



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

The Murray City Municipal Council met as the Budget and Finance Committee on Tuesday, June 12, 2012, in the Murray City Center, Conference Room #107, 5025 South State Street, Murray, Utah.

Members in Attendance:

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

Others in Attendance:

Pete Fondaco	Police Chief	Craig Burnett	Assistant Police Chief
Blaine Haacke	Power General Manager	Michael Williams	Court Administrator
Jan Wells	Mayor's Chief of Staff	Zach Fountain	Mayor's/ Legislative Affairs
Tim Tingey	Adm & Dev Services Director	Doug Hill	Public Service Director
Gil Rodriguez	Fire Chief	Frank Nakamura	City Attorney
Justin Zollinger	Finance Director	Mike Terry	Human Resource Director

Mr. Shaver called the Budget and Finance Committee Meeting to order at 4:00 p.m. and welcomed those in attendance.

Minutes Approval:

Mr. Shaver asked for questions, comments or corrections on the minutes from the Budget and Finance Committee Meeting held May 17, 2012. Mr. Brass moved approval of the minutes. Mr. Hales seconded the motion, which carried 5-0.

Business Item #1: Intent Document Discussion

The Intent Document describes the Council's intent and general policy that accompanies the adoption of the Budget. Mr. Shaver read the first paragraph.

"The Murray City Municipal Council (the "Council") adopts the City's final budget

(the "Budget") for fiscal year 2012-2013. Under Utah law, the Council has policy making authority and responsibility. The Budget is a means by which the Council directs City policy. The City Administration ("Administration") must, therefore, implement the Budget consistent with the intent and general policy direction of the Council. The following are the Council's intent and general policy direction underlying the adoption of the Budget."

Mr. Shaver asked for questions, comments or suggestions as this would be part of the documentation for the next Council meeting.

Mr. Nicponski mentioned that it was his understanding that the radar speed signs would be noted in the intent document, just like the grant writer and Hillcrest Junior High was included.

Mr. Brass added that Mr. Hill had suggested that radar speed sign locations be included in the intent document if the adjustment was made to the Capital Improvement Program (CIP).

This would be part of the discussion further down the agenda when contingency items were addressed. It can be added to the document if decided.

Mr. Stam read the Strategic Plan paragraph.

STRATEGIC PLAN

"The Council is committed to the "Murray City Strategic Plan" adopted by the Council on June 5, 2012 ("Strategic Plan") that establishes the vision and mission for the City, establishing goals, identifying priority strategies and creating implementation plans. The Strategic Plan represents what the Council wants to accomplish during the next three to five years. The initiatives of the Strategic Plan include financial sustainability, developing and maintaining a welcoming and thriving business climate including a vibrant and sustainable downtown, responsive and efficient City services, engaged and involved residents, safe and healthy neighborhoods with varied housing opportunities, well maintained, planned and protected infrastructure and assets and vibrant parks, recreation and cultural amenities. This Strategic Plan provides future direction and identifies goals that shall guide decisions for the City, its residents, and businesses."

Hearing no suggestions, Mr. Brass read the CIP paragraph.

CAPITAL IMPROVEMENT PROGRAM (CIP)

"As part of the Strategic Plan, a Capital Improvement Program (CIP) has been developed as an essential component to the implementation of the Budget by planning, prioritizing, budgeting and financing capital needs. Throughout the fiscal year, the Council will work closely with the CIP Committee and related

processes to prioritize finance and execute timely completion of capital projects. The CIP will involve a five year period, or beyond, of capital projects in the areas of facilities, technology, maintenance and vehicle replacement.”

Mr. Shaver mentioned that other things, such as a computer program, that would be implemented in the future; however, these are the things that have been implemented so far. If the Council decides to include that radar speed signs, this is where that language would be added.

Mr. Shaver read the section regarding personnel.

