



**MURRAY CITY MUNICIPAL COUNCIL
BUDGET AND FINANCE COMMITTEE
Fiscal Year 2010-2011**

The Murray City Municipal Council met as the Budget and Finance Committee on Tuesday, April 27, 2010, in the Council Chambers, Murray City Center, 5025 South State Street, Murray, Utah.

Members in Attendance:

Krista K. Dunn
Jared A. Shaver
Jeff Dredge
Jim Brass

Budget Chair
Budget Vice-Chair
Committee Member
Committee Member

Member Excused:

Darren V. Stam

Others in Attendance:

Daniel C. Snarr	Mayor	Pat Wilson	Finance Director
Jan Wells	Mayor's Chief of Staff	Michael D. Wagstaff	Council Executive Director
Janet M. Lopez	Council Administrator	Gabe Johns	Finance Office
David Larsen	MIS Director	Janie Richardson	MIS
Jennifer Brass	Citizen	Blaine Haacke	General Manager, Power
Anne vonWeller	Public Services	Dan Barr	Library Director
Mike Terry	Human Resource Director	Frank Nakamura	City Attorney
Ron Koller	City Treasurer	Carol Heales	City Recorder
Doug Hill	Public Services Director	Tim Tingey	Community & Econ Dev Director
Rob White	MIS	Gil Rodriguez	Fire Chief
Pete Fondaco	Police Chief	Michael Williams	Courts
Brent Davidson	Recorder's Office	Craig Burnett	Assistant Police Chief
Laura Lloyd	Fire Department	Juliette Dorsett	Police

Ms. Dunn called the 2010 Budget Meeting to order at 3:00 p.m., and welcomed all those in attendance. She thanked everyone for going back through their budgets again, and her hope is to discuss, and gain ideas from all present. The format would be to go through each budget, after a brief introduction from Ms. Wilson.

Ms. Dunn excused Darren Stam from the meeting, due to out of town travel.

Ms. Wilson - Finance Director

Ms. Wilson clarified the difference between ILOT, and cost allocation. These are both payments made by the enterprise funds to the general fund. The *ILOT* is in lieu of tax payment, which is a set percentage amount from revenues, which are paid to the general fund.

The *cost allocation* amount was developed from an outside study done to determine amounts the enterprise funds should reimburse certain departments/budgets in the general fund for work conducted on their behalf (such as customer service and the treasurer). The cost allocation amounts received from the enterprise funds have been changed to be shown as revenue toward each of the associated budgets. Both the ILOT, and cost allocation amounts are roughly \$3 million, however, they are computed in two different ways.

Regarding the budgeting, in tight years, there is not much room for slush in the budgets. The purpose that day was to get the budget as close to the anticipated expenditures as possible, understanding that budgeting is not an exact science. If budgets are too tight, then the process of opening the budget, and going to the Council with a public hearing must take place to increase a budget. The other issue is that reserves may be tight, as well, so we do not want to rely on that option to make up for overages. The state says that the City may have between 5% and 18% of the next years budgeted revenue in reserves. You must have a minimum of 5%.

Ms. Wilson asked about the prospect of combining education and travel. Ms. Dunn stated that with the explanation given, it is fine left in separate line items. The travel will be used for overnight trips with lodging and per diem. Ms. Wells explained that for the present meeting, those items were combined.

Ms. Wilson referred to the Mayor's plan for the water department to purchase land from the general fund, stating that some of the property on the fixed asset list is not owned by the general fund. It is important to make sure the property being purchased is in the right fund.

Commenting about fuel, over the last year there was no across the board 3% or 5% increase in the cost of fuel. Where the pattern of usage was extremely underfunded, she tried to bring them up a little.

Ms. Dunn clarified that on the bond money, the idea was not to use it as an incentive to bring in construction, however, the incentive is more for infrastructure to get the downtown redevelopment started. It cannot be given to developers as incentive.

She also talked with Mr. Haacke and Mr. Hill about ILOT increases, and now she is only anticipating a possible increase from power, because, the other enterprise funds budgets

are fairly tight.

She stated that the Mayor's budget has put \$185,000 into the risk fund. There have been no discussions to alter that, however, it can be discussed. Ms. Wilson commented that the amount was a balancing figure to balance revenue and expenditures. Mr. Nakamura has had in the attorney's budget all the risk claims under professional services, although, it was spent in different departments. Ms. Wilson stated that liability comes from this risk management fund. Other Council questions stay in the attorney budget.

