



**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 21st, 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	
Diane Turner	
Dave Nicponski	

Others in Attendance:

Ted Eyre	Mayor	Jan Lopez	Council Administrator
Jan Wells	Chief Administrative Officer	Janet Towers	Exec. Asst. to the Mayor
Doug Hill	Public Services	Gil Rodriguez	Fire Chief
G.L Critchfield	Attorney	Mike Terry	Human Resources
Tim Tingey	ADS Director	Bob Dunn	Boys & Girls Club
Ahmad Alzali	Student		

Mr. Brass called the Budget and Finance Committee Meeting to order and welcomed those in attendance. He added this was the Budget Reconciliation for items placed on contingency at the last budget meeting.

Item #1- Budget Addendum

Mr. Brass stated that the Budget Addendum covers non-profit entities that the City either donates money to or waives fees.

Ms. Turner stated she had prior questions on the Murray High Arts Festival and the music specialist for the school and both of those questions had been adequately answered. Ms. Kirk stated that both high schools in the City were given the same opportunities and Cottonwood High did not respond.

Boys & Girls Club

Mr. Brass asked Mr. Dunn to explain the merger with the Boys & Girls Club of Salt Lake, and

the possible impact.

Mr. Dunn stated that he attended a meeting this week with Chairman Camp, the Mayor's office, and a few others. In that meeting, evidence based programs were discussed. He referred to the section of academic growth at the Boys & Girls Club. The Club offers homework assistance, and even had a teacher from Murray High School help with math instruction. Every one of the kids in that program passed their classes.

Mr. Dunn received an email from a group from Africa that had visited the Club and stated that they wanted to start Boys & Girls Clubs in Africa, based on their great experience in the Murray Club.

He stated that his intent was to talk about the merger when he met with the Council two weeks ago, but was concerned about press being present at the meeting. He decided to wait and speak individually with City officials, and in the meantime, the Greater Salt Lake Club announced it at their gala.

Mr. Dunn said a possible merger with Salt Lake was discussed seven or eight years ago. The Murray Club and the Greater Salt Lake Club are both large clubs and are constantly competing for donations. For example, Merit Medical agreed to donate \$50,000 several years ago, and the check inadvertently went to the Greater Salt Lake Club, instead of Murray.

He said merger discussions began about 16 months ago. The discussion was kept quiet because it was still early and unknown if it would ever actually happen. He said Boys & Girls Club of America was pushing for the merge, and officials flew in and met with the two boards from both clubs at a neutral location. A task force was formed, with five members from each club, and a neutral person overseeing the task force.

He said Chris Hayes and Art Pasker were both opposed to the merge in the beginning, until they saw all the positive benefits. He said the programs between both clubs are stronger than any other clubs in the State. Mr. Dunn said the groups met at City Hall and it was agreed that both directors, Bob Dunn and Leann, were well liked and very capable. Although personalities are different, the strengths and weaknesses of both directors were discussed; and it was decided that Leann would be the Director and Mr. Dunn, the Vice-Director. Mr. Dunn said it would allow him to work on community partnerships and programs and he would answer to the Board. Leann would be responsible for board development and private funding.

Official papers have not been signed yet, but July 1st was the target date for finalizing the merger. Murray City has always been a consistent topic of discussion. He wants the Murray Club to keep its own style which has been successful, but also benefit from some things that the Salt Lake Club does well. The headquarters would be in Murray, since it is the largest club in the State. They are looking for office space and talked to Murray School District, and also the Sorenson Center about possible free space. He would like the offices to be near the Club in Murray. The Murray Club would be the surviving entity and the other club would be dissolved.

The 50th anniversary is coming up next year for Murray and everyone is very excited to help with that celebration.

The funding will be so much better for the Murray Club. The Greater Salt Lake Club has reserves and credit lines. The cash flow has been hard in Murray and finances have dipped negatively. He thanked the City for the donation last year, and added it made a huge difference.

The Murray Club has almost twice the staff and number of children than the Greater Salt Lake Club, without the sports programs. He added that the City has always done such a great job with sports programs. He said the Club would still be available to the City in the evenings for their basketball programs. He noted that people have given scholarships to help pay for Murray sports programs for the kids. He added that the Club was able to form their own basketball team and had a great time competing.

