

**MINUTES  
PAYETTE CITY COUNCIL  
Work Session  
September 1, 2016**

**4:00 PM – Work Session**

A work session of the Payette City Council was called to order at 4:03 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, Lee Nelson, Nancy Dale, Craig Jensen, Alan Massey and Kathy Dodson

**Staff Present:** Mary Cordova; Randy Fales, Park Superintendent; Jake Hust, Water Superintendent; Jamie Couch, Street Superintendent; John Plaza, Captain; Steve Castenada, Fire Department; Ed Franek, Shop Superintendent; Jamie Couch, Street Superintendent; Erin Haley, Library Director; Randy Schwartz, WWTP Superintendent; Jack McElravy, and Matea Gabiola Administrative Assistant.

**AGENDA ITEMS**

- A. Budget 2017: Mayor Williams asked Ms. Cordova if this budget report varies from the previous report given to the Council. Ms. Cordova stated that this budget report does not vary from the last one that was brought before the Council. Mr. Massey asked Ms. Cordova about the revenue side in regards to property taxes, it shows that the City is going down from the preliminary budget, when he understood that the City is going up. Ms. Cordova stated all assessed property value in the City went up. Mayor Williams stated at the last budget meeting the Council talked about taking the fuel tank off of the budget for the Airport. Ms. Dodson stated if we took it out how would it affect someone's property taxes. Would it only affect them a dollar or two? Mayor Williams stated the Council needs to look at the bigger picture and where do we want the levy rate to be. Mr. Nelson asked Ms. Cordova which total number is better to look at the expenditure or revenue budget because they are out of balance. The final budget for revenue is \$9,313,145 and the expenditure budget is \$9,281,129. Ms. Cordova stated to go by the revenue budget number. Mr. Jensen stated he thought the Council wanted to take \$25,000 from the Revolving Loan fund to pay for the fuel tank. Ms. Dodson stated how do we get to those numbers between the two to make them balance out. Ms. Cordova stated taking out the wage increase of 5% to the 3% in the water and sewer department it was the difference between the two. Dodson stated the \$30,000 is that difference from the wage decrease. Ms. Cordova stated it is a \$32,016 difference from a wage and health insurance decrease. Mayor Williams did a recap of what happened at the last Council meeting. What Ms. Cordova has before the Council is the proposed budget, plus the library bond, the levy rate is at .0102. There was a proposal in front of the Council to deduct \$5,000 from Administration, deduct \$5,000 from the Parks Department and

deduct \$17,393 from the Street Department. With those changes our levy rate would be at .010100, then with taking out the fuel tank for the Airport it brought it down to.00989. Mayor Williams stated what the Council is trying to accomplish tonight is what does the Council want to take out and what levy rate do they want to be at.

Mr. Massey said there has been discussion of the 3% raises for the employees and how to distribute that. Ms. Dale stated there also has been discussion that there wasn't going to be any raises until the wage comparison study came back. Mr. Wickersham stated yes, but we need the money in the budget regardless for raises or not. Mr. Massey stated the Council is putting 3% in the budget, but it wasn't going to be distributed until the study came back and then evaluated where the 3% needed to go. Mr. Nelson stated he votes no on the fuel tank. Ms. Dodson stated the Airport has \$40,000 in revenue from this last year. Mayor Williams stated we need to stay focused and where do we want our budget to be. Mr. Massey did a recap of where the Council is at now. Mr. Wickersham stated if we take the \$25,000 out from the Revolving Loan for the fuel tank, it will pay for itself very soon. Ms. Dale asked if we are able to loan ourselves the money. Mr. Massey stated we would be loaning that to the Airport Commission. Ms. Dodson states as long as we get the tank she is fine. Mr. Nelson stated that he would rather see \$25,000 for Economic Development, than the tank. If the Airport is already making money with the smaller tank, maybe not as much as they would like. Mr. Wickersham stated he wants to see that tank in the budget.