Mr. Nakamura indicated that according to the parameters resolution on the bond, infrastructure is not allowed either. The resolution can be changed, if necessary. Ms. Wilson stated that the bond does allow for reimbursement to the general fund for past expenses. Once it is paid to the general fund, it can be used however the City decides.

Mike Terry - Human Resources

Mr. Terry explained that the \$8,000 in professional services is to accommodate an employee appeal, should there be one. This would be for outside attorneys to come in and sit on an appeal board. He feels it needs to be included, however, it is quite possible it will not be needed.

Ms. Dunn explained that one of the things the Council has considered is a change in the professional services line items. Usage of professional services over the last five years has been analyzed. In some departments, this is used most of the time, in others, it is seldom used. The idea is to take an average of those monies, bump it up 15%, and place it in the non-departmental fund, with the Mayor overseeing the expenditures. It might allow the City to get an idea of the actual usage over the year. This would save the City \$130,000 per year. Lowering that savings to \$100,000 is what the Council might actually consider. She asked each department head to address that when they talk about their own department.

Mr. Terry explained that his \$499 in overtime will not be used. He gives compensatory time instead. Education and training of \$2,000 is for local HR training only, to stay current on legal requirements. One temporary seasonal employee is an opportunity that goes back a number of years to hire a mentally challenged adult to work for the City. Although, it is in the HR budget, he works at the Heritage Center. He feels that is a rewarding program.

Carol Heales - City Recorder

Under professional services, in the *recorder/purchasing* fund, \$2,700 is used for State Archives imaging for permanent records. The cost is for the medium it is put on. In *business licensing*, \$2,300 is for appeal hearings, which do not come up very often. If these funds are combined into one account, Ms. Heales would like the ability to see what her department has used, as she looks at a five-year history when budgeting.

No overtime is budgeted, and when necessary, she uses compensatory time for Tom Baker when he occasionally goes overtime.

The education and training budgeted covers national, state, and local organizations for records, and purchasing. The national level provides access to a website for all the resources

necessary. On the local level, it is used for conferences, which have been decreased from twice a year to once a year. She feels it is important to keep the staff trained, and learn from other agencies to maintain current processes for Murray.

Staffing levels included one part time person, who uses about 60% of her time as back up on business licenses, for lunch, sick leave, and vacation. The other part of her time is spent on sales tax adjustments, and she has established a very effective working relationship with the staff at the State Tax Commission, therefore, it is important to maintain that position. Ms. Wilson stated that a conference on sales tax was held, and it was pointed out that some cities are monitoring sales tax closely, and Murray is one of those. Ms. Willden just forwarded a report to Ms. Wilson that showed about \$40,000 collected by staying on top of state transactions.

Ms. Heales indicated that she has gone over every line item, using five year averages, cut what she could, and does not see where further cuts could be made, other than eliminating education and training, which she thinks is important.

Mr. Shaver added that the professional services line item is an insurance for things that might happen. He asked if she planned it that way. She confirmed that, except in records, where a study of City practices in records retention was done one year. That was a budgeted item approved by the Council. Ms. Dunn commented that it is very obvious when a particular study was done, as the amount jumps up. Many of those line items were cut a couple of years ago by the Council. She would like to compare to usage rather than the budgeted amounts.

Ms. Wilson stated that generally she likes the idea of one fund for professional services, but having the line item in each department makes it easier to match with the department. Mr. Dredge asked if, as needed, she could transfer to the necessary department for expenditures. She responded that she could not without Council action. She can change within a given department, but not across departments. Ms. Dunn wanted each expenditure to be tracked according to the department using the funds. Ms. Wilson said sub-accounts can be established within the account. Mr. Brass added that in order to balance the budget, it may be necessary to take money that may not be used out of certain line items. A single fund for professional services can be drawn from, and if it is short, the budget can be opened to take money from reserves. He does not want to cut people if there is a pool of money somewhere that is not going to get used.

Mr. Hill asked if his comments refer to general fund departments only. Mr. Brass stated that the enterprise funds pay for themselves, and the only point in changing them would be to free up money to increase the ILOT transfers to the City. This is a permanent fix for a temporary problem, and the Council does not want to hurt the ability of the enterprise funds to keep healthy reserves. However, the Council needs to look at everything until the sales tax revenue comes back up. At this time, there is no intention to transfer professional services budgets from the enterprise funds to one account. Ms. Dunn clarified that most of the discussions, thus far, are not in reference to the enterprise funds.