He stated that the Club may need to dip into financial reserves the first year. Each Club has been paying \$50,000 for insurance, and the fee would now be a total of \$55,000 combined. He said the goal is to retain all the employees and Murray would have the Chairman of the Board, Tim Peterson. The Club would continue to offer the programs that have been so successful. He spoke with the San Diego group that merged with other clubs and it has been beneficial. He said staff already goes back and forth between the clubs, but realizes consistent staffing is important for the kids. He said the Club was able to hire a human resource employee and turnover decreased by 40%.

Chairman Camp asked if the merger had been reviewed by the City legal department and if there are any issues between the Club and Murray City that need to be discussed. Mr. Dunn asked if Mr. Nakamura was in attendance today. He said he believes since Murray is the surviving entity, there should not be any issues. He said other attorneys have spent thousands of hours on the merger. Chairman Camp clarified that he meant Murray City attorneys. Mr. Dunn replied that he would review it with Mr. Nakamura, but doesn't foresee any conflict.

Chairman Camp asked about the specific amount of \$118,750. Mr. Dunn replied that 37 years ago, the amount was \$5,000, then grew to \$50,000, and finally \$125,000. He noted that the City managed the finances for the Club until about ten years ago. He stated that he believes the amount changed to \$118,750 in about 2004, and has remained the same since.

Ms. Turner stated that the City gave an additional \$125,000 and believed that there was a request for staffing documents and an annual budget. Mr. Dunn replied that he believed the City received a copy. He said that today he brought a profit and loss statement and balance sheet through the end of March 2015, and would give a copy of the audit once it has been completed. Mr. Turner thanked him and said she wanted to see some accountability.

Mr. Hales asked Mr. Dunn if he felt good about the merger and if it would reduce the financial concerns. He replied that he feels good about it, even though his wife feels differently, and admitted his staff is concerned. He said he had plans to come before the Council and Administration to discuss the merger before any papers were signed.

Mr. Dunn added that when the Club couldn't get a loan, Murray City stepped up and he appreciated it. Those funds from the City allowed for an additional 40 kids for the junior program and about 15-18 in the younger kids program. It also helped fund the new human resource position, and allowed for some raises for staff that had not received them in years. He said over

the next two years, the Club would get 60% of what is contributed

He said salaries were reviewed to make sure they were equal with the Greater Salt Lake Club, and he received a \$17,000 increase, but gave \$15,000 back to the Club. He stated that he loves what he is doing. Mr. Brass commented that Mr. Dunn spends a lot of his own money at the fundraising gala.

Ms. Turner asked how the merger would impact the number of kids served in Murray. Mr. Dunn replied that Leann, the Director, said they were already serving around 80 kids from Murray in the Sugarhouse Club. He said this merger should enhance the Murray Club, and add some busses for better transportation. There are waiting lists to get into the program and over 90% of the parents surveyed that work or go to school want to send their kids to the Murray Club.

Mr. Nicponski said there needs to be care that one policy doesn't collapse another policy when completing mergers. For example, he said the Salt Lake Club is all contained inside the building and the Murray Club has the benefit of outdoor playgrounds, etc. Mr. Dunn replied that it would definitely be a community based program.

Mr. Zollinger asked if Mr. Dunn anticipated changes to the staffing document after the merger is complete. He said there would be changes but he would keep the City informed.

Mr. Brass noted that he is an avid supporter of the Club and is concerned of negative changes that may occur with Mr. Dunn not being the Director. Mr. Dunn said that Greater Salt Lake is aware of the support he has had. Mr. Hales said he likes the idea that Mr. Dunn would report to the board.

Item #2- Capital Improvement Projects (CIP)

Roads

Mr. Brass commented that Mr. Nicponski listed Fairhaven Drive and Walden Wood Circle as roads needing further discussion, and added radar speed signs are up for discussion also.

Mr. Brass wanted all roads to be discussed because the Chevy Chase/Wesley area was pulled from the repair list. He said the residents in that area have asked for repairs for years but the City was unable to make repairs earlier because Jordan Valley was putting in water lines, etc.

Mr. Brass noted that he received emails from residents concerned that 1000 East has no curb/gutter and sidewalk, and the residents pay storm water fees.

