

**Pleasant Grove City Council
Special Meeting Minutes
Budget Workshop
May 10, 2008
9:00 a.m.**

PRESENT:

Mayor: Mike Daniels

City Council Members:

Cindy Boyd
Darold McDade
Mark Atwood
Bruce Call
Lee Jensen

Others:

Frank Mills, City Administrator
Gary Clay, Finance Director
Tina Petersen, City Attorney
Lynn Walker, Public Works Director
Ken Young, Supervisor of Community Development
Deon Giles, Leisure Services Director
Tom Paul, Police Chief
Richard Bradford, Director of Economic Development
Marc Sanderson, Fire Chief

The City Council and staff met at the Council Chambers at 86 East 100 South, Pleasant Grove, Utah.

Mayor Daniels called the meeting to order at 9 a.m. and welcomed everyone.

1. TO DISCUSS CITY'S TENTATIVE OPERATING AND REDEVELOPMENT AGENCY (RDA) BUDGETS FOR FISCAL YEAR 2008/2009.

Mayor Daniels opened the meeting by thanking everyone for coming and participating in the budget process with the council. The Mayor then said that the meeting would start at the higher level of the budget, then those present would be asked to participate by "drilling down" one level at a time. He said he would like to look at the most expensive items first, where most of the monies are spent.

The Mayor said that the 8.6% revenue is an 18% increase over last year. He explained that Director Clay gets together with Treasurer Bezzant and looks at all revenue being collected. They then project the approximate amount that will be coming in for the upcoming year.

Director Clay explained that revenue amounts are generally about two months behind. Therefore, he said that the end of April receipts is actually from the February sales.

Mayor Daniels said, therefore, that the last of the revenue figures won't be in until the end of August. Council Member Boyd asked if Director Clay could project the figures. Director Clay said yes, that most of the sales tax biggest collection items are growing with about a 6% increase each year.

Council Member Jensen asked how much the sales tax would bring in for 2008. Director Clay said it is now estimated that it will be around just over \$4 million. He said that was an increase of 5% over last year's budget.

Director Clay then explained that the City had lost about 37% or \$2 million with the loss of revenue from Lindon no longer contracting with Pleasant Grove for emergency services.

Mayor Daniels said that as he understands it, there will only be a 1% decrease, even with the loss of the Lindon revenue. Director Clay said that is correct. He then said that with the big fire department grant that was being received, \$400,000 will help to cover the wages the first year.

Council Member Atwood then wondered if perhaps the timing was wrong in that the grant would cover the \$400,000 this year, but would decrease that amount for the next several years. He said he wondered where those additional funds would come for the fire department.

Mayor Daniels said that as he understands it, the City revenues grow each year. He said he feels that the City will have the ability to cover those wages in the future.

Council Member Atwood said his concern is that the grant will supplement the wages for just the next few years. However, he is wondering if the other departments in the City will be able to accept the fact that the grant will benefit one department—and the other departments will have to give up some of their needs to make sure the commitment to the fire department is met. He said the grant doesn't benefit all of the other departments.

Council Member Boyd said she feels this will give the fire department a jump start with needed personnel.

Chief Sanderson also added that this would help the response time for the department from 12 minutes to 4 minutes or less.

After further discussion, Administrator Mills explained that each department had differing grants that the other departments have to "absorb" each year. Case in point, he said the Class C road money doesn't benefit other departments, but it does free up money in the street department and in the General Fund. He also said that the bond money that has been received will assist the Street Department with labor and materials.

Council Member Jensen then indicated that he feels that taxes will cover the amount needed to pay additional wages for the fire department. He said that he feels the money is well spent when used to protect the City.

Mayor Daniels said that the City must continue to upgrade their basic services such as police, fire, ambulance, roads, etc. Council Member Jensen agreed. He said the City has to continue to make sure the emergency services is kept up to an appropriate level of service for the residents.

