

**MURRAY CITY MUNICIPAL COUNCIL
BUDGET AND FINANCE COMMITTEE
Fiscal Year 2008-2009
May 14, 2008**

The Murray City Municipal Council met as the Budget and Finance Committee on May 14, 2008, in the Murray City Center, Council Chambers, 5025 South State Street, Murray, Utah.

Members in Attendance:

Patricia W. Griffiths	Budget Vice Chairman
Jim Brass	Committee Member
Krista K. Dunn	Committee Member

Others in Attendance:

Daniel C. Snarr	Mayor
Pat Wilson	Director of Finance & Administration
Michael D. Wagstaff	Council Executive Director
Jan Wells	Mayor's Chief of Staff
Frank Nakamura	City Attorney
Gabe Johns	Finance Department
Janet M. Lopez	Council Administrative Secretary
Nathan Roper	Murray Police
A. Tippetts	Murray Police
B. Hadley	Murray Police
Dale Rodeback	Murray Police
Greg Stone	Murray Police
Larry Zimmer	Murray Police
Keith Huber	Murray Police
Dan Terry	Murray Police
Kasey Heaton	Murray Police
Michael Spilman	Murray Police
Mark Mehrer	Murray Police
Lynn Chatterton	Friends of the Performing Arts
Rob White	MIS
Carol Heales	City Recorder
David Larsen	MIS Director
Mildred Horton	Arts Advisory Board
Dale Whittle	Human Resource Director
Mike Terry	Human Resource Department
Blaine Haacke	Power General Manager
Janie Richardson	MIS
Scott Stanger	Engineering

Trae Stokes	Engineering
Anne vonWeller	Public Services
Gil Rodriquez	Fire Chief
Juliette Dorsett	Police
Scott Brummer	Police
Kevin Johnston	Police
Joel Hafoker	Police
Doug Roberts	Police
Craig Burnett	Police
Joe Tarver	Police
Mike Fernandez	Police
Tom Martin	Police
Aaron Jones	Police
Marvin Barlow	Police
Brian Wright	Police
Troy McCombe	Police

Budget Vice Chairman, Patricia Griffiths, called the reconciliation meeting of the Budget & Finance Committee to order at 4:04 p.m. and welcomed those in attendance. Ms. Griffiths excused Council members Robbie Robertson, for out of town travel, and Jeff Dredge, for illness.

Ms. Griffiths stated that the Budget Committee met to review the Mayor's proposed budget in detail on April 17th and April 18th. During that process, 18 items were placed on a contingency list. The items will be discussed as listed on the meeting agenda.

RDA - Car Allowance

The department and Mayor requested \$4,200 for car allowance.

Mr. Brass stated that figure seemed a little high.

Ms. Dunn said that based on minutes from the previous year, the average usage for department heads was about \$150 per month.

Mr. Brass suggested \$200 per month for a total of \$2400 for the annual car allowance; all Council members agreed.

Community/Economic Development - High Level Master Plan

This item was not budgeted, however, Mr. Brass explained that the Mayor's office recently put together a meeting with a developer from Portland, Oregon. This developer has done some very nice mixed use development in Portland. The company builds sustainable buildings

using the Leadership in Energy and Environmental Design (LEED) guidelines for the *platinum* and *gold* level designations. Its latest building, a high rise residential and office space is not connected to any utilities. The building generates its own power, treats its own water and provides a variety of very unique aspects. The discussion was based on Murray's area around Intermountain Medical Center (IMC) and the downtown area. The idea is to have a design plan in place prior to buildings simply popping up and allowing development to happen randomly.

Ms. Griffiths asked if anyone from the Downtown Historic Overlay District (DHOD) was present.

Mayor Snarr commented that this was a preliminary discussion to get a feel for what the developer thought would be viable in this area. He said that the company had been involved in historic renovation and had talked with the Mayor in the past. This particular meeting was just general, before including key City people. He gave credit to Council members Ms. Dunn and Mr. Brass for their desire to create a space, rather than to allow haphazard development. The Mayor said that he feels the City would like to have an area where buildings play off each other with some synergism, and avail the hospital property to utilization of development of structures for complementary benefits. It was indicated that to produce the plan would be between \$80,000 to \$100,000.

Ms. Griffiths asked if it was the developer that would complete this plan.

Mr. Brass answered that the developer has an architectural firm he works with which would produce the general plan.

Ms. Dunn commented that it is a similar process as used at Fireclay, in that, with a number of owners there needs to be a plan for the project that everyone follows in development. Without a plan each developer wants to have zoning laws changed to construct what he would like to build.

Mr. Brass added that this developer has expertise in taking significant historical buildings in Portland and blending them successfully with newer construction. One of these was a performing arts center that was expensive, but with private partners, this space has become a meeting place, of sorts, beyond the performances. He was impressed with the ability to take what is good about an area and add to it.

Ms. Griffiths asked if something like the Gateway Center was envisioned.

Mr. Brass said it was not.

Mayor Snarr said it is not fair to anticipate the vision, however, this company has completed large projects in Hollywood and many other areas. It is the architect who decides what

is the highest and best potential use for a location. The developer leaves that up to the architect.

Ms. Dunn said that the bottom line comes back to the community to either agree with the plan, have it changed in part or reject it.

Ms. Griffiths offered that she thought the DHOD guidelines had been established for development.

Mayor Snarr responded that he does not think the DHOD goes beyond the State Street presence.

Ms. Griffiths asked which areas would be included in the planning.

The Mayor said he envisions from 4800 South to Vine Street and from State Street back to the heavy rail yard. This includes where Nelson and Sons have the fish food facility.

