



**MURRAY CITY MUNICIPAL COUNCIL
BUDGET AND FINANCE COMMITTEE
Fiscal Year 2011-2012**

The Murray City Municipal Council met as the Budget and Finance Committee on Tuesday, April 5, 2011, in the Murray City Center, Conference Room #107, 5025 South State Street, Murray, Utah.

Members in Attendance:

Jared A. Shaver	Budget Chair
Krista K. Dunn	Budget Vice Chair
Jeff Dredge	Committee Member
Darren V. Stam	Committee Member

Member Excused:

Jim Brass	Committee Member
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Others in Attendance

Daniel C. Snarr	Mayor	Pat Wilson	Finance Director
Mike Terry	HR Director	Jan Wells	Mayor's Chief of Staff
Janet M. Lopez	Council Office	Gabe Johns	Finance Office
Dan Barr	Library Director	Janie Richardson	MIS
David Larsen	MIS Director	Rob White	MIS
Ron Koller	City Treasurer	Tim Tingey	Comm/Econ Dev
Blaine Haacke	GM Power	Greg Bellon	Power
Ken White	Power	Charles Crutcher	Power
Zachery Fountain	Mayor's Office	Scott Stanger	Engineering
Anne vonWeller	Public Services	Kim Sorensen	Parks
Dave Carruth	Golf Course	Gary Healey	Golf Course
Susan Gregory	Heritage Center	Lane Page	Cemetery
Russ Kakala	Streets & Storm	Craig Burnett	Police
Joe Tarver	Police	Juliette Dorsett	Police
Gil Rodriguez	Fire Chief	Pete Fondaco	Police Chief
Michael Williams	Court Administrator	Daren Wightman	Fire

Chairman Shaver called the Budget Meeting to order at 8:32 a.m. and welcomed those in attendance.

Pat Wilson

Finance Introduction

Ms. Wilson passed out the latest sales tax information showing a 10.7% increase over the previous year. With these results projected out, there is a possibility to make \$11 million dollars in sales tax revenue. We will have the hold harmless amount of \$12.2 million from the state. She feels better to see those numbers increasing.

Mr. Shaver asked if she had any idea why the sales tax would have increased in January. He wondered if it was caused by any specific area or across the board increases. Ms. Wilson did look at the auto dealers; however, she has not analyzed Costco to determine where it has come from. Nordstrom and Fashion Place Mall are the other big contributors. She will make time to consider that and report back.

On beginning the budget review, Ms. Wilson explained that the budget books have total revenue of \$38,227,302, and expenditures totaling \$39,146,267. The \$918,965 overage will come from reserves. Reserves are at \$7.5 million currently.

No early retirement incentive numbers are reflected in the budget figures. Those employees taking the retirement offer are currently funded on a line item in the budget as if they are going to be here for the full year. No savings have been anticipated, and it is still more than a week until the retirement letters are due. Finance has a spread sheet with all the people who are potential retirees, and as they give a date it is entered with a payout projected. A few potential retirees will cost more than their line item on the personnel sheet. This may amount to two or three people. Additionally, there may be expense for staff to act in place of a retiree, and no figures have been included for that.

Mr. Shaver stated that the Council and Administration are aware of this occurrence, and have discussed the use of reserves to cover additional amounts.

Some of the most recent budget changes do reflect the following adjustments:

- UIA capital assessment costs reduced by \$260,000. This will be covered by bond proceeds. Mr. Dredge asked if the reimbursements from bond funds are included. She indicated that they are accounted for, with \$1.74 million remaining in the budget for the debt, legal fees and dues.
- Cost allocation study has been delayed; therefore, the past spreadsheet numbers will be used again. Some of the amounts are 25% of HR, 43% of attorney, and all of customer service. This is based on a percentage of budgets and as these budgets decrease the payment amounts from the enterprise funds need to be decreased, as well. It was a decrease in revenues of about \$77,000 from the cost allocations. The total of cost allocations is \$2,664,937. That number does change as budgets change.
- Payment in lieu of tax (ILOT) from the enterprise funds is a percentage based on last year's revenues. It has decreased by \$248,094 from the previous year. The total is \$3,093,274 and is a firm number.
- Changes to the credit card expense have been necessary, as it is used more. The increase in expenditures is about \$41,800. Mr. Dredge asked if that has reduced the bad debts incurred by the City. Ms. Wilson believes that it has, because the risk is transferred to the credit card company.
- Fuel expense has been adjusted to keep up with rising costs.
- Overtime expenses had been reduced previously; however, it became clear that overtime expense is necessary. Line items have been increased by \$9,000 to be more realistic.

- MIS had a capital line item that was decreased by \$63,700 leaving \$53,700 for that expense.
- A health insurance increase was expected, and \$172,000 was budgeted; however, this has been reduced to \$109,890 for the General Fund, and \$152,913 citywide. This amounts to an 8.8% increase. The City is funding that, not asking the employees to pay more on their portion.
- The retirement expense has increased by \$28,231; citywide increase is \$54,672, which will be funded by the City.
- By analyzing the retained risk fund, Ms. Wilson determined that \$100,000 could be reduced from the non departmental fund. A total of \$425,000 will be moved into retained risk to show all costs in one fund. This covers the self insured part, property damage, and insurance costs. We actually pay about one million per year for these expenses. (In March, about \$600,000 had been spent in the current fiscal year.)
- This budget does include the fire department air packs in the amount of \$283,596. Also, a line item for \$8,200 in laptop expense is in their budget.

Ms. Dunn asked about the possibility of leasing air packs which was mentioned in the budget worksheets.

- Leasing is another topic for discussion. Ms. Wilson explained that the City has the downtown bond proceeds and the General Fund have not been reimbursed for anything, as allowed. She has suggested that the fire truck, three ambulances, and the paver leases be paid off from the bond fund. The fire truck lease was due April 1; therefore, bond proceeds have been used to pay that off, freeing \$211,000 in line item expenditures for the next three fiscal years. The ambulances are due in August, which will save about \$140,000 per year, if those are paid off by the bond, as well. It takes a total of \$1.2 million to pay off these leases. She expressed the thought that it does not make sense to pay off leases and then enter into another one.

Mr. Shaver asked for more clarification of these expenses. Ms. Wilson added that the paver is expensed in the Class C roads, so this is really a change of the \$74,000 expense, which must still be used for roads, possibly in mulch or some other item. Mr. Shaver asked for a recommendation on Ms. Dunn's question on whether to lease the air packs. Ms. Wilson feels that it is best to purchase them. She is not sure about the market rates on leases and what could be obtained at this point in time. Some lease holders are no longer in business. Some have been through Wells Fargo or Zion's Bank.

Mayor Snarr mentioned that the air packs are a safety issues, and no Council members questioned the need for those items.

Ms. Wilson expressed some items not reflected in the current budget numbers.

- Fee increases suggested by the fee committee amounting to \$190,000.
- Workman's Compensation has not been adjusted. The City has decided to stay with the same company, but the premium amount has not been detailed. She

thinks it will be about \$3,000 more. Mayor Snarr reported that the City has some long term claims that are making the premiums higher.

- The early retirement incentive has not been reflected in the budget.

Ms. Dunn asked how many employees would retire if there were no incentive. Mr. Terry responded that maybe six people would retire within the year regardless of any incentive.

Ms. Wilson made some general comments about the budget as follows:

- There are no vehicle purchases in the budget or road expense past the Class C allocation of \$1.5 million.
- No employee pay increases are planned other than Career Ladder expense of about \$24,000. Ms. Wells mentioned that these increases have not been paid until January.
- The City will fund the health insurance increase of \$152,913 citywide.
- The City will fund the retirement increase of \$54,000 citywide.
- No additional funding is in the budget for City Hall maintenance.
- The Cost Allocation study is in the finance budget for FY12. It is \$20,000.
- Boys and Girls Club contribution has been moved from Parks to non departmental.
- She would like to look at the enterprise funds' reserves and how much is planned to use.

Mayor Snarr **Budget Addendum**

Ms. Wells distributed a new Budget Addendum with some changes from the one in the binder.

Mayor Snarr detailed the expenses on this addendum, which prevents the City from holding public hearings throughout the year for contributions that continue from year to year and can be anticipated at this point. Most of these items have been on the addendum for many years; however, there are some new items for consideration.

