

MINUTES

**McCall City Council
Special Meeting
Legion Hall - McCall City Hall (Lower Level)
June 19, 2015**

Agenda

Call to Order
Budget Meeting
Adjournment

CALL TO ORDER AND ROLL CALL

Mayor Aymon called the regular meeting of the McCall City Council to order at 9:05 a.m. Mayor Aymon, Councilor Giles, Councilor Scott, Councilor Swanson, and Councilor Witte were present.

City staff members present were Gene Drabinski, City Manager (via phone); Michelle Groenevelt, Community Development Director; Meg Lojek, Library Director; Peter Borner, Public Works Director; Dennis Coyle, Parks and Recreation Director; Linda Stokes, Treasurer, Traci Malvich, Human Resources Director, Nate Coyle, Airport Manager; Eric McCormick, Golf Course Superintendent; David Simmonds, Information Systems Manager; Justin Williams, Police Chief; BessieJo Wagner, City Clerk; and Shay Tyler, Deputy Treasurer

LOT Commissioners present were Chair Lisa Wood, Carolyn Trino, Dave Hansen. Roger Snodgrass

BUDGET MEETING

LOT Committee to present recommendations – Council Decision on LOT Funding

LOT Committee Chair Lisa Wood presented the LOT Committee recommendations. This year there were community meetings held prior to the LOT Commission meeting which discussed how the community saw the LOT funds split up. Three sections were identified from those meetings; to mitigate the effects on the infrastructure by tourism, community and cultural events, and projects that directly bring in and support tourism. The goal of this Commission was to select projects that do the most good for the most people. The Commissioners found it very helpful that the City prioritized their projects, and showed the direct costs of the LOT Commission as well as event cost recovery which was high on the list for items such as Winter Carnival and the Fourth of July, bathrooms, and police. Knowing that the City had done its homework to spell out what those items were was extremely beneficial to the Commissioners in their decision making process. Commissioner Carolyn Trino wanted to make it clear that when they deliberate on who to fund, they separate the applications into two categories, wishes and needs, and then make the decisions and priorities from there.

McPaws was not selected for LOT funds this year due to the fact that they show a large profit on their financial statements and there were greater needs being presented. Ms. Wood stated that perhaps since the McPaws foundation is listed in the Ordinance a specific program or amount is

called out to receive a set amount of funds every year versus them presenting. Ms. Wood pointed out a couple of concerns she had. One, is a balance sheet more appropriate to a profit and loss statement for the required financial document? Two, the organization is growing larger but the need is not.

Ms. Wood stated that the Manchester Ice Rink was another not selected for LOT funds. It was the understanding that originally when the ice rink was presented to the City, they would be self-sufficient and not be coming to the City for support. The first time the ice rink asked for LOT funds, it was very close to the amount of loss shown on their profit and loss statements. It was the Commission's feeling then as it is now that Manchester Ice Rink needs to operate within their budget rather than operating at a loss and coming to the City for funds. The Commissioners feel that the foundation set up to care for the ice rink should be the one supporting the rink's needs. Ms. Wood pointed out that funds were given in support of the Steelheads. The Steelheads gave a strong presentation showing numbers in how they support tourism here, and they have become an important part of the community. Since all of the players live outside of the area, the Commission felt it important to allot funds to help support their travel needs. If the players lived locally, then the Commission would not have felt it necessary to support this request.

Council Member Witte wanted to know the reasoning behind not funding the tennis court project. Ms. Wood stated that when looking at the all the projects being presented for funds, the tennis courts did not stand out as having a large impact on the community and it fell short as a priority under greater needs.

Mayor Aymon brought up the question are the LOT fund recipients required to prove how the money is spent. City Clerk Wagner stated that documentation is required to show where every dollar is spent in their completion reports back to the City. Mayor Aymon wanted to know if the grooming funds to the Nordic and snowmobile club is providing proof that the money they receive is being used specifically for grooming. The snowmobile club is nebulous as they turn those funds over to the county who hasn't given any proof of how those funds were used. Mayor Aymon requested that the City gets an accounting from the County to make sure it is being allotted appropriately. There was some discussion on the snowmobile sticker fees from prices to legislative issues.

