

**MINUTES  
PAYETTE CITY COUNCIL  
SPECIAL MEETING  
AUGUST 7, 2008**

**Special Meeting**

A special meeting of the Payette City Council was called to order at 6:00PM by Mayor Henderson in the City Council Chambers of Payette City Hall, 700 Center Avenue.

**ROLL CALL**

Members Present: Mayor Henderson, Mark Heleker, Lee Nelson, Georgia Hanigan, Jeff Williams, Les Cochran, Ivan Mussell (via cell phone)

Members Absent:

Also Present: City Coordinator/Clerk Cordova; City Engineer, Doug Argo

**NEW BUSINESS**

**A. Budget Meeting**

Councilor Cochran asked Clerk Cordova on the bottom of the first page of your letter, the last paragraph and the first paragraph on the second page can you explain the 3% decrease? Councilor Heleker stated can we not show it separately, and show the grant for public view? Mayor Henderson stated that Fruitland's was \$17 million with their bonds last year. Councilor Williams stated if you look at the bottom line, which is the total fund balance. Councilor Williams stated that since 2004 we have lowered our fund balance, and according to projected estimates from last year we thought it would go down so I understand. Councilor Williams stated that at the same time it is on us, we roll the bunch over, and until I did this today I was 100% for the 3%. Now I see that we accumulated quite a bit more unreserved funds, and I'm not comfortable with that. So I need some kind of an explanation and what are we doing with these dollars that belong to our citizens. Then I start looking at each fund. Well the general fund we actually went down a little bit. The Street Department some of that money is going to go to the 7<sup>th</sup> Avenue North Project, but at the same time we supposedly were going to go way down. Mayor Henderson stated that every year this goes back to the scene of the last meeting, and we were talking about the greenbelt and a few other things. Every year we talk about this same thing, and every year we talk about how we need to identify what we are going to do with the different fund balances, and earmark them and make some plans. I think that's something we need to follow through on; we need to start earmarking some of these monies, so when the public does see these they realize what they are for. Councilor Nelson stated the Sewer and Water funds are going up about \$300,000. Mayor Henderson stated we did that on purpose.

Councilor Williams stated that he agrees that we needed to establish a little more in the reserve, but it just kind of set me back a little bit. Mayor Henderson stated if you look at what those reserves have built up, and you subject that from what the fund balance is, it's almost a wash of what it was last year. Councilor Williams stated that we did ask Kellie McCombs to project what our fund balances might be. I have a copy of what she emailed to me if you would like to see it. I think it is the Clerk job to be conservative and I have no problem with that. She was thinking we wouldn't have near as much reserves as what we wound up with. I just think we have to be cautious of what we are doing with these monies that we are taxing the citizens for. Councilor Hanigan asked Clerk Cordova if she had a

discussion with Jo the auditor about getting the audit to us sooner, and are we going to send out an RFP. Councilor Williams stated that you should have 30-40% of your annual expenditure is what you should have in unreserved funds. Mayor Henderson stated we have \$2,179,000 in general fund, and lets go ahead budget a \$1,000,000 of that and bond for \$1,000,000 for the Fire Station and be done with it. Every year we talk about how we need to earmark these so the public knows what we are working towards with this money. We need to say that the \$2,179,000 is there, but this is what we are going to use this chunk for. Councilor Hanigan asked Clerk Cordova if these numbers change drastically as a result of the audit. Can you pull un-audited numbers by November for us to review? Mayor Henderson stated that part of the reason we didn't earmark any of these was because a year and a half ago we were told there was going to be half of that amount in there. Mayor Henderson stated that what we do tonight does not stop us from taking the 3%, what we are doing tonight is setting the plateau as high as we can go. In a couple of weeks we can do whatever we want with this budget. Councilor Williams stated that if you take Clerk Cordova's projected expenditures and you start looking at each fund's total expenditures, the total she is projecting is \$2.4 million. We have unencumbered funds of \$2.1 million, so that's 92%. I agree that we need to have some money in there in case something comes up, but do we need that much. If we don't need that much then we need to have a target that we are trying to get to. Councilor Williams asked Clerk Cordova to refresh his memory on what the Capital Improvements line item is for? Councilor Cochran stated that early in our budgeting process there had been talk about some funds that were going to start going away. I believe it was revenue sharing, and will that have any bearing on how this budget will be affected? What is the revenue sharing portion of our budget for this last budget year? Councilor Nelson stated that it is surprising how little the property tax does bring in, yet it is a hot button with our citizens. Councilor Williams stated that he thinks we need to adopt something tonight. I'd like to go on record saying ok I would like some more options before we approve it. If there are ways to do everything we wanted and not take the 3% property tax increase, and still feel comfortable utilizing some of our unencumbered funds to make it work. Councilor Williams asked how much did our tax base increase.

