

Heber City Corporation  
City Council Meeting  
05/01/2010  
8:00 a.m.

SPECIAL BUDGET WORK MEETING

The Council of Heber City, Wasatch County, Utah, met in **Special Budget Work Meeting** on May 1, 2010 in the Conference Room of the City Office Building, Heber City, Utah.

Present: Mayor David R. Phillips

Council Members Eric Straddeck  
Nile Horner  
Alan McDonald  
Benny Mergist

Excused: Robert Patterson

Also Present: City Manager Mark K. Anderson  
City Recorder Paulette Thurber

Others Present: Wes Greenhalgh and Mindy Kohler (first part of the meeting)

Mayor Phillips indicated that Claude Hicken had talked to him about a meeting between Heber City and the Wasatch Irrigation Company. He asked if Councilmen Horner and Mergist could meet the week after next with them. Discussion about possible dates to meet.

Anderson reviewed two information updates before other discussion started: Since the Council last met, he changed the amount of Red Ledges funds used in this year's budget and increased the projection on sales tax revenue based on the first nine months of the year. Councilman Horner said Anderson was not supposed to change that. Anderson said he had only more accurately projected the figure. Councilman Horner felt that instead of using additional sales tax revenue projections right now and expecting more that the Council should be on the conservative side and use the smaller figure. Then if there was more than expected, deal with an excess later. He said the direction Anderson was given was not to change revenue numbers.

Councilman McDonald said he had concern about this meeting and asked if it had been noticed. Thurber assured him the meeting was noticed.

Councilmen Horner and McDonald both wanted Anderson to stay with the sales tax he had projected previously.

Anderson said he had met with the Department Heads last week. He showed an overhead of the suggested cuts to balance the budget based on that meeting.

Councilman Horner asked Anderson why he kept bringing things to them that the Council had already made decisions on. Councilmen Horner and McDonald did not want the first three items on the list as they had already been discussed and decided upon. Mayor Phillips reminded the Council this was the first meeting the Council had had to re-visit issues since the meeting last month when they told Anderson not to move funds. Councilman McDonald indicated he did not like the “possible impact” comments Anderson had made on the list. Mayor Phillips suggested Anderson was giving as much information to the Council as possible so all consequences could be considered.

ULCT Lodging: Councilman McDonald indicated he did not want anyone going to conferences next year. Anderson indicated he had already stopped all training unless CE credit was needed. Discussion. Councilman McDonald concurred that anyone that needed CE credit would need to go to training but any other reason, no. Discussion about why people were put up in hotels when a conference/convention was held as close as Salt Lake City. It was felt people could drive back and forth.

Spouse Conference Registration: The Council was okay eliminating the cost of spouse conference registrations.

Councilman Horner asked for the last six months history of water usage from the old high school when it was in use and the same history for the new high school.

Eliminate Christmas Lighting: Discussion about the manpower hours this took. The Council agreed to eliminate the lighting.

Hanging Flower Baskets: It was indicated the baskets were already planted and ready for hanging this year. However, next year there would not be a budget for them.

Seasonal Employee Reduction (1): The Council did not want to eliminate a seasonal position.

Automated Screener Lower Wasatch Canal: Because it was a seasonal issue, the Council agreed this should be eliminated. It was felt the canal could be watched closely by the Public Works Department employees for the period of time there would be debris coming down. Consequently, they felt this was not needed. Councilman Mergist indicated he would help maintain the canal if Public Works wanted to call him. Clarification that he would be covered by insurance. Councilman Mergist felt if the canal was checked every day for trash, it could be kept safe. It was indicated the County had had a lot of trouble with automatic screeners.

Building Inspector/Contract Inspector: Discussion that a backup inspector would still be needed and eliminating this position would possibly stop next-day inspections. Anderson said he anticipated Walmart, Chase Bank, and Boyer would all be submitting plans in the next 90 days. Greenhalgh said the County Housing Authority would be doing a senior housing project and Russ Watts would be building an Assisted Living Center which was a \$3,000,000 project. It was indicated that Elmbridge would be doing their 76 units this fall, as well. Councilman Horner wanted to know how many projects were on the table right now. Greenhalgh thought about 20 plus some small projects. Councilman Horner wanted to know about how many inspections were

