



**MURRAY CITY MUNICIPAL COUNCIL
BUDGET AND FINANCE COMMITTEE
Fiscal Year 2015-2016**

The Murray City Municipal Council met as the Budget and Finance Committee on Thursday, May 14th, 2015 in the Murray City Center, Conference Room #107, 5025 South State Street, Murray, Utah.

Members in Attendance:

Jim Brass	Budget Chair
Brett Hales	Budget Vice-Chair
Blair Camp	Committee Member
Diane Turner	Committee Member
Dave Nicponski	Committee Member

Others in Attendance:

Ted Eyre	Mayor	Jan Lopez	Council Administrator
Jan Wells	Chief Administrative Officer	Janet Towers	Exec. Asst. to the Mayor
Kellie Challburg	Council Office	Frank Nakamura	Attorney
Briant Farnsworth	Attorney	Mary Bahr	Attorney's Office
Charles Crutcher	Power	Bruce Turner	Power
Blaine Haacke	Power General Manager	Greg Bellon	Power
Craig Burnett	Police Chief	Joe Tarver	Police
Justin Zollinger	Finance Director	Doug Hill	Public Services Director
Gil Rodriguez	Fire Chief	Laura Lloyd	Fire
Mike Dykman	Fire	Jon Harris	Fire
Tim Tingey	ADS Director	Rob White	ADS/IT
Danny O'Rourke	Library	Russ Kakala	Public Services
Jeff Ellis	Fire	Trae Stokes	Public Services
Mary Ann Kirk	Arts	Kim Sorenson	Parks
Dave Carruth	Golf	Cory Plant	Recreation
Danny Astill	Water/Sewer	Cody Pearson	Fleet
Mike Terry	Human Resources	Jonathan Wilson	Resident

Mr. Brass called the Budget and Finance Committee Meeting to order and welcomed those in attendance. He added that the Mayor and council members were present, with the exception of Dave Nicponski, who would be arriving soon.

Budget Overview- Justin Zollinger

Mr. Zollinger noted that he appreciated the department heads, staff, and the Mayor, who had all worked very hard to bring a balanced budget. The Mayor's desire was to restore some of the services that had been discontinued, including adding three police officers and two firefighters. Mr. Zollinger added that the budget was balanced, even without the sales tax increase revenue.

He added that the *Budget in Brief* covers all major changes to the City, whether employee raises, construction projects, etc., and also any challenges that the City is facing. Each department has listed changes to their individual budgets, he noted. The *Budget in Brief* is available to the public on the website.

Mr. Zollinger said the sales tax increase has to be in place by June 30, 2015, in order to go into effect this year.

The Power Department would like to be debt free and has saved enough money to pay off the remaining \$6.9 million bond. They have the reserves to do that, and it would free up \$1.6 million per year in bond payments.

It has been proposed to give employees a 1% COLA (Cost of Living Adjustment) and a 2% merit increase for a total compensation adjustment of 3%. There was additional discussion on individual adjustments that the Mayor would address later. Mr. Nicponski asked if the City was covering the insurance premium increase. Mr. Zollinger replied that the City was covering their 85% portion of the insurance costs. Mr. Hales asked for clarification on whether the City was covering the employee portion of the premium increase. Mr. Zollinger replied that they were not and the employee was responsible for the 8% increase on their 15% portion. Mr. Nicponski asked if the employee was receiving a 3% salary increase and having to pay 8% more in insurance premiums. Mr. Zollinger said that was correct but clarified that the 8% increase was part of the 15% portion that the employee pays.

Mr. Zollinger said they are considering adopting an idea from Sandy City. Sandy City offers their employees "Fit Bit" bracelets. The hope is that these fitness bracelets would help the employees become more active, feel better, and possibly result in fewer doctor visits, and lower insurance premiums. The Mayor likes the idea and the City is considering using funds from the non-departmental account to purchase them for the employees. The City would pay half, and the employee would pay half, and after the employee reached a million steps or something similar, they would be reimbursed for their half. He said he likes the idea and it would give tools to the health and wellness committee. He noted that there are group rates available to purchase the "Fit Bits", and the best rate is \$135 from Best Buy.

The Taylorsville Bridge is listed in the non-departmental account for the budget. He added that the bridge is subject to Council approval and should be discussed. Mr. Nicponski commented that Mr. Hill made some headway on that project. Mr. Brass said he heard the project discussed recently at Hampton Inn.

Mr. Zollinger commented that in comparison, Salt Lake City is proposing a 2% COLA for their employees, and South Salt Lake is not giving raises this year. He said he feels like the economy

has stabilized and the City realized a 5% increase in sales tax revenue for the last two years. The City is just now being restored to the 2006 level of revenue, in perspective.

The total increase in employee compensation including insurance premiums, raises, and additional employees was \$1,374,000. Mr. Nicponski clarified that this was revenue coming from the 5% sales tax bump. He asked if a property tax increase was possible. Mr. Zollinger said to do a property tax increase, the process would have to start earlier. He added that a property tax increase occurs when there is new growth in the City. Mr. Brass commented that the new hotels were an example of that, and the new Security National Building would be a contributing factor also. Mr. Zollinger said that was correct and those are both positive changes for the City.

Mr. Zollinger recommends that the new money from the sales tax increase goes through the CIP (Capital Improvement Program) fund. Suggestions have been put in place, but are not specific. There has been money set aside for roads, for example, but the roads have not been specifically named. Mr. Hales asked if that was \$450,000 set aside for road repair and maintenance. Mr. Zollinger said if the sales tax increase does not pass, it is not a problem, but if it does, the roads should be specifically assigned. Mr. Brass added that should be put in the intent document as part of policy. Mr. Nicponski asked if the .20% sales tax increase is approved, will the projects listed on that paper be automatically approved, or if that is a separate process? Mr. Zollinger said all the projects that are assigned to the sales tax increase are listed in the budget documents.

Ms. Turner asked about the library and if it was correct that their funding could only be increased by property taxes. He said that was correct and it is a separate process, approved by Council, through truth in taxation. He added that Ms. Fong did not recommend an increase this year, but possibly for fiscal year 2017.

Mr. Nicponski commented that if the sales tax numbers come in higher than expected, he would like to see the park survey done.

Mr. Zollinger thanked the Mayor and Department Heads for their hard work on the budget.

Mr. Brass said if anyone had questions, an item could be placed on contingency. Contingency items do not mean that you necessarily disagree but would like more discussion on the issue. Those items can be discussed in detail at a future meeting.

Ms. Turner asked about the annual donation of \$118,750 to the Murray Boys & Girls Club. She believed that Council had requested staffing and budget documents from them for accountability. Mr. Zollinger said he believes that they sent some information last year. Ms. Turner believes that they should prepare those documents annually for accountability for the funding that they receive. It was decided to put it on contingency and request more documentation. Mr. Hales noted that the City gave an additional \$120,000 last year to the Boys & Girls Club and believed they were considering give less this year. Mr. Brass agreed that was discussed when the additional funds were given. Mr. Nicponski said he was more inclined to give Mr. Bob Dunn an increase in his salary. Mr. Brass commented that there have been recent changes at the Club and this was a good item for contingency. Mr. Brass commented that the

Murray Boys & Girls Club is merging with the Salt Lake Boys & Girls Club. He said it was recently announced at the Gala and believes the Council should have been informed prior. He noted that the success of the Murray Club has been partly due to the efforts of Bob Dunn, but he may no longer be in charge. He said it will be a good move financially for the Club, but Murray has the stronger program. Ms. Turner stated that she thinks it is a great asset for Murray but would like more accountability. Mr. Brass asked that the item be put on contingency.

Mr. Brass asked if the entire Budget Addendum should be put on contingency, because Chairman Camp had additional questions about non-profit organizations.

Ms. Turner said she had questions about funding for the Murray High Music Specialist and the Arts Festival and asked if funding was consistent for all Murray students. Mr. Brass asked for that to be put on contingency also.

Chairman Camp asked about the Farmers Market and why the fees are waived for them. Ms. Wells replied that the Farmers Market had several options for locations and the fees were waived to keep them here in Murray. Mr. Brass commented that the Farmers Market is busy all summer long. Ms. Wells added that South Jordan wanted them to move there, and Murray encouraged them to stay because the residents really like it. Ms. Turner said she believes the location is probably a win-win for everyone.

Mr. Nicponksi asked that the park survey be placed on contingency. Mr. Brass replied that since it is part of the CIP process, it should be put on CIP contingency.

