

**COUNCIL COMMITTEE
June 13, 2011
6:00 p.m.
Council Chambers**

AGENDA

DALE BECKERMAN, COUNCIL PRESIDENT

AGENDA ITEMS FOR DISCUSSION

Consider 2012 Draft Operating Budget

**COUNCIL COMMITTEE OF THE WHOLE
BUDGET WORKSESSION
June 13, 2011**

The Council Committee of the Whole met on Monday, June 13, 2011 at 6:00 p.m. The meeting was called to order by Council President Dale Beckerman with the following members present: Al Herrera, Steve Noll, Michael Kelly, Andrew Wang, Laura Wassmer, Charles Clark, David Morrison, Diana Ewy Sharp and David Belz. Staff Members present: Wes Jordan, Chief of Police; Captains Wes Lovett and Tim Schwartzkopf, Tim Kobe, Communications Supervisor; Bruce McNabb, Director of Public Works; Quinn Bennion, City Administrator; Dennis Enslinger, Assistant City Administrator; Chris Engel, Assistant to the City Administrator; Lisa Santa Maria, Finance Director and Joyce Hagen Mundy, City Clerk.

Council President Dale Beckerman noted this was a meeting of the Council Committee of the Whole to discuss the 2012 Budget. There is no formal public participation on the agenda; however, noting individuals in the audience, Mr. Beckerman stated he would accept brief comments prior to the beginning of the meeting.

Charles Schollenberger, 3718 West 79th Terrace, expressed strong opposition to a 7 mill levy increase noting the increase in state sales tax last year, the increase in local sales tax through the CID approved by the City and growing number of older residents on fixed incomes. He does feel that additional patrol officers are needed but that they could be funded from existing city revenues. Possible sources would be to temporarily stop funding the Economic Development Fund or to take money from the city's reserve funds.

John Joyce, 4201 Delmar Drive, agreed with the need for additional patrol officers and increased public works funding for city infrastructure. However, he reiterated his comments from the last City Council meeting encouraging the Council to distinguish between city needs and wants. He does not support a mill levy increase.

Jori Nelson, 4802 West 69th Terrace, stated she felt the City was billing taxpayers through increasing the mill levy without taking any effort to decrease discretionary city spending. She felt two obvious unnecessary expenditures during these difficult economic times would be the removal of the \$17,000 budgeted for employee appreciation event and \$13,000 for the Mayors holiday party.

Introduction

Quinn Bennion reviewed the agenda for this evening's meeting with each Department presenting their 2012 budget request. In preparation of the budget staff following the following objectives:

- To maintain high quality services and programs
- To maintain quality streets, parks and infrastructure
- To continue the City's strong financial condition
- To maintain AAA bond rating
- To reduce reliance on fund balance and reserve funds.

He stated the budget represents the priorities and goals of the City Council. After the individual presentations, staff is seeking feedback and direction on any changes that the Council may want made. There will not be any formal vote on the budget until the July 5th meeting.

The 2012 budget as presented by staff is balanced with the current mill levy rate of 18.871 and maintains the same level of services without any reduction in personnel plus a part-time administrative intern. Mr. Bennion noted the 2012 budget as presented does not include additional public safety officers, additional CIP funding or any new programs or services.

PUBLIC SAFETY BUDGET

Administration - 2 FTE

Chief Wes Jordan reviewed by line item what was included in the administration budget for public safety as well as proposed changes including reductions in line items, the addition of new line items and increases in line items. The proposed budget for 2012 Public Safety Administration is \$48,775.00.

Investigations - 7 FTE

Captain Wes Lovett reviewed by line item what was included in the Investigations budget for public safety as well as proposed changes including increases of \$500 for CIRT Gear and \$2000 for office furniture and a \$500 reduction in printing. The proposed budget for 2012 Public Safety Investigations is \$69,955.00.

Special Investigations - 2 FTE

Captain Wes Lovett reviewed by line item what was included in the Special Investigations budget for public safety as well as proposed changes including a \$500 reduction in contract services. The proposed budget for 2012 Public Safety Special Investigations is \$12,750.00.

D.A.R.E. - 1 FTE

Captain Wes Lovett noted there are no changes in this budget. The proposed budget for 2012 Public Safety D.A.R.E. is \$5,870.00.

Laura Wassmer asked what the operating supplies budget was for DARE. Chief Jordan responded \$2600 with \$1600 for T-shirts and \$1000 for graduations.

