

**MINUTES
PAYETTE CITY COUNCIL
Work Session
July 29, 2016**

4:00 PM – Work Session

A work session of the Payette City Council was called to order at 4:07 PM by Mayor Jeff Williams in the City Council Chambers of Payette City Hall, 700 Center Avenue.

ROLL CALL

Members Present: Mayor Williams, Ray Wickersham, Nancy Dale, Kathy Dodson, Craig Jensen and Alan Massey

Members Absent: Lee Nelson

Staff Present: Mark Clark, Chief of Police; Erin Haley, Library Director; Mary Cordova, City Clerk and Bobbie Black; Deputy City Clerk

AGENDA ITEMS

1. Budget FY 2017: Mayor asked Cordova to give an overview of changes that might have been made since last meeting. Cordova stated you do not have a balanced budget in front of you. There is a 5% raise increase, but it does not have an Economic Development person in yet, and she is asking for direction. It does have health insurance, the same as last year, about a 10% increase. Mayor asked about exploring not having the HRA account. Cordova stated that did not pencil out for any savings. Jensen stated he had done some research, but left it at home.

The Council asked about reports and tentative budget that goes in the paper. There were some differences from the numbers. Cordova stated those numbers will have to change due to budget not being balanced. Dale asked about expenditures under salaries under Admin, Cordova stated she had Economic Development in and took it out. Dodson asked if that should be moved to legislative for that purpose. It was stated if it is a contract position, it would go to Admin #300 line. Cordova asked if Council wanted it to be a contract. Dodson stated we can use the \$40,000, plus line item of \$20,000 and take Mayor's line item of \$13,000. Cordova stated that this is not a Legislative function and should fall under Administration. Dodson stated according to law we set the budget. Cordova stated we could create an account/line for that purpose. Massey stated since the budget has to be approved prior to strategic plan being completed, thought it was going to be under Legislative. Dale asked if all the economic development would be pulled into that item. Cordova stated you need to designate what funds will be spent on. The whole purpose is that it is a transparent document for your citizens. Dodson stated the Mayor doesn't have his listed. Dale asked if we couldn't use the \$10,000 if something came up as a contract, Cordova stated yes. Cordova asked Council what they would like to do. If create a new account, it could just be called economic development. Cordova would put objects under that new account. Massey stated notes from the strategic plan meeting had goals the council wanted to. Dodson about using in-house personnel for economic development, would they be able to split some of their salaries in that account. We were discussing some of the duties that staff does and free up time. Wickersham asked what levy rate is right now and was stated .1015 with bond .1038. Cordova stated it is not balanced. Jensen stated he is not raising levy rate and we will have to find things to cut. Jensen discussed what tax payers pay. Dale asked what the 5% raise cost, and what is the difference between 3% and 5%, it was stated around \$40,000. Massey asked if lowered to 2%, it should be \$60,000, was stated no, benefits would change. Dodson asked why CPI rate is not the raise increase, for our area it is .04%. Dale stated last year when asked if employees would rather have raise or insurance, they wanted insurance. Jensen stated with lower tax value and higher expenses 5% is definitely out of the question. Dale stated it should not be across the board. Wickersham stated we

should give to lower paid employees and nothing too higher paid. Dale asked about line #350 for P & Z members and discussed promotions and donations.

Dale stated she has a hard time supporting Snake River Transit. She stated that they hadn't reached out for federal funds when they spoke to Council. She does not see good management, and doesn't see that they are pursuing funding from other sources. We should look into the Senior Citizen van to transport. Mayor stated our job tonight is to approve the tentative budget. We need to get direction to make changes to the preliminary. Jensen is looking at a \$100,000 cut is what we need to lowering levy cut, and another \$100,000 if we want levy to go down 5%. Mayor stated we provide services and do we want to cut any of those services. Jensen was surprised that a 5% raise was presented.

