

# **Murray City Municipal Council**

## **Chambers**

### **Murray City, Utah**

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The Murray City Municipal Council met on Tuesday, June 4, 2019 at 6:30 p.m. for a meeting held in the Murray City Center Council Chambers, 5025 South State Street, Murray, Utah.

#### **Council Members in Attendance:**

Dave Nicponski, Chair	District #1 – Excused
Dale Cox, Vice Chair	District #2
Jim Brass	District #3
Diane Turner	District #4
Brett Hales	District #5

#### **Others in Attendance:**

Blair Camp	Mayor	Jan Lopez	Council Director
G.L. Critchfield	City Attorney	Jennifer Kennedy	City Recorder
Doug Hill	Chief Administrative Officer	Jennifer Heaps	Communications & Public Relations Director
Craig Burnett	Police Chief	Brenda Moore	Controller/Acting Finance Director
Spencer Finlinson	Paramedic/Firefighter	Jon Harris	Fire Chief
Russell Sneddon	Paramedic/Firefighter	Chad Pascua	Battalion Chief
Nick Haskin	Fire Captain	Nick Haskin	Fire Captain
Robert White	IT Director	Joey Mittelman	Fire Captain
Danny Hansen	Senior IT Technician	Steve Ellefson	Fire Engineer
Robyn Colton	Human Resources Director	Steve Roberson	Fire Captain
Citizens			

#### **Opening Ceremonies**

Call to Order – Mr. Brass called the meeting to order at 6:30 p.m. and excused Dave Nicponski.

Pledge of Allegiance – The Pledge of Allegiance was led by Chad Pascua, Battalion Chief.

#### **Approval of Minutes**

Council Meeting – May 21, 2019

MOTION: Ms. Turner moved to approve the minutes. The motion was SECONDED by Mr. Cox. Voice vote taken, all “ayes.”

### **Special Recognition**

1. Swearing-In New Murray City Fire Captains, Randy Hallam, Steve Roberson, Nick Haskin.

#### Staff Presentation: Jon Harris, Fire Chief

Chief Harris explained what it means to be promoted to a Fire Captain. He introduced Randy Hallam, Steve Roberson and Nick Haskin and spoke about each of them.

The Swearing-In Ceremony was performed by Jennifer Kennedy, City Recorder.

Captains Hallam, Roberson, and Haskin introduced their families and had their badges pinned on.

### **Citizen Comments – Comments are limited to 3 minutes unless otherwise approved by the Council.**

#### Steve Sprouse – Murray City, Utah

Mr. Sprouse said he is retired and lives on a fixed income. He has found that the tiered water rate has become burdensome for him during the summer. His property is .44 acres, most of which is lawn turf so he uses a lot of water. Consequently, he has a high water bill in the summer. He just found out about the equal pay program the city offers for utility customer, but he still feels like he is stuck because he is on a fixed income and would like something done to mitigate that.

#### Beverly Crangle – Murray City, Utah

Ms. Crangle said the tax on her home increased 26.6% over the last year. She is wondering how much of the city’s budget is used for entertainment. Murray is a city that is landlocked and has a lot of retired citizens that are living on fixed incomes. She thinks it is important for the city to say “no” to some things and not say “yes” to everything. She also spoke about hydro and aquaponics.

### **Public Hearings**

Staff and sponsor presentations and public comment will be given prior to Council action on the following matters.

1. Consider an ordinance amending Section 7.04.030 of the Murray City Municipal Code relating to solid waste and recycling fees.

#### Staff Presentation: Brenda Moore, Finance and Administration Director

Ms. Moore said the purpose of this ordinance is to increase the solid waste fees over the next two years. She explained the cost of recycling has increased over 40% and is continuing to climb. The fees that are currently being charged for solid waste removal are inadequate to cover the city’s cost of collection and disposal of solid waste. Ms. Moore noted that the city’s contract with Ace Disposal is due to expire in December 2019 at

which time the city will go out to bid a new contract, but the price for solid waste and recycling is expected to increase.

The city is exploring some possible ways to save money in the future which include collecting recycling every other week or not recycling at all and will continue to explore other options to reduce costs for solid waste and recycling.

The public hearing was open for public comments.

Alexander Teemsma – Murray City, Utah

Mr. Teemsma said he hopes the Council continues recycling when they look at new contracts because recycling is good. If prices are going to continue to go up anyway, he would like to see the city contract with a company that offers glass recycling.

Mr. Brass closed the public hearing.