Council Member Witte requested copies of the LOT Commission minutes. Mayor Aymon recommends that the Snowmobiler's Club be given \$27,500 and \$10,000 to McPaws. Council Member Giles stated that he was leaning in the same direction as Mayor Aymon. The Council discussed the Manchester Ice Rink. City Clerk Wagner discussed the contingency and LOT fund projections.

City CIP (Capital Improvement Plan)

City Manager Gene Drabinski joined the meeting via phone at 10:04 a.m.

Airport Manager/Special Projects Manager Nate Coyle presented the Capital Budget. To refresh the Council, this started with a proposal for a 2-year capital plan with a goal of coming back to the Council at the end of the budget season with a proposed policy of a 5-year capital plan. The benefits of that process being the ability to project forward for projects within the City with a committee that will actually look at the projects across the City and make a smart recommendation for prioritization to the Council, and also align anticipated funding sources for those projects. He proceeded to walk the Council through a short explanation of the 2-year capital plan broken down into FY16 Capital Projects and FY17 Future Capital Projects. A small

committee of staff members analyzed the list of needs using a criteria score matrix, the same that was used for the Community Capital Committee. After the list was scored, the committee looked into potential funding sources. For instance, pulling out projects eligible for LOT funding, and giving the top five projects to the LOT Commission. The City Staff feels strongly that this provides the Council with the ability to see the impact if a decision is made to shift funding or move a project to be able to see where that will slide in the future. It is yet to be seen, as the City builds the 5-year plan and brings to the table a policy at the end of the budget season, if it would do the same on a broader scale. Manager Coyle opened the floor for questions.

The Council discussed various topics and asked questions about the TIGER grant, airport grant match, excess fund balance, Annex building repairs, golf club house repairs, river access below the dam, the rationale for funding streets \$283,000, street projects, how the scoring and rating worked. The river access capital item was put on the priority list due to Payette Lakes Irrigation push to get it done relatively soon.

Council Member Witte asked for the rationale behind the \$283,000 for streets. Director Borner explained that rather than having separate line items, a more holistic approach was needed. For instance to chipseal an area, it needs to be patched and cracksealed. The dollar amount has all of it lumped together. The goal is increase funds for maintenance activities to keep all the good streets maintenance and not letting them get worse. Road replacement was taken out as it is a huge fiscal undertaking that requires a different approach. The purchase of a cracksealer was included due to the fact that renting poses many problems and it is a better use of money to own it. Collaborating with Valley County to chipseal is a great opportunity but it is left to be seen how it comes together. If it doesn't work out, the City needs to look to purchasing its own chipsealing equipment.

Council Member Witte asked for a breakdown of funding sources and how the committee came to their decision, and a more comprehensive plan for street maintenance. Public Works Director Peter Borner stated that they anticipate to have a comprehensive plan together by August 1, 2015. Airport Manager Coyle brought up that items evaluated were life safety purposes, regulatory compliance, and a good value in matching thus making it a difficult comparison because of the needs across the City while also trying to balance the importance of the streets.

Council asked how the scoring was rated. The specific rating criteria includes the following categories and was rated by the following categories:

1. Does it fit within an adopted plan?
2. Public health and safety, local, state, and federal mandates
3. Existing infrastructure investment and protection
4. Impact on city operational finances or revenue generation
5. Does it leverage outside funding?
6. Does it improve or increase the level of service provided by the City?

Airport Manager Nate Coyle reiterated the requests from the Council to be a comprehensive plan for streets, a narrative on the funding sources, and a narrative on the process to include a copy of the scoring matrix.