Mr. Zollinger showed the sales tax increase in the CIP fund. There will be more money invested in Parks and Recreation, and the animal shelter for the Police Department. One large CIP purchase will be a new fire truck. The Fire Department saved money through the CIP process and was able to pay about \$300,000 towards the fire truck, and the City made up the difference. There has been \$410,000 set aside for roads, and \$390,000 for a new phone system for the City.

Ms. Turner asked if any funds were allocated to change vehicles to cleaner fuel vehicles. He replied that currently there was nothing in the budget, but that could be discussed.

Mr. Brass asked that the road repair be put on contingency. Mr. Zollinger clarified that it was CIP roads he wanted on contingency. Mr. Brass agreed and added roads in general.

Mr. Zollinger said money had been set aside for radar speed signs, as in the past. Mr. Brass noted that Mr. Nicponski had the first radar signs in his District and they are fairly new.

Mr. Zollinger said the specific roads outlined for repair were Walden Glen, Chevy Chase/Wesley, Red Oaks Drive and River Glen Drive. Those repairs add up to \$410,000.

The debt service for UTOPIA continues to climb, and the options for City Hall are of great concern for the budget.

Council Office- Jan Lopez

Ms. Lopez showed the detail on the budget. She said the budget still allows for two council members to have the family insurance plan.

Expense allowance was increased by \$50 per month for each council member, for a total of \$250 per month for expenses.

Small equipment was increased by \$2,000, in case the Council needs to purchase new iPads for incoming council members or if others need replacement.

There was an additional \$6,000 set aside for professional services to account for video streaming, if the Council decides to go forward with that. Mr. Zollinger noted that there is money for video streaming in the CIP fund. She said the \$10,000 set aside in CIP would pay for the initial equipment purchase, and the \$6,000 would pay for the streaming cost of approximately \$500 per month.

Education and training had a small increase to cover increased conference costs.

Miscellaneous services was increased by \$1,000 for possible Oath of Office or retirement events.

Ms. Turner asked about the lobbyist fees. Ms. Lopez said that \$40,000 had been earmarked for the lobbyist but she believes there might be discussion about that. Ms. Turner would like that topic put on contingency.

Ms. Lopez noted that the line item for travel was \$10,000 which would allow all council members to attend the ULCT (Utah League of Cities and Towns) events, and two council members to attend the NLCT (National League of Cities and Towns) convention. She mentioned that there was a great conference in September with training sessions that may be better than the Washington D.C. NLCT. It is a four day conference, and the costs are about the same. This year it will be held in Nashville. She said the Mayor gave an additional \$4,000 for travel. Mayor Eyre responded that he would like the Council to have that available and would like to see the Council pay for their travel to some of the Power conferences. He stated that the Power Department would pay for one or two council members to travel, and any other council members that would like to attend would pay from their own travel budget.

Mr. Nicponski asked about the ICSC (International Council of Shopping Centers) convention. Ms. Lopez said that convention is typically paid for from the RDA (Redevelopment Agency) budget and the RDA Chair and RDA Vice-Chair are usually invited to attend.

Administrative & Development Services-Tim Tingey

Mr. Tingey said there were no increases in personnel this year.

There were a couple of major expenses which are really out of their control, he noted.

The first item is the *elections*. In non-election years, \$50,000 is set aside to help off-set the costs. This year, there is a reduction in election services from prior years, due to the decision to

do the mail-in ballot. The cost will be around \$60,000, so an increase of \$10,000 from a non-election year. Chairman Camp asked if the savings from the elections was rolled into CIP. Mr. Zollinger replied that it was rolled into CIP and earmarked for the ADS Department.

The second item is the software purchase. There is new software on three fronts, all with maintenance costs.

There was a minor increase in *uniform allowance* because there is one employee retiring, and a new person would be hired for utility meter reading.

A minor increase in *equipment maintenance* will be incurred due to the I-TRON equipment purchase.

There was an increase in mailing costs for passport processing. This quarter, there have been almost 300 more passports processed than last year. It accounts for about \$12,000 more in revenue. Mr. Brass asked about passport renewals. Mr. Tingey said renewals are done by mail. He said they are reviewing whether to process passport renewals but people can do it on their own. Mr. Tingey said staff is there to help answer questions about renewals but does not process them. Mr. Tingey said the office takes the photos and charges \$10 for them.

Chairman Camp asked if there would be one central polling place for elections at City Hall. Mr. Tingey replied that was correct and the rest would be vote by mail. Mr. Tingey said there has been a greater turnout in other cities with the vote by mail system. He said the vote by mail would result in a savings of about \$5,000 or \$6,000. Mr. Nicponski asked what the process was for a citizen that may not be aware of the vote by mail change. Mr. Tingey replied that the County would mail the ballots to all registered voters. Any unregistered voters would be referred to the County. Mr. Zollinger asked if the unregistered voters receive any communication in the mail. Mr. Tingey said he would look into the issue.

There have been some increases in *equipment maintenance* for the IBM hardware/software solutions. He said it would decrease in a few years when we switch from the IBM hardware.

Software maintenance is large due to the Munis/Tyler system, City Works and Net Motion software. Mr. Zollinger commented that the City is paying maintenance on two different software packages and would continue to pay both until we can change to just one system.

Redevelopment Areas

Mr. Tingey said it is an interesting time with some of the RDA areas. Fireclay just issued reimbursements to the developers that had private agreements with the City.

He believes the current budget in the Central Business District is sufficient but there may be budget amendments needed, if property needs to be acquired or structures need to be built. He added that RDA has some reserves for that. Mr. Zollinger added that the General Fund has committed to contributing to parking structures also.

He said that professional services increased from \$20,000 to \$200,000, in case a parking structure for the Performing Arts Center needs to be designed. There are still property clean up

and revitalization grants that can be used in the downtown area for improvements, he added. Improvements to the State and Vine area were reduced because that project had been paid off. Bonds in the RDA have been paid off so the *other transfers* line decreased from \$285,000 to \$0. Mr. Zollinger commented that the bond was paid off on time, not early. Now, they are left with the debt service of \$265,000. Mr. Brass noted that the Hilton Hotel has been busy and is booked a couple nights a week.

Mr. Tingey noted that the commitment to the Murray School District for the Central Business District is capped at \$400,000.

The Fireclay area received the reimbursement from the County and it was significantly higher than had been discussed. There are commitments based on the amount of funding received as a percentage of the total funding, so those amounts increased also. Low income housing funding has increased due to carryover from the previous year, and that will go to the partnership with Neighborworks.

Private reimbursements increased due to increased revenue projections for the coming year. As the value goes up, the City pays a little bit more, roughly \$384,000. Murray School District is paid 12% of all of the tax increment proceeds from the Fireclay area. A check was just issued for \$101,000 from the Fireclay area, along with the \$400,000 from the Central Business District. Mr. Brass commented that the City was very accommodating to the School District. The Fireclay amount is based on the number of children in the area, times the WPU (weighted pupil unit) at the time.

Mr. Brass asked if the Miller group was being reimbursed also. Mr. Tingey said that presently, they had not been reimbursed. Last week, two of the developers were paid, Hamlet and Parleys. In the development agreements, the developers are required to provide documentation of their costs. He received documentation from the two developers mentioned, but has never received any documentation from the Miller group. Mr. Tingey added that the Miller group still needs to satisfy some concerns related to parking. Mr. Brass said he would like more discussion on the development agreements in an RDA meeting.

Mr. Zollinger added that he discussed property taxes with Jennifer Condie from the County. There was a drop in property tax, and Ms. Condie explained the reason was that Fireclay pulled some new growth from the City and that was the reason for the decrease. He doesn't anticipate that happening again. Mr. Brass asked for clarification on the property tax. He believes the City should still be receiving the base value. Mr. Zollinger replied it was the new growth value that was in question.

Mr. Tingey added that the RDA reimburses the enterprise funds for the power, water lines and infrastructure that was put in place.

The smallest RDA district is Vine Street. There are a number of decreases due to the haircut provision, which meant that the first five years was a full 100% of the value, and then a drop to 75%, and then 50%. He said there are about five more years in this RDA.

Cherry Street also has the haircut provisions, similar to Vine Street. Mr. Nicponski asked where

the rest of the money went, if the RDA only receives 50% of the money. Mr. Tingey replied that it stayed with the taxing entities.

The smelter site had a reduction in funds received because IMC requested to have 3% more of their property exempt from taxes, which totaled about \$300,000. There isn't a lot happening here, only reimbursement to the City. Mayor Eyre asked if IMC was allowed to request that decrease because they increased the amount of free professional services offered. Mr. Tingey replied that he didn't know why, but was concerned that the City didn't receive any notice of their request. Mr. Brass noted that he would like to see the explanation for the request, since it is a large amount that would affect the City.

