



MURRAY
CITY COUNCIL

**MURRAY CITY MUNICIPAL COUNCIL
NEIGHBORHOOD MEETING
District #3**

The Murray City Municipal Council held a neighborhood meeting to share property tax information on Thursday, July 12, 2018 at the Murray City Center, Council Chambers, 5025 South State Street, Murray, Utah.

The meeting was conducted by Jim Brass, District 3.

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
Craig Burnett, Police Chief
Jon Harris, Fire Chief
Danny Astill, Public Works Director
Kim Sorensen, Parks and Recreation Director
Steve Ellefsen, Firefighter
Vicki Matsumori, Library Board

Other's in Attendance

Citizens

Introduction and Welcome – Jim Brass

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

Mr. Brass explained the purpose of the meeting was to talk about the proposed property tax increase with a slide presentation that would last about 20 minutes. He said the presentation will clarify what part of your property tax bill Murray City gets, where that money goes and why we have gotten to the point we need to do this. It has been since 2006 that the city raised taxes and more details will be explained in the presentation.

Mr. Brass announced that following that he would take questions and comments from the attendees. Because this is an official city council meeting, he said it is necessary to fill out the citizen comment form and state your name and address at the microphone. Everything is recorded and this is necessary for the record. It was expected that the meeting would last until about 8:00 p.m.

Mr. Brass thanked those present for taking the time out of busy schedules to visit with the council.

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

Citizen Comments – Jim Brass

Mr. Brass explained that citizen comments and questions would be taken at this time. He asked that speakers fill out the citizen comment form and limit comments to three minutes. Please step to the microphone and state your name and address.

On August 14, 2018, at 6:30 p.m. there will be a final public hearing on this subject so that citizens have one more opportunity to speak.

Rolf Larsen

Mr. Larsen asked why the hospital doesn't pay any taxes. Mr. Brass said they are considered a non-profit so they are not charged taxes. Murray gets the impact and provides police and fire but can't collect any property taxes. They are the largest user of water and power and the transfers mentioned earlier from those utilities cover the taxes they would pay. Mayor Camp mentioned that about 14% of the campus is taxable, which Mr. Brass clarified is the office building and café.

Glen Bailess

Mr. Bailess ask if there are other ways to raise taxes rather than property tax, which only affects property owners. Sales tax on food affects everyone that buys products. He agreed that firefighters and police need the increase.

He asked about fireworks and noted that Murray did not ban fireworks and wondered if there was a way to do that.

Ms. Steck said that the legislature limits how much sales tax can be collected. One percent of sales tax went to the city until redistribution in 2006. At that point the legislature determined that the city of origin would get half the one percent and the rest was to go into a large pool to be divided between all cities in the state based on their population. In a growing community

that is great, however, Murray is land locked and not growing tremendously. This distribution helps the cities that are growing in population making Murray's percentage less and less. To try to make up for that loss, the legislature allowed us a small bump in sales tax until 2030. That can go away.

Mayor Camp explained that in 2011 the legislature decided that aerial fireworks would be a good thing and legalized them in Utah in spite of the objection of those in the fire service. Many cities attempted to regulate them, however, in 2012 the legislature took away the cities' ability to ban them. We are only able to ban fireworks where an imminent fire risk exists.

Craig Wallentine

Mr. Wallentine stated that property tax is an evil tax that prevents people from ever owning their own home. This impinges upon citizens and he noted that around tax season suicide increases. He said we need to be very careful in raising property taxes and thinks the sales tax should be readdressed.

Jerry Budd

Mr. Budd asked what percentage of Murray taxes are reflected in the county tax bill and if there would be other taxes on the annual bill that would also be increased.

Ms. Steck said that she did not see any tax increases from the county or school district. Mr. Brass explained that Murray City receives 13% of the total taxes paid and the county gets 23%.

Forrest Evans

He asked if the hospital and non-profits pay the utilities and taxes through them so that they are contributing. Mr. Brass said they do pay utility fees and franchise taxes. Mr. Evans further asked about the storm water fees and where they go. Mr. Brass responded that storm water fees go toward curb, gutter and storm drains under the roads. The EPA mandated that cities and treatment facilities begin to cover the treatment of storm water that runs into the Jordan River, which severely impacts water quality. With storm water fees the city has also developed retention areas. A property pays storm water fees based on impervious surfaces.