Ms. Dodson had questions on specific line items. Question 1: Listed in the revenue under Sanitation Fund it has doubled from last year. How would we double in profit? Ms. Cordova stated per our franchise agreement with Hardin Sanitation, the City gets 12% of revenue due to us handling the billing. In the 2014-2015 actual budget the City did not pay ourselves that year, so that money went back into the Sanitation Fund. So this year the City is taking what we should have paid ourselves the year before. Ms. Dodson stated in 2012-2013, it looks like we didn't pay ourselves either. Ms. Cordova stated the City did, but it went into the miscellaneous revenue line and accounted for differently instead of under the sanitation contract line. Ms. Dale stated \$294,000 in miscellaneous revenue is a big number, how did we get to that. Ms. Cordova stated that amount is actually the City getting paid back from the Urban Renewal Agency. Ms. Dodson asked about the miscellaneous revenue for 2014-2015 the amount is \$ 72,240, and that's not paying ourselves back for 2014-2015. Ms. Cordova stated no, it did not go to miscellaneous revenue that year. Mr. Wickersham asked Ms. Cordova what does the City get on annual basis from the sanitation fund? Ms. Cordova stated we have budgeted roughly \$34,000. Ms. Cordova stated we get a lot of miscellaneous revenue from a lot of different sources so that is an estimated amount. Mr. Massey had a question on the revenue budget, account 398200 we have \$190,000 of unencumbered funds. Where is that going? Mr. Jensen stated that is there to balance the budget.

Ms. Dodson had questions in regards to expenses. Under Administration, maintenance and repair, is the roof work for City Hall accounted for. Ms. Cordova stated no, there is

not, it would come from Capital Outlay. Ms. Cordova stated there is no money in the Administration Fund to fix or repair the roof at City Hall. The roof needs a complete overhaul. Mr. Jensen wanted to look at Capital Improvement, under expenditure, the budget is showing there is \$75,000, so some of that could be used to repair the roof. Ms. Dodson asked about Admin and Parks under the operating supplies, and the fact the expenditures have doubled. Why is that? Ms. Cordova stated under Admin that was put in there for an any unexpected expense, but in the discussion of taking \$5,000 out of Admin and Parks that is something that we can deduct from. Mr. Massey asked about the \$41,000 in line item 714, it doesn't appear we have used any of that. Is that scheduled to be used by the end of the year? Ms. Cordova stated in the 2014-2015 budget that is the HUD home fund, and that was allocated for any projects for it. This next year's budget we have taken that line item out and put it into Legislative.

Mr. Jensen stated he would like to see the levy rate at .00989. Mayor Williams stated if that is the direction the Council wants to go then we need to cut roughly \$54,000 out of the budget. Ms. Cordova stated from what she is understanding, the Council wants to take out \$5,000 from both Admin & Parks, take out \$17,393 from the Streets that would put the levy rate at .00996131. Mr. Wickersham asked if that is still with the \$25,000 for the tank. Ms. Cordova stated yes, it is. Mr. Nelson asked if that also included the Library Bond. Ms. Cordova stated yes it does. Mr. Nelson asked if we take \$25,000 from the Revolving Loan Fund how much would that leave in there. Ms. Cordova stated \$75,000. Mayor Williams asked if that Council was ok with these changes and levy rate.

Ms. Dale asked about Pool revenues and why it has dropped \$6,000. Ms. Cordova stated that decrease is from the new insurance rates, that was deducted from the tax dollars. Ms. Dale asked about the Airport and the reduction in revenues of \$8,000, can you explain that. Ms. Cordova stated the City had a bid opening for the runway extension project, and she anticipates that the City will not be using the entire amount of the unencumbered funds that was budget for this year to get that project completed. Even though we are not going to use it, we are still collecting tax dollars on the revenue side. Ms. Dale asked about the sidewalk project on Wayne Drive. What is that project? Jamie Couch, Street Supervisor, stated that the City put in that corner off of HWY 52 and Mr. Couch is wanting to connect that and go up Wayne Drive. Currently there isn't a sidewalk for the kids down there and he is wanting to add that for safety purposes. Ms. Dale asked about the Library expenditures why has that decreased. Ms. Cordova stated that also is from the insurance rates decrease. Ms. Dale asked about the Health Insurance Reimbursement Fund and why it increased \$15,000 on the expenses side. Does any of this affect buying down the premiums. Ms. Cordova stated yes.

Ms. Dodson asked about the Armory and what are the odds of the City renting that for the Police Department. Mayor Williams stated that after visiting with Ms. Cordova they both believe this is something they could do. Mayor Williams stated he has an email into the gentleman at the National Guard, to send over a lease agreement and we would have the City Attorney review it. Ms. Cordova stated that unfortunately the Armory shop

needs a lot of work done to it to be useful. Also the question the Council needs to ask itself is do the residents of that area want equipment all around their homes.