Mr. Tingey stated that he proposed the phone replacement out of CIP (Capital Improvement Project) funds. The Department is also utilizing some of their savings for the new system. Mr. Zollinger noted that the Library and Enterprise Funds are also contributing money.

He recommended one additional vehicle purchase for Tom Baker, as well as some LanDesk licenses.

Library- Danny O'Rourke

Mr. O'Rourke mentioned that the Library budget is \$1.6 million, similar to the last few years. He passed around an internal planning document that tracks spending on the building and technology and projected future expenses.

One big impact this year will be payroll. Adjustments have been made on staffing and materials to keep everything even. Mr. Nicponski asked how many employees. He replied they have 27 employees. Mr. O'Rourke replied that they are not adding any positions, and just heard recently that a full-time employee would like to go part-time. Payroll will be about 45% of the budget with the proposed employee increase.

The Library is moving to a self-service model and the patrons will be able to check-out their own materials. It may result in fewer staff, over time, but no one will lose their job.

Ms. Turner asked about the drop in capital funds. Mr. O'Rourke replied that was correct as there is less money to spend. He said the Board is evaluating the tax rate, and is hoping to get an increase on a ballot in 2016.

Ms. Turner commented that the Library has great value in the community.

Mr. Zollinger commented that when property taxes are not increased, the motor vehicle fee in lieu goes down. The General Fund experiences the same result. The Library doesn't have additional funds to cover and it makes it more difficult to balance the budget. Mr. Zollinger added that the Library and Storm Water are the two tightest budgets in the City.

Contingency items were discussed. Some contingency items may require a closed session, due to personnel matters. It was proposed to schedule the contingency meeting on May 21, at 4:00 p.m.

Fire Department- Gil Rodriguez

Chief Rodriguez commented that the new engine will be a great thing for the department, and added that the rotation of vehicles is so important for proper maintenance. Mr. Brass responded that a major task as council members is the health, safety and welfare of the citizens and a new fire engine contributes to that. Chief Rodriguez added that the new engine is a Pierce 1500 gallon pumper. Mr. Brass asked if it was replacing another vehicle. Chief Rodriguez replied that it was, and the old engine would go into reserves. It will be great to have as a reserve vehicle; it still works, but is old and not as reliable. Chief Rodriguez noted that the Department has four engines, a tower truck, a new and an old grass truck, the reserve ladder, and the haz-mat trailer. Mr. Brass asked how many vehicles could be on the road at the same time. He said the issue recently came up in an emergency disaster drill. Chief Rodriguez replied that it was typically three trucks that respond to each site, and added that the trucks need to be staffed with people.

Mr. Nicponski asked if there was a policy in place for call-out when emergencies happen. Chief Rodriguez replied that they have pagers and can alert everyone that way. He said that in a real disaster, people always want to take care of their families first, and that is a concern. Mr. Brass commented that people always think the City has more staff to put on the streets in a disaster than they really have.

Chief Rodriguez had asked for two more employees, and an increase in the overtime budget. A big priority is keeping that third ambulance up and running. He handed out a chart showing how often the third ambulance is out of service, mostly due to short staffing. It is tough to maintain the minimum staffing needed of fifteen to keep the ambulance in service. Mr. Brass asked how the response time increased, if they had to rely on Unified Fire for backfill. He replied that it depends on where the emergency happens. For example, in the Lee Mart shooting, Unified Fire came from their station in Midvale and responded quickly. Murray Fire was the first to arrive.

He spoke of a gentleman that suffered a stroke at the Park Center, and the Murray ambulance was able to get him to the hospital very quickly, which is so important in a stroke situation. Ms. Turner said she spoke to the gentleman that said the response time was incredible. Chief Rodriguez noted that the two new hires will help immensely with covering vacations, floating holidays, sick leave, etc. He added that his department is aging, with a lot of service years, and employees have accrued many hours of vacation and leave time.

Chairman Camp asked if ambulance 83 is taken out of service first due to statistics, and if it was out of service on the morning of the Lee Mart shooting due to staffing or maintenance issues. Chief Rodriguez replied it was due to staffing. He added that the other two ambulances were busy with other calls that morning and there wasn't enough staffing to run ambulance 83. He said there were medics on the tower truck that arrived first at the shooting. Chairman Camp said he has some concerns and agrees that the department needs to be fully staffed. He asked why the medics couldn't have acted as a jump crew and taken the ambulance. Chief Rodriguez commented that this is a frequent discussion on the best alternative to responding. Chairman

Camp noted that 80% of the calls are medical related so it may be a better option to take a fire truck out of service rather than an ambulance. Mr. Dykman asked Chairman Camp if his question was why ambulance 83 was the one chosen to take out of service frequently. Mr. Dykman replied that operationally it works best to take ambulance 83 out the rotation. Chief Rodriguez replied that ambulance 81 receives the most calls without question. Statistically, ambulance 83 receives the fewest calls. Mr. Dykman stated that the EMS response is broken down into two components: EMS quick response, based on the station location, the desired goal to arrive within three minutes; and the transport component, which has a nine minute response under national standards. He said the quick response takes priority over the ability to transport. Chairman Camp noted that if the emergency was farther away, it may make a difference because the truck takes a lot longer to get there than an ambulance. They agreed and replied that they are trying to do the best they can under the circumstances. Chief Rodriguez stated that what really needs to happen is to get staffing level where it needs to be.

Mayor Eyre asked if the hiring of the two new firemen would eliminate the problem and the ambulance would be staffed all the time. Chief Rodriguez replied that the new hires, and the additional overtime allocated should take care of the problem. He said the unforeseen problem may still occur occasionally but hopefully, staffing should be sufficient.

Mr. Nicponski asked how many employees were in administration. He replied five. He said suppression and paramedics really fall into the same category, and he has 55 employees there. He said a fully staffed station would have 19 employees, and after the two new employees have been hired, they would meet that number.

He has asked for an office specialist to back up Laura Lloyd. He said as the station gets more complicated with EMS, and ambulance it is a lot of work. Currently, Ms. Lloyd has to schedule her vacations around payroll. He said there is a part-time receptionist but someone needs to learn that trade to be able to back up Ms. Lloyd. Chairman Camp said he would like to put that on contingency because it isn't included in the Mayor's budget. Mr. Zollinger commented that they don't believe a temporary person could do the job. Ms. Turner asked if the current part-time position would be eliminated with the new hire. Chief Rodriguez replied that it would.

Chief Rodriguez asked for an increase of \$25,000 for vehicle maintenance, and an additional \$6,000 for building maintenance.

Chairman Camp asked if the City was getting its bang for its buck by keeping Station 84 open. Chief Rodriguez replied that the expense for the building wasn't a lot and it was currently being used by the battalion chief and to store equipment. He said there is a current shortage for equipment storage space. Mr. Hales asked where Station 84 was located. Chief Rodriguez replied it was near the old Cottonwood Hospital. He said he doesn't know what the future has in store, but calls are increasing. If there was a need for another ambulance, it would likely come from that station.

Mayor Eyre asked if the reserve vehicles are taking up needed space, and are they something that would be needed instantly; or could the old power building be used to store the reserve vehicles. He said it wasn't a bad idea and a storage facility has been previously discussed. Mr.

Brass asked if he was talking about the old generation building. Mayor Eyre said that was correct.

Chairman Camp asked what the projected life of the fire tower truck was. Chief Rodriguez replied he would estimate another four or five years. He added that it could be refurbished, however it is an expensive vehicle. A new ambulance would cost about \$230,000 fully equipped, and a refurbished one would be about half of that cost, noted Mr. Dykman. A refurbished one is basically a brand new chassis with a very good box on it.

Mr. Brass noted that the truck has paid for itself on a couple of occasions by preventing damage to adjoining structures.

Ms. Lopez asked about the accounts receivable and noted that the amount has increased. Mr. Zollinger noted that the industry standard is to write off 50% of the bills, but added that they do a great job at collecting monies owed.

Chief Rodriguez noted that a Medicaid bill recently went into legislation and he is hoping to receive approximately \$50,000- \$60,000 this year. The State reimburses for Medicaid transports with Federal funds. The amount would increase to about \$650 per transport from about \$140 currently.

Mr. Nicponski complimented them for their efforts on the Jordan River Parkway fire, even with the distraction of an incorrect address in the beginning.

Public Services- Doug Hill

Mr. Hill noted that the **Roadways budget** pays for the salaries of the street employees. The only change was an additional \$2,000 for training and educating the employees. He noted that there are fourteen employees in the streets department. Three employees retired this summer, so it is a relatively young work force.

