



**MURRAY CITY MUNICIPAL COUNCIL  
BUDGET AND FINANCE COMMITTEE  
Fiscal Year 2012-2013**

The Murray City Municipal Council met as the Budget and Finance Committee on Monday, May 17, 2012, in the Murray City Center, Conference Room #107, 5025 South State Street, Murray, Utah.

**Members in Attendance:**

Jared A. Shaver	Budget Chair
Brett A. Hales	Budget Vice-Chair
Dave Nicponski	Committee Member
Darren V. Stam	Committee Member
Jim Brass	Committee Member

**Others in Attendance:**

Justin Zollinger	Finance Director	Doug Hill	Public Service Director
Janet M. Lopez	Council Office	Mary Bahr	Attorney' Office
Briant Farnsworth	Attorney	Jan Wells	Mayor's Chief of Staff
Kim Sorensen	Parks	Lane Page	Cemetery
Russ Kakala	Street/Storm Water	Trae Stokes	Engineering
Danny Astill	Water/Sewer	Susan Gregory	Heritage Center
George E. Hamer Jr.	Fleet	Craig Burnett	Police
Joe Tarver	Police	Bruce Turner	Power
Charles Crutcher	Power	Greg Bellon	Power
Gil Rodriguez	Fire Chief	Brent Davidson	Deputy Recorder
Robert White	IT	Jennifer Kennedy	City Recorder
Janie Richardson	GIS	David Carpenter	IT
Gilbert Gonzales	Building Div.	Jackie Sadler	MCEA
Bruce Cutler	Library Board	Tim Tingey	ADS Director
Blaine Haacke	Power	Pete Fondaco	Police Chief
Frank Nakamura	City Attorney	Dan Snarr	Murray City Mayor

Mr. Shaver called the Budget and Finance Committee Meeting to order at 2:05 p.m. and welcomed those in attendance.

**Attorney's Office – Frank Nakamura**

Mr. Shaver addressed the budget and asked about vehicle maintenance, which had been lowered to zero from a requested amount of \$3,000. Mr. Nakamura explained that this amount had been used for the Safety Officer's vehicle; however Mr. Zollinger had made efforts to coordinate all risk issues into one fund so that was transferred over to the Risk Fund.

Mr. Shaver asked about the legal services that had also gone to zero. Mr. Nakamura confirmed that this also had gone into the Risk Fund. He added that it was confusing to have some line items in the Attorney budget and some in other budgets. For the accounting it is better to show the expenses that are truly involved in the Risk Management.

Mr. Shaver asked if the \$50,000 would be left in the budget whether it is used or not to try to build the fund as the City is able. He asked if there were further explanation about the Retained Risk Fund.

Mr. Nakamura said that the Fund is evolving and they have a list out on all the real property, vehicles and equipment to see if less insurance can be carried. On some property, it may be determined that it does not need to be replaced if something happens and therefore coverage could be lowered. Some real property may not need coverage and some properties were not on the list. The process of evaluating insurance is taking place with the goal to determine if the City is carrying more insurance than is needed. The City may be able to reduce the premium. Liability coverage is carried on everything; however, full coverage for replacement may not be necessary. Mr. Nakamura said that it should be a few weeks to get the information and then it would need to be analyzed.

Mr. Shaver explained that if some dollars are freed up then the money from premiums could go into the Retained Risk Fund. Insurance premiums are due in July so they are trying to get this information done before, Mr. Zollinger said. It is the first step toward being self-insured. Mr. Shaver is anxious to know how much money could be saved to go into the Retained Risk.

Mr. Nakamura said that he had a meeting that day with the Workers Compensation Fund to look at those numbers, following an audit in that area. All insurance coverage is being reviewed.

Mr. Shaver expressed that a projected goal must be set so that whoever is on the Council at that time will know when the time has come to be self insured. He is not proposing to change the budget, but to reach that goal to be comfortable in being self insured. Both parties are conservative in thought and he would like a projected date. Mr. Nakamura said that Mr. Zollinger had worked with Bryce McEuen who handles the self insurance for Sandy and Logan and he is willing to talk with the City about this concept. Mr. Shaver asked to be part of that discussion when it takes place.

### **Public Services - Doug Hill**

Mr. Hill gave the Council an update on the road projects that have been pared down to match the Mayor's budget. He distributed the original list of requests with estimated costs to the Council, explaining that the approved projects are the ones with a dollar amount in the far right column. The total requested was just over \$3.1 million in projects with an approved CIP amount of \$1.78 million. These projects are based on those roads that are in the worst shape for a variety of factors. It is based on a non subjective score given all the streets, the amount of traffic carried and other factors. There is \$350,000 in sealer projects and these are neighborhoods streets that have not yet been identified.

Some past Council Members have wanted to reprioritize road projects due to constituents' complaints. If the department agrees that road is in poor condition, they have no problem with that.

Mr. Shaver explained one idea that had been presented. For four years budgets have been decreased due to falling revenues. As net gains are coming back slowly, sales tax creating entities are moving into the City, with growth at Fashion Place Mall, and car dealers coming in profitability could substantially increase.

(Mr. Nicponski joined the meeting in progress.)

The idea is that the City has a reserve fund and there is a possibility of taking one million dollars from the reserve fund for one time projects. Roads could be included in that expenditure and dollars may be added to the \$1.78 million. Mr. Shaver asked if that would help Mr. Hill feel more comfortable with the road projects.

Mr. Hill commented that had happened in the past and they will work with whatever the Council is able to allocate to roads. With the five year Capital Improvement Program (CIP) plan the department could work off of the next year's projects or add to this year's CIP list. Looking at the list, if the Council gave another \$500,000 then they would add more projects from the list.

Mr. Brass asked what the dollar amount was on poor and failing roads. Mr. Stokes said that it is close to \$20 million. Mr. Shaver commented that the more traffic on poor roads creates greater challenges and driving difficulty. How the City addresses that is the issue.

Mr. Hill said that his department would have no trouble repairing roads with any amount of money that is allocated. Murray can do repairs up to about \$180,000 before it must be contracted out. There is a little wiggle room. Sealers are contracted out because Murray does not have the equipment to do those. In the next week or two multiple neighborhood streets will be sealed for about \$225,000 that was contracted out.

Mr. Shaver commented that if the Council decided to use reserves for road projects, then he would like to keep the work within Murray and keep our people busy. Mr. Hill responded that use of City crews is one of the factors in selecting streets to fix. Murray can do the work for substantially less money than contracting out. A neighborhood street that may cost \$120,000 can be completed by Murray crews for about \$80,000.

Mr. Nicponski asked if Mr. Shaver had a dollar amount in mind. Mr. Shaver said it was based on their discussion of one million dollars. Mr. Nicponski said there are some other one-time projects to fund, as well.

Mr. Hill noted that in the Water Fund CIP a piece of equipment for purchase was listed at \$140,000. This bobtail truck is already being purchased in the current year; it is the back hoe in the following year budget that needs to be included in fiscal year 2012-13 and it is \$120,000. He does not know how the Council would like to handle that. It can be left and not spent with it going into the enterprise fund reserves or the amount can be decreased by \$20,000.

