



MURRAY CITY MUNICIPAL COUNCIL
BUDGET AND FINANCE COMMITTEE
MID-YEAR REVIEW FISCAL YEAR 2020-2021
Minutes

Electronic Meeting
Tuesday, January 26, 2021

The Murray City Municipal Council met as the Budget and Finance Committee Tuesday, January 26, 2021, to hold its Budget and Finance Committee meeting electronically in accordance with Executive Order 2020-5 Suspending the Enforcement of Provisions of Utah Code 52-4-202 and 52-4-207 due to Infectious Disease COVID-19 Novel Coronavirus issued by Governor Herbert on March 18, 2020 and Murray City Council Resolution #R20-13 adopted on March 17, 2020. The public may view the meeting via the live stream at www.murraycitylive.com or <https://www.facebook.com/MurrayCityUtah/>. No physical meeting location was available.

Members in Attendance:

Kat Martinez	Budget Chair - Council District 1
Rosalba Dominguez	Budget Vice-Chair - Council District 3
Dale Cox	Committee Member - Council District 2
Diane Turner	Committee Member - Council District 4
Brett Hales	Committee Member - Council District 5

Others in Attendance:

Blair Camp	Mayor	Jan Lopez	Council Director
Jennifer Kennedy	Council Director	Nate Plaizier	Controller
Doug Hill	Mayor's CAO	Brenda Moore	Finance Director
Pattie Johnson	Council Office	Kim Fong	Library Director
G.L. Critchfield	City Attorney	Jennifer Heaps	Mayor's CCO
Jon Harris	Fire Chief	Craig Burnett	Police Chief
Blaine Haacke	Power – General Manager	Danny Astill	Public Works Director
Bruce Turner	Power – Operations Manager	Robyn Colton	HR Director
Melinda Greenwood	Comm. /Econ. Dev. Director	Rob White	IT Director
Greg Bellon	Power – Assist. General Mgr.	Kim Sorensen	Parks and Rec. Director
Karen Gallegos	Courts – Lead Clerk	Judge Thompson	Judge
Joey Mittelman	Assistant Chief Fire Marshal	Julia Pehrson	Library – Asst. Director
Bill Francis	Imagination Company		

Ms. Martinez called the Budget and Finance Committee Meeting to order at 12:00 p.m.

Mayor Camp thanked the Budget and Finance Committee for reviewing the mid-year budget prior to the meeting and appreciated City department heads for being well prepared to review the current FY (fiscal year) budget. He expressed hope in moving forward with a budget opening in a coming council meeting

and was optimistic that the Council would be in favor of any budget requests made by staff. He noted due to the pandemic, department heads made significant budget cuts not required in past years.

Ms. Moore provided an overview of revenues and net positions of Enterprise Funds; she discussed matters of the GF (General Fund), and GF revenue; following that department heads presented additional information about their budgets; discussed capital project details, and made budget requests needed for the remaining FY budget.

The public may read the entire FY 2020 mid-year budget review report on the City's website at www.murray.utah.gov under the What's Happening section.

Budget Overview – Ms. Moore discussed and highlighted the following:

- *Personnel* expenses: ↑ from last year due to 27 payrolls in 2020. The one extra pay day occurred in December, which was not problematic to the budget.
- *Interest Income*: Because interest rates took a hit this year, interest income reflected in some funds that may appear negative. This was due to an accounting rule that requires investments to match market values, so estimated rates were higher than anticipated; entries were reversed in July 2020, so many departments began with negative interest rates. Interest rates have now dropped but adjustments have not yet been made. The City is not dependent on this type of revenue.
- *Receivables*: ↑ in all Enterprise Funds. This was due in part to higher revenues from water and power resources. There was an increase in customer delinquencies, although from April to August shut offs did not occur, nor in September or October. The number of past due accounts is reducing.
- *CARES ACT Funding*:
 - *CAP* (Community Action Programs): CAP distributed Murray's entire contribution of \$100,000 in CARES money that helped many affected by COVID-19. An additional \$8,800 would be sent to cover applications that were still in process when the \$100,000 was depleted.
 - Murray City Utilities was not the only power company to receive Murray CARES money; funding also went to Questar and Rocky Mountain Power Company for those customers located in Murray.