Crime Prevention - 1 FTE

Captain Wes Lovett reviewed by line item what was included in the Crime Prevention budget for public safety as well as proposed changes including an increase of \$200 for vehicle maintenance and decreases of \$500 in printing and \$250 in commodities. The proposed budget for 2012 Public Safety Crime Prevention is \$55,050.00.

Professional Standards - 1 FTE

Captain Wes Lovett reviewed by line item what was included in the Professional Standards noting this department primarily tracks all training. Each officer is required to

complete 40 hours of training annually. The majority of this budget goes toward firearm range costs. The proposed budget for 2012 Public Safety Professional Standards is \$57,650.00.

Staff Services - 10 FTE

Communications Supervisor Tim Kobe reviewed by line item what was included in the Staff Services budget for public safety as well as proposed changes including a several reductions and increases in line items. The proposed budget for 2012 Public Safety Staff Services is \$151,935 and increase of approximately \$2,000.

David Belz asked what the Technical Operations Officer did. Tim Kobe responded he serves as his backup as well as Dispatch. He is involved with all technical operations, particularly the "Intergraph" system and provides technical support to officers in the field.

Community Services 2 FTE & 9 School Crossing Guards

Captain Tim Schwartzkopf reviewed by line item what was included in the Community Services budget for public safety as well as proposed changes. He noted the primary expenditure for this program is Animal Medical Center costs which increased \$1800. The proposed budget for 2012 Public Safety Community Services is \$40,020.

Patrol 27 FTE (8.2 FTE for Mission Hills)

Captain Tim Schwartzkopf reviewed by line item what was included in the Patrol budget for public safety as well as proposed changes. The budget as presented totals \$435,360.00 for an increase of \$3,400.00. If two additional patrol officers are added with the necessary related equipment, the budget for Patrol would increase to \$496,910 for an increase of \$64,950.00.

Off-Duty Contractual

Chief Wes Jordan stated staff is currently working approximately 1250 hours annually at an average cost of \$44.69. This amount is billed to the individual or organization using the services. The proposed budget for 2012 Public Safety Contractual Services is \$60,500.00. There is no increase for this program.

Traffic 5 FTE

Captain Tim Schwartzkopf reviewed by line item what was included in the Traffic budget for public safety as well as proposed changes. The proposed budget for 2012 Public Traffic is \$33,350.00.

Laura Wassmer asked what types of items are included under "commodities", noting there appears to be increases in this area throughout the city budget. Chief Jordan responded that line item includes usable items not accounted for under contractual services.

Alternatives

Chief Wes Jordan presented the following alternatives as directed by the City Council:

- Continue with current staffing and services.
- Discontinue D.A.R.E and reallocate manpower

- Replace Technical Operations with another option and reallocate manpower
- Adopt 2012 budget with mill levy increase for the addition of two officers
- Pending COPS Grant

D.A.R.E.

Chief Jordan noted that this program was funded with the alcohol funds with the stipulation that the funds be used for drug education. He has talked with the City Attorney regarding the ability to use that funding elsewhere. He stated that the City of Overland Park has decided to discontinue its DARE program next year and the Cities of Shawnee and Olathe have discontinued its program.

Quinn Bennion responded that the city has made some inquiries to other cities and based on Shawnee's actions the funds could be reallocated. It may be possible to reallocate the funds to the School Resource Officer program. Staff is still investigating the options. He noted that if the funds could not be reallocated, there would not be funding available to retain the officer.

Chief Jordan stated that if he had to choose between D.A.R.E and protecting residents, he would select the additional officers. However, he noted that dropping the program would impact the relationship that is developed between the students and the officers that carries over to the School Resource Officer. David Belz asked if there has not been debate on the effectiveness of the program. Chief responded there has and noted they have not conducted a recent survey on the program. Steve Noll asked what the school district's feeling was toward the program. Chief Jordan noted the program has expanded to cover bullying and sexual abuse in addition to drug education. He is not sure what the school district will do if the program is dropped. Chief Jordan answered several questions regarding the operation of the program.

Michael Kelly confirmed the DARE officer could be placed in the field without any additional training. Chief Jordan added they often cover patrol vacations during the summer or when school is not in session.

Laura Wassmer expressed concern with the growing commodities budgets over the past years. Chief Jordan responded that inflation alone will cause the budgets to grow. Ms Wassmer stated an increase of over \$46,000 in three years is more than inflation.