Council Member Wilson then commented that he felt like he was kind of on the fence. He said he really understood Council Member Atwood's concern with the City having to cover the expense in future years for fire personnel. However, he said he also understood that with the City growing as it is, there is a real need for more emergency personnel to take care of the needs of the residents. He thanked Council Member Atwood for bringing up the subject. He said he had concerns about the budget, also.

Attorney Petersen said she thought that all of the Council Members realized that when they made the policy decision to go to a full time fire department that would effect the budget. She then explained that policy was decided upon in December of 2007 that a full-time fire department was the goal. She said as the policy stands, the Council said it was willing to make other departments make due to fulfill the obligation. She said that is the Council's function. However, if that is not what the Council now wants to commit to, it is an appropriate conversation to have. She reminded them that they are making policy decisions to allocate resources to the fire department. Chief Sanderson then noted that in 5 years when the Staffing For Fire Emergency Response (SAFER) grant ends, there will be over \$670,280 in wages and benefits for the 10 full time personnel that will be committed to that department.

Mayor Daniels asked when the Council made the decision to support the increase in full-time personnel to the Fire Department. Director Clay said it was a few months before. Chief Sanderson said it was in August of 2007.

Council Member Atwood said he differed on the time. He said that Chief Sanderson had told him it wasn't the right time to make personnel full time. He said he also remembered the Chief saying the City would have to find the funds if they did, in fact, get the funds.

After further discussion, it was decided to look in past minutes and find out when the grants were agreed to by the Council.

Administrator Mills then said he would like to familiarize the Council with understanding the process of the decisions that are made to "tie the City down" a little better. He explained that if the economy goes bust, the City would have to pay, for instance, road repairs out of the General Fund. He said that the Directors have to look into a crystal ball each year, and are "betting on the come" of future revenues. He noted that the hope

is always there that the money will be out there, so they take the best guess they can in recommending to the Council and Mayor.

Mayor Daniels said the next large item to be covered from the budget would be public safety. Director Clay said that the expense of public safety is 35%, which is standard for most cities of Pleasant Grove's size.

Council Member Boyd said she had read that two of the sergeants had left Pleasant Grove to go to the new department in Lindon. Chief Paul said yes, he had lost the sergeants and an administrative assistant. However, he said that Chief Cullimore was still in the process of interviewing, and Pleasant Grove police could actually lose as many as 12 officers. Mayor Daniels asked how the Council felt about losing that many officers.

Council Member Boyd said it seemed to show that Pleasant Grove trained their officers very well. Council Members Atwood and Jensen said they understood that the wages being offered by Lindon were higher than what Pleasant Grove could pay. Chief Paul said that was correct. However, he said that Lindon needed money to hire experience. He said they couldn't start out with all new officers.

Mayor Daniels then explained that Lindon has high revenue coming in. He said that \$322 is coming into Lindon City coffers per person. He said that \$122 is coming in for Pleasant Grove's revenues per person.

Mayor Daniels then noted that perhaps this is good for those already in the department to quickly move up, once they were tested. Those present agreed that it would allow some officers to move up more quickly than they might have otherwise. The Mayor then said that in the next year's budget, a study would be done, and the City's employee's salaries would be brought to at least a mid-point of where they should be. Director Clay agreed. He said that when they do see a discrepancy, there will be an adjustment in the budget.

Administrator Mills then said that there will be a large effect on public works, the police department, parks and others with the vehicle expenses. He said this was due to the rapidly rising cost of fuel. He also explained that the departments have taken their best shot at the upcoming expenses for fuel, in particular. He told those present that the departments have really cracked down on the use of vehicles. He said they have been told not to leave the engines running in cars unless they are in use. Also, the police have gotten more restrictions on the use of the car-per-man program.

Chief Paul then added that the car-per-man program will continue, as they have learned it is good to have experts out in the community in times of needs. He said his department has run reports on fuel usage, and has found that the amount of fuel has been equal to the number of miles used. He added that the officers have been asked to watch that the tires aren't getting worn out, etc.

The Mayor said he had noticed that there was a 54% decrease in the expense of the animal control. Chief Paul then said that was because the job has now gone to two part-time people.