Mr. Hill is planning to use about \$100,000 from the solid waste fund reserves due to the fee increase. Fees have been discussed and he intends to come to the Council requesting a rate increase for this or the reserves would be depleted in four years. He would like to get it put together and go into effect July 1. Some projections are being done currently on what would be needed. Mr. Shaver suggested they project high to cover for several years. Mr. Brass suggested considering what was done with power and sewer, which was to create built in increases. Mr. Shaver would like to look at where it might be in four to five years and answer the question just once with constituents.

Mayor Snarr said that most garbage contractors have a clause based on the cost of fuel. He feels building reserves now by having more money going into that fund would be preferable. Other Council members agreed with that concept.

Mr. Nicponski asked about the radar speed signs with a request of \$120,000 and a recommendation of \$10,000. How many speed signs can be purchased with the \$10,000? Mr. Hill said that buys about four signs and two signs are needed on each street. So that is enough for two streets. About 20 streets can be covered with \$120,000.

Mr. Brass said that 4800 South has become a speedway since the road was repaired. He said that people admit they slow down when they see the speed signs. Mr. Nicponski added that it works for the responsible citizen and it is a better way to educate than speed traps. He feels this changes their driving habits and with different speed limits on different roads it is confusing. This delivers something to the citizens and they see how tax dollars are being spent. Mr. Hales mentioned the sign would work on 725 East.

Mr. Hill indicated that the department would put up as many signs as the Council provides money for; he also feels they are effective. It would be helpful for the Council members to let him know where the Council would like those to go if there are specific needs. Otherwise, the department would do their own evaluation and locate them where they see fit. He could work through the traffic committee to designate the locations.

Mr. Hill remarked that the Council would hear a presentation on storm water rates and there would be a recommendation to raise the rates on that. He will let the consultant show the justification for that in his presentation.

Something that is not in the FY 2012-13 or the FY 2013-14 budgets is the interest that is owed to Utah Transit Authority (UTA) for the Cottonwood Street/Winchester Street intersection. The City does not know what it is; however the estimate is around \$250,000. By contract the rate is based on the Public Treasury Fund and it was borrowed about three years ago. The Council needs to be aware that either a budget opening will have to occur or add it to next year's budget. The interest continues to go up.

Mr. Zollinger said that a budget opening was prepared but because the number keeps changing it was put on hold. He would like to see it in the budget. Mr. Brass asked at what point they have an obligation to give us the amount owed. Mr. Hill said they made an investment up front of about \$4 million to buy land and put in improvements. Now that the project is completed Mr. Stokes has been working with their engineers to verify the numbers and make sure the improvements charged to Murray are valid. Mr. Hill would also like to get this taken care of so that the interest does not just continue to build. The project is paid out of Class C funds and the interest would qualify for that also. If the interest is paid out of Class C funds then the amount for road repairs is reduced. With the accumulation of interest a date should be able to be identified and calculate the interest to that time, Mr. Shaver suggested.

Mr. Hill informed the Council that because the year-end falls in the middle of the construction season, at the end of the fiscal year he will work with Mr. Zollinger to carry over funds for construction projects that were funded during this budget year but will be completed during the next budget year. This may occur in the Sewer Fund and the Class C road fund.

Mr. Stam asked if the City can use the CIP plan to carry over funds and not have the

budget opening every year. Mr. Zollinger said that he could make it that way if that is what the City desires. Council members decided to discuss that issue at another time.

Mr. Shaver mentioned that he knows they look at history, but he was curious how Mr. Hill would calculate his spending for the coming year. He wondered if a percentage was added or if inflation were factored in. Mr. Hill said that generally looking back at historical data is extremely helpful. For example, tracking utility counts and employee raises over time is very useful. In some cases, the division managers are aware of very specific line item needs that may have to be purchased, for example, some weed eaters or mowers that were not covered in the previous year. Sometimes there are new programs that need additional funding. Most of it starts at this level. Mr. Shaver asked how much the line items are rounded up, but he asked if there were an additional amount put into that. Mr. Hill said there is no policy about that across the board. They do round up to the nearest hundred.

Mr. Hales asked if they go back a certain number of years for comparison, say a five year trend. Mr. Hill responded that this is the first year, in his twenty years with the City, that they have had a historical look back more than two years. He felt it was very helpful to have that information.

Mr. Shaver explained that they had been referring to actual numbers from past years and the Council prefers a historical perspective seeing the trend that is occurring. He observed a conflict with the finance director over a difference in percentage. Mr. Shaver does not want to cut the departments so close that budget openings become frequent; however, he does not like to see 10% to 12% increases without explanations. He wants to give them the freedom to make things work but what is the factor of increase. If there is a reason why then that helps him understand the thinking. The Council needs to understand so that they can answer to the residents in their districts.

Mr. Hill explained that when the budget requests went to the Mayor justifications for increases and decreases were provided. Sometimes the explanation could be based on historical usage, or in the case of utilities an upward trend could have been seen just in the last couple of years. In the cemetery, the water department found a water line with no meter. Once the meter was installed it created a \$30,000 increase in the utility account.

Mr. Nicponski asked the number of employees and how they break out by departments. Mr. Hill said that a document is in their budget with a list of every full time employee by position and where they work. Mr. Nicponski wanted to get a sense of the per employee costs per department.

Mr. Stam asked for an explanation about the insurance. Mr. Zollinger replied that prior to this year all General Fund insurance was located in the non-departmental fund and now it is a line item in the associated departments. The total did not change.

Mr. Hill noted that all Parks and Recreation insurance was lumped into one account and all of Public Works insurance was lumped into one account. Previously, each division had a line item for that expense.

Mr. Zollinger added that the money allocated will go from that department into the Retained Risk Fund. It is not additional spending for each department. He felt this was a more accurate way of accounting for the insurance.

Mr. Shaver mentioned looking at every building and the insurance cost. When insurance goes down, it will reduce the cost for each department or fund accordingly.

Mr. Stam referred to page 45 in tab 14, Participant Recreation. The line item for public notices was \$17,900 in the FY 2011, zero for FY 2012 and now it is budgeted at \$15,000. He asked if there was a significant drop in participation due to the lack of notices. Mr. Hill answered that it was the Murray Journal advertising. Formerly, Recreation advertised every month and they took three pages in the Journal every other month. The cost was about \$15,000. To reduce the budget the last couple of years, the department stopped the Journal advertising. Mr. Hill was not sure that the drop was significant in participation, although, Mr. Plant was concerned that the word was not getting out to residents. If the Council chose not to fund that, the information would get into the Journal through the Mayor's office; however, it is not as detailed or often.

Ms. Wells explained that the City formerly produced a pull-out book that people could keep and then as a cost savings the City went to the three page layout. The three pages are for the entire City and Recreation has one page.

Ms. Gregory mentioned that for the Heritage Center the Murray Journal runs a public notice that covers activities for seniors free of charge. When it is paid for, then the information runs in two locations, one in the full page that can be pulled-out, as well as, public information that gives room for more announcements.

This amount allows the Parks program information to be printed six times a year, alternating with the City update. Mr. Nicponski said that if the City has the money, it is good to support a local newspaper.

Mr. Stam referred to the Fun Days program line item on page 46, and stated that in 2011, on Fun Days, he had several people complain that the fireworks display was less adequate than before. Mr. Hales heard the same comments. Mr. Hill said that the fireworks dollar amount was the same but the timing for set off was faster. Before, people had complained that there was too much delay in between, so it was expedited this past year. Mr. Hill noted that the cost of fireworks had increased and the plan was to cut some of the advertising for Fun Days to stay within the budget.

