



MURRAY MUNICIPAL COUNCIL COMMITTEE OF THE WHOLE

Meeting Minutes

**Tuesday, August 24, 2021
Murray City Center**

5025 South State Street, Conference Room #107, Murray, Utah 84107

Attendance: Council Members and others:

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

Blair Camp	Mayor	Jennifer Kennedy	City Council Director
Doug Hill	Chief Administrative Officer	Pattie Johnson	Council Administration
Jennifer Heaps	Chief Communications Officer	Crystal Brown	Council Office
Rob White	IT Director	Craig Burnett	Police Chief
Kristin Reardon	Police Department	Brooke Smith	City Recorder
Danny Hansen	IT Department	Robin Colton	Human Resources
Brenda Moore	Finance Director	Melinda Greenwood	CED Director
Residents			

Conducting: Ms. Turner called the meeting to order at 4:30 p.m.

Approval of Minutes: Mixed-Use Workshop – June 29, 2021. Ms. Martinez motioned to approve, seconded by Mr. Hales. (All in favor 5-0)

Discussion items:

- **HB (House Bill) 244 bond parameters:** Ms. Moore presenting. This bill allows the City to receive funding of \$500,000 per year for the next 15 years for transportation projects. Included with the allocation was an offer to utilize State bonding capacities for issuing bonds; the \$500,000 would be applied as the bond payments. Instead, it was determined after a thorough analysis that to address costly street projects, a series of sales tax revenue bonds could be issued over time for a lesser interest rate. The City would use financial advisors Stifel, Nicolaus & Company, and Gilmore and Bell as bond counsel on the debt issuance project.

Ms. Moore said the reason to bond was not only because interest rates are so low, but to stay ahead of rising costs for material and labor, and to hedge against continued inflation. Currently the City has approximately \$10 million in street projects that are estimated to cost more than \$500,000 each, which is why bonding is proposed rather than saving multiple years of allocations to get these projects

accomplished; the annual funding of \$500,000 would still be allocated as bond payments.

Mr. Dougdale with Stifel, Nicolaus & Company confirmed very low interest rates and shared market information related to Series 2021 sales tax revenue bonds that the City would issue. Benchmark ratings within the tax-exempt bond market and market consensus yield curve projections were discussed. Graphs were analyzed related to 20-year AAA MMD yields, (Municipal Market Data); and the 10-year historical AAA MMD range was compared to current interest rates. The 2022-2026 Street Project Bond List was shared. (Attachment #1) He said Murray has a tremendous bonding history and reported with the current revenue stream, the City has \$125 million in bonding capacity. He commended Murray for its historical methodology in determining the best avenues for issuing bonds.

Summary of bond parameters:

- Principal Maximum Amount = \$ 6,750,000
- Maturity Term: 16 years
- Maximum Interest rate: 5% (Anticipated to be much lower.)
- Designated Officers: Mayor and Finance & Administration Director.

Ms. Turner asked the City's total in outstanding bonds. Mr. Dougdale replied \$10.5 million in outstanding principal and noted according to Standard and Poor's, the City has a tremendous bond rating of AA, which reflects that Murray has been debt adverse on the revenue stream. He discussed the bonding process and reviewed the timeline to do so. The Council would consider the resolution to approve the bond parameters during the September 7, 2021 council meeting.

- **FY 2021-2022 Budget Amendments:** Ms. Moore presenting. A budget opening would be required to address several changes to the budget. Ms. Moore provided detailed budget information and said it was standard practice to roll forward unfinished projects and specific items from the FY 2021 budget to the FY 2022 budget. (Attachment #2) Insurance adjustments due to open enrollment changes and new grant receipts were also included. A brief summary about why the rollforward process was necessary within the CIP fund (Capital Improvements Projects) was given. For example, ongoing projects have taken multiple years to accomplish, like a fire truck purchase, the Murray Park pavilions project, and resurfacing City parking lots. In other instances, funding would be transferred from reserves back into the CIP fund to allow department directors to appropriate new priorities. The Council would consider the budget amendments during the September 7, 2021 council meeting.