He replied that Mr. Hill included some pricing on the above mentioned items.

Mr. Brass said he would like to see the City use up to \$1 million in reserves to repair some of these problematic roads. He said it would be less costly to repair the roads now with the lower price of oil, and the price would go up if the City waits on the repairs.

Mr. Nicponski noted that all of the districts have different scenarios with roads needing repair.

He said probably every council member has that one area that haunts them with promised repairs or overlays. He added he would support using reserves to step up and take care of the roads.

Mr. Zollinger said one concern is that when reserves are drawn down, it leaves less for CIP projects the following year because reserves would need to be built back up. He said he could possibly find a way to fund the rest of Chevy Chase and Fairhaven in the budget. Anything extra would need to come from reserves, and therefore reduce CIP projects the following year.

Mr. Brass said if he had a choice, he would like the curb/gutter installed on 1000 East. Mr. Hill replied that the curb/gutter on 1000 East would act as a storm drain that would drain to Wesley, which does not have curb/gutter. He said there would need to be a temporary drain into an irrigation ditch and then in the future, finish Ellerbee with curb/gutter and drain onto 900 East. Mr. Brass said his preference would be 1000 East in the Wesley area, and Lorrie Way.

Chairman Camp asked Mr. Zollinger the threshold for reserves. Mr. Zollinger replied that the maximum is 25%. Mr. Zollinger said the Council can set a target rate for reserves, and could lower it down and ease it back up over the year.

Chairman Camp clarified that additional revenue is anticipated that is not yet earmarked for roads. Mr. Zollinger replied that was correct and the amount was \$450,000. He added that the sales tax for fuel has increased by five cents, which equates to approximately \$300,000 per year. He said that even an additional \$100,000 for half of the year could be budgeted and would still be a conservative estimate. He stated that the \$450,000 plus an additional \$100,000 would help with some additional projects. Mr. Nicponski said those additional funds could reduce the amount of reserve needed down to approximately \$450,000.

Chairman Camp said a budget opening could be done at any time after a thorough review of projects and estimates is completed. He added if Mr. Zollinger could find funds for Fairhaven, Walden Wood Circle and Steeplechase, then a budget opening could always be done later.

Mr. Brass said a disproportionate amount of money is spent on the east side, mostly because the City inherited roads in poor condition. Mr. Nicponski said staff needs to come to the conclusion on which roads are most critical to repair.

Mr. Brass said with the extra money coming in, it could be considered more of a loan from the reserves and the money could be replaced as it comes in.

Mr. Zollinger added that when the sales tax option was first analyzed, it went through the current population/split model. Since then, he discovered that the City would get 100% of the revenue, so projected numbers would most likely increase.

Mr. Brass said that roads should be looked at by most critical needs and all the roads should be evaluated before the budget is adopted on June 16th. He is aware of residents that will come speak at the Public Hearing on June 2nd. He would like to have information for the residents, based on the figures.

Mr. Brass would like it put in the intent document that it is the Council's intent to increase

funding for roads from a variety of sources. Mr. Nicponski asked if Mr. Hill and his staff would prioritize the list of roads needing repair. Mr. Brass agreed that Mr. Hill and his staff were the experts. Mr. Hill replied he would be happy to prioritize the roads but would like the Council to give him input on specific roads also. He is aware that Mr. Nicponski wants Fairhaven and Walden Wood Circle repaired, Mr. Hales wants Steeplechase Drive, and Mr. Brass wants 1000 East and Lorrie. He said he would calculate the cost of those, but also asked Chairman Camp and Ms. Turner if they had specific requests. Chairman Camp replied that he had a few areas in his district.

Mr. Zollinger said if the sales tax passes, the money will not hit the account until December so that needs to be balanced. He added that the budget should be fine, but tight until the money comes the second half of the year.

Chairman Camp asked if it was possible to complete that many road projects at the same time. Mr. Hill said road projects could be held off and completed next spring. He added that two things dictate whether the project is done in-house or by a contractor. He said if the road project is about \$150,000 or less, Murray would try and do it in-house to save money. If it costs more than \$150,000 it is typically bid out to a contractor. It also depends on where the funds are coming from for the road project; Class C funds require that projects over \$160,000 go out for bids.