Ms. Griffiths confirmed that this area does encompass the DHOD. Ms. Griffiths feels the group that has put so much effort into the DHOD should be consulted. Additionally, she wondered what the developer is willing to invest into the project.

Ms. Dunn stated that she does not know what this particular developer would be willing to put into the project, and there is no guarantee that this is the developer which would be chosen to improve the property. The idea is to assess the area, see what opportunities exist for the community and then put together a plan. At that point the architect's involvement is over, unless, as a Council, the developer is given the approval to move forward. Ms. Dunn explained that under the current circumstances no one has suggested development of any projects the Council would like to see in the DHOD area. In fact, all that has been done to date is rejecting proposals, such as car lots. She is afraid that the DHOD has created an area where nothing will be developed, further, she feels an investment into a workable solution similar to others around the country is advisable. The most impressive thing about this company is that the buildings are completely leased prior to completion because of the desirability for green construction. She feels that if they can design around the historic element and maintain that desirability from future tenants, the City would benefit.

Mayor Snarr commented that included in the boundaries of this development is the City Hall property. It is important that the police and staff in the City operation be working out of safe conditions. The architect will be asked to paint a picture of what works best with the property here where City Hall is located and on the west side of State Street.

Ms. Dunn confirmed that this area of City Hall is to be included, and leave it up to the architect as to what would work best in the overall plan.

Mr. Brass expressed that the hospital will drive change in the downtown area. IMC employs many people and other services, such as hotels, will be necessary. In other cities with similar size hospitals a certain impact on surrounding buildings has been noticed. If Murray has a plan in place, development can be controlled and still preserve all that is good about the historical district. Without a plan there will be various buildings that do not work together, or empty buildings. He said he would much rather see how a plan can be developed to the advantage of the City. This is merely a starting point. None of the recommendations in the proposed master plan must be followed.

Mayor Snarr compared the downtown plan to a transportation master plan. It is only a vision to take care of future issues with traffic.

Ms. Dunn stated that this is only a beginning, and more than just the Mayor's office and public services will be involved in putting it together. As the plan progresses the historic board, the Council, and planning and zoning will all be involved.

Mr. Brass added that it will be similar to the process with the general plan.

Ms. Griffiths stated that this was new information and she would like to have further discussion with more people before deciding.

Ms. Dunn insisted that the money must be allocated, otherwise it will not be available for another year. She said she doesn't mind having more conversations about this topic, as it is something that came up only one week ago, however, if a professional plan is something that may go forward, the money must be set aside.

Mr. Brass pointed out that there is a project in the works currently at the corner of 4800 South State Street.

Ms. Dunn said that if the City waits too long there will be too much new construction to allow a plan to be made.

Ms. Griffiths expressed that she would like to hear how the absent members of the Council feel about this project. She offered that there was barely a quorum present.

Ms. Dunn reiterated that she feels the money should be allocated for this purpose, however, if it is decided not to follow through with a plan, the money can go right back into the general fund or capital projects. If it is not included in the budget, then that money is not available for a master plan.

Ms. Griffiths asked where this money would be taken from.

Ms. Dunn said that must be decided. She continued by stating that she has asked Mr. Wagstaff to work with Ms. Wilson to get accurate figures on the fund balances. She commented that answers are not yet available. She asked Ms. Wilson how much money is being held in reserves.

Ms. Wilson answered that the law allows 18% of next years projection to be held in reserves. It will amount to about \$7.1 million. (She distributed a hand-out to each Council member regarding reserve balances.)

Ms. Dunn asked what the figures represented.

Ms. Wilson explained the numbers are a six year history of the general fund reserves, which she had taken from the audited financial statement. The first column is the total fund balance, which does not need to include any money that is committed by a legal document for a specific purpose, such as UTOPIA. The third column is the end reserve fund balance after committed funds are removed.

Ms. Dunn reviewed that for June 30, 2007, \$9.9 million is the unreserved fund balance. She asked how much of that has been spoken for.

Ms. Wilson replied that \$9.9 million was more than the 18% allowed to be held. In November of 2007, the Council increased the budget by \$4.2 million to go into capital projects. That removes it from the general fund balance, however, she is not sure that it will all be used for the purposes designated. That is unknown until the end of June. A good share will be used which will get the City under the 18% maximum.

Ms. Griffiths asked about the \$250,000 in the budget for UTOPIA.

Ms. Wilson stated that would increase the current UTOPIA reserve of \$1.235 million.

Ms. Dunn asked when the UTOPIA funds must be in the reserve, she wondered if there is two years to accumulate it.

Mr. Nakamura stated that when that agreement is executed the money is required to be available. There is no discussion in the agreement of delaying the deposit or applying interest.

Ms. Dunn confirmed that in the new pledge agreement the additional \$250,000 should be automatically added into the reserves for UTOPIA.

Ms. Wilson responded that the \$250,000 for UTOPIA is in the budgeted figures. She advised that it would not be wise to spend much of the unreserved fund balance until she has a better feel for what other money is coming out of it.

Ms. Dunn and Mr. Brass agreed that a budget would not be adopted until there was more information about the final numbers in the unreserved fund balance.

Ms. Griffiths' desire was to defer a decision on the master plan until opinions of the absent Council members were heard.

Ms. Dunn pointed out that the money should be allocated and available if it is decided upon, it can always be removed later.

Ms. Griffiths asked if that would come out of the fund balance.

Ms. Wilson confirmed that, unless other amounts from the Mayor's budget are not approved.

Ms. Dunn maintained that the amount would be included in the budget to be considered, unless it is removed later.

