

1 Minutes of the Centerville City Council **Work Session** held Tuesday, May 29, 2018 at 5:30 p.m.
2 at Centerville City Hall, 250 North Main Street, Centerville, Utah.

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4 **MEMBERS PRESENT**

5
6 Mayor Clark Wilkinson

7
8 Council Members Tamilyn Fillmore
9 William Ince
10 Stephanie Ivie
11 George McEwan
12 Robyn Mecham

13
14 **STAFF PRESENT**

15 Steve Thacker, City Manager
16 Lisa Romney, City Attorney
17 Jacob Smith, Management Services Director
18 Katie Rust, Recording Secretary

19 **FY 2019 TENTATIVE BUDGET**

20
21 **Updated Information**

- 22
- 23 • **Employee Health Insurance** – Mr. Thacker updated the Council on dental insurance
24 options, and recommended the City offer two options with employees paying any
25 additional premium what the City would pay for the lower cost option.
 - 26 • **Sales Tax Revenue** – Mr. Thacker reported that the most recent sales tax projections
27 reflect estimates approximately \$60,000 less than originally anticipated for both FY
28 2018 and FY 2019.
 - 29 • **Administrative Service Charges** – An additional \$20,474 will be transferred to the
30 General Fund from enterprise funds and the RDA to cover administrative service
31 charges, compared to what is in the Tentative Budget.
 - 32 • **Whitaker Museum Fund** – The transfer from the General Fund to the Museum Fund
33 has increased by \$2,400.
 - 34 • **Water Rate Restructuring** – Mr. Thacker stated the analysis regarding the fluoride
35 component of the water rate is not complete.
- 36

37 **Position Reviews/Upgrades**

38
39 City Manager Thacker presented a list of positions recommended for upgrade or under
40 review. He stated the Council may desire to authorize an outside independent review of
41 management positions. To bring the management positions closer to current market levels
42 now, he recommended increasing the pay ranges for management positions by two pay grades
43 (essentially a 10% increase). Councilwoman Fillmore expressed support for the temporary
44 solution, but said she believes something more will need to be done in the long-run. Mr.
45 Thacker stated an independent salary analysis has not been done during his time with the city.
46 He said the point factoring system that has been used has probably not given adequate
47 consideration for the supervisory burden of management positions. Councilman Ince suggested
48 the lack of turnover in the City is indicative of paying comparatively higher than is realized. He
49 said he has been impressed with the sophistication of the compensation system that has been

1 used. A majority of the Council indicated support for the adjustments recommended by Mr.
2 Thacker, and expressed interest in learning more about independent review options.
3

4 Salary Administration Guidelines

5

6 Mr. Thacker presented his recommendation to increase percentages in the Pay Matrix
7 from 4%, 3.5%, 2.5%, and 2% in Quartiles 1-4 respectively for the top of the Merit Range, to
8 5%, 4%, 3%, and 3% because of the current market. Councilwoman Fillmore said she would be
9 willing to add flexibility to Consistently Exceeds Expectations, but would prefer to not increase
10 the Merit ranges. The Council and staff discussed employee turnover in the last eleven months.
11 Responding to a question from Councilman McEwan, Mr. Thacker said there has not been a
12 year in his time with the city that employees did not get some amount of raise. Councilman Ince
13 said, in his professional experience, absence of turnover indicates an employer is being too
14 generous. Mr. Thacker responded that government is probably different from the private sector
15 in that regard. Mr. Ince stated most citizens in Centerville have had years when they did not
16 receive a pay increase.
17

18 Mayor Wilkinson commented that all employee benefits, including health insurance,
19 should be taken into consideration. Councilman McEwan added that hygiene factors, such as
20 environment, also factor into employee retention. Mr. Thacker stated department heads used to
21 have a discretionary bonus pool of 1%. The amount was reduced to 0.5% in response to the
22 recession. He suggested the Pay Matrix percentages could remain the same as last year and
23 the discretionary bonus pool increased to 1%, with direction to department heads that not all of
24 the 1% needs to be used. Mr. Thacker brought up a suggestion made by Councilman McEwan
25 at a previous meeting that the bonus amount could be offered as a lump sum rather than base
26 pay.
27

28 The Council discussed the current Pay Matrix system versus a Cost-of-Living
29 Adjustment (COLA) with bonus adjustments possible above an annual COLA. Mr. Thacker said
30 he does not think every employee should count on receiving a 2-3% increase every year just for
31 staying another year. Mayor Wilkinson commented that many City employees stay because of
32 their department heads, and emphasized that department heads need to be adequately
33 compensated. A majority of the Council indicated support for keeping the Pay Matrix the same
34 as last year and allowing a 1% bonus pool. Councilman McEwan stated he would like an
35 outside salary analysis.
36

37 Additional Funds for Police Officer Pay

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39 An extra \$60,000 is included in the Tentative Budget for Police Department pay
40 increases. Chief Child will have flexibility to apply the amount as he sees fit. Councilwoman
41 Ivie stated she would be comfortable with increasing that amount to \$75,000, funding the
42 increase with the amount saved by not changing the Pay Matrix. Chief Child's initial budget
43 request was for \$70,000. A majority of the Council indicated support for increasing the extra
44 amount to \$75,000.
45

46 Administrative Service Charges

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48 Staff reevaluated the amounts for administrative service charges to be assessed to the
49 enterprise funds and the RDA, i.e. revenue from those funds transferred to the General Fund.
50 Mr. Thacker recommended an increase in the amount transferred from enterprise funds, and a
51 decrease in the amount transferred from the RDA, with a positive net impact on the General

1 Fund. He explained that administrative service charges for the RDA have exceeded the amount
2 originally anticipated. Staff time spent on RDA issues has been considerable in recent years,
3 but Mr. Thacker said he sees the situation becoming more stable. He said he does not feel he
4 could justify the higher amount going forward.