Dodson asked what is the penalty if we don't pass tentative budget. Jensen asked what is more important to have high budget or have a fairly accurate one. The Council voted to hold a public hearing back in April and that sets when your tentative budget has to be adopted. Wickersham stated we can whittle it down, but we can't add to it. Jensen asked what do we want to add. Massey stated we need to add an economic development category, and give staff direction on what salary increase would be. Massey stated 5% is ridiculous and we might have to look at health insurance options. Dodson was hoping if new values were higher, we could we get a larger fuel tank at airport. We might as well add it and then can take off.

Mayor asked if our goal is to have levy rate the same or raise levy rate. Wickersham preference would be to stay the same or lower a little bit. Massey stated that we need to maintain as many services as we can. We do have to come up with some money for the strategic plan, maybe start higher and then cut if we have to.

Jensen stated we might have to not complete the whole road project or do we have to wait until next year. Dale stated old survey was to take care of parks and pool. We need to have that money stashed somewhere, how do we do this? Wickersham would like to see money put towards pool to be fixed. Discussed the street sweeper and paint striper. Massey asked about dog park of \$10,000. Dale stated she talked to Valley Family and was told there are no rentals in Payette and no dog parks in our City. Discussed dredging pond for \$10,000, and we were asked to help with funding. Wickersham asked if that is just a patch or a fix. Jensen asked about the transfers of unencumbered funds, not new tax dollars. Dale asked if we can't use capital improvement funds for roof repairs at Library. Mayor stated if used it has to be restocked. The Library roof was put on by Williamson Roofing, who has gone out of business. It was stated yes, we can take out of there, but have to address proper maintenance of roof. Haley stated she estimated \$5,000 to \$10,000 every year and she is getting ate up with expenses. Mayor asked about jump in books, from \$15,000 to \$35,000, and Haley stated last year was hard to track due to new purchasing policy. They can't meet the needs of people attending the Library. Dale asked what they need, and Cook stated counter is round \$1,000, and is concerned about the cost of an employee sitting there counting. In 2008 it had a budget of \$40,000, not meeting the needs and has been cut. Mayor asked Haley where it can be cut, the Board has to make that decision. Cook stated if cut, then they are only helping 80% of patrons. Info tech would be priority. Replacing actual computers that can handle Microsoft. Replace the existing computers, plus add 10 more computers. Mayor asked about number of people that are coming in. The rural dues aren't going up; they have gone down. Haley stated they are not attractive to them. There is an equal balance between city and rural patrons. Dale asked about grants, and Haley replied she takes them on herself, has four sitting on her desk. Wickersham stated there are grants out there for computers. Mayor asked Council for direction, Dale said leave info tech and cut book funds. Cook stated they need all. Massey stated keep full \$15,000 in info tech and cut books. Wickersham stated again they should be applying for grants. Cordova stated the Council decides the amount of money they get and the Board decides what line items they are going to use it for. Cook stated they are just flying blind.

Cordova stated the fund is not balanced and also stated she didn't have any expenses to go from. She stated there is not \$25,000 in unencumbered funds to be used. There are too

many expenditures for what they have in revenue. They are really close to their property tax levy rate. Mayor stated if we give them more property tax, we have to take from someone else. Cordova stated we have an ordinance that says we have a reserve for major repairs, emergencies and maintenance. We should be allocating funds to this line item every year. This fund is solely funded by property taxes and this fund is not being funded. If we are going to spend the money, we have to fund it. Wickersham stated we need to start funding this, we need to cut something else out. Jensen stated he likes the idea of having it all under building. Council discussed putting \$25,000 in capital improvement from tax money. Jensen stated it should all be combined. Dale asked about the chunk of money to Library and how do they use it. Cordova stated once they lock it down then their line items are fixed. All employee salaries, except the library director, we set those. Jensen would like to start working on budget in April. Mayor stated in April is when we got info to our department heads. Dale stated maybe if it looks like we will be short the next year, then tell department heads so they can stop spending. Cordova would love to go off of estimates, most cities use the notification in June from the County. Jensen stated at least using those figures we would have some guidelines. Dale asked if we implemented some sort of contingency, and would be rewarded, would you be interested. Clark stated yes, but he runs his budget very tight. Kurt Folke had stated to Dale that he liked that idea. Dale stated it could motivate a department head. Dodson stated our department heads do a very good job of saving money. Jensen considers tentative budget as a wish list. Jensen asked about airport expenses for the runway extension. Wickersham stated we had to have some cash match. Wickersham stated we should put some money in for a bigger fuel tank. Trying to get the runway done and it will take some money. Massey would like to make sure that we have \$40,000 for economic development into budget, \$50,000 for professional services and \$20,000 for strategic goals.