Ms. Griffiths asked if there was any discussion of the developer participating in the funding of the master plan.

Mayor Snarr said that the developer would refer this master plan project to an architect that he uses and recommends.

Mr. Brass added that this particular developer may not even end up constructing the buildings. This was someone who has participated in projects such as these in the past and the group wanted to talk with someone experienced in similar developments. This type of construction is limited in Utah.

Ms. Griffiths said that she would go along with it, at this point.

Mr. Nakamura expressed that the legislative intent document must be adopted with the budget. He offered that, in view of her reservations, she could go on record as to what those reservations are, by approving the amount but expressing in the intent document any constraints that she feels necessary on that money. For example, you can appropriate the money, however, insist on input by all property owners.

MIS Report Writer

Ms. Wilson clarified that this is basically more than just for pay roll. It is a report writer that MIS would use in various departments. This would make it easier for the end user to write their own reports rather than relying on the MIS department.

Mr. Larsen confirmed that, saying it is a tool for the programmers for productivity gains and also for the departments. In power, it can be used when staff visits businesses to help them analyze power usage and provide reports. It will produce graphs and give a way to better utilize data. Ms. Wilson has asked for this report writer to eliminate the need for multiple spread sheets. This tool fits many needs and can write reports from all of the City systems, not just one system or data base. It can interface with payroll, financials, courts, parks and most everything. He stated that the payroll module is an entirely separate item.

Ms. Griffiths inquired if this frees the City from the exclusivity of one person having to write specific programs.

Mr. Larsen said yes, and explained that this program is a way to move toward more advanced techniques, such as *executive dashboards*, that provide a daily, weekly or monthly snapshot of activities.

Ms. Dunn asked if this was planned for next years budget and now is being moved forward.

Mr. Larsen responded that the payroll was planned for next budget year and there was some discussion of doing it earlier. This report writer is a separate item.

There was some confusion regarding this item, the payroll module and the new employee.

Ms. Wilson stated that the \$25,000 for the MIS report writer is included in the Mayor's proposed budget. She said the confusion came up when Mr. Dredge asked if Sequel should be the report writer invested in and if it was user friendly.

Ms. Griffiths asked if this report writer is the user friendly version requested.

Ms. Dunn asked if this program fills the need requested by Ms. Wilson and Mr. Dredge.

Mr. Larsen confirmed that he has thought about this for several years, however, there has not been money in the budget to include it. It has been analyzed, the company has improved it and due to the fact that it can be used with several different systems, he feels this is the best product for City purposes.

Ms. Griffiths asked if the cross training of programers would be completed too.

Mr. Larsen answered positively.

Ms. Dunn asked Ms. Wilson if she had used this program before.

Ms. Wilson remarked that she had not used it before and it will still take MIS interaction to put the screens together before it can really be instituted.

Mr. Larsen expressed that the company which has the product has put it into all different scenarios. Some end users, with no MIS department, receive the initial training and can operate it themselves. He said it is helpful to have technical people to do some things.

Ms. Dunn said it worries her when it is necessary to have technical expertise to generate reports that department personnel should be able to complete.

Mr. Larsen said it is setting up the product that requires technical support, after that staff can operate it.

Ms. Wilson stated that everyone agrees about the need for a report writer, the question comes down to which one is the right product.

Mr. Johns stated that he has some reservations on this particular product, although, he has not had the opportunity to analyze it in detail. He would favor other programs because he is familiar with them, but ultimately he does not know about Sequel.

Ms. Dunn suggested that it is a common practice with vendors supplying a new product to bring personnel to their location, or to bring the product to the City to have anyone involved preview a demonstration and have the program explained so that the staff can determine if it will work and be utilized as needed. She feels the purchase should not be completed until the departments, not just the MIS personnel, have an opportunity to determine the usefulness.

Mr. Larsen stated that he has a demonstration scheduled for the programmers to become familiar with it. Then an internet demonstration will take place and when the departments are comfortable with it, the purchase will be made.

Ms. Dunn suggested that other companies also be invited to bring products in for demonstration and comparison. Further, she asked if the pricing would be competitive.

Mr. Larsen said he could do that. He feels \$25,000 to \$30,000 should be ample funds for other products, as well. He is not sure that comparative products have the ability to do charts and graphs, although, he will look into them.

Ms. Griffiths agreed with that suggestion.

Ms. Dunn said that the \$25,000 would be left in the budget.

MIS Payroll Module and **MIS Payroll Employee**

Ms. Wilson stated that the payroll module was suggested by MIS, however, it has not been budgeted. She continued, stating that in her time with the City, one of her biggest problems has been getting information out of the payroll system. She feels there are benefits in having a payroll module that integrates with the HTE system, however, she does not feel like the City is ready to implement it.

The second item under that category is a new employee that she feels would be a benefit to having in order to write reports and prepare the way for the payroll module to be implemented. She feels there are some issues in the payroll area and she could use some expertise.

Regarding the payroll module for \$85,000, Ms. Dunn confirmed with Ms. Wilson that she agrees to implement this in the next budget year. Her suggestion is to consider and discuss the \$68,000 for the new employee.

It was the consensus of the Council members to budget and implement the payroll module in the next fiscal year, not this current budget.

Ms. Griffiths asked if the \$68,000 for the new payroll employee includes the salary related benefits.

Ms. Dunn asked if this would be an employee of the finance department.

Ms. Wilson responded affirmatively to both questions. She added that it would be a payroll employee with expertise in that area, helping to prepare for the new integration and to file reports needed now. As much of the budget is salary and benefits, it is important to have accuracy in this area.