Mr. Evans asked what UTOPIA costs Murray each year. Ms. Steck replied the cost is \$1.8 million each year. Mr. Brass agreed with residents frustration related to UTOPIA.

DeLynn Barney

Mr. Barney asked how much of the property tax increase would go to the Redevelopment Agency (RDA). He also wondered how much of the tax increase would go toward the cost of the new city hall. Additionally, he asked where the new library would be located.

Mr. Brass stated that none of the tax increase would go toward the RDA, which is funded through tax increment from new construction in a RDA area and the increase in tax value on those projects.

The city is in the process of developing construction drawings for the new city hall and are probably still three years away from occupying that building. Some General Fund money will pay for that and the city will do a sales tax revenue bond, therefore, sales tax will cover the bond payment. The current city center property extends a ways back and will be sold once the new city hall is built. This property on State Street is extremely valuable and the city can take the money from selling this to pay off part of the new building. Mr. Brass described some of the issues with the condition of the current city hall, including not being earthquake proof, sewer and electrical issues, and water leaks.

The library will be toward Hanauer on property the city owns. Poplar will become parking and developed with some open space for festivals and city events. There will be no vote of the citizens on the development, however, public meetings will be held once plans are created.

Brent Budge

Mr. Budge mentioned the presentation slide where Murray was ranked according to the other cities and their property taxes. He wondered where the city would rank after the tax increase. Ms. Steck said the slide included the tax increase and Murray was a little below midway in ranking among other cities in the county. Is there any consideration for tax relief for seniors, not forgiving, but relief, he asked? Ms. Steck said there was no relief that the city was allowed to provide. He said he would be willing to contribute to a fund for seniors if something could be established.

He asked if the compensation study and increase in pay for police was something that was forecast to be covered for many years. Ms. Steck said a five year forecast was done for all of the city funds. She believes that for five years it will be covered as long as there is no change to the sales tax revenue. Mr. Brass added that trying to grow the commercial core brings up the property tax revenue for the city. Hotels and office buildings will help mitigate the costs on residents. Ms. Steck said that apartments are commercial and pay the higher property tax.

There was a discussion on turnover and length of service in the police and fire departments. Chief Burnett said that police are watching what happens and they have the ability to go to other agencies and get up to \$5 more per hour, however, they like Murray and want to stay. The average time on the job for police is now about 3.5 years and a little more in fire. The city would like to have officers and paramedics with experience helping in time of emergency.

Doug Peterson

Mr. Peterson doesn't mind the property tax but wanted to know why it is all done at once and not over a few years. He also mentioned his own tax had increased. Ms. Steck informed the group that if the assessed value of a home goes up more than others, then they may experience an increase, or other entities may have increased their tax levy, such as the county or school district.

Mr. Peterson said he enjoys living in Murray City and thinks it is well run. He always has his streets plowed and appreciates that.

Karen Duarte

Ms. Duarte said that she is happy to pay the increase in taxes, however, she would like better police patrol due to an increase in homeless populations and open drug use. She understands the difficulty for those on a fixed income and would be willing to help with a fund.

Sage Fitch

Ms. Fitch related a story on how power personnel and police responded so quickly when she had a need at her home. She valued having our own departments. She spoke in support of the property tax increase and understands that you cannot live in a community without having to increase fees to continue services. She asked if it was enough so that another increase does not have to take place in a short time to be able to provide additional improvements, such as the ice rink in Murray Park.

Ms. Steck said there are two philosophies, one to increase every year and the other is to wait and then have larger increases. She said it would be nice if the legislature provided inflationary increases each year.

Laila Bremner

Ms. Bremner confirmed the increase of \$34.77 for the city and \$10.30 for the library per \$100,000 of value and thought it was a reasonable increase. She mentioned the people with limited income and said she would be willing to contribute to a fund for those folks.

She also talked about dogs not kept on leashes in the parks, particularly on the Jordan River Parkway where people use that like an off leash dog park. Could signs be put up to notify people that dogs should be on leashes? It is a problem and she wondered about lobbying for that.

