

**BUDGET WORK SESSION OF THE
BRIGHAM CITY COUNCIL
MAY 30, 2013
5:30 PM**

PRESENT:	Dennis Fife Ruth Jensen Brian Rex Mark Thompson Tyler Vincent	Mayor Councilmember Councilmember Councilmember Councilmember
ALSO PRESENT:	Rick Bosworth Jim Buchanan Dave Burnett Mary Kate Christensen Jared Johnson Kaia Landon Paul Larsen Kristy Law Tyler Pugsley Jason Roberts Paul Tittensor	Human Resource Manager EMS Director Public Power Director City Recorder Building Official Museum-Gallery Director Economic Development Director Recreation Manager Public Works Director Finance Director Police Chief
EXCUSED:	Scott Ericson	Councilmember

Tyler Vincent, as Mayor Pro Tem, conducted the meeting.

Mayor Fife announced a tentative work session to discuss power options on Saturday, July 20, beginning with breakfast at 7:20 a.m. and finishing up at approximately 4:00 p.m.

The Mayor stated that the Mayors of Willard, Perry and Brigham City met and discussed the pros and cons of joining the Wasatch Front Municipal Planning Organization (MPO) or the BRAG MPO. Willard was adamant that they want to go with BRAG. Mr. Leonard represented Brigham City and also wanted to go with BRAG because it was felt the City could have much more control over the money. Perry was leaning toward the Wasatch Front but said they were neutral.

The Mayor said he recently met with the hotelier and he really wants the REDLG loan. He will pay for a letter of credit. He is looking at some of his properties to place a lien on to use as collateral.

Airport Budget

Mr. Roberts said they underestimated rental revenue in the airport budget. He and Mr. Leonard proposed increasing the revenue budget by \$16,000 and increase their buildings and grounds maintenance budget by \$16,000. The Council agreed.

Volunteer Appreciation Dinner

In a previous meeting the Council added \$2,500 to the budget for the appreciation dinner. Mayor Fife stated that his Administrative Assistant explained to him that the 2011 dinner was held at the Senior Center and it took a lot of work by staff and volunteers. She requested the Council consider increasing this to \$5,000 so it can be held at a sit down restaurant. Another option she suggested was to have a bar-b-que and have it every year. The Council agreed to increase it to \$5,000 every other year.

Merit Increase for Employees/Market Increase for Police Department

Mr. Roberts reviewed the market based pay for performance process.

Mayor Fife said in the past, some of the equity adjustments were taken out of the merit budget. In this budget, the merit is at 1.7% and equity adjustments on top of that, which comes up to a little over 2.1% which is the CPI.

Mr. Leonard said the comp ratio changes every year. Mr. Roberts added that it is not accurate to say the pooling average is 2.1% because the market adjustments are for very select individuals who are very low in their pay grade. This is a small percentage of employees.

Mayor Pro Tem Vincent stated that when Brigham City does the comp ratio it does not compare benefits. In addition, when talking about comp ratio at 100% it does not mean they are being paid 100% of the other cities, it is 50%. Mr. Bosworth explained that when the City compares to the 28 cities and comes up with an average, that is what the pay grade is based on and what the City looks at for the comp ratios. Mr. Roberts added that these cities were selected by a third party based on how well cities compared to Brigham City. A market salary is estimated by taking an average of the comparable cities. A person's salary is measured as a percentage of market salary. For example, if an employee is at 95% of market, they are at 95% of the average. Merit is based on a combination of the employee's performance evaluation score and where the employee is as a percentage of market.

Mr. Roberts said the 1.7% vs. the 2.1% merit increase comes down to where the Council wants the City to be in relation to the comp ratio. The last full year market study had the City at 95.8%. This puts Brigham City at 33%-40% of the total market group.

Mr. Leonard stated that the City's goal when this program started was to get all employees at 100%. This would be the average of what the cities are paying. The City shouldn't be in the lower 25%-30% of the comparable cities. Mayor Fife said the City is not in the lower 25%-30%. There is no way to get to 100% if there are promotions. When someone gets promoted they are promoted at 85%-89%. If the City promotes people it will never be at 100%.

Mayor Pro Tem Vincent invited Cathy Wood to the table. Ms. Wood represented the Employee Coordination Committee. Ms. Wood said they agree with the Mayor when he said the employees have stepped up during the reduction in force and reorganized to continue to provide excellent service to the residents. The City has great employees, but is falling behind on their compensation. They agreed with this. She said the employees realize they are not impartial. However, they feel that the City should fund the CPI at 2.1%.

The Mayor said it could go back to what it was and the market adjustments could come out of the 2.1%. The way it is currently in the budget, 1.7% would be distributed to everyone and the other is distributed among 21 employees. Some of those employees are so low they will never catch up.

Mayor Pro Tem Vincent felt that the City should do the 2.1%. Mr. Roberts said this would be an additional \$32,000, of which \$20,000 is in the General Fund and the other \$12,000 is in other funds. Councilmember Jensen suggested 2.0% for the market and 1.0% for the merit. Mr. Roberts estimated this would cost \$80,000-\$100,000.

Mr. Roberts reviewed the Police Department positions and how they compared to the comparable cities. Mayor Fife said it has been difficult to hire Officer I's at the current rate. Mr. Bosworth said when they advertise for a new police officer they generally receive approximately 30 applications. They narrow that to 20 to test and about half will show up for testing. Those who pass will do a physical agility test. If they pass that they will do a written exam. Half of those or more do not pass the written exam. This leaves a small group of remaining candidates.