The following additional items were not included in the attached distributed document:

- Receive Grant Funding:
 - \$6,450: To purchase car cameras and camera storage supplies for the police department.
 - \$9,000: To reglaze windows in the Murray Mansion.
 - \$21,000: The library will purchase more electronic books.
- \$30,000 from reserves: To correct error in the Streets- Fleet assessment.
- \$50,000: Roll forward to Power Fund to complete power pole testing work. The project was overlooked.
- **Proposed changes to police officer salaries:** Mayor Camp and Chief Burnett presenting. Mayor Camp gave an overview to explain the current police force crisis. Due to retirements and job changes, police officers in surrounding cities including SLC (Salt Lake City) are leaving the police force in great number. The SLC Council recognized the dilemma to retain officers, so great pay increases were recently implemented for SLC police. West Valley City and other cities also boosted officer pay following the

SLC decision. Up until now SLC police pay was lagging behind Murray City, after Murray adopted a new step-plan program four years ago.

A spread sheet was shared to discuss what other agencies have done to retain officers by adjusting pay scales. (Attachment #3) Since then, Murray is now paying 15% below the average starting pay for a police officer. Top pay is sufficient, but to attract new officers and retain current officers, it is necessary to raise the lower end of the Murray police pay scale up to current market wages. The estimated cost to do so is approximately \$412,000. Last year the Murray police department turned back approximately \$500,000 in pay costs, so the request is to rollback funding from reserves to fund the police salary budget. The request would be included in a proposed budget amendment the Council would consider during the September 7, 2021 council meeting.

Chief Burnett confirmed other cities increased police pay within six weeks of SLC doing so; others will research competitive salary amounts. He reported currently Murray has two police vacancies that are \$4 below the average pay for starting wages. Also, Murray lost 12 police members in the last 18 months through retirements, resignations, and transfers; the majority were hired by other agencies. The biggest concern is with officers who have been employed with Murray for 0-10 years; they want to stay but will leave if offered better pay. He said it is imperative Murray do something quick to retain existing well-trained employees and help the City attract new employees. The increase would not affect redlined employees but meant to incentivize 30% of police staff with 0-5 years' experience who could leave.

Ms. Turner noted the cost to fund pay increases would offset officer training expenses. Chief Burnett confirmed one year of training is required before a vacancy is considered filled. Officers are paid during all training, so there is great loss when police leave for higher pay following training. Also, the force runs short while officers attend training; for example, currently nine officers are in training, which leaves the department with less detectives and patrol officers, and overtime expenses incur because existing officers cover needs as they wait for new officers to complete training. He reported the City has good quality people and is hopeful that by addressing the wage war quickly they can hold onto the good officers recently hired.

Mr. Hales agreed the City should retain good officers and understood the financial loss could be in the hundreds of thousands if not addressed. Chief Burnett said the increase would affect all sergeants in the City's police department and top pay levels would be reconsidered in the future.

Mr. Cox said if we are at the point of losing well experienced officers the City should act fast.

Ms. Dominguez expressed concern about ensuring protection for Murray's police officers and residents of the City. She felt besides monetary gain, a sense of value, protection and longevity should be sustained. Her desire is to see officers stay with Murray 20 to 30 years; she encouraged conversations to continue well-on before letting officers' leave.

Chief Burnett was appreciative and noted the many *We Love Our Police Officers* signs placed throughout the City; he confirmed the police department is in a good place with the community right now. He stressed the continued support of residents is what is needed; money matters, but it is essential knowing that the community cares about police officers.

Ms. Martinez believed the City must be competitive to provide the best police officers. She requested the Council be informed of the new pay level amounts made by cities that are still researching. The Chief would report back as wages continue to change.

Announcements: None.

Adjournment: 5:59 p.m.

