

**MURRAY CITY MUNICIPAL COUNCIL
BUDGET AND FINANCE COMMITTEE
Fiscal Year 2008-2009**

The Murray City Municipal Council met as the Budget and Finance Committee on Tuesday, October 28, 2008, in the Murray City Center, Council Chambers, 5025 South State Street, Murray, Utah.

Members in Attendance:

Jeff Dredge	Budget Chairman
Robert D. Robertson	Committee Member
Jim Brass	Committee Member
Patricia W. Griffiths	Budget Vice-Chair
Krista K. Dunn	Committee Member

Others in Attendance:

Daniel C. Snarr	Mayor
Michael D. Wagstaff	Council Executive Director
Jan Wells	Mayor's Chief of Staff
Janet M. Lopez	Council Administrative Secretary
Frank Nakamura	City Attorney
Pat Wilson	Director of Finance & Administration
Ron Koller	City Treasurer
Doug Hill	Public Services Director
Sam Skaggs	Police
Craig Burnett	Assistant Chief of Police
Tim Tingey	Community & Economic Dev. Director
Pete Fondaco	Police Chief
Gil Rodriquez	Fire Chief
Greg Bellon	Assistant General Manager, Power
Carol Heales	City Recorder
David Larsen	MIS Director
Michael Williams	Court Administrator
Paul Thompson	Murray City Judge
Dan Barr	Library Director
Mike Terry	Human Resource Director

Chairman Jeff Dredge called the Budget and Finance Committee meeting to order at 5:47 p.m. and thanked all department heads for attending. He expressed his appreciation for the work and effort in providing the financial information and proactively addressing the need to cut costs at this time. He thanked Jan Wells for putting the information into this format. He stated that his intent in having all department heads together is an effort to recognize that everyone is in this together, both legislative and executive branches of the City, and there is value in learning from

each other and being creative in cutting costs. In addition, it is important for everyone to see the tone and desire of the Council as the budget is considered in light of the economy. There are serious economic issues and the Council feels it is prudent to address this proactively.

Ms. Wells commented that, in clarification, the Mayor's office has asked departments to limit out-of-state travel. Instate travel is less expensive and will be continued. She thanked the department heads for their efforts and stated that some have specific information that they will present in additional handout materials. Some items from the previous memo have changed somewhat as more information has come to light.

Chairman Dredge offered that it would only be necessary to address the department efforts to cut costs, not the entire budget.

Mike Terry Human Resources

Mr. Terry explained that Human Resources is one of the smaller departments with few nonessential items in the budget. One thing that has always been included in the budget is one out-of-state national conference. That conference will be eliminated, thus, saving about \$1500. There is also a project underway to change the flexible spending plan from a city-administered plan to a PEHP (Public Employees Health Program) administered plan. The costs are approximately \$20,000 up front, which will subsequently be taken from employees checks throughout the year. It is necessary to have a pool of money to begin because employees can actually start using the funds in January, even before it has been deducted from their paychecks.

Mr. Dredge asked if the up-front money will come back to the City. Mr. Terry responded that it will, indeed, be returned to the City.

Ms. Dunn asked about the purpose of switching to the PEHP administered plan. She wondered if it is a cost savings measure or if there are other reasons.

Mr. Terry answered that one benefit is convenience. The employees receive a debit card that they can use at a doctor's office, as opposed to submitting receipts for reimbursement. It is also a time benefit to the City payroll person, who no longer must process the receipts. There is a liability to the City that is removed, when considering mistakes that may be made, and would now shift to PEHP which takes on the possible liability issues.

Mr. Dredge commented that he appreciates the savings of eliminating a national conference, and the additional savings by doing that across many departments. However, he expressed the idea that he would not want to cut a \$1,500 conference if the benefits might save the City more than the cost, or help Murray become more effective in the long run.

Ms. Dunn asked if he was referring to certifications that the City would have to bear the

cost of anyway.

Mr. Dredge responded that he was concerned about education in terms of changes in the industry gleaned from professional conferences. He would not want to eliminate a conference which would provide more value than the cost.

Pat Wilson Finance

Ms. Wilson added that the \$20,000 for the flexible spending plan must be maintained. As money is taken out of the employees' paychecks, PEHP will pay the bills, however, a certain percentage of the commitment must be on hand to pay the bills. That must be replenished to PEHP.

Mayor Snarr stated that if employees do not use all of their Plan 125 account money, then it stays in the pool. He feels this is a much better way to take care of these expenses for the providers and the City.

Ms. Wilson distributed a memo with the budget reduction items that she has planned for finance and customer service.