Mr. Nicponski suggested that the City extend the fireworks to run a little longer and let people know they are not completed until the lights on the baseball field go on.

Mr. Shaver referred to the Boys and Girls Club line item on page 45 and asked if it was moved. Mr. Zollinger replied that it was moved into Non-departmental and was funded at \$118,000. Mr. Nicponski confirmed that the City has this line item plus receives money from the Community Development Block Grant fund. Two sources of income go to the Boys and Girls.

Mr. Stam noted that on the cemetery perpetual care the budget had been \$60,000 and this year is at \$41,000. Mr. Zollinger explained that instead of perpetual care it was actually a finite care with money being drawn down out of the fund. It should be set up as an amount of money that spins off enough interest to pay for the maintenance of the cemetery perpetually. Instead of putting money into the fund the City had been drawing money down. Now the City is putting a little bit of money into the fund to build it up. This will not be spent. Mr. Zollinger called this a small victory in the budget.

### **Police – Chief Fondaco**

Mr. Zollinger pointed out the issue with insurance also applies to Police, having additional funding go into the department for that expense.

Mr. Shaver noted that the contingency list the Council creates is a way for the Council to get back in touch with Chief Fondaco regarding particular line items. The budget will not be solid until it is adopted toward the end of June. At that point there will be no more changes.

Mr. Shaver asked the Chief if the budget is created based on history with an adjustment for inflation. He asked about fuel, as an example, to know how that was addressed in the budget.

Chief Fondaco said they looked at each line item based on history making adjustments where necessary and in working with the Mayor, Police was asked to roll those back to the previous year numbers. This budget is the same as what was submitted to the Council the previous year with small increases, salary and benefits, and fixed costs, such as Valley Emergency Communications Center (VECC). This is not discretionary. Fuel fluctuates and it is not a concern; however, vehicle maintenance has been rolled back. The estimate for this year is \$269,000 and the budgeted amount is \$157,000. This will put him in the hole from the beginning. That is one major concern.

Mr. Shaver said that he had gone through that amount with Mr. Zollinger, Ms. Wells and Mr. Hales. He noted that on the CIP several new cars were funded. The vehicle maintenance should go down with the new vehicles in the fleet and Mr. Shaver asked if that was taken into consideration. Chief Fondaco said that he will only get 6 new vehicles and out of 90 in the fleet, he did not feel that would greatly impact the vehicle maintenance costs. As the cars get higher mileage, he does not feel the \$157,000 is realistic.

Mr. Shaver confirmed that looking at history on other Police line items he had made some changes that could get the fleet maintenance back where it should be. For example, if he sees a budgeted number of \$5,000 with \$3,500 as the historical spending he wonders why the extra \$1,500 is necessary. By taking the additional amounts in the Police budget, such as just mentioned, adding a small percent of increase to the actual, he was able to get the fleet maintenance back where it was. He asked the Chief if that was something that made sense and something he would want to do.

Mr. Nicponski asked if Mr. Shaver was telling him to cut other areas of his budget to increase the fleet maintenance. Mr. Shaver confirmed that adjustments in some line items were made in the Police department budget to do that. Mr. Nicponski wondered if some of those adjustments were significant.

Mr. Stam attempted to clarify to understand what was done. He reviewed that the adjustments were made based on historical expenditures over a period of time, not based on an actual from one year. Mr. Shaver confirmed that and noted that the money has come from within his own budget. Mr. Hales asked if that was already done, because the process did not sound familiar to him.

Chief Fondaco expressed a need to sit down with Mr. Zollinger and see what accounts had been affected. Other Council Members agreed. Some things cannot be predicted historically. He does not want to put the department into a situation. For example, the last

calendar year the department had four homicides that impact the Criminal Investigation budget. Historically, that budget over the last five years might show that an extra five or ten thousand dollars in the budget without those homicide investigations. If that were cut and he needed those funds, then what would he do? The Chief said this is the fourth year the budget had been rolled back. He would have a hard time making up those dollars in another line item if he was asked to do so. He feels that the process Mr. Shaver described cuts out his discretionary funds, where something like VECC cannot be cut. The Chief said that he will now ask for UCAN funding that is an account that has to be paid a certain amount. The discretionary funds like supplies may be down one year but up the next and he said that sometimes historical does not give the correct data if the accounts keep rolling back.

In tab 11, page 20, criminal investigation, for example, the 2011 actual was \$4,130; the 2012 year-to-date is \$5,982 and extrapolating the number to the end of the year, it would be between \$8,000 and \$9,000. Then the budget request in this year is for \$15,000. Mr. Shaver said that by keeping that number at \$10,000, the extra \$5,000 could be used elsewhere.

Chief Fondaco said the Mr. Zollinger is estimating \$13,365. Mr. Zollinger clarified that the estimated term is required to be used by the state. The better term should be amended budget or budget transfers that had been moved. He pointed out the actual in other columns.

The Chief said that when he asked for this increase several years prior the budget was at \$10,000. There was a homicide when the budget was a little more flexible and he went to the Council because he had a need to send out DNA testing, which is very costly. The concept was that if DNA testing was necessary then the money will be budgeted; however, if not needed, it would be turned back at the end of the budget year. This was a deal reached with the Council and funding would not be spent if not necessary. He would suggest leaving it there and moving it later if not needed.

Mr. Shaver explained that this is the thinking that he was trying to determine. It represents safety and security to the Chief to cover his expenses. This is a planned savings, just in case it is needed. He noted that how many bullets are fired at the range is predetermined by the training required, although, if he sees a great amount over that, he would question it.

Mr. Nicponski asked why the City does not play with the VECC number. He noted that we just do what they tell us to do. After attending a couple of meetings, we may not want to just accept their number, he commented. It has gone down. Others mentioned the amount had actually gone up. Mr. Nicponski said that the fire amount is one third the police amount.

Chief Fondaco explained that Murray is fourth as a percentage of use in law enforcement. That is the percentage of the budget Murray would be billed. Mr. Stam said it is a percentage averaged over three years.

The Board makes the decisions for all the members in VECC. Mr. Shaver asked for an explanation on page 23 of line items # 425-21-50 and #425-21-53. The software maintenance is a cost from Spillman, which generally increases about 3 to 5% per year. Murray added the AFIS machine accounts for \$8,000 in new funding this year. It was purchased with a grant.

The equipment maintenance line is for UCAN expense. It could be broken out. Mr. Zollinger said he could create a division for all the agreements. Mr. Shaver said he would like it broken out and called UCAN. The Chief said that the City can expect about another \$20,000 the next year. Only about half of the radios will go on line this year in July and the following year the

other half will be put on line. It will be about \$48,000 per year once all the radios are used.

Mr. Shaver asked about the Community Policing on page 24. Utilities/special opts show a hefty jump in funding. Chief Fondaco said that is utilities for the old fire station that is used by Police. He noted in response to Mr. Nicponski that Police has three facilities: the fire station, training center and the City Hall building. The training center has additional utilities for that facility. The small office in the Smith's store is donated by the store. Mr. Shaver mentioned that the request looks to be about \$3,000 over what will be spent this year.