Mayor Snarr commented that Mr. Whetzel had tried to limit expenses and through the years, had cut employees, and he supports Ms. Wilson on this and he commends her for what she has done to make a difference to the bottom line.

Ms. Dunn and Ms. Griffiths agreed that she had made the budgeting more understandable for both of them.

Ms. Griffiths inquired if the new employee would be sought immediately.

Ms. Wilson said that person would be hired when the new budget becomes effective.

The group agreed with this expense of \$68,000 for the payroll employee.

Finance - Customer Service

Ms. Wilson mentioned that being new to the budgeting process she had missed this need for standby pay in the amount of \$10,000. The water meter readers are on standby on the weekends and this amount is needed for overtime pay and has been a long time expense.

Ms. Wilson outlined multiple instances of turnover in the customer service area. This becomes costly to the City when employees do not stay through the six month probation period. Looking at the reason people gave for leaving and analyzing the positions, there has been some restructuring within the office. Currently there are two vacancies, therefore, it is a good time to realign positions. Working with human resources, comparisons have been made to nearby cities and it was discovered that the pay grades needed adjusting. In Murray, the customer service staff handle more than other cities due to the power, water, garbage and sewer fees. It will take \$7,000 additional salary and benefits to be comparable.

Mayor Snarr said that the City is also looking at some job sharing opportunities so that employees can rotate off the window when stress builds.

Ms. Dunn stated that this is a high stress job that does not pay much and she agrees that raising that rate is important.

The Council agreed on that item.

Public Services - Road Projects

Mr. Brass stated that he is comfortable with the road projects as listed.

Ms. Dunn is not comfortable with the list of road projects. She feels that there are serious needs in Districts Four and Five and the funds should be weighted heavy in those areas.

Mr. Brass stated that it was agreed last year and he has no problem shifting funds to other roads.

Ms. Dunn said that she did not want to change the total dollars allocated for roads, however, she wondered if she and Ms. Griffiths could meet with Ms. vonWeller and Mr. Stokes to review the road projects. She will not reject roads in other districts if the staff insists on some, however, Council Districts Four and Five have double the needs of the other districts.

Mr. Stokes said they would be happy to look over roads again.

Ms. Griffiths said that the report shows *failing* status on some roads and those should be

looked at for repairs.

Ms. Dunn observed that there are some large projects that must be addressed and that is understandable, but for the smaller projects, she has given in to other needs for several years and now many roads in her district are failing.

Mayor Snarr commented that 5290 South is a very bad road. Ms. vonWeller agreed.

Ms. Dunn said there are many very bad roads and she gets numerous complaints. She is willing to tell people that they must wait their turn.

Ms. Griffiths said she receives many calls regarding Stauffer.

Ms. Dunn commented that she would like the staff to feel free to inform them which roads must be included on the list.

Ms. vonWeller added that some roads are being done in conjunction with storm drain projects and would need to be left on the project list because they will be torn up anyway. The challenge is that there are many roads in bad condition, they have selected those that they feel are the worst, however, she is willing to talk it through.

Ms. Dunn pointed out that Mr. Hill commented the staff's effort to make repairs equal between the districts. Her point is, that is not necessary.

Council members agreed to address the worst roads by meeting at another time.

Ms. Griffiths asked about roads that only need sections patched. Could one just bring those to the attention of public services. She is aware of a really bad area on Arrowhead.

Mr. Stokes said a list is being compiled Citywide to address pot holes and small repairs and get the patch crew out working on those right away. They have actually started that process.

Mr. Stanger added that at the end of the year the street crew purchases asphalt with remaining funds and completes what they refer to as heavy patching.

Ms. vonWeller encouraged members to contact the public services with addresses they know need patching.

Public Services - Pavilions

Mayor Snarr stated that this project was included in the budget, however, if the Council does not concur the money may be used toward other projects. This was to be rolled over and it

would be over \$500,000 to complete all the pavilions.

Ms. Dunn said that as she remembered this was in last years budget to do a few and none were completed.

The Mayor commented that he had an architect design and price the pavilions and there was some economy to bringing in the equipment to tear down and rebuild all of them at once. They are not going to fall down, however, some do have structural issues.

Ms. Griffiths asked if those that are in the poorest condition are safe.

Ms. vonWeller responded that a structural analysis had been completed on some of the pavilions and they do need replacement. It is not an immediate need, however, in the next few years it would be prudent to replace at least three of them.

Mayor Snarr added that with a very heavy snow some damage could be done.

Ms. vonWeller observed that there is some rot at the connections, which is a bad spot, because it could be a sure failure with heavy snow. It does need to be looked at, it is not urgent, as there is no imminent hazard.

Ms. Griffiths asked if the worst ones could be supported.

Ms. Dunn expressed her concern that with a recession, Utah seems to be affected behind the curve by about six months to a year, so there have been no changes to revenue yet, however, next year the City may be in a different situation. Her worry is that any expenses which are deferred, may not have available funds next year either. That is a question in her mind, however, if something needs to be sacrificed, pavilion replacement would be the one to sacrifice.

Mr. Brass stated that the Council has just added \$185,000 to the budget, so this item could fund these other needs.

Ms. Dunn said that it may be necessary to repair only the worst ones and forfeit the economy of scale.

Ms. Griffiths asked what the expense would be to replace the two in most need of replacement.

Ms. vonWeller said that the \$230,000 is about what it would cost for the two in most urgent need of replacement. Ms. vonWeller stated that \$230,000 was budgeted in the fiscal year (FY) 2007-2008. It could be rolled into the FY 2008-2009 budget.