The **Class C budget** consists of a portion of the road construction dollars. There are three pots of money available for roads:

- Class C road money is received from the gasoline tax. There was a minimal increase budgeted. Due to the 5 cent gas tax increase, there should be about \$200,000 more available, but the money won't come in until the second half of the year.
- CIP- Funds for roads recommended by the CIP committee.
- New sales tax revenue funds. This would be approximately an additional \$450,000 in the Mayors Budget. Those funds have not been programmed for specific projects.

Mr. Nicponski clarified that there was an extra \$650,000 for roads from the two pots that have not been specifically assigned. Mr. Hill replied it could be closer to \$550,000, depending on the Class C funds. Mr. Zollinger noted that Class C road funds are very restrictive, and if any money is left at the end of the year, it is rolled back in to the Class C budget.

Mr. Hill said the Mayor has recommended \$350,000 to go towards sealer. It will be spent throughout the City, the west side of the City first, then the east side. Sealer is used on roads

that are in better shape and can have the life of them prolonged. There is \$75,000 for road salt. The Mayor has approved \$260,000 for sidewalk maintenance, which is \$100,000 more than last year. He said this does not include the sidewalk on Walden Glen, which has a different allocation. This budget also includes \$20,000 for painting sharrows on Vine Street. Sharrows are indicators of shared bicycle lanes with vehicles. Vine Street has been designated as a bike route.

The roads that are planned for rebuilds include 440 East and Wilford, 525 East, Briar Meadow, Rodeo, and Greenfield.

Mr. Brass noted that CIP roads had already been put into contingency. Mr. Nicponski commented that he had a specific road project that did not get funded in the CIP process and he would like to discuss it. He noted that the roads in question were Fairhaven and Walden Wood Circle, and would cost approximately \$150,000. Mayor Eyre asked if the additional \$410,000 had been assigned to projects. Mr. Hill responded that the money from CIP has been assigned for specific roads.

The **Shop & Garage** budget had an increase in maintenance costs due to roofs and garage doors needing repair. That budget was increased by \$3,000.

The **Engineering** budget pays for engineering and inspection services, as well as, consultant fees for smaller projects. He said there are five employees in the engineering department. That budget is status quo from last year, with the exception of personnel costs.

Ms. Turner asked where alternative fuel vehicles would be found in the budget. He replied that last year it was in the non-departmental account. Ms. Lopez stated that she believes there is grant money available for that. Mr. Hill noted that he believes the Council set aside enough money to convert three vehicles, but there isn't anything in the budget currently for next year. Ms. Turner asked if that item could be put on contingency also.

Mr. Brass asked about the staffing document and if it could be sub-totaled to get an employee count in each department. Mr. Zollinger apologized and said that column was inadvertently hidden.

The **Parks** budget is mostly status quo, with the exception of personnel costs. For example, small equipment increased by about \$5,000 and there was a slight increase in cell phones. Chairman Camp asked about the decrease in insurance costs. Mr. Zollinger replied that insurance premiums are allocated based on historical claims. The Parks Department claims remained about the same while other departments had an increase in claims, and therefore had more money allocated to them.

The **Park Center** budget remains status quo. Chairman Camp asked if the Sunday closures were related to the budget. Mr. Hill said initially it was closed because they were trying to find a way to cut expenses. It has been closed ever since that decision was made during the economic downturn. He said it is only closed on Sundays during May-August. He added that it used to be closed on Friday evenings also, but that has since been restored. He asked Mr. Plant if he hears comments about the Sunday closures. Mr. Plant replied he hears complaints,

but doesn't think it is enough to be concerned about. He believes it is a good move, but there are a few complaints.

The **Recreation Programs** consist of adult and youth athletics and special events. There is a \$3,000 increase in the cost of uniforms. He added that all of the increases are offset in fees. There is a \$2,000 increase to replace some volleyball equipment. Ms. Turner asked about pickleball. He replied there were pickleball programs offered inside the Park Center, and those are well attended. He added that some of the outdoor basketball courts have been striped for pickleball. Hidden Village and Germania parks both have pickleball courts. Select Health donated some portable pickleball courts to the City that are set up during the summer months. The Mayor has proposed \$400,000 to build six new permanent pickleball courts in one location. The location has yet to be determined but one of the leading ideas is to place it on the property near Jones Court that the City acquired. It is close to roads and has restroom facilities nearby; the lights wouldn't bother any neighbors. Ms. Turner commented that pickle ball is a growing sport and has an enthusiastic following.

Mr. Nicponski asked if the recreation survey could be funded to get a sense of what the citizens want. Mr. Zollinger commented that it has been placed on contingency.

Cultural Arts & History is a status quo budget but there are a lot of adjustments within the line items. The big change was the removal of the Miss Murray budget, because that was moved to the non-departmental budget. Every year the City provides grants to arts organizations that apply through the Arts Advisory Board. The Arts Advisory Board makes recommendations to the Mayor and those recipients are listed in the Budget Addendum. He mentioned a few winners that were: Murray Symphony- \$2,500, Murray Concert Band- \$2,500, Murray High- Arts Festival- \$1,000, Miss Murray- \$4,400. There were also funds given to help Murray School District hire a music specialist. Ms. Turner asked if the grants were offered to Cottonwood High School as well. Ms. Kirk replied that they were sent the applications as well. Ms. Kirk clarified that the music specialist was elementary school oriented and Granite School District has their own program. Ms. Kirk noted that she was in direct contact with the Cottonwood High principals and teachers, and they received the information. She added that it may not fit in with their programs.

There is no change in the budget for the **Outdoor Swimming Pool**. Mr. Zollinger commented that the seasonal temporary employees are remaining in the budget for the outdoor pool, and not mixed in with the Park Center budget. Mr. Nicponski asked about a resurface on the pool walkway. Mr. Zollinger replied that was for the indoor pool.

The **Heritage Center** had a few changes. The Center is receiving a new bus and would like to offer some additional trips. There is a \$3,000 increase to help pay for bus drivers and temporary employees. There is an \$800 increase for fuel costs. There was a reduction in equipment maintenance because the bus is new and under warranty. There will be some additional expenses for added programs such as golf, but they expect those to be offset by the fees. The meal expenses have gone up and so the budget has increased by \$5,000. The City subsidizes the meals and charges a higher fee than Salt Lake County charges for their senior centers.

The **Cemetery** budget has a few minor line item adjustments, mostly just personnel costs. Mayor Eyre asked how much the automatic controller would cost for the irrigation system. Mr. Hill replied it was approximately \$30,000. He said initially it would be a manual system, with the ability to convert to automatic. The cemetery irrigation project will not be completed before June, so money will have to be rolled over into the next year's budget. He estimates the project would be done in August.

The plan for next year is to remove two of the roads and turn them into plots and sell them. He believes it would create about 140 additional plots, and possibly some niches. The staff has met with the Parks & Recreations Advisory Board and made a proposal for the Mayor and Council on how to sell those plots. The Attorneys office is drafting changes to the ordinance to reflect the sale of the plots. Mr. Zollinger commented that the sale of the plots would help pay for the improvements.

The **Water** budget will allow for one new employee that is proposed as part of the sales tax revenue.

The big projects next year include bank stabilization on the 500 East well, near 5300 South. There is a new water line project on 5900 South, west of State Street, that will cost approximately \$1.5 million. He said that project would upsize from a 10" pipe to a 12" pipe. Chairman Camp asked about the project on 5900 South. He replied that was a Questar project. Mr. Hill said that Mr. Stokes has been able to acquire 30 of the 36 parcels needed on 5900 South. It is a Federal project and the bid can't be completed until all of the property has been acquired. If this project can't go to bid within a couple of weeks, it may have to be postponed until fall. Projects that go to bid in the middle of the summer usually result in high prices and poor contractors. He stated it is west of State Street.

Mr. Hill added that there are temporary manhole covers in place on 5900 South, east of State Street. 5900 South still needs about a one inch lip and after that surface is done sometime in June, the manhole covers will be smoothed out. Chairman Camp asked residents about the island on 5900 South and they all seem to want it removed. Mr. Stokes said currently the project would not go west of 700 West; there were not available funds to continue further west. Currently, the engineers are estimating the cost higher than what the Federal funds amount to. If the price comes in higher, the City would have to make up the difference. He noted that it could be as much as \$500,000. Mr. Stokes is working with the designers to try and reduce the price. If that happens, there would be a budget opening to request additional funds. He said the entire project is close to \$5 million.

Last year, drilling began on a new well on McGhie Springs. The well has been drilled but the piping needs to be moved to the pump station. The bids for that are coming in higher than expected. It may require a substantial amount of money rolled over into next years' budget to complete the project. Some of the pipeline projects may be trimmed for next year to save money. Additional funds may be needed, he added. Approximately \$1.7 million of reserves is being used.