Mayor asked about health insurance options, Cordova stated yes there are numerous options. Jensen stated take Council off insurance. Massey asked how do we educate employees what their total benefit package is. Dale asked if leaving the city do they know what their benefit value is. Massey stated it is important for the employee to know what the value of the benefits are. Discussed maybe doing a staggered wage. Massey would rather see the new employees get more than employees that have been here awhile.

Clark does explain to his employees the raise versus health insurance. It is a competitive market with other police departments and the incentives we have has helped him retain officers. The guys on the lower end, they can go to Ontario and make the same. Massey asked about training for the police depart.

Dale asked about line #714, and it was stated that is the HUD house. Massey asked about dispatch fees and where are we on that. Cordova stated it has not gone through their Administration Board. Mayor stated that in the Sheriff's mind he has done everything he needs to do. They might try to collect more than we have budgeted. Cordova stated this is an issue we need to address with our legislators. Mayor stated that he said it should be a County expense and not passed on to the cities. Council asked about sending letters. Dale stated in Vale the water department helped at the pool. Council talked about BMX park and Greenway. Dale asked if can do something more general within the parks. Maybe take \$2,500 from Greenway move to capital, then move \$1,500 from BMX to strategic plan. We need to make plans for new shop building. Cordova stated on the Center/Iowa project, utilities have not been moved and needs to be carried over. The River Street project covers from 3rd Ave North to 7th Ave North.

Dale asked about storm drain increase and was stated it is due to getting vac truck from WWTP. Discussed why street sweeper salary had increased. Black stated we only received one application for that position and had to go through American Staffing to get filled.

On Library, there are salary increases, the board submitted \$137,100. Phillipa Smith stated that was due to the new law for exempt salary, there is approximately \$6,000 increase to Haley's wages. Dale stated that there are other options, she can earn comp time, and receive overtime. Ms. Smith stated she averages three hours a week in overtime, and Haley

doesn't log all her time on her time card. Dale asked if the board would consider that position as an hourly. Cordova explained how it works for our non-exempt supervisors in other departments. Ms. Smith stated it might be a possibility. Massey stated we are going to have to cut at some point to balance.

Dale asked about state share revenue, and it was stated you would have to take from other departments. Haley has serious concerns about the building and the future of Library. Dale asked about how state share revenue is allocated. Cordova stated that all the departments have old buildings and that is why it is so important to fund your capital fund. Massey wanted as much of a cushion as possible, \$290,000 but realizing that the real number is less than that.

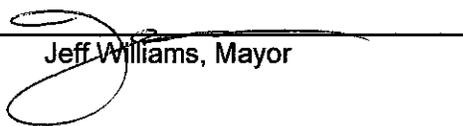
Dale asked about contracting the pool manager position. If have an economic development person, they could help market the pool. Massey asked about the lower guard salary. Cordova stated some of that is shifting guard duty to Assistant Manager. Dale stated in the last three years we haven't had much marketing. Dodson asked about line #300. We have a badly deteriorated building. We need someone to give us an assessment regarding the condition of the pool. Cordova stated we might need to put more in professional services. Dodson would like to see a larger fuel tank at the airport. Council discussed water PRV line item, it is in both funds in case we have a developer that might need assistance with development. Jensen asked about rate increase for water/sewer. Council discussed the rehab funds. Asked if there is a time of year that we would do a water/sewer increase. It was stated we did a raise in April. Jensen asked about vac truck for WWTP and was stated it comes from their reserves. Mayor stated he is gone next Friday and the whole next week.

ADJOURNMENT

A motion was made Jensen and seconded by Dodson to adjourn the regular meeting at 8:55 PM.

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

Signed this 8-16 day of, 2016.



Jeff Williams, Mayor

ATTEST:



Bobbie Black
Deputy City Clerk