Mr. Brass said he sits on the Wasatch Front Waste and Recycling Board and recycling has been an issue with them too. No one wants to give up recycling. Wasatch Front Waste and Recycling does offer glass recycling. It is an additional cost and is picked up once a month. Murray City does have glass recycling in Murray Park.

The recycling market has flipped upside down. Wasatch Front Waste and Recycling used to make pretty good money on recycling and now they pay close to half a million dollars to run their recycling program. When China closed the door to recycling, the US lost its recycling market. However, Mr. Brass has seen articles where plants in the U.S. are starting to recycle cardboard and paper. He believes we'll work our way out of this which is why no one wants to stop recycling right now.

MOTION: Ms. Turner moved to adopt the ordinance. The motion was SECONDED by Mr. Hales.

Council roll call vote:

Ms. Turner	Aye
Mr. Hales	Aye
Mr. Cox	Aye
Mr. Brass	Aye

Motion passed 4-0

2. Consider public comment on the intended transfer of funds from utility enterprise funds to the General Fund as part of the Fiscal Year 2019 - 2020 Final Budget.  
(See Attachment 1 for slides used during this presentation)

Staff Presentation: Brenda Moore, Finance and Administration Director

Ms. Moore said the fund transfer takes a percentage of the Enterprise Fund revenue and brings in into the General Fund. It's a return on investment because the city has its own power, water, sewer, and solid waste fund. The administrative cost allocation is for the Enterprise Funds to pay for the cost of centralized administration. That estimated cost is \$3,540,000.

Ms. Moore said whenever the city transfers money between the Enterprise Funds and General Fund, it has to be voted on by the City Council. She explained how the transfer works and noted that the money is intended to subsidize services which would otherwise require a property tax increase. Ms. Moore noted that only 9% of the money in the General Fund comes from transfers.

Mr. Hales and Ms. Turner thanked Ms. Moore for all her hard work.

The public hearing was open for public comments. No comments were given, and the public hearing was closed.

Mr. Brass said this item would be continued and voted on at the June 18, 2019 City Council meeting.

3. Consider an ordinance adopting the Final 2019 – 2020 Fiscal Year Budgets for Murray City including the Library Fund Budget.

Staff Presentation: Brenda Moore, Finance and Administration Director

Ms. Moore said the budget has been posted on the city's website since May 7, 2019. She went over some minor adjustments that she had made since that time and noted that the new version of the budget is on the website. She noted no reserves were used to balance the budget.

The public hearing was open for public comments.

Beverly Crangle – Murray City, Utah

Ms. Crangle asked what the budget meant for property taxes because of the salary increases for teachers and other cost of living increases. She noted there is a lot of entertainment that goes on at the library. She would like to see some balance in what is expected from the library and how much of it is entertainment that is costing a lot of money and pricing people out of their homes.

Mr. Brass noted that Murray City and the library are not raising property taxes this year.

Mr. Hales stated that teacher salaries come from the Murray School District.

Mr. Brass said that Murray City is between 13% and 14% of your total property tax bill. There are quite a few other taxing entities on that bill that the city has no control over.

Mr. Brass closed the public hearing.

MOTION: Mr. Cox moved to continue consideration of this item until the June 18, 2019 City Council meeting. The motion was SECONDED by Mr. Hales.

Council roll call vote:

Ms. Turner	Aye
Mr. Hales	Aye
Mr. Cox	Aye
Mr. Brass	Aye

Motion passed 4-0

**Business Items**

1. Consider a resolution providing advice and consent to the Mayor's appointment of Robyn Colton as the City's Human Resource Department Director. If approved, Oath of Office will follow.

Staff Presentation: Mayor Blair Camp

Mayor Camp said Ms. Colton has done an amazing job, especially during the past five months. Not only is she qualified for the job of Human Resources Director, but she is capable and has done an outstanding job. She has had some tough human resource issues these past few months that she has been dealing with and has done a great job. Mayor Camp noted he has had numerous comments from Department Heads and other employees who also support this selection.

MOTION: Mr. Hales moved to adopt the resolution. The motion was SECONDED by Mr. Ms. Turner.

Council roll call vote:

Ms. Turner	Aye
Mr. Hales	Aye
Mr. Cox	Aye
Mr. Brass	Aye

Motion passed 4-0

The Swearing-In Ceremony was conducted by Jennifer Kennedy.

2. Consider a resolution providing advice and consent to the Mayor's appointment of Brenda Moore as the City's Finance and Administration Director. If approved, Oath of Office will follow.