Ms. Dunn suggested that of the \$570,000, \$230,000 could be left for the two pavilions and the rest could be used for other expenses.

Mr. Brass pointed out that the additional money was not approved. All that is available is the \$230,000 to be rolled over from the FY 2007-2008 budget.

After discussion and clarification, it was decided that the \$230,000 unspent for pavilions in FY 2007-2008, would be addressed at the end of the agenda, once other items had been discussed.

National Guard Armory

Ms. Griffiths noted that this item was not funded in the Mayor's budget.

Ms. Dunn asked if the owner would be offering this property for sale.

The Mayor stated that no, it would not be offered, however, he is looking at other avenues for acquiring the property, at other than City expense.

Ms. Dunn agreed that the City needs that space, however, if it will not be lost to another buyer, she sees no way to include it in this budget.

Mayor Snarr commented that it is not useful to anyone other than the state. The zoning is not beneficial for many uses.

Ms. Dunn added that there is only egress through City property.

The Mayor's only concern is the appraisal, for acquiring the property at the current price.

Mr. Nakamura stated that the appraisal was rather recent when the City began inquiring about the property.

Mr. Brass asked about the environmental issues, due to the fact that this property was a motor pool.

Mayor Snarr said the studies had been completed to confirm that there are no safety issues.

Performing Arts Center

Ms. Griffiths expressed her passion for this project, and it is something that has been passed over every year since 1994. She explained that in the packet she distributed to Council

members, there was a history of events regarding the performing arts center. She would like everyone to note that a foundation, made up of prominent community leaders, has been formed to begin fund-raising outside of City involvement. The group includes members of various entities that provide performing arts for Murray. In a meeting held last week it was reported that articles of incorporation have been filed and there is a grand total of \$40 in the budget. There is not even the \$100 necessary in order to obtain the permit to raise funds.

Mayor Snarr inquired about contributions to the Cultural Arts that he had made recently.

Ms. Griffiths stated that this is a separate foundation for fund-raising with the hope and dream of someday having a performing arts center.

Mr. Brass commented that the \$2.2 million in the budget request is not possible, therefore, he wondered what she was seeking on behalf of this organization.

Ms. Griffiths asked if the City could budget \$10,000 to pay application fees for grants and other things of that nature. Private donations are being sought and with the synergism of the City working toward this, county participation and private contributions, she is hopeful it could become a reality. The packet contained architectural plans from several years ago, and an update obtained recently anticipates a high-ball figure to be \$11 million. The property owned by the City, by the Park Center, is the location planned. Ms. Griffiths asked if anyone had reviewed the architectural plans.

Members replied that they had looked over the plans.

Ms. Griffiths continued saying that every year she complains about the need to leave the City in order to host the volunteer event. The plans show the community rooms that could be used for business meetings and other large events. Revenue could be generated by renting for wedding receptions and business groups. There are so many requests by community cultural arts groups, symphony, concert band, dance groups and private instructors who need a location for recitals. This could be offered at an affordable rate. Ms. Kirk has comparisons on revenue from locations, such as, Gardner Village, and Rose Wagner Theater, and she feels it would be possible to break even.

Ms. Dunn stated that she has encouraged Ms. Griffiths to get involved in the quest for a performing arts center. She would like to warn the City, and maybe even fight against, the idea that Murray can see revenue on this project. The state legislature has hit cities hard regarding competition with private business. A major item listed over and over is receptions and private gatherings in City facilities. Her feeling is that if this is a community place, it must strictly remain such.

Ms. Griffiths responded that community events would take precedence.

Ms. Dunn insisted that we not go in that direction. If it gets built, then it must be subsidized like other City facilities. Murray cannot compete with private entities. Otherwise, the legislature will strongly reprimand the City.

Mr. Brass added that Howard Stevenson feels the momentum for that legislation is in place and it will be pushed through next year. An inventory is being taken on what cities are doing that competes with the private sector.

Ms. Dunn pointed out that subcommittees have been meeting for several years regarding privatization and how to stop municipalities from competing. The City can avoid legislative involvement if it refrains from detailing usage of such a facility.

Ms. Griffiths feels that, as a City, the facility could be utilized most of the time anyway. Murray could save money in rental of other spaces for City functions. When there is a large public hearing there is no place large enough to accommodate it.

Ms. Dunn noted her agreement with that fact. She added that the City must not state that it will generate revenue of any kind.

Mr. Brass suggested this topic and an allocation of \$10,000 be considered at the end with the \$230,000 for pavilions.

Mr. Nakamura made it clear for the record that this would be a \$10,000 contribution to a non-profit organization. He said the budget process handles that and asked if it does have non-profit status.

Ms. Griffiths confirmed that the organization does have the 501(c)3 status and is called the *Friends of the Murray Centre for the Performing Arts*. That concludes her proposal.

Ms. Dunn asked if the 501(c)3 status had been granted.

Ms. Griffiths said yes, although, the group does need to file the permit applications in order to seek funding. This money would also help to hire a grant writer to secure funds. Ms. Griffiths asked Ms. Wilson if a goal was made to allocate money over several years, to accumulate enough for the center, with the support from the county and foundation, could that money be put into a capital project fund ear marked for this specific purpose.

Ms. Wilson stated that she could create some type of fund similar to the capital projects, so that the money was not included as part of the allowed 18% reserve.

Mr. Nakamura clarified that this is not a City capital project, however, it would be a contribution to a non-profit. He said it would need to be appropriated annually, nevertheless, it

could be in the legislative intent document.

Ms. Griffiths questioned if it would need to be handled that way were it a joint venture between the City, the Friends of the Murray Centre for the Performing Arts, and the County, if given its support.

