



MURRAY
CITY COUNCIL

**MURRAY CITY MUNICIPAL COUNCIL
BUDGET AND FINANCE COMMITTEE
Fiscal Year 2019-2020**

The Murray City Municipal Council met as the Budget and Finance Committee Monday, April 15, 2019 in the Murray City Center, Conference Room #107, 5025 South State Street, Murray, Utah.

Members in Attendance:

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| Diane Turner | Budget Chair - Council District 4 |
| Brett Hales | Budget Vice-Chair - Council District 5 |
| Dave Nicponski | Committee Member - Council District 1 |
| Dale Cox | Committee Member - Council District 2 |
| Jim Brass | Committee Member - Council District 3 |

Others in Attendance:

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|-------------------|----------------------------|----------------|-------------------------|
| Blair Camp | Mayor | Jan Lopez | Council Director |
| Doug Hill | Mayor Pro Tem | Jennifer Heaps | Comm. & PR Director |
| Pattie Johnson | Council Office | Kim Sorensen | Parks and Rec. Director |
| Blaine Haacke | Power – General Manager | Danny Astill | Public Works |
| Melinda Greenwood | Comm. /Econ. Dev. Director | Robyn Colton | Human Resources |
| Jon Harris | Fire Chief | | |

Ms. Turner called the Budget and Finance Committee Meeting to order at 2:05 p.m. and welcomed all.

Topics placed on contingency from previous budget meetings held on April 8, and 11, 2109 were discussed and addressed as follows:

Clean Energy Vehicles

Ms. Turner reviewed a handout related to available alternative vehicles; follow up had not occurred in 2-3 years, therefore, she wanted to ensure funding was available. She affirmed the city had five clean energy vehicles in operation. Ms. Lopez confirmed.

Ms. Turner wondered the total number of vehicles in the city fleet. Mayor Camp reported 300. Ms. Turner asked for the council’s support in providing funding for purchasing clean energy vehicles.

Mr. Hales wondered if a related study on clean energy vehicles could be conducted first. Ms. Turner agreed; however, she thought results would confirm what was already known; a cost savings. Ms.

Moore said according to current studies, if the city purchased the Ford Fusion Hybrid, the cost could be an additional \$10,000 to purchase a new car; if vehicles are rotated every 5 years, breaking-even would result, due to rising fuel prices. However, to address carbon emissions, clean energy vehicles would help the environment, but financially, there would be no foreseeable savings.

Mr. Nicponski asked how often gas fuel vehicles are rotated. Ms. Lopez stated the rotation cycle for police vehicles was every seven-years. Mr. Astill noted public works vehicles are rotated every 10 years.

Ms. Lopez noted the cost for a hybrid car as slightly less in cost than an electric car. Mr. Astill confirmed similar costs; and he noted state contract pricing, included upgrade features, which was less than retail.

Ms. Turner reviewed the exact cost for electric vehicles. Ms. Astill confirmed the cost for a full electric plug-in model was \$32,600, and state pricing was \$18,800. (See Attachment #1)

Mr. Brass noted the city, as a government entity, would not get a tax break for state priced purchases.

Ms. Turner stated her constituents want to see the city environmentally conscious and responsible, and the idea of having more clean energy vehicles in the city's fleet would be a great benefit. With a total of five so far, she wanted to ensure specific funding would continue the practice of purchasing them - no matter what kind. Mr. Astill explained the public works fleet mainly consists of trucks; very few light-duty cars are used, and therefore, with no available trucks in the current market, it would be difficult to purchase electric pickups at this time. However, Ford would offer one in the future.

Mr. Brass shared concerns related to charging electric cars, because the city's infrastructure was lacking. He said grant funding could be utilized to install charging stations near the Park Center, however, he did not favor the idea of the city vehicles using public. He thought, installing additional chargers at the public works facility would be ideal, where city vehicles are kept, however, it would be a costly project. Mr. Haacke confirmed the cost for a top-of-the-line, 20-minute charger was \$40,000.