“PERSONNEL

The employees of the City are one of its strongest assets with knowledge and expertise that cannot easily be replaced. The Council values and appreciates that knowledge, dedication and service. City employees have patiently supported and sustained the City through the recent economic downturn. Now that revenues are beginning to improve, it is the intent of the Council to reward the City employees with the following compensation and benefits:

Cost of Living Adjustment (COLA)

It is the intent of the Council to approve, consistent with the Mayor’s request, a 3% cost of living adjustment for eligible City employees.

Employee Discounts

The Council has been a proponent of employee discounts on City amenities for many years and is delighted to approve the following discounts for employees, their spouse and dependent children at the following City owned facilities:

Park Center – Memberships may be purchased for a 30% discount of the residential rate and daily passes will receive a 50% discount of the admission fee.

Lynn F. Pett Murray Parkway Golf Course – Green fees may be purchased at the senior rate. (No further discount on junior or senior fees.)

Murray Park Outdoor Swimming Pool – Swimming pool admission shall be at a 50% discount of the daily price.

Educated Workforce

The Council recognizes that an educated and trained workforce is a tremendous asset that enhances and strengthens the City. It is the intent of the Council to

encourage further education and training by funding the following programs:

Tuition Allowance - The Council approves the restoration of tuition reimbursement of not to exceed \$2,500 per year per employee subject to certain conditions as provided in City policy.

Education, Training and Travel Line Item – The Council has restored funding for line item requests in departments for employees to attend continuing education seminars and trainings.

Reinstatement of Transportation Allowances

The Council supports initiatives that promote fuel conservation and decreases emissions in the City. It is the Council's intent that employees using alternative transportation or car pools three times a week for a three month period shall receive a rebate of \$50 per quarter subject to conditions provided in City Policy."

Mr. Hill pointed out that another part of the employee discounts was a 15% discount at the golf course pro shop. This wording would be added.

Mr. Hales read the following paragraph.

"HILLCREST JUNIOR HIGH SCHOOL FINANCIAL PARTICIPATION

The City and the Murray School District have developed a long term relationship of cooperation and sharing of resources to do what is best for the community. Because the Council values an improved quality of life and variety of experiences for the citizens, it is the intent of the Council, subject to availability and annual appropriation of funds, to support the City arts community and the Murray School District by participating with a onetime \$200,000 financial payment to the Murray School District to be used for increasing the size of the black box theater and providing additional space for the stage and costuming area of the auditorium in a new Hillcrest Junior High School. Funding is subject to the City and the Murray School District entering into an agreement that provides, to the City's satisfaction, the parameters of the City's use of the auditorium."

Mr. Shaver asked if there should be any stipulation regarding the passage of the bond. Mr. Nakamura thought about that and inserted the word "new" junior high school to cover the bonding aspect. Others mentioned that because this is the Intent Document for FY 2012-2013 that should relate only to this budget year.

Mr. Nicponski read the paragraph about the Grant Writer.

"GRANT WRITER

The Council recognizes that the City should pursue any opportunities that would enhance the City's revenue stream. The Council believes that long term financial sustainability is critical and that government and private foundation sponsored programs can be a significant enhancement to the quality of life for the citizens. It is the intent of the Council to earmark funds and initiate research into the options for employing or contracting with a grant writer to pursue funds for City projects. This research will also consider management of the grants the City receives."

Mr. Stam read the language for the fund transfers.

"ENTERPRISE FUND TRANSFERS"

To provide City-wide services such as police, fire, parks, street maintenance and recreation, maintain infrastructure and keep property taxes at a lower level, it is the intent of the Council to establish 8% General Fund operational transfers from the Power, Water, Storm Water, and Solid Waste Enterprise Funds as part of the Budget. Private utilities in the City pay a percentage of their operating revenue to defray the costs to the City for City-wide services, infrastructure upkeep and to maintain property taxes at a lower level."

Mr. Zollinger pointed out that the Solid Waste enterprise fund would not be paying a fund transfer until the year 2014. That wording would be corrected.

Business Item #2: **Contingency List**

Mr. Shaver directed the Council Members' attention to a contingency list that was included with the agenda and a list of items prepared by Mr. Zollinger.

