

MINUTES

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CALL TO ORDER AND ROLL CALL

Mayor Colton called the regular meeting of the McCall City Council to order at 7:00 p.m. Mayor Colton, Council Member Arp, Council Member Muller, and Council Member Eimers answered roll call. A quorum was present. City staff members present were City Attorney Susan Buxton, City Manager Robert Strobe, Community Development Director Lindley Kirkpatrick, Public Works Director Bill Keating, Police Chief Ralph Appa, Parks and Recreation Director Brock Heasley, Library Director Anne Kantola, Director of Golf Operations Dan Pillard, Airport Manager Kevin Delaney, Network Administrator Dave Simmonds, Nancy Lockhart, Liz Tash, Amanda Townsend and Finance Director & City Clerk Barbara Bauer.

PUBLIC HEARING

Mayor Colton opened the Public Hearing on AB 03-117, Adoption of Ordinance No. 782, Budget Appropriation for Fiscal Year 2003-2004 at 7:05 p.m.

AB 03-117 Adoption of Ordinance No. 782, Budget Appropriation for Fiscal Year 2003-2004

City Manager Robert Strobe reviewed information provided to the Council Members on Agenda Bill 03-117. Following adoption of a tentative budget for FY 2003-2004 of \$12,037,234 and after holding an August 14, 2003 Public Hearing on the tentative budget, the Council must approve a final budget no later than September 3, 2003 in order to allow certification to the Valley County Commissioners. The Sewer Treatment Plant budget was approved by the Joint Powers Board at their meeting earlier in the day.

After Council adopted the tentative budget, Regence Blue Shield notified the City that the actual increase in employee Health Insurance costs would be 49%. The draft budget included in Ordinance 782 includes changes to pay for this increase without additional revenue by allocating the last of the Health Care Savings Carry Forward dollars. It also removes the \$150,000 Urban Renewal District budget, which is not adopted by the City Council. The published FY 2004 Public Hearing notice reflects transfer expenses of \$10,432 from the General Fund into the Special and Enterprise funds. Since the total amount of all budgets is the figure we cannot exceed, we are able to make this adjustment without violating Idaho Code.

Brock Heasley responded to previous Council questions concerning the new Recreation Staff Supervisor position. This position will replace a Recreation intern and a Recreation Aide but only increase the annual budget by \$10,076 or 4.4%. He also provided the staff with an overview of the programs available in McCall.

Michael Anderson, who is affiliated with the MCPAWS program, told the Council that the shelter has a \$35,000 shortfall this year and anticipates the same type of shortfall again in the next fiscal year. After explaining the breakdown of funding sources and percent

of animals in each type of service coming from within the City limits, MCPAWS asked the City Council to increase it's funding for FY 2004 by \$20,000 and provide additional emergency funding of \$20,000 during the current fiscal year. Amy Crookshanks thanked the group for previous support of MCPAWS and reviewed the agreement between MCPAWS and the City of McCall, the total number of animals taken in during the year, success stories, and types of expenses.

Pat Hill, Recreation Advisory Committee member spoke in support of and gave some additional clarification regarding the Recreation Program Supervisor position and the goal of the Advisory Group to increase the recreational opportunities of local youth and create a strong economic advantage for local merchants.

Boyd Paulson spoke about the need to pave streets within the Rio Vista subdivision and other city streets and expressed concern that there is not money to achieve this goal in the budget. He also expressed the sense that this is a much higher priority than spending tax money on the Golf Course.

Dave Faurot, Chair of the Recreation Advisory Committee stated the desire related by the Advisory Committee to the Recreation Director is to increase recreational opportunities for the youth of the community and that the addition of a Recreation Supervisor would help do this.

City Manager Strobe noted that with only the Mayor commenting on possible uses of the potential increase of 3%, the staff recommendation stands with the possibility of considering the new request from MCPAWS.

Mayor Colton noted that he continues to feel strongly that the City has not honored previous commitments to pave in Rio Vista, since the only paving done in the past ten years in that area is Pinedale. He strongly supports placing the 3% new property tax growth in the Council Contingency to allow Council to allocate as needs are prioritized during the year.

Council Member Arp noted the strong need at MCPAWS, decisions by other communities in Valley County not to provide funding or to shift it to support to another group in Cascade, and stated a desire for MCPAWS to leverage any additional McCall support. She also placed a high priority on increasing our paving program beyond the approximately \$50,000 per year spent on paving repairs or new paving in each of the last three years.