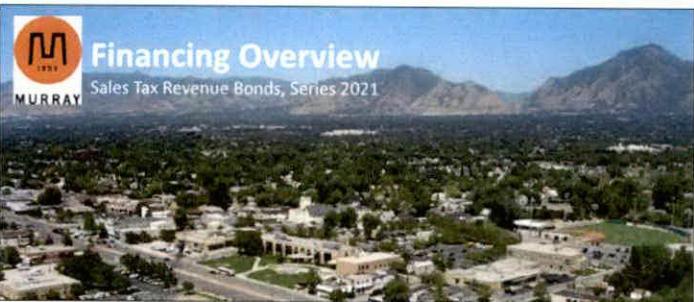
Pattie Johnson
Council Office Administrator III

ATTACHMENT #1

STIFEL

MURRAY

Financing Overview
Sales Tax Revenue Bonds, Series 2021



August 24, 2021

STIFEL

Bond Parameters

BOND PARAMETERS

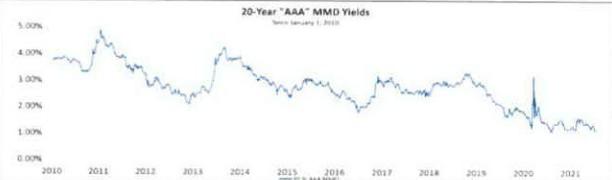
• Maximum Par Amount:	\$6,750,000	• Maximum Discount:	2%
This is the maximum par amount of bonds that can be issued. If construction costs rise, the City can accept market premium [additional proceeds] in addition to the par amount.		This City will not accept purchase offers that are less than 98% of the par amount.	
• Maximum Interest Rate:	5.00%	• Designated Officers:	Mayor Mayor Pro Tem Finance Director
This is the maximum interest rate that the City would pay. The actual rate will be lower. The parameters resolution sets the maximum rate high in case there is major market movement.		These individuals will be authorized to approve the final bond sale results and ensure that the results fit within the parameters the Council has approved.	
• Maximum Term:	16 Years		
This is the maximum term (years) over which the bonds would be amortized. Depending on the timing of the closing on the bonds, the term of the bonds may be slightly over 15 years (i.e. 15 years + 2 months).			

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Market Update

STIFEL

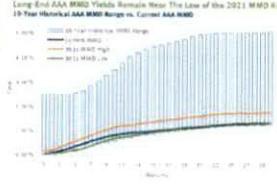
20-Year "AAA" MMD Yields
(Since January 1, 2010)



Market Consensus Yield Curve Projections

	Current	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Fed Funds	0.25%	0.25%	0.25%	0.25%	0.30%
2-Yr UST	0.20%	0.27%	0.32%	0.40%	0.48%
10-Yr UST	1.28%	1.68%	1.80%	1.89%	1.96%
30-Yr UST	1.92%	2.30%	2.39%	2.51%	2.58%

Long-End AAA MMD Yields Remain Near The Low of the 2021 MMD Range
10-Year Historical AAA MMD Range vs. Current AAA MMD



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STIFEL

Bonding Process

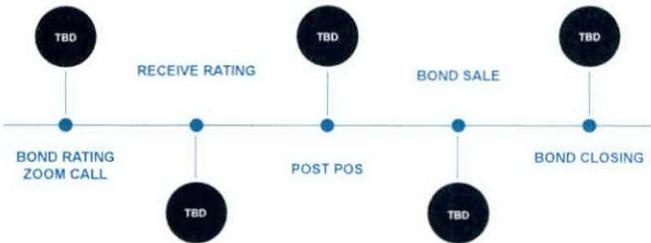
WHAT IS THE PROCESS?