Mayor Henderson stated that my concern is not so much approving what we have in front of us, but my concern is that we have a couple different comments about do we want to stick more money in there to cover 7<sup>th</sup> Avenue North. Councilor Williams stated that I think we have 7<sup>th</sup> Avenue North covered, but my thought is do we want to add another project. Councilor Nelson stated that we have 7<sup>th</sup> Avenue North covered, if El Dorado contributes. Mayor Henderson stated there is a big difference between saying there is money out there for a stop light, that the state agrees that you have to have. Councilor Heleker asked how long Fruitland had to wait to get the approval for their stop light. Mayor Henderson stated that we just said a few minutes ago the State money is tightening up, and we are getting less of it. Now we are going to say it's out there and it's all generous and we can go out and get a stoplight grant. I don't think so. Councilor Williams asked how far out on 7<sup>th</sup> Avenue are we going. Councilor Williams asked what we were thought the Fire Station was going to cost to build. Mayor Henderson stated it was right at \$2 million. Councilor Williams stated that do we take \$500,000 and say that is going towards the Fire Station. When the airport property sells, what we don't spend on the improvements another \$3-400,000 goes towards that. Then we have a bond for \$1.1 million. I don't know how to make that happen, but I think it would sell better. Mayor Henderson stated we can say that we are a whole lot closer now at having a plan then we ever were. Councilor Williams asked what we would have to do with our budget, to take \$300,000 and set it aside as a contingency for the El Dorado money. Councilor Hanigan stated that if we do put this money in can we take it out if it looks like we are going to have enough money? Mayor Henderson stated yes, before we approve the final budget we can take that out. The Council went over some projections for the budget that Councilor Williams had prepared. Councilor Heleker stated that since we are in such a crunch right now should there be some inflation? Mayor Henderson stated that is irresponsible, because if

you're going to hand that to a citizen and then not explain to them this is why we have those unencumbered funds. There is a certain amount of this that is in there for safety, and you have to have there. Councilor Nelson stated that is why we don't want to be spending just to spend. We do have projects that we know we need to that we need to budget for. Councilor Hanigan stated that we have spent a lot of hours on this, and really I walked in here really happy with what we have done. Councilor Cochran stated that the Council we have now is more like a senior Council. They have several years of experience, and these people are looking at the budget trying to do the best job they can for Payette. Mayor Henderson asked Clerk Cordova what do we do tonight. Mayor Henderson stated that is it fair to say that by October 30<sup>th</sup> we could get some fair estimated numbers on what the unencumbered balances will be in the upcoming audit. Mayor Henderson stated every November we will start earmarking funds with our unencumbered funds, and make this an annual thing. Mayor Henderson stated that I don't think what we have been talking about tonight is going to get taken care of tonight. This is something we have to follow through with 4 months from now.

Hanigan moved and Heleker seconded a motion to amend the tentative budget with an addition \$300,000 to the Street Department for a contingency fund for 7<sup>th</sup> Avenue North and use unencumbered funds to finance it.

After a unanimous voice vote by the Council, the motion CARRIED.

Hanigan moved and Heleker seconded a motion to amend the motion

After a unanimous voice vote by the Council, the motion CARRIED.

Hanigan moved and Heleker seconded a motion to take \$300,000 out of the Street Fund Reserved as a contingency to reserve 7<sup>th</sup> Avenue North incase El Dorado doesn't come through on their end of the bargain, and take \$300,000 from the General Fund Reserves and transfer it to the Capital Improvement Fund earmarking it for the Fire Station.

At the roll call:

Ayes: Nelson, Mussell, Hanigan, Williams, Cochran, Heleker

Nays:

Nelson moved and Heleker seconded a motion to set the Public Hearing date for August 25, 2008 at 6:00PM

After a unanimous voice vote by the Council, the motion CARRIED.

**ADJOURNMENT**

A motion was made by Councilor Heleker and seconded by Councilor Nelson to adjourn.

After a unanimous voice vote, the Council adjourned at 7:30PM.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

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DOUGLAS E. HENDERSON, Mayor

ATTEST:

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Mary Cordova, City Clerk