In salaries, changes in several positions will result in a projected savings of about \$20,000 to \$30,000.

There were two refunds to the City, which included the IRS penalty of \$50,235 and the telecommunications tax of \$367,144. Both of these have gone into the General Fund and will be brought forward as part of the Fiscal Year 2009 reserves.

The meter readers have been instructed to control vehicle idling to help in fuel efficiency. The supervisor has pulled some ideas from the internet to help in fuel costs.

Travel will be analyzed, however, some commitments have been made for an accountant to go to the HUG (HTE Users Group) conference to learn how to write reports with the HTE software. Other optional travel can be deferred.

Ms. Wells added that this is the first year the City has budgeted for the HUG conference training to help City employees understand how to use the AS400 program. She expressed that one thing that is being considered is bringing someone to Murray for training, rather than having several people travel. That option is being investigated. There will be several HUG money reductions in the budget recommendation plan. If training cannot be accomplished this year, then it may be in the next budget year.

Ms. Dunn asked about the General Fund reserves. In a prior memo Ms. Wilson stated that

the City has between 18-19%. There is a 18% cap, which is close to \$7.5 million. During the budget process there were some projects that were to be funded from reserves, she asked if those projects had been removed from the fund reserve balance as quoted. There were the fire station and money for some roads, according to Ms. Dunn.

Ms. Wilson stated that the reserves are what is being brought forward and anything to be spent this year would come out of that number.

To clarify, Ms. Dunn stated that those items to be funded by reserves, which were not completed in the summer and fall, still need to be deducted.

Ms. Wilson said that anything after July 1, 2008, would come out of that reserve figure.

Mayor Snarr asked Mr. Hill to respond to whether any of those road projects had been completed yet. Mr. Hill said that they are capital projects to be carried forward.

Ms. Wilson said that they are budgeted expenditures so the money should not come out of reserves.

Ms. Dunn agreed that anything above the threshold would come from reserves and many will because the bids were higher than planned. Her question is whether it has been taken out already or will be taken out in the future.

Ms. Wilson said it will not come from the 18%.

Mr. Dredge asked about transferring overtime to the comp time bank and if there are human resource issues with handling it that way or if it is a policy currently in place.

Ms. Wilson advised that governments are the only entities that can book overtime and give time off in lieu of that. It is booked at time and a half. The City policy is that after it becomes 15 months old or more than 240 hours then it must be paid or used.

Tim Tingey Community and Economic Development

Mr. Tingey explained that his department has three separate budgets. One is a General Fund budget for community and economic development, there is the Community Development Block Grant (CDBG) budget and the RDA (Redevelopment Agency) budgets. He has staff that is being paid out of all of those budgets. Based on that, what has been considered is reducing some pressure on the General Fund by implementing some payroll to be charged against the CDBG funding, as approved a few months ago by the Council. That will produce a savings of about \$10,800 that will be reimbursed by the county CDBG funds.

Mr. Tingey pointed out that there is about \$15,000 for professional services in the General Fund account that he plans to reduce. Professional services money is also available from the RDA account and he will monitor that and make sure it is used from that account. These two recommendations amount to a savings of more than \$25,000 in the General Fund.

Ms. Dunn asked when the replacement of a part-time employee would take place.

Mr. Tingey stated that he expected to fill that position within the next five to six days, which is the 19 hour a week office specialist position that Josh Yost held.

Frank Nakamura Attorney's Office

Mr. Nakamura stated that for the last couple of years no out-of-state travel had been budgeted. The continuing legal education hours are all being completed in state.

Regarding the revenues between prosecution and the civil side, in the next budget those costs will be matched up better so that the expenses can be analyzed in more depth. A large percentage of personnel resources go to prosecution and he wants to make sure that the revenues and expenses are matched. The court may address the public defender's contract which is being discussed. He believes that it can be reduced, even though the City is obligated to provide that service. There are two contracts being considered.

Finally, Mr. Nakamura said that most of the attorney's research is being done on line and less money is being spent on books and written materials.

Ms. Dunn asked about the professional services category, which is in many departments. She wondered if any analysis had been done to see how much is being used each year and if it could be lowered some, because it is not being utilized. She suggested that an average over time be taken and even add a few percentage points to reach a realistic figure for that line item.

Mr. Nakamura explained that some cases in federal court necessitate additional professional expertise, of which the City has no control over. This is when the professional services category is utilized. In the last two to three years there have been no cases in federal court and very little litigation.

Ms. Dunn added that the money would just roll into reserves at the end of the budget year anyway.

Mr. Nakamura indicated that, along with Ms. Wells and Ms. Wilson, he had looked into governmental immunity funds which some cities do have. He would like to match expenses in professional services to claims being filed to compare and tie the two together.