In crime prevention the numbers have almost doubled. Mr. Zollinger pointed out that the budget has not increased; however, the full amount will not be spent. The Chief agreed with that point and said that if he does not need it, it will not be spent.

Mr. Nicponski asked what is done in community policing. Chief Fondaco responded that the Community Watch is done, coloring books for kids in schools, the Health and Safety Fair, and crime prevention activities. Research officers used to be used and he has lost four officers here that have been reassigned to patrol and other duties. It would take about \$100,000 to \$120,000 per officer to get them back with salary, benefits, vehicles and equipment.

Mr. Nicponski clarified that VECC was talking budget as he was coming on the Board, but he feels it will be different the next time around because there will be two other dispatch stations operating. He will ask them to give an analysis to remain competitive. He feels Murray could do better with VECC.

Chief Fondaco mentioned that a study was done on the cost to have our own dispatch center. He feels that VECC has passed the breakeven point for Murray's own center. Just for police salary and benefits could be paid to hire Murray dispatchers. Grants could obtain the equipment and the City has the space. Mr. Nicponski said the VECC facility houses both police and fire dispatchers and Murray is paying twice for the same facility and probably the same personnel. They do have people dedicated to fire or police others commented.

The Chief said that even if Murray started its own center, VECC would answer the 911 calls because it is the public safety answering point (PSAP) and transfer the calls to the City. Mayor Snarr added that this subject is being analyzed to see how many PSAPs are needed. The Mayor gave some history on the creation of VECC stating that an additional one million dollars was spent because the plan was for VECC and the County to combine resources. Then the County decided against going into it. The legislature will insist that the four PSAPs, University of Utah, Salt Lake City, VECC and the County need to look at this to see what they need to do to work together. If Murray had its own dispatch and fire stayed with VECC, then Murray would not be a PSAP. United Fire Authority is dispatched by VECC.

Mayor Snarr said that Council of Governments is setting up a committee to look at this.

Mr. Shaver thanked Mr. Nicponski for his input and stated that it is something the City needs to look at.

Mr. Shaver and the Chief agreed that Mr. Shaver would get some numbers to Mr. Zollinger and then they could all sit down together to look at line item transfers.

Following a short break the meeting reconvened.

### **Power – Blaine Haacke**

Mr. Haacke expressed that the Power budget is a complicated budget. The bread and butter of the budget are the resources. He buys kilowatt hours and sells kilowatt hours. Revenue is largely based on the weather. The department is subject to natural gas fluctuations that affect the grid pricing. The budget is been pretty conservative on expenses for resource costs. Working with UAMPS (Utah Associated Municipal Power Systems) Mr. Haacke feels that the resource costs will be better than estimated. The debt service must be taken care of and the transfer to the General Fund.

There are a couple of different projects for the year. One is the replacement of commercial meters to remote read meters. All the residential meters have been changed. Around \$500,000 is budgeted for this project.

Mr. Nicponski asked how much will be saved in manpower. Mr. Haacke said the meter reader expense has already been decreased. Mr. Zollinger said the City had five and has gone to three meter readers. He wondered what the average cost was on a meter reader. It is around \$35,000, although, Mr. Haacke pointed out that it is also the accuracy of the read that will improve due to human error.

Mr. Shaver stated that he appreciated the capital fund projects that are going on. He said that the department is always trying to upgrade and improve. On the account services, tab 22 page 84, he asked about the regular employees' line item that went from \$61,667 in 2011 to \$81, 333. Mr. Haacke informed the Council that this is Dan Stireman's position. Mr. Bellon added that there is a possibility his wage could have been split between departments and this just brings him back.

On line item # 670-49-10 it went from a current budget of \$4,500 to \$19,500 due to the decision to pursue advertising for the power department in honor of its 100 year anniversary in 2013. The \$15,000 may pay for flyers, sponsoring special community relations like a float. Mr. Bellon said that Rocky Mountain Power just went through their 100 year anniversary and did a very good job of capturing some really good will.

Mr. Hales remarked that if there were some written explanation it would really help.

Mr. Shaver asked if when they go through the budget they look at the history to determine how much extra to put in. Mr. Haacke said that is done in the resources more than anything. They take trending in CRSP and Hunter and he works with UAMPS to know if there are some large expenses that will need to be included. Mr. Shaver asked about something that does not fluctuate. Mr. Shaver asked that he look at fire retardant clothing on the next page. He remarked that it had been about \$5,000 historically and this year is budgeted at \$20,000. Mr. Haacke said that there are new requirements on the heat rating of the shirts that are used for all the employees. The department must upgrade from a four calorie to an eight calorie. This will be a substantial outlay to get everyone outfitted; however, the amount could go back down the following year. Whenever staff is exposed to 50 volts or above they must have on fire retardant clothing. At the meter, cabinet or transformer they must be dressed appropriately. It is mandated by law.

Mr. Nicponski asked if the department purchases the items of clothing or if they get a uniform allowance. Mr. Bellon said that they will start with five shirts per person and use them as needed. Even the thread has to be fire retardant, Mr. Haacke added. They must wear 100%

cotton underneath. It is serious and if a person is exposed to a flash anything that can melt will do so.

Mr. Brass used to teach arc flash training. If you are on the job and not wearing clothing that clearly states FR (fire retardant) then they are in violation. Fines can be breathtaking. An arc flash event gets 35,000 degrees, which is hotter than the surface of the sun. The rating that Mr. Bellon is stating is the minimum and above that cotton will spontaneously ignite. The FR shirt is \$40 to \$60 and the staff must bring in the old shirt to get a new one.

Mr. Shaver asked about the UAMPS member services line item on page 87. It was at \$20,000 the previous year, \$5,305 year to date and then it is budgeted at \$20,000 for the next year. He asked if it is dues that have not yet been paid for the year.

Mr. Haacke explained that with UAMPS an entity signs up for different projects, such as Hunter or IPP, and they all have individual costs. One of them is government and public affairs (GP&A). He said the GP&A is part of Ted Rampton's salary and expense to go back and lobby in Washington D.C. There is also some expense to ULCT. Part of the member services is sponsorship of the conference in Ephraim that Council Members are invited to. It is allocated according to how big the entity is. Murray will pay more than Ephraim or Oak City. There is no vendor floor at the UAMPS conference, it is classroom education. It will go toward the conference hall and dinners. Murray also pays UAMPS through any scheduling that is done with a little surcharge added on. Based on our meter number we will be assessed for salaries for UAMPS staff.

Mr. Nicponski asked how many organizations are involved in UAMPS. Mr. Haacke said there are about 40 members with some from out of state. State issues will not be billed to Idaho entities; however, federal matters will be.

Mr. Zollinger referred to the power capital projects spread sheet noting that the total was \$1.806 million and that directly occurs in the capital projects division of power expenditures. He likes how that ties in and he let Council Members know that he could set up other funds that same way if they like that.