Mr. Zollinger said if the projects are storm water projects, they come from their own bucket of money. Sales tax revenue could be transferred to the storm water fund to pay for improvements. The storm water fund is limited, and has its own rate and funding mechanism. Mr. Brass said he understands that and hears storm water complaints often from east side residents.

Mr. Hales said he requested radar speed signs to be discussed, but has since had his questions answered and doesn't need further discussion.

Item #3- Parks and Recreation

Parks Master Plan

Mr. Nicponski asked about the Parks Master Plan and if it could be prioritized and placed on the next CIP project list. He would like to have the survey done before a lot of money is spent in the park to see what the residents really want. He said the restrooms and pavilions should be done, but added that there may be other items that the residents want.

Rocky Mountain Power Leases

Mr. Brass said the Council wanted more information on the leases for the transmission corridor with Rocky Mountain Power regarding the Jordan River Parkway and the golf course.

Mr. Hill said he and Mr. Nakamura met with representatives from Rocky Mountain Power and negotiated a new rate. Rocky Mountain Power originally asked for \$25,000 each on both areas. The amount was negotiated down to \$5,000 each. The City needs to sign a document prepared by Rocky Mountain if the City wants to keep using the right-of ways. A verbal agreement was

made for \$5,000 for the golf course and \$5,000 for the Jordan River Parkway in next year's budget.

The negotiations took place after the Mayor had submitted the budget, and this amount needs to be included in the budget. He added that the golf course lease would increase to about \$12,000 over the next ten years, which could be addressed in future budget years. Mr. Zollinger said he would adjust the budget to allow for the lease payments, if Council approved. Mr. Brass commented that it wasn't a bad deal and a great benefit to the citizens.

Item #4- Clean Air Vehicle Conversions

Mr. Hill said last year the Council budgeted money to convert vehicles and the City is getting ready to do the conversions, but is encountering multiple problems. An after-market conversion makes the vehicle warranties invalid and nobody wants to accept that responsibility. He said it would be preferable that when a department purchase new vehicles, they purchase clean air vehicles, if the necessary criteria is met. If the policy is to purchase natural gas vehicles which cost more money upfront, then additional funds would be needed.

He said he believes that initially a policy should be decided and then money set aside. Ms. Turner commented that hybrid vehicles or alternative fuel vehicles would be great. Mr. Brass commented that it sounds like a CIW (Council Initiative Workshop) would be a good idea to discuss a clean air vehicle policy.

Mr. Brass said the proposed list of natural gas vehicles doesn't include any of the large vehicles. He added that at this altitude, natural gas vehicles lose more power, and it becomes a trade off on cost versus benefit. The conversions that change a vehicle to natural gas make the exhaust corrosive and that is why the warranty gets invalidated.

Mr. Hill added that the policy is an executive function, so the Mayor needs to decide on a policy for the City to purchase natural gas or alternative fuel vehicles. The Council would then decide on the funding for the vehicles.

Ms. Lopez added that there is grant money available for purchasing alternative fuel vehicles, as well as conversions. Mayor Eyre said decisions are not made in a vacuum and that an agreement could be made on what is best for the City and a policy created. Ms. Turner stated that she thinks it is important to switch over to alternative fuel vehicles.

Mr. Zollinger commented that it is a little tricky deciding which departments get the money, but that he would work on it. Mayor Eyre suggested a goal that a certain percentage of the entire fleet use alternative fuel by a certain period of time. He said that it could be determined how many cars need to be replaced over the next few years and how many fall into that category.

Item #5- Lobbyist

Ms. Turner stated that it seems like there is a duplication of efforts in terms of lobbying. The Council provides \$40,000 for a lobbyist and she questioned if it is a necessary cost. She said she would prefer to use the money elsewhere or contribute it to the Mayor's lobbyist budget. Three people were lobbying for the City this year and she asked if all three were necessary. She added that they are all receiving a lot of money and working towards the same thing.