Ms. Wells reported that there are other kinds of professional services, such as in community and economic development.

Mr. Nakamura noted that with an ongoing governmental immunity fund, it does not matter in what year the expense occurs it would be taken from those funds. Then, other professional services can be identified which have nothing to do with handling a claim or litigation.

Carol Heales Recorder

Ms. Heales confirmed that the HUG conference would be eliminated from her department, as in others. It has also been decided to defer the recarpeting of City Hall for a savings of about \$22,000.

Ms. Wells explained that once the budget was approved Ms. Heales promptly began on some of the projects that were detailed there. The building maintenance had to be done while the weather was still good and the record's management project is moving forward.

Ms. Heales reported that the record's management project is almost completed. She feels that the identification of records has gone well and the next step will be to get policies in place. Training will begin following that.

Ms. Dunn asked if outdoor maintenance is fairly stable now.

Ms. Heales has some building issues scheduled for discussion during a future Committee of the Whole meeting.

Mayor Snarr asked if Ms. Dunn was inquiring about the cost of landscape maintenance or the building in general.

Ms. Dunn responded that she meant any building maintenance, because she knows money is being spent on it.

Mayor Snarr said that there are challenges regarding the building.

Ms. Heales added that she has had two roof repairs for a cost of \$30,000. One repair was over the police evidence area and the other was above the museum and computer room.

Mayor Snarr commented that the roof repairs were absolutely necessary, however, when you talk about other building needs, it is his feeling that money is being wasted.

Ron Koller Treasurer

Mr. Koller explained that the police are now taking care of the armored car service, a cost savings of \$2,500 of budgeted expense. He is also planning a savings from the HUG conference travel, which will amount to about \$1,500 eliminated. This was the first year it was included in the budget. In addition to these cuts, he will watch closely line item expenditures and eliminate anything that is unnecessary.

Mr. Koller advised that he has two conferences that are for certifications, one in state and the other out-of-state. If you miss one, then it puts you back two years, however, if it needs to be cut, he can do so.

Ms. Griffiths views the certification meetings as essential expenses and recommends that they not be missed.

Mr. Koller agreed that they are necessary, especially in view of the economy. He said that federal reserve representatives will be in attendance and it is timely to gain the information.

Michael Williams Justice Court

Mr. Williams indicated that the previous court judge had an entirely different philosophy than Judge Thompson regarding use of defense counsel. There are two legal defense attorneys (L.A.) on contracts. The costs have dropped by about 2/3 because Judge Thompson feels that only those who are required to have defense counsel need to be assigned one. Now both lads are not necessary. There is an open-ended contract that can be terminated on a 90-day notice. The plan that has been decided upon is to phase out the attorneys by cutting back a little at a time. Then the court will recontract based on new numbers which show what defense is essential. By handling it that way, no one must take an \$80,000 decrease at one time. Starting in January, and going through the six-month period, a savings of about \$50,000 a year is anticipated.

Regarding the night court, one criminal night court can be eliminated because the case load is up to date. By reducing that expense it will save about \$10,000 a year. The second night court could be put back into days, to save another \$10,000, if it becomes necessary. If the civil court claims were put back into days, there would be an additional savings, however, the purpose of the night time court was to make it possible for those being sued to be present. Another \$10,000 could be saved by eliminating that court.

On education and travel, the mandatory training for the clerks has been completed and by July another \$15,000 can be saved.

Mr. Williams continued by explaining that he had included some maintenance items in the budget, carpeting and upholstery replacement, that can be postponed because he had deep cleaning completed and everything looks good.

Mr. Williams has done some cases warrant recertification since July to get rid of many cases and also to recertify warrants. This has resulted in a 6% increase in fines paid. Many have been owed to the court since 1999.

The court bailiff has decided to retire on December 23 or 24. This has just come about and Mr. Williams has not had a chance to discuss it with the Police Chief, although, the bailiff does not have to be a police officer. The court could contract with the constables office for a bailiff. The pay for a replacement contract from the constables office would create a savings of about \$10,000 to \$12,000 for the remaining six months of the fiscal year. This is a preliminary estimate, as he had just been notified.

Mr. Robertson asked if the court personnel are comfortable with a bailiff who is not a police officer.

Mr. Williams responded that they are peace officers with arrest powers and have been used for some time. These are preliminary ideas, as the money is budgeted for a police officer.

In closing, Mr. Williams pointed out that current expenditures are 7% below anticipated figures.