Looking at the Police Department budget, Mr. Shaver explained that some items in the Police budget have been short regularly over the years. The temporary employees have a recommended amount in the Mayor's budget of \$178,320; however the expenditures have been at about \$194,000 for the last two years. He felt it was best to get that amount to \$195,000 and in order to do so Mr. Shaver was hopeful to find extra amounts within the budget to move into that line item.

Medical service in Police was a twofold problem, Chief Fondaco explained. Professional services were taken out of the budget two years prior and created a non-departmental professional services fund. The problem he had was that he did not have authority to draw from that account. Biannually half the department has physicals and the \$3,000 is to cover that. Second, the Chief's retired secretary was the person scheduling physicals, so none have been given for the last 18 months. The budgeted \$3,000 would allow half the department to have physicals this year and then it would be an ongoing item in the future.

Mr. Zollinger remarked that everything has been pulled out of non-departmental with only a small cushion left. Ms. Wells stated that the individual departments did have some

professional services line items and subsequently the line item titles were changed. With that change it was uncertain where those funds were supposed to come from, therefore the medical services line item identifies that expense.

Mr. Terry added that his office actually pays the bills when they are received so if the account numbers were incorrect he needs to be notified of that. Mr. Terry said these come from a Work Med bill and includes police and fire physicals and drug screenings in other departments. Human Resource schedules new hire physicals but the biannual one is scheduled by the departments.

A similar situation occurred in the Fire department. Chief Fondaco said this would impact all city departments. If an employee is involved in an accident policy dictates that the individual must be sent for a drug test following the accident.

Chief Rodriguez has this listed as "physicals" with a budget of \$13,500. Firefighters over 40 must get a stress EKG, which is a lot more money. This amount also pays for half the department. He has tried to standardize it.

There was some discussion of the line item account numbers used.

Chief Fondaco said his funding is used for psychological evaluations on new hires, drug screens and physicals with the EKG stress test. Medical services also pays for "fitness for duty" physical when an officer involved shooting occurs.

Mr. Zollinger noted that items numbered 21-79 and 21-70 went into vehicle maintenance.

Mr. Shaver asked if an officer who has a city paid cell phone also needs a desk phone. The Chief said that he does not have a cell phone for every officer. They already share desk phones. Mr. Shaver said that he is looking at multiple ways for saving money and this is like the computers, if an officer has a lap top, does he also need a desk top computer. The Chief said he never sees a desk phone bill and thinks it is paid by IT.

Mr. Brass noted that in an emergency situation the City could lose cell phone service and still have desk phone service. For that reason it may not be a good idea to get rid of all desk phones. In a disaster cell phones become overloaded because everyone is using them and we must be able to communicate. Mr. Nicponski said he concurred with that. Hard line phones are on battery backup so they do not go down. Wireless phones will go down.

The Chief said that he would not be opposed to having a bank of phones in a common area for officers to use. He would need to work with Mr. Tingey on that because he would want each officer to have an individual voice mail. That way if citizens have additional information for an officer they would be able to call him back.

Mr. Shaver asked about the animal adoption program and if it is something Murray

manages or is it through West Jordan. It is through our animal control but they manage it. We actually pay them the contract and Murray maintains the building, animal control, trap neuter and release, and those costs are in the Police budget.

Mr. Shaver asked if the overtime line item could be cut to find more funding for the temporary employees. He knows that an officer must stay with a call until it is completed, but he wondered if there could be an extra \$10,000 or \$15,000 for the temporary employees. The Chief is leery to have that cut back any more than in past years. It is very limited. This account covers training, as well.

Mr. Shaver said that the Chief estimated his Patrol overtime budget at \$82,615 and the Mayor gave \$100,000. Mr. Zollinger said that would cover the overall wage increases that will be given to the employees. You can't pay as much overtime on the same budget with a 3% wage increase.

Mr. Shaver asked Mr. Zollinger how to get the \$17,000 for temporary employees. The Chief felt that if he and Mr. Zollinger went over the budget together they could come up with it. Mr. Shaver added that it could come from funds in non-departmental due to the time crunch.