Ms. Wells said she spent the day yesterday with Dave Stewart up on the hill. She said in the past, there was a salaried position in the office that tracked items for Murray City and kept the City informed. She feels fortunate that the City found Pete Busche who was willing and capable of tracking relevant items. She added that Kory Holdaway approached the City and asked if he could help with some issues and offered reasonable pricing. She noted that Mr. Holdaway also did a good job for the City. She said that she believes that Dave Stewart has served the City well over the years. His role is not the daily tracking of issues. He was hired to get transportation money and has been extremely successful in that area. He has had success in some years, and made headway in other years. She said from her perspective, this team plus the staff had a very successful year. She added that it was a good bang for the buck.

Mr. Nicponski said the issues on the Hill deal with millions of dollars. The point of sale issue for auto dealerships would have cost Murray nearly \$3 million. He said that bill only affected three or four cities, so ULCT could not be relied upon for lobbying. He stated the team of Kory Holdaway and Pete Busche was very good, and Dave Stewart has the ability to influence people.

Ms. Wells noted that different people have different connections and that makes a difference on the hill. It is helpful to have a team of people that can open different doors. She said she understands it is a lot of money. Mr. Hales asked if the successes would have happened anyway. Ms. Wells agreed that there may be some situations like that, but the City administration still has the responsibility of staying on top of the issues. Mr. Nicponski commented that Ms. Wells does a stellar job on the hill. She said that she doesn't think the City would have had all the successes without the lobbyists. The lobbyists cultivate relationships all year long and then use those relationships.

She said the Murray legislators prefer listening to Murray officials or the Mayor, than listening to a lobbyist. Mr. Nicponski added that Murray City is fortunate to have such good City legislators. He noted that the lobbyists make campaign contributions and that gets attention from people.

Mr. Brass said initially he questioned the need for three lobbyists also, but believes the City got a bargain. The City has received millions in transportation money. He believes it is a good return on investment for the citizens.

Ms. Wells said Mr. Stewart focuses primarily on transportation funding, but has helped out on other issues. She added that Mr. Holdaway helped with various issues including transportation and Mr. Busche kept everybody on track.

Mr. Hales noted that the Mayor's office had daily interaction with the legislators but said it would

be nice for the Council to hear more and get more feedback. He said he has asked for more information from the lobbyists. Mr. Brass said that the 45 days of legislature are very busy for the lobbyists and the Council could reach out also.

Ms. Turner believes that the \$40,000 salary comes with a responsibility to communicate with the Council. She is disappointed in the results this year. Ms. Wells said she believes Mr. Stewart has been very successful in the past in getting transportation money. Mr. Brass added that last year the City received \$1.8 million in funds. Ms. Wells said the legislative game is not very fun to play. She said that the Mayor's office touches base with Mr. Stewart and he attends all the League meetings. Mr. Hales said that Ms. Wells has a lot more interaction with Mr. Stewart than the council members do. Mr. Brass said it could be put in Mr. Stewart's contract that he needs to communicate weekly with the Council.

Chairman Camp spoke earlier with Mr. Nicponski and Ms. Wells regarding lobbyist efforts and appreciated the insight. He said he would like to see the money left in the budget for the lobbyist position but is open to discussions regarding possible tightening of the contract. Mr. Brass agreed. Mr. Nicponski said Mr. Stewart should be given the opportunity to communicate better with the Council and then see if he follows through with that request.

Ms. Wells said she is concerned that they won't find the same quality efforts as they had this year for the low price of \$10,500. She said she would try and get the same lobbyists again next year.

Mr. Nicponski said it is very common for cities to have more than one lobbyist and added that Sandy City has six lobbyists. Mr. Hales asked if the lobbyists are under the Council or the administration in other cities. Ms. Wells replied it was more common to see them under the supervision of the administration.

Item #6- Employee Compensation

Wasatch Compensation Survey

Chairman Camp said he asked for further discussion on this topic. He said he would like to see a policy that references the Wasatch Comp Survey or something similar. Mr. Terry said that it is primarily the Wasatch Comp Survey used by municipalities when comparing compensation. Chairman Camp said he is concerned that the wages are in line with other entities as a broad policy. He recognized that the Mayor would have the decision on employee compensation.