Gil Rodriquez Fire

Chief Rodriquez stated that there are several big projects going on which make him very conservative on the budget. Regarding travel, the only trips planned are for the National Fire Academy and the travel is reimbursed except for the cost of the education. Internal training is done by video conferencing which will be utilized at all three stations.

Chief Rodriquez met with personnel on all three shifts to talk about some of the budgeting items. He feels it is important for everyone to know that the City is trying to be diligent and proactive in energy conservation. There will be a take-home vehicle policy in line with what the police department decides upon. It is a benefit to the employees and he wants to be responsible in that area.

Weekly meetings are being held regarding Station #83 in an effort to control costs on construction. It is a three-layer project with the emergency operations center (EOC), the fire station and the subdivision around it.

The Chief commented that he had budgeted for two paramedics to go to certification training, however, that expense will be deferred. There are also two vacant positions and the ambulance positions. His recommendation is to screen the applicants and hire persons who are already certified, so no additional training expenses will be incurred.

Chief Rodriguez stated that he does not look at the budget as funds that must be spent, but more in an overall manner keeping in mind the projects that must be completed and staying within the budget on those.

Mr. Brass asked how delaying the paramedic training will impact the ambulance service.

The Chief said that once the public safety is in place there will be a larger cadre of candidates to select from. He is considering maintaining a paramedic only roster for hiring so he can select persons who have 20 years, or more, of experience. He did not have many older candidates to begin with, because most of them do not want to test. The goal is to have 27 paramedics and, currently, there are 21. Now that he is looking at starting ambulance service in January, the delay will help to cut some expenses.

Ms. Dunn asked about types of vehicles being used and if the type of vehicle is being matched to employee needs.

Chief Rodriguez stated that the administrative staff uses Explorers. The Battalion Chiefs generally go with something bigger. He said that he does not need an Explorer. The cost benefit is considered, whether you pay more up front, but have less expense over time. Vehicles for fire prevention have already been purchased, however, in the future, vehicle analyzation will be a serious consideration.

Ms. Dunn expressed that when people are responding to emergencies, they must have the necessary equipment. She is thinking of individuals who are not responding to emergency situations and if those vehicles can be more efficient.

The Chief commented that at a recent conference he was looking at the South Salt Lake police cars, which cost about the same as his car. He feels that the cost benefit comes into play in that decision. He has some vehicles that are ready to be retired and how those are manipulated in the most cost effective way is a decision to be made.

Mr. Dredge commented that the fire and police are looking at a vehicle take-home policy. He is wondering if that can be considered for a City wide policy which is customized for each individual department and the specific requirements they may have.

Ms. Wells commented that she is working on vehicle policy.

Mayor Snarr stated that the City trouble trucks are what they need to have for the necessary equipment.

Ms. Dunn added that it is not the desire of the Council to take anything away, just to look at policy and become as efficient as possible.

Mr. Dredge feels that a policy across the City will prevent one or two departments from being unfairly burdened because they are more proactive. Ms. Griffiths concurred.

Ms. Wells said that the biggest fleet is in police and the other vehicles are the type they need to have for individual needs.

Ms. Griffiths stated that in the past the City has looked at the cost to purchase a vehicle, however, now, it is important to look at fuel consumption.

David Larsen MIS

Mr. Larsen said that in prior conversations there has been a push to get the SunGard public sector programming done for work orders. In City Hall, he is working with Tom Baker so that his costs can be tracked through the work order system and have better documentation of which facility and which line item is being utilized and how it is going. The software is being utilized more than ever across the city in planning and zoning, public works, streets, and the recorder's office. There is a process developed for completion of inspections which will activate on line notice for new businesses and business licenses. The application process can be completed on line and this software is ready to be implemented.

On budget cuts, there was \$30,000 allocated for aerial photos for GIS. The City can share data with the county, although, the downside is that the resolution that the county uses is not sufficient for engineering. They have one foot resolution and we need less than six inches. By putting that off there is a savings of about \$15,000.

On the GIS modules, four had been budgeted, however, Mr. Larsen said plans are to purchase two now and two later on. There is one for analysis and demonstration. The City does have a process for setting up addresses that is working well, so those can wait. The community development module can be used and the work orders interface with public services, water and sewer.

Another item of discussion is the report writer that the Council wanted to have implemented. He thought this could be delayed for a while or put off indefinitely.

For disk storage VMware is being installed which is a three-terabyte storage area network. Storage consolidation is being completed from a number of individual servers and when completed it will free up five boxes that can be put to other use and delay some capital expenditures next year.

Ms. Dunn asked what Mr. Dredge thought about delaying the purchase of the report writer.

Mr. Robertson said that sometimes we may avoid expenditures that cost more in the long run.