Mr. Nakamura commented that at this point it is a contribution to the Friends of Performing Arts Center.

Ms. Griffiths said this is a start up fund for the foundation this year.

Ms. Dunn asked if she were referring to the \$10,000 going into a separate fund, or, does she intend an additional amount going into a fund over several years with \$11 million as the goal.

Ms. Griffiths confirmed that the foundation needs the initial funds now, however she would like additional amounts to be appropriated over several years.

Ms. Dunn asked what amount she wants the City to reserve for this purpose every year.

Ms. Griffiths said that would need to be determined, however, matching funds for grants may be necessary.

Mr. Brass added that future discussions should take place, maybe at a Committee of the Whole meeting.

Ms. Dunn asked about the request for the \$2.2 million that was not funded in the Mayor's budget.

Ms. Griffiths explained that Ms. Kirk requested that with the hopes to accumulate the necessary amount for construction over several years. She knows it cannot be built for \$2 million. The people on the foundation are passionate about this project and she hopes to help them get started, as they are working out of the goodness of their hearts.

Ms. Dunn confirmed that most grants do require a 10% or 15% or more match. So the money going into a separate account is for that purpose.

Mr. Brass stated that the topic needs further discussion.

Ms. Griffiths appreciates the support expressed by the Council and she hopes this can be achieved during her lifetime. The symphony stores all of the large percussion instruments and music stands in a trailer which is parked in someone's driveway. The start up funds and goal of ongoing funds every year would help to make this a reality.

Ms. Dunn asked about the \$10,000. She is not aware of any application fees necessary for grants.

Ms. Griffiths said there is the \$100 permitting fee to solicit funds, in addition the S. J. Quinney and Eccles Foundation grants are being sought.

Ms. Dunn asked what the rest of the \$10,000 would be spent on. She wondered if the full \$10,000 could not be allocated, what is the minimum necessary to get started.

Mr. Brass said that as part of the discussion for \$10,000, he would like to see a budget. That request could be included in the intent document.

Ms. Griffiths said the foundation is in the formative stages, have just filed the articles of incorporation and this has been done with donated dollars. Any excess funds, not used for permitting fees, could be used as grant matches. Ms. Griffiths mentioned that Mildred Horton, president of the Arts Advisory Board, was present and she asked Ms. Horton for input on this matter.

Ms. Horton commented that funds could be used to hire someone to help write grants.

Ms. Dunn agreed that a budget for spending these dollars would be necessary to determine what the urgent needs are.

Ms. Griffiths commented on the benefit of performing arts and the national exposure Murray has received over the last week. (She referred to the American Idol contestant David Archuleta.)

Garbage Rate Increase

Ms. Dunn commented that she understands the position of Waste Management, and this increase in gas prices could not have been anticipated. She asked if Murray allocates them the \$35,000, what is the benefit to the City.

Mayor Snarr responded that he feels our benefit will be the good will that begins by us saying that Murray does not wish to take advantage of the company when diesel fuel has escalated in price. Mr. Hill and Mr. Nakamura talked with Waste Management expressing that the City was willing to work with them on this matter until next year when the contract needs to be renewed. He feels the contract will go out to bid.

Ms. Dunn asked if it would go out to bid anyway.

Mayor Snarr said that there is one year left on the contract and the fact is that Waste

Management is losing money. Until then, Waste Management must honor the contract the City has with it.

Ms. Dunn said that it is not about trying to hurt them. Murray is willing to negotiate and the City does not have to do that. Hundreds of thousands of dollars are needed to balance the budget.

The funds necessary to meet this increase will come from the reserves of the waste collection fund stated the Mayor.

Mr. Brass commented that \$35,000 is a lot of money to base on hope. We want to remind them that \$35,000 buys a lot of good will when it is time to renegotiate the contract.

Mayor Snarr said when negotiations begin the City will definitely remind Waste Management of this increase. Everyone is aware that no one has lower garbage rates than Murray City. No one can touch the rate we have. He said he can see where the company has been hurt, however, when it is time to rebid, there will be reminders that Murray was fair with them at this time.

Ms. Dunn said that she is not refusing to fund this expense of \$35,000.

Ms. vonWeller clarified that the entire \$35,000 is not more than public services was anticipating. The amount was put on contingency because there was the concern that it could go as high as \$100,000. Mr. Nakamura researched the Consumer Price Index (CPI), so most of this amount is an obligation on Murray's part due to the CPI.

Mr. Nakamura explained that Waste Management had asked for a much larger percentage, however, fuel is a cost of doing business. The increase had to be supported by the various CPI's cost of doing business, including transportation, energy, and fuel costs. The kind of increase granted can be supported, although, nothing more, and Waste Management compromised to accept it. The contract with existing provisions does support this.

Council members agreed with that amount. The \$35,000 comes from the garbage fund reserves.

Mayor Snarr added that at this time next year, the City will be looking at adjusting the waste collection fees.

Road Reimbursement

Ms. Griffiths announced that this is a one time reimbursement for road projects.

Ms. Wilson stated that this item was a pay back to the roads for the use of employees for part of the year.

Mr. Brass confirmed that it is another \$49,000 available.

Radar Speed Signs

Mr. Brass requested discussion on this item due to the fact that the Municipal Court is impacted by state legislative decisions regarding fine money received. His thought was that if some of our revenue went to public education and speed prevention then maybe the legislature would go easy on the courts. He is been informed that the impact of speed signs is good initially, however, later on people begin to ignore them. Maybe money would be better spent on speed trailers that are mobile and get more coverage. Mr. Brass stated that one of the biggest complaints Council members receive is speeding in neighborhoods. Most of the people speeding in neighborhoods, probably live there. This item was not included in the Mayor's budget, but a solution needs to be reached.