- Employee bonus for \$60,000, because no raises have been given.
- Employee appreciation day for \$1,000. It can be in non departmental.
- Additional time off is being requested for Friday, December 23, to go along with the regular holiday on Monday, December 26. He would like to close early at 3:00 p.m. on December 31, for New Year's Eve.
- An additional day of floating holiday is being suggested for a total of 24 hours. There is no dollar value or overtime associated with this item.
- There are a number of grants the City anticipates receiving, as well as, arts grants recommended to non-profits that are listed here.
- The strategic planning consultant money was in the Council budget, however, he asked about putting that in non departmental and pulling it out as it is utilized in hiring consultants for this purpose. It is for citywide benefit. Mr. Shaver indicated that it can be considered, and the Council would like to discuss it.
- The Library Food for Fines Week. This is waving fines, not an actual expense.

Pat Wilson **Fee Committee Report**

Ms. Wilson distributed the Fee Committee Report with a summary page. The committee began in November and members of the committee are listed in the report. Ms. Wilson and Mr. Tingey co-chaired the group. All members were given a four to five year history of fees and charges in the General Fund. These were separated and assigned to a committee member. A couple of months were spent in meetings and discussions, reporting on research, and considering how recently changes had been made to specific fees. Comparisons to other localities were completed and reported. At the end a summary was put together to show what increases in fees could potentially be taken. The fee report includes the criteria used to look at fees, and the summary was sent to the Mayor for his recommendations. Ms. Wilson noted that the committee tried to avoid impacting Murray residents too much. They attempted to make the fee structures competitive and also show justification for increases. The Mayor has chosen about half of the fees to be increased, coming to a total of about \$190,000 projected out over the year.

One fee not selected to pursue at this time is a street light fee that would realize about \$290,000. A fire department ride along fee was not included. Legal is looking at the report. Because of recent legislative action, the committee was careful in determining that fees are not just increased to produce revenue, but have cost justification for increases.

The Mayor clarified that most of these expenses affect people coming into the City to do business. Some cemetery fees are included, but that will not last long, as there are not many lots left. The transient room tax could go as high as 4%, but the recommended 1.5% matches most other surrounding cities.

Mr. Shaver mentioned the idea that some folks buy cemetery lots and then sell them to someone else, because Murray's are so much less than others. The Mayor and Ms. Wells both stated that there is not much that can be done to prevent that. Ms. Wells mentioned that there are only about 100 lots left. Ms. Dunn suggested removing one of the roads to create space for more lots. And she believes the City should consider stacking as a practice.

The Mayor mentioned that the time will come when he recommends a charge for street lighting. Many other cities already charge for that. He will propose to raise enough money to cover the power that comes out of the general fund, and also aggressively pursue more lighting above 900 East, and go greener in existing areas. Riverton charges \$5 per month.

Mr. Dredge commented that the street light near his home was just removed. He wondered if he would still be charged a fee for lighting. Everyone would be charged the lighting fees because they benefit as they drive through the neighborhoods within Murray.

Mr. Shaver asked if the Council could make additional fee suggestions based on the report of the committee. Mayor Snarr responded affirmatively, and stated that the one fee to come before the Council would be the transient room tax. Other fees require only the Mayor's approval to increase.

Ms. Wilson mentioned that the committee members have discussed these options with all the departments.

Murray is very low on pavilion rentals, as well, and we are always booked. We are more than reasonable Mayor Snarr pointed out.

Mr. Dredge asked that the Committee members be thanked for their work on this effort. He appreciates the information.

Benefits Committee/ Retirement Incentive

Mike Terry

Mr. Terry mentioned that he was the Chair of this committee and served with staff and department heads on this effort. They looked first at the benefits received, considering first retirement and insurance. Tuition is relatively small, cut in half last year; therefore no action was taken on that. Safety awards were already eliminated.

The retirement incentive was announced, and there are currently 22 people who have committed with dates, another six have indicated a desire to retire, but have not given a date. Eighteen of that 28 are General Fund employees, and another 10 have said they will probably take the retirement incentive. This brings the number of retirees to the mid thirties.

The philosophy of the benefits committee in determining the dollar incentives was to address the health insurance costs. The approach was to help with additional cash to pay early retiree insurance, which is the time between retirement and age 65, when one can go on Medicare and becomes ineligible for City insurance. A smaller dollar amount was offered to older people to get them to age 65. A person 63 will receive a \$25,000 incentive and a 60 or under person will receive a \$50,000 incentive. Another question was what would incentivize a higher earner who is older? This is where the six months salary figure was added if it was more than the other amounts. This did capture most people that were interested in retiring.

Mr. Terry put together a worksheet that will be completed for each retiree to demonstrate the savings to the City. He created three different examples. The first one is a police officer, with grade and fund. The worksheet shows the annual salary, benefits, and total of \$89,284. His total payout is the incentive of \$45,000, sick and vacation payout, giving a total of \$50,711. Initially, in the first year, the City will save \$38,573. Because he will not be replaced, ongoing savings will be \$89,284.

The second example is for a Records Supervisor who will need to be replaced. Salary and benefits are \$80,996, and retirement payout is \$50,442, for an initial savings of \$30,574. Because she will be replaced with another employee, who will get a raise of 10%, based on a four grade jump. The new salary and benefits for the replacement would be \$79,306. This would leave an initial savings of \$23,364. Because that employee will not be replaced, going forward the ongoing savings will be \$73,786 per year. This would leave an Office Administrator III position vacant.

The third example is more complex with a series of two promotions to replace the retiring employee. This is the Operations Manager in Power. If you take his salary and benefits, subtract the incentive and sick/vacation payout, an initial savings of \$54,538 is realized. By replacing with a worker who receives a 10% increase of \$12,411 and that employee is replaced by another person who receives an increase of \$10,451, and then the total initial savings is reduced to \$31,676. The ongoing savings created is \$122,958 per year with a journey lineworker position left vacant.

This sort of worksheet will be produced for every retiree, demonstrating the savings to the City.

Mr. Shaver thanked Mr. Terry for his work on this. He realized the task of figuring out the people and where they will go. He understands that there will be adjustments made, and the Council will not hold him responsible for the shifts that will be made and how it affects the budget.

Mr. Terry related that the committee discussed health insurance. There was overwhelming support for PEHP, our current provider. They came to the City with a fairly high quote and then came back with a more acceptable proposal, possibly taking money from their reserves to keep Murray. They have renegotiated a couple of contracts with IHC and the increase came down to 8.8%. He noted that about 2% of that is for health care reform that was mandated implementation. He said that we came in well, based on our claims and the age of the City population.

Mr. Dredge asked if this takes into consideration that we have the retirements and older employees will be leaving. Mr. Terry responded that because they will still be on our health plan, as retirees, our claims will probably remain about the same. They do pay a higher premium as retirees.

Mr. Terry mentioned that one concern for Ms. Wilson is the cost and potential future costs of the OPEB (Other Post Employment Benefits). Part of the retirement incentive was a disincentive for those who do not retire within the offered window, because the City will discontinue payment of the City portion of the health care plan. That will reduce most of the OPEB, which does affect the City health care insurance rates. The costs will trend down. Ms. Wilson stated that the liability will still exist.

Mr. Dredge asked if sick and vacation pay carried forward was looked at during this process. Mr. Terry responded that these benefits are the next task for the benefits committee. A paid time off (PTO) may be a potential change that will be addressed within the next couple of months. Mr. Shaver stated that the Council has great interest in what the committee comes up with. Mr. Terry expressed that there are an infinite number of options with sick, vacation, short term disability, accrual rates, and how to convert what employees currently have. Much discussion will take place. Mr. Shaver said that he has a problem with a benefit given as a measure of good faith versus a cash reward. It seems that a good faith measure has been turned into a cash measure and that is what he has difficulty with. When the City says you have this as a benefit and the staff does not take advantage of it that is not the City's problem. Ms. Dunn said it is like the floating holiday idea. One either uses it or loses it.