Mr. Brass voiced his concern about budgeting to actual. He has seen cities start spending money in May and June so that they are sure to get at least that much money the next year. He does not think this is good for the tax payers and he does not want to send a message to the employees to spend money like crazy at the end of the year. This budget is a half million dollars less than the previous year. If they were forced to spend money the budget could have been a half million dollars more. This is the message that is sent. The next year it will be more. Along with that, we pad line items to be able to cover unexpected costs, but with too much pad the City loses the ability to hire and give raises. It is a juggling act and we must trust that some people are not gaming the system. He does not want to see an uptick in spending due to this policy.

Mr. Shaver would like the departments to have enough extra to cover unexpected costs. Mr. Brass said that there had been some discussion that if a department has money left over, it could be rolled into the CIP for capital projects within that department. In Police it could go for cars and that is the message he would like to send. Incentives are preferred. Mr. Zollinger said that the previous year Police returned \$340,000 and Fire returned \$586,000. Those are actual numbers.

Chief Fondaco said that those dollars come from personnel. If a seasoned officer leaves and is replaced by a new officer there is a difference in the salary paid. If that occurs in July or August the entire year's salary has been budgeted. He explained that if he has excess in an account he does not ask to move that so it can be spent. He tries to get all the accounts to where they will cover what is needed. Excess funds should go back to the City, he said.

Mr. Shaver said that some of the departments' budgets are huge and if an incentive can be provided then those who are wise in their spending could benefit through additional dollars in

the CIP. That would be for each department, not just back into the General Fund. He added that after going through the fire experience it would be wonderful to have the technology that pinpoints where a hot spot exists. The device that locates a person is extraordinary, but to find the hot spot will identify exactly where the problem is without ripping apart an entire wall. The mechanism is \$12,000 each and would be so helpful in saving homeowners additional damage. This is the kind of thing that can be purchased through savings and CIP funding. There has been discussion on this incentive and however it is done, some to General Fund, some to CIP, it will be a benefit.

Mr. Shaver asked Mr. Zollinger for the results of his research on the \$2,000 for professional in the Attorney budget. Mr. Zollinger explained that one line item in Attorney was an error and to have the Prosecution amount in IT would make sense. Mr. Nakamura was fine with that. It would go into 1304.504.21-53 for software maintenance.

Mr. Shaver asked about Court utilities in 402.21-79. Mr. Williams commented that he never paid utility bills in the past but he started getting the bills this past year. It was probably paid in City Hall out of a Court account. The historical numbers were close to \$6,000 and the \$9,000 was calculated somewhere else. That would be left as budgeted.

Mr. Shaver notified Mr. Zollinger that all elected officials in the Council and Mayor's budgets were not increased for the 3% COLA. That would be adjusted accordingly. The expense allowance is an internal Council discussion. Each of the 26 pay periods has that amount calculated out. This is for expenses for lunch meetings and requires no accounting; it is just paid out. The cell phone is another expense paid out with no accounting. It can be used any way necessary. Mr. Shaver said that in his opinion, this is a way to give the Council a raise, without giving a raise. That comes from \$150 per month that does not require any expense receipts. Mr. Shaver said that he has a problem with this. If he gets a raise, it should be done through salary payments, not expenses. Council members expressed that they personally keep it separate for City expenses incurred.

Mr. Shaver would like to see a cell phone budget in the Council office, with funding from that budget for the cell phone separate from his pay check. He would like to be able to expense lunches and other expenses as they occur and be reimbursed for them. Mr. Nicponski noted that there needed to be restrictions on how much could be spent per month, so that the policy is not abused with one person liquidating the account. Approval by the entire Council would be necessary to go beyond the monthly amount.

Mr. Brass said that he is comfortable with the payment the way it is currently handled. If we begin submitting cell phone bills one issue is to determine how much cell phone is personal versus how much is City business. The \$50 per month seems fair. Mr. Zollinger said that if the City pays the cell phone bill, then it becomes public record. Mr. Nakamura said that personal phone calls can be redacted. It is a difficult and controversial process.