Ms. Wilson - Finance Department

In *finance* the professional services includes \$57,000 for the financial statement, which is done every year. Money for the payroll module, which will be used for an IT study instead, is

included at \$58,500, brought forward from the current year. There is a total of \$150,000. Two other studies are budgeted in finance, the OPED study for \$15,000, and the cost allocation study for \$20,000. By putting these studies in finance the cost allocation study will pick up these expenses, which are citywide, and include them in the spreadsheet numbers for these studies. The non-departmental fund does not become included in the figures for OPEB and cost allocation.

Ms. Wilson mentioned that some overtime is budgeted, however, it has not been used. She has had to have her accountants accrue overtime, and if there is not time to take time off, then when this is 15 months old, it must be paid out.

The education/training line item is for her to keep her CPA license, which requires 40 hours of CPE per year. She likes to attend the national conference because there is so much good information gained, however, it is at budget time and not convenient. It can be removed and she will get her training locally, and in St. George, which is for finance directors. At each conference, she can pick up 16 hours of CPE. Other hours are accumulated at a monthly luncheon meeting she attends. The total is \$3,320. She also likes to be in leadership, and is a board member for AGA, total expense of \$800. Within that training line item, she attends a risk management quarterly conference, and various training for \$1,400. Additionally, Ms. Wilson likes to have training for her staff, particularly payroll, accounts payable and accountants, to stay current with accounting law, which is a total planned expense of \$1,400.

Ms. Wilson stated that there are several reductions that can be made in finance: the travel can be reduced for the National GFAO training, in the amount of \$2,200; Small equipment can be reduced by \$5,000; books can be decreased by \$600; and the cost allocation study could be delayed, freeing up \$20,000, if necessary.

In *customer service*, expenses are fully funded by the enterprise funds. Any reductions in budget should logically mean a similar reduction in revenue from the enterprise funds. The overtime is for meter readers, who are sometimes called out after hours and weekends, as they are on call. This amounts to \$8,000. Education and training have been used in the past for ITRON, HTE, and possibly for new meters. That is \$1,700. A small amount of temporary/seasonal money is in the budget to help when someone is sick. This office needs to be available to the public 8:00 a.m. to 5:00 p.m., and when necessary it would be desirable to arrange for someone to come in.

Ms. Wilson said that the training of \$1,700 could be removed for one year, and the small equipment of \$3,000 could be decreased, for a total of \$4,700 for the department.

In *non-departmental*, it is basically a policy maker decision to reduce any items. The UTOPIA line item amounts have been itemized to reach the \$1,250,000.

Mr. Shaver asked how the temporary services are used. Ms. Wilson replied that she has not used it in the past. They have sometimes had to cancel vacation days to have coverage. It is a very tight department. She has some people with critical vacation that needs to be used, and it is a challenge to schedule the time off.

Mr. Brass asked why the meter readers need overtime. Mr. Koller commented that overtime is only utilized for reconnecting. When people call for a reconnect, the meter reader

gets the call through the power dispatch. He verifies they have the money for their bill, and will connect them, and collect the money when he is there.

Ms. Dunn asked for clarification on the cost allocation study. Was her suggestion elimination or lowering the amount? Ms. Wilson stated that it was already one year behind, and she would like to have it done, however, it could be postponed.

Ron Koller - Treasurer

The overtime in the Treasurer's office budget is for Heather Miller, who is generally five hours a day, unless Mr. Koller is gone, and then she will cover for him until after 5:00 p.m. when the money is balanced. That will run her time more than 40 hours a week. It is not used often. She is classified as permanent part time, receives benefits, but no vacation or sick leave. She worked full time while Mr. Koller was out with shoulder surgery, and that was when her overtime was accumulated. Rachel in finance is back up for Heather.

Mr. Koller is not planning to go to the national conference this year or the next fiscal year. That is a savings of \$2,200. He stated that he certified the previous year and will not need to certify again until after he retires. He will probably retire in about four years, and his certification lasts for five years. Mr. Brass asked what other benefits would be gained from attending conferences. Mr. Koller explained that the other training is to stay up to date on new operations or money saving ideas.

There is a line item of \$300 for credit cards and he has never had to use that, therefore, it can be eliminated from the budget. Along with that, the merchant services contract has gone out to bid. It is an item in all departments, which use credit cards, and when the new contract is awarded it will be a savings of more than \$50,000. This is mostly power, and smaller amounts for water, and sewer. Debit cards are the least expensive way to take payments, therefore, all departments are set up for that now. Growth is coming from the internet and IVR.

Due to online banking services, expenses for bank fees will be about \$5,000 more for the current year and next year.