Technical Operations Officer

Chief Jordan noted this position is responsible for all technical operations including Intergraph System, electronic ticketing, computerized records system, in-car laptops, etc. The current individual in this position is also working on the mental health issue. This position could be handled by a non-certified officer allowing for more officers in the field. However, the savings in salary would not be significant.

COPS Grant

The City will not know until September 30th if it is awarded a COPS Grant. The grant criteria focus is on saving programs being terminated or for new programs and the City is competing with cities throughout the country. Chief does not feel it is likely that Prairie

Village will receive the grant which would cover salary for three years with the city required to retain the officer for an additional year.

Chief Jordan stated these are the alternatives for consideration by the Council. They are not his recommendations. He requested direction from the Council on the additional officers so he can complete his Mission Hills budget. Laura Wassmer confirmed that discussion will take place after all of the department budgets are presented.

Council President Dale Beckerman declared a ten minute break. The meeting was reconvened at 7:40 p.m.

PUBLIC WORKS BUDGET

Bruce McNabb stated there are very few significant changes in the Public Works budget. Program titles have been changed to be more descriptive. Mr. McNabb provided a general overview of the department and noted that focus of the department will be to take on more responsibility with the same staff, to take over some previously contracted work and to work with other agencies for greater efficiency. The proposed operating budget for 2012 is \$5,594,808 for a 3.2% increase or \$174,314. Mr. McNabb noted the equipment/capital budget for 2012 is \$155,500 a decrease of \$146,000.

Laura Wassmer noted an increase in contractual services from \$2.3 million in 2003 to \$2.8 million in 2012. Bruce McNabb stated the largest portion of the increase is from increased electricity costs for traffic signals and street lights as well as general use. Electrical services increased by \$129,000 in the past year.

Quinn Bennion noted comparisons from actual amounts to budgeted amounts are not truly reflective of actual increases. Budgeted amounts are estimated expenditures which in most cases will be larger than actual expenditures. Historically, the city has spent 93% of its estimated budget.

Management, Engineering & Administration - 7 FTE

In addition to management staff, this area includes the Field Superintendent, Construction Inspectors and administrative staff. They are responsible for managing projects, issuing right-of-way and drainage permits and all customer service requests. During 2012 their focus will be on analyzing costs vs. revenues on permit fees, measuring the completion of service requests within 30 days, holding more public information meetings including one at both the design and construction stage of projects. The proposed budget for this area is \$631,328.

Drainage Operations & Maintenance - 5 FTE

This area includes a crew leader and 4 maintenance workers who are responsible for maintenance of 9 miles of drainage channels, street sweeping and ensuring the city's compliance with Federal Stormwater regulations. Mr. McNabb noted that this area is funded by the Stormwater Utility Fee with approximately one-third of the fee going to this program area. The major change to this area is the addition of a Confined Space Entry

System required by Federal Regulations and the related equipment, training and procedure, estimated cost \$10,000. The City will also need to replace a dump truck in 2012 at a cost of \$110,000. The proposed budget for this area is \$302,727.

Laura Wassmer asked if there was a replacement schedule for vehicles. Chris Engel responded there is an equipment reserve fund and referred to pages 13 & 14 of the budget document. He noted the police department will replace 4 vehicles in 2012. Bruce McNabb noted that when replacement of a vehicle is delayed increased maintenance money needs to be allocated.

Michael Kelly asked if the leasing of equipment had been considered. Mr. McNabb responded he had leased equipment at other cities, but noted the market has changed and more research needs to be done to determine if there is a cost savings. Quinn Bennion added that generally over the life of a truck leasing will cost more than purchasing the vehicle. Dale Beckerman stated leasing charges a premium for the best years of a vehicle's life.

Vehicle Maintenance - 3 FTE

This program area provides full service for 43 Public Works and Codes Vehicles and special equipment. It provides very limited service for 40 police vehicles. The Fuel Service operations for all city vehicles as well as Mission Hills and Johnson County Fire District #2 vehicles costs are included in this program. The proposed budget for this area is \$222,433.

Street Operation & Maintenance - 5 FTE

This is the largest program area budget. 70% of this budget is in contractual services with street and traffic lights over \$1 million of the \$1,875,822 budget. Bruce McNabb stated the city underestimated the costs for these in past budgets and this budget includes back payments as well as a revised estimate of costs for 2012.