Mr. Stam said that he keeps track of City expenses separately and there are times that he exceeds the \$100 per month. He is happy with the way it is set up and it does provide a limit

on what is paid out.

Mr. Shaver related that if the City wants to pay him, he feels he owes the taxes on it no matter how the funds are used. If the \$150 for expenses is decided by the Council then that is fine; although he does separate it out and spend it for the purpose intended. Mr. Zollinger said that in 2011 cell phone allocation was taken off of list property and is not taxable and he is very comfortable with that position. Through payroll is fine. It does not need to be taxable either way it is paid.

Mr. Nakamura says that the allowance given is probably insufficient to cover City business.

Business Item #3 Capital Improvement Program

The Capital Improvement Program (CIP) of Murray City is a long term planning tool for prioritization, financing, and execution of timely completion of capital projects, Mr. Shaver reviewed. This can be for unforeseen emergencies, project delays and other improvements. He feels the radar speed signs are a capital improvement. He said that money will be taken from the General Fund reserves to fund these CIP expenses. The CIP committee gave recommendations for two sets of radar speed signs based on the money available. Mr. Stam detailed that the recommendation was to start funding them and continue funding them in the future and use the money funded to look for grant money or matching funds to help increase the number of signs. The CIP is a long term forecast. Mr. Shaver noted that if the Council decides to fund more radar signs, then something else must be reduced to make up for the money. Others mentioned their thoughts that reserves would be used to fund more of the signs. Mr. Nicponski said that the Council was going to initiate a Council prerogative to take that from reserves.

Mr. Stam felt that the Council needed to review the reserve account, what its purpose is and what the philosophy of the reserve account is. If money is continually pulled from the account for certain things then the purpose is defeated and the next year's CIP is jeopardized. Skirting around that CIP rather than following the plan sets an example to the departments.

Mr. Nicponski felt those were good arguments; however, he still feels the Council has the right to exercise its prerogative to fund projects.

Mr. Shaver said that the Council adopted the CIP and process it is going to use. If the Council agrees to the process on June 5 and then changes the process on June 12 it is not of much value. The Novak Group was asked to help the City develop a CIP policy. He said that if the Council establishes a policy then it needs to follow the policy.

Mr. Nicponski said that there are two Council members that sit on the CIP Committee and if the Council takes exception to what was decided, it can be brought up at a later date. That is what he was doing. He did not feel that the needs were met relative to the radar speed signs. He did not feel they were adequately funded through the CIP.

Mr. Stam said that the CIP committee was to review, establish priority and make recommendations to the Council. He asked that the Council have a meeting to specifically review the recommendations of the CIP committee because the Council has the prerogative to make adjustments and changes and possibly have this as a separate public hearing and vote as part of the budget process. The Council did not take the opportunity to do that. If the Council decides to fund radar speed signs, he does not have a problem with that. He feels the Council needs to work within the guidelines and adjust the funding to do so. The Council did not discuss the recommendations and make their own decisions. This is the issue he has with just pulling more money out of reserves when a full process has been followed but the Council did not take the opportunity to do its part.

Mr. Brass said that the suggested time frame shows that in March the CIP committee would present the annual CIP update to the Council and the City Council reviews the CIP. The key is that review of the CIP. He asked if the CIP is a budget process or a Council process. The next step is a public hearing and the approval by the Council. That makes it a Council process separate from the budget.

Mr. Stam said that the Clearfield process that he researched kept the CIP separate from the budget as something that is handled independently. It is funded by the budget but acted upon separately.

Ms. Wells said that Novak suggested this to be a separate process; however, Mr. Wagstaff preferred it to be part of the budget process. That is why it was set up this way. It is the Council's option to choose how they want to do it. Because it is a funding mechanism it must have a public hearing. Mr. Stam felt it should be handled separately. Ms. Wells said that only one year was completed currently. The departments and CIP will begin meeting again soon to create the next four years. The process could be handled and adopted a little differently.