Mike Williams - Court

The largest portion of professional services goes to constable services for prisoner transport. Video arraignment, and video pretrials are allowing the court to decrease some of that expense. Defense counsel does need to be present at the other end to represent the defendant. The sheriff's office charges \$10 more per case than the constable. The court does back charge, although, when that money comes into the general fund it is as court costs, and does not refill the line item. Interpreters are necessary, for pretrials, and trials, and at times there are substitute judge charges, and also the instructor for traffic school.

There is a minimum amount in overtime, however, compensatory time has been used instead.

Education and training includes: two mandatory trainings for the judge, and administrator, and the clerks go to one training, which is in St. George.

In staffing, there is one part time person, four hours a day, to archive the case documents. Mr. Williams stated that in line items he has a printer that he knows will be replaced this year. There is one car allowance.

For community service assigned, generally, the courts pay about \$10 per hour, the Murray court pays out \$123,000 a year, to nonprofit groups in the area.

Jan Wells - Mayor's Office

There is \$700 in the overtime budget that was formerly used for the legislature, however, compensatory time is given now, therefore, that can be removed. The education and training consists of the one week conference in St. George, and that budget can be reduced by \$500.

Regarding office supplies, Ms. Wells had requested \$500 more, although the previous year had \$2,000, and the mayor's office can get by on the \$2,000 it previously was budgeted.

Ms. Wells pointed out that she had made a list of points to consider when the retirement incentives discussion takes place.

Doug Hill - Public Services

Mr. Hill stated that he does not have any problem with all professional services being held in a centralized account, although, in building inspection, professional engineers are paid from that line item, and it would be very cumbersome to process all the invoices. All of those contractors are charged for the inspections up front, and a structural engineer is sent out. It may not work well for that item. Other professional services are in engineering, which has been reduced, and the park's amount is insignificant. Ms. Wilson confirmed that the building inspection line item can be renamed and left in the department budget.

In the general fund, Mr. Hill came up with more than \$800,000 in cuts that could be made. He does not feel that the Council will want to make all of these cuts, however, he put them forward to be discussed.

In *building*, one regular inspector, and overtime could be eliminated. Professional services can be reduced by \$8,000, even though, there is a little bit of a comeback in permits. That amount has been reduced from \$120,000 over the last three years.

Mr. Brass asked about the reduction of force under building inspectors. If Miller Development begins construction, and someone else, then would there be a problem getting inspections completed on a timely basis. Mr. Hill does not see that as a problem, or anything over the next year. Currently, the inspectors are doing catch up work for things that have happened over the last five years. They are in good condition, and although, he does not want to have to layoff an employee, it is a viable option, and services will not be affected. He stated that he is not referring to a plans examiner, as that is where there is sometimes a holdup. When the work starts coming in, they need the plans examiner available. Education and training has been reduced to only what is required for certification.

For the *streets* department, temporary employees can be reduced, and hours for the weed employee can be cut. Travel would be totally eliminated. There would be a reduction in

equipment maintenance. The street lighting accounts for the only increase in the department, due to costs of energy exceeding former amounts. He has shown a decrease, although, he does not feel that there will be an opportunity to absorb the rising expenses. The mulch account can be reduced, and he explained that it is a revolving fund. It is used when power, water, or a private contractor does a road cut. The fees are charged out and then reimbursed, however, for a general fund road cut, there is no reimbursement.

In *Class C roads* the \$125,000 payment will be made from the 2010 budget, therefore, it can be eliminated from the 2011 budget. It will actually be billed at \$106,000, so the excess can go back into the general fund reserve.

In *road construction*, the amounts for sealer and mulch could be reduced by \$100,000 each, leaving the bare minimum of what is received from Class C road funds as a reimbursement. Ms. Dunn asked if that greatly reduces the work for the employees. Mr. Hill responded that \$800,000 is quite a bit of repair work. Mr. Brass stated that there is a cost to putting off that work. Now is a good environment for construction, because the cost of materials is relatively low. Mr. Hill admitted that he would not want to do this, however, it could be done.

The *engineering* budget can be reduced by the amount of overtime budgeted, and eliminating a temporary employee, which is an intern. (This is for a summer intern to do some small projects, such as, pavement, and sidewalk management.) Travel, education, and training can be reduced except for what is necessary to maintain certifications. Professional services can be reduced.

In *Murray Park*, overtime and temporary employees can be reduced. Travel will be eliminated, and a reduction can be taken in maintenance of building and grounds, and small equipment. Education and training will be reduced to only what is necessary for certifications, and the tree planting program on the Jordan River will be eliminated. The safety program awards for employees can be reduced, as well. These are awards in the form of a luncheon, gift certificate, or prize to employees for safety achievements during the year. HR probably does not want us to eliminate that. Ms. Dunn remarked that these dollars are in departments where there can be significant injury, and the rewards are for people to maintain safe practices. The funds reduced in the Mayor's office were for citywide departments above and beyond what is done here. Mr. Brass commented that one loss time injury costs a lot more than the safety program.