Mayor Daniels then said he had observed that Pleasant Grove City has pretty much consistently raised paychecks for employees over the years by 5% a year. He said that is good, as some cities have really gone up and down with their employees over the years.

After further discussion, Council Member Boyd asked Chief Sanderson what they were doing to prepare for the tall buildings now coming in. Chief Sanderson said that he had budgeted \$175,000 for a ladder truck. He said he had applied for a grant, and if they do get it, the money will go back into the General Fund. That grant is a 10% match, he said.

The next budget category that was addressed was Leisure Services. Director Clay explained that their budget is \$3.1 million, including recreation, the library, the cemetery and parks.

Mayor Daniels observed that he had a discussion with Director Giles. He told him that he had observed over the years that the popularity of several sports kind of come and go over the years. He said one sport can be really going, then patrons get into another sport. Mayor Daniels said it could, perhaps, be the same with the library. He explained that with the expanded use of the internet, it is actually plausible that more and more people could use the internet for their information instead of the library. Or, he said, maybe not. He asked Director Giles to do a thorough study, then get back with him as to a plan for the next three to five years.

The Mayor also said he had noticed that there has always been a large interest in baseball. However, he said he now sees just as large or larger crowds home to the soccer games. He also said he has seen that people want activities within walking distance from their homes, if possible.

Director Giles said that Leisure Services is really in a constant state of change. He said the Senior Citizens, in particular, have many changes coming. Director Giles said that more activities are needed for the seniors. Council Member Boyd said that was a concern of hers, also. He said he is working on expanding their program.

Council Member Wilson asked if there was still a wellness program in place for employees. Director Giles said yes, there is still a wellness program in place. He also said that discounts had been offered full-time and permanent part-time employees to the new recreation center. He added that these programs lowers the absentee rate and helps employees and their families get into better shape.

Council Member Jensen asked about how the recreation department was going to handle the non-resident status of Lindon patrons as of July 1, 2008. He said if they sign up for programs, up to July 1, they will pay resident fees. Programs that start after July 1 will cost Lindon patrons the non-resident fees.

Director Clay said that it looks as though Lindon is working towards getting their own pool built in the near future.

Mayor Daniels then explained that the next large expense to the City is waste collection. He said that he receives many emails regarding recycling. There are three options for recycling, he noted. These include mandatory (which has to go to a public vote), voluntary (50% have to participate) or not to recycle at all.

Council Member Jensen said he hadn't heard back, as yet, as to whether Waste Management had decided if they were even going to offer recycling.

Administrator Mills said in a recent conversation with Allied officials, he had learned that the "opt out" program is probably the best alternative for most communities. With this program, the City would make recycling mandatory—unless a patron goes down to City Hall within 60 days and signs a waiver to opt out of recycling. He said that the charge has been about \$4 per household, and a lot of people prefer to spend that each month instead of going down to City Hall.

A discussion then ensued as to if the recycling program should be put on the ballot. Attorney Petersen said she didn't know for sure if there was time enough to notice it and get it on the ballot.

Community Development was next discussed. Director Young mentioned that Engineer Lewis was pretty much on overload with his current schedule. He said that his department still uses the services of JUB Engineers for a variety of projects. Administrator Mills also added that there will always be a certain amount of project, including soil testing, etc, that will need specialized engineering services.

Council Member Jensen then asked about the cost in the budget that goes for lobbying in Washington D.C. He asked what was coming back to the City as a benefit.

Administrator Mills said the lobbyist works on a \$60,000 retainer. He said that Chief Paul has seen the benefit come to his department as funding for their communications. He said that other programs have been assisted by Senator Bennett's office, etc. He noted that real benefit has been seen with affiliating with the lobbyist program.

Attorney Petersen said that the first year didn't bring a lot of change with the lobbyist, but this year, she has seen some major changes. She said that once the lobbyist starts making contact, the City started to see the return on the investment. The groundwork, she said, has now been laid. She also said that that now those individual meetings have been made and the lobbyist has come to understand the needs of the City, things seem to be going through for the better.