Ms. Dunn asked Assistant Chief Burnett how many speed trailers are owned by the department.

Chief Burnett responded that there are three and they are used daily, as they are operational. One is over ten years old.

Ms. Dunn would consider adding two more to have one in each district. It might be possible to add one this year and one next year, and maybe replace the older one the following year. If there were one per district moving around, that might be useful. Studies have been done proving that after a couple of weeks people disregard the signs.

Mr. Brass stated that it is not necessarily something that should be added now, although, he would like to budget for it in the future. He asked what the mobile signs cost.

Chief Burnett said that \$8000 to \$10,000 should be budgeted per sign.

Ms. Dunn said that if one each could be budgeted for the next three years then five would be owned.

Mr. Brass said that he is fine to leave it out this year, although, he strongly urges the Mayor to include it next year.

Ms. Griffiths agreed with that plan.

UTOPIA

Mr. Brass asked this item to be added to contingency prior to the vote being taken, however, now it is included in the budget and must remain on reserve.

Personnel - Employee Compensation

Mr. Brass commented that for many years Murray's compensation was 5% over the market and the turnover rate was very stable. Due to the economic situation, the City has moved away from that and police officers, firefighters, and power department employees are being lost. In addition, it has been difficult to hire in those areas.

Ms. Dunn added that part of the hiring problem includes the low number of people going into those occupations.

Mr. Brass strongly believes in this issue, as we do not want to become a training ground for police officers or firefighters and then lose them to other cities where they can make more money. That costs the City a fortune. You tend to lose the talented, good people. The City needs to change back to paying above market. He is very comfortable with this item.

Ms. Dunn stated that she asked Mr. Wagstaff to compile the cost to increase pay by another half a percent or full percentage more.

Ms. Wilson responded that the figures budgeted are 3% above market, and if the City raises it to 4% above market the expense would be an additional \$120,000. She anticipates that this extra percentage point would affect about 60 people.

Ms. Dunn commented that there is no money to raise pay higher than that.

Mr. Brass added that eventually, as it is affordable, the City should consider going back to 5% above average.

Ms. Dunn agreed with that statement. Since the country has gone into a recession, and Utah is behind the nation, next year may not be a good year. She feels if the extra 1% could be added this year it should be included, as next year it may not be possible. She thinks the Council should consider this.

Mr. Brass stated that if the pavilion money is taken and used toward the \$185,000, already added in, plus the \$49,000 from roads and \$1,800 from the RDA car allowance, that should leave \$95,800. If 1% additional compensation is \$120,000, then a half percent should be about \$60,000.

Ms. Dunn agreed with the half a percent more toward compensation, however, she is not comfortable taking anything out of roads. She suggested the \$49,000 be left in roads, because they will only cost more, even double, by the next year. She feels that maybe more money can be found for compensation as the budget process continues. She stated that roads and City employees are her top two priorities. If some other items need to be postponed she feels it may be necessary. Another high priority is making some areas in the community, such as downtown, more productive to generate dollars into the City. That area is hurting Murray now.

Mr. Brass commented that the City lives on property tax and sales tax and with improvements made then more money will come back to the City.

Ms. Dunn commented that she would like to do what she can for all these needs, however, the City is obviously short, and although revenues are a little higher than last year, they are below what the cost of living is with recent increases.

Mr. Brass said that if sales tax revenue stays flat, then the City is losing money due to inflation.

Ms. Griffiths suggested that the market increase percentage could be reviewed at mid year to see if it is possible to increase at that point.

Mr. Brass said that if the \$49,000 stays with road improvements, there is still \$46,800 available, so the City could go up to the \$60,000 for an additional half percent on compensation and the other \$12,000 can be located somewhere else. That makes the total employee compensation 3.5% over market average.

Ms. Dunn agreed.

Narcotics Officer

This is an expense relating to the officer's position which was approved in the budget, however, \$30,000 is needed for the car and equipment.

Mr. Brass agreed this needs to be funded. He offered that Mr. Dredge called in and commented that he feels strongly about this and it is an item that should remain in the budget.

All members agreed.

Valley Emergency Communication Center (VECC)

Ms. Dunn stated that there is no choice on this expense. If Murray is not with VECC, then there is a huge amount of money to start our own emergency dispatch and to operate it.

Mayor Snarr stated that these amounts were not known when the budget was compiled.

Ms. Dunn said that VECC has changed the process for tallying fees to entities. In the past, a call that was dispatched received a charge and one that was not dispatched was not charged. Now every call incurs a fee. She does not agree with this system, however, the City has no choice.

All agreed that these amounts must be paid. It is another \$45,000 to come up with.

Personnel - Retirement Fund

Ms. Wilson wanted to discuss this item regarding retirement pay-outs that have been quite large this year. It should be considered to set up a fund in the future, because, as there are budget revisions at the end of the current year there will be issues due to the pay-outs.

Ms. Dunn pointed out that Murray has aging personnel. The City might be okay for awhile, however in the next few years many employees will be eligible for retirement .

Ms. Wilson added that this is occurring nationally.

Mr. Brass said quite a few Murray employees could potentially retire. He suggested that a fund similar to capital projects be established for this purpose.

Ms. Griffiths also approved this concept. She has seen it work well with her previous employer.

Mr. Brass has tallied the changes to the budget and has come up with a figure of \$58,200 short. That takes the \$230,000 for pavilions and uses it for the other projects.