Park Center reductions include reducing temporary employees, eliminating books and subscriptions, reducing public notices, and postage. Travel, and education and training can all be eliminated for this year. The notices are generally for flyers, and membership drives. Now there is more on-line, electronic advertising. It is not a problem to reduce here, as the entire budget has not been used in the past.

Recreation has one office position that is still in the budget, however, it has not been filled for six to eight months. This is the reduction in force shown on the worksheet. Currently, seasonal employees are filling in, because they cannot operate without another receptionist in the recreation office.

Mr. Hill explained that a reduction in public notices would amount to going to a quarterly insert in the Murray Journal, rather than every other month. Recreation staff felt that would not

affect the programs. Mr. Shaver asked what that notice is. Mr. Hill responded that it is the listing of activities that go into the Murray Journal, and is typically run opposite the Mayor and Council updates. It is a marketing piece.

Travel, education, and training would be eliminated. Postage will be reduced, and the Boys and Girls Club donation could be taken out. He does not recommend that, because he feels it is money well spent. Additionally, he included removing all the donations to various organizations made by the City.

Mr. Hill proposed to eliminate some programs in recreation. The volunteer coaches' banquet is one, because there is not great participation. That costs the City about \$5,000. The Easter egg hunt could be eliminated, due to the fact that there are a number of those for people to go to. The haunted trail would be eliminated. These are one time events, and the staff felt that for the amount of time, and money that goes into them, a huge impact will not be felt.

In *cultural arts*, Mr. Hill mentioned a reduction in production supplies. There could be some reduction in the amount of arts grants. Currently, \$12,000 are given to organizations like the Murray concert band, ballet center, symphony. He does not personally recommend this, because it helps these groups survive, and he would hate to see some go away.

In the Fun Days programs, the float could be eliminated, a reduction in advertising, and money given to Miss Murray for scholarship and float dresses, could also be decreased.

In the *Swimming pool* area, the staff feels that fewer cashiers can be used, reducing temporary employees. Mr. Hill discovered that the budgeted funds are not being spent in utilities at the outdoor swimming pool. He had Ms. vonWeller looking at this, and she found that Questar Gas has combined the billing with the indoor pool and it is all going into the Park Center. That is why that has gone up, and this account has gone down. Therefore, \$15,000 can be reduced from the outdoor pool.

Heritage Center hours can be reduced for the cook, and the temporary employees at the front desk. Travel can be eliminated, and one golf tournament can be canceled. There is revenue associated with that, so it is not a real reduction in budget.

At the *Cemetery*, some telephone and training expenses can be reduced.

That concluded the departments in the general fund under Public Services. Mr. Hill asked if the enterprise funds should also be discussed. Ms. Dunn replied that they would not address those at this time.

Tim Tingey - Community and Economic Development

Mr. Tingey reviewed the items professional services funds have been used for in the past. There was the UTA bus rapid transit study for \$21,000 a year ago. This is typically used for regional studies that the City participates in, such as the State Street corridor study. The armory building study is another project funded with these dollars. The City also participates in a marketing booklet as part of the ICSC conference using about \$1,000 through Economic Development Corporation of Utah. This line item has been reduced to \$10,000, which means the City will be limited in those types of studies.

On education, travel, and training, Mr. Tingey explained that sometimes there are opportunities for economic development possibilities, that make it necessary to travel. In the past two years, training has been eliminated for planning commission members, and board of adjustment members. He stated that he does not feel that is a good thing, he feels training is important for these people. There has been some local training, and that will probably continue with the remaining funding in the budget.

Regarding staffing, Mr. Tingey reviewed that he has two seasonal employees, one is the CDBG coordinator, and that funding is reimbursed to the general fund. He feels strongly that his staff is spread very thin with five sets of minutes every month, agendas, customer service, and a variety of other things. He has an office specialist working 19 hours a week and if he lost that person, it would be very difficult for his department. He thinks he could increase the time on that position and still be spread thin.

Line item reductions could be considered for the Chamber of Commerce, and Economic Development Corp. These have had reductions in the past, and they are important partners with the City. He would not recommend further reductions there.

In the Redevelopment Agency, Mr. Tingey reported that there is an opportunity for \$60,000 in reimbursements to the general fund.