City Manager Strobe discussed the staff proposed priorities for a tax increase and noted that only the Mayor provided additional comments regarding Council priorities on possible uses of the potential increase of 3%. Mayor Colton had stated he would list his priorities as new paving followed by recreation.

Council Member Muller noted that he strongly supports finding a way to provide more funding to the Golf Course and with other priorities that the City will not be able fund.

Council Member Eimers noted that the Recreation proposal was ill prepared for the previous meeting. He also stated a belief that no one should feel bad for the City

because new construction has already provided an increase of almost 3% without taking the available increase in taxes.

Council Member Arp raised concerns that the Council Members continue to receive such an expensive health insurance benefit while serving in a part-time position. She recommended covering the cost of health insurance benefits for City Council Members only, rather than paying for full family coverage and providing a cash payment to an FSA account for Council members who opt out, or consider eliminating City-paid Council Member health insurance benefits. She asked other Council members to respond directly to her suggestion regarding this change in policy.

Robert Strobe noted that the Benefits Committee would be providing a proposal at the next meeting to change health insurance carriers in order to limit the increase to 35% rather than 49%.

Council Member Muller stated that the cost of health insurance for the Council is a huge amount and noted that he would be supportive of Council Member coverage only, since he takes the family member opt out FSA payment and personal insurance coverage. He believes that we should seek a new local option tax to make it possible to meet more of the community needs. The last vote failed by only 17 votes. If a local option tax did not apply to food, it may make it more palatable to some, but will decrease the new revenue by nearly ten-fold.

Council Member Eimers stated that having more money coming in will not end the difficulties with finding adequate funding and expressed the opinion that government is the only place in the country that is not trying to reduce spending. He would be happy to go in and make his own cuts to the budget proposal but will not support any use of new tax dollars in the 3% budget. He would not be supportive of funding MCPAWS unless there are cuts made other places in the proposed budget. He does not support paying for a School Resource Officer through the Police Department and believes that the City should force the school district to pay for that officer and use that money at MCPAWS unless there are cuts made other places in the proposed budget. He does not support paying for a School Resource Officer through the Police Department and believes that the school district should pay for that officer so the City could use that money could fund MCPAWS instead.

Mayor Colton restated his preference to include the 3% growth increase in a Council Contingency line for distribution when needs are more clearly defined. He does not support making specific cuts in the tentative budget, including a cut in health insurance coverage for City Council members or other programs proposed by staff.

Bill Keating stated that paving Pine-Wooley would be his priority for paving in FY 2004 if he had the \$30,000 proposed spending options for a 3% tax increase. The \$60,000 in the budget is designated to complete the Syringa project. It will take until 2006 before any other new paving projects can be done due to the Spring Mountain Blvd project, and longer if money is not allocated to Pine-Wooley work this year.

Bonnie Bertram advocated a tax increase, suggesting that the Council remember that paying a small increase each year rather than losing ground or being hit with a big increase at one time is much easier for taxpayers.

City Manager Robert Strobe asked that if the Council is considering making changes in what has been proposed by staff, that the staff be allowed to create another draft. Since increases in budgeted health insurance costs were covered by funds previously dedicated by Council for that purpose, any reduction in that area should be carried forward into FY 2005 to help cover future increases. He reminded Council members that they had specifically endorsed the School Resource officer position earlier this year without salary payments from the school.

When asked for clarification on Council's intent regarding funding for MCPAWS, Mayor Colton restated his request for staff to review the budget and said that if the answer is no, staff can't find it, then to say so, but to review the budget.

Mike Anderson noted that he appreciates the difficulty the Council faces in prioritizing many competing needs. Since the majority of the MCPAWS funding comes from donations and volunteer labor, allocating tax dollars to that program can be very cost effective. He asked that staff find a way to fund the MCPAWS request.

Jim Staup commented on his believe that the local option tax failed because it was an across the board increase of 1% rather than a "bed and booze" tax. The difference between the two options is ten-fold.

Bill Robertson asked whether the budget on the website is the same as the one the Council is reviewing. (It is not, but the correct document was posted during this meeting and copies provided to those who wanted one.)

Council Member Muller wondered how many City employees would buy insurance if they were given a choice of receiving as additional salary an equal share of the money the City is paying for family insurance benefits.