done in a day's time and how long they took. Mindy Kohler said six or ten a day. Greenhalgh said inspections varied from 10 minutes to 1 ½ hours depending on the type of inspection. Anderson suggested the City develop a relationship with Midway and Wasatch County to be a backup because the City didn't have a demand for two inspectors at the current time. Councilman Horner said it was all speculation on what was coming and the Council could not plan on speculation. He suggested the City only needed one inspector right now. It was felt if building started in the future and the City couldn't do an inspection on a three or four day turn around, then maybe the City needed to go to a seven-day turn around period. Councilman Horner said he was in favor of eliminating the position but wanted information pertaining to contractor fees. Anderson said Blackburn had said he would consider part-time work. Councilman Straddeck asked with current trends Greenhalgh saw and if there would be a need to bring someone back on. Greenhalgh said it was difficult to predict because it depended on how quickly building plans came in and in what quantity. Mayor Phillips suggested that possibly this position would be needed through the summer. Councilman McDonald said he was in favor of eliminating the position. Mayor Phillips indicated Heber City had offered the best service in the valley as far as turn around inspection times. Anderson asked if it would be prudent to wait until July 1<sup>st</sup> to make the decision. The Council wanted to eliminate the position now and if things changed by July 1<sup>st</sup>, they could change their minds. The Council felt it was only fair to inform the department personnel of this proposal.

Councilman McDonald suggested the morale of the employees was bad because decisions had not been made timely. Councilman Horner said he pointed the finger to Anderson and suggested Anderson had put the employees against the Council. He said it was Anderson's job to keep the morale up. Anderson indicated for the last two months he had been bringing information to the Council and no decisions had been made. Mayor Phillips said Councilman Horner was totally wrong and when Councilman Horner suggested the employees were not working, that was what was causing morale to be bad. Councilman Horner said he never said anything like that.

Police Officer: It was indicated the City had 13 police officers right now. Chief Rhoades did not actively patrol. Councilman Mergist wanted to know if the Chief was tied up administratively. Anderson said yes. Anderson said an officer was going to Afghanistan in July and the Department had anticipated replacing him with 2 part-time people. However, eliminating this position would now mean that officer would not be replaced but would be rehired when he came back from deployment. Councilman McDonald did not want public safety jeopardized and said he would look at other areas for a cut. Councilman Mergist wanted the deployed officer to have a position when he came back because he was serving his county and would want that even if it was not a law. Councilman Horner wanted to take this item off the list and replace it with the elimination of part-time employees. It was decided to not cut this position.

Police Clothing Allowance Reduction: Discussion about the current policy. It was decided to only have an as-needed police clothing allowance.

Police Secretary to ½ time: Councilman Horner felt this was a safety issue and was not in favor of this cut. Councilman McDonald wanted to know if the City could impose additional fees on tickets, etc., to offset this proposed cut. Anderson talked about the bail schedule. Discussion about a surcharge being imposed. Councilman McDonald said he was in favor of raising fines

which would then take care of this proposed cut. He suggested the violators take care of more of the expenses. He suggested raising delinquent fees to \$25.00 from \$15.00 and raise shut-off fees to \$100. Councilman Mergist said Provo City did not turn water back on except during normal business hours. Anderson said the policy had been changed so that the Public Works on-call person was on the job the same hours as the City Office Building. This then eliminated overtime call out when someone came in to pay their bill and get services restored after the Public Works Department had gone home for the night. The Council wanted to look into the \$10 surcharge. Anderson said he would find out if that could be done. Discussion that if some funds were going to be earmarked for a particular cost, then other funds should also be looked at. It was decided funds would be put in the General Fund budget. Councilman McDonald said he wanted to raise fines 10% or 15%. Councilman Horner indicated he was nervous about that and wondered if the Council didn't give the cops too much power and authority already. He suggested the officers wrote tickets just to write tickets. Councilman Mergist felt the tickets written were deserved.

Uniform Allowance - Pants and Boots: Anderson talked about what he learned last week at conference and said Ogden City had made a presentation about the IRS and taxation of fringe benefits. It was indicated there should be no tax on shirts with logos. However, pants and boots without logos should be taxable income. Councilman Mergist wondered about a uniform service and if it would be cheaper. It was felt the current policy was less expensive. Councilman Mergist felt employees needed to wear an ID badge. He said, too, there were a lot of items categorized as uniforms that were not being outlined--winter coat, slickers, bid overalls, as well as the shirts, pants, boots. He suggested the City go to an every other year clothing allowance. He also wanted to see the full cost of uniform allowance because, as mentioned, all the Council was looking at was shirts and there was a need to determine what was really needed on a year-to-year basis.