Revenue: Non-GF and Capital Projects Funds:

- *RDA* (Redevelopment Agency): *Revenue* @ 126%. First property tax distribution was received.
- *Library*: The majority of property tax money was collected; right on budget.
- *MBA* (Municipal Building Authority): *Revenue* = \$36 million. The fund will contribute to the construction of the new city hall building.

Proprietary/Enterprise Funds:

- *Water – Revenue* ↓ slightly, due to bond proceeds. Bonding this year would not be necessary. *Operations* @ 37%. Metered Water Sales ↑ this year. Factors like the water rate increase, and a dry hot summer contributed to more revenue.
- *Wastewater - Revenue* ↓ slightly. *Impact Fees* ↓ 52%.
- *Power – Revenue* @ 55%. The unrestricted high fund balance was not concerning. In the event of a natural disaster money would be available to address costly repairs and rebuilds.
- *Golf – Revenue* @ 73%. The increase occurred because golf was considered a safe activity during the pandemic. A negative unrestricted net position still exists but is slowly improving as the loan for a new water system is paid down.
- *Solid Waste - Revenue* slightly ↑ and, ↑ from last year. The increase is due to several new single-family residential areas added to the system. A new 5-year contract with ACE Disposal is in place so rate structures will be reviewed and adjusted as necessary. Overall, the fund balance is looking healthier after a downward slide; great improvements occurred after rates increased and transfers from the GF discontinued.

- *Storm Water:* On budget @ 56%. Savings is occurring due to rate increases that will provide for future storm water projects.
- *Central Garage, and Risk Management:* Both @ 50%; no issues reported.

General Fund:

Two graphs were analyzed to compare GF history between FY 2018 – 2021: also revenue versus expenses. Most transfers go to the CIP (Capital Improvements Projects) Fund. A visual by category in the millions of dollars was reviewed for all GF expenditures like *personnel, operations, debt service, and Class C Roads*. It was noted that *personnel* costs are the largest expenditure to the GF.

GF Expenditures type and function:

- *Payroll* @ 50%. Every function of government was at below 50% on payroll costs.
- *Operations* - Each function was near or below 50%.

GF Revenue review:

- *Sales Tax Revenue:* All looking good.
 - Real Property tax: The majority has been received.
 - Personal Property tax: Not expected until April of 2021.
 - Transient Room tax: Below budget.
 - Sales and Use taxes: 33% has been received.
 - Telecom tax: Trending down, due to increased cellar use, and family payment plans.
 - Municipal Energy tax @ 42%.
- *Grants:* COVID-19 Cares Funding Grant: \$2.1 million still in the GF, some was moved to other funds. The City allocated all CARES funding, and Ms. Moore is in the process of noting how it was spent.
- *Parks & Recreation Revenue:* ↓ 51% due to the pandemic.
- *Justice Courts Fines:* Revenue status quo, however, there was a reduction in citations, and in the number of court cases.

A Sales Tax budget spreadsheet was displayed to confirm the sales tax budget for this year was approximately \$17.6 million. Ms. Moore projected that a total of \$21.2 million would be collected, which is \$3.5 million over budget. She reminded the Council that when the FY 2021 budget was created, it was agreed that \$2.9 million in reserves would be utilized in order to balance the budget, due to the two month shut-down, loss of revenue and the overall pandemic, which left a balance of \$565,000.

Amount of Revenue Estimated Below Budget = \$273,000. Ms. Moore confirmed that Parks and Recreation would be \$900,000 short in revenue, due to reduced hours of operation, capacity reductions and cancelled programs. However, this would be offset by the decrease in part-time wage expenses and a limited number of staff required to run parks and facilities. Therefore, she projected a savings of \$300,000, which meant revenue would still be down \$600,000, in addition to the reduction in *Court fines*.

