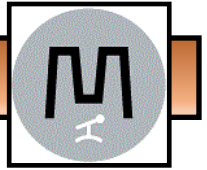
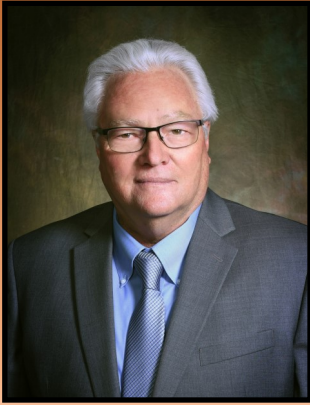


City Council Message



August 2020



Dale Cox

Money! Revenue! Expenditures! Reserves! These terms are spinning in my head after the daunting eight weeks spent pouring over department budgets and making significant decisions on behalf of Murray citizens. Each year the City Council has the vital responsibility of adopting the annual City budget and capital improvement program. This is always a demanding task, however this year huge challenges were before us!

The budget process actually begins with the Mayor; his meetings with department directors and the finance director result in the Mayor's

Tentative Budget, which then comes to the Council no later than the first City Council meeting in May. The City Council then meets with departments to discuss and determine final budgets by the end of June.

Based on the worldwide outbreak of COVID-19, the City Council found itself in unprecedented times of uncertainty. During the third quarter of 2020, the economy of the country shut down in an attempt to slow the spread of COVID-19. Record numbers of individuals are currently unemployed and as the economy reopens, unknown decreases in the revenue streams of the City are expected.

The Murray City Council has chosen to take a cautious approach to the fiscal year that began on July 1, 2020 by examining each revenue item and expenditure to make conservative, deliberate, and thoughtful decisions on behalf of the residents and businesses of the City. The Council took three major steps in merging the Mayor's budget with Council principles.

- 1) Budget sparingly at the onset of the fiscal year respecting the unknowns of the economy. The Council requested department directors to
 - Decrease General Fund expenditure budgets by an additional four percent overall.
 - Remove travel and training funding that was not essential to maintain required certifications and license renewals.
 - Scrutinize overtime budgets for possible reductions.
- 2) Municipalities are service based organizations where employees are the core of service delivery and primary to maintaining optimal quality of life. The Mayor's budget included citywide compensation increases and the council, recognizing the experience, knowledge and expertise of City employees, and after much deliberation, decided to maintain that funding in the budget.
- 3) Preserve the stability of City finances by maintaining General Fund reserves at 17.9% with the intent to restore to 25% as revenue increases to acceptable levels. The fiscal year 2020 – 2021 budget utilizes nearly \$3 million of General Fund reserves to compensate for an anticipated decrease in revenue.

The Budget is based on revenue projections that decrease by 10% overall including sales tax revenues that decrease by 15%. Operational expenses in the General Fund have been decreased by 11% overall. Additionally, the capital improvement program has cut expenditures from over \$8 million last year to approximately \$3.7 million for the coming year.

The City utility funds operate on a fee structure; therefore, some decreases were noted in expenditures, however their budgets were not severely cut. Capital projects in the Power Fund, Storm Water Fund, Water Fund, Wastewater Fund, and the Central Garage Fund will continue in order to ensure essential infrastructure stability.

Realizing the huge impact of the coronavirus on City residents, the City Council determined that this is a time for recovery and rebuilding and no City property tax increases would be proposed this year.

The City budget is a living document, changing as necessary through the year and it is the intent of the Council to review revenues monthly and react to actual receipts as required to maintain the solidity of City finances.

Dale Cox

District 2