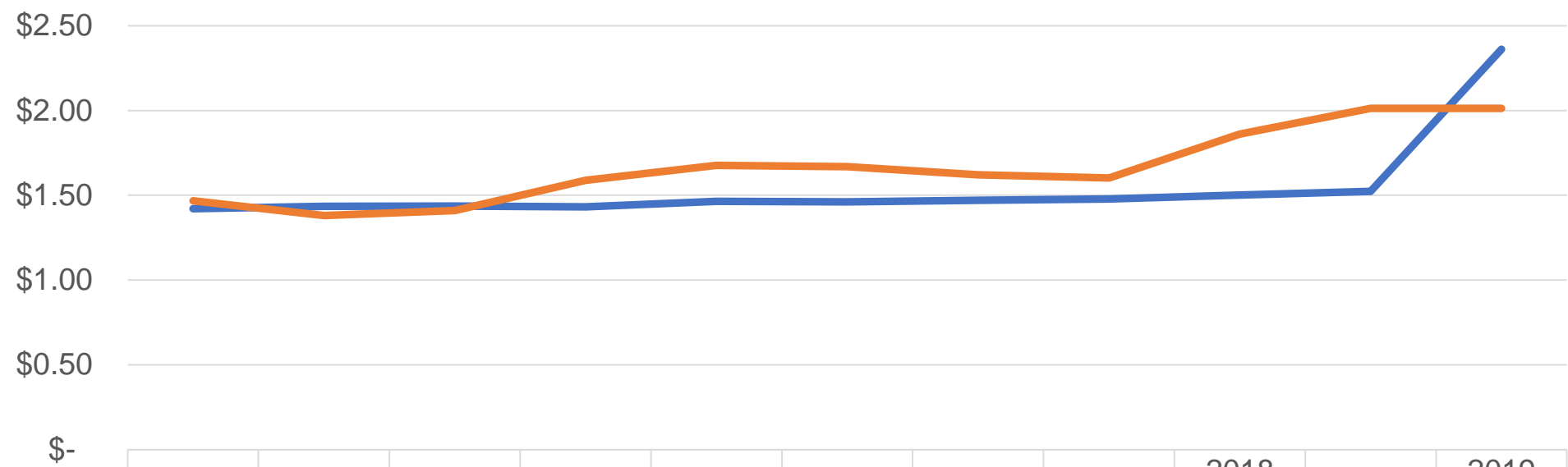
# LIBRARY





# CHALLENGE – Revenue to Expense

9-Year History  
(in millions)



	2010	2011	2012	2013	2014	2015	2016	2017	2018 Budget	2019 *	2019 Budget
PROPERTY TAX	\$1.42	\$1.43	\$1.44	\$1.43	\$1.46	\$1.46	\$1.47	\$1.48	\$1.50	\$1.52	\$2.36
EXPENSE	\$1.47	\$1.38	\$1.41	\$1.59	\$1.68	\$1.67	\$1.62	\$1.60	\$1.86	\$2.01	\$2.01