Building & Grounds - 8.5 FTE

This is the largest program area in terms of staff time with half of the staff time spent in the maintenance of city parks. The proposed 2012 budget for this program area is \$831,769. He noted they are trying to reduce the number of islands maintained by having homes associations care for them. Laura Wassmer asked if they had looked at replacing the grass with natural grasses that require less maintenance. Bruce McNabb responded that they have already done that in some areas and are looking at doing more. Michael Kelly asked where he was in the process of contacting homes associations and what his experience had been. Mr. McNabb responded they have contacted those that had previously cared for islands. Generally, the response has been good. Laura Wassmer asked for the cost to mow the islands.

Other Buildings & Grounds

The city staff is responsible for the operation and maintenance of seven buildings, plus the pool complex, the tennis court complex, park pavilions and the public safety building. Bruce McNabb stated the 2012 budget does not reflect any energy efficiency changes from the energy efficiency project which is expected to yield lower gas and electricity

costs as well as plumbing costs. The proposed 2012 budget for the adjunct areas is \$409,597.

Laura Wassmer noted commodities increased from \$475,569 in 2009 to \$679,000. Mr. McNabb stated the increases in this line item are primarily due to increased costs for vehicle parts and fuel.

ADMINISTRATION

Mayor & Council

Chris Engel reviewed the items covered in this budget and noted the proposed 2012 budget of \$137,459 reflects a decrease of 3.6%

Laura Wassmer questioned the increase of \$47,000 since 2009. Chris Engel responded the 2009 figure is an actual expenditure the 2012 figure is an estimated budget figure and based on historical data that amount will not be as high as budgeted. Quinn Bennion stated staff can lower this budget as directed by the Council.

Management & Planning 2.4 FTE

This program area includes newsletter costs, planning services, training, dues and employee events. There is a 1.9% increase in this proposed budget of \$457,693 which is for the addition of Excelligent and Innovations Alliance subscription.

Laura Wassmer asked if the city really spent \$17,000 on the employee event at the K. Quinn Bennion responded that \$17,000 is the total budget for all employee events, not the cost of one event. He will provide the actual cost of the event to the Council.

Laura Wassmer noted this line item has increased by approximately \$83,000 since 2009. She would like to see the "cush" removed and the budget prepared closer to actual. Quinn Bennion responded the city could take a different approach than in the past and could reduce the budget amounts to minimums, but noted staff would need to come back and request contingency funding for any unanticipated increase that takes the line item over budget. He noted the example of legal services which were \$157,535 in 2009 and \$70,637 the following year. Budget amounts are based on historical averages and reasonable anticipated expenses. Under planning services the amount varies widely depending on the number of development applications received and zoning ordinances being reviewed. Costs are projected to increase in 2010 because of anticipated redevelopment.

Laura Wassmer noted she is consistently seeing more being budgeted than what is needed or the creeping up of expenses. Michael Kelly pointed out that the City is spending more than it takes in. There is no "cush" in the budget. Quinn Bennion replied in 2010 the City spent 93% of its budgeted amount - that could be changed to 99%; however, doing so would make it very difficult for staff to budget and result in the carryover of no funds into the following year. These are two different budgeting philosophies.

Information Technology

Chris Engel noted this line item increased 11.1% with an increase of \$20,500 attributable to annual software agreements for new systems and increased technology consultant fees.

Laura Wassmer note IT costs keep increasing because of increasing maintenance costs and asked if the city was truly saving money through technology usage. Quinn Bennion replied the city staff is absolutely more efficient due to the technology they have been given. He noted a report requested late last Friday was available Monday. A huge amount of time and money is being saved through Intergraph allowing officers to do reports and access information while in the field. Three staff were cut in the 2009 budget without a reduction in services. Chief Jordan responded that although fees in this area may be going up, there are costs in other areas that are going down because of the efficiencies being utilized through technology.

City Clerk - 4 FTE

Joyce Hagen Mundy reviewed briefly the functions of the City Clerk office. The 2012 budget reflects a 10.3% increase. She noted that although the percentage increase is large the dollar increase is relatively low. \$6,000 has been added to the budget for anticipated election costs and \$800 for additional copy costs. She noted that if primary elections are necessary in the 2012, the entire cost of those elections would be assessed to the City. Johnson County Election Office makes that assessment based on the number of registered voters. If the elections are not needed, as was the case for the Mayor's election this year, the budget funds will be returned to the general fund.