Reorganization/Employee Meetings

Ms. Wells

Ms. Wells remarked that the retirement worksheets roll into a bigger picture, which is the reorganization. The administration recognizes that with the retirements the City will lose much institutional knowledge. Replacement prospects and ways to get the work done using a different approach will be considered. It gives an opportunity to look at the organization as a whole and take advantage of this situation. The administration would like to hire HR specialist Jill Carter, who worked on the office administration study and other past projects, to help work through the process. Ms. Carter is tentatively scheduled to come on April 19 to begin the reorganization. She related that Mr. Brass would like to represent the Council. Mr. Shaver stated that Ms. Dunn expressed an interest to be involved in the process. Ms. Wells said that Mr. Brass would like to attend the initial meeting and Ms. Dunn is welcome to come, as well. The meeting is at 9:00 a.m. He probably will not be present for all the day to day work. The goal is to have the work accomplished and laid out by the end of May. The budget is difficult until then. As the reorganization is completed, job descriptions changed, and positions reordered, some hiring adjustments will be made. She anticipates that by the first of September everything will be ready. All changes will be brought to the Council for codification as reorganization takes place. Mr. Shaver clarified the timeline for these events and expressed the Council's willingness to work with the administration throughout this process. Ms. Wilson stated that the budget will have to be looked at again at that time.

Ms. Wells passed out a copy of the first edition of the new Employee Update. It was just sent out and plans are to do this on the first Monday of each month and hope that the information related will be helpful.

Timing on another employee meeting has been discussed; what to tell them and when to do it is undetermined, Ms. Wells explained. She wondered if it should be held when the budget is to a certain point. Mr. Shaver said that his concern is not so much the budget as that there is so much happening. What will occur with the retirements and reorganization? He feels sure employees have these questions. The examples with available positions would be important to them. He thinks that when the reorganization is completed at the end of May could be a good time, because there will be answers to some of the questions. There was continued discussion on the best time for an employee meeting. Ms. Wells said that the department heads are informed at weekly meetings, and more information can be disseminated through the newsletter. Ms. Dunn suggested the possibility of a Council message in the newsletter too.

City Treasurer **Ron Koller**

Mr. Koller mentioned that some education and training will be necessary for those people filling vacant positions. Some of the retirees will try to help their counterparts through the process. Conferences where employees meet with other people who do the same job elsewhere have been one of the best ways to learn.

There was some discussion about the institutional knowledge that will leave with the retirees. Everyone agrees that it is a great loss.

Mr. Dredge suggested that beginning a documentation process of job knowledge is an important thing for these retirees to do.

Mr. Koller pointed out that the education, training and travel line items have been reduced to zero, and he sees that as a problem going forward. Bank fees have increased, however, he found an offset where the bank was charging 15 cents per item and it was negotiated down to two cents. This offset other expenses by almost \$10,000. The credit card usage is up 156%.

MIS **David Larsen**

Mr. Larsen mentioned knowledge transfer and the beginning of GIS fourteen years earlier. It started just to capture that information. GIS saved the City \$4 million on one law suit on irrigation, and made possible other things for economic development in modeling water lines and measuring sewer capacity, for example. A document management type of system for a depository of records and information that can be utilized across departmental boundaries is something he has suggested to the administration. This can capture things that happen every day and routine processes. This is tool for future investment.

Capital items in the MIS budget are just to handle growth and pressing critical needs. Currently, the police video is not being backed up to tape. There is not enough space or time. Even over the weekend only about 34% can be completed. The system is on disks that replicate each other but if the building goes flat there is no external storage. The records part is backed up.

The data to disk duplication allows backup of large quantities of data and storage. Wireless switch replacement helps with some improvement of wireless use within the City.

Network switch replacement is to update equipment that is more than seven years old. Additionally, some GIS expansion has been requested.

Mr. Dredge asked Mr. Larsen for his view on some of the backup appliances that are now available, virtual drives rather than tapes, such as, data going to virtual drives that are uploaded to the cloud, offsite. Mr. Larsen said some preliminary tests going to the cloud had been done. The pipe to the cloud, even at 15 meg is 100 times slower than the internal speed of a disk, one to another. A staged storage strategy with important data backed up daily by disk can be replicated very quickly, and then get regular storage back on line. From there you can take your time to backup on tape or burn off to line storage, CDs or DVDs. The cloud can take a while, depending on the connection that one has. The state has fiber that is used to go from the Richfield facility to the capital. That is a dedicated fiber line, not just an internet connection. Many different things are happening, and the department is keeping up on developments. Mr. Dredge stated that he has read that tapes are going the way of the dinosaur, therefore, continuing to invest into that may not be good. Mr. Larsen said some appliances are very fast, although, they are usually for organizations larger than ours. He said tape is good, and the state has said Murray can use its remote facility. Pricing has been revised and it may be good to look at that again. Mr. White added over the last couple of weeks the internet was up and down; had our data been saved to the cloud, we would not have been able to retrieve it. While the internet was down, our servers were still up, and our data is stored here. The internet was out for up to three hours once and a second time for one and a half hours due to UTOPIA and Xmission. The backup appliance takes the place of that, Mr. Dredge commented. Mr. Stam asked if the extra space at the 5900 South fire station could be used for an offsite server. Mr. White and Mr. Larsen agreed but extra equipment would be necessary.

Mr. Larsen said to support the new releases of GIS, we need to replace that infrastructure and get it operational. Ms. Richardson said that the current release is GIS 10, which operates best on Windows server 2008. We need to upgrade to that, and ArcView licenses have been shared from one person to the next. With the upgrade that will no longer be possible, as they are tied to one machine.

Mr. Stam asked about one comment made by Ms. Wilson regarding cuts in this area. She confirmed that the original capital request of \$117,400 had been decreased to \$53,700. That was confirmed as correct.

Following a ten minute break the meeting resumed at 10:10 a.m.

Community & Economic Development Tim Tingey

Mr. Tingey informed the Council that a lot of different issues are occurring in his department currently. He is comfortable with the budget plans although there are some dynamics that will need addressing. Fireclay is really starting to heat up with Hooper Knowlton's project, Fireclay Villages closing this week, and the Mike Brodsky modifications. Dealing with these matters will be additional work for the department. Three years ago there was an outside consultant who did all the reviews of projects, which has been eliminated. He feels his staff is doing a good job on the reviews.

The big project on the horizon is the downtown. With the ordinance completed, the extension and expansion addressed, now is the time for proactive promotion and recruiting of economic development in that area. The time starts ticking and he wants to get valuable projects there as quickly as possible for redevelopment opportunities.

He expressed his excitement about the possibilities, but also, he has small concerns about the capacity issues in his department. In the past two months one employee had some need to provide some additional income for his family, and he has taken a part time job and cut back in Murray by 20 hours per pay period. He does most of the backup in the RDA. He has only three full time employees, including himself, in the department. There are two three-quarter people and two seasonal employees. He feels like he can make things work; however, these are issues in capacity going forward. They will need to be creative, efficient and effective in the work that is done. He wanted the Council to be aware of these things.

Mr. Shaver asked if Mr. Tingey feels he will need another full time employee. He does not think so at this point. Mr. Tingey is comfortable with the budget now, but in the future, or the next budget year, it may be a talking point. Mr. Shaver asked if he would have a better idea about it by September. Mr. Tingey said it depends on how quickly some of the issues are worked out at Fireclay, and on the downtown because there is interest out there. Mr. Shaver commented that although he is not speaking for the Council, he feels that when the department is contained, creating a bottleneck, it puts pressure on the employees and opportunities are missed. The Council wants to be proactive and not reactive.

Mr. Tingey said that the RDA funds do provide a little more flexibility with capacity issues than in the General Fund. His department will work as hard as they can to be proactive.

Mr. Dredge asked if it is an option for one of his part time people to become full time, and what the incremental cost for that is. If it is necessary to ramp up, with all the investment on the City's side, he does not want any roadblocks for people to commit. Mr. Tingey has looked at that and he can study it closer, but now he is comfortable with the budget as it has been recommended by the Mayor. Mr. Dredge stated that economic development will heal a lot of problems for the rest of the City. If it looks like a choke point is coming, he wants to act first.

Mr. Tingey said in the General Fund he had proposed a five percent reduction, as was discussed in the Service Level Report. Two big issues are the Chamber of Commerce reduction proposed of \$2,200. In 2010 the budget was \$25,000, and this fiscal year would bring them down to \$20,000. Scott Baker says he can live with this. He is proposing a reduction of \$12,000 to the Utah Economic Development Corporation. He has not talked with them, and he is comfortable with the recommendation. Grants have been scaled back significantly and this will help to continue with symposiums and minor marketing materials. A lot has been developed in marketing materials over the last three years; therefore, we can hold off on doing more at this point.