Mr. Nicponski asked what had happened with IPP (Intermountain Power Project). Mr. Haacke said Murray is set until 2027. As long as we do not call back any energy from IPP there is no harm or foul to us. If we let the California entities know that we want to order energy from IPP that is when the costs come into play. The budgeted numbers have gone from \$594,000 down to \$35,000. Mr. Haacke said that Murray will not call back any energy from IPP and the little bit of money is part of being in that project and will go toward UAMPS watching our contracts. The energy has been replaced from other resources that may have increased. The Hunter II costs came down too, due to the bonds being retired. It amounts to \$2 million. CRSP allocation will stay the same and Mr. Haacke noted that the last year, the City lived off the equalization excess coming out of Lake Powell. They do expect the reservoir to go 56% full this year. What they cannot generate, they buy on the market at that price. They have a basin non rainy day fund they contribute to. If they cannot produce the energy they contracted for then they may have to go on the market to buy and take a little loss on it to meet the contract. If that were to happen four years in a row, the basin would dry up and they may have to increase rates.

Trans-Jordan expense has increased; although, Mr. Bellon commented that he sells 70% of that to Truckee-Donner. Murray keeps 30%. There would be offsetting revenue

somewhere. It is a 15 year contract, but is callable if Murray needs some renewable power back. Truckee needs the renewable energy credits (REC) because their legislature requires it. This is a 95% on resource.

Mr. Nicponski asked about the UAMPS power pool, which has tripled. Mr. Haacke stated that more will be purchased on the market, due to the decision not to call IPP back. We get a better price. Mr. Bellon said that you will see a reduction in natural gas too.

Mr. Brass indicated that if power has to be purchased when it is really hot, then the cost is expensive. Ten years ago Murray burnt though the City reserves in one summer. Power was paying \$2.50 per kilowatt and selling it for eight cents. This is the main reason why Murray got the turbines.

Mr. Haacke did mention that the capital budget is one million more than the previous year. They will be able to catch up on a lot of things. There will be \$600,000 worth of back-yard rebuilds. This increases reliability.

There was some discussion on the day trading that is done in the power industry. Mr. Bellon is over that part of the department. The dispatchers cannot make a deal over \$10,000, then Mr. Bellon has authority and Mr. Haacke has more authority than he.

### **Mayor's Office – Jan Wells**

Ms. Wells said one big issue was the school district request for \$200,000 City participation, which would make them eligible for grant money to enlarge and improve the stage. This is kind of a compromise and the Board members feel we will be sorry for missing this opportunity. Ms. Wells said in light of pulling things away from the arts and the effort to prioritize, the \$200,000 doesn't seem like much for keeping the arts community happy and providing more performance space.

Mayor Snarr commented that the Sorenson Foundation is willing to contribute to this project with the school district spending more money, the City participating and giving the art community some hope or something that would work in the interim until there is money to do a project in the Murray downtown. His philosophy is that everyone is in this together. He related that the school district gave the City \$2 million to build the lap pool at the Park Center. He sold that idea by pointing out that land resources for the high school were limited. The pool cost was a little over \$1.2 million so we benefitted with an additional \$800,000. Murray City does take care of the maintenance. We receive some revenue when the district holds swim meets. The residents of Murray benefit and the relationship with the school district has been very good. They helped the City solve a problem and he feels bad for not donating the \$200,000 now.

Mr. Nicponski asked how much time the high school swim team uses the pool. Mayor Snarr said they practice very early in the morning and use the pool for meets. Time wise, the City has more use of the pool than they do.

Mayor Snarr wanted to make sure the Council Members were aware of the past contribution the school district made to the City. He said, "Why replicate and duplicate when we can simply learn to cooperate." He loves the arts community and attends many of their concerts. They have to haul their equipment in and out.

In response to a question from Mr. Hales, Ms. Wells said that this focuses on the

auditorium and the arts issue. It would help them build the black box theater larger and add aprons to the stage. This would confirm that Sorenson would go up to \$300,000, the City spends \$200,000 and the school district adds \$200,000 then there is enough to complete the plan as described to the Council for the arts. It does not include anything for the recreation or gym.

There was further discussion about sharing use of the high school auditorium with the Murray concert band or symphony. The topic of school use preference at the pool was also mentioned and that is an issue for some Council Members. Mr. Shaver would like some language in the agreement to insure that Murray arts groups get a specific number of days per year. Access was also noted. Mayor Snarr feels they have been very cooperative in working out a schedule that is as mutually beneficial as possible. Mr. Shaver confirmed that the City groups do get kicked out of the auditorium at the high school if there is a school event. He knows of three times that it has happened. Mr. Hales said that if he feels good about it and agrees to donate the \$200,000 the scheduling is minor.

The discussion continued regarding school use and Mr. Hales commented that it is a partnership and everyone needs to be willing to work together. There is sharing of use on ball fields at the schools and City parks, as well as, in the school gymnasiums. Mayor Snarr feels this is a very good investment. Ms. Wells pointed out that the demand is different on a high school auditorium versus a junior high. This does give two scheduling venues for events rather than just one allowing more flexibility, Mayor Snarr added. He has worked hard as Mayor to mend the relationship between the Murray School District and the City. He noted that Cottonwood High School had worked very closely with the Murray symphony to schedule events.

Ms. Wells mentioned that the opportunity for this grant had not come up earlier in the budget process.

Council Members confirmed the donations and finances offered as part of this grant noting that the school would raise their amount by \$200,000; the Beverly Sorenson Foundation would contribute \$300,000 if Murray City would allocate \$200,000. These funds would help to increase the size of the black box theater, give additional space for the stage and costuming areas.

Mr. Brass commented that there is \$30 million worth of desire for a Performing Arts Center in downtown Murray and there is no way it would be funded in the next five years or more. The \$200,000 takes the pressure off and will buy a lot of good will. He added that he thinks this is a steal.

Mr. Zollinger commented that this can help delay the expense on the CIP of a \$3.5 million project and a \$30 million project. He noted that the pool does cost about \$260,000 per year to operate. Using reserves, the \$200,000 would buy six police cars. He wanted to provide this information for the Council's decision making.

Mr. Shaver asked about the cell phone line item in the Mayor's budget. Ms. Wells explained that she had an iPad with no capability to use in meetings. The mobile hot spot gives her the ability to use it outside the City.

Following a short break the budget meeting continued.

### **Fire Department – Gil Rodriguez**

Chief Rodriguez indicated his plan to stay very conservative in expenses. He added that he can always work through a lean budget; however, in cutting, services do become affected. Mr. Nicponski noted that he does not see how Fire can cut anymore and pointed out the move to two man crews from three man crews.

The Chief explained that on full staff, he runs four on an engine or truck and two on the ambulance. There are three ambulances staffed. When he cuts down he will take an ambulance out of service. It is very dangerous to run two on an engine. The worst thing that can happen is to get caught too short handed on a fire. His biggest concern is the safety of his team. The minimum is three on trucks and two ambulances. This cuts services some too, losing revenue. It has been a great resource for the community.

Mr. Nicponski complimented the Fire Chief and asked him if he has any idea how much he has saved businesses in the community on insurance having the fire stations where they are located. The Chief said he does not know if that is an issue. Years before it was an issue when the east side was annexed and the Salt Lake County Fire Department existed. Murray had an agreement that they would take some of the east side calls and the City would take some on the west. When it turned into United Fire Authority (UFA), the Cottonwood Heights station took care of the east side. They wanted to charge Murray \$350,000 for taking some of our calls. There was some discussion on the history of this situation. On a fire they would back up anyway because of the mutual agreement. Murray was prompted to have a study on fire station location. Chief Rodriguez commented that Murray stations are strategically in the best locations.