Ms. Moore confirmed that of the \$2.1 million in CARES Act money, \$1.2 million was spent to cover City COVID related supplies and sick leave expenses. As a result, she was comfortable allocating the remaining \$1.2 million in CARES funding to previously cut budgets and public safety requirements; unnecessary items would not be refunded. She felt the City had the income and suggested utilizing funds conservatively.

Ms. Martinez noted CARES money that could be redistributed. Ms. Moore said currently, the City does not have an abundance of COVID related hard cost expenses, due to an abundance of hand sanitizer, masks, and cleaning supplies already purchased. She said \$1 million would be allocated to police and fire wages to offset the already budgeted salaries.

Mr. Hill clarified the City had received requests from organizations outside the City to help with CARES

expenses. For example, the Murray City School District, Wasatch Front Waste & Recycling District, and CAP. Other eligible non-profit organization and special districts that operate utilities did not inquire. He stated in some cases the City contributed money; however, most recently the City announced that remaining CARES Act money would be kept for reimbursing the City for public safety expenses, and no longer had funding to give.

Ms. Moore briefly discussed capital projects and confirmed that due to many unknowns related to the shut down and continuing pandemic, funding allocations for capital projects were significantly reduced when the FY 2021 budget was initially prepared. Since that time many areas within the GF revenue are not trending well, however, sales tax the major revenue source is trending sufficiently, and ahead of the previous years' budget. She was comfortable reinstating and adding additional projects to the CIP to get things started again and to ensure projects do not fall behind as during the previous recession.

Department Head Reviews, Budget Requests and Discussion:

Finance & Administration - Ms. Moore made no budget requests. She reported all division budgets within her department were operating well on budget; *Finance, Non-departmental, Debt-Service, Transfers Out, Treasury Services, City Recorder, CARES Grant, and Utility Billing*. She noted the following:

- *Non-departmental* – There was large uptick in *unemployment*, due to part-time City employees who were furloughed and eligible to collect unemployment; the expense was covered by CARES grant funding.
- *Transfers Out* – All transfers to CIP accounts had not occurred yet; they are scheduled for June of 2021.
- *Treasury: Credit card fees* reflected high, due to the implementation of a new utility billing system; third party processor fees would soon be allocated to the various Enterprise Funds.
- Mr. Hales commended Ms. Moore for accurate predictions; Ms. Martinez agreed her financial guidance was helpful during unknown times.
- Ms. Turner noted *overtime* of 755% in *Utility Billing*. Ms. Moore confirmed the \$3,700 expense was due to ongoing training for the new utility billing system, with the conversion still underway. She was not concerned about the expense, which would be offset by other expenses not as significant.

Municipal Court - Ms. Gallegos said the budget remains low; she had no concerns or budget requests. Due to the continuing pandemic, the courts remain in a holding pattern with virtual hearings and court cases.

Attorney's Office, Prosecution, & Risk Management - Mr. Critchfield had no budget requests; he reported all budgets on target at mid-year. He mentioned the *books and subscriptions* account in the *Prosecution* division at 85%, which was due to unspent money. He explained without grant funding, the savings would be applied to the future purchase of a new computer data management program in the future.

At the request of Mr. Hill, and to address an inquiry of Ms. Dominguez, Mr. Critchfield led a brief discussion to clarify responsibilities, handling of upcoming issues and litigation related to *Risk Management*, and various expenses in *professional services*. A brief conversation followed when Ms. Turner noted claims of 100% for the *Power Department* in *Risk Management*. Ms. Moore explained since there was no way of determining which departments would submit claims in a given year, funding is allocated as an accounting function. Ms. Dominguez led a discussion to compare this year's average number of cases to the prior year and to cases in other municipalities; she inquired about the process for submitting claims. Mr. Critchfield reviewed the process and timeline for cases to reach litigation; and explained how each different department is doing what is best to specifically mitigate risk.