Ms. Wells commented that the Council had asked the City to have three different demonstrations on the report writer. That was completed with Crystal Reports, QRep and Sequel. Mr. Larsen preferred Sequel, other employees had used Crystal Reports and QRep goes along with the HTE that the City already uses. It was discovered that SunGard is working on some modules that the City can purchase when ready. That was the reasoning behind waiting on the report writer. SunGard can make sure the modules work with what the City has. Purchase is being delayed just to make sure it will be most efficient.

Ms. Griffiths asked Ms. Wilson to comment on the report writer.

Ms. Wilson said that the City does have the basic parts of QRep that it can begin using right away. She feels that if SunGard continues progressing with QRep and Murray purchases the other two modules when they are ready, then, it will be very useful.

Mr. Dredge commented that, in his experience, Crystal is painfully slow.

Mr. Larsen stated that he also looked at the maintenance aspect and most programs are high maintenance on installation but afterward some go down to low maintenance. Crystal continues to be high maintenance. QRep will be supported by the vendor and by Cognos, a nationally known database company.

Greg Bellon Power

Mr. Bellon stated that the budget was analyzed and a few items were considered to be delayed or postponed. The recommendation was made to red line a group of items amounting to \$325,500, and then some items to blue line, which would be reviewed during the midyear budget process, depending on how revenues are coming in. Those items totaled \$243,000.

The red line items include Fireclay, however, if it needs to be completed, then there is some carryover construction that was budgeted and the Fireclay project can come out of that money. There is \$40,000 in office and shops and two vehicles to be eliminated. The bar code inventory program will be delayed a year along with the SCADA (Supervisory Control and Data Acquisition) training in Atlanta. All the contractors and professional services have been eliminated from the budget.

The blue line items to be considered at midyear include decorative street lighting, SCADA replacement, and two renewable energy workshops. Mr. Bellon stated the importance of the renewable energy training for Mr. Stireman, and Ms. Wells agreed with that.

Mr. Bellon stated that the power industry is being pressured to look at renewable resources and the City is doing a good job with several in its portfolio.

Ms. Dunn added that the Council has also stressed the importance of renewable energy sources so it would give power employees the approval to attend those conferences.

Mr. Bellon stated that as a department they will do whatever is necessary to facilitate fiscal responsibility through the crisis.

Ms. Griffiths asked about the importance of the second workshop in efficiency training.

Mr. Bellon confirmed that they are both important, however, having to select one the renewable energy workshop is probably most crucial.

Ms. Griffiths thought that decision should be left to the discretion of the power department, because they know what they need.

Ms. Dunn asked for clarification on the Christmas decoration replacement. Ms. Wells said that because it was not much money, it was left in the budget.

Another request by Ms. Dunn was for more detail on the costs described as office, shops and yards.

Mr. Bellon said that some money was earmarked to relocate engineering sub-techs because they had been displaced over the years. The estimate of costs came in way over budget, so it was just eliminated. Some remodeling within the structure might be done, but it can easily be deferred. This was a carry over for anything that needs to be done, or emergency situations.

Ms. Dunn commented on how nice and clean the warehouse is kept. She asked if some money could be saved by not replacing items used that are kept on hand by some of the local distributors. Maybe smaller and larger transformers can be brought in as needed. She realizes that there is a comfort level in having them in stock and on hand. She wondered if some money could be saved by lowering the inventory in this manner.

Mr. Bellon explained that they are looking at that already, for example, poles are one item, as McFarland Cascade has a facility in Odgen where they stock poles. Heber City has an agreement with McFarland, who will leave equipment in their yard, but there is no expense to the city until they are used. That would be very beneficial.

Ms. Dunn proposed that maybe that could be done with other items and lower our inventory, but still keep a warehouse of essential items, knowing that the distributors have other equipment as needed. She feels this could save quite a bit of money.

Mr. Bellon said that transformers are a little different as we have losses that we pay for and pay back over a certain amount of time. He said that they will look at what can be done regarding that suggestion.

Mr. Brass said that stocking for an emergency such as occurred in Provo is a rare event. He feels that rotating inventory a little is a good thing. Some hardware on the shelves has been around for a long time.

Mr. Bellon said that some items are sitting on the shelves because there is one in use in the City somewhere. Wire is another thing that can be ordered and cut to length when necessary, which is a good thing because some of the wire is \$12 per foot. Mr. Bellon thanked the Council for coming to see the warehouse and he agreed that it is one of the best kept in the state. Mr. Brass agreed.

Doug Hill Public Services

Mr. Hill distributed a list of items, which he negotiated with Ms. Wilson, Ms. Wells and the Mayor, as possible budget cuts that could occur during this fiscal year.