Ms. Turner confirmed grant funding would be useful for providing chargers near the Park Center.

A conversation occurred among council members, as to whether the city should spend taxpayer money on those efforts, or, should the choice to drive clean energy vehicles be a personal decision.

Mr. Brass suggested the project to install car chargers in Murray Park be added to the CIP (capital improvement projects) list and thought if the city broke even financially in five years, it was worthwhile to improve air quality; however, he was not comfortable funding the project from another resource. He favored carbon-free hybrids vehicles over electric cars for city staff, because added benefits would result without added cost. He thought the option to purchase plug-in hybrids for city vehicles was more ideal because they are less expensive than full electric cars; they operate 50 miles by electrical use, and traditional gasoline used as backup. He noted police vehicles travel more than 50 miles per shift, so the plug-in model would not be practical. He agreed electric cars improve air quality but noted the extra cost of frequent tire replacement on electric cars, which he experienced personally, due to heavy batteries that cause tires to wear faster. He suggested plans for acquiring more clean energy vehicles should begin in FY 2020-2021.

Mr. Cox agreed the hybrid choice would be ideal in departments where it made sense, rather than

electric car purchases at this time. He said the focus should be on air quality, and anything the city could do to help the situation would be wise.

Ms. Moore explained with money set aside, funding for clean energy vehicles would begin and she confirmed acquisition would only apply to General Fund vehicles.

Ms. Turner asked if supplemental funding for purchasing could begin immediately. Ms. Moore inquired the amount. Ms. Turner thought \$50,000 would be sufficient. Ms. Moore noted available CIP reserves, which would roll into the next year if not utilized, therefore, she suggested \$30,000 from the General Fund CIP. There was a consensus to provide immediate supplemental funding of \$30,000, and the expense would be reevaluated next year.

Employee COLA

Ms. Moore noted all councilmembers, Mayor Camp, and Mr. Hill did not get a pay raise this year, however, they would all receive the 2.7% COLA (Cost of living adjustment), along with city employees.

Mr. Hales had previous concerns that a 2.5% COLA would be implemented, which was the reason for contingency. All councilmembers were satisfied with the 2.7% increase. There was no further discussion.

Public Works Capital Improvement Program (CIP)

Public Works

Five new speed radar signs would be purchased. Mr. Astill shared a priority list to reflect where they will be located. He explained the list was established and ranked by city engineers, and the traffic safety committee – based on accidents, speed concerns and other safety measures.

Funding was provided for CIP equipment; Mr. Astill reviewed tentative FY 2020 requests and said the best way to spend the money was based on need, as follows: (See Attachment #2 for cost related details.)

Streets - Equipment

- Lane-striper (paint) truck: Currently, stripes can be created only from one side of the city's 25-year old vehicle, which means crews are moving against dangerous traffic while painting. The newer truck would allow painting from either side of the truck, which permits painting outside lanes, and inside lanes moving with the flow of traffic. Better visibility would be provided for everyone and head on collisions would be avoided.
- Bobtail truck: One of the city's six bobtail trucks is 29 years old and needs replacing; it is used for small area road patching, paving and removal jobs.
- Sidewalks: The request for sidewalk work, and snow removal increased for houses with double frontage, as well as, on bridges; according to UDOT (Utah Department of Transportation) the city is responsible for this upkeep.
- Concrete: Concrete storage bins are needed for compost, sand, gravel and dry materials bins.
- Pick-up truck: A 1½ ton truck purchase would replace a 16-year old truck.

Mr. Cox asked if the lane-striper truck was ready for purchase, or would it need to be built. Mr. Astill confirmed it would take about 3-4 months to be built and would be available by late summer.

Class C Roads – State Funded

Mr. Astill outlined the tentative FY 2020 priority list at great length, which included things like, snow removal, preventative maintenance, several overlay and rebuild projects; water line work, as well as, road salt purchases, sidewalks, curbs, and gutter improvements, however, the city is limited to what state funds can be used for; this year funds total \$1.9 million. City crews would complete some projects but projects over \$164,000 must be contracted out.