Pam Squires

Ms. Squires asked about the two properties that had libraries on them years ago. She wondered why they were sold. Mr. Brass responded that one was the old Carnegie Library and the other one, the annex, is used by Murray School District. Neither of these were large enough for the current library. She was disturbed to learn the city does not own the land under the library.

Ms. Squires asked if the fire station on 5900 South is still being used. Mayor Camp responded that it is an ambulance and battalion chief station.

She was also against the city being involved in UTOPIA and noted that when the Park Center was built shortly afterwards the Sports Mall on 900 East lost a lot of taxable business. She does not agree with the city being involved in activities that should be left to private business.

She commended the police, stating that seven accidents had been reported near her home since January and police response was excellent.

Val Jensen

Mr. Jensen thanked the council for the opportunity to speak. He asked if there was a homeless shelter in Murray or one planned. Mr. Nicponski said there is a county facility in the northwest quadrant. Mr. Jensen expressed his opinion that tax dollars should not be used to support the homeless population. Mr. Brass said that 23% of tax dollars go to the county and we could not respond to how the money is allocated.

He asked about the property the city owns on State Street and why this building needs to be replaced. Mr. Brass said it is not earthquake proof and the police are on the second floor. There are electrical problems, sewer problems, water leaks and numerous other issues. Mr. Jensen suggested the new building would cost millions of dollars and could be built east of the current building because the city already owns it. Mr. Brass said the State Street property is extremely valuable, and that the city already owns land in the downtown area. He said for responsible use of tax dollars it makes sense to sell this valuable property for commercial development and locate city hall several blocks off the west side of State Street.

Mr. Jensen commented on how his taxes had increased over the years and that on a fixed income it was difficult to absorb these increases. He hopes the council is trying to make costs as inexpensive as possible.

Kay Forbush

Ms. Forbush commented that many of her questions had been answered and she appreciated the information regarding how the property tax levy decreases when values increase so that the city receives the same amount of revenue, except for new growth.

In talking about the new city hall she has seen all around the valley government buildings that are excessive in size and materials. She would like to see a conservative city hall in Murray.

With all the new construction, she wondered why increased taxes were necessary. Mr. Brass explained that in 2008 when the economy began to struggle, the city lost a substantial amount of sales tax dollars. Car lots are a mixed blessing in that they bring in sales tax money but when the economy drops, people don't buy cars. It took seven years to recover the sales tax revenue. During that time the city didn't raise taxes because everyone was suffering. He said the council tries to be responsible because everyone pays taxes.

Ms. Forbush said she believes the council is responsible and really appreciates the presentation and all she learned.

Janice Strobell

Ms. Strobell expressed her appreciation for the council and staff and the openness they display. She asked that with the construction of a new library, if there is any thought to also having a satellite library somewhere else in the city. Mr. Brass said there was no discussion on that as they have struggled over the last few years and they would spend the tax increase to build reserves to be in a position for new construction.

Joshua Lee

Mr. Lee uses the “overdrive” service to get on-line books. He asked who decides purchases of library books as he feels many are inappropriate, such as romance novels. Mayor Camp informed the citizens that the Library Board holds open meetings and that would be the place to share these comments.

Brian Christensen

Mr. Christensen said he had been a government employee for over 30 years and in the fire department for 24 years. He asked that since the city is building a new city hall and a library could the city consider one building for both uses.

Second, he said as a firefighter, in the past employees expected to stay with one agency for their entire career, however, now younger people are not like that. It costs \$50,000 to train and a new firefighter who makes about \$35,000 starting salary. That is not enough money to raise a family and most firefighters have more than one job. The increase in property taxes will go to pay for the best people for the job. If the wages are not competitive, those firefighters will go to another agency. He expressed the desire to have experienced paramedics and public safety personnel helping the citizens.

Mr. Brass thanked Mr. Christensen for his support and everyone for attending and participating in the meeting. He stated that all this information is available on the city website and that the final vote would take place on Tuesday, August 14, 2018 at 6:30 p.m.

Mr. Brass closed the meeting at 8:06 p.m.

Janet M. Lopez
City Council Executive Director
Murray City Council

Minutes Approved August 14, 2018