



MURRAY
CITY COUNCIL

**MURRAY CITY MUNICIPAL COUNCIL
NEIGHBORHOOD MEETING
District #5**

The Murray City Municipal Council held a neighborhood meeting to share property tax information at 6:30 p.m. on Thursday, August 2, 2018 at McMillan Elementary School, 315 East 5900 South, Murray, Utah.

The meeting was conducted by Brett Hales, District 5.

Council Members Present:

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

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 Fong, Library Director
Vicki Matsumori, Library Board

Other's in Attendance

Citizens

Introduction and Welcome – Brett Hales

Mr. Hales welcomed and thanked citizens for attending the neighborhood meeting. He introduced city council members, Jan Lopez, Pattie Johnson, Doug Hill, Jennifer Heaps, Danyce Steck, Vicki Matsumori, Kim Fong, and Danny Astill.

Mr. Hales said the council invited everyone 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.

Mr. Hales explained that he would allow Danyce Steck, Finance Director, about 20 minutes for the property tax presentation. Following that he would like to listen to citizens' thoughts and answer questions. It was expected that the meeting would last until about 8:00 p.m.

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

Ms. Steck noted that a booklet entitled "2019 Citizens Guide to the Budget" had been prepared and could be picked up on the way out.

Citizen Comments – Mr. Hales

Mr. Hales invited those who wished to address the council to step forward to the microphone. Each person should state their name and address. They would be given three minutes to speak, and a citizen comment form should be filled out and turned in to Ms. Johnson.

Wes Eatchel

Mr. Eatchel said he had been a Murray resident for 40 years. He was present to find out where his property taxes are spent. He felt there was a safety problem in his neighborhood where there are no sidewalks and people must walk in the street. He stated that in the annexed area residents were charged a storm water fee and there is no curb and gutter on his street.

Mayor Camp responded that the city had looked into the request for sidewalk, curb and gutter on 600 East and 4600 South. The cost for that improvement is about one million dollars and that amount has been put into the capital improvement program for consideration each year as projects are considered by the city council. The sidewalk budget was increased this year to try to address some of the issues.

Marsha B. Cluff

Ms. Cluff was happy to receive the information regarding where city funds are spent, however, she is concerned about people who are delinquent in their property tax payments. She wondered the dollar amount and the efforts made to collect that. She feels that those who pay the taxes carry the burden for those who do not.

Ms. Steck said Murray's collection is 98.5% so only 1.5% is uncollected. The county is responsible for collection and they do collect the back taxes plus interest.

Doug MacKinnon

Mr. MacKinnon said that the aggregate numbers from property tax will be pretty constant and as city leaders look forward to 2020, with sales tax and other funds, he asked how confident they are that there will be sufficient funds to meet the future needs of the city.

Ms. Steck said that she had worked with the council on a five-year plan. She planned a small amount of growth and held that steady going forward; she anticipates having to have another

tax increase in five years. She said that some cities do smaller regular increases each year and others choose to wait until it is imperative to raise taxes. She said she feels the city will be good with this increase for five years.

Baven Forbush

Mr. Forbush felt that property tax is good for government, it always goes up, appreciating value or by the tax levy. Sales tax is based on purchases so there is some control by the citizen, as well as, income tax, which is based on earnings. He sees a 50% tax increase for Murray City and a 55% Murray Library increase, which will never go away once it goes into effect. He also has a tax increase from Granite School District due to a valuation increase.

Ms. Steck explained that with the Truth in Taxation the city always receives the same amount of tax, if his value increases someone else's decreased so that the city is realizing the same amount of tax revenue except for the new growth factor. The only way a taxing entity can raise taxes is to go through the Truth in Taxation process with notices posted and a public hearing held. Citizen are advised to contact the county assessor about incorrect values.

William Green

Mr. Green said he had a number of questions upon arrival, however, they were answered by city staff prior to the start of the meeting, which he appreciated. Additionally, he mentioned that on 900 East north of Vine Street there is a terrible odor on the east side of the street where there is an open ditch. He would appreciate someone looking into that. He also said he is proud to live in Murray.

Beverly Crangle

Ms. Crangle asked about how priorities are determined. She referred to the man who had safety issues related to sidewalks and yet, in the prior year, \$900,000 was used for the canal trail from the capital fund. She also mentioned the widening of Vine Street, which she feels is unnecessary and will add vehicles making it less safe.

Mayor Camp detailed the budget process when department heads make recommendations to the mayor. The mayor's budget then goes to the council. Council representatives meet with the capital improvement program committee, where priorities are determined and subsequently come before the entire council. People frequently asked why money is spent on one item over another. Many times money comes from grants that are earmarked for specific purposes – for example the canal trail where money was granted for recreation and could not be used for any other purpose.

Jon Bowerbank

Mr. Bowerbank mentioned people in his complex who are over the age of 65 and on fixed incomes. It is hard to absorb a double hit, value increases and tax levy increases. He suggested incremental increases in budgeting and forecasting revenue needs and creating a surplus to take care of these needs.

Pam Squires

Ms. Squires said that over time she has fixed up her home, including putting in sidewalks, and the reward for that is higher taxes. She asked about the Wasatch Front Regional Council and

how someone gets on that board. She was offended that they have come to the city and said the street needs to go through the fire station, thus the expense for the city to construct a new station.

Mr. Hill said the Wasatch Front Regional Council is a quasi-governmental agency that represents people primarily along the Wasatch front and the individuals that serve on the board are all elected officials at the city or county level and elected by their peers. Ms. Squires felt they are not accountable to the citizens.