Mayor Daniels said the next item is streets. Director Clay explained that the figure they were looking at was just for the administration of the streets. He said that there was \$5 million in the budget from Class B road funds.

Mayor Daniels then asked what was next. Director Clay answered that Administrative Services would be next. This includes City Hall, legal, general government, etc.

Council Member Jensen asked if there could be a discussion about the City Council salaries. Mayor Daniels said that this would be appropriate as it is up to himself and the Council if there is a raise given. Mayor Daniels said that currently, Council Members are paid \$600 a month and the mayor is paid \$1,500 a month. He said that they are also given medical and dental benefits, as well as life insurance, disability and a 401k account while they serve. However, Administrator Mills said this wage and benefits package was formulated in around 1999, and is probably outdated.

Mayor Daniels asked the Council if they felt okay about addressing the subject of a raise. Council Member Jensen said he didn't think that was unreasonable after about 10 years. Council Member Boyd said that she would at least like to see a comparison of what other Councils were paid. The rest of the Council said they would also like to discuss it once a comparison was put together.

Council Member Wilson said he would like to mention that Mayor Daniels puts a lot of hours into the job, and he would like to see him at least paid on par with other cities of Pleasant Grove's size. He said he feels strongly that the Mayor's position needs to be fairly compensated, as it has a great deal of responsibility and time attached to it.

After further discussion, Director Clay said he would put some time into a comparison for the Mayor and Council.

Attorney Petersen reminded the Council that their wage and benefits would need to be discussed in a public hearing at a Council meeting; then set by ordinance.

Mayor Daniels then asked Attorney Petersen to report on recent proposed changes in the State Legislature with local courts. Attorney Petersen then explained that the legislature passed a bill that affects all justice courts. The way judges are chosen is different and the state will set the pay scale now. It will affect us in 2009 to 2010. Next time we choose a judge, it will be under the new law. A nominating commission will be formed at the county level.

Council Member Jensen mentioned that the Fox Hollow Golf Course management has said that they will know better what their budget will settle into in about July of this year. He said they commented that they need to get a feel for the income of the course now that it is renovated.

Mayor Daniels said that he has felt that there has been an on-going misunderstanding with the staff at the course in reporting their expenses, etc, to the cities. He went on to say that the cities had plunged millions of dollars into the course and new clubhouse, and he expected an accounting for every aspect of their budget. This would include the plans they were making, as well as what projects were completed. He said he was very disappointed with the lack of information coming back, so far.

Director Clay told the Mayor that Fox Hollow staff had just recently dropped some information off to him, and he would go through it and make sure that the Mayor would be given the information, also.

Attorney Petersen then told the Mayor and Council that she would like to see the City purchase a new set of law books. She said that she needs the most current set of books, as she has had to do a lot of her research over the years on her own. Mayor Daniels said it was important that the City purchase these books for research. The Council agreed.

Mayor Daniels then said he would like to briefly discuss the compensation of the City employees. He explained that he feels that in the next budget year, he really thinks the City has an opportunity to go back and look at the compensation of the employees. He said this will be a chance to pay them competitively.

Director Clay said that each year employees can receive merit or step increases in their salaries. He said these raises, etc, are dependent upon the evaluation and judgment of the department directors.

The Council discussed raises and incentives and agreed that they needed to be increased for employees.

After further discussion, Mayor Daniels thanked everyone for their time. He thanked Director Clay, Administrator Mills and Treasurer Bezzant for their hard work on the proposed budget. He also thanked everyone for working together and bringing their diverse ideas together at the table.

Meeting adjourned at 2:40 p.m.

3. ADJOURN

ACTION: At 2:40 p.m, Council Member Boyd made a motion to adjourn the meeting. Council Member Atwood seconded the motion which passed unanimously with Council Members Jensen, Boyd, Atwood and McDade voting, "Aye."

This certifies that the Special City Council Budget Minutes of May 10, 2008 are a true, full and correct copy as approved by the City Council on August 19, 2008.

Signed _____
Mary Burgin, Deputy Recorder