Mr. Shaver related that the Council is interested in reducing paper. Where there is mention of public notices, and office supplies, Mr. Shaver wondered if it can be done electronically, as recommended by Azimuth. Mr. Tingey responded that some of the burden will be put on the RDA for office supplies and things. He struggles with the amount of information that is necessary for the Planning Commission and Board of Adjustment, and he does not want them to have to print it out from an electronic version. The possibility of laptops has been discussed but he has not decided to move that direction due to the expense.

Ms. Dunn mentioned the problem with receiving these large files by email due to limits that are imposed. She advised that she cannot receive most of them. Mr. Dredge said that the IT department should be able to set up a site where these can be downloaded. There was more discussion of that on plan review documents.

Mr. Tingey did put in some capital item requests for the FY 2013, 2014, and 2015. For example the downtown parking structure and other items have been noted as place holders for

capital improvements. A General Plan update needs to be addressed, and Mr. Tingey would like to do much of that in house. The last one cost \$150,000 by going outside. It will affect capacity, once again.

The RDA budget projections show increases that have been built in from areas where money has not been spent in the current year. In the Central Business District (CBD) we are increasing travel to promote opportunities for economic development. Professional consulting services have been increased for anything that may be needed. An increase in City Hall expenses is to pay back some of the burden the RDA puts on City Hall services. There is a large decrease in land acquisition because property has already been purchased.

Addressing other budgets Mr. Tingey commented that there is no budget in Fireclay, East Vine has only an increase in professional, and there are a couple of public projects that can be ramped up with public services. Cherry Street has some increase in professional and travel. The Smelter Site has the sales tax bond reimbursement, and low income housing, which are items that we need to be committed to. A professional increase is to cover unforeseen costs in the housing side of things or if the bond amounts change. The \$104,000 was determined by the carry over, the 20% we must have based on the request to the county, and the amount of bond proceeds that are built in to a schedule that we pay, and it is the leftover.

Power

Blaine Haacke

Mr. Haacke stated that the budget is very close to the previous year, with the exception of cutting the 5%. This will be taken through labor with two retirements and one departure. The salary and benefits came to about \$400,000.

The budget is \$35.4 million. It is a balanced budget with no cost of living increases. It is a 5% reduction from last year's budget, not only due to labor, but also by fine tuning the resources. He projected resource costs to decrease about 1% because of changes to the call back from IPP (Intermountain Power Project). The decision was made to not call back a 24 hour 7 day a week resource, and pay for those costs in the low load hours. Some on peak market power was purchased at substantially less than the 5.4 cents/kWh from IPP. Projections show that there will be surplus energy on the market.

There is a 3% general rate increase in October, based on Council vote about 3 years ago. This is the last increase scheduled. Rocky Mountain Power is dealing with a 13.4% rate increase across the board.

Mr. Haacke explained that about 30% of energy sales come from residential, 55% from large commercial, and 14% from small commercial. He projects about \$34 million in metered sales revenue, and another \$1 million from wholesale power sales, REC (renewable energy credits) sales, impact fees of \$75,000, and pole attachment rentals from Qwest and Comcast.

The majority of the line items are the same as the previous year. City Hall services are \$1.3 million, which is \$63,000 less than last year. Debt service is \$2.3 million and refinancing some bonds will save a little. That will be presented to the Council soon. The in lieu of tax (ILOT) transfer is about \$2.3 million that is the 6.8% it was raised to last year. Power is projecting \$500,000 into reserves at the end of the year.

Ms. Dunn asked if \$500,000 was put into reserves the past year. Mr. Haacke stated that the previous year Power borrowed from the Water Department. He said that he does not think the \$500,000 went into reserves but the loan was repaid. She asked if the people leaving will help the reserves. The commitment to hold off on rehiring will help the reserves. The savings

will begin to show up in June. Mr. Haacke stated that five to six people may take new retirement incentive. Cash flow is better in the current year than the prior.

Mr. Haacke detailed the resources: Hunter (coal fired), Colorado River Storage Project (CRSP) (federal hydro), IPP (coal fired), San Juan (coal fired), Cottonwood hydro, natural gas and the UAMPS pool. In April and May Murray is guaranteed more energy from the CRSP resource. Part of that is because they are letting flows out of Lake Powell to equalize Lake Mead. The problem is that the water is not let out at the right time of day. It may be at 4:00 in the morning. Mr. Haacke said that the environmentalists control much of that. He expects natural gas to be in the range of \$4 to 4.50 per decatherm making it about a \$50 resource. The CRSP rate increase will be foregone this year.

Capital projects are planned for \$1.1 million. This is for backyard rebuilds and new construction. The staff goes into people's backyards to determine which poles are 30 to 40 years old and then change them out, to keep ahead of problems. They will try to do a five block area, based on what Mr. Crutcher and Mr. White see as needed. The previous year, when the ILOT was increased, this is where the money was taken from. Getting too far behind on these hurts the efficiency of the system. Allocated here is \$690,000.

Money for a capacitor bank is budgeted, which helps with the power factor in substations. Murray is bound by Pacific Corp to keep a certain percentage of power factor. This produces a quality of power. We have fallen below the required level, and could receive a letter of notice to improve it. It is a \$65,000 item, and should be in every year. This is something that has been cut in the past when funding gets tight.

A closed fiber loop between substations is included in capital projects for \$70,000. Mr. Haacke said that he was hoping to cooperate with UTOPIA on this; however, it has not worked out. He explained that the closed fiber loop helps with communication for security reasons from NERC (North American Electric Reliability Council) and WEC who watch the reliability of the energy grid system. The SCADA is the supervisory control and data acquisition system and the City can be fined if it is not secure. The labor would be done by the department. He would like to use extra fiber from UTOPIA. Mr. Dredge noted that as much money as we put into it, they should be willing to help out. Mr. Haacke needs to know just who to talk to about it. Mr. Dredge will help on that. It could save the \$70,000 budgeted.

SCADA is the software that opens and closes the breakers at the substations, and monitors the hydro. These are the computer screens that dispatchers use 24 hours a day. It is about 10 years old and a need for an upgrade is seen on that. It costs \$150,000, and has been cut from previous budgets. The water department needs to upgrade supervisory capabilities in pump houses, so they have offered to put \$85,000 toward that. Mr. Haacke would like to take advantage of this opportunity, and it will be important that a firewall be installed that will separate water from power. Power dispatch does act for water from its location on 4800 South. Loads and reservoir levels are monitored. Any bumps on the system that open the breakers power notifies water so that no critical alarms come through. Mr. Crutcher stated that most of the hardware replacement parts are no longer in production.

Mr. Haacke mentioned that operations and maintenance stays about the same, except for the replacement of some trailers at \$46,000. These are to take gear out to the job site. No major vehicle purchases are expected. One truck is budgeted.

Ms. Dunn asked about the theft problem, and what kinds of things could be done to curb that activity. She wondered about the cost of an alarm system, or surveillance and alarm combination. Mr. Haacke said that there have been two incidents since the previous week. Mr.

White added that on Commerce some wire had been cut at the old Fountain of Youth facility that impacted Murray. Mr. Haacke noted that the second thief was caught. This person was seen in the bay area by a dispatcher. Usually the copper wire is kept under lock and key in a separate bay. Remnants of a job used at Fashion Place Mall had been observed under the covered parking. The Mayor suggested that these are contractors working on the same jobs and scoping out Murray's supplies. In this case the police were called and searched along the tracks toward the police training center. This man was found in his truck. Segments of wire were found along the tracks. To answer Ms. Dunn's question, Mr. Haacke related that each of the substations have cameras, and \$70,000 to \$90,000 had been spent already. Some are remote control, others are stationary. Motion sensors can be used, however, many times they are so sensitive they go off if a tumble weed blows by. The department may try motion detectors with lighting. Greg is working on this now. Testing is being done at Riding to determine if there is damage to the transformer. The lights have been turned on and that invites complaints. Mr. Shaver offered that there is a motion sensor that is set at a specific horizontal height, so that animals and such are not detected. Mr. Haacke explained that the original money spent was \$50,000, which came from Randy Willden and a federal grant for emergency management. More money has been spent. Mr. Shaver stated that the Council will support him in what needs to be done, and they are anxious to hear when information is available. It is important to protect the City resources now and for years into the future. Mr. Bellon detailed that fences and gates are being cut. Electrical wire security was suggested however, that could harm children playing. Mr. Haacke has toyed with the idea of signage stating that crime in the power department is considered a terrorist act. The attorney's office has been consulted about that and will give some direction. Ms. Dunn advised that pictures publicized on the news are getting results. Mayor Snarr suggested heavy duty bike locks on the gates.