Mr. Nicponski said he thought liability insurance was less if the station were within a five mile radius. The Chief said he was not a fan of ISO ratings because he does not think they are very accurate. The Chief commented that he gets back-up from UFA, South Jordan and West Jordan and when Murray needs anything they get what they want. If there is a four alarm fire the response is there. ISO does not look at that and considers only one individual department.

Mr. Stam asked if Murray responded to the cottonwood fires just recently. The Chief said they did. He added that they train together on Tuesdays. This develops trust between departments. They all work very well together. They trained on the Bally's that was torn down; therefore, with the Nordstrom fire everyone was prepared. There was also some training at the New Concept Furniture. The Chief said they run live fire drills at the training centers.

Public Safety Announcements (PSA) are done from time to time. There was some discussion on the TRAX train accidents that had occurred in the past year. People do not pay attention. Some may be suicides, too.

In response to Mr. Nicponski, the Chief confirmed that there are three stations and one that the Battalion Chiefs operate out of. The one that is mostly administration is near TOSH.

Mr. Shaver asked about the education and training budget. Chief Rodriguez replied that the paramedics and EMTs must have a certain amount of training. They have pulled back on having so many outside instructors come in. They try to have better quality instructors. The four hour quarterly meetings with the doctor have been cut back, as well. However, it is time to get back on track with those trainings.

Mr. Stam complimented the Chief on his requests for the CIP, noting that he seemed to

understand how it would work.

The Chief mentioned that the repairman from Pierce was just in to look at his engine that they are going to refurbish. It has been taken really good care of. He has seen one from Chicago that was hammered engine and seats.

### **Revenue – Justin Zollinger**

Mr. Zollinger had reevaluated revenues and he feels good about. Currently there are 360 full time employees in the budget. The previous year 387 employees were budgeted. The City is down a total of 27 positions. This includes adding five back in 2012-13. A total of \$2 million less in salaries and benefits have been realized including the enterprise funds. This was figured as if there were no employee increases budgeted in the coming year. This was just a comparison to gage the work that was done by the administration the previous year. He explained that the current year retirement, benefits and raises that are budgeted has used nearly the entire savings. Had those hard choices not been made the previous year it would have been a very difficult 2012 – 2013 fiscal year. He added that the prior finance director had advised against those retirements. The administration made a tough call to go with it and they were accurate. He complimented them. Mr. Nicponski said it was a real step forward and as a citizen he was impressed. Mr. Zollinger said that by having that in the beginning of the year it allowed for the budget to catch up throughout the year. It was well planned.

Mr. Shaver asked about the contingency transfer that was planned. Mr. Zollinger said that at the end of the fiscal year, he prepares financial numbers to see where the fund balance stands. If the amount is over 18% the contingency transfer would allow him to move the amount over into the capital projects fund. That keeps the City within state compliance. It provides a way for Mr. Zollinger to keep the statute.

Mr. Hales was grateful for the explanation because the auditor made it sound like it was not an important issue, but it does seem to be a huge matter.

Mr. Shaver inquired about the idea for creating an incentive for the departments on that amount. He wondered how it would be tracked. Mr. Zollinger would like to first build the reserve up to 18%. After that, if the departments had a savings he could allocate some back to the departments and he can track it in accounting terms. It would be allocated later to their future CIP projects. Mr. Shaver confirmed that if a department has an extra \$5,000 then they could move one project up. He detailed that what may happen is that the money is there for small projects so they move up; however, the big projects never get done.

Mr. Stam advised that the CIP committee would decide where the money was spent, but it would go toward that department's projects. He commented that just because the money is there, does not mean it will be spent that year. It could be held for a larger project the following year. The CIP committee makes the recommendations to the Council for the final decision. Mr. Stam indicated that the entire plan is to prepare for the future, not just to spend right away.

Mr. Zollinger will be evaluating revenue for the next year too, in order to keep the CIP funded. Anytime reserves are used it will reduce what is available for the CIP. Motivating departments to save will help with that.

Mr. Shaver asked about the amount for a pending lawsuit. Mr. Zollinger responded that Mr. Nakamura does not feel that will be needed as it looks like Murray will prevail in the lawsuit.

Mr. Brass asked about the non-departmental budget, page 12, miscellaneous services, number 412.62-10. The \$190,000 will be available if the City decides to make a software purchase. It will cover one year of a five year payment to purchase. If the software is not purchased it will go back to fund balance. Mr. Stam asked if that should be in the CIP. Mr. Zollinger said that it would go there and is just a place holder in non-departmental.

Mr. Hales asked if the fund balance is close to 18%. Mr. Zollinger said that at the last time he pulled the number it was about 20%. Mr. Nicponski asked how much that amounts to dollar wise. The 18% is around \$6.6 million.

Mr. Nicponski asked for a report on the lease analysis. Mr. Zollinger said that if the City were to lease 20 vehicles for the Police Department the cost would be \$770,000. If Police were to purchase the same 20 vehicles divided into several years, it would cost about \$720,000. The savings would be about \$50,000 and the philosophy of the CIP is to get into a cycle of replacing five to six per year. He did not think it was advantageous; although, using some different assumptions, it could change. Leasing would cost about an additional car and a half. There are some fixed costs too.

Mr. Nicponski asked if there were advantageous circumstances to leasing that are not realized by purchasing. Mr. Zollinger said that the advantage of leasing is that no inflation would hit you in year two, three, or four of a purchase; however the advantage is reduced because there would be interest due on the lease. Mr. Shaver noted that someone else takes the amortization on a lease, but on a buy you do. Mr. Nicponski stated that there would be provisions in the lease if we took the vehicles back to the dealer for work. Mr. Zollinger said that then we would not be utilizing our fleet service.

Mr. Hales said that the leases he was familiar with the dealer did not maintain them. Mr. Zollinger said that is because it is a capital lease. In this case the City would buy the cars, the bank would finance them and the dealer would maintain. Operational leases are those that you have a vehicle for five years and then turn it back in. Mr. Shaver pointed out that with a purchase we can sell it and get some gain back. Mr. Nicponski asked if what we will be doing will be better so that the officers do not have to keep a vehicle seven years. The vehicle policy says that at 100,000 miles a vehicle can be replaced. With the CIP it could actually become automatic to replace.

Mr. Zollinger said that the City is working to get out of the hole it has been in for the last four years.

Mr. Shaver mentioned his appreciation for Mr. Zollinger over the past five months, the reality of the numbers, the effort and tireless time spent in working with the department heads, and becoming educated as quickly as he has. In talking with people they regularly express the confidence they have in him. He confirmed his appreciation for everyone.

Mr. Nicponski asked about the UTOPIA line item that had gone to zero. Mr. Zollinger said that he had relocated it to debt service payment, which is a yearly payment that increases 2% per year.

### **Administrative and Development Services – Tim Tingey**

Mr. Tingey proceeded to highlight some items from his divisions.

Treasurer – There were increases in postage because of the higher volume of shut-off notices being sent out and he expects that until the end of the year. Mr. Brass asked if the City costs are being covered now with the higher fees. He felt it was being covered.

Mr. Shaver asked about the insurance line item going to zero. Mr. Zollinger said that this division has no claims to be insured for. The amount is a formula based on the historic and inherent risk.