Staff Presentation: Mayor Blair Camp

Mayor Camp said Ms. Moore has stepped in and has done an outstanding job during the budget process. Initially, Ms. Moore wasn't going to apply for this position, but as she was put in the role of Interim Director, she decided she could do the job. She has a CPA and a master's degree in Finance.

MOTION: Ms. Turner moved to adopt the resolution. The motion was SECONDED by Mr. Cox.

Council roll call vote:

Ms. Turner	Aye
Mr. Hales	Aye
Mr. Cox	Aye
Mr. Brass	Aye

Motion passed 4-0

The Swearing-In Ceremony was conducted by Jennifer Kennedy.

3. Consider a resolution approving the Mayor's appointment of Brenda Moore as the City's representative to the Utah Infrastructure Agency (UIA) Board and as an alternate representative to the UTOPIA Board.

Staff Presentation: Mayor Blair Camp

Mayor Camp said he believes the UIA Board requires a representative that has expertise in the area of finance and he would like to appoint Ms. Moore as the city's representative to that Board. Ms. Moore would also serve as the alternate representative for the UTOPIA Board.

MOTION: Mr. Cox moved to adopt the resolution. The motion was SECONDED by Mr. Hales

Council roll call vote:

Ms. Turner	Aye
Mr. Hales	Aye
Mr. Cox	Aye
Mr. Brass	Aye

Motion passed 4-0

4. Consider an ordinance amending Section 5.38.020 of the Murray City Municipal Code relating to the dates when sale and use of fireworks are permitted.

Staff Presentation: G.L. Critchfield, City Attorney

Mr. Critchfield said this amendment reduces the amount of days when fireworks can be sold and discharged and would make the city's code consistent with state law.

MOTION: Ms. Turner moved to adopt the ordinance. The motion was SECONDED by Mr. Hales.

Council roll call vote:

Ms. Turner	Aye
Mr. Hales	Aye
Mr. Cox	Aye
Mr. Brass	Aye

Motion passed 4-0

**Mayor's Report and Questions**

Mayor Camp reported on the following items:

- Mayor Camp thanked the Council for supporting his decision on making Ms. Colton and Ms. Moore Department Heads.
- The Utah Chapter of the American Society of Consulting Arborists (ASA) had their annual tree climbing competition this past weekend in Payson, Utah. Jake Bleazard, Power Department, who won last year also won this year. Another one of the city's arborists, Matt Tingey, took 4<sup>th</sup> place. Mayor Camp noted that Matt Erkelens, Forestry Supervisor, was in charge of putting this year's competition together and was a head judge.
- The outdoor pool will open this coming Saturday for the season and will remain open through mid-August.
- A new waterline has been installed on Walden Park Drive and the road will be repaved over the next few weeks and will be done by the end of the month.
- The Vine Street construction project between 900 East and 1300 East will start on June 10, 2019. It will have an impact on traffic as they will be putting a new storm drain in down the middle of the street. City staff will be in constant communication with the residents in that area. That project is anticipated to run through the end of November.
- The city is being recognized by Workers Compensation Fund with a safety award for the 2018 calendar year. Mayor Camp added he appreciated the work of the city's risk management team as well as the employees who keep safety a priority.
- The library is holding a kick-off party for their summer reading programs this Saturday at 11:00 a.m. Scales and Tails will be there to provide an educational show.
- The city was notified today from Salt Lake County Flood Control that they are expecting the Little Cottonwood Creek runoff to peak on Thursday or Friday night with flows between 700 and 780 Cubic Feet per Second (CFS). The Little Cottonwood Creek channel should handle up to 700 CFS, but if it gets over 700 CFS, there may be some flooding in Murray Park. Big Cottonwood Creek will peak around the same time. It is anticipated the flow will be around 500 CFS and the channel will handle the flow fine. Both city and county

staff are watching the water flow closely.

**Adjournment**

The meeting was adjourned at 7:22 p.m.