Municipal Court - 6.1 FTE

Dennis Enslinger reviewed briefly the functions of the Municipal Court and noted that approximately 25% of the court costs are reimbursed by the City of Mission Hills for services provided. The increase in Personal Services does not reflect additional staff, but increased benefit costs for KPERS, health insurance and the merit pool. Mr. Enslinger noted the new municipal court software is expected to increase efficiencies; however, noted that may not be able to be reflected in reduced personnel because of the personnel needed to operate the multiple court sessions held for both cities. The proposed 2012 budget for Municipal Court is \$294,242.

Community Development 5.2 FTE

Dennis Enslinger reviewed the functions of the Community Development Department and stated there were no significant changes in this program area. The proposed 2012 budget includes the requested part-time intern position. Mr. Enslinger noted the internal review of residential applications before the Planning Commission does not save the City money, but does save residents money.

Solid Waste Management - 0.3 FTE

The cost of this program is funded through the Solid Waste Management Program by assessments for the services provided. Mr. Enslinger noted these funds cannot be moved elsewhere.

PARKS & COMMUNITY PROGRAMS - 0.78 FTE

This program area includes funding for the Arts Council, Environmental Committee, Sister City Committee and Villagefest as well as the swimming and tennis programs. Chris Engel stated there have been no changes to the amounts budgeted for committees. However, a one-time budget increase of \$16,000 (7%) has been added to this budget for new furniture for the MPR as approved during earlier budget discussions. Diana Ewy Sharp noted an error on the slide presented that Villagefest should be receiving \$21,000 not \$20,000.

GENERAL BUDGET ITEMS

The following general budget items were noted:

- Fuel costs were budgeted at \$3.50 per gallon
- Health Insurance costs were budgeted at a 12% increase
- KPERS was budgeted with a 0.6% rate increase on the employer portion
- Police Pension Contribution budgeted to remain at \$400,000
- Employee Merit Pool of 2% with a one-time payment
- 9% rate increase budgeted for street lights and traffic signals
- Projected energy efficiencies not included in the proposed 2012 budget

Quinn Bennion noted the 2% onetime merit payment will help to retain and reward exceptional employees and allow the city to be competitive in attracting new employees. He confirmed not all employees will get a 2% merit payment - it will be based on performance. The one-time payment will not impact the employee's base salary and thus will not negatively impact related city costs such as KPERS, social security, retirement and will provide a lower salary base for the 2013 budget.

Financial Director Lisa Santa Maria stated the proposed 2012 budget is balanced; however, noted the City will spend more than it takes in with the difference being covered by savings from 2010. She noted this is a concerning trend and cannot continue.

Lisa reviewed information distributed prior to the meeting giving the year to date financials. The report indicates an error by the State of Kansas with what appears to be the placement of funds in the wrong account. Ms Santa Maria stated she spoke with an individual at the state who indicated it appeared that funds were deposited into the wrong account. The state is reviewing their transactions. Ms Santa Maria stressed the revenue figures presented on this report reflect funds received, it does not reflect an accurate accounting for those funds. The funds under review are reflected on the report.

Michael Kelly asked Ms Santa Maria what concerns she had with the proposed budget. Lisa Santa Maria responded she is new to the City's budget process and noted there are different budget philosophies. Her primary concern is that the city is spending more than it is receiving in revenue. The city cannot continue to have gaps and expect to be able to resolve them with savings from prior years or by reducing fund balances. The bottom line is revenue and expenditures must balance.

OTHER ITEMS

Villagefest/Jazzfest Stage

Quinn Bennion noted this item was discussed in an earlier budget session and continued. The Villagefest/Jazzfest committees have requested \$20,000 for the purchase of a stage to be used annually in conjunction with their events. Marianne Noll, Chairman of Villagefest, noted the existing stage constructed by the City several years ago is no longer safe to use. Villagefest will be renting a stage to be used for this year's celebration.

She noted several possible uses of a stage at different city events or functions and noted the stage they found to meet their needs was quoted at \$20,000. Several other cities have purchased their own stages and do not rent or loan them to others. The City of Mission expressed an interest in partnering on the purchase of a stage at some point in time. It was noted that Villagefest will be \$1000 to rent a stage this year and Jazzfest will be \$3500 for a stage and related equipment.

Michael Kelly noted Jazzfest paid in full for their stage out of raised funds and feels it should stay that way. David Morrison agreed and noted several other possible options for renting a stage.