5
6 Yet To Be Allocated

7
8 The amount in the General Fund yet to be allocated is now approximately \$327,000. Mr.
9 Thacker recommended the following allocations:

10		
11	Pay Matrix	\$138,000
12	Police Officer additional pay	\$60,000
13	Employee health insurance cost increase (City share)	\$41,000
14	Add to General Fund Reserve	<u>\$100,000</u>
15		\$339,000
16		

17 He suggested funding for sidewalk repairs could be moved from the General Fund to the
18 Transportation Fund to make up the additional \$12,000. Councilman McEwan said he feels the
19 sidewalk project should not take more than five years to complete, and that each year should
20 receive funding to complete at least one-fifth of the work needed. He pointed out the amount
21 recommended by staff is much lower than one-fifth of the total cost of the project. Mr. Thacker
22 suggested \$50,000 allocated for sidewalk repair would show a good-faith effort. Councilman
23 Ince said he would prefer \$75,000. Councilwoman Fillmore said she would like a percentage of
24 the Transportation Fund to be allocated annually to active transportation. That amount could
25 fund the sidewalk repair project. Five percent of the Transportation Fund Budget is \$70,000.

26
27 Councilwoman Mecham suggested the Council set aside \$25,000 for cost-sharing with
28 residents who are willing to pay half of the repair cost. Councilman McEwan said he would want
29 that \$25,000 to be separate from the amount budgeted for the project. Mr. Thacker said he
30 would consult with City Recorder Mackenzie Wood, who completed the initial sidewalk analysis,
31 for an estimate of how many of the cracks 0.5 inches or less may have increased in size. Lisa
32 Romney, City Attorney, stated she believes resolving the sidewalk issue within five years is a
33 good-faith effort. The City needs a sidewalk maintenance program that makes sense.

34
35 Mr. Thacker informed the Council that LTAP (Local Transportation Assistance Program)
36 will conduct an independent review of City road conditions later in the summer. He
37 recommended the Council may want to re-evaluate how much of the Transportation Fund is
38 designated for sidewalk repair after more is known regarding what is needed for the roads.
39 Councilman McEwan emphasized that the sidewalk repair project should be completed within
40 five years. He expressed support for setting aside an amount for cost-sharing with residents.
41 Councilman McEwan said he would support allocating \$25,000 in the General Fund and 5% of
42 the Transportation Fund for sidewalk repair. A majority of the Council indicated they would like
43 further information before making a decision.

44
45 Proposed Uses of FY 2018 Projected General Fund Surplus (in FY 2019 Budget)

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47 Mr. Thacker presented proposed uses for the FY 2018 projected General Fund surplus
48 of \$250,000:

49		
50	Personnel contingency for retirement cash-outs, annual cash-outs, etc.	\$80,000
51	Supplement FY 2019 Streets equipment replacement funding	\$100,000

City Council FY 2019 contingency	\$40,000
Parks master plan – half of cost from General Fund	<u>\$7,500</u>
	\$227,500

Mr. Thacker suggested the remaining surplus could be used to increase General Fund Reserve or reduce/pay off the UIA assessment owed. The Mayor and Council members pointed out that the UIA assessment is not shown as a liability on the City's financial sheets, and has no interest applied to it. They expressed a preference to let UIA continue applying the City's portion of the revenue return to the operating assessment owed. Councilwoman Fillmore suggested the Council allocate the remaining surplus to the \$12,000 shortage mentioned earlier and to additional police officer pay. A majority of the Council appeared to agree.

Solid Waste Collection Fees

Mr. Thacker presented a Sanitation Rate Analysis and recommendation. A majority of the Council indicated support for the proposed rates.

RDA Tentative Budget

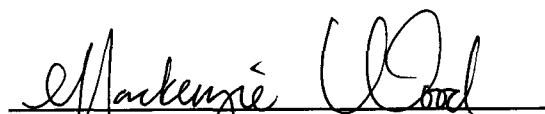
The Council and staff discussed the RDA Tentative Budget. Ms. Romney advised that it would be best to align the administrative service charge with the analysis done by Mr. Thacker. Mr. Thacker repeated that he does not anticipate as much administrative time will be needed for the RDA as in past years.

Other Budget Details

- Bountiful Davis Art Center (BDAC) has asked for a \$1,500 contribution from Centerville this year. The City has historically contributed \$500. A majority of the Council indicated support for a \$1,000 contribution as shown in the Tentative Budget.
- The Council discussed updating City Hall lobby furniture. Councilwoman Fillmore said she would want it to be done right, according to a designer's plan. Councilwoman Ivie said she is not inclined to replace more than the sofas. Mr. Thacker suggested the Council allocate a few thousand dollars from Contingency for replacing furniture.
- Mr. Thacker explained the additional \$2,400 transfer from the General Fund to the Whitaker Museum Budget.
- The Community Development Director is looking into software for online applications. Staff may request \$5,000 of Council Contingency in FY 2019 for this purpose.
- Councilman Ince said he was solicited by a provider for cyber security audits. He said he feels it is something the City should consider. A majority of the Council indicated support for an initial consultation.

ADJOURNMENT

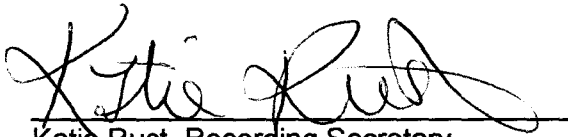
The work session was adjourned at 8:53 p.m.


Mackenzie Wood, City Recorder

6/5/2018
Date Approved



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Katie Rust, Recording Secretary