The **Waste Water** budget has a big project on 500 West and Riverside. The lift station there will

be removed, and the lines would be upsized to account for future high density in the area.

A sewer cleaning truck will be purchased for \$360,000 and some additional minor equipment. Approximately \$1.3 million of reserves would be used.

Mr. Astill is doing a rate comparison on both water and waste water.

Mr. Nicponski commented that reserves would be drawn down on both water and waste water, and asked what the remaining amount would be in reserves. Mr. Zollinger commented that the water department would have \$3 million plus in reserves and the waste water would have close to \$2 million. He clarified that reserves are being used for capital projects in both funds, which is part of the policy. Much of it is pay as you go, he added.

The **Golf Course** is a status quo budget. The CIP fund is putting money in to the golf course reserves towards replacing the irrigation system sometime in the future. A new golf pro was hired, John Pierson. The golf course has had a good start due to the warm weather. Approximately \$120,000 was set aside for capital projects that would allow for replacement of some vehicles, furnaces, etc. The golf course is making money and is not subsidized by the General Fund. Mayor Eyre asked how long the current irrigation system would last at the golf course. Mr. Carruth replied that there are a lot of mechanical and technical problems and the IT department has stated that the control system would only last two more years. It is based on an old outdated DOS (Disk Operating System) system.

Mr. Hill added that more is being budgeted every year for sprinkler heads and replacement parts, approximately \$25,000 per year to replace worn out parts. The biggest concern is the control system, which could run about \$60,000. The cost to replace the entire system is about \$2 million. Mr. Carruth said the desired control system would not run the current irrigation system.

Ms. Turner asked if recycled water was used. Mr. Hill replied that the water used is ground water or shallow aquifer water, basically all recycled water. Mr. Brass said it is high in salt content and the reason the trees don't grow tall. It is okay for the grass, but isn't great for the trees, he added.

Mr. Hill said they are considering using restricted flight golf balls on the driving range. The balls won't go as far as the others, and would be a lot cheaper than moving back the driving tees. The balls have a 20% reduction. He said it will be interesting to see the reaction of the golfers, and hopefully this would be a less expensive solution.

The **Solid Waste** fund will use some reserves. There is currently \$500,000 in reserves, and \$200,000 would be used to purchase a new garbage truck for the Parks. This is the final year of the contract with Ace Disposal. An RFP will be put out sometime this summer for bids. He was still trying to decide what the RFP should look like, and he welcomed any input. He would like to get prices on providing additional services, such as: weekly recycling, green waste and glass recycling, neighborhood clean-up trailers, recycling in the parks, etc. The City could then pick and choose which services they would prefer. Any added services, and maybe even the same services, would probably result in a fee increase. The contract is through at the end of this year,

and the newly contracted provider would start in January. Ms. Turner said all of those issues came up at the public meetings, and those added services were the reason some of the east side citizens chose not to go with Ace Disposal. Mr. Hill commented that it will all come down to the added cost. He stated that it would be a five year contract.

The **Storm Water** fund bonded for about \$3 million approximately three years ago for storm drain improvements. The biggest project has been 5900 South. There is still occasional flooding during big rain storms. Since the bond money has been spent, there will not be a lot of storm drain projects this coming year. There will be \$191,000 used from reserves for some projects. Mr. Nicponski commented on the large project done by the County near Walden Glen.

Mr. Zollinger replied that the next bonding won't happen until 2017. He noted that Storm Water and the Library are the two most restricted funds in the City.

Mr. Hill said that many of the improvements are very expensive fixes.

Mr. Brass commented that Central Valley Water may have good news and not have to spend millions on waste water treatment plants. He added that the next best source is storm water. He said there needs to be ways to intercept the storm water before it hits the Jordan River raw. He noted that possibly wetlands projects, catch basins, or using the ditches to help with this issue. He said he receives calls from residents concerned about their storm water bills. He said there is the issue of winning the Central Valley battle but losing the storm water war. He said it would be very expensive to treat storm water. Mr. Hill replied that they are doing that in California and spending a lot of money. Mr. Brass said the big issue is the phosphorous and the nitrogen that comes from everyone's yards. There is also leaf debris and oil contaminants from vehicles. He said it is an issue that needs to be addressed.

Mr. Nicponski asked if there was a crew that routinely cleaned out the storm drains. Mr. Hill replied that was correct.

He added that because Murray City is next to the Jordan River, everything drains through the City from Holladay, Cottonwood Heights, Midvale, etc. Recently the City entered into an agreement with Midvale to share the cost of infrastructure improvements. He said the same thing needs to be done with the areas east of Murray. Recently the City was approached by the Tanner Ditch group asking for money. Murray is looking into it, but hoping for an interlocal agreement with the cities east of Murray to help share in the cost. Currently, Murray and the irrigation companies bear the burden of the maintenance costs

The **Central Garage** budget is status quo with the exception of additional funding for education and training for the mechanics, including a new hire. Cody Pierson replaced George Hamer as the new City Fleet Supervisor. There are four full-time employees in the Central Garage department.

Mr. Hill commented on radar speed signs and wanted to make sure the Council was okay with the list of locations provided by the Traffic Safety Committee. Mr. Hales asked if it could be put on contingency.

Ms. Turner clarified that alternative fuel vehicles were on contingency also.

Mr. Hill noted that the conceptual design and cost estimate for the Murray Amphitheater has been completed, and would be discussed in a Committee of the Whole meeting in June.

The Mayor proposed some funds for a conceptual design for the Murray Park Armory building. The objective is to use that study and apply for some ZAP (Zoo, Arts & Park) funds. Applications are due sometime in October and the committee would decide how to distribute the ZAP funds throughout the County.

Mr. Hill noted that the Mayor has set aside funds to build a new pavilion and a couple of restrooms near the popular playground in Murray Park. The current thought is to tear down the old ice rink and fence in preparation for a future splash pad, restroom and pavilion in the shaded area.

He noted that in 2007 money was set aside and plans were drawn up for new pavilions in Murray Park, but with the economic downturn, the money wasn't spent. He said that the new pavilion should match the other pavilions. Mr. Sorenson said the pavilions were repaired recently and the roofs are in fair shape.

Mr. Hill said that Rocky Mountain Power recently approached them about the existing leases on the golf course and the Jordan River Parkway. One lease agreement expires this year, and another already expired. Rocky Mountain Power is under new management and would like to charge more money on the leases. Additional funds have not been included in the budget, but it could be as much as \$5,000 for the golf course this year, escalating up to \$15,000 in future years. The Jordan River Parkway would cost \$5,000 every year for the next ten years. He added that those amounts were negotiated down. Mr. Zollinger stated that since the budget had already been submitted, he recommended discussing the issue with the Council and then making the adjustment. Mr. Hill said that \$5,000 would need to be put in the General Fund in parks and an additional \$5,000 for the golf course to pay those leases. Chairman Camp suggested putting the Rocky Mountain Power leases on contingency.

Mr. Hill complimented and thanked his staff for their hard work.

Mr. Brass adjourned the meeting for a lunch break.

Mr. Brass called the meeting to order after the lunch break.

Murray City Employee Association (MCEA) - Jaclyn Sadler

Ms. Sadler wanted to discuss the Mayor's proposal for employee compensation- a 1% COLA and a 2% merit adjustment. She stated that employees are grateful to be receiving a raise, but noted that the 1% COLA just barely covers the increased cost for insurance premiums for the family plan. The cost for the family plan insurance premium would increase by \$7.02 bi-weekly. Some employees will only realize \$3 per paycheck when figuring in the insurance hike, which is taking up the entire COLA adjustment. She suggested that a 2% COLA would seem like more of a raise in salary than simply covering the higher insurance cost. The Mayor clarified that she would prefer a 2% COLA and a 1% merit adjustment. She said that was correct.

Mr. Hales said it is difficult to understand and comprehend how important raises are and he appreciates that Ms. Sadler is willing to discuss it, and represent the employees. Ms. Sadler thanked him and said it was tough to get excited about a raise that is going to get eaten up by insurance costs. Mayor Eyre replied that if Mr. Zollinger hadn't been able to find that money, there would not have been any raises at all. He said otherwise, employees would have lost money, instead of just breaking even and Mr. Zollinger should receive credit for that. Ms. Sadler said they are appreciative that it is not a deficit in pay. She agreed that employees have been fortunate in Murray with the low insurance premiums.

Mr. Zollinger said the City is covering \$314,000 of the increased insurance costs. Mr. Hales asked what the added amount was that the employees are responsible for. Mr. Zollinger said he didn't have that figure.