Chairman Camp asked Mr. Terry to report on wage comparisons. Mr. Terry handed out a recent survey that was done by his office with all of the department heads. There is a list of cities that participate in this survey and it was decided which cities Murray should compare themselves to. The cities compared should be competition that the City loses employees to. He said similar size cities in the Wasatch Front are compared. The standard is to compare FTE's (full-time equivalents). The department heads decide which cities should be compared to Murray, and those cities change every year. After the cities are chosen, a survey was completed and Mr.

Terry provided the information he received back to the department heads. The department heads can then request different positions and give feedback on whether the jobs are a good match, or not comparable. Mr. Terry would then prepare a list of positions that he would recommend a grade change, if the position seems below market. He commented that most of the positions in the City are on market level, but some have been found to be lower.

Mr. Hales asked if grades had been changed following the recommendation of Mr. Terry. Mr. Terry replied that they had not and said the survey has been done every year, but grade changes have not been done since 2008. Mr. Brass noted that the economy has not yet recovered since 2007 when it crashed.

Chairman Camp added that he would like to know that the information provided at budget time is not anecdotal. He wants to see the numbers provided from the survey. He said at one point the target was to be 5% above comparative cities, and he isn't advocating that, but would like a target so that wages are competitive.

Mr. Nicponski asked if this was separate from either a COLA or a merit increase. Mr. Terry replied that was correct and this would be a market adjustment. Mr. Terry said the COLA goes to every employee, while market adjustments only go to specific positions that are behind the market. The difficulty for administration is the perception that some employees are getting increases, while others are not.

Mr. Brass said he would like to see consistency in the cities compared. It doesn't make sense to compare to cities with huge budgets, he added. Mr. Terry commented that employees are leaving to go to the cities with the huge budgets. Mr. Brass agreed that would happen, but the budget has to be balanced and those salary dollars are committed forever into the future and must be absorbable even if there is a downturn. In 2008, when the economy crashed, there were no employees laid off or furloughed. All benefits and salaries were maintained for City employees, he added. Mr. Brass noted that the cities that employees are leaving for let employees go during the downturn.

Mr. Brass added that the City offers a great benefit package. He would love to give wage increases but they are a forever commitment. He added that at some point, a property tax increase would be needed.

Mr. Zollinger said a property tax increase solves the problem of the money not being available in an economic downturn. He commented that sales tax revenue is tricky because you might get 86% of what has been collected in the past. He said the employees are worth the challenge but care needs to be taken. Mr. Brass commented that the employees make council members job easy and take care of problems for the constituents.

Mayor Eyre asked if the Wasatch Comp Survey only compares salaries, or salaries and benefits. Mr. Terry replied that normally it just compares salaries, but he could get benefit information also. Mayor Eyre said employees have come to Murray to work and taken pay cuts simply for the benefit package. Mr. Terry said he could run a report called total compensation value which is a mix of benefits and salaries. Mr. Terry agreed that a compensation plus benefits salary would be useful.

Mr. Brass noted that a young employee starting his career is primarily concerned with how much money ends up in his wallet. He added that both comparisons of just wages, and wages and benefits would be helpful. Mr. Terry said he believes the City would have everyone beat on the 401k contribution. He said the City gives a 4% gift on the 401k contribution. The retirement contributions would be the same for all the cities, as it is state mandated. He believes the insurance package would be similar to other cities, but would estimate that Murray's benefit package is a little better than most.

Ms. Turner added that money isn't the only motivating factor and she believes employees love working for Murray. Mr. Terry agreed that compensation is just one factor of many.

Chairman Camp asked if the policy discussed is more administrative or legislative. Mr. Critchfield said he believes it is primarily administrative, but is an issue that the Council should weigh in on.

Chairman Camp noted that possibly the intent document could state that the Council encourages the Mayor and staff to review the Wasatch Comp Survey annually and make decisions based partly on that data. Mr. Critchfield replied that would be within the scope. Mr. Nicponski commented that he would support that idea.

General Citywide Compensation Package

Mr. Brass said the Mayor had proposed a 1% COLA, and a 2% merit increase. He said others suggested the idea of a 2% COLA and a 1% merit. He noted that an employee's retirement is based on their highest three years of income. Many long time employees are red-lined and would not receive the merit increase; if the COLA was increased to 2% they would benefit more. Mr. Terry replied that there are 60-65 red-lined employees.