Ms. Dunn asked how much money is in reserves now. Mr. Haacke stated that as a commodity on the shelf there is one million dollars on reserve in warehouse materials alone. Based on the last audit report, Mr. Haacke estimated that \$2.5 million are in reserve.

Murray City Employees Association

David Frandsen

Mr. Frandsen declared that he had no additional comments to the letter that was sent to the Council the previous month. He acknowledged the opportunity to talk with Ms. Wells and become more involved in what goes on in the City to further understanding. He appreciated the newsletter sent from the Mayor's office. Open channels of communication are important.

Mr. Shaver related the amount of information coming from the Council, Mayor's office, and various committees regarding budget, retirement and affect on all employees. He is concerned about when and how best to talk with the City employees and asked for input. Knowing that there are so many changes, and in an effort to limit to rumors Mr. Shaver welcomed suggestions.

Mr. Frandsen confirmed that rumors do get passed around the City. Ms. Dunn asked that he and his committee work to squash those rumors. Mr. Frandsen said that the big presentation at the school was great. One large meeting is best. He stressed that many people are worried and not knowing future plans makes them worry more. Mr. Shaver confirmed that the employees make the City what it is. Mr. Frandsen said his fear is that when people have options to go elsewhere for work they will take the opportunity and the institutional knowledge will leave with them. Council members confirmed this loss of information as a concern.

Mr. Dredge mentioned employee discussions where it is suggested that the City just walk away from UTOPIA as the basis of the City's problems. This is not an option. It needs to be clear to the employees. Mr. Stam, Ms. Dunn and others confirmed the frustration from

employees. Mr. Frandsen stated that people perceive it as affecting them directly. Mr. Dredge asked if there is something the Council can do. Mr. Frandsen suggested that the Council be as honest and frank about it as possible in a meeting with all employees; there is massive animosity toward the Council because employees feel the City should never have gotten involved with UTOPIA from the beginning.

Library **Dan Barr**

Mr. Barr reminded the Council that the Library is in its third year of the strategic plan. One of the basic principles was reallocation, and now we are starting to see why that is important. This budget has a lot of reallocation in it. It allows the Library to do more with less.

In highlighting the budget Mr. Barr pointed out that there is a 6.5% reduction in regular employees. That was a position that became vacant last November, and he is proposing that it continue to remain vacant. The duties have been reallocated to other staff members.

The line item called professional/marketing was \$14,582 in 2010 and is now at \$8,000. That is a cataloguing service that has been discontinued. For the next FY different marketing of services and value is being developed by a design firm who is working on a brand strategy for the library. This budget will allow implementation of the strategy more effectively. Some of the programming dollars have been moved into this line item for use with a different approach.

The City Hall cost allocation came a little late and some adjustments were made to accommodate that expense. Ms. Wilson will be attending a future board meeting to explain how that allocation is developed and determined. Increases of that nature cannot continue, and Mr. Barr expressed his surprise at the rate of increase.

Ebooks demand has been increasing; therefore, \$20,000 has been set aside for that. The accessibility to these ebooks will be to Murray cardholders only. Training related to that will be taken. It can all be done on line. Most of the devices can be used, except the Kindle, which is controlled by Amazon. Mr. Shaver asked about the timing of the check-out. It is set as other books and then will disappear from the device. It is a trend with the collection going from physical to electronic. Storage, maintenance, repairs and replacement are eliminated, and so are overdue fine revenues. This transfer will have an impact on the library that will necessitate some adjustments. These are both e-print and e-audio. New technology requires training and could eventually be the bulk of the library collection.

Mr. Shaver asked about the adult book line item. Mr. Barr pointed out that several line items have gone to zero and been combined in other areas. The total materials budget (books, audio, visual and electronic) has gone from \$195,000 to \$206,000 in the next FY. That amounts to a 5.6% increase. Overall, the next budget is 2% less than the current year. Efficiencies and reallocations have allowed for more books in the budget. To cover the City Hall expense increase books and part time hours were reduced.

Another item to note is the original building construction bond will be paid off in this year. That money will be available for other purposes and the board has discussed looking at a capital fund for replacement of HVAC and repairs. The possibility of building expansion is another topic that continually comes up to meet the Library's increasing needs. Mr. Shaver suggested that if use of eBooks continues to rise, then foot traffic may stabilize or level off. Ms. Dunn said that the Library is packed for use of computers. Mr. Barr said that part of the branding is to make the Library more of a community center, where people use meeting facilities, train, proctor exams, and other space needs. Even if the collection shrinks, the floor space may be reallocated. Room fees may make up the difference in fine revenue, Mr. Shaver offered.

Mayor Snarr explained that when a new school superintendent is chosen he and Mr. Barr will visit with him to gain insight into thoughts about the footprint for the new junior high school. Parking is one big issue to be discussed and is important for the future success of the Library. Mr. Barr indicated that the Library leases the property from the school district and is currently 20 years into a 50 year lease. The Mayor may ask if the Library could purchase the property.

Mayor's Office **Jan Wells**

Ms. Wells said that there are not many changes to the Mayor's budget. Adjustments are still being made between the Mayor's and non departmental budgets. It was about \$14,000 that had been sent to non departmental from the previous year. Employee costs did increase slightly for insurance and retirement.

Mr. Shaver asked how old the computers are in the Mayor's office. Ms. Wells said they are about five years old but have been upgraded to Windows XP.

Council **Janet Lopez**

Ms. Lopez noted that there were not many changes; however, office supplies and small equipment have been decreased by \$500 each. The miscellaneous services were increased due to this being an election year with additional events and retirement party that may take place. The larger item affecting the budget is the consultant/service audit line with \$25,000, which may have been larger then decreased. Ms. Wells mentioned that originally \$40,000 was there and moved into non departmental. Ms. Lopez stated that Mr. Wagstaff was thinking of some ongoing departmental audits, however, she was unaware of exactly how those funds would be used.

Finance **Pat Wilson**

Ms. Wilson moved the payroll position from the Treasurer to the Finance department. It could have been set up there because of the reimbursement from enterprise funds. That position does act as backup for the Treasurer's office but she does payroll for the General Fund employees, as well. This is the major change in finance.

There is a new person in the department and she brings good skills with her. She was immediately put on bank reconciliation. Some extra costs have been included to give her training because she has not worked in government sector before. She has accounting, payroll and auditing experience. She will be able to work with the auditors, due to her understanding of the theory. Eventually, Ms. Wilson would like to produce the financial statement in house and she feels that is a possibility with her skills. There is still a lot to learn. Training has been spread out. She would like the staff to be more involved in training. Mr. Johns will attend the St. George meeting. Auditors cost is included, and FY 2011 is the final year before going out to bid again. We may have increased costs after the bid process. There are not many firms that audit governmental. The City code is written such that Erikson's firm cannot even bid on the RFP. We require at least a one year break in auditors. She thinks it is good to go out to bid; however, she was surprised that Erikson would not be allowed to bid. Mr. Shaver asked if it was always a 10 year contract. It had been a five year contract, but because of the lack of governmental auditors it was extended to 10 years. Mr. Dredge suggested that is something that should be looked at, and related that there is some institutional knowledge that is very valuable. If they are competitive why not use them? Ms. Dunn agreed with using an RFP process, but she too wondered about prohibiting them from bidding. Ms. Wilson reiterated that this year is with

Erikson, and in January we would get our RFP out. Mr. Shaver said the ordinance could be changed between now and then.

Mr. Shaver asked if Ms. Wilson had thought about how she might like to do some consolidation. The purchasing is in the Recorder's office and she would like to have that in Finance. If she had that under her control, some issues could be resolved. It would be an asset if the Treasurer's office could be updated to make bank reconciliation easier.

Mr. Dredge informed Ms. Wilson that at the last UTOPIA executive board meeting he fought long and hard against having the finance department responsible for billing the service provider fees. He still thinks we will be responsible for billing the hook-up fee, but others agreed that it would be an onerous burden for their staff to bill service provider fees. They will be looking for other options.