A conversation occurred about the increased cost of cement. As a result, not as many sidewalks would be completed this year; unless there was a substantial increase in funding. (See Attachment #3 for a project details and cost related information.)

Mr. Hales thought sidewalk repair was significant because his elderly residents regularly report tripping and falling over poor sidewalks. He suggested an extra \$100,000 be allocated, as a onetime expense transfer from CIP reserves, to ensure long term safety in neighborhoods. Ms. Moore noted in 3-5 years CIP reserves would be depleted, due to the allocation of bucket money for projected spending in each department. Transferring money now from reserves would reduce future department spending expectations.

Ms. Turner asked the total balance of CIP reserves.

Mr. Nicponski asked if the council should allow people to get hurt now, to perpetuate the CIP, or, should they allow CIP reserves to deplete in three years.

Ms. Lopez noted \$8 million as this year's FY beginning balance in CIP reserves. Ms. Moore confirmed, however, a projected end balance of \$5 million was noted, due to \$3 million in spending, plus the additional \$30,000 now approved for clean energy vehicles; and confirmed at the same rate, an extra \$3 million in spending might occur, if proposed transportation tax estimates were accurate.

Mr. Nicponski suggested a reduction in spending and reinvestment of funding to keep up with significant sidewalk repairs.

Mr. Nicponski asked if sidewalk projects were only funded from the CIP. Mr. Astill confirmed. Mr. Nicponski thought a separate account should be created to budget just for sidewalk projects. Mr. Astill agreed, however, it is was capital expense, unless it was changed to a constant 'operations' expense.

Mr. Brass asked Mr. Critchfield how often the city was sued over sidewalk accidents, and what the cost was to the city. Mr. Critchfield explained the city is sued several times a year, the amount would depend on the extent of the injury, and he agreed it was something to be concerned about. He said an inventory was taken in the past, to prioritize specific areas where sidewalks needed immediate attention, to address cost, location, and exact need. Mr. Brass agreed it made more sense to eliminate potential liability, versus account transfers.

Mr. Nicponski thought it was important to build the expense into the budget, especially if CIP reserves were going to disappear in time. Mr. Astill confirmed with Mr. Stokes by utilizing the inventory list to have all trip hazard repairs completed the total cost would be approximately \$3 million.

Mr. Brass added sidewalks would still need to be replaced or repaired years later. Mr. Astill agreed the annexed area was completed in 2008, and in less than 10 years calls were coming in for immediate

attention; and other sidewalk areas in the city had not been done in 25 years, or more.

Mr. Astill agreed if a set amount was budgeted each year, an ongoing schedule could be determined to address all sidewalk concerns throughout the city - to be accomplished within a 10 to 15-year timeframe. Mr. Brass noted street trees were a common cause of failing sidewalks.

Mr. Hales confirmed constituents report sidewalk issues more than road damage; he thought a separate line item should be created for the expense.

Mr. Nicponski noted the requirement that street trees causing sidewalk damage must be removed, in order to fulfill those repair requests. Mr. Astill confirmed, prioritizing areas was important because many older neighborhoods, without tree issues, have never seen work done, due to limited funds; therefore, he would appreciate increased funding.

All councilmembers agreed to supplemental funding of \$100,000 from the CIP reserves for sidewalk repairs to avoid possible legal matters, and get repairs caught up. Ms. Moore noted the approval.

Mr. Hill commented a line item expense for road repairs did not exist; incoming transportation funding allocated to 'Class C Roads' was received annually from the state. If a new line item was created in the GF for sidewalk repairs, a funding resource would need to be realized, unlike the annual source the city relies on year after year to provide for road repairs.

Mr. Hales thought other cities had a reliable source of funding for sidewalks. A lengthy discussion occurred as Mr. Hill explained more cities each year implement transportation fees, approved this year by the Utah legislation. Should a city choose to implement the new fee, revenue could be applied to sidewalk projects, however, he was not certain citizens would favor the idea.

Ms. Turner confirmed the best decision for now would be to fund the extra \$100,000. All agreed.