Power Department - Mr. Haacke noted the budget is large and depending on the year the annual budget runs from \$37 million, to \$40 million. Most revenue comes from metered sales, and the greatest expense stems from electrical contracts to purchase power; each year the power bill is approximately \$21 million. At mid-year *Revenue* is @ 55%. He said they held off on many projects but noted the need for a budget request that Mr. Turner would discuss.

Mr. Haacke noted power *claims* mentioned by Ms. Turner; and confirmed there are times the City must write off expenses. For example, when power poles are damaged in car accidents by uninsured drivers; or when problematic powerlines cause damage to appliances inside residential homes. When the City is at fault, the City agrees to pay for those expenses.

Mr. Bellon compared historical and current revenue from residential, and small and large commercial customers; and confirmed all revenue is spot on at mid-year. He noted various line items related to conservative energy purchasing, which is currently at 48%.

Ms. Turner was glad to see revenue of \$2 million from *Trans Jordan Landfill Sales*. Mr. Bellon affirmed as one of the City's most expensive resources, energy is sold to other entities. He described capital projects like relining the penstock for the Little Cottonwood Hydro resource; and a pole tagging project that allows crews to attain pole attachment inventory more quickly.

Mr. Turner made a budget request for \$50,000 to be used for utility pole testing, which was delayed due to the pandemic. Testing was completed last year in three quarters of the City, so they hoped to finish. He led a discussion about the need to replace aging power vehicles; two bucket trucks, a chipper truck, and two pickup trucks in the future. Mr. Bellon confirmed \$200,000 was still in the budget for truck purchases. Mr. Haacke felt resources were available to replace them in time. Ms. Moore agreed it would take three years to attain a bucket truck once ordered. Mr. Cox and Ms. Dominguez expressed concern about safety issues for power employees using the older 1978 truck. Ms. Moore noted an additional \$642,000 available and would work with Mr. Turner to determine when power equipment should be ordered; she suggested buying one, or two per year to get caught up.

City Council – Ms. Kennedy requested budget funding for the following:

- *Professional Services* = \$2,500. Virtual council meetings would continue for the rest of the fiscal year. These include four additional budget meetings, one Council Workshop, and one joint-meeting with the planning commission. Also, two meetings for the Diversity and Inclusion Task Force.
- *Maintenance* = \$1,000. The Chambers will be rewired to accommodate future livestreaming technology to combine in-person and virtual meetings.
- *Miscellaneous* = \$1,000. Taffy purchase in anticipation of the 2021 Fun Days Parade.
- *Wages* - Ms. Moore noted she would increase the City Council *wages* budget, due to one month of job overlap, for Ms. Lopez to train Ms. Kennedy.

Information Technology - Mr. White said budgets for IT and GIS were status quo. He noted the following:

- *IT - Software Maintenance and Equipment Maintenance*; unforeseen expenditures occurred but costs were absorbed.
- *GIS* – The budget is spot on and software renewals are complete.
- A budget request was made for \$100,000. Funds would pay for replacing a nine-year-old server in the IT *small equipment* account; and fund the rotation of patrol car laptops and purchase new ones. Mr. White explained old laptops were provided out to city employees working from home during the shutdown, and still currently, so replacements are needed.

- A discussion occurred when Ms. Turner asked about using CARES Act Funding to purchase new laptops in this event. Ms. Moore clarified CARES money was not meant to replace or upgrade existing equipment. Mr. White confirmed outdated laptops in patrol cars are rotated out each year. Mr. Hill led a conversation about how the City already received and allocated CARES money; the majority utilized for police and fire wages as public service needs; therefore, CARES money intended for those expenses should not be transferred to other department purchases. Mr. Hales affirmed that indirectly, all COVID related expenses had already been accounted for by CARES funding. Ms. Moore agreed \$170,000 was cut from the *IT small equipment* budget earlier this year. Ms. Martinez inquired about the number of laptops replaced annually. Mr. White described a total of 27, including police car printers. Ms. Dominguez noted cost increases next year for small computer IT equipment; Mr. White said costs for the new utility billing system integration would be absorbed. However, due to rising costs for smaller parts and equipment a budget increase was anticipated next year, and also for the *software maintenance* budget.