1. City adopts and authorizes bond parameters resolution, Notice of Bonds to be Issues, and Notice of Public Hearing
2. City holds Public Hearing
3. City undertakes typical bonding activities:
 1. Drafting of Preliminary Official Statement
 2. Procuring bond ratings
 3. Selling and closing on bonds
4. City must utilize bond proceeds within 3 years

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Timeline of Events

STIFEL



2022 - 2026 Street Project Bond List		as of 8/4/2021
1	4125 South Commerce - New girders & Bridge Deck	\$750,000
2	Commerce Dr Overlay - 5300 South to 5900 South	\$600,000
3	Commerce Dr Overlay - 4500 South to North City Limit	\$400,000
4	Commerce Dr Overlay - 4500 South to 4800 South	\$450,000
5	500 West Overlay - 4800 South to North City Limit	\$1,000,000
6	Murray Blvd. Overlay - 4800 South to 5300 South	\$1,000,000
7	4800 South Overlay - UP to State Street	\$300,000
8	5600 South Overlay - 1300 East to Van Winkle	\$500,000
9	Fashion Blvd Overlay - 5600 South to Winchester	\$800,000
10	Vine Street Overlay - State Street to 900 East	\$1,400,000
11	Vine Street Overlay - Murray Blvd to State Street	\$600,000
12	Cottonwood & Woodrow Overlay - 5300 South to Vine Street	\$550,000
13	Winchester Overlay - 300 West to State Street	\$450,000
14	Winchester Overlay - 1300 West to 700 West	\$650,000
15	Winchester Curb & Gutter, Sidewalk & SD - JR to 700 West	\$275,000
16	Winchester Pedestrian Bridge - JR	\$300,000
TOTAL		\$10,025,000
TOTAL OF PRIORITY PROJECTS		\$6,250,000

ATTACHMENT #2



MURRAY CITY CORPORATION
FINANCE & ADMINISTRATION

Brenda Moore, Director
801-264-2513

TO: Murray City Municipal Council

From: Brenda Moore, Finance & Administration Director

Date: August 10, 2021

Re: Fiscal Year 2022 Budget Opening – Committee of the Whole

A budget opening public hearing has been scheduled for September 7. The opening will request funds and budget adjustments for the following purposes:

- Projects in-progress at FY 2021 Year-end (CIP annual roll-forward)
- Receive and allocate several grant awards
- Reconcile changes in wages and benefits due to health insurance open enrollment changes.

The city is still receiving and paying invoices for work performed in fiscal 2021. The amounts below may change.

Grants Received/rolled forward (All General Fund unless indicated otherwise)

1. Appropriate \$1,833 Jimmy Johns sponsorship money not spent by the Park Center for recreation programs.
2. Receive FY2022 \$250 donation and roll \$500 from FY2021 donations to Park Center.
3. Appropriate \$696 beard donation money not spent by the victim advocates.
4. Receive and appropriate \$30,551 VOCA grant.
5. Receive and appropriate a \$32,824 US Department of Justice (JAG) grant.
6. In the Library Fund, receive and appropriate \$12,000 Utah State Department of Cultural and Community Engagement ARPA physical collection support grant.

Revenue-Expense Neutral

7. In General Fund reallocate insurance expenditures among departments due to open enrollment.

From Reserves

8. Appropriate insurance changes due to open enrollment from reserves: Risk Fund \$397. Water Fund total is \$4,769.

Rollover Projects from FY21 to FY22 – All from reserves

General Fund Class C

9. Vine St., 1300 E. to Van Winkle matching funds \$123,227
10. College Drive & 5300 S Intersection – matching funds \$85,037
11. Various sealer projects \$30,000
12. Century Drive and other street overlays \$371,000