Frank Nakamura - Attorney's Office

Mr. Nakamura stated that the risk fund has already been addressed and he appreciated Ms. Wilson's efforts on that. Other professional services items relate to conflicts, such as a conflict regarding land use, or specialties, like water. He has no problem with budgeting low and going back to a budget amendment if necessary.

Education and training will be done locally, and eliminate all travel. Although there is one travel item, to send Jen Francis to BCI certification for access to BCI. We cannot dictate where that takes place. Membership dues have been eliminated, except to the Utah State Bar.

Mr. Nakamura mentioned that in the past the RDA had its own attorney, however, now those matters are handled in-house.

Gil Rodriguez - Fire Department

The professional services are used for outside instructors, which is rare, however, the big item is the medical advisor.

Overtime covers vacation, training, and sick leave. Last year the minimum staffing was decreased, and it has actually worked out better than he thought. Public safety is like an insurance program, if there is an emergency, then everyone is needed.

Education and training has been reduced by \$1,500 in administration. The suppression, is the fire fighting training, and it has been reduced by \$1,500. Mandated training is for EMT and paramedic instructors, who must be certified.

Staffing in administration is Ms. Lloyd, the Chief's assistant, and a part time person

working 19 hours who covers lunches, and vacations. There is also a part time fire inspector.

Line item reductions include \$2,000 out of fire prevention, and \$1,000 out of arson investigation.

Ms. Dunn asked if these items are additional reductions, or taken out of the Mayor's budget. Chief Rodriguez confirmed these all to be additional reductions, totaling \$57,000. The Chief explained that when projecting budgets, we look at the past to anticipate the future. This can be scary in public safety, because when you need something, it is needed right away.

Ms. Dunn stated that VECC charges will be less than expected and budgeted previously.

David Larsen - MIS

Mr. Larsen reported that he has \$21,000 in professional services, earmarked among four different projects. One that can be delayed until the following year involves an imaging project to migrate off of that system, due to the age of the equipment. This will be a savings of \$4,600. There are storing services, custom programs, and professional research services scheduled.

In education and training about \$6,000 can be saved by two people not attending the software vendor's national conference. It would be better to utilize this conference after the City completes the IT study, and decides what direction it will take.

The requested \$35,000 blanket license fee for all ESRI programs can be eliminated, and use the current system costing \$26,200, saving \$8,800.

Pete Fondaco - Police Department

Chief Fondaco remarked that the \$11,000 in professional services is spent every year, and is for department physicals. Half the department is done every year, and they do the pre-employment psychological, and any polygraphs that need to be done.

Ms. Dunn asked if each person's insurance can cover it, and the City pick up the deductible. The Chief stated that because of HIPA the City cannot get the information. At times this is used to terminate people, if they do not meet the minimums. Mr. Terry stated that because the City imposes physical requirements, then it needs to cover the expense. It is required after years of service.

The overtime accounts were cut by 10% the previous year, and after checking minimum staffing levels, and flex time, there is an additional \$14,000 to \$15,000 that can be cut. These are over different accounts, and he will sit down with finance to work out the details.

Education/training was cut by \$7,000 the previous year, and the expenditures were \$14,700 out of a \$15,000 account. He is restricting out of state travel, although, there are some things that he must get out of state. He tries to restrict training to in the county, however, it is not much of a savings. Ms. Shaver asked how often the training must be completed. The Chief stated that by state law, officers must have 40 hours training per year to maintain certification.

That is for 77 officers, which impacts' overtime. There is some mandatory training that can be done at the Murray training center, but some flex scheduling needs to be done.

Mr. Shaver asked what the City requires versus what is required by the state, therefore, the officer needs it in order to keep the job. He wondered if the officer could be required to pay for some of it themselves, because it is a state requirement. Possibly the City could pay for half of it.

The Chief stated that it had never been handled that way, and he does not know if that is legal. The Mayor indicated that it is part of the officer's compensation. Ms. Dunn related that things like required training should be covered by the City. Sometimes there are special training opportunities that the officer desires to take, however, the City does not pay for it.

Under staffing, the department has cut five cadets reducing them to 15. The other temporary employees are crossing guards, and the Chief stated that he did not see how he could cut those positions. He did discover that the cadets payroll budget was over by about \$20,000, due to the way it was computed, however, Ms. Wilson has corrected that.

Additional line item cuts include some one-time expenditures, such as, desk-top computer replacement in the amount of \$5,000 for nine. There was an extra \$3,000 in uniform allowance. Laptop replacement can be reduced by \$5,000. Air cards can be decreased by \$1,200, and \$1,000 in cadet supplies. These are all new reductions.

Previously scheduled reductions are listed on page two, and include a record's clerk and animal control officer for reduction of force. These are ongoing decreases in the budget.