Police Department - The budget is just below 50% at mid-year. Chief Burnett noted that most line items were spent out. He said the department worked hard to stay within the reduced budget after significant cuts earlier in the year; and cost control was achieved. There were no pressing issues, however, with six months left in the year, the following budget requests were necessary:

- *Overtime* = \$13,000. Since the first of June 2020, and as a result of events throughout the country, four police officers left the Murray police force; three retired, and one quit after three years of service. New hires are training at the academy; will not begin until June, so a backfill of positions is expected creating more overtime for existing officers to handle additional responsibilities and cases.
- *Training* = \$7,000. Important and required training is coming due, as well as, certification training.
- *Vehicle replacement* = \$37,000. The CIP allocation provided the purchase of four new patrol vehicles, that are on order. But Chief Burnett expressed concern about falling behind in vehicle rotation. If possible, he would like to get additional financial assistance to replace a few more.
- Mr. Hales expressed concern about falling behind in vehicle rotation, which occurred in the past, and was costly to correct. He asked the number of vehicles needed. Chief Burnett said usually 10-12 cars are replaced annually. Currently, vehicles are lasting only five-years when driven every day. He confirmed with existing CIP funding two additional unmarked cars were purchased as well. He noted some officers driving 15-year-old vehicles; so, replacing a total of eight patrol vehicles would be ideal. He noted managing older cars and vehicle maintenance upkeep was challenging.
- Ms. Dominguez asked the total budget request for cars. Chief Burnett estimated, including equipping the vehicles, they are approximately \$37,000 each. Ms. Moore said \$292,000 intended for police car purchases was not funded from the CIP; she was comfortable reinstating the amount to get additional vehicles.
- Ms. Moore calculated *overtime* would continue to trend high, so an additional \$40,000 would be needed to stay even and confirmed CARES funding would cover it. She informed the Council that \$7,000 was cut from travel and training earlier in the year, which was also available.
- Mr. Cox favored the budget requests. He thought it was important to provide overtime to ensure proper training of new officers; and believed reliable vehicles for Murray officers was important. He agreed money is lost when older vehicles are traded, and maintenance is costly. All Council Members agreed. Ms. Dominguez led a brief conversation occurred about timely training of new officers, and the number of individuals applying for police officer positions.

Library – Ms. Fong said the budget is operating well; she had no budgetary concerns and made no budget requests. She noted that *part-time wage* expenses remain low because only four of their part-time employees are back to work. One other change is the plan to utilize funding, normally spent on new DVD's

and new movie releases, on more electronic resource purchases like e-books, and audio books that are in higher demand since the pandemic.

Mayor's Office – Ms. Heaps said despite budget cuts earlier in the year, they were able to stay within budget. She pointed out an increase to the *books and subscriptions* account, which was due to a new software program purchased early in spring for distributing their E-newsletter. She reported no travel or training this year, and no significant changes to the budget; no budget request was made.

CED (Community and Economic Development)- Ms. Greenwood reviewed budgets for divisions: *CED, Building, and Planning and Business Licensing*. All budgets are appropriate at mid-year; she had no concerns and made no budget requests. She said that because of current vacancies' a salary savings occurred, however, services like building inspections, and plans examining were outsourced. As a result, the *professional services* account is slightly over budget but savings in *salaries* would offset the increase. Ms. Turner led a conversation about why positions were not being filled. Ms. Greenwood said building inspectors are hard to come by, and pay is competitive so qualified individuals move on quickly to attain better positions; it is an industry-wide challenge. She noted one vacant position would be filled soon. Ms. Turner felt with upcoming significant construction in the City it was urgent to fill all related job vacancies.