Beginning with the 5900 South road project, there was \$550,000 as a partial payment in the budget. He recommends that we move ahead with the design only, at \$70,000, and not put that out to bid, which will be a savings of \$480,000.

Listed on the memorandum are four road projects that have not been started and can be delayed and discussed at midyear budget review to make a decision on. These are all general fund projects. If it is decided to hold off on these, the result will be about \$700,000 of savings.

Mr. Hill pointed out that there had already been a discussion on pavilions and delaying construction of those will save \$230,000, however, it has become necessary to replace two additional boilers in the Park Center. These boilers operate in the locker rooms and rest rooms. One is gone and the other is on the verge of going out and must be restarted every week. The consultants estimate \$42,000, and unless there is any objection, \$42,000 of the \$230,000 for pavilions will be used for that replacement.

Mr. Robertson asked if these have a warranty.

Mr. Hill responded that the boilers that would be purchased are a newer technology, like the swimming pool boilers. The problem at the Park Center is the air being used. Like at the pool, outside air will be brought in and this will give a longer warranty period and, in addition, they are more energy efficient. Over time there will be a cost savings with the new boilers.

Mr. Robertson inquired about the life on the existing boilers.

Mr. Hill indicated that the original boilers had a five-year warranty and it is just more than five years now. The new boilers will have a ten-year warranty.

Other savings include delaying the Parks and Recreation Master Plan for \$70,000, and the conceptual design study for the Murray Park Amphitheater, which will save \$10,000. Our plans are to hold off on the replacement of the Murray Park Amphitheater flooring. This amounts to a \$25,000 savings. In the spirit of the hiring freeze that the Mayor put in place, one street employee who recently left the City will not be replaced and that will save \$25,000. Like other departments, public services will hold off on travel, except where certifications are involved.

Mr. Hill continued to explain that he has talked with the Mayor's office about reducing the level of snow removal and salt. He said that last year the level of service was increased with a curb to curb plowing philosophy. That was a costly initiative because there were additional expenses with the increased level of salt and overtime. The plan is to go back to the previous level of service, if that is approved by the Council. It is difficult to give a dollar figure because it will depend on the number of storms this winter.

Regarding the enterprise funds, because these are fee based, and do not depend on sales tax or property taxes, no cuts have been recommended in those programs. He can propose some cuts there too if the Council would like for him to do so. The travel has been scaled back to keep in line with the rest of the City departments. He thinks it is important to be consistent on that.

In closing, Mr. Hill commented that the gasoline costs are running about one dollar more than last years' costs. What he is seeing is that with the state contract for gasoline, there is a lag time between the purchase and costs charged back to the City. Most of the budgets in the City are experiencing about 50% of fuel allowances used. He expects that will come down in the next quarter. The number of miles driven in the City is tracked, and that has not changed, the fuel costs are higher.

Mr. Hill distributed a list detailing his efforts to reduce costs over the past couple of years in the public services departments. Some of the Council priorities have been instituted already. These items include vehicles, energy savings, computers, cell phones, and recycling.

Looking ahead at some of the issues the Mayor's office is proposing, Mr. Hill said there are three things that have been discussed. One is automated metering for water which is a cost savings to the City for administration of meter reading and detecting leaks. This will help the residents conserve water, because now, the meters are not read through the winter, so if someone has a leak it will continue all winter long. With an automated meter leaks will be detected.

Another dilemma is how to get the old toilet fixtures out of residents' homes. Some places have incentives that allow citizens to get a rebate for replacing those, and that idea is being considered. It would be a savings for the City, because water treatment costs would not

have to be paid, and it would also save money for the citizens by getting rid of the high water volume toilets.

Mr. Hill remarked that he is studying the idea of natural gas vehicles. He considers it more of a policy issue than a cost savings, however, some vehicles make sense to have on natural gas because the payback will be quick. From a dollar perspective, which vehicles to change over are being considered. If the City wanted a policy to set the example and show that it is green, then that would be a different reason than what he is looking at.

Mr. Robertson asked if maintenance figures on the vehicles are available so that can be considered, as well.

Mr. Hill answered that his fleet manager has been researching the topic and he has a good understanding of where it makes sense to use natural gas vehicles.

Mr. Brass added that oil changes are diminished. He has found that on conversions, depending upon what you pay and what tanks are used, you will never realize the difference. One would have to buy 5,000 gallons of gasoline to pay for the conversion. The tanks are small and heavy. In addition, the fueling stations have low pressure and one cannot be assured a filling.