Ms. Dunn confirmed that no pavilions will be replaced this year.

Mr. Brass expressed that he feels roads and personnel are the priorities this year, and he would like to see the money go there.

Ms. Dunn said that she is concerned about the budget for next year, however, the City cannot afford to train and then lose people. That is more costly than items being removed from the budget.

Mr. Brass does not guarantee his math, although, he feels the \$58,200 from reserves is possible.

Ms. Dunn asked if this includes the \$10,000 for performing arts.

Mr. Brass said that it does not.

Ms. Dunn asked for a list of what is included.

Mr. Brass responded the narcotics car and equipment and the VECC money are included (in addition to the items he detailed earlier).

Ms. Dunn asked if the \$100,000 for the downtown master plan was included.

Mr. Brass did include it.

Ms. Griffiths asked for the items to be enumerated.

Mr. Brass responded: \$100,000 for downtown; 68,000 new employee; and 17,000 finance adds up to \$185,000. Then \$1,800 roads and the \$230,000 taken out of the budget and he figured that \$46,800 was left for other expenses. Then, raise the compensation to 3.5% and the total is short \$13,200. Add the VECC shortage of \$45,000 and the \$30,000 for the narcotics car and he comes to the \$58,200 total shortfall, or thereabout.

Ms. Dunn would like to discuss the \$10,000 for the performing arts.

Ms. Griffiths would like something for the foundation.

Ms. Dunn would like to look at what the fund balance actually is, so that some of the items, such as pavilions, could be included back into the budget. She would like to be at the 18% reserve balance, or slightly below is okay, although, not too far below. She would like to prioritize what goes back in the budget if additional funds are realized in the general fund balance.

Mr. Brass would consider a \$5000 donation to the performing arts, after seeing a budget.

Ms. Dunn asked if he would consider doubling that amount at mid year if funds are available, or whenever the final numbers are known in the fund balance.

Mr. Brass agreed to list it as one of the items to look at adding back in.

Ms. Dunn asked Mr. Brass to state his priority in case there are funds to utilize when the balance is determined on the general fund.

As a priority, Mr. Brass would raise the compensation to 4% above average first.

Ms. Griffiths asked about the compensation package; we are currently planning a 3.5%

above average package, so she wondered what the thinking was about when it should move to 4%.

Ms. Dunn said that compensation would be raised if funds are available above the maximum 18% in the reserve balance.

Mr. Bass added that it is unknown where the City stands above the maximum allowed by law. Then the money must be allocated.

Ms. Wilson stated that the balance should come in at about \$7.1 million, however, if all the money from the budget revision approved last November is used, then the amount will be well under the 18%.

Mr. Brass said that he would agree to a \$5000 donation to the performing arts and then he feels the Council should stay with the other numbers as agreed. If the balance comes in higher, the Council will need to allocate funds again.

Ms. Griffiths said that she would go along with \$5000, although, she prefers \$10,000.

Mr. Brass said that if the foundation comes back with a realistic budget, then he would be willing to review it at mid year.

Ms. Griffiths agreed with that.

Ms. Dunn said this would go into the intent document.

Mr. Brass said that if any money is left in fund balance, then they could look at the pavilions, although, now it is prudent for the money to be spent elsewhere.

Ms. Griffiths asked if there are any other items to discuss.

Ms. Dunn mentioned one subject to go under the intent document. She implores department heads to consider smaller vehicles with better gas mileage as they replace vehicles on the regular fleet rotation.

Mr. Brass suggested alternate fuel vehicles, due to the fact that Murray has a natural gas pump.

Ms. Dunn continued, referring to conference information gained, cities the size of Murray, that have changed their fleets, are saving a million or more dollars by the vehicles used. In one workshop she attended, three cities of 50,000 population, have saved a million dollars a year by going to smaller cars, just as the large cars are rotated out and the smaller ones

purchased. The large vehicles that were thought to be sturdier and more easily maintained are not at all. She urges Murray staff to do this. She heard an economist predict that the country could be looking at \$7 per gallon within the next three years for gasoline. They could be wrong, but if we have vehicles getting 11 to 15 miles per gallon versus ones getting 18 to 22 miles per gallon. It is a huge savings, even at \$3 per gallon.

D Mr. Brass would prefer putting money into people rather than gas tanks. If you can increase fuel mileage by 20%, it's a couple hundred thousand dollars per department.

Mayor Snarr said there is a big push to purchase natural gas vehicles. Murray has a natural gas facility, a cooperative effort with Questar, and at a profit of five cents a gallon there will be a benefit to the City. Since there is a plentiful amount, at 64 cents a gallon, that's about nine dollars a tank. He is more than willing to look at the possibility and see how long it takes for the payback. The nice thing is the oil does not have to be changed for 15,000 miles, maintenance is low and the engine lasts longer.

A Mr. Brass said that, where appropriate, it can save Murray a lot of money.

Mayor Snarr said that Murray is the envy of other communities by having natural gas right here.

Council members agreed it is the direction the City needs to go.

F Ms. Dunn would like to fund other project needs with the dollars spent on fuel.

Ms. vonWeller said that public services has completed an analysis and found that there is a three year payback on the large diesel fuel trucks and equipment if they go to natural gas. Some newer equipment, with several years life remaining, will be converted to natural gas.

T Mayor Snarr stated that there is an Armed Forces Day Celebration on Saturday at 7:30 p.m. at the amphitheater.

Ms. Griffiths adjourned the Budget and Finance reconciliation meeting at 5:59 p.m.

Janet M. Lopez
Administrative Secretary