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Jennifer Kennedy, City Recorder

# Attachment 1

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

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UTAH STATE CODE §10-6-135.5

JUNE 4, 2019

## What's the difference?

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### 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 (\$4.06 million)

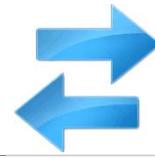
### ADMINISTRATIVE COST ALLOCATION

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 \$3.54 million

## Transfers to the General Fund



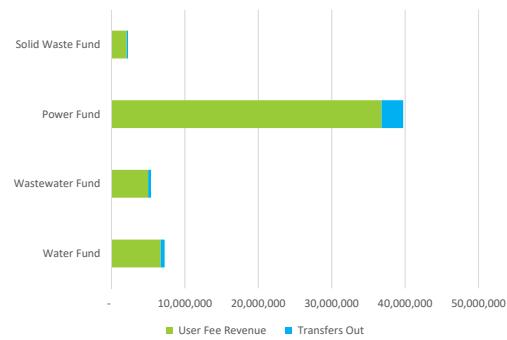
Definition: The movement of cash or other resources from one fund to another

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, Power, and Solid Waste Funds

## FY 2019/2020 Budget

	User Fee Revenue	Transfer Out	% of Revenue
Water Fund	6,712,375	536,990	8.0%
Wastewater Fund	5,002,000	400,160	8.0%
Power Fund	36,899,000	2,951,920	8.0%
Solid Waste Fund	2,091,225	167,298	8.0%
<b>Total Transfers Out</b>	<b>50,704,600</b>	<b>4,056,368</b>	<b>8.0%</b>



# 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 be updated by the City

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

# Administrative Services Allocation



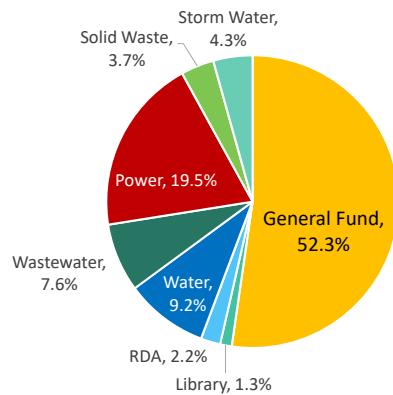
## ADMINISTRATIVE SERVICES COST

Department	Total Cost
City Council	\$ 518,176
Mayor	802,902
Finance	638,795
Utility Billing	582,018
HR	446,863
Attorney	496,863
Community Development	295,348
City Treasurer	283,275
Recorder's Office	455,624
IT	1,981,009
GIS	550,856
Facilities	966,246
<b>TOTAL</b>	<b>\$ 8,017,975</b>

## ALLOCATION

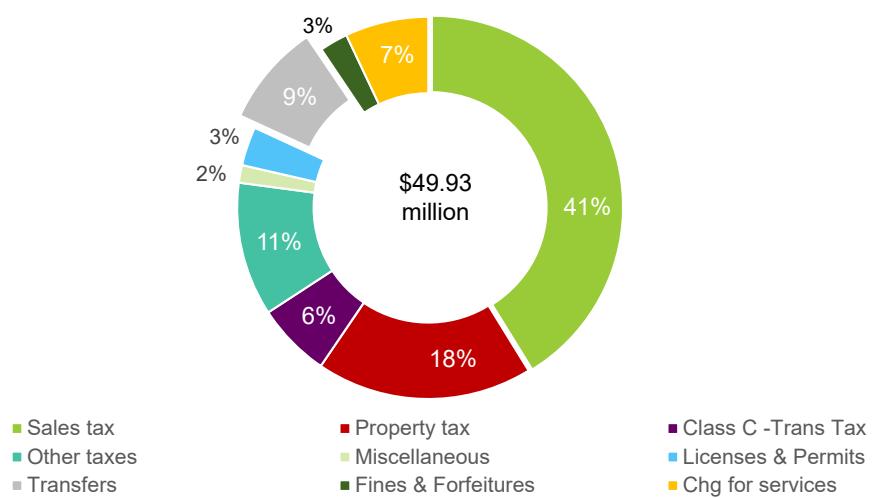
Fund	Allocation %	Allocated Cost
General Fund	52.3%	\$ 4,192,037
Power	19.5%	1,565,960
Water	9.2%	735,652
Wastewater	7.6%	606,375
RDA	2.2%	173,531
Solid Waste	3.7%	293,183
Storm Water	4.3%	347,817
Library	1.3%	103,420
<b>TOTAL</b>	<b>100.0%</b>	<b>\$ 8,017,975</b>

## Administrative Services Allocation



Fund	Allocation %
General Fund	52.3%
Power	19.5%
Water	9.2%
Wastewater	7.6%
RDA	2.2%
Solid Waste	3.7%
Storm Water	4.3%
Library	1.3%
<b>TOTAL</b>	<b>100.0%</b>

### Where It Comes From: General Fund



### Where It Goes: General Fund