Mayor Fife added that Officer I's are only in that position for one year, then they are moved up to an Officer II.

Mr. Roberts said Officer II's are 20 out of 21 in the comp group. This means that they are the second lowest paying. The Mayor's budget allows for an increase of \$2,500 for Officer II's, which brings them up to 92%.

Officer III's are ranked 12 out of 13 in their group. They are close to 90% of market. The Mayor's budget brings them up to 90%.

There is no change in the budget for sergeants. They are 16th out of 23 cities in the comp group.

The Lieutenants are ranked 9 out of 21 and are at 99% of market.

Councilmember Thompson said if the \$33,000 can be found in the budget, he felt that the merit should be increased from 1.7% to 2.1%, leave .4% in for market adjustments and keep the Police Department adjustments as proposed by the Mayor. The Mayor said this would increase every officer to 90% or above. However, there are 21 other employees that are below 90%.

Mayor Pro Tem Vincent felt that the Police Department needs to get more than what the Mayor has in the budget. The Electric Department was low and they received an increase a few years ago. He sees a turnover in the Police Department which is a concern. He acknowledged that raising the Officers I, II and III helps, but felt that something needed to be done throughout the department. He recommended Mr. Roberts, Mr. Bosworth and Mr. Leonard bring back some more plans for the Council to look at. Mayor Fife did not think there has been any more turnover in the Police Department than there has been in Public Works.

Councilmember Rex and Councilmember Jensen agreed with Councilmember Thompson's recommendation. Mayor Pro Tem Vincent felt that everyone in the Police Department should receive more on top of the 2.1% merit. With three councilmembers in agreement, the merit will be increased to 2.1% and the market adjustments will remain at .4%. The Police Department increases will remain as they are in the Mayor's budget.

Pickleball Follow Up

There is \$30,000 in the Mayor's budget to complete the pickleball courts. The Mayor said the pickleball participants said they would try to raise more money and they would put the slats in the privacy fence. Councilmember Jensen did not feel that the City should fund the second phase of the pickleball courts. Mr. Pugsley stated that the second phase includes the landscaping and the privacy fence, which provides privacy for the homeowners. The fence will cost approximately \$20,000. They are hoping by using volunteer labor this could go down to about \$12,000. The landscaping will cost approximately \$7,500. This does not include a restroom. However, he would like to keep it at \$30,000. The Council discussed the liability of not putting the landscaping in and not providing a privacy fence for the neighboring homeowners.

The Council agreed to keep the \$30,000 in the budget for Phase 2 of the pickleball courts.

Electric Source Funding Plan

Councilmember Ericson had asked Council to discuss funding a consultant. Mr. Roberts said there is already an increase in fund balance of \$400,000. This could be used to identify an electrical source. There will be a retreat scheduled in July to discuss electrical sources. The Council agreed to fund \$50,000 for a consultant and adjust if needed after the off-site retreat.

1100 South 1100 West Project Discussion Including Revenue Estimates

The Wasatch Front Municipal Planning Organization (MPO) allocated \$1.5M for this project, but not until 2019. There is \$372,000 set aside for Box Elder County if Brigham City joins the BRAG MPO. There are three funds – TIP, CMAQ and the TAP. With all these funding resources, the City could have up to \$750,000-\$800,000 to put toward this project. The estimated cost of the project is \$1.5M. To make up the difference, a loan could be taken out of the utility funds. This would allow the road to be constructed now rather than wait for the money from Wasatch Front. Mr. Roberts said the City would be going away from the cash targets if this were done.

It will probably take six months to a year to finish the environmental study. While this is going on the agreements could be prepared.

Capital Facilities Fund Establishment Discussion

There is currently a transfer of \$504,000 from the Electric Emergency Fund into a Capital Facilities Fund and a transfer of \$718,000 from the Fleet Fund to this fund. This would bring the cash balance in the Fleet Fund to \$500,000. The Council agreed to leave this as it is in the budget.

Transition Planning for Employees

The Council discussed adding funding to the budget to pay for a former employee to be hired as a consultant to train the person hired for their position. There are a few employees that could retire in the next few years. The Council did not fund this because they felt it could be covered, if needed, by the difference in the retired person's salary and the new employee's salary.

Sound Options for Council Chambers

There is nothing currently in the budget to do anything for the Council Chambers. It was estimated it will cost \$8,000-\$9,000. The Council did not add funds in the budget for a sound system.

Restricted Fund Balance Amount for Procter & Gamble (P&G)

The City's contract with P&G states that the City will put money into a restricted fund to cover the replacement of the pipelines when needed. This has not been done. The contract does not state how much be put in the fund. Mr. Roberts proposed that 1% of the P&G revenue for water and sewer in the restricted fund balance in the Utility Fund. The Council agreed to put 1% of the P&G revenue into a restricted fund.

Policy for Insurance for Councilmembers

Councilmember Jensen said she would like to discontinue this for future councilmembers and retired councilmembers.

Mayor Pro Tem Vincent said he did not know about the benefits or the pay when he ran, but a business person loses a lot of money because they spend so much time away from their own business doing City work. There was a discussion on compensating those councilmembers who do not take the insurance so they are all paid more equitably.

Councilmember Jensen suggested staff write a policy to remove the previous councilmembers from the City's insurance and once current councilmembers are no longer on the Council, they will not be eligible for insurance benefits. She felt most citizens would agree that once a person is off the Council, their benefits should be done. Mr. Roberts and staff will prepare a policy and bring it to the Council for approval by July 1, 2013 and give them until January 1, 2014 to find other options.

The meeting adjourned at 8:02 PM.