Mr. Dredge asked how things are coming on more consistent general ledger coding. Ms. Wilson feels that substantial gains have been made in this area; although, the total problem has not been solved. Some of the issues start at the purchase order. Mr. Johns said that personnel issues cause some of the problems, where little kingdoms have been created with a lack of willingness to cooperate or collaborate.

Customer accounts consist of a small dedicated staff that is efficient, effective and hard workers. The overtime increase is caused by the standby pay for the meter readers who are called out afterhours or on weekends for disconnects or reconnects. The supervisor is one of these who have been with the City so long that he cannot find the time off for vacation, and you might as well pay him as put additional time on the books. Ms. Dunn asked if we differentiate between standby or callout time. Ms. Wilson responded that they receive a certain amount to be available on standby, and then they get a minimum amount for responding. Ms. Wilson will research that more and let the Council know the results. Postage needs have increased, but possibly with the new fees that may help out on collecting bad debts. This is reimbursed by the enterprise funds, because they exist solely for those funds. Eventually, they may need more help in this area. We will have to see how the UTOPIA and UIA needs affect the department. Credit card fees have increased.

Non departmental is one budget that Ms. Wilson has been trying to fine tune. The employees' ice cream day can be put here, if so desired. The big jump in budget is due to the UIA/UTOPIA dollar amount. Mr. Dredge clarified that at bonding the City will be repaid for some of the operating costs paid out. He asked if that was included. Ms. Wilson stated that she has tried to get some numbers on that from Curt Sudweeks; however, nothing has been forthcoming. Mr. Dredge related some conversation from the last board meeting. It was suggested that the money be left with UTOPIA to build the network faster, although, he was of the opinion that the money needs to be paid back, 1) because the City needs the money, and 2) UTOPIA needs to show that they will keep their commitments. Most of the other board members agreed with that opinion. The bond is set to close the first part of May, so the City will receive some money. It should be a payment, not net against our bills. The UTOPIA debt is budgeted at \$1.52 million, the legal is \$150,000, the dues \$70,000, and the capital assessment has dropped to zero. Mr. Dredge suggested that when the money does come in he thinks it should offset the amount of debt service being paid out. Mr. Shaver asked if the budget must be opened to receive the money. Ms. Wilson replied that if it goes into fund balance, it is not necessary; however, if it is to be spent, then the budget must be opened. Otherwise, it flows in as additional revenue.

Mr. Shaver asked for an explanation of why the Boys and Girls Club donation is put in non departmental. Mr. Johns responded that it has nothing to do with Parks. It was considered

recreation and started by Lynn Pett when he was in the Parks department. Mr. Johns further detailed that as the City is trying to compare revenue and expenditures by department, this was one of the items that skewed the participant recreation numbers.

Other expenditures were detailed by Ms. Wilson, the relief program at \$17,000, the \$60,000 Christmas gift expense is there, and the retained risk fund money comes from this budget.

Ms. Wilson pointed out the *debt payment fund*, the *Municipal Building Authority* with \$1,000 to keep active, and the *capital projects fund* holding the road money for 4800 South. Close to the end of the year, if there are road projects that will not be completed, those amounts will be put into the capital projects fund. Finally, there is the *fund for bond proceeds*, showing an additional \$500,000 that will come out. Mr. Johns explained that this was budgeted the previous year as a way to infuse funds into the General Fund, although it was not necessary. The \$1.5 million is under land for property purchases, Ms. Wilson clarified; although, this needs to be adjusted down based on what proceeds will be left after paying off the leases.

The *retained risk* is the final budget where Ms. Wilson is still trying to track expenditures. It looks like we do spend about one million dollars here. Insurance premiums are about \$500,000, and the other \$500,000 is for self insurance on law suits, and property damage. She still questions whether the enterprise fund risk dollars should go here too, or remain General Fund risk. At the end of this fiscal year, we will have one year of history here.

Mr. Dredge announced that he just received an email from Laura Lewis regarding a meeting with Key Bank and UTOPIA the following day. He reported that Key Bank executives higher up had been embarrassed and appalled about how this division of Key Bank had been working with UTOPIA on the local level. They have insisted that they will make things right. He indicated that they have stated to go ahead with the bonding, and an offer may come on a refinance that will do a lot of healing for UTOPIA.

There was some discussion about the additional \$500,000 in this budget.

Following a break for lunch the meeting continued at 1:05 p.m.

Public Services

Anne vonWeller

Ms. vonWeller stated that the budget being addressed reflects a 5% reduction, and that is in addition to substantial budget cuts taken the previous fiscal year. The Level of Service reports detailed most of the cuts taken, and she stated that it has been extremely difficult to maintain the level of service our citizens are used to. Creativity with limited resources can only go so far, she expressed.

The general approach to the budget has been to move capital projects in the General Fund departments back a year. Emergency conditions will need to be addressed. Travel, education and training have been eliminated. Exceptions are only to maintain certifications. This also eliminates possibilities for innovation and networking opportunities. There will be a probable reduction of eleven employees in public services, which has not been removed from the budget due to the payout rules. Much advertising has been eliminated and the departments will depend on email for notifications and promotion. Cuts are designed to have an impact on the fewest number of citizens.

Road projects will be limited to Class C Road funding. That money will be spent on preventative maintenance and preservation. Some slurry seals and micro paving will be done to

preserve roads that are in relatively good shape as long as possible. Patching will be completed and there is some money from the previous budget that will be used to finish up some projects. Ms. vonWeller stated that it is important to consider some major investment in our roads soon, and an example of that is a chip and seal project on 1300 East. Staff met with Intermountain Slurry who was going to help with that project; however, they stated that it was too late and the road would come apart in less than a year. This was a project being contemplated for about three years, and then it was delayed due to some construction from Jordan Valley, so this is the kind of thing we have to think about to preserve what is good. Now a major grind and overlay of asphalt will need to be done at a cost of about \$1.3 million. It is the entire length of the City. The preventive maintenance will still need to be done. There are 30 to 40 roads approaching the similar condition of 1300 East. We would like to get ahead of the problem.

Two park pavilions are in dangerous condition and will have to either be demolished or have short term repairs made to keep them from collapsing. The budget reflects plans to close the Park Center on Sundays and early on Friday. The outdoor pool will close at 6:00 p.m. and outdoor rentals will be pursued. The Heritage Center will discontinue the individual pick-up program so a few people will have to make their own arrangements to get to the Center. Ceramic classes and the meal on Mondays will be eliminated.

One place that some money will be spent is in waste water. The Council saw the Master Plan for that work so the bonding will be carried out. Much of that money will go for the State Street line this year.

The Golf Course is a break even and conservative budget. The irrigation status report shows that the current system is very inefficient and waters inconsistently. The control system is destroyed and we do not even know where the system will water each night. Mr. Carruth has been known to go out at 2:00 a.m. and feel the grass to have the crews hand water the areas necessary. We have an estimate of \$2 million for replacement of the irrigation system. The golf course did subsidize the General Fund for millions of dollars in the past and Murray's is the only unsubsidized municipal golf course.

The Storm Water Master Plan is nearing completion and it shows need for substantial investment east of 900 East. That will be presented for discussion.

The enterprise funds are doing well.

Building inspection regular employees has been reduced due to an inspector who already retired and will not be replaced. Education has been lowered and most of the other items are status quo.

Roadways budget has been reduced by a total of \$86,000 on small line items across the board. Half of the salary and benefits from the street department will be transferred to the Storm Water fund with the reorganization because Russ Kakala will be working in both areas. Temporary employees will be eliminated.

Ms. Dunn addressed the fuel expense. She stated that some line items have a 2% increase and others have a 25% increase. She asked if it reflects what was used. Mr. Johns said that after the last fuel spike some line items were never reduced. Historically, the numbers budgeted are based on increases that will be just about adequate. It was figured on each individual department.

Ms. Dunn commented that street light energy could be covered in total or part by the Power Department. Mr. Dredge agreed that it makes sense to do it that way. Ms. Dunn added

that in talking with other cities, which have their own power department, this expense is either provided by power or it is charged to the citizens. We have continued to let it hit the General Fund and we cannot afford it.

Ms. vonWeller clarified that the \$35,000 on line item 2179 is paid to Rocky Mountain Power for the eastern portion of the City.

