

## **BUDGET, FINANCE & PERSONNEL COMMITTEE**

**June 10, 2008**

**5:30 P.M.**

Councilwoman Berz, Chairman, called the meeting of the Budget, Finance & Personnel Committee to order, with Councilpersons Gaines, Page, Benson Rico, Bennett, Robinson, and Pierce present. City Attorney Randall Nelson and Shirley Crownover, Assistant Clerk to the Council, were also present.

Others present included Richard Beeland, Dan Johnson, Adm. Zehnder, Daisy Madison, Chris Haley, Simone White, Randy Ray, Ed Wellman, Fredia Kitchen, and Lee Norris.

### **BUDGET CONTINGENCY PLAN**

Chairman Berz went over briefly what was planned for this committee; that there was a power point and Contingency Plan in regards to gasoline to be discussed. Since time was running short, she questioned if we should go forward with this at this time.

Councilman Pierce stated that we could allow ten minutes; however Chairman Berz did not want to “short trip” this.

Councilwoman Bennett stated that she thought everyone had seen the Draft; however Chairman Berz noted that these were details; that the Council had sat in on Budget Hearings, and this is the end product; that she and Adm. Madison had spent a lot of time together and Ms. Madison had done a fabulous job. She stated that she knew time was of essence.

Mr. Johnson suggesting highlighting changes since the Draft.

Councilman Benson pointed out that it is just First Reading tonight.

Ms. Madison stated that she would be remiss if she did not recognize her hard-working staff—Chris Haley, Simone White, Randy Ray, Ed Wellman, and Fredia Kitchen. She stated that they all had stayed into the wee hours of the morning working on the Budget. She stated that there were no changes in the Budget—that basically it was general stuff; that there was no tax increase. She noted that Animal Services would be transferred to Animal Care Trust, effective July 1<sup>st</sup> and also the Budget included a new Pay Plan. She mentioned the sky-rocketing cost of gasoline and a major increase in Debt Service and some agencies that had not presented before.

Councilman Benson asked if the Library funding was contingent upon equal funding by the County? Ms. Madison responded “yes”.

Councilwoman Bennett mentioned a new agency request, stating that she would like to see Sister Cities worked into the Multicultural Office.

Ms. Madison stated that this was the Budget in brief, with a total increase in cost and in Debt Service and also fuel. She stated that we would be able to fund the Employee Pay Plan and with all of the net reductions there is a net increase. Ms. Madison reiterated that the Council had already seen this “stuff”. This is a \$170 million dollar Budget, with last year’s Budget being \$156.4 million dollars, which is a 2.2% increase.

She went over the Contingency Plan, which is made a part of this minute material, showing the actual cost for fuel and how much it will cost if the fuel cost doubles. She stated that more likely the increase in fuel for the entire year will be a gradual change. She stated that we would continually make sure that the Budget is adhered to and if any amendments are needed, it will be brought back to the Council if necessary.

Ms. Madison discussed vacancy control, which regularly monitors city departments to ensure operations within the budget. Should fuel costs escalate beyond what can be absorbed by routine operations, one or more of the following options will be exercised: vacant positions will not be filled; reduce/eliminate out of town travel; reallocate funds from other operations line item as necessary. She explained that Administrators have to justify why there is a continued need for each position, and we will not fund new positions unless it is critical to operation. She noted, along with herself, that the Vacancy Control Committee is made up of Dan Johnson, Anita Ebersole and Donna Kelley.

She stated that we would be looking at ways to reduce fuel usage. The Fleet Management Program, which was initiated in 2005 has already reduced fuel consumption, resulting in over \$400K savings at current market rate. Where possible, all vehicle replacement will be downsized having a two fold effect. There will be an increased use of hybrid vehicles and implementation of anti-idling policy for all city vehicles to reduce fuel usage.

Councilman Page stated that he would have to say “a great job”; that the Mayor and Administration has to balance the budget and that Ms. Madison had a plan to do it.

Councilwoman Robinson stated that she appreciated Councilman Page for asking for this information.

Adm. Madison noted that Councilwoman Bennett had pushed the Council getting more involved in the Budget Process, and it had been a pleasure, and she thought it had worked well for everyone.

**On motion of Councilman Rico, seconded by Councilwoman Bennett, recommendation to go forward with this Budget will be made to the entire Council.**

The meeting adjourned at 5:45 P.M.