Diana Ewy Sharp stated that Villagefest began in 1997 and serves over 5000 people each year. She feels this expenditure is well justified.

David Morrison stated he knew of several other options for securing a stage for an event.

MPR Furniture

Chris Engel confirmed the Council still supported the inclusion of \$16,000 for the purchase of furniture for the Multi-Purpose Room.

Management Intern

Chris Engel confirmed the Council still supported the inclusion of \$15,000 for a part-time administrative intern that would work primarily in the Community Development Department and on special assignments.

Council President Dale Beckerman called for a five-minute recess. The meeting was reconvened at 9:50 p.m.

Dale Beckerman stated the first item to be addressed is the inclusion of additional police officers and if so how will they be funded.

ADDITIONAL POLICE OFFICERS

It is estimated to cost \$200,000 to fund the officer and related equipment and commodities. Funding by a mill levy increase would require a mill increase of 0.75 mills raising \$210,000 at a cost of \$17.77 annually for the average Prairie Village homeowner.

Charles Clerk noted this is a continuing obligation and if funds are to be taken from some other account it must be from an on-going account. If something is to be removed from the budget, it has to be removed permanently. David Belz agreed that this needs to be funded with continuing revenues.

Laura Wassmer asked if two officers were needed. Chief Jordan stated that if the department loses an officer between now and then that one officer will be allocated to that position and nothing would be gained. He feels two officers are necessary. Ms Wassmer stated she felt funds could be easily found for two officers by the reallocation of money. For example, contractual services in Mayor and Council could be reduced by \$25,000 and Conferences could be reduced by \$10,000.

Quinn Bennion stressed that funds to be reallocated must be funds that are known will actually be spent.

David Morrison agreed with Laura Wassmer and during the break distributed a list of several items totaling almost \$94,000 that he felt could be removed from the proposed budget.

Dale Beckerman noted the largest portion of the operating budget is personnel costs.

Charles Clark noted the removal of the Home Exterior Repair Program suggested by Mr. Morrison would not help as this is a designated funding source and these funds would not be able to be used for police officer related costs.

Diana Ewy Sharp stated she agreed with Ms Wassmer that there was "cush" in the budget. She felt that \$50,000 for the police vehicle and equipment could be taken from the equipment reserve fund. Quinn Bennion noted that some of the funds listed in the equipment reserve are designated for projects that have not yet been completed. Dennis Enslinger noted the fund contained \$100,000 designated for the new communications system. Diana Ewy Sharp stated she would like to see what has not been allocated in that fund.

Andrew Wang stated he thought the department was at full staff and the additional officer was needed to help cover rotations under the new program. He noted the car and the equipment as well as the cost for the officer are on-going costs and neither can be funded by the one-time funds in the equipment reserve fund. He would support one additional officer funded by a mill levy.

Laura Wassmer stated she cannot support a mill levy increase. There is easily enough "cush" in the existing budget to support one additional officer. She would like to see the budget adjusted to more realistic budget amounts and that by doing so the additional funding would be available.

Charles Clark noted that these officers will be an on-going expense. If budgeted money is not spent, it will be returned to the general fund and available to meet the needs of our residents.

Diana Ewy Sharp stated she was not supportive of a tax increase and feels there is funding available for additional officers. She noted the city raised sales taxes through the CID in 2011, raised the mill levy in 2010, and raised the stormwater utility fee in 2009. The City needs to realize what it is doing to our residents. She noted she is taking a cut in Parks and stated she does not feel Chief would ask for additional officer unless he needed them.

David Morrison agreed and added there are places in the proposed budget that could be cut to fund the additional officers. The City needs to address its infrastructure and safety needs.

David Belz stated the Council needs to give actual direction to the staff and not simply say there are items that can be cut. The staff has given us a balanced budget. If the Council wants to add two officers, it needs to identify an on-going revenue source to fund them.

Laura Wassmer stated she felt \$100,000 should be taken from the Economic Development Fund and \$100,000 from the proposed budget. This is not a good time to raise taxes.

Beckerman stated the proposed use is inconsistent with the criteria for Economic Development Funds and noted this is an on-going expense and needs an on-going - not one-time revenue source. As Quinn Bennion noted, Mr. Beckerman restated that the Council needs to identify actual expenditures in the budget and remove or draw down and we to be responsible to find money that will actually be spent to be removed. Diana Ewy Sharp stated she felt some of the existing items funded by the Economic Development Fund do not meet the criteria of the fund. Mr. Beckerman replied the Economic Development Fund is a one-time revenue source which cannot fund an on-going expenditure.