# PROPERTY TAX INCREASE

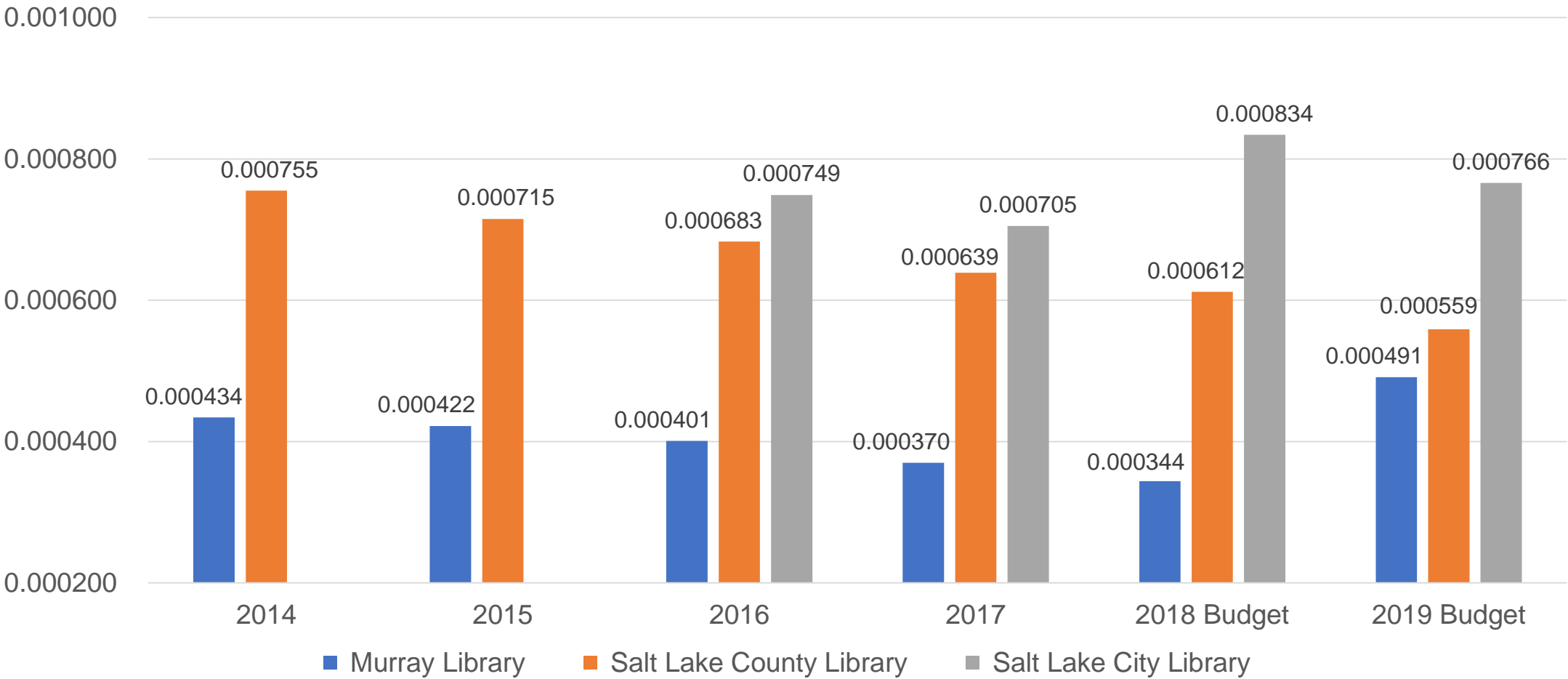
- No increase since 2006
- Operational deficit since 2013
- Building fund for growth and maintenance







# TAX RATE COMPARISON





# NEW LIBRARY

- City does not own the land where the library is built
- School district may not renew the lease
- Building improvements are required
- No room available for growth or changing services
- Locating the Library near City Hall brings value and synergy to the area
- Timeline: 3-5 years



# LIBRARY PROPERTY TAX INCREASE



## IMPACT ON PROPERTY OWNERS

An increase to the total property tax bill of  
**\$10.30 A YEAR PER \$100,000**  
of assessed market value (not taxable value)

An increase of approximately  
**1.5%**  
of resident's property tax bill

# PUBLIC PROCESS

## Neighborhood Meetings

### JUNE 21, 2018

6:30pm  
Viewmont Elementary School  
745 West 5720 South  
District 2  
Councilmember, Dale Cox

### JULY 19, 2018

7:00pm  
Murray City Library  
166 East 5300 South  
District 4  
Councilmember, Diane Turner

### JUNE 28, 2018

6:30pm  
Murray City Hall  
5025 South State Street  
District 1  
Councilmember, Dave Nicponski

### AUGUST 2, 2018

6:30pm  
McMillan Elementary School  
315 East 5900 South  
District 5  
Councilmember, Brett Hales

### JULY 12, 2018

6:30pm  
Murray City Hall  
5025 South State Street  
District 3  
Councilmember, Jim Brass

## Auto-calls

## Website – Questions and Answers

## Citizen's Guide to the Budget

## Public Notices

## Public Hearing on August 14<sup>th</sup> at 6:30 P.M. in Murray City Council Chambers

# OUR PRIORITY IS YOU



[www.murray.utah.gov](http://www.murray.utah.gov)