FY 16 Budget 2nd Draft

City Treasurer Linda Stokes presented the budget update. The property tax is only an estimate from the County at this time. The foregone was taken out. All departments have trimmed their budgets to adjust for not having the foregone. The budget is balanced with the exception of

\$22,000 for the Golf Course. The Golf budget was discussed further. Also discussed was the 45% increase in the Council budget. Last year, Council adopted to move McPaws from the Police to the Council and there are two Council seats open for election with full family benefits being added to the budget. There is also a FY15 carry forward of \$10K for the Cascade agreement.

Human Resources Manager Traci Malvich presented a personnel update. The Police department eliminated the SRO position that had previously had been funded by the school district who had decided to not renew the contract. The library reduced a vacated full time position to part time and dropped the benefits that went with the full time position. In reviewing the salary survey data, there were five positions that were outside or below the minimum so those positions were adjusted up to the minimum with \$0.87 for the lowest to \$1.20 for the highest. In an effort to balance the budget, it was opted to remove the 2% merit increase portion and only proceed with the market increase of 3%. It is still hopeful that the health insurance rates will be reduced and some of that can be allocated back to salaries. Shopping for rates cannot commence until all the data from the e-health applications are in.

City Manager Gene Drabinski left the meeting at 11:22 a.m.

Golf Course Superintendent Eric McCormick presented a budget report explaining the \$22,000 deficit. Costs have gone up and there were pay rates that have not received increases for some time that needed to be caught up. Even though the season started early and Tamarack's close helped bring in an increase in players, the budget was still based on last year's number since there is no way of knowing if the revenue increase will be reliable. Fees were not increased as that only happens every three years. To cut costs, more generic brands of chemicals are being used. Cutting staff is the easiest way to bring down the numbers but the excellency of the course has set a higher bar making it difficult to meet those expectations with less staff. The budget also reflects Club House repairs. The budget is \$70K less due to the removal of the Lift Station replacement to the general fund. There was a discussion on how to address the deficit, improvements, and the golf management contract.

Chief of Police Justin Williams gave a report. There are two vehicle purchases in the budget to rotate out two older vehicles. The older cars are getting to the point where more money is being put into them than they are worth. There has been some discussion of other departments taking the older vehicles. SRO replacement is going to cause \$48,000 increase. The School Superintendent will be keeping the salary in the school budget for the possibility that the position is needed in the future. The shift change has lowered the overtime by 45%, and have trimmed out some of the cell phones. There was a discussion on different line items in the budget.

Library Director Meg Lojek reported that there will be some minor changes. Due to a staff resignation, a 32/hr a week was vacated. Instead of hiring another full time staff person, the hours were reduced from the vacated position to 24 and given to another part time position bringing that person's hours to 24 hours as well. This transference of hours reduced the need for full time benefits for that position. All the public computers with the exception of the Director's computer are scheduled for replacement so that is adding a large expense to the budget. The Council didn't have any questions.

Parks and Recreation Director Dennis Coyle gave report on revenues and the additional utility costs at Fairway. There was a decrease in health insurance due to one employee having benefits through the National Guard. Staff is feeling overloaded due to shorted staff, additional events,

and the early spring pushing the season in sooner. Increasing staff would help tremendously, especially in the Recreation department. Payette Lakes Community Group fills in the gaps. Keeping cognizant that George Poole is reaching retirement age and being proactive in preparing for that event would be prudent as they assist many latchkey kids. Many larger cities recreation programs take on the responsibility of that need in their communities. Current facility issues make it difficult for the City of McCall. Director Coyle is working on that issue. Wages are too low to draw good staff and seasonal staff are limited in what they can do to relieve key staff stress. There are technical issues that most seasonal staff personnel lack the skills for. Public Works helps with backhoe work but they also struggle with staffing issues as well as having time during the busy seasons. Mayor Aymon expressed concern to find solutions to relieve key personnel so as to not drive them away. The Park Foreman position has been upgraded to hopefully attract good applicants and take some of the load off of Kurt Wolf. Director Coyle then discussed various projects outlining his goals. Council Member Witte stated that the river access project needed to be scrutinized at what the City's responsibilities actually are, and if this project would be pulling away funds from other projects. Director Coyle responded that there are three priorities surrounding this project. The opportunity to work with the irrigation company to fix problems, taking in the safety factors and our level of responsibility, and providing a response to the different counties have been working on mapping the Payette River trail for kayakers as a marketing tool. This project has also been a request from constituents. However, it is Director Coyle's opinion that it is not a priority over other more pertinent needs in accordance to ADA goals at other parks.