Ms. Dale asked about the donation to Snake River Transit and the possibility of making that title just transit, and donate some of those funds to the Payette Senior Center. Mayor Williams stated that the City of Fruitland adopted their budget with the full requested amount from Snake River Transit of the \$17,000. Currently our budget does not have that. Mayor Williams asked the Council is it worth another \$7,000 for transit to maybe convince the County to be more negotiable when dispatch fees come up. Mr. Nelson asked if the County has the full amount in their budget. Mayor Williams stated yes they do. Mr. Nelson asked if we did do, the extra \$7,000 where would it come from. Ms. Dodson stated from the survey most people don't use the transit, but they are grateful that we have it. Mr. Wickersham yes, it is a benefit for those who truly need it. Mr. Massey stated he is hesitant about funding more to Snake River Transit. He believes that the Council needs to put some more parameters on the Transit's side, in needing to do more. They need to have better accountability on where their dollars are going, work more on advertising, other funding and possibly raise the rates a little to offset some costs. Mr. Massey says he would prefer to keep it at the \$10,000 that is already budgeted.

Mr. Wickersham had a question about the Pool and why the salaries on managers doubled. Ms. Cordova stated that the salaries in that line item includes the manager position and 2 assistant managers' positions. Mr. Jensen asked if some of last year's left over money budgeted will roll over to help this year's salaries. Mayor Williams stated unreserved funds will carry over. Ms. Cordova stated that, that is only about \$10,000 more than budgeted than that was last year.

Ms. Dale asked about the replacement of the Bandshell floor project and does that need to be addressed more so than the skate park. Randy Fales, Parks Department, stated yes it does need replacement very soon. Mr. Fales stated due to how it was built it has been deteriorating for a while and we've been patching it, but it needs to be completely replaced. People and kids are getting underneath it and causing more damage, plus it has become a possible safety issue.

Mr. Massey went over the projected budget of \$9,313,145. What he understands the Council has agreed upon is reducing \$5,000 in Admin & Parks, reducing \$17,393 in Streets, leaving the \$25,000 in for the fuel tank but taking that from the Revolving Loan Fund and discussing the additional \$7,000 for the transit fund. Ms. Dale asked if the \$5,000 that was coming out of Parks was coming out of the dog park fund. Ms. Cordova stated no, Mr. Fales determines where it comes out of.

Ms. Dodson wants to have more discussion about salaries for the employees. Mayor Williams stated the Council isn't in charge of salaries. Ms. Dodson stated according to the AIC attorney we are and that is our superpower. Mayor Williams stated that we don't

need to micro manage the departments; we just need to approve the budget. Ms. Dale stated we can't approve the budget unless we know where the budget is going. Ms. Dodson asked Ms. Cordova why the City doesn't do the State Occupational and Wage reports. Ms. Cordova stated the State does not require each city to do them. Mr. Nelson stated that if we don't give all employees across the board the same wage increases there could be issues. Yes, we do need to increase our starting wage to be competitive, but the more senior employees started there and if we don't reward their years of hard work and knowledge there could be some exits of very good employees. Surrounding cities are paying more for these positions, and we need to keep these people because they have institutional knowledge on how this City runs. The City Council can't run this City, other than what they do legislatively. We have to take care of the top and bottom otherwise we run the risk of losing a lot of good people. Mr. Massey stated that the Council is approving the 3% wage increase, but until we get the wage comparison study back we may have to raise people even higher than the 3% can cover. We have to have this study back though to be able to conform to what wages are surrounding us. It's not that we aren't trying to raise the lower guys and not compensate our higher guys. The Council is trying to be fair going forward. Mr. Nelson stated that he has heard rumblings from people stating that the Council thinks that the City pays employees too much, therefore we shouldn't give them a raise. Mr. Nelson stated that maybe besides the 3%, we need to set aside a lump sum in case this study comes back and we need to pay these people a lot more than we budgeted for. Ms. Dodson would rather not see a blanket raise, but to look at areas that need to be increased to be competitive. Mr. Nelson stated what if we end up with not enough money to take care of our employees then what. If they're not doing a good enough job to deserve a raise, then they shouldn't be here. Mr. Nelson stated there isn't anyone that is employed right now that shouldn't get one. Ms. Dale stated there was some misconception that when employees did get certifications that they were getting merit/certification raises when in fact they were not, so yes now that does need to be implemented to reward them as an incentive. Mr. Nelson yes that is great and needs to be done, but if you don't have the money in the budget to do that you can't raise their wage. Ms. Cordova stated that those types of raises are budgeted for in each department. Ms. Cordova stated that what she is hearing then is there isn't going to be a cost of living adjustment. Mr. Wickersham stated that is what the 3% is for. Ms. Cordova stated the 3% is different from the cost of living adjustment. Ms. Dodson stated that the percentage of the cost of living increase has only went up .4 %. Mr. Jensen stated then its only gone up 1% in the last 12 months. Mayor Williams stated that in a previous work session department heads stated their employees are worth the 3%, due to not getting raises for a few years. Ms. Dodson stated that overall in the past 5 years wages for the employees have gone up 10% and in the public sector I haven't seen the 10%. Ms. Dodson stated we can just hold on to the figure of 3% and adjust it as we see fit. Mayor Williams stated you can't pick and choose who gets that. Ms. Dodson asked why not. Mayor Williams stated that our budget stays the 3% increase is a cost of living. Mr. Massey stated that our budget is saying a 3% increase in salaries. Ms. Dale stated that Ms. Cordova has to factor in a lot of different things, like what does that figure of 3% add up too. With not figuring in the