Class C Roads contain all the road projects and the *Road Construction* budget has been taken to zero. Ms. vonWeller reported that the 2010 budget had \$3.3 million, 2011 had \$2.2 million, and next year will have \$1.5 million in road projects. These are dramatic decreases with the problems escalating.

Mr. Shaver asked if the rental & lease payments are for the paver. Ms. vonWeller said that it is.

There was some discussion on the HAWK signal for 700 West and Anderson. A flashing beacon crossing light can be used for \$35,000 less, and Mayor Snarr requested some discussion on this matter. This is to warn for school kids crossing the street; however, he does not think it is an issue. Mr. Sorensen lives near there and he agreed that it is not a problem. Mr. Stam said that every once in awhile there is an issue with kids who do not want to go to the cross walk.

Ms. Dunn asked about the previous year's projects. They will be completed this year with carry over funds, Ms. vonWeller responded.

The Shop and Garage is a status quo budget for maintenance and grounds upkeep.

The *Engineering* budget has two GIS personnel in it and one will be transferred and split among enterprise funds. One half is going to Water, one fourth will be in Waste Water, and the final one fourth will go to Storm Water. This is about how their time is utilized and accounts for the reduction in regular employees. Ms. Wilson commented that it is difficult for payroll to split people.

Parks and Recreation has a reduction on maintenance of buildings and grounds, although, some of that will be used to repair the pavilions in need of work. There will be fewer part time employees, travel and training has been cut to amount to a \$43,000 reduction.

The Park Center has reductions across the board resulting from plans to close on Sunday and early on Friday. Ms. Dunn asked if there would also be a reduction in utility costs. Mr. Sorensen said there would be a savings there, as well as, in chemicals for treating the pool. The savings is hard to estimate because the water still needs to be kept at a certain temperature and lights must be on. Until the closures are taken, an estimate of savings is difficult to figure. Mr. Shaver stated his understanding that the outdoor pool could generate revenue due to rentals. Public use after 6:00 p.m. is low. With outdoor rentals the lifeguards are included.

Participant Recreation has eliminated use of public notices in the Murray Journal. Ms. Wells stated that Murray Journal expenses were increased slightly and the City would go to a three page update with one page of that devoted to recreation every other month. This is still less than the big spread every quarter, but it will be a presence there.

Cultural Arts major reduction will come from advertising expense. A good database has been built. Mr. Shaver asked what the rental lease is for \$5,000. It was recoded into the proper line item.

Changes in *Swimming Pool* and the *Heritage Center* have been addressed. Ms. Gregory reported that there are only three people who have used the transportation service over the last year. The average meals served on Monday, which is being discontinued is 22. In comparison to the other days of the week, Wednesdays and Fridays are probably about 70, and Tuesday is about 28 to 30, and Thursday is about 40.

For the *Cemetery* there is a plan to remove a road to obtain more grave sites. It will not be done this year.

The big expense in the *Water Fund* is some replacement for pump and well house equipment. That is something that has been included in long term planning and money has been saved for this purpose. There was a reduction in City Hall expense because it is based on a percentage. This is where the GIS employee has been added. Actually the total salary and benefits will come out here and storm water and waste water will reimburse. The overtime was increased because the GIS person also does some snow plow work that will be included in this budget.

There was some discussion about a \$500,000 item under land. Ms. Wells said that it was the land purchase in the FY 2010 budget that should be removed.

Waste Water will have some bonding for the Master Plan. Much of that project will be for the State Street line.

Ms. Dunn mentioned the fuel increase in this budget. It is a 33% increase from 2010 so it seems high versus some others that have only a 2% increase.

Mr. Shaver asked about the rental and lease line item. Mr. Johns stated that it is when equipment must be rented for a day or two to complete work.

Ms. vonWeller directed attention to the administration page of Waste Water, line item #3137. This is where the one quarter pay for GIS has been added.

The *Central Valley* budget has decreased by \$70,000 because the UV project has been completed.

Murray Parkway greenskeeping and *pro shop* budgets contain no real increases, and in the *café operations* there will be one retirement. The plans are to fill in with part time staff.

The *Storm Water Fund* will increase for the other one fourth of the GIS salary. It seems that this should be in personnel costs. Mr. Shaver would like it coded so that he will remember what it is for. There are two good sized capital improvements to be done in this area, which will cause funds from the reserve to be spent. This is for completion of the Winchester line, to prevent flooding houses. A UTA portal area becomes flooded when there is extensive rainfall, and this is a huge issue for UTA. A larger line under the track line will be installed.

In the *Central Garage* some equipment purchases will be delayed this year.

City Attorney

Frank Nakamura

The attorney's office budget is status quo with no changes to note. There is the interface between the risk fund and attorney's office. Adjustments are still being made on how to handle legal expenses in the risk fund. In the last budget year, the effort was made to line up prosecution revenue and expenses to see how the court was operating versus the civil side. An upswing in cases has been seen. The civil side has probably doubled. The prosecution is related to the number of citations issued, and that has actually leveled off. There is now a software package that will enable better tracking of the liability cases. It started with water claims. In one case there was a potential settlement for a \$200,000 claim from Zion Bank on water damage. An adjuster was hired who used this system, and the City ended up paying nothing. The City has taken that claims system and used it for all the other claims that we get. Various people in the departments will have access to it. This will allow for better tracking, and is something our insurance broker is demanding. When we went out to bid some major insurance companies informed us that they required better tracking and reporting. The package was purchased out of the Risk Fund for \$3,500. There will also be an annual fee. Mr. Nakamura was very complimentary of the insurance broker, Fred A. Morton, and their recommendations. They have reviewed the Workers Compensation, and are constantly working on refining the insurance and risk needs. They are very organized.

Mr. Nakamura mentioned that he expects to have two retirements in his office, and another employee will be leaving.

Human Resources

Mike Terry

Mr. Terry has asked for an employee appeal line item, in the event of an employee appeal. People outside the organization, usually attorneys are hired to hear the appeal and then write a legal finding. The one recent appeal cost \$8,000; therefore he has requested that amount in the budget.

Cuts include a Human Resource Analyst who has agreed to go to a 30 hour work week. That saves hourly costs, in addition to other items that are a percentage of salary. It will come to about \$12,000. Public notices will no longer be used eliminating \$9,000. They were previously for job openings advertised in the newspaper. There are many avenues for advertising job openings for free that we now utilize. We use Workforce Services, the Murray website and then about 40 other agencies on line. Office supplies have been lower by \$500. Equipment maintenance has been eliminated. Education and training was cut in half to \$1,000. Exam and test rentals are used to test for police officers or firefighters. It is very expensive to utilize this system; however, we feel in the current climate, we may not need that service and plan to eliminate the \$5,000. There is a current list that we can use for a while longer, through next spring. Ms. Dunn suggested that some cities could go in together for testing and recruitment. Mr. Terry stated that it was done that way in the past.

Recorder

Jan Wells

With Ms. Heales out of town and Mr. Davidson with his sick mother, Ms. Wells agreed to share the Recorder information.

The Recorder budget is higher this year due to fact that it is an election year with related expenses. Ms. Wells related Ms. Heales major concerns in records, purchasing, and business licensing regarding memberships and training expense. She feels that we are losing significant value for a small investment. Ms. Dunn agreed with this concept, and commented that training keeps our employees where they need to be. We have cut travel and education, except when it was necessary for certifications. She suggested that the City could cover meals from receipts

and gas expense rather than giving a per diem and mileage allowance. Then it could be up to them as to whether or not they want to attend. This is what the Council is doing on its trip to St. George for the ULCT convention. Most of their expenses would still be covered. Ms. Wells said that it comes down to a balance between some getting certifications and others who could improve knowledge and skills. Ms. Dunn remarked that maybe some money can be kept in the line item so that they can get some training. Usually the entire per diem is not used for meals, and if gasoline is covered, then it would not be money out of their pockets, it would just not be extra money in their pocket for travel. Ms. Wells said that a policy should be written so that it is equal for everyone, and then there is the challenge of putting those dollars back into the budget.

Another concern of Ms. Heales is regarding repairs to this building. Ms. Wells is worried about the carpeting on the stairs, and how worn it is and a trip hazard. We have talked about rubber noses on the stair edges. We cannot find the matching carpet to replace the carpet on stairs only. She has put that into the budget.