Community Development Director Michelle Groenevelt discussed her budget. Other than the health insurance increases, the only significant change is the professional services. It is scheduled to kick off the comprehensive plan this year which includes evaluating the code and a possible code rewrite. The major projects are the \$10K public art match grant, and the control point network with GIS.

Public Works Director Peter Borner did a quick overview of the budget. He highlighted a few items. All the street lamps will be changed out to LED bulbs. There were two vehicles in the budget; a new truck and the crack sealing machine. There was a vacancy in Streets that happened recently that will affect the personnel numbers in the budget as that person is transferring to a different department within Public Works. The retirement of John Lewinski also has lowered the budget numbers. Council Member Witte asked to how John's duties were being covered. Director Borner stated that two of the staff have been fully certified and have been running the operations since the beginning of the year with John being more as advisory. They will be evaluated soon to check their performance. There is a new water master plan in the works due to a grant match that was awarded. There are new meters being put in that can register up to a tablespoon of water, and it will give the flexibility to turn them on and off electronically to eliminate a staff person having to hang upside down into the meter pit to that service. An idea that will be investigated over the next couple years is a radio propagation study to determine how many towers are needed to be put in for reading the meters from those locations rather than someone spending time driving around to get the meter reads. The expense will be scrutinized to its affordability.

Information Systems Manager David Simmonds discussed replacing the current data base system in the coming year. The base price has doubled from the last time this was at looked six years ago and the departmental applications and projects have gone up as well. Additionally there are software licensing costs. After doing some analyst over the last few months, generally IT budgets for governmental agencies run at about 7% of total revenues, regionally small to medium

enterprises operate on 3.5-3.6% of total revenues. Valley County runs 2.6-2.7% of total revenues in comparison to the City's at 1.8%.

Airport Manager Nate Coyle gave report on the fees and revenue. The real money comes from hangar buildings. To give an example, there have been discussions with Joe Scott to build a large hanger and the lease revenue alone would roughly be \$25K per year. Manager Coyle quickly highlighted a couple of items; engineering cost for updating the RFQ, staffing, and replacement of the snowplow. Snow removal by Public Works is not efficient as they have to cover the whole city when it snows and it would be a burden to take on the airport as well.

City Clerk BessieJo Wagner reported that other than professional development going up \$2000, there aren't any changes.

City Treasurer Linda Stokes reported that the biggest change is moving the deputy treasurer from part time to a 32-hour benefited position. Most everything in operations is status quo. The software request is dealing with reporting the Affordable Care Act and a platform change with Caselle to switch from Clarity to Connect. Caselle Clarity will not be supporting these new federal mandates. The new Connect will also help with the LOT collections.

Council Guidance

Airport Manager Nate Coyle wanted clarification on the river access below the dam to move it forward. Consensus was to chat about it at the next meeting.

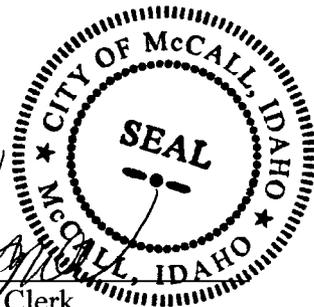
Council consensus was to leave the 3% in and not use the foregone. The new budget will reflect a 3% markup and a 0% merit for personnel, and an updated revenue projections for the Golf Course but otherwise leave everything else alone.

ADJOURNMENT

Without further business, Mayor Aymon adjourned the meeting at 3:00 p.m.

ATTEST:


BessieJo Wagner, City Clerk




Jackie J. Aymon, Mayor