Mr. Zollinger noted that the current proposal is for red-lined employees to receive a \$500 bonus. Mr. Hales clarified that if the COLA was increased to 2%, they would not receive the bonus. Mr. Brass said that was correct. Mr. Brass disclosed that elected officials would receive a COLA increase but not a merit increase.

Chairman Camp noted that the \$500 red-line bonus is in lieu of a merit and asked if they would still be eligible for that. Mr. Zollinger said it is whatever the Mayor recommends. Mr. Zollinger clarified that if the switch is made to a 2% COLA, the potential for the \$500 bonus could be lost. Mr. Terry noted that a lower paid employee, making under \$50,000 would be better off getting the \$500 bonus than a 1% increase.

Mr. Nicponski asked if Ms. Sadler stated that the employees were more interested in a 2% COLA. Mr. Brass replied that Ms. Sadler was concerned that the increase in insurance costs would be wiped out with a 1% COLA. Mr. Zollinger said he has the numbers available if anyone is interested.

Mr. Hales said he does not want the lower paid employees to lose the \$500 bonus if that is the better option for them. He wants the best benefit for the employees. Mr. Terry said most red-lined employees are making over \$50,000. Mr. Zollinger stated that the increased COLA would

be more money to them than the \$500 bonus. He added that it would make the employees base salary higher for retirement purposes, as Mr. Brass noted earlier.

Mayor Eyre stated that they discussed this issue also, and it was decided that a 2% merit would make the employees feel that the merit program and the evaluations had value. He agreed that either way does not affect the budget any differently. He said if more employees benefit one way than the other without spending any more money, then he would support it.

Mr. Terry said that the higher COLA would move the ranges up and make the City look better for market comparison.

Mr. Terry said he agrees that the success of a merit program is making the merit increase meaningful. Chairman Camp said some supervisors would simply give the highest evaluation to give the employee the most amount of money. Mr. Hales added that some supervisors would not. Mr. Terry replied that only 7% of employee evaluations fell below the required standard for the maximum merit amount, and 93% would receive the full merit increase. Chairman Camp said that brings into question the value of the merit program.

Mr. Terry said that Mr. Zollinger has budgeted for all employees to receive the maximum merit increase. Mr. Brass and Mr. Nicponski stated that they would favor the 2% COLA and 1% merit increase. All council members agreed. Mayor Eyre replied he didn't have any problems with that.

Office Specialist- Fire Department

Chief Rodriguez stated that he appreciates the consideration of this position. Currently he has in his administrative pool, Laura Lloyd, his administrative assistant, and a part-time receptionist. In the past ten years the complexion of the department has completely changed with EMS transports and call volume increasing.

This requested office position would act as a receptionist, but also assist Ms. Lloyd with payroll and cover Ms. Lloyd's vacations. This person would assist in gathering data on fire programs, etc. He said the department receives GRAMA (Government Records Access and Management Act) requests almost daily that need to be answered. He added at some point Ms. Lloyd will retire or stop working, and he is concerned with not having anybody to back her up on all her duties. Ms. Lloyd handles accounts payable, payroll, assists with fire prevention, and performs daily reviews of electronic patient care reports, billing, and compliance reports.

He added that his department has 65 employees when fully staffed and believes it requires more than one and a half employees in administrative support. He complimented Ms. Lloyd on her abilities and the amount of work she produces. He said it would be nice to have a back-up for Ms. Lloyd.

Mr. Zollinger said with the new software, employees would enter their own timesheets, which may take some burdens away from Ms. Lloyd.

Chairman Camp asked if the current part-time position would be eliminated to allow for this full-time position. Chief Rodriguez said that was correct and her position would be eliminated which

was a difficult part of this proposal. He said he doesn't know if the part-time employee would want to go full-time or if she is qualified for the position.

Chairman Camp asked if the timing would be better to hire a person after the new software system is up and running. Chief Rodriguez said he understands that reasoning.

Chairman Camp suggested pulling the request for a position off the contingency list this year and bringing it back the following year. Chief Rodriguez stated that he could do that and clarified that he would not be able to hire a person this year. Mr. Hales had concerns about the decision and supported Chief Rodriguez if he needs the position and feels like it is more of an administrative decision. Chief Rodriguez admitted that his priority this year was getting the two new firefighters and understands the decision on this position. Mr. Zollinger noted that the Chief Rodriguez is asking for funds to make the position a full-time position and it is a question of funding.