Mayor Snarr said that Questar had assured him that Murray is tapped into the natural gas line and in other locations it has to be transported in.

Mayor Snarr addressed the issue of curb to curb plowing, saying that he has some concerns about it because it damages the curb, it damages the plow and salt will spill out to the edge anyway. Mayor Snarr explains to constituents that the primary routes must be plowed first. There are issues with vehicles parked on the street during plowing. He feels that the City is better off plowing as recommended by Mr. Hill.

The Mayor also remarked that with fuel costs at about \$60 per barrel, there should be a corresponding drop in asphalt costs, as well. He stated his hope that we could take advantage of a significant savings just on the cost of the materials and take care of some of the roads. He stated that the City could dip into reserves to get these projects done, taking advantage of the savings. Many of the residential contractors do not have work in new subdivisions, as they have in the past, and he feels there could be a more competitive bidding environment, particularly in the spring time.

Ms. Dunn agreed and stated that we should not get farther behind on the street projects.

Mr. Robertson commented that we must hope the fuel costs remain low that long.

Ms. Wells added that keeping our employees busy is something to consider too.

The Mayor added that the road projects completed by Murray employees were very well done, the engineers were present and they were on top of everything.

Mr. Hill said that the City will be completing Fashion Boulevard and Rodeo Lane, which are under contract and will be done this year. The other projects on the list were all to be completed after the first of next year. If sales tax takes a dramatic decrease, these projects can be eliminated, as they have not been put out for bid.

Ms. Griffiths asked Mr. Hill to pass accommodations on to his staff. They do a great job.

Pete Fondaco Police

Chief Fondaco has concentrated on savings in his fleet, which is a big concern. In other areas, he has eliminated some administration travel, which is \$4000 that will not be used. The roof repair on the training center will be delayed and some patching completed making it through the winter. The bids came in higher than budgeted so that might be carried forward and supplemented next July to do repairs at that point.

In personnel, the Chief explained that there were one new person and two replacements who will not be starting until the first or second week of November. That is four months of salary for three officers in the personnel account that will be not be spent.

Vehicle usage is causing a lot of turmoil in the Police department. The issue of starting to take money out of people's checks for take-home vehicle use is the problem. Assistant Chief Burnett has put together a survey of nine law enforcement agencies in the Salt Lake County. The Chief is trying to put together a policy that is close to the one used by Salt Lake City because it is a good model to follow.

Murray's policy does not allow any officers to live outside of Salt Lake County, and we are the only City which mandates that. Our policy from City Hall will be from zero to 10 miles and 10 miles and up. Fifteen miles is about as far as you can go and still be in the county. His concern is that some cities restrict usage, and because the take-home policy is new for Murray, he felt it was unwise to begin the new policy and restrict usage. He felt it should be one or the other. What has been determined is that the officers less than 10 miles from City Hall will be charged \$12.50 per check, which is \$325 dollars per year. For those more than 10 miles, the charge is \$25 per check, which comes to \$650 per year. It is causing some issues, however, we are the only City not charging and it is time to charge something.

On vehicles budgeted for replacement, from sergeant up through administration, Police will be purchasing V6s this year. Next fiscal year, the department will look at replacing vehicles for the school resource officers, who are still in V8s. The Chief would really like to maintain usage of the Crown Victoria for patrol, because when the cage is put into a Charger it becomes

quite cramped. When looking at the Charger milage, there is not a great cost savings, it is more public perception. He does not have a problem with that for the school resource officers because they do not transport prisoners. Regarding police pick-up trucks that are still in relatively good condition, the suggestion is to switch them out to other departments in the budget. Then those trucks could be replaced with Rangers, or smaller pickups for Code Enforcement, and get rid of those that are not necessary.

Assistant Chief Burnett has been tracking fuel since last July. It is down 13% and each month it is continuing to go down. The officers are no longer allowed to idle vehicles and must do without the air conditioner in summer and heater in winter when parked. The officers have complied without a problem.

Fuel costs are not coming in as low as he would like to see, however, this quarter, with lower gasoline prices at the pump it should be okay.

Ms. Dunn recognized Chief Fondaco's concerns with smaller vehicles. She asked how other police departments have gone to smaller vehicles and not experienced problems with it.

Most that are going to smaller vehicles are not putting a cage in them, such as highway patrol and some city agencies. His concern is with the computer equipment in the front and transportation of prisoners. Some agencies have gone to the half cage. Now, Murray reuses its cages, so it would mean refitting the fleet with half cages. He pointed out that half cages cost double what a full cage costs. This would put the prisoner on the passenger side of the vehicle, but you must have some cage.

Ms. Dunn asked if the other police agencies have cages and for those that do not what kinds of issues do they have.