cost of living into that 3% it changes the benefits. Ms. Dale asked if when this work study comes back with the Council have anything more to do with it or will that be a discussion amongst Admin and Department heads. Ms. Cordova stated that the compensation study needs to be done for a purpose, the results of that survey are separate from the cost of living adjustment. So if you decide to put the 3% in the budget then hold it, you are telling you employees that there not getting a cost of living adjustment this year. Ms. Cordova stated that a currently a solid 2% cost of living adjustment is valid within our region. Mr. Jensen stated its actually 1%. Ms. Cordova stated that after doing this survey we may find out that some departments are way underpaid and that is something we need to be aware of. Mr. Nelson asked Ms. Cordova how much dollar wise is the 3% increase. Ms. Cordova stated roughly \$45,000 dollars. Mr. Nelson stated we need to set back a chunk of money for this compensation study for our employees were willing to do it for other projects. The Council spent that money for the compensation study for a purpose. Mr. Nelson thinks that our employees are more valuable than some of the other projects listed on this budget. Mr. Massey stated the 3% is in the budget and doesn't care whether 1% or 2% goes to the cost of living, but it is in there for Admin to do with it as they see fit. Ms. Dale's only concern is she doesn't think that percentage will address the wages of some of our employees and will create issues. Maybe we need a bigger bucket for them to pull from. Mr. Jensen stated he feels good about the 3%, and doesn't expect taxpayers to have pay more than that.

Mayor Williams asked the Council if Ms. Cordova has enough to be able to put together an appropriations ordinance for Tuesday night. Mr. Massey did a review of where he thinks the Council is. Removing \$5,000 from Admin & Parks, deducting \$17,393 from Streets, leaving the \$25,000 for the fuel tank but taking it from the Revolving Loan Fund, and this includes the 3% wage increase. Ms. Dale is worried about our Police and Fire departments, and where our priorities are. Do we have more money to put into this study? She believes what is the benefit of the study if we don't listen to it. Mr. Nelson stated since were willing to take \$25,000 out of the Revolving Loan fund for the fuel tank, why don't we take some out to fund for salary increases. Mr. Wickersham stated the fuel tank is much like a loan. That money was never intended to be used for salaries or wage increases. Ms. Cordova stated with the changes discussed our levy rate with the Library bond would be .00996131. Mr. Jensen stated he is ok with that.

#### **MAYORS COMMENTS**

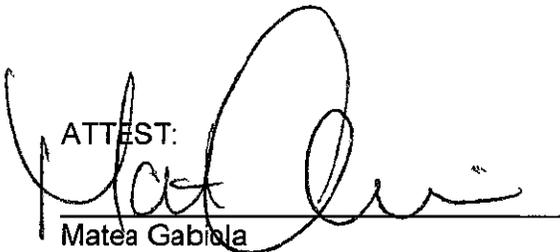
NONE

#### **ADJOURNMENT**

The work session adjourned at 6:06 PM

Signed this 9/20 day of, 2016.

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line extending to the right.

ATTEST:  
  
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Matea Gabriela  
Administrative Assistant

Mayor Jeffrey T. Williams