Mayor Eyre said he is concerned about a lot of different positions that remain unfilled due to funding. He is concerned about having a back-up for Ms. Lloyd, but is also concerned about making a long-term budget commitment. Mayor Eyre said it should be evaluated for the following year. Mr. Brass commented that the Fire Department has withstood some budget shortfalls, but the critical need this year was to get two firefighters and they will be getting that. Chairman Camp also noted that he hates to see an existing part-time employee lose their job. Chief Rodriguez agreed.

Mr. Brass suggested looking at the position as early as mid-year and looking at the budget, but agreed it was probably best to wait on the position.

Mayor's Compensation

Ms. Turner stated that she brought this topic to be discussed. She said that consideration should be given for a salary increase to the Mayor's position. She noted that the Mayor doesn't earn as much as most of the upper level administrators and believes it makes sense to raise his salary. Mr. Hales asked what the Mayor currently receives in salary. Ms. Turner replied that he makes \$93,699 annually, plus benefits that equate to an additional \$42,000.

Mr. Nicponski asked if comparisons were done with other cities. Ms. Turner said there are some comparisons, but they are a little like apples to oranges comparisons.

Mr. Zollinger added that a strong Mayor is really important criteria. Ms. Turner believes it should be up for consideration.

Mayor Eyre said the amount of wage increase needed to bring his wages to a level over those he supervises is a substantial amount. He noted that it is a long-term commitment also. He stated that he really appreciates the idea that he would warrant an increase but he wanted to bring up three considerations:

First, he said everyone is aware of the complexity of putting together a compensation package for the employees, and it seems like the solution will never be right for everyone. He said he realizes that by going beyond a COLA and a merit increase, it opened up a can of worms. He

said he asked Mr. Zollinger to try and find some money to correct some obvious wage discrepancies. Examples of that would be personnel making less than those employees they supervise. They tried to find a formula that would benefit the most people until the money was gone. He added that not all of the wage discrepancies were corrected due to lack of funds. He would feel ill at ease explaining his wage correction to someone that deserved a correction also and did not receive it.

Secondly, he said by increasing the salary of the Mayor, it would benefit the position by attracting future Mayoral candidates. He added that he isn't going anywhere so there isn't an eminent need to raise the salary of the position. It may need to be considered in the future.

Finally, he added that although he doesn't use this term, he has heard that either a City Manager or a full-time Mayor are referred to as the CEO (Chief Executive Officer) of the City. Normally, a CEO is brought in at a certain level and any raises or bonuses received thereafter are due to his or her performance. He said he has not been able to find a solution yet for the number one financial burden on the City, which is UTOPIA. Mr. Brass and Mr. Nicponski both commented that it wasn't for lack of effort on a problem that he did not create.

Mayor Eyre said that when all of the compensation problems have been addressed and the position needs to attract other suitors, then it would be the right time to evaluate the salary. He appreciates the intent but said an evaluation might be appropriate in the future.

Ms. Turner commented that he is a wonderful Mayor and puts in long hours, and believes the position of Mayor needs a salary increase. She wanted to open the conversation even if it didn't happen this year. Mr. Nicponski suggested looking at the Mayor's office and the combination of salaries included in the administrative budget.

Mr. Brass added that Mr. Bellon had contacted him about an accounting error and the \$11,696 earmarked for the Power Advisory Board has been moved to the *miscellaneous professional services* account and the Power Advisory Board has a zero dollar budget.

Item #7- Intent Document Discussion

Mr. Brass said comments were made regarding items to add to the intent document. He requested that the topic be continued at the next Committee of the Whole meeting due to the time restraint. He said Ms. Lopez could send out an amended document to be discussed. Chairman Camp noted that he would have a few changes, but it could be put on the agenda for the meeting on June 2nd. Ms. Turner requested that the changes be red-lined on the intent document. Ms. Lopez replied that she would do that.

Mr. Brass adjourned the meeting.

Council Office Administrator II
Kellie Challburg