City Manager Strobe adamantly expressed his feeling that employees should not be asked to fully cover the cost of dependent health insurance coverage, but that they are being to help cover annual changes in the cost of coverage for dependents starting with the coming budget year.

Council Member Eimers asked that the staff provide a more specific plan and timeline to phase in employee contributions to cover the cost of family health insurance benefits. In addition, he asked that staff provide the total cost of providing family health insurance coverage rather than employee only coverage.

The Council agreed to continue the Public Hearing on Ordinance 782, Adoption of the FY 2004 Budget Appropriation, until the August 28, 2003 Council meeting and accept written comment until that time.

At 8:34 p.m., Mayor Colton moved to go into executive session per Idaho Code 67-2345(1f) to consider pending litigation. Council Member Arp seconded the motion. Mayor Colton, Council Member Arp, Council Member Muller, and Council Member Eimers voted aye. The motion carried.

The discussion concerned pending litigation.

At 8:52 p.m. the Executive session was recessed until the end of other business during this meeting.

AB 03-95 VAC-03-3 Ordinance No. 780 Vacation of a Portion of Dawson Ave. and Potential Property Exchange (Continued from July 24, 2003)

City Attorney Susan Buxton addressed the Council and reviewed the information contained in AB 03-95. She explained that at the July 24 public hearing, Julie Fields estimated the value of land in this area as \$2.08/square foot. Based on that estimate, the value of Parcel A (to be acquired by the City) is \$1,803 and the value of Parcel B (to be acquired by Schoonover) is \$3,370, with the net due to the City of \$1,567. Ms. Buxton reviewed the process for completing the transfer of property.

Council Member Arp moved to continue the public hearing on a vacation of a portion of Dawson Avenue until the September 11, 2003 Council meeting, to establish that the value of the land identified for potential exchange between the City and Mr. Schoonover be set at \$2.08 per square foot, and to direct staff to provide notice for a potential land transfer or exchange. Mayor Colton seconded the motion. In a roll call vote, Mayor Colton, Council Member Arp, Council Member Muller, and Council Member Eimers voted aye. The motion carried.

AB 03-96 Adoption of Ordinance No. 783, Amendment of FY 02-03 Budget to Reflect Unanticipated Revenue and Expense

Robert Strobe reviewed information provided to the Council Members on Agenda Bill 03-96. These budget amendments are necessary:

To reflect carry-over revenue and expenses of \$300,045 in the Airport Fund used for completion of Airport Improvement Project #8, which was delayed past the end of Fiscal Year 2002 due to the heavy fire season. The Airport has received \$277,805 in grants from the FAA and will receive an additional \$6,807 before the end of the fiscal year. An additional \$15,433 in grants from the State of Idaho were not included in the FY 2003 budget; and

To account accurately for \$60,000 in loans from appropriated fund balance in the General Fund to the Golf Fund authorized by prior City Council action. The first loan of \$10,000 is to be used for marketing, and another \$50,000 is for costs of greens recovery and equipment purchases. Publication of Ordinance 783 included an additional \$100,000 in revenue and expense to preserve the option of handling \$100,000 of Golf Foundation funded improvements to the Golf Course through the City bidding and purchasing process. After the publication deadline, the decision was made by the Golf Foundation to make improvements without utilizing the City bidding process. Ordinance 783 does not include that \$100,000 in potential revenue and expense included in the published Notice of Hearing.

Council Member Arp moved to close the Public Hearing on Adoption of Ordinance No. 783, Amendment of FY 02-03 Budget to Reflect Unanticipated Revenue and Expense at 8:57 p.m. Council Member Eimers seconded the motion. In a roll call vote, Mayor Colton, Council Member Arp, Council Member Muller, and Council Member Eimers voted aye. The motion carried.

Council Member Arp moved to suspend the rules, read by title only, one time only, Ordinance No. 783. Council Member Muller seconded the motion. In a roll call vote, Mayor Colton, Council Member Arp, Council Member Muller, and Council Member Eimers voted aye. The motion carried.

Council Member Arp moved to Adopt Ordinance No. 783. Council Member Muller seconded the motion. In a roll call vote, Mayor Colton, Council Member Arp, Council Member Muller, and Council Member Eimers voted aye. The motion carried.

PUBLIC COMMENT

Mayor Colton called for public comment.