Car Allowance-City Manager (Reduce 33%): Councilman Mergist thanked Anderson for this cut. Councilman Horner said why only a third and why not Mumfords' allowance, as well. Anderson said usage on his part and that Mumford used his vehicle all the time and he was not anxious to reduce his compensation package. Councilman Horner said he was in favor of doing away with the car allowance of Anderson and Mumford altogether. He said he understood that was an income they were used to, but felt there were vehicles available that could be used and if a personal vehicle had to be used, mileage could be paid. Mayor Phillips asked for comments from the other Councilmen. Councilman Straddeck said he had already expressed his non-support. Councilman Mergist said they should not be given a car allowance; but, if they wanted to use their car, an allowance be given. Councilman McDonald said that for this year, do away with car allowance for both Mumford and Anderson.

Crossing Guards (6) (Not mandatory): Councilman Mergist was not in favor of eliminating the six Crossing Guard positions. Councilman Horner agreed. Councilman McDonald said this should not even be brought up. He suggested asking the School District for financial support for these non-mandatory crossings. Councilman Straddeck did not want them removed.

Travel and Training (Reduce 10%): It was indicated there was not much travel and training in the Public Works Department. This suggested line item still left a budget but reduced it by 10%. Councilman Horner asked if it would cover the Department's needs. Anderson said he thought

so. Councilman Mergist suggested as much training as possible be provided in the City's facilities and not so much off-site.

Overtime: It was indicated there had always been overtime built in for on-call call outs, etc. This would mean some projects would not be completed when the crew went home. This fund also covered holiday pay for police. Anderson said everyone needed to work harder to keep overtime down. He suggested this had to come with cuts in services.

Court Clerk: Anderson explained he was trying to spread the impact across the entire organization. He said the Court was now on the States new Coris System. He said this line item would cut the eight hours the Judge had requested two months ago to meet the deadline to get the Court on the Coris System.

Deputy Recorder: Councilman McDonald wanted this position kept. Discussion about the duties associated with this position and the necessity of them. Anderson said Paulette Thurber was looking to retire in a couple years and that the City had made significant investment in training the Deputy. Councilman Mergist reminded everyone this was an appointed position. Anderson agreed it was a mayoral appointment. However, he suggested that in Utah it was rare that a recorder did not get reappointed. Councilman Horner did not want to make a decision on this based on Thurber retiring. Mayor Phillips agreed. Councilman Horner, Councilman McDonald, Councilman Mergist wanted to continue to fund this position.

Public Works Employee: The Council did not want to cut a Public Work's employee.

Road Salt/ Special Supplies: The Council was not in favor of cutting this line item. They wanted Anderson to call the State to see if they would sweep Main Street more than twice a year.

Planning Commission Meetings: The Council was okay with having only one Planning Commission meeting a month.

Outside Engineering: It was suggested by Councilman McDonald that Mumford needed to do more in-house work. Councilman Straddeck suggested outside engineering helped provide services in a more timely manner. Councilman McDonald again said Mumford needed to do as much as possible in-house. Anderson indicated the City did not maintain the modeling for water and sewer. Councilman Mergist said that whether an employee was salaried or hourly, they could only work 40 hours a week. Discussion about exemptions.

Engineering Wages: Anderson indicated that a portion of Cathy Riley's wages should be re-classed to the Water and Sewer fund.

Road Maintenance: Councilman Mergist stressed that staff needed to make sure the City was not repairing roads that contractors should be repairing--be very mindful of that--need to force the contractors to do their work or take their bond. Most of the Council was okay with using Class C Road funds instead of General Fund monies for maintenance. Councilman Straddeck said he did not want to tap that resource for on-going operations. The rest of the Council wanted this line item left on the sheet.

Health Insurance: Anderson suggested the City offer two insurance programs--one the City paid more towards the premium (HSA Plan) and the other the employee paid the difference between the premiums if they didn't go to the HSA Plan. Councilman McDonald wanted to go to regular plan and have a \$1,500 deductible. Councilman Horner suggested the employees would prefer to have a job and have a large deductible than no job. Councilman Mergist wanted to provide benefits that met the needs of the employees and the City--he wanted to provide a package that was fair but did not burden the City.