RDA (Redevelopment Agency) – Ms. Greenwood reported no major expenses this year and made no budget requests.

Parks and Recreation - Mr. Sorensen said all divisions experienced reduced revenue and expenses; with the exception of the *Cemetery, Facilities*, and the *Golf Course*, which was anticipated. He led a discussion about how new golf carts can be purchased via a loan from the Power Fund; and made a budget request totaling \$131,000 for the overall department, detailed below; he shared specific concerns, discussed budgets, and noted CIP projects:

- *Parks*: Murray Park budget request = \$40,000. An old pickup truck is failing and needs replacing. The City did not celebrate Fourth of July Fun Days last year, but with expectations to celebrate it this year a float will be purchased. Projects include completion of Murray Park Pavilion #5 expected in March; Winchester park playground was installed; surfacing will be complete in warmer weather; and the outdoor pool parking lot will be upgraded in May.
- *Park Center: Operations* ↓14% because the Center was closed for several months There is concern about future revenue, because people are not renewing memberships for the new year.
- *Recreation*: Expenses ↓34% due to the Park Center closure and cancelled activities. There is hope that normal activity will return in the spring.
- *Arts & History*: Virtual programs and classes continue. Amphitheater concerts are expected to return this summer; agreements will allow for a clause that cancellations are possible at no cost to the City.
- *Outdoor Pool*: Expenses are in line with the budget and was open most of the year.
- *Senior Recreation Center*: Budget request = \$45,000. The existing HVAC system needs replacing. The facility remains closed, but virtual programs and box lunches are still provided.
- *Cemetery*: The budget is status quo and doing well at mid-year.
- *Facilities*: The budget looks fine. COVID impact was high, due to continual cleaning and sanitizing City buildings and structures. Touchless fixtures were installed in most City buildings. An air conditioner was replaced at City Hall; one pickup truck was purchased. Rain gutters were replaced at the Murray Mansion, and renovations are underway. Boilers were replaced at the aquatic center.
- *Golf Course: Revenue* ↑ substantially. *Golf cart rentals* ↑42%; *Green Fees* ↑20%.
- *Golf Pro*: The budget is fine at mid-year. However, due to increased use of golf carts, two-line items increased significantly: *buildings and grounds maintenance*, and *equipment maintenance*. Mr.

Sorensen explained the need to purchase new golf carts, which are earmarked to be replaced next FY in September. With a 40% increase in use, cart batteries are failing, and carts are aging. Currently, eighteen carts have failed batteries, and the estimated cost to replace all batteries would be approximately \$50,000. If new carts are purchased prior to July, totaling 70 containing new lithium batteries, the City would save money spent on costly batteries. Golf carts are typically purchased via the Power Fund; and the cost is repaid – the amount would be \$389,000, at 2% interest. Ms. Moore confirmed the Power Department agreed to the loan, which would be proposed to the Council during a budget opening. She noted because the golf course had done so well, a down payment would be included. All Council Members agreed to consider the loan during an upcoming council meeting.

- *Golf Superintendent/Maintenance.* Two budget requests were made totaling \$46,000. Two sand raking machines need replacing = \$36,000 (\$18,000 each); and one equipment lift = \$10,000.

Human Resources – Ms. Colton said the budget was on track and made no budget request. She confirmed budget cuts earlier in the year made to *travel and training*, and *professional services* budgets, but had no need to reinstate funding this year.