Andrew Wang questioned whether two officers were needed. Chief Jordan stated one is better than none, but he feels two are needed to address the crime needs with this growing theft trend.

David Belz stated he would like more information on the removal of the DARE and Technology Officer. Laura Wassmer stated she does not feel the funds should come from Chief Jordan's budget and that there are excess funds in other budgets.

Quinn Bennion asked Council to identify those funds. Ms Wassmer stated Economic Development Funds. Dale Beckerman restated Economic Development Funds could not be used for this expenditure. Al Herrera felt the trail funds could be used to fund the officers. Mr. Beckerman noted these are also one-time funds and asked how the officers would be funded in 2013. He feels if it is such a need, the residents would pay

for it. David Morrison stated it is a matter of setting priorities. Mr. Beckerman noted there would need to be seven councilmembers agree on what those priorities were and what items could be cut from the budget.

Council President Dale Beckerman asked for an unofficial poll on if there was support of additional police officers funded by a mill levy increase. There was majority support for the additional officers.

Additional other funding options continued to be discussed. Staff asked for direction on what cuts the Council would be comfortable. It was emphasized that these have to be actual expenditures and have to result in on-going or permanent additional revenue.

Council President Dale Beckerman asked for an unofficial poll on if there was support of additional police officers funded with Economic Development Funds. There was not majority support for the additional officers funded with this source.

CAPITAL IMPROVEMENT PROGRAM

Quinn Bennion noted that for the past three years the budget was balanced through reductions in the City's Capital Improvement Program. It is being recommended that the City approve a one mill levy increase designated for streets. This would raise \$280,000 at an annual cost of \$23.69 for the average homeowner.

Charles Clark noted that with each dollar not spent now on city infrastructure will cost the City \$4 at a later time. The city has to maintain its infrastructure and noted that the sins of omission are often as bad as the sins of commission. Mr. Clark stated that \$14 million worth of street repair work has been identified. If the City continues to underfund this program it will cost more in the future.

Diana Ewy Sharp stated that when the City approved the 2009 Bonds she knew that repayment in three years would be difficult. She stated the bond allowed for the acceleration of five years worth of projects and is comfortable where the program currently sits.

Andrew Wang stressed that the City will get more work for its money if the work is done now rather than later. Charles Clark stated that in reality the City needs to spend annually what it spent on the accelerated plan. Dale Beckerman stated he views this as stewardship of a different source and that either way the action of this Council will bind future councils either with debt or with extremely poor roads.

Michael Kelly stated deferred maintenance is a way to spend today what we cannot spend and stressed the City must stop living beyond its means and spending more than it receives in revenue.

Mr. Kelly stated he would like to go back to reviewing possible cuts. The issue of streets will cause long term harm to the City and he supports an increase of 6 mills to address this need along with looking at possible reductions in the budget.

Al Herrera suggested cutting the Large Item Pick-up. Dennis Enslinger stated that the funds saved by such action cannot be taken out of the Solid Waste Management Fund. The only savings would be if those funds were used to reduce the assessment to the residents.

Dale Beckerman stated he did not feel the proposed one mill was sufficient for the amount of work needed. He feels 4 mills would present a solution that would last for several years. He noted that money spent now will reduce the expenditure of additional funds down the road.

Dave Belz stated he would prefer an increase on 1 mill next year with the commitment to continue that increase in future years to fully address the problem.

Council President Dale Beckerman asked for an unofficial poll on if there was support for the funding of additional street work through a mill levy increase. Support was equally divided.

REFINANCE DEBT OPTION

Council President Dale Beckerman asked for an unofficial poll on if there was support for the refinancing debt to enable project funds in the next three years. Support was equally divided.

Dennis Enslinger stated there is not \$280,000 that can be cut from the proposed budget. Staff can give Council options for them to decide.

Quinn Bennion reminded the Council that the budget would be discussed again at the June 20th meeting and July 5th. The authorization to publish the budget needs to be given at the July 18th meeting for the budget hearing to be held on August 1st. Staff will have the requested additional information for the June 20th meeting.

Council President Dale Beckerman adjourned the meeting at 11:15 p.m.

Dale Beckerman
Council President