Recorder – Mr. Tingey noted that there is no election expense this year. The maintenance of buildings and grounds was increased because of the Housing and Urban Development (HUD) accessibility survey. City Hall will require some additional improvements, fairly minor, but required. Minor building improvements will not cover some of the areas needing upgrades on HUD. Parking lot issues will go under building and grounds.

Mr. Stam asked why we hire a company to keep the grounds at City Hall when the Parks seasonal personnel could do that. Mayor Snarr mentioned that the contract on this building is \$5,000 less than it was several years before. He does not know how the owner does it for that price. They have done it for essentially nothing. It is a bargain. Mr. Nicponski said that he does not mind subbing out to the private sector if the cost analysis is right. Mr. Tingey said that he and Mr. Davidson had talked with Parks about that, but capacity is an issue in having them come over here. Mayor Snarr detailed that he would have to use a truck and trailer to bring equipment over and that takes it away from the Parks and we must weigh those things.

Information Technology – Here there are some increases. The equipment maintenance had to have a budget amendment a few months earlier because the maintenance agreement was not in place for the AS400, so that is the amount to maintain the same coverage as this year. Mr. Shaver asked when the City will get rid of that system. Mr. Tingey said the IT Governance Committee has been discussing that and is beginning due diligence for looking at the conversion process. The conversion would take at least two years once a system is selected.

Software maintenance contains the licenses and agreements for the Microsoft Office and he feels comfortable with that. The telephone and internet, 21-80, shows the increase in Century Link contract costs. It was kept at the same level the previous year, but we were told of the increase for this year. Mr. Shaver asked about the cost if the City did only telephone and no internet. Mr. White said that the contract is for the maintenance on the PDX. When the City negotiated this last year the City was quoted \$5,000 more and Century Link was told it was not in the budget. Century Link honored that but told us it would have to go up the next year. The monthly internet expense is in the same line item. Mr. Shaver asked if any part of the building used UTOPIA. Mr. White responded that the entire building uses UTOPIA. The phone system was purchased through Qwest and the hardware and software support has been maintained through Century Link.

Mr. Nicponski asked what the small equipment was on #504-21-90. Mr. Tingey said that expense is the computer replacement program that is being implemented and it will be ongoing. Per the IT Governance Committee the computers are being rotated out every three to five years. The amount of use is part of the standards, as well.

The professional expense is increasing significantly this year due to the federal government mandate for compliance on the use of credit card transactions. Additional

professional analysis of credit card transactions is required to make sure that City machines and software meet federal standards. Those standards will go into effect within the next year and a half and this will help the City with the process to get its certification. No upgrades are here, but it is included with the server upgrade. All the information must be secure. The wireless readers require other equipment.

GIS – Under the employee line items the power department is interested in having a GIS person devoted to the work they do. There will be an administration fee from the power department to cover that and the employees will go from three to four.

Some of the other increases are due to the expenses that are being moved from IT to GIS. The software maintenance is brought down to its own line item showing the significant increase.

Mr. Stam noticed that the special department supplies included funding for a new plotter scanner. This is in the CIP and will not be funded yet. Mr. Tingey said the amount could be reduced, that being the case. Probably about \$1,000 of that could go somewhere else.

Building Inspection – The department has gone to paperless field inspections, which has helped contractors, as well as, the department. That required a minor increase in the cell phone line item because of the paperless system and utilizing that for quick comments.

Mr. Stam mentioned the office phone expense. Several departments are in the building, and if the telephone costs are added up it is close to \$15,000. It is one system throughout the building. Telephone expense has increased from \$875 to \$4,000, Mr. Nicponski added, which is a high rate of increase.

Mr. Stam pointed out that the Building Inspection telephone is \$4,000 and Economic Development is only \$720. His thought was that it would be one system and the costs would be divided up. Mr. Zollinger said it is a line item for paying the bills out of and he would need to research that to see if it could be tightened up.

Mr. Shaver said that one area the Council has looked at is utilities and why it varies from one place to the next.

In both Building Inspection and Community & Economic Development there are some office supply increases because they are taking over the maintenance of the Savin printer and paper due to the reorganization. This was previously split three ways instead of two.

He said this budget would be able to help the departments maintain services and get the things done that are necessary.

Mr. Stam thought it was interesting that in GIS there is \$15,000 in overtime for snow plowing. Ms. Richardson said that as the employees in utilities have decreased, two guys in GIS are experienced, qualified and are very good at it. It was found to be more cost effective to assign them to a route if needed. If there is no snow it will not be spent. Mr. Stam said he is in favor of cross department work if it is a cost savings.

Ms. Richardson mentioned that the plotter was to replace a copy machine because traditionally it was engineering who provided the supplies for it and if that money is reduced then engineering probably needs the money for the existing copier. Mr. Stam said he thought more

money could go toward getting the new plotter.

### **Library – Bruce Cutler**

Mr. Shaver introduced Bruce Cutler from the Library Board who was present to discuss the retirement of Dan Barr as Library Director.

Mr. Cutler explained that as a Board they were delighted to have Dan Barr stay through the previous year retirements, however, he had decided to retire this year. He accomplished a lot of great things during the centennial year with the statue and stained glass window coming. The Board appreciates the fact that Mr. Barr passed up the retirement incentive that he could have received the year before. The Board held an executive session to discuss a portion of that compensation that he passed up. He would like to make a line item adjustment to the budget to compensate him. He felt thought the retirement incentive was 50% of salary, but did not know all the details. The Board would like to go as high as \$25,000 for Mr. Barr. He asked what the unallocated fund balance carry over was from the prior year. Mr. Zollinger said it was \$700,000.

Mr. Cutler's recommendation, based on the fund balance and the Board's desires, would be to award Mr. Barr a \$25,000 retirement bonus. Mayor Snarr mentioned that he had asked Mr. Barr to stay on the year before.

Mr. Hales asked if Mr. Barr were one of those guys that the City just could not have done without. Mr. Cutler and the Mayor confirmed that. Mayor Snarr stated that it is the Board's responsibility to select a new Library Director. They are their own taxing entity. Mr. Barr had been with Murray for 17 years and the Mayor said he had never had one complaint. Prior to that there were issues at the Library. Dan moved to Murray from New York.

Mr. Shaver complimented Mr. Barr and noted that his personnel are a direct reflection of his generous and kind spirit. Mr. Cutler said he had talked with Mr. Nakamura who commented that there was a need to receive value for value, which Mr. Cutler definitely feels the Board received in all Mr. Barr did in long hours for the centennial, helping the Friends group get their 501(c)(3) designation and he had gone well beyond what is expected of a Library Director.

### **MCEA – Jackie Sadler**

Ms. Sadler stated how grateful she was that the Council had kept the employees' needs at the forefront of the budget discussions. She realizes how difficult the last couple of years have been and she is happy to see things turning around. She commented that the MCEA likes the 3% COLA that the Mayor proposed in his budget. She understands that raising the tuition reimbursement, alternative transportation and employee discounts for the pool, golf and recreation center have also been proposed and people frequently ask for these benefits. She feels these items will motivate the employees. She noted the compression issues and thinks working out something in that area would be a good idea with a little more planning.

