

Minutes for
West Bountiful
City Council Budget Retreat
February 18, 2012

Those present: Mayor Kenneth Romney, Mark Preece, James Ahlstrom, Dave Tovey, Debbie McKean, Craig Howe, Heidi Voordeckers, Nathalie Ellingson (secretary).

1. Introductory Presentation "The Challenge" – Craig Howe

- The introduction was in the form of a slide presentation.
- The Challenge is to provide municipal services with a personal touch that exceeds the expectation of large cities, with exceptionally limited resources.
- When funds are short, cities, large and small, can take steps to keep within their budget, or they can ignore the problem, hide the problem, or cheat.

"Open Approach" – acknowledge the true situation, and make specific plans.

- When funds are short, such as during the current economic conditions, tighten your belt, cut back to the most essential services (while focusing on the community), and combine resources to respond to multiple services.
- When the economy recovers, retain the lessons learned during the lean times.
- West Bountiful wants to be a "pay as you go" city. The city should create reserves to handle infrastructure replacements and maintenance, and respond to emergencies. Reserves need to be in place for other items as well, such as office equipment (computers, servers, copy machines and departmental printers). Bountiful City had well over \$1 million in reserves to deal with the windstorm.

West Bountiful has worked creatively to get through the lean times by combining staff, holding the line on positions, while still preserving the infrastructure investment (slurry seal, water line projects, new well, and 500 South main line replacement). Preserving assets from deteriorating value is critical to keep from falling further behind.

- As the economy recovers, hire needed employees, replace inefficient equipment, and review services.

2. Budget Discussion – Service Levels – Facilitated exercise

a. Service Identification

Craig had a slide for each service category. As the council members identified services needed, Craig listed them under the appropriate category.

- Economic Development – publicize the CDA areas and tap relationships with developers and stakeholders, Evergreen Circle, north and south side of 500 South, The Commons and Gateway.
- Community Development (code enforcement) – Evergreen Circle and Woodhaven, parks to be included in west side PUD, north and south sides of 500 South. Holly Oil expansion, low- and moderate-income housing, senior housing, group homes

- Communications – local government trust – training, League of Cities and Towns, conferences and training, frequency of work sessions
- Policy – review Policy and Procedure manual front to back, fiscal policy – identify restricted and unrestricted funds, especially the RAP tax, discuss revenue streams trend, change the Historic Commission's by-laws and change the municipal code regarding the Historic Commission.
- Public Safety – proactively deal with the fire department budget, keep watch on the long term viability of using a West Bountiful police force as opposed to combining forces with other cities (residents will ask), vehicles, K9, safety equipment, communication, tasers.
- Public Services – review garbage contract, develop method of disposing of green waste, address city storage facilities, CDL policy.
- Golf Course - audit 2007/2008 cash allocations, review merchandising policy, increase community amenities, develop a business plan to include the audit of finances, marketing, staffing (salaries for golf personnel), long-term debt plans (what do they want to have happen after the bonds are freed up).
- Parks and Recreation – prioritize projects in order to control use of the RAP tax, the Arts Council would like an amphitheater, maybe at the school, talk about what they would like to have at arts days and community events, youth city court and council.

3. Break – 15 minutes

4. How do we get where we want to go? – Group Discussion

Mayor Romney stated his philosophy that they learned to work more simply from lack of funds, and simplicity is less expensive. It fits in every aspect of the city.

a. Specific services discussion according to priority

First discussed was a business plan for the golf course and the importance of good communication between council and staff regarding changes to management at the golf course, and in general. They discussed the results of combining the golf course and parks. The administration thought they could manage the golf course better that way, and there would be sharing of knowledge, but it did not work well so they have separated those two areas again.

They discussed doing an organizational chart. This would identify for council members which employees do which jobs, and the residents could see they are at the top of the chart. They discussed at length regarding the number of employees they have and that salaries are lower than they should be due to the shortage of funds. There was some discussion regarding salary vs. job satisfaction.