Mr. Zollinger said that the Capital Projects do become included and budgeted for in the regular budget process.

Mr. Brass read the rest of the timeframe for the CIP process. April and May the finance department incorporates upcoming fiscal year's CIP projects into the annual operating budget. Following in May and June the projects are reviewed and approved as part of the City's annual budget process. This process includes two opportunities to review the CIP.

Mr. Brass related that he agrees with Mr. Nicponski and likes the speed signs. He has asked for them in the past. One duty the Council is charged with is the health, safety and welfare of the citizens. One of the biggest concerns is speeding. Speed bumps and other traffic calming devices have been asked for. He feels that \$110,000 is very inexpensive good will to show Murray citizens that something is happening. He feels that a lot of new property will hit the tax rolls and go into the budget as unaccounted for revenue. It is anticipated but the amount is unknown. The dealerships, mall and apartments will come on line and ultimately the City will benefit. He would like to review and look at this. If not now, then as the year progresses, possibly at midyear it could be budgeted.

Mr. Zollinger remarked that sales tax revenue was not good this year.

Mr. Nicponski reviewed that \$10,000 has been budgeted, which will buy four signs for two streets.

The intent document could state that it will be reviewed at midyear and if the revenue is good, signs could be added.

Mr. Hales asked what percent of reserves \$110,000 would account for. The reserves are about \$6.6 million so the percent is very small.

Mr. Stam said that \$116,000 was retained in the CIP for later projects. All of that could be used for signs.

It is the first year of the CIP process and Mr. Brass indicated that a part of him does not want to abandon that process; although a big part of him wants to consider the signs. He noted that Mr. Hill had sent an email with the streets identified by the Traffic Committee as locations for speed signs. Mr. Brass pointed out the every district is impacted by the streets needing signs and all would benefit.

Mr. Nicponski said that he does not want the process to strap down the Council so that it cannot react to citizen needs. That is his premise for the argument. He feels that the CIP process and structure will tighten up as it is used in the future.

Mr. Stam also said that a time must be selected when the excess reserves will be transferred to the CIP. His idea is when the outside auditors complete the audit and determine the fixed amount of excess funds in reserve. Mr. Zollinger said that would be November 1. If that figure is used for the CIP, then the Council may decide to add more money for radar signs and the signs need to be funded through the CIP.

Mr. Nicponski said that the Council could make a statement now with some funding and continue to fund it later. No committee decided the 3% wage increase and that was significant.

Mr. Shaver said the Strategic Plan booklet gives the timeline for the CIP. In November the reserve amount for the CIP process will be known. He described that Mr. Nicponski is asking that more money from reserves be added for this particular project, not take from something else that is already in the CIP plan for 2012-2013. Mr. Brass is supporting this to the effect of doing some now and some at midyear, when the City gets an idea of revenue receipts. Mr. Nicponski is asking for ten signs. Looking at the list from Mr. Hill, ten signs do not even cover half the streets identified. Mr. Nicponski said that he does not think it is necessary to have a sign on both sides of a street, for example, on a freeway exit you only need one. One problem is people coming off the freeway at accelerated speeds and the sign will help them adjust. Traffic Safety committee could engage in that discussion.

Mr. Stam also said that the \$3 million was determined arbitrarily. Mr. Zollinger said that the best time to calculate fund balance is after year end when all closing procedures have been done. Mr. Stam said that \$3,050,000 or \$3,100,000 could be chosen to cover the signs. It is still coming out of reserves. No actual date or figure had been established for this year anyway, he concluded.

Mr. Zollinger said that the contingency transfer will cover this in the 2012-2013 budgets.

Mr. Shaver noted that he had talked with other Council members about this and because it is the first year for this process, some mistakes are naturally going to be made. In that light the Council has room to make changes this year. He asked Mr. Nakamura if the Council needed to vote on this.