She complained that in 2003 the city got a new logo and it had to be applied to all the vehicles. Additionally, she complained that the library was built on property the city did not own. She wondered when the city would cinch in its belt. She further asked who decides that the school district gets 57% of the tax dollar. Twelve years ago they spent millions of dollars buying 21 houses to build the new junior high.

Ms. Squires asked how many miles apart a fire station should be. Mayor Camp said national standards are set but cities determine the distance based on response time. Many factors go into that decision. Ms. Squires' complaint is that the WFRC has said it needs to be moved and it is too old and no longer functional.

The Mayor said the station was built in 1980 to last 25 years to take care of this part of the city. It is now 40 years old and the department has outgrown the facility.

Mr. Hill addressed why the city is tearing down the station and moving it for a road to go through. He explained that since the mid-1970s, the city has planned to create another north south route through the city. A few years ago it was determined that would be along the 300 West corridor. It has been the city's choice to put it there and because the station was deteriorating it fit into the future plans for the city. The WFRC is a funding mechanism for federal funds, through the gas taxes. Upon approval of applications by the city some of those taxes come back to the local level.

As far as school district taxes, they are decided by the amount of the tax levy and with the increase by Murray City the percentage to the schools has decreased and the percentage to the city has increased.

Victor Anderson

Mr. Anderson asked about maintenance of the catwalk from 5400 South at 700 West that leads to Clover Meadow Drive. He stated that weeds, bushes and tree limbs are overgrown and it is a safety issue for the kids walking home from school. He also said that he could not have picked a better place than Murray City to raise their family.

Mr. Hill said the sidewalk is under the jurisdiction of the state of Utah, although, the state of Utah does not install sidewalks or maintain sidewalks. He would ask Murray public works to take care of that.

Shah Ramesh C.

Mr. Ramesh said his home value has increased and it makes it very hard to pay the property tax

at a higher level. Ms. Steck said that she would probably go to the Salt Lake County Board of Appeals to have the value reviewed. She said it helps to have other properties to compare to, which can be accessed from the Assessors' website. She also mentioned that Salt Lake County has a senior tax relief program that is available on the Murray website.

Pat MacKinnon

Ms. MacKinnon asked for an explanation of the step plan for the police and fire departments. She expressed that she is totally in favor of this plan to keep our public safety officers, but was curious about how it would affect retirement, due to what has happened in other states.

Ms. Steck said that Utah is very conservative and addressed retirement benefits early. There is a Tier I program for those employed prior to the recent Tier II system being adopted.

The step program is based on the average low wage (hiring wage) of every other city and that is where Murray set its hiring wage. A twelve year program was established to reach the highest wage. The first six years, employees will receive a 5% increase, after that increases are 2.5% until they reach the top wage. When they reach that wage, they are called "re-lined" and won't receive increases except for cost of living adjustments.

Richard Crangle

Mr. Crangle asked if the Murray citizens have any representation or voice on what goes to the school district. Additionally, he wondered if citizens were aware of all the different line items in the Granite School District budget, for example, there is funding going into the Granite Foundation, which is not involved in teaching.

Ms. Steck responded that the school districts are separate government entities and have their own boards that oversee the budget. Mr. Hill said citizens can go to the school district board meetings or call their own representative. The school superintendent is equivalent to the mayor and board members similar to council members. State law controls the district boundaries.

Judy Boretsky

Ms. Boretsky mentioned the transfer of funds notice where money goes to the General Fund. She approves the increases for fire and police however, she doesn't understand about a pot of money in power that can be used for other purposes.

Mayor Camp explained that one of the advantages in Murray is that the city owns its own utilities and just like a dividend in privately owned utilities the city has the ability to transfer into the General Fund as a dividend for the citizens. We make 8% transfers from all the utilities except for the storm water fund because there are so many storm water projects to be completed.

Mr. Brass added that 35% of property in Murray is tax-exempt, schools, hospitals, churches, etc. These entities do pay utility fees and the transfers are one way to have these tax-exempt entities contribute to the General Fund for the services the city provides. This is one of the benefits for Murray residents and helps to keep property taxes low. When the recession occurred in 2008, and sales tax revenue decreased, the city was able to raise the transfers rather than property taxes.

Kirk Jensen

Mr. Jensen was a resident of Murray for 64 years. He recalled how he had spoken to a group this size when he helped create the council form of government. He thinks it is wonderful to have a city like Murray where our children want to return to raise their families – it is a great place to live. Mr. Jensen thanked the city leaders for the things they are doing for the city.

G. Bonnet

Mr. Bonnet mentioned that the city leaders are trusted with the funds collected and he asked how the city measures efficiency and accountability as it administers the funds of the city. What rules are followed to ensure accountability?

Ms. Steck replied that the city produces a comprehensive annual financial report every year. At the back of that report is the statistical section, which is the true measure of our efficiency. This is available from the finance department. You can also see how the city has grown.

Greg Brown

Thirty five years ago the city council form of government was formed. Mr. Brown's father served on the first council, budget committee and then the library board. He understands what the council is facing and appreciates the accommodations that are made. He realizes city employees could make more money at other cities. There is great demand for the city hall, library, new fire station and significant increases for compensation. He asked the council to think about the vulnerable population who struggle to stay in their homes. His request was that the city take one more look to see what other options there might be.

Mr. Hales stated his appreciation for the citizens and feels lucky that the residents are involved in the affairs of the city. He mentioned how great the administration is to work with and that there is an uncommon communication and working relationship between the council and administration. He noted that everyone is very transparent and open.

Mr. Hales announced that the Truth in Taxation public hearing would be held on August 14, 2018 at 6:30 p.m. in the Council Chambers at the Murray City Center.

Meeting adjourned at 8:03 p.m.

Janet M. Lopez
Council Executive Director
Murray City Council