Ms. Sadler said her second term as MCEA President is up at the end of June. Callie Johnson is running for President and Carissa Johnson is running for Vice-President. So far, they are the only employees running for the positions, and Ms. Sadler would remain on the committee as Treasurer.

She stated that employees are still discussing the compression issue. She mentioned that it is affecting the retirement of the Public Safety officers because the retirement is based on the three highest years of wages after twenty years. If the employees are not increasing in their pay grade, then they will not have as much money for their retirement. The City is still losing Police Officers and Firemen to other cities because they are offering them \$5-\$8 per hour raises. These employees are loyal to Murray City and love working here, but it isn't beneficial for them to stay, because they can get more money somewhere else. She stated that the Police Department is short six officers currently and the Fire Department is short two fireman. She noted that Officer Anderson retired and wondered if his salary could be spread around to other officers to fix the compression issues. Mayor Eyre stated that his particular salary would need to be spread among the other 370 employees, and not just remain in the Police Department. Mr. Zollinger said it is a very difficult way to budget when departments try and retain funds because they were not spent.

Mayor Eyre said that he would like to verify the numbers with the Police Department, he wasn't aware that they were down six officers. Mr. Zollinger said that number was correct and they are down six officers that retired during the recession and have not been replaced. Mr. Zollinger told Ms. Sadler that three officers, and two firemen would be replaced in this year's budget.

Mr. Nicponski clarified that the insurance premium increase for employees was 8% of 15% for the employee portion. Examples were discussed of different employee scenarios and how much of an increase they would realize.

Mr. Hales thanked Ms. Sadler for her role in representing the employees.

Court- Michael Williams

Mr. Williams stated that the budget remained pretty much the same, with the exception of personnel related costs. He said there would be a slight savings this year.

He noted that Utah is probably the leading state in going “paperless.” The State has made certain needed reports unavailable unless you are on the “Judges Workbench” project. He said in order to comply with the State, Murray purchased scanners for each clerk, and a computer module for the Judges’ bench. It is a large touch screen computer with dual screens, and the Judge can actually pull up the file, and read the report instantly. The cost for those purchases was about \$13,000, which was money saved from Selectron. Mr. Zollinger added that change saved the City \$15,000. Mr. Williams added that there is even more savings when running the credit cards through the State versus PayPal. He stated that it also freed up his time because he would spend an average of two hours per day figuring out the credit cards, and backing out double payments.

Small claims cases increased last year by double digits and would most likely double again. Many new financial businesses have opened up in Murray and have a lot of filings. There are two full days and a couple half days per month dedicated to small claims cases. Mr. Hales asked if there was a limit that the financial companies could charge. Mr. Williams replied that the City follows the Federal limit, which is about 22.5% annually. Mr. Hales asked what the small claims case limit was. Mr. Williams replied that the amount was \$10,000.

He said he was able to hire another clerk, and is still down one employee, but feels like he is fully staffed.

He noted that every clerk is required to have several hours of training per year. He has been doing the training in-house, but outside training would be preferable. He would like the staff to attend clerk and judge conferences. He has done some realignment and restructuring and believes the budget is very workable.

Ms. Turner asked about the cost for prisoner transport. Mr. Williams replied that the cost is determined by the County. The prisoners need to be brought in and the cases need to be addressed sooner or later, he added. As soon as the suspect is arrested, the court is notified and a transport is done the next day. Ms. Turner asked about video appearances. He replied that video has been used for the outlying prisoners but Murray doesn’t have a hard line to ADC (Adult Detention Complex). If there was a hard line to ADC, like Salt Lake City, it could be done. The ADC is coming up with a new system to replace VIAC, the old system. Currently, video appearances are done for people living in outlying areas, such as Washington County. Prisoners are only transported in from abutting counties. Murray has so many transports, they get a discount on the cost. Murray has full vans coming to the courthouse. He said the outlying counties use skype for the video arraignments.

Mayor Eyre commented on the number of cases doubling in the court and asked if there had been an increase in personnel. Mr. Williams replied that two new employees had been hired in the last six months, to replace the missing four or five employees. He added that going paperless and the realignment of assignments have helped make the staffing sufficient. He said all the cases must be catalogued and destroyed within mandated timelines, and that won’t need to be done after the switch to paperless is complete. He added that it will save a lot of space in the new building that had previously be designated as archive and storage space. Mr. Zollinger noted that the space would be needed for more servers. Mr. Williams added that Utah is an

advanced computer state, and a couple of courts have already gone paperless and would assist with the training.

Human Resources- Mike Terry

Mr. Terry commented that an employee file must be retained for 65 years, or three years after the employee's death. He said the files are stored in boxes in the basement.

He said his budget is fairly flat, with the exception of three items. There have been two small increases. One increase was in *Small Equipment* and increased by \$1,000. The new payroll software would allow people to apply online and a kiosk would be needed sometime in the future. The kiosk would allow people to come in and apply online.

Education and Training increased from \$3,000 to \$4,000 for staff to attend training out of state. Last year was the first out of state training the he attended since 2008 and he would like to give his staff the same opportunity.

The *Exam and Test Rentals* budget decreased from \$10,000 to \$1,000 because there is a rather expensive test for firefighter applicants. Now, Murray has joined in with seven other cities to form the Metro Fire Testing Consortium and the cost is shared between all. There is a single test given and the cities share a common list of applicants. It is a good program for the cities and the applicants, he noted.

Police Department- Chief Burnett and Asst. Chief Joe Tarver

Chief Burnett said there isn't a lot of change from the previous year's day to day budget.

There is a significant cost increase in the *VECC* (Valley Emergency Communications Center) budget due to the increase in calls for service and the compensation package that they are implementing for their employees. Mr. Zollinger added that the Legislature passed a bill saying that employees that work in a 911 center qualify to be on the Public Safety Retirement System, rather than the regular Public Employee Retirement System, which changes the retirement from a 30 year to a 20 year, and could increase costs. Chairman Camp added that the Center must agree to opt into the new plan, which is an irrevocable decision.

Chief Burnett said he has asked for an additional sergeant position. He believes it would be a person chosen from existing manpower. Last year, a sergeant was moved to the narcotics unit, which was previously responsible for training and community services. Those duties have been split between another sergeant and an officer. He would like to restore that sergeant position. Mr. Zollinger noted that the Chief provided \$30,000 from the budget to help bring back that sergeant position.

Ms. Turner asked how many resource officers were supplied to the schools in Granite School District. Chief Burnett replied one in Granite, three in Murray, plus the DARE Officer. It is a total of five officers that are essentially dedicated to the schools during school hours. Ms. Turner clarified that the officer assigned to the Granite School District is at Cottonwood High School. Chief Burnett said that was correct. Ms. Turner asked the approximate salary of the officer at the school. Chief said it was probably close to \$50,000 range, before benefits. He said Granite

School District pays approximately \$12,000 towards the salary, but that might increase marginally this year. He said Murray School District gives the City \$25,000 towards the three officers that work at Murray High, Hillcrest, and Riverview Junior Highs. Murray City additionally funds the entire DARE program.

Cottonwood Heights sold Murray a server for \$1 and time on the shooting range. The server was needed to upgrade to the most recent version of the Spillman system. There was one glitch that cost additional money, but now the City has the most recent version like everyone else in the State. He said they are having conversations with VECC as to the possibility of migrating to their server and having them house and maintain the Spillman records. That could save 10-15% of what the City pays Spillman annually. He added that it depends on whether VECC increases the assessment, even though they have indicated that the assessment would not increase.

Chief Burnett said there could be possible issues for employees with compensation packages from other cities, but he said across the board, there isn't a lot of room to complain. Chairman Camp asked if officers have been lost to other Police Departments within the last year. Chief Burnett replied several employees left, but one left law enforcement, one went to the District Attorney's office, and one went to the Attorney General's office. Two officers left for West Valley, but that could have been more than a year ago, he noted. He said that this budget year, the personnel losses were simply employees leaving for promotions or because the Department needed them to leave. One detective left to pursue his personal business that was doing well. Mr. Brass said he understands that in a young career, the pay per hour makes a difference, but noted that the City's benefit package is very good. Chief Burnett agreed and said that they try to explain that but some just prefer to compare hourly wages. Sandy and West Jordan are both implementing a step program this year, and some officers will see that as additional wages and higher salaries. Mr. Hales said in his experience, some employees don't realize the value of the benefit package, until it is too late.

Chairman Camp asked about the plans for body cameras and if further implementation was in the plans. Chief Burnett replied that all of the first responders, supervisors, and patrol and motor officers have cameras and have had for a couple of years. As long as funding is available, body cameras would be purchased and spread out among the officers. Beer tax money has been the source of funding for those, he added. Some positions don't need cameras and won't use them. He believes any change would be possibly researching better or different equipment.