Mr. Nakamura said that it would be added to the intent language and he thought the Council would stay within the CIP process. It is up to the Council and the CIP process has been passed. Mr. Brass said that recommendations should have been made. Mr. Nakamura sees this as inconsistent with the Strategic Plan that was adopted on June 5. He feels it should be in the Intent Document.

Mr. Shaver clarified that the Intent Document include language that a specific amount of dollars would be used in the budget year 2012-13 to fund radar speed signs within the confines of the CIP process.

Mr. Nakamura suggested that the intent language say that the Council has provided money for four radar speed signs during the fiscal year and the CIP committee will review and make recommendations for radar speed signs on or before November 1, 2012. That would get it started this year knowing that more would be done the following year.

Mr. Shaver described that the language confirms that the Council has the right to change this amount based on the CIP process by November 1. We can start with the four that are budgeted and then build on that before November 1, putting it in this budget year.

Mr. Brass noted that the locations requested by Mr. Nicponski need to be added to the Intent Document. The balance of the ten signs can be placed as recommended by the traffic safety committee.

Mr. Hill added that if it is left up to the Traffic Safety Committee, they will place them as they see fit, which is fine with some Council members; although, others would like them placed in specific areas due to constituents' requests.

Mr. Shaver asked if the Council needs to specify exactly where on a street the sign should be placed. Mr. Hill responded that the Safety committee should be allowed to decide that because one of the challenges is to find places to put these signs. People don't really like these in their front yard; therefore a willing resident must be found.

Mr. Zollinger confirmed that the next year CIP transfer that occurs would be for fiscal year 2014. As the Council budget stands currently it will be pulled out of General Fund reserves and transferred to the CIP fund where the signs will be purchased.

Mr. Stam said that the \$3 million was selected for the current year capital projects. That was voted upon already. It is done.

Toward the close of this fiscal year when the allowable reserves are calculated, money will be transferred for the next CIP round. Mr. Brass thought that Mr. Nakamura's language covered that giving the intent to put the signs in. He asked Mr. Nicponski if that was agreeable to him.

Mr. Nicponski responded that he was happy with the plan actually having some go in right away; he felt that was responsible action on the Council's part. He asked Mr. Hill how quickly the first four signs would go up. Mr. Hill responded that after July 1, the four signs would be purchased with the \$10,000 allocated.

Mr. Brass recommended that Mr. Nakamura and Ms. Lopez work on the intent language to that effect. That document would be approved with the budget.

Mr. Nakamura clarified the intent language for department incentives to save budgeted funds. He said, "If a department under spends its overall budget the savings shall be used through the CIP for the capital needs of that department in the next fiscal year."

Mr. Zollinger suggested adding that either 50% or 100% of the savings could be used. Mr. Stam pointed out that the first goal would be to make sure the reserves are whole at 18%. Second is that the Council would guarantee a percentage of savings so that it follows through the rest of the process. For example, if the Police save \$200,000, first the 18% reserve must be met, and then 50% of the \$200,000 could go toward Police capital projects. The other 50% still goes into CIP but the usage would be determined by the CIP committee. That way a major need in another department could receive funding through the process.

Mr. Shaver pointed out that the CIP committee makes the recommendation to the Council, who has the final decision on how funds are spent.

Mr. Brass felt that the department accumulating the savings should get more than half the amount saved. Mr. Hales and Mr. Brass agreed that 75% for the department is fair. Mr. Shaver asked Mr. Nakamura to include the percentage in the intent document.

Mr. Nicponski pointed out that one Strategic Plan (SP) initiative is to create safe and healthy neighborhoods and his feeling is that the radar speed signs contribute to that effort. This is a living breathing example of the SP in action, he said.

That decision finalized, Mr. Shaver commented that the budget process had been a challenge with department changes and a new finance director. He noted his appreciation for

the department heads, the administration and the Council for the many hours spent the input and willingness to think through what is best for the City of Murray. On June 19, the budget and intent document would be addressed in the Council Meeting for approval.

The Budget and Finance Meeting was adjourned at 5:37 p.m.

Janet M. Lopez
Council Office Administrator