Engineering

Mr. Astill noted the installation of radar speed signs, as well as, other projects to be funded through Class C road funding. (See Attachment #4)

Lengthy conversations occurred about new radar signs; new technology, versus outdated signs, operation and design elements; Mr. Astill reported all signs are working well after an upgrade. The aging pedestrian bridge over State Street to the high school would be demolished; and a transportation study was funded to update the city's Transportation Plan – the current plan is 13 years old.

Budget Addendum – Chamber of Commerce Golf

Mr. Brass discussed an upcoming golf tournament at Murray Parkway on June 28, 2019. The event would provide exposure to the golf course, and all monies would be donated to children's charities, primarily in Murray. The hope is to impact more people than the previous year, and a committee would distribute donations to provide accountability.

A discussion occurred about eliminating golf cart rental fees at next year's event, which would create a

loss of \$1,200 in revenue for the golf course; equivalent to 10% of the golf course subsidy.

Mr. Hales supported the idea, and Mr. Brass agreed to provide oversight should the decision be made to waive the fees. Mr. Cox thought eliminating fees would be acceptable, if proceeds were sure to go towards Murray's children. Ms. Turner and Mr. Nicponski agreed. Mr. Brass would convey the requirement to the Chamber for next year.

Mr. Nicponski thought donations for Murray children was significant.

FY 2019-2020 Budget Intent

Ms. Lopez reviewed the draft FY 2019-2020 Budget Intent Document (See Attachment #5) and highlighted the following:

- Property Tax Increase: The section was removed.
- Employees: The section would remain to stress the importance of the city employees, and changes regarding the following were noted;
 - Funds for an Increase in Employee Compensation:
 - Implementation of the step plan, and the associated cost.
 - The 2.7% COLA (Cost of living adjustment) increase, and the financial impact.
 - Employee Health Insurance Benefits: 6% cost increase. The city will continue to cover 85% of total health care expenses and employees will pay 15%.
- UTOPIA: Wording to remain the same.
- New City Hall: The FY year was changed.
- Downtown Development: A lengthy statement was noted, related to the vision of the area.
- Public Safety: Text related to new fire station construction progress did not change.
- Capital Improvement Program = \$8.63 million for:
 - Vehicle and equipment replacement: Including police cars, fire trucks, snowplows, dump trucks, and information technology equipment.
 - Funding for Parks and Recreation: Replacement of the aging and deteriorated pavilions in Murray Park.
 - Facilities Maintenance: Road maintenance and infrastructure (Ms. Lopez would add the extra \$100,000 for sidewalks)
 - City Transportation = \$110,000 to update the current City Transportation Plan.
 - Golf Course = \$105,000 for golf course equipment replacement.
 - Murray Theater = \$1 million for renovation.
- General Fund Reserves: Language would state that reserves of 22% would be maintained at the end of the FY.
- Environmental Education: No change.
- Clean Energy Vehicles: Text would be reworded to include additional funding of \$30,000 as discussed.
- Appropriations and Waiving of Fees for Non-Profit Entities: The section would state that appropriations and waiving of fees for non-profit entities would be noted in the budget addendum, and no other changes would occur throughout the year.
- Using Technology to Improve the City's Interaction with the Public: Text would remain the same.
- Road Improvements: The section was removed, which would not be listed in the intent

document.

Ms. Lopez asked if any additional changes were needed. All councilmembers confirmed changes as presented. Ms. Lopez stated changes would be included in the budget they would consider for adoption in June.

Based on changes in the city council made to various budgets, Ms. Moore would update and distribute new pages quickly, and reported technical changes as: funding VOCA (Victims of Criminal Activity) wages, alcohol revenue to match expenses, an adjustment to the cemetery budget for allowing credit card use, and slight changes in the RDA budget. Ms. Moore balanced the budgets based on anticipated income of \$40,000 from growth in property tax revenue, and an increase to sales tax revenue of \$40,000.

Adjournment: 3:10 p.m.

Pattie Johnson
Council Office Administrator II