Mr. Brass asked who uses the air cards. The Chief responded that the whole department does. Also, Mr. Brass asked about the extra \$3,000 in uniform allowance. Chief Fondaco stated that when the department went to purchase cards for uniforms, some employees needed reduced amounts for shirts only, therefore, it created a savings in the budget.

Blaine Haacke - Power Department

Mr. Haacke gave some history on the ILOT amount. In 2007, the percentage was 2.2%, and in 2007, it was increased to 5.7%, which increased the contribution to the general fund from \$770,000 to about \$2 million. A one percent increase in ILOT will amount to about \$360,000. In order to make up for an ILOT increase, power could reduce: the reserve line item; capital expenditures; operations and maintenance line items; and change the rate increase scheduled for October 1.

Professional service has around \$150,000, and some of it is definitely needed. RATA testing on the turbines is mandatory in order to pass air quality stipulations, for about \$50,000. Continued emissions monitoring (CEMS) is also required, and costs about \$30,000. Those two items cannot be eliminated. Water testing, and well groundwater monitoring cost about \$8,000. Other costs include cost of service testing, customer surveys, and impact studies. Another \$30,000 could be decreased from that line item.

Mr. Haacke stated that the APPA dues are around \$60,000 per year, and the City is not

required to be a member of APPA. About half of the UAMPS cities are members. This could be eliminated. Mr. Shaver asked what would be lost by forgoing that membership. Mr. Haacke said that training comes from APPA, and they are a lobbying organization on behalf of the membership on carbon tax, cap and trade, and other such issues.

Overtime amounts to about \$170,000. Power is a 24/7 operation, therefore, a lineman, warehouse staff, and a substation tech are all on standby pay. Standby is not as high as overtime pay. He feels that a lineman must be on call at all times. The warehouse, and substation tech are only necessary six months of the year, and other times it would be strictly luck to find someone at home during an emergency. That could save about \$50,000 to take two off standby pay. This might amount to a 45 minute response time, rather than 20 minutes. Part of the overtime is for dispatchers who receive holiday pay on holiday weeks, when they work 48 hours. There are five people who do that.

About \$85,000 is allocated for travel and training. The required travel of \$10,000 would cover staff people who are on boards at IPA, and IPSA. The other conferences are supplemental, including the APPA national conference the hotline schools for linemen, computer tech schools in Washington and Oregon, and the UAMPS annual meeting. Mr. Shaver asked how many people would attend the UAMPS meeting. Mr. Haacke responded that usually about 5-6 people attend, however, it is an open invitation to the power board, Mayor, and Council members. Mr. Shaver suggested that maybe it can be limited to these groups, for example, two Council members could attend.

Mr. Haacke explained possible cuts in the capital budget, including: a relay test set, trucks, stumper, trailers, and radio upgrades, amounting to \$426,000.

A possible cut in operations and maintenance include the appliance rebate program for \$100,000. There is some pressure from Rocky Mountain Power to have this program, for residents to get rebate money for purchasing Energy Star appliances. The program could cost about half that, however, it is unknown. Public Power Week costs the department about \$15,000, and that benefits the citizens who attend. Power board expenses can be cut by \$5,000. Other items that could be cut are: department supplies, small tools, maintenance contracts, and miscellaneous expenses (including a scholarship program for a science student at Murray High School). Total cuts in operations could be as high as \$149,500.

Mr. Brass asked about the bucket truck, mentioning another entity that had two linemen fall to the ground when the bucket separated from the truck. The injuries were fairly serious in this event. Murray does not want to take a chance of something like this happening with an old vehicle. Mr. Haacke stated that the truck is 13 years old. It is tested every year. Mr. Shaver confirmed that it is one vehicle with the bucket, not something that is purchased and the bucket attached later.

Mr. Brass recommended that the APPA national conference and training not be cut for power staff, as those training sessions help to keep people alive. Working with electricity means employees are one mistake away from death.

Ms. Dunn suggested that if the ILOT is raised in power, then Mr. Haacke should have full leeway on making the necessary adjustments for that to happen. Additionally, she feels strongly that reserves should not be reduced, and she would prefer that the previously accepted

rate increase not be changed.

Mr. Brass asked for clarification of the rate increase. Mr. Haacke said a 1% increase amounts to \$250,000, and the 3% amounts to \$750,000.

Ms. Dunn stated that in police, VECC will cost \$33,000 less than the budgeted amount. It will also be lower in fire. The final budget has not been approved. Chief Fondaco stated that some cities are talking about pulling out the 911 money, so that might affect the budget, as well.