Furlough: Councilman McDonald wanted to implement furloughs from October to April and suggested 60 hours instead of 20--once a month for six months. Councilman Straddeck said that would roughly be \$68,000 and suggested maybe the Council should look at another position instead of across the board furloughs and having everyone suffer. He continued that he was not in favor of furloughs at all.

Councilman Mergist suggested putting the Parks and Cemetery Department back with the Public Works Department and get rid of one of the directors. Councilman Horner agreed and wanted one of the supervisor positions to be eliminated. He made a recommendation as to which supervisor to keep and which one be eliminated. Councilman Straddeck said he had no clue as to the impact and was not ready to make that kind of decision. Councilman Mergist supported what Councilman Horner had suggested. Councilman McDonald agreed that consolidating departments and eliminating a position was in order. He said he would also combine the Planning and Building Departments. He agreed with Councilmen Mergist and Horner.

Councilman Horner made a proposal as to eliminating a person in the Planning Department. He indicated which employee he would rather see go. Anderson indicated one employee was the backbone of the Department and the one that got the work done. Councilman McDonald said one of three people in the Planning Department go. Anderson agreed but wanted the least productive person to go. Councilman Straddeck agreed with Anderson. He had a hard time knowing what the whole retirement situation was with the director but said from the bottom of his heart he believed that allowing someone to work a few extra months to meet the age requirement was the humane thing to do. Councilman Horner again stated who he would prefer to eliminate. Councilman Horner suggested the City was planned out so the Planning Department would be slow and either of the employees would be able to handle the job. It was suggested the director position might need to be cut at a later time anyway and so in fairness there was a need to discuss the cut with the Department now. Councilman Straddeck expressed concern with the suggestion of Councilman Horner as to who should be cut. Councilman Horner said it should be the same across the board. Additional discussion about the Building Department personnel and who should be let go. Mayor Phillips suggested the best person that could run the departments should stay. Councilman Horner expressed concern with the fact that someone was on probation five years ago and not let go when there was cause. Mayor Phillips wanted to set another meeting to discuss combining department when Councilman Patterson could be present. There were three Councilmembers with the same mind set as to what position should be eliminated. Anderson explained the reason the Public Works Department and Cemetery/Parks were separated. It was felt by some Councilmembers that both supervisors were equally qualified. Councilman Horner stressed that the discussions held today in this budget meeting should remain in this room and

not be spoken of outside the room. He said to Anderson that if he (Anderson) talked about this meeting he (Councilman Horner) would consider it insubordination.

Discussion that the Council/staff could not pre-suppose who would be in the director's position if the departments were combined. Additional discussion about reduction in force and making sure any reduction was done legally. Councilman Straddeck said he was going to talk to people about this in terms of consolidation of departments and was not going to pre-suppose who would be eliminated.

Councilman Mergist indicated he supported this avenue of thought for this year but wanted the Council to reconsider some of the things talked about last week in terms of where the City could get revenue. He said he would like to try and build in a 2% raise for employees that were left and that could not be accomplish with the avenue chosen last week. He would hope when the Council returned to their homes they reconsider some of the things they had talked about and soften the approach on pulling monies out of other departments so it would allow the Council the ability to give back to employees and also give the Council some breathing room to make the hard decisions on who would be let go. He wanted time to get input from City people, too. He recommended the Council get input from more than 1 or 2 percent of the people and suggested a survey in the Wave, go door-to-door, or something else to get public input. He suggested, if the Council did that, they would be better educated. Councilman McDonald thought that had already been done. Councilman Mergist said he was looking for a solution for this year's problems and hee said he was in agreement with some of the ideas Councilman Horner and Councilman McDonald's had but said, as he thought about some issues, he was coming to some different decisions. However, he did think some people needed to be let go and combine departments.

Anderson asked for additional input as to how to balance the proposed budget. Councilman Horner wanted Anderson to look at furloughs and health insurance projections. Councilman McDonald agreed and again suggested 60 hours of furlough. Councilman Horner did not want to see a raise and cut jobs at the same time. He said he did not want more than 20 hours furlough. Mayor Phillips wanted to find out what the savings would be if the insurance deductible was \$1,500.

As the meeting time was expiring, Anderson asked how to close the gap between what was proposed and what still needed to be done to balance the budget. The Council told him to pencil in monies coming from the Corridor Preservation Fund to balance the budget. It was suggested this would allow for adoption of a tentative budget and there was still a month to work out any other details that needed to be.

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Paulette Thurber, City Recorder