The Chief has not discussed that with other police forces.

Ms. Dunn asked if there are other vehicles we should consider, based on the fact that there is not much difference in fuel efficiency between the Crown Victoria and the Charger.

Chief Fondaco stated that only two manufacturers put out the police package, and those are the ones Murray uses. For detectives, the police package is not purchased and there is a savings of about \$3,000 per vehicle. All patrol vehicles need the police package.

Ms. Dunn suggested that, over time, she would like further study done, because other vehicles are being used by some agencies, and she wonders what the gas milage savings is and if the police equipment fits inside.

Mr. Robertson added that safety is most important.

Ms. Dunn asked about overtime usage, and she commented that this would apply in other departments, as well.

Chief Fondaco responded that the overtime is being tracked monthly and is in line with the budget. He explained that the department has been operating on what he refers to as “an officer down.” This is a system which allows one officer to go off shift before back filling. The shift is run with cover cars. If it gets busy, they will hold the cover car over which will be five hours overtime, instead of ten. If two officers are out for training or other purposes, then they back fill.

Ms. Dunn asked about overtime for report writing after an incident.

The Chief advised that if officers need to stay, then overtime must be authorized by the sergeant; they cannot make that decision on their own.

Ms. Dunn asked about that in other departments.

Ms. Wells declared that she has discussed this with the Fire Chief. The Fire Department is considering use of comp time instead of utilizing overtime. Another thing that has been cut back on is overtime for classes. Now, overtime is only being used to cover minimum staffing needs. As employees have been around longer, they accumulate more vacation time. This is the heavy usage time of year, and things will slow down in the winter.

Ms. Dunn said that she knows this is something that can get away from us and run up, and she wants to make everyone aware of the usage.

Mr. Hill pointed out that the only time he must use it is if there is a water line break or snow fall and right now it is not an issue. He reported that most of his employees, if given a choice, would prefer to build up comp time, so nothing is being paid out.

Mr. Dredge commented his surprise at the numbers indicated on Appendix A, which shows that gas usage dropped more than 1000 gallons per month. He wondered if all of that was from idling.

Chief Fondaco confirmed that the savings is due to the procedural order that went out for fuel use. There were about ten items to be instituted. Rifle recertification is something every officer must attend and it is 50 miles, one way, to the range. All officers were required to car pool. Another item was to restrict off duty auto usage, and we have begun publishing the top ten users. The officers do not want their names on that list more than once. The results of these orders have made a big difference.

Mr. Dredge added that this proves that small changes can add up to phenomenal results.

Ms. Griffiths noted the Council's appreciation for everyone's work and proactivity in limiting some of the spending issues. The Council Members are in a painful position, as are the officers, whose moral is affected. However, as the City works together to resolve some of these issues, it is the goal that fairness will prevail.

Dan Barr Library

Mr. Barr commented that because the Library Fund is underwritten by property taxes, it may not be impacted like the other departments that are funded from sales tax. He is hopeful that this year there will not be too many adjustments to make.

He is planning to eliminate travel for conferences that will save about \$1,500 to \$2,000. In the spring, he will apply for a grant that will be used for self service checkout. The vendors promise that it will save in staff hours, although, that may not actually occur. However, this might help the Library cope with increased business.

One on the goals with the renovation was to create some efficiency with staffing and that is happening. The staff costs have decreased, however, because of the renovation, business is up and we are victims of our own success. In the near future, he will be analyzing staffing costs.

Mr. Barr shared some figures comparing September of this year, the first month of remodel completion, with September of last year. Book use is up 19.5%, and new card registration is up 25%. That indicates more people and more books and it will force him to reevaluate his staffing needs. In talking with the Library Board, he informed them that in January the impact of property taxes will be seen. He has also had internet usage increase by 40% over last year and these things place more demands on all employees.

Mr. Robertson commented that more county residents must be using the Murray Library. With the economic situation library usage should increase, rather than people buying books.

Ms. Griffiths read an article about that just recently, affirming that people will not be able to afford to purchase books as they have in the past.

Mr. Dredge thanked everyone for coming and staying throughout the meeting.

Mr. Robertson expressed how good it is to see everyone working together during this economic crisis.

Mayor Snarr added that the Mayor's conference that he attends every year has been eliminated and the American Public Power Association (APPA) conference will be held in Salt Lake so travel and lodging will not be necessary.

Ms. Dunn noted that the Council will not be using travel as it has in the past.

There being no further business, Mr. Dredge adjourned the meeting at 7:21 p.m.

Janet M. Lopez
Administrative Secretary
Murray City Municipal Council