Mike Maini, 160 Largo Drive and friends told the City Council that a group of youth who attended the Governor's roundtable is proposing a Youth Advisory Council to provide input to the City Council from a teen point of view and that the Council recognize this group in that capacity.

Philip Davis, 1640 Warren Wagon Road, VP of McCall Donnelly High School ASB noted that the many young people in McCall are interested in finding ways to get involved.

Jessica Moore, 1359 Easy Street, junior in high school noted that McCall is not a youth friendly place and that her goal is to help to give youth more things to do in the city, especially in the evening, and feels that more youth involvement could help the City planning process.

Ben Verschoor, 605 Syringa stated that his goal is to contribute to City decision making and get a new pier installed at Brown Park to replace one that is no longer there.

The group has begun to organize based on a model from Caldwell. They will work on a contract with the City Council and will come to a future meeting when more group structure is defined. Council Member Arp recommended that the group provide ideas and work in partnership with the City to design a program. She suggested that the Council appoint a youth advisory group to provide input to the City Council. City Manager Strobe volunteered to work with the group to assist them in creating a productive structure and giving them information about how to interact with the City.

CONSENT AGENDA

Minutes of July 24, 2003

Invoice Approval List Dated August 8, 2003

Payroll Report for Pay Period Ending July 18, 2003
Payroll Report for Pay Period Ending August 1, 2003
AB 03-107 Xerox Rental Agreement
AB 03-111 Alcohol Beverage Catering Permits
AB 03-114 Allocate Funds From Library Contingent Revenue And Expense

Mayor Council Member moved to approve the Consent Agenda and authorize the Mayor to sign appropriate documents on behalf of the City. Council Member Eimers seconded the motion. In a roll call vote, Mayor Colton, Council Member Arp, Council Member Muller, and Council Member Eimers voted aye. The motion carried.

BUSINESS

AB 03-108 WRICOPS Community Policing Survey

Chief of Police Ralph Appa noted that the Police Advisory Committee identified a significant resource available to the community and invited and introduced Kelsey Gray representing the Western Regional Institute for Community Oriented Public Safety from Washington State University. This is a volunteer group made up of Post Directors from five western states, including Barbara Monaco from Polson, Montana, John Martin, Tacoma, Washington State Patrol, RoseAnn London, a Public Administration Professor at Washington State University Jay Armstrong is a retired Public Works Director from Green Valley, Arizona and Ryan Buzzini is Community Policing Officer with the Boise Police Department. This group is interviewing over 100 people to get a snapshot of McCall, typically this type of assessment costs between \$6,000 and \$15,000 in this program because of volunteer uses, while small communities pay more than \$50,000 for this service through independent consultants. Chief, I need help with these names please.

AB 03-115 Sale of Lifetime Golf Passes, Approve Agreement between City and Golf Foundation. (Attachments to be provided to Council Members at the meeting)

Robert Strobe reviewed information provided to the Council Members on Agenda Bill 03-115 asking the Council to approve allowing the Golf Foundation to resell two additional lifetime golf passes (one pass was held by an individual who is deceased and one is held by a member who is no longer able to golf) and to sell one additional new pass for \$8,000 each, with the agreement that 100% of the proceeds will be used to fund projects at the Golf Course. This increases the total number of passes approved this year from 12 to 15.

The City Attorney reviewed the current bonds and this would not violate the bonds. The City has drafted an agreement between the Golf Foundation and the City to document approval of the sale or resale of the passes approved by Council in 2003, and a corporate resolution for the Foundation to authorize someone to sign this agreement on behalf of the Foundation.

Council Member Muller moved to approve the additional resale of two lifetime golf passes and one new lifetime golf pass as described, approve the draft agreement between the City and the Golf Foundation, subject to final revisions by the City Attorney and the Foundation, and authorize the Mayor to sign all required documents. Council Member Eimers seconded the motion. In a roll call vote, Mayor Colton, Council Member Arp, Council Member Muller, and Council Member Eimers voted aye. The motion carried.

AB 03-118 Golf Course Alternatives Following Public Meeting

City Manager Robert Strope reviewed information provided to the Council Members on Agenda Bill 03-118. The Council conducted a public meeting requesting comments from the community regarding alternatives at the McCall Municipal Golf Course. Council was provided with a copy of the comments received and summaries from the three work groups. Based on the input received at