Enterprise Funds

13. Water Fund – F250 pickup truck on order \$50,470
14. Water Fund – Walden/Whitmore & 9th E. wells \$589,237

- 15. Wastewater Fund – Infrastructure line project \$400,000
- 16. Storm Water Fund – Walden Meadow to Jordan River \$623,861
- 17. Murray Parkway Golf Course – golf carts on order \$379,775
- 18. Central Garage – electric vehicle pusher \$5,788
- 19. Power Fund
 - a. Downtown undergrounding project \$98,108
 - b. Two F550 4X4 48' bucket trucks, one personnel only, one with a material handling jib \$306,420
- Capital Improvement Projects Fund – total moved forward \$5,185,094**
- 20. Clean energy vehicle/equipment \$27,995
- 21. Court equipment replacement plan \$19,110
- 22. Non departmental city hall equipment replacement plan \$30,000
- 23. Cell tower land purchase \$100,000
- 24. Police equipment replacement plan \$303,257
- 25. Fire equipment replacement plan \$494,942
- 26. Parks
 - a. Parks maintenance \$47,690
 - b. Parks parking lot repairs \$160,000
 - c. Parks equipment replacement program \$42,612
 - d. Park Center equipment replacement plan \$2,251
 - e. Recreation equipment replacement plan
 - i. Breakaway basketball hoops Park Center \$5,000
 - ii. Install adjustable hoops north side Park Center \$8,000
 - iii. Replace scoreboard at Christ Lutheran church \$6,000 (used for recreation programs)
 - f. Senior Recreation Center equipment replacement plan \$4,300
 - g. Cemetery equipment replacement plan \$28,676
 - h. Parks pavilion #5 replacement project \$403,722
 - i. Murray Theater renovation project \$1,256,888
 - j. Facilities – savings plan for various projects as needed \$754,682
- 27. Community Development
 - a. Vehicle/equipment replacement plan \$20,730
- 28. Information Technology
 - a. Spillman server migration \$35,000
 - b. IVR (Interactive voice response system) \$5,000
 - c. Equipment replacement plan \$119,147
 - d. Two factor authentication – police \$20,000
 - e. Document management system training \$20,000
 - f. GIS equipment replacement plan \$17,117
 - g. I-Works software – building and fire permits \$43,500
- 29. Engineering transportation master plan \$1,999
- 30. Radar speed signs \$1,501
- 31. Streets equipment replacement plan \$33,752
- 32. Streets projects

- a. Bridge evaluation – SLCO transportation grant \$20,000
- b. Shiloh Way and Woodshire Ave. reconstruction \$240,000
- c. Cedar Street reconstruction UDOT TAP \$94,804
- d. Vinecrest reconstruction \$290,000
- e. 700 W. overlay, Winchester St. to city boundary \$210,000
- f. Hanauer St. \$204,862
- g. Vine St., 900 E. to Van Winkle SLCO transportation grant \$272,557

Please contact me if you would like further explanation of any of these items.

ATTACHMENT #3

POLICE OFFICER PAY
SALT LAKE COUNTY AGENCIES

	Minimum	Maximum	Notes
So. Salt Lake	\$28.34	\$43.64	New
West Valley	\$27.15	\$41.90	New
Riverton	\$20.52	\$39.81	
South Jordan	\$27.04	\$39.72	New
Salt Lake City	\$26.93	\$39.29	New
West Jordan	\$27.00	\$39.00	New
Draper	\$21.42	\$34.95	Researching
Cottonwood Heights	\$22.68	\$38.61	Researching
Herriman	\$24.80	\$37.27	Researching
Taylorsville	\$27.40	\$37.06	New
Sandy	\$22.51	\$35.58	Proposing
UPD	\$22.92	\$35.38	Proposing
Average	\$24.89	\$38.52	
Murray	\$23.82	\$39.18	
Difference	-4.50%	1.69%	

POLICE OFFICER PAY
RECENTLY UPDATED RANGES

	Minimum	Maximum
So. Salt Lake	\$28.34	\$43.64
Sandy (Proposed)	\$28.36	\$42.01
West Valley	\$27.15	\$41.90
South Jordan	\$27.04	\$39.72
Salt Lake City	\$26.93	\$39.29
West Jordan	\$27.00	\$39.00
Taylorsville	\$27.40	\$37.06
Average	\$27.46	\$40.37
Murray	\$23.82	\$39.18
Difference	-15.28%	-3.05%

PROPOSAL

Average	\$27.46	\$40.37
Murray (Step 3)	\$27.58	\$39.18
Difference	0.44%	-3.05%
Total Annual Cost	\$412,067.07	