They talked about perception of residents. People say there are too many police officers for a town its size, but they are actually understaffed because of the 24 hour coverage required with the RDA. Council members agreed they could “talk up” the staff when speaking with residents. They also said an organization chart, along with an explanation of things that were done due to fund shortage, would be valuable for them when talking with residents.

6. Current Year Budget – Heidi

Heidi said at the start of a budget, they look first at revenues. She said she would put a pie chart showing sources of revenue in her financial report each month. She explained the various tax sources and how funds from each can be used, ex. Restricted and committed vs. unrestricted. About 40% of

personal property tax revenue comes from Holly Oil. The rest is real property. Property tax is not restricted and it goes into the general fund. The RAP tax (1/10th of 1% of sales tax) has a wide range of allowable uses. However, the citizens had been told the RAP tax would not leave the city. The legislature is talking about apportioning another percent of sales tax to arts.

Revenue from utilities is to fund utilities, but the tax collected is unrestricted. License and permit fees are only in place to cover costs and do not produce revenue. There was discussion about impact fees, which are restricted for new development. The DSB trail, for example, is being funded by impact fees.

Craig stated that when the well is finished, they will receive \$500,000 from Holly Oil, and then after the water line on 500 South from the South Tank down to about 200 West is completed, \$500,000 to fund another project. At that point they might review water rates. He said the water rate increase was 6 times more costly than the property tax increase, yet the property tax issue was greater in the eyes and hearts of the residents.

Expenditures – services are still hampered, but Craig wants to make sure when they can upgrade services, they do not go too far in spending.

Heidi explained that they start each budget with a -0- balance. If money is left over at the end, it is left unallocated for an emergency cushion. There was a discussion about how wages and salaries are distributed for the time Public Works people spend on different projects (inspections, etc.). The auditors need the wages to be separate from the cost of the project so the wages can be tied to payroll tax filings. If they contracted out for inspectors, that cost could be included in the project cost. The most important thing is that they capture all the costs when they happen. The question was raised about whether wages could be paid out of RAP tax when they are working on a RAP tax project. The council stated they would not object to that as long as the work was for a capital project, not maintenance.

A few more employee issues were brought up regarding cell phones and vacation – Craig said he wants to review those policies.

It had been suggested they could grind green waste for mulch as part of the spring clean up efforts. Mayor Romney said they could put a plan together for next year, but they are still minimizing this year.

5. Break – 15 minutes

Wrapping up:

- Craig suggested more work sessions.
- Mark said he liked that items were brought to city council and then they have time until the next meeting to study it. It is especially unwise to vote on something right after a public hearing because emotions could influence judgment.
- Residents are surprised when they learn that 1/3 of the budget is for police, but the city is getting its money's worth and no other option would have been as beneficial. When residents read the budget, it looks like more money goes to the police department than actually does, because other things come out of other budgets. It will always be an issue with people
- Debbie had a question regarding RAP tax – the monies loaned to the golf course won't be repaid until the golf course bond is done? Some will be paid back with golf course revenue. Her concern is that the money is available at some point to replace the irrigation system in the park.

- The finance committee was charged with figuring out a way to upgrade the accounting system. New systems are expensive.
- Health insurance rates are going to increase.
- The police department is asking for more cars. It may not be possible to stick to the rotation plan they started. They will look at the condition of the cars and their usage. Mayor Romney stated they should keep all the cars for another year.
- Craig suggested they could save money on paper if the council packets were provided to them on an Ipad. The city could buy each member an Ipad and the packets could be sent to their Ipads in plenty of time before the next meeting. Another option would be Sky Drive. The packets are too big for email.

The finance committee will meet and get a working draft budget to bring to the March 20th City Council meeting. It was agreed the best time to hold the work sessions is from 6:00 to 7:00 before council meeting. Work sessions will be on March 20, April 3, and April 17th. They will get a new draft on April 17th after the health insurance rates are in.

Retreat ended at 5:00 pm


MAYOR KENNETH ROMNEY


HEIDI VOORDECKERS (CITY RECORDER)



NATHALIE ELLINGSON (SECRETARY)