Mr. Shaver mentioned that the Council was aware of the issues with compression and he asked what her sense of employee morale was. He also asked what the employees would rather have as a whole between a COLA increase and merit increase. She responded that everyone wants an increase; therefore, whatever would result in more money for the employees are what they would like. Ms. Sadler said the 3% overall is good; however, she would like to see some merit for the people in the compression situation. She understands that it could be up to a \$10,000 increase for some people. Over the next couple of years to get these folks up to where

they should be through the merit would be good, especially if they are good employees.

Mr. Shaver commented that when employees miss raises for several years, it can add up to a substantial amount. He said that the Council wants the employees to know that they are respected and that it is their desire to help with salary the best way they can. He asked Ms. Sadler if she would be willing to come in and advise the Council and be part of the discussion. She indicated her willingness to help in any way.

Ms. Sadler mentioned that regarding the Employee Meeting to be held there were remarks about the Strategic Plan. She stated that it is her impression that most employees do not know what the Strategic Plan is. She wondered if there were a summary that could be sent out ahead of time, then it could be read through and questions asked at the meeting.

Ms. Wells said that there would be posters, and handouts to take and the mission statement would be on the back of tee shirts for everyone. This meeting is the first time roll-out of the Plan. Ms. Sadler noted that it is important to have time to process new ideas.

Mr. Brass added that the Strategic Plan (SP) was a process for the City to look at where it wanted to be in ten years. He pointed out that the reliance on sales tax can be tough, especially when it goes away, so this will help Murray determine how to vary the revenue stream. A big part of the SP is the Capital Improvement Program (CIP) that works with the budget to plan for buildings, vehicles, roads, pavilion roofs and other big ticket items. All of these issues are rolled into one plan that is clear in the presentation. Hopefully, it will make life better for everybody.

Mr. Hales expressed his gratitude for all the employees. He said his experience was in human resources for the last 30 years. An organization cannot function without employees and if the citizens are to be handled correctly, then the employees must also be handled correctly. The Council appreciates everything and the staff is the number one priority to get the City where it wants to be. The MCEA is a great association.

Mr. Shaver indicated that the Council has just looked tentatively at the budget. The Mayor and Administration had a chance to make requests. As a Council, they have met with department heads and will continue to consider budget issues until the end of June when the budget is adopted. He invited Ms. Sadler to attend Committee of the Whole meetings to report and coordinate with the Chair, Jim Brass.

Mr. Brass related that Murray employees make his job much easier and he is always amazed at how quickly things are done and answers explained. It does not go unnoticed.

### **Council Discussion**

Mr. Stam reported that at the CIP meetings there was a paradigm shift from how much can be spent this year to what the City can begin saving for in future years. It took many conversations for this to occur and he said that his philosophy was to fund IT first. When IT gets behind then every department also gets behind. IT must be kept current and that became a priority for funding. Another issue was regarding vehicles. He likes the idea of putting a lump sum into vehicles and then allowing the fleet department to determine and assess what needs replacing. The vehicle replacement plan was established to cover all departments.

The form the Council sees has two columns for "funded this year" and "2014." Mr. Stam

suggested that 2014 be removed and named "future" as it may not be funded the next year either.

The amphitheater roof was funded for only \$5,000 instead of full funding and if that is done then the next year the underneath part may also need funding. Therefore, Mr. Stam does recommend that change to the CIP.

Mr. Hales mentioned the incentive for the departments, and he feels that is a great idea.

Mr. Shaver turned everyone's attention to the Council Office Budget. He said he wanted to look at the Lobbyist and Consultant/service audits line items. He explained that the audit was a way for him to show proof that the Council was not getting real numbers. It never was his intention to beat up on a department, but by auditing that department one could see what was happening that was not being presented realistically. The Council's first responsibility is the fiduciary arm of the City. He feels that \$25,000 expenditure is no longer necessary and could be removed from the budget.

Mr. Stam said it could go into the CIP. Mr. Brass said that because it is in the budget, he suggests allocating it to the CIP.

Mr. Shaver asked for discussion on the \$40,000 for the lobbyist. Mr. Brass said at first he was not real sold on the idea; however, he admits that it is his feeling that the lobbyist has gotten \$3.5 million for the City. Mr. Hales asked if Murray might have gotten those funds anyway. Mr. Brass thinks that Mr. Fountain and Ms. Wells both have influence; but he thinks Dave Stewart also has influence. It would have been nice to get Mr. Nicponski's thoughts on this regarding influence on the hill.

Mr. Hales asked why the amount went from \$30,000 to \$40,000 from year to year. The \$30,000 was for a one time issue; however the \$40,000 employs him on a full time basis, Mr. Stam explained.

Mr. Brass said that the lobbyist got Murray \$1.5 million for 4800 South. For Winchester Dave Stewart secured \$1.5 million for the intersection. Mr. Stam said that the funds would not have normally been allocated for the type of roads we had. He managed to get the appropriation into the bill. Mr. Brass said that the funding was for regional roads and he argued that 4800 South was a connecting road to State Street with the hospital access being important. The return on investment for \$80,000 is great.

Mr. Shaver said that his opinion was, after speaking with former Council Members Jeff Dredge and Pat Griffiths, that the City has a lobbying arm and the ULCT. It was explained to him that the more voices talking for the City and about the City the better.

Mr. Brass commented that Mr. Fountain does a fabulous job and is an asset to Murray but more coverage is helpful.

Mr. Hales would like to have more reporting from Mr. Stewart. He agrees this has been a great investment. Mr. Stam said the City could have him do more. Mr. Shaver said that the Council could establish the tasks at the beginning and set up in the beginning. That gives him direction. Mr. Shaver would like to have the reporting done to the Council Chair because there is no other forum set up. Mr. Stam said that it went through the Council Director and prior to that it was through Jan Wells. It was done by both of them. That can be decided.

Mr. Shaver said that he would remove the \$25,000 from the budget. Mr. Stam suggested that before that money is gone, he would like to talk about a grant writer. If that money is saved up for a couple of years it could be used to compensate a grant writer. After money is coming in the salary would be covered, the difficult part is getting started.

Mr. Shaver asked if this is a Council function or that it should be put in another place. Mr. Brass said that the City needs a grant writer and he noted Murray's history of being fiercely independent. But with the need for a new City Hall and other capital requirements the City needs to look at other ways to raise money. Part of the resistance to grant writing is that there are strings attached to the money that comes in. You must be careful about that. The Police department goes after justice department grants and Ms. Dunn did that for Salt Lake City. Mr. Stam added that there were four grant writers for Police only with Ms. Dunn in Salt Lake City.

Mr. Shaver did not argue the need for a grant writer; however his question is whether it should be in the Council budget, the Mayor's budget or as a separate issue. Mr. Brass stated that the only way to carry over money is in the CIP or in reserves. It really does not fit into the CIP criteria.

Mr. Brass said that an Intent Document could be written, which was not done the previous year, and it could be stipulated to take \$25,000 for a grant writer that would benefit the entire City. Council Members agreed with the concept, Mr. Shaver asked Mr. Zollinger how to go about that.

Ms. Lopez mentioned that many grants take matching funds so a buildup of available money might be necessary. Mr. Shaver suggested that the CIP could be used for that. This is seed money.

Mr. Shaver adjourned the Budget Meeting at 6:15 p.m.

Janet M. Lopez  
Council Office Administrator