Ms. Dunn commented her appreciation to the department heads for their willingness to go back through the budgets and look at what could be done. The Council will deliberate with this information and come up with a final budget. She asked if anyone wanted to address furloughs. It is a one time savings. Department heads voiced agreement not to use that option.

Retirement incentives are not something the Council is rushing into, however, it might be studied with the administration. Chief Rodriguez offered that he had a person who just retired with 29 years of service. Now he has to hire someone with minimal experience. Ms. Dunn said that it is more complicated than just sick leave, and vacation leave payout. Mr. Shaver said that when you look at what it costs the City, and when the benefits would be recouped on retirement, it must be looked at seriously. Chief Fondaco has studied this issue, and he pointed out that it is only a benefit if the position will not be replaced for a given amount of time. Ms. Dunn explained that the Council has considered having a pilot program with one department to measure the benefits. Mr. Shaver suggested that each department might look at their area to see what positions might qualify for this type of retirement incentive. Ms. Dunn stated that the mayor's office, and finance have begun that sort of research.

Mr. Brass brought up the bond money and whether to use it for recurring expenses or one time expenses. He shared his thoughts on retirement and incentives, that become one time expenses. These are issues that cannot be solved by June, however, and the \$39 million in the budget will not be spent upon July 1. Looking at these issues for the first quarter of the year gives some breathing room, and time before decisions must be made. Also, at that time, there will be some sense of what is happening with sales tax revenue.

Mr. Haacke stated that just because some other cities are taking certain measures to balance their budgets, his hope is the Murray Council will not do anything that is not necessary. Layoffs do not need to be taken just as a signal to others. Mr. Brass confirmed that as long as he has been on the Council, it has done all it can to be fair, and helpful to the City employees. Everyone is operating in an economic environment that no one in this county has ever experienced with the challenges at hand. Speaking for himself, no one wants to see layoffs. Typically, the newest employees are laid off, and that can hurt in the long run, because once they are gone, retirements occur, and retraining must be done. There is a cost to layoffs. That being said, if the revenue does not come in, the Council must look somewhere to balance the budget. His own employer has laid off 30% of the workforce, and people wonder every day if they will be next. It is not a nice way to live. The Council will do its best not to have that happen. If the budget must be reopened, it will be done.

Ms. Dunn mentioned that Dan Barr was overlooked.

Dan Barr - Library

The library board has put together a balanced budget. Mr. Barr related to the group. His attendance that day was to gain accurate information about rumored cuts in the budget. He has assured his staff, and customers that he operates differently. Ms. Wilson explained that the library does not depend on sales tax funds. He operates more like an enterprise fund. He said that cuts in his budget would result in greater reserves. His use is up 12% over last year, and he feels an obligation to offer the level of service necessary. The library circulation this year will probably be twice what it was five years ago.

Mr. Dredge commented that he agrees with everything that has been said regarding taking care of Murray employees. One of the things that is on the table for the future is a property tax increase to help make up the difference. He stated his reluctance to look at that option before the dead wood is pruned. It is important to constructively, and aggressively look at what can be done to creatively get rid of positions that are no longer as productive. Chief Rodriguez stated that if people are going to be eliminated, he would prefer to have a retirement incentive, and take people off the top. Mr. Dredge noted that all options are to be considered, he does not lean any certain direction, everyone needs to be creative, and think outside the box, recognizing that going to citizens means every thing else has been done. The level of service cannot be maintained without going to the citizens.

Krista mentioned her oversight of the Council budget.

Mike Wagstaff - Council

Mr. Wagstaff pointed out two areas that could be trimmed. One was professional service. There is \$50,000, of which \$10,000 can be cut, for the lobbyist. The additional \$1,000 is for a facilitator for joint policy retreats in the future.

Education/training is directly for Council Member training, and needs to be budgeted according to what training is important to them. Money is allocated for the Utah League of Cities and Towns (ULCT) conferences, and for the National League of Cities. Historically, that has not been attended, so it could be trimmed.

Mr. Brass commented that at the national level, it would not hurt to get to know the legislators better. His feeling on the ULCT is that the meetings become redundant, after being around for a while. He would not mind skipping a year of those conferences to save money in that budget.

Ms. Dunn mentioned that the professional services could be left at \$1,000 and a line item should be created for the lobbyist, in order to be transparent. Mr. Brass added that the line item should not be immune to cutting, as well.

Ms. Dunn thanked everyone for their efforts and help, and encouraged phone calls on any additional information that department heads wanted to share. The meeting was adjourned at 5:10 p.m.

Janet M. Lopez
Council Office Administrator