Public Works – Mr. Astill discussed budgets as follows:

- *Streets, and Engineering:* No concerns, and no budget requests.
- *Class C Roads:* Budget is in line for mid-year. *Road Salt* @ 2%, so no salt was purchased this year; they are still using salt from last year. *Sidewalks* @ 43% and projects will continue in spring.
- *Water Fund: Revenue* @ 76%. All budgets are in good shape. He attributed the new rate structure to the increase, where residents are still adjusting to the new budget billing program and not monitoring water use. He said it was not the intent of the City to increase revenue, but to encourage saving water. Mr. Hales agreed citizens watered longer into the year, without fully understanding how the rate structure was calculated. Mr. Astill expected citizens to slowly adjust. He noted *fluoride* @ 94% which was due to the need to refill it more often.
- *Wastewater Fund: Revenue* @ 50%. There were no budget requests or concerns. Mr. Astill noted continued cost increases for the rebuild at Central Valley Water Reclamation District; and said the five-year plan to increase customer rates has one year left; he hoped it would be sufficient before further increases are needed.
- *Solid Waste Fund* – The budget is in great shape, and there were no concerns. Although the increase to Murray customers was not received well, nor was the change in recycling pickup, the contract with ACE is in place. A meeting is scheduled with ACE to organize and set up the new neighborhood cleanup program included in the new contract.
- *Stormwater Fund:* The budget is good. Reserves are growing, due to a rate increase, which will help pay for projects in the spring.
- *Central Garage:* The budget is status quo.
- *CIP:* Various minor purchases were made throughout the department. The following was noted:
 - *Streets* department is fine waiting another year to purchase new vehicles, although both trucks are 19+ years old. The following budget requests were made:
 - \$20,000 to meet a shortfall that would complete the *Transportation Plan*.
 - \$25,000 for radar speed signs out again.
 - \$200,000 to complete the new Hanauer Street, not part of original bid.
 - Ms. Moore noted new *Transit Sales Tax Revenue*, only to be used for streets projects, with approximately \$1.2 million available for transportation project need. She confirmed this could help fund the Hanauer Street completion, so an increase to the GF budget transfer to the CIP for \$200,000 was possible. There was a consensus to make the allowance. Mr. Cox asked if funding could be used for speed signs. Ms. Moore said yes, the revenue applies to all transit related items.

A lengthy conversation occurred about proper recycling practices and ongoing education.

Fire Department – The budget is strong, and most line items were right where they should be. Chief Harris noted normal medical supply purchases were covered by CARES Act funding; he shared concerns about the future purchase of a new ladder truck, and highlighted the following:

- *Travel and Training* budget is significantly below budget, due to cancelled trainings, conferences, and symposiums; he is hopeful funds will be utilized in the near future.
- *Professional Services* is above budget. This is due to substantial use in addressing mental health; he felt if the situation continues costs would be over budget by the end of the year; an increase may be needed next year. Ms. Moore affirmed since other accounts were running below budget the increase to professional services would not be problematic.
- *Equipment Maintenance*: Overspent, due to ambulance state inspections, which were all complete.
- *CIP* – All large purchases were predetermined and allocated over several years to budget for future vehicle needs; due to budget cuts earlier in the year, they received \$550,000 less. However, the fleet is fine, until 2023-2024 when the department will be short on funding to purchase a new anticipated ladder truck. He wanted the Council to be aware of the shortfall ahead of time, because the current ladder truck is very old and significant repair costs are anticipated. Ms. Moore affirmed due to order delays, a fire apparatus would arrive next fall, which was prepaid for this year. The cost of a new ladder truck was noted from \$1.2 million to \$1.6 million; he said the needs of Murray will be analyzed to determine what model is best for the future. Ms. Moore confirmed a budget opening was not needed at this time.

In conclusion, Mayor Camp commented that Chief Burnett was cautious in requesting new patrol cars, as were other department heads who made careful budget requests; he expressed confidence in their judgement by not asking for things they do not need; and appreciated Council consideration. Ms. Martinez led a conversation about the difficulty to implement budget cuts earlier in the year, not knowing the future of the pandemic; she appreciated thoughtful efforts made by staff. Ms. Turner affirmed that Ms. Moore was confident in reinstating budget requests without jeopardizing next year's financial position, or reserves. Ms. Moore expressed uncertainty about future disasters; and felt all CIP requests totaling \$668,000 were within reason.

Adjournment: 4: 15 p.m.

Pattie Johnson
Council Office Administrator II