Following a short break the meeting continued at 2:37 p.m.

Police

Pete Fondaco

Chief Fondaco commented that the budget has some additional cuts since the power point Service Level Reports; however, the major reductions are the three officers down from the existing budget. He anticipates one more officer leaving to join the Federal Secret Service. Aaron Jones has two bachelor degrees and one master's so the Chief is confident the Secret Service will take him. A background check has been completed. Another four officers may leave with the retirement incentive, making a total of eight fewer officers.

Mr. Shaver indicated that the Council understands the concern about these eliminations, and does not want police to be stretched too thin. It is important to meet the needs of the citizens. He asked that the Chief keep the Council informed on changes as people leave. Chief Fondaco informed the Council that the officers work on 10 hour shifts. Patrol has worked this shift for the last 33 years. They work four days and have three off. He has the command staff looking at eight hour shifts with two days off, because it will be impossible to work the other shift with eight less officers. This will severely impact the moral of the police force. Working four days and having three days off has been considered an additional benefit. It is pretty standard in law enforcement. West Jordan is on a modified nine, which is something that is also being considered. This schedule is 80 hours over two weeks, but one week is three eight hour shifts and the next one is five eight hour shifts. This gives an extra day off between weeks. Ms. Dunn noted that this would be very hard for people with secondary jobs. The Chief said he was just notified by IMC that they want to go to 24 hours a day, seven days a week, off duty officers in emergency. Now 15 hours a day are covered. The Chief does not know if Murray can cover that schedule.

Mayor Snarr asked how many officers the police could go down without having to change to a different hourly schedule. He responded that two officers are assigned to outside task forces, and one in DEA. He could bring back the DEA, leave one in the forensic lab, bring back one from narcotics, and maybe it would work being down three to four officers. He understands that part of the incentive is to recoup that money before rehiring. Mr. Shaver wants to look at the City as a whole, and some people will never be replaced, but if police need officers then they want to look at the big picture to fill in where it is needed. If he could rehire three to four and remain down the other four, the Chief feels he could make that work. There is a list to hire from.

Chief Fondaco stated that some drastic changes have been made to the way overtime is handled to be able to stay within budget. When police receives money from a grant it was previously deposited into the overtime account to offset expenses. Now those funds are being deposited as revenue, linked to overtime, so the overtime may look heavy for that reason.

Looking at the Records budget, Mr. Shaver asked about the regular employee's line item. The Chief stated that his secretary is retiring, incentive or not. He has informed the Mayor that he must replace that position. However, this budget shows that two years prior a records person was given up. He is not so sure that was a wise decision, because reports are backlogged about three weeks now. If his secretary does leave and another person leaves in records who is not replaced, that would severely impact the department. Ms. Dorsette indicated that the reports are between four and five weeks behind.

The laptop communications line item was cut in this budget, as well. From the state and county processing another \$5,000 was cut.

Mr. Shaver asked how the animal control department is working. Chief Fondaco feels it is going good. He has gotten several bids to separate the dogs and cats with a wall. They are concerned because it is stressful for the cats to hear the dogs barking. The bids came in at around \$10,000, which is more than can be put into the budget. Some drastic changes have been made. The euthanasia machine is gone, and they are trained to use lethal injection instead. He finds these changes very favorable. There have been no complaints from citizens. When this went out to bid we asked them to work out of our shelter and we asked for two officers on the road. West Jordan has done what we asked them to do. The cadets are still used to walk the dogs and clean up.

Chief Fondaco pointed out that there are no vehicles in the budget. That will severely impact the City and Council in another year and a half. Then the number of cars between 90,000 and 100,000 miles will be difficult to deal with. The maintenance will increase.

Courts **Mike Williams**

Mr. Williams stated that an item not included in the budget is a capital improvement for new carpeting. A bid for each of three sections comes to \$4,000 per section. The pad is so degraded that it is a trip hazard.

He has put into effect video arraignment using Skype. If the person has had a pleading, they must have an attorney present, so it cannot be used in that instance, but this does cut down on prisoner transportation. We are into the third month for that. The larger counties are on this, however, some are not.

The legislature has mandated recording in justice courts. Some issues still need to be addressed, such as, can the recording be subpoenaed. The issue is if a case is appealed can the recording be used, but it should not be, because an appeal to district court means that our court never happened. When the legislature wrote this it was not in the bill that it could not be subpoenaed. Davis County started in January on a one year pilot program on this; however, the legislature did not wait to see how it worked.

In January, the amount we pay the state in surcharges on traffic increased from 85% to 90%. There are other surcharges paid in addition to this.

The current year budget has been spent to 70% and we are 75% into the year. Ms. Wells wondered if there were enough funds to take care of the carpet in the current year. If transports are down enough that might be a possibility.

Fire Department **Gil Rodriguez**

Chief Rodriguez is trying to reevaluate and restructure how things are being done. He would like to appoint a deputy chief and put the other three battalion chiefs on shift. He explained that when he was appointed Chief, there were four battalion chiefs on days, doing administrative work. No one was promoted as he moved up. The battalion chiefs had duty chief responsibility, on call, responding to fires. Each one has responsibility, such as, EMS training, emergency operations, special functions, etc. It will be more effective to keep them on shift. They become part of the crew and it is a much more efficient way to run the business. They are three different entities brought together by the battalion chiefs. The cost is not that great to promote a deputy chief because it is a savings from the standby pay. Standby pay will be eliminated and the shift pay will net out less.

Mr. Johns pointed out the line item 430 showing the standby pay as \$26,826, and that would be adjusted out with the new system.

This would be so much more efficient with the ambulance service and all. They still work their shift, and are somewhat independent, responding to different incidents throughout the City. These are not always our people; it could be Unified, Midvale, or South Salt Lake. We also have agreements with the neighboring battalion chiefs, as well, because we like to have two battalion chiefs at every major incident.

The Chief said he had put in for an Expedition, but it was cut. Ms. Dunn asked if the battalion chiefs would use the same vehicle. They all have their own take home vehicles now. Some are very hammered. We usually have them in a full sized SUV to carry all their equipment, command center and radio equipment in the back. We will upgrade the radio equipment. He plans to go to the GSA auction with the Mayor in May where he will try to find an Expedition with about 40,000 to 50,000 miles for about \$15,000. They are about 60% less than brand new. The Chief said that they do need to put exterior lights on them.

Chief Rodriguez said that he has cut a few other small items in the budget, and he is very cautious about how he spends money. Vehicle maintenance is difficult and we budget for brakes and tires on the big trucks. There has been a big campaign to limit utility usage at the stations: close doors, lower the temperature in the truck room, and turn off lights.

Another request was for desktop computers. There are four licenses for Windows 7 upgrade. Mr. Shaver would like to know how many computers need this upgrade. That way there can be some planning over the next few years.

The laptops are the Panasonics that go into the ambulances that the reports are put into. These go into the ambulances and front line engines. They are very heavy duty units. A grant has been applied for that requires a 50% match making our share \$16,400.

The big request is for air packs. This is a critical necessity for life safety. Current air packs are functional but they do not meet OSHA standards. The biggest thing the new air packs have is the buddy breathing system. They are compatible with other air packs for an emergency situation to help get someone else out of the fire. There is a state and metro bid, so he is working on getting the price down. He has talked about a lease option that spreads it out over five years. At the end they are ours. They should be usable for quite a while after that. Mr.

Shaver asked if it is possible to buy some now and some later. The Chief said that they need to be compatible. On a scene if they need to change bottles, they should all be the same so they can grab one and go. He has budgeted for 40; however, he could purchase 36. There may be some quantity purchase options available if other agencies purchase the same type. He is doing his due diligence to get the best price advantage.

Some budget reductions have been taken on other small items.

Mr. Shaver asked if some fire fighters would be lost due to the retirement incentive. The Chief expects to lose two for sure, and possibly a third.

Mr. Stam asked about training in the buildings that will be demolished. There is no training in Hoffman, but the others have smoking building and ventilation training, incident command, crawling on hands and knees. They use a smoke machine and usually do not actually set them on fire.

Mayor Snarr mentioned that bids have been received on demolition. It is Bland Tree Service that also does demo. They own a disposal site, thus they can give a better deal.

There being no further business, the meeting adjourned at 3:30 p.m.

Janet M. Lopez
Council Office Administrator