He noted the cameras are \$599 purchased from Taser, but the storage is \$3,500 per camera. The cost for storage would increase after five years. He said they are trying to manage the program and keep the storage costs down. He said Salt Lake City has two or three employees that manage the body camera program. He said Murray may need an employee designated for body camera and storage maintenance in the future. He said the department uses the clip-on camera that is shoulder mounted and can clip on to the collar, hat, glasses, etc. Chairman Camp commented that West Valley requires the officers to wear glasses with the camera mounted on them. Chief Burnett replied that it is the same camera that Murray uses and they were really marketed for glasses, and came with a pair of Oakley sunglasses. Chief Burnett said it is a good view from the glasses, but the problem is if they are sunglasses then you have the day/night issue. He said most officers wear them on their shoulder. It is a tool and does not give

the 360 degree view that most people would like, but does give a video with audio. He gave an example of a person hallucinating on bath salts, and the officer had good video with limited views but the audio was great. He said the officers have come to rely on the cameras, not only for their protection, but also for investigative purposes.

Asst. Chief Tarver said the budget doesn't allow for cameras to be sitting around because the expensive cost of storage per camera. He said if a camera goes down, a quick turnaround time is important. Ms. Turner asked if Federal funding was available to help with the costs. Chief Burnett said there is funding available, but it isn't guaranteed. Some larger cities have a very large cost to equip all their officers with body cameras. He added that the storage is cloud based and another entity, Evidence.com, maintains it. The other option would be to add our own storage facility which would cost \$60,000 to \$80,000. One concern is that the demand for cameras across the nation will be hard to supply. He said the length of storage time depends on what is on the video. Asst. Chief said the shortest time to keep a video would be about 20 days, but some video would need to be kept for years. The officer can set the storage retention parameter needed, depending on the actions on the video. If an officer classifies the video as "no action", it is stored in the queue for 20 days before an email is sent regarding deletion of the video. Many other items can be set up as manual deletion items only.

Mr. Nicponski commented on the arrest of the Lee Mart shooters, and how the suspects have all begun talking and pointing fingers. Chief Burnett said he went and talked to the neighbors about their concerns. The vast majority of the neighborhood is comfortable with what is happening. There were about 40 people that attended the neighborhood watch. He added that there will always be conflict and crime in the society.

Chief Burnett noted that ten cars would be purchased in the CIP program. He said the department is in a good rotation and a couple of Crown Victorias are still being used by the detectives and the school officers. This year most of the cars would replace some Crown Victorias and go to some of the detectives. He said approximately 46 of 70 cars have been replaced over recent years. Vehicle maintenance costs have decreased due to the newer vehicles.

Mr. Zollinger added that with the three new officers, some of the new vehicles would be rotated to them.

Mayor's Office- Mayor Eyre and Jan Wells

Mayor Eyre noted that they have a temporary employee listed, Jade Paulsen, who maintains the City website and is involved in making a video from photos that have been sent in from residents.

The cell phone bill increased and it was discovered that it was under budgeted the previous year.

The professional fee listed is \$10,500. This total is for the \$1,500 spent per week for Kory Holdaway and Pete Busche during the Legislative session. He said the City received a lot of information and felt like it was well worth the expense.

The last increase was for the Mayor's special projects and the majority of that budget goes towards the dinner for the representatives on the City Boards and Commissions. There are a few extra scholarships and projects that he would like to include this year.

Mayor Eyre asked about the process for the items placed on contingency. Mr. Brass replied it simply meant further discussion on the items. He asked what happens if they choose to spend money that wasn't previously in the budget. Mr. Brass replied that the funds would have to be taken from somewhere else in the budget, or taken from reserves to maintain the balanced budget. Mr. Nicponski mentioned that one-time expenses are more likely to pass on contingency discussions because the money would come from reserves, rather than recurring costs. He added that it was hard to take money from other balanced budgets. Mr. Brass noted that often taking from reserves is balancing the expense of delaying projects. He said typically the contingency meetings are only an hour long.

Mayor Eyre said staff sent out a total of 75 letters to the top business people in the City and have not received a single negative comment or response in regards to the sales tax increase. The only responses received were from the meeting and they supported the extra services, such as police officers, that the City would be able to provide with the additional sales tax revenue. He added that the tax commission was surprised and impressed with the efforts made by the City before implementing the increase. Mr. Nicponski said he talked to his constituents and they were supportive of the added services also.

Finance Department- Justin Zollinger

Mr. Zollinger noted that *wages and benefits* had a minor change. There was a decrease to the *outside auditor*.

There was an increase in *employee incentives* in the non-departmental fund to account for the "fit bit" proposal. Mr. Brass asked how many steps the employee would need to meet to qualify for the reimbursement. Mr. Zollinger replied one million, but added that ideas are still being discussed. Mr. Zollinger said if a person averages 10,000 steps per day, the million step goal should be reached fairly quickly.

He pointed out the *contingency* line in the non-departmental budget. This line is where any extra contingency items, such as conversion of vehicles, etc. could be funded. There have been items funded such as the boiler for the pool showers, emergency roof repair, etc. This fund is mostly kept for expenses coming late in the year, and there isn't time to do a budget opening.

Ms. Wells asked about available funds for Civic Plus to refresh or overhaul the City website. Mr. Brass said he would prefer an RFP (Request for Proposal) for the website, because he feels like the website is cumbersome. Ms. Wells agreed and said it is a busy website.

Ms. Turner asked about the charges for the City Newsletter. Ms. Wells replied that the City pays the Murray Journal to run the newsletter that is distributed monthly. Mr. Brass said he has not received a Murray Journal in months. Ms. Wells replied there was a new director and she would follow up.

Mr. Zollinger noted that *retiree insurance* continues to decrease over time.

He added that UTOPIA charges increased from \$1.647 million to \$1.685 million.

The transfer of nearly \$1.8 million to capital projects was from sales tax revenue.

Chairman Camp asked about the earlier question of the COLA versus the merit increase. He asked if it was budgeted straight across as a 3% increase. Chairman Camp asked if it would impact the budget at all, if a 2% COLA and 1% merit was given. Mr. Zollinger added that the red-lined employees would get the 2% COLA increase versus the proposed 1% COLA. He added that currently the red-lined employees were receiving a \$500 bonus with the 1% COLA, so there may need to be further discussion on that issue. Chairman Camp asked for the topic to be placed on contingency. Mr. Zollinger recommended the discussion include the Mayor about the employee salary incentives.

Mr. Brass adjourned the meeting for a break.

Power Department- Blaine Haacke & Greg Bellon

Mr. Zollinger mentioned that he had previously shared with the Council that there was \$6.9 million budgeted to pay off bonds. That payment would free up \$1.6 million a year, and equates to \$877,000 in interest savings. He commended the Power Department for being in a position to pay off the bonds. Mr. Haacke noted that the bonds would be paid off 6-7 years early. He said there has been a little luck on the market, but they have also done a lot of cost-cutting measures to make that happen. He said the good news is the budget is balanced and the even better news is that debt is being paid off. He added that it is actually called a defeasement when the bond is paid off.

Mr. Haacke introduced his team: Greg Bellon, Charles Crutcher and Bruce Turner, who have all helped form the budget.

Mr. Bellon said that the warm weather started early this year, which caused them to be very conservative. There is less than a projected 1% growth in metered sales, but they are hopeful to exceed the numbers this summer.

Mr. Haacke explained the different rates in the top ten lines.

Impact fees will also help to increase the revenue. When a new facility is built, it impacts the system because new resources need to be purchased. The contractor is charged an impact fee to help offset those costs. A conservative estimate of \$85,000 has been budgeted for impact fees.

REC (Renewable Energy Credits) are green tags, which are sold with renewable resources. It is a "feel good" conservation green tag that people will buy. The estimated \$15,000 in revenue is very conservative, he added.

He said there shouldn't be any need for rate increases and the department should be able to build reserves back up. Mr. Hales asked if there was a minimum required amount for reserves in

enterprise funds. Mr. Zollinger replied that there was not, but the City policy is to retain 25% but allows funds to drop below that for one-time expenses. He added that the Power Department will still be very close to the 25% level. Mr. Brass said he believed that post-Enron, there was an amount stipulated to put in reserves annually. Mr. Zollinger stated that the projected revenue is very conservative, so money should quickly be added back in to the reserve account. Mr. Brass asked if there was an ordinance. Mr. Zollinger replied that it had been changed.

Mr. Haacke said there are “backyard rebuilds”, when work is done for a contractor or simply an area that needs to be rebuilt.

Mr. Turner added that some capital equipment needed to be purchased. The chipper and brush truck unit is currently being tested, but they may choose to remain with a single bucket truck. The backhoe is old and needs to be replaced. A pickup is needed for a crew truck. The skid steer loader will be shared between the line crews and sub-techs to clean the diversion of water and for trenching. The utility trailer used to haul equipment is very old and needs replacement. Mr. Haacke said with the mentioned purchases, he is proposing a \$2 million capital budget, up from the \$1.7 million last year.

Chairman Camp asked if the old equipment is surplussed out. Mr. Turner replied that usually the best deal is to trade it in rather than surplus it out. Mr. Haacke said in the case of vehicles, they are offered to other departments, and the Water Department took many of the older pick-up trucks.

Mr. Zollinger noted that the budget is balanced, including these capital expenditures.

Mr. Bellon said there are some safety related items, such as new climbing belts and harnesses that need to be replaced, so that budget increased by \$10,000.

There is a \$21 million budget for *power costs*, which is down 2%. Power has been purchased for June, July, August and September. The highest amount paid was just over \$40 in July and August. He said more CRSP (Colorado River Storage Project) resources would be used. Mr. Brass asked if CRSP would be readily available and added that the water levels are very low. Mr. Bellon said that is a possibility that they may curtail it, but there is a minimum amount that CRSP is required to provide. Mr. Haacke said there is an agreement and if CRSP doesn't have the water to supply the power, they will go and buy it on the market in order to provide it. He added that UAMPS used to order the power for Murray, but now Murray purchases it directly. Mr. Haacke summarized that the power costs should be 2% less than last year.

Mr. Bellon said more customers are paying bills with credit cards, so there has been a minor increase in credit card fees.

He said they are anticipating *vacation and retirement* costs, so that budget has increased slightly.

Meal expense had a small increase to help pay for dinner when employees have to work longer shifts late into the night.

Cell phone budget increased by \$2,000. *Communication supplies* budget was split to keep the

IPads in their own budget. All of the foreman and supervisors have IPads so they wanted to track that expense separately. Mr. Haacke added that the IPads allow the staff to have real time mapping and GIS. He complimented Ben Teran on his GIS mapping skills.

The *Power Advisory Board* budget decreased.

Miscellaneous Professional Services is an account similar to the contingency account and allows for minor unexpected costs, such as a study needed, or a neighborhood power cost comparison that can be done online.

Mayor Eyre asked about the budget for the non-existent Power Advisory Board. Mr. Bellon said the amount was left there, just in case.

Operational transfers decreased, and *administration fees* increased. He added that \$4.51 million was generated for the General Fund. Mr. Zollinger clarified that operational transfers decreased due to the slight decrease in revenue last year. The operational transfer is 8% of operating revenue for the year and the administration fee increases whenever there are raises in the General Fund.

Mr. Haacke said \$8.1 million would be paid toward principal, including the \$6.9 million bond pay off. He added that there was no penalty for paying off the bond early.

Mr. Bellon said there was an increase of \$50,000 in the *General Plant Equipment* maintenance. Mr. Haacke said they have contracted with a firm, Osmose, to do pole testing. He referred to the accident where the employee rode the pole to the ground. Pole testing consists of drilling in to the bottom of the pole and taking a test sample to see if the wood has rotted. Osmose will begin with testing every pole in a quarter of the City for \$50,000, and then next year, a different quarter of the City would be done. Osmose will label every tested pole with an ID tag stating the status of the pole. Mr. Turner would receive a report from Osmose. Mr. Nicponski asked if drilling holes compromises the integrity of the pole. Mr. Turner replied that it was a small drill hole and it would not compromise the pole. Mr. Bellon added that the \$50,000 will be in the budget for the next four years to cover testing for the entire City. Mr. Haacke replied it is a reactive action considering the employee accident but also proactive to keep it from happening again.

Mr. Bellon said there was an increase of \$6,300 for the *Central Garage* fund. There is an increase of \$100,000 for maintenance for the two hydro units in the canyon. The cost is about \$50,000 for each hydro controller.

Mr. Crutcher added that there was \$125,000 increase to purchase two VFD's (variable frequency drive) for the gas turbines. There was an additional increase of approximately \$70,000 to purchase a CT(current transformer) tester and distribution relays for the Central Substation. The relays are losing output and need to be replaced.

Mr. Haacke added that there was an \$80,000 decrease in *miscellaneous contractors*. There was some work done on the penstock that has since been completed.

Mr. Crutcher noted that there were some breaker failures in the mall substation and the increase

was to replace the distribution breakers. The budget for the upcoming year is \$25,000, compared to the \$206,000 spent last year to replace those.

Mayor Eyre asked about the travel budget. Mr. Bellon replied that each department had their own travel budget for travel and training.

Mr. Nicponski commented that this was the last time the budget would be prepared on the old software and it would look different next year.

Attorney's Office- Frank Nakamura

Mr. Nakamura said that overall the budget is fairly status quo. The bulk of the budget is personnel costs.

He said \$5,000 was added to enhance training. There is interaction between the City and clerks of the other cities and courts.

Mr. Nicponski asked how many prosecutors were in the office. Mr. Nakamura replied that he had two prosecutors and three civil attorneys. He added that G.L. Critchfield spends 25% of his time with the prosecutors and is an experienced prosecutor and helps on any significant issues. Any appeals beyond district court are handled by Briant Farnsworth. Mr. Nakamura said he has legal administrators on his staff, similar to paralegals.

Mayor Eyre asked if Jordan Knight's salary was included in the Attorney's office budget. Mr. Zollinger clarified that his salary is paid from the retained risk fund. The finance office handles his salary, but the risk program now falls under the Attorney's office.

Mr. Nicponski asked how many cases were handled each year. Mr. Nakamura replied that the prosecution side handles about 13,000 cases. On the civil side, there is ongoing litigation and civil cases take time. They receive cases every day, and most likely have five or six going on at one time. Most cases are resolved or not pursued in court, he added.

There are two trends of cases: Land use is a major source of cases, and local governments spend a lot of time on land use; liability is the new trend, since the courts have expanded liability. The duty of care is now placed on the City. He stated that the law states that in order to prove negligence, a duty of care needs to be established. The duty of care used to be narrower when it came to government because they were providing services, but that has expanded. He added that governmental immunity has eroded legislatively. The cap on governmental immunity used to be \$250,000 as the maximum. The cap is now \$1 million and the standard of care has changed. He said the analysis of whether the City owes a duty should be taking into consideration that the City provides recreational services and fire services and needs some kind of protection.

Mayor Eyre said the Attorney's office has the largest possibility of large unexpected claims, and asked how those are budgeted. Mr. Nakamura replied that it is impossible to budget for those claims, but you prepare and build a risk fund. Risk funds are combined with general liability insurance to make a self-insurance of \$250,000, and then have additional excessive liability coverage. It is more difficult to contribute to and build up the risk fund in bad budget years, he

noted. Mr. Zollinger said potential claims need to be controlled as much as possible. Mr. Nakamura said he believes the City has done more to be proactive in this area in the last few years than ever before. He said Jordan Knight is assessing potential risks and increasing training. The City has an outside adjuster that has helped in adjusting claims. He said if the City acts quickly and efficiently, the cases should be won or settled if there is any liability. He believes that an enhanced risk program is in the near future and the fund would not get hit as hard as in the past. The ultimate goal is to be self-insured. He said Murray is on the move and an urban community and issues are expected. Mr. Zollinger commented that Mr. Nakamura is very careful on not setting precedents.

Mr. Nakamura said he appreciates the support and believes the new position of risk and health/safety manager will be a great resource.

Mr. Zollinger remarked that it is all about being proactive.

Mr. Knight is finishing protocols on reporting in the City. Mr. Nakamura said he would like Mr. Knight to report to the Council on his efforts with the departments.

Announcements

Ms. Lopez announced that the Budget Contingency meeting would be held on May 21st at 4:00 p.m. and asked Mr. Nakamura if he could be available.

Ms. Lopez stated the following items were on the contingency list:

- Budget addendum- all items, especially the Boys & Girls Club.
- CIP roads and roads in general
- Personnel issue- possible closed session?
- Lobbyist expense and video streaming
- Staffing in Fire Department
- Converting vehicles to natural gas
- Parks master plan
- Radar speed signs
- Rocky Mountain Power leases
- Parks & Rec/Golf
- City-wide compensation package
- Intent document
- Mayor salary comparison/Wasatch Comp salary study

Mr. Brass adjourned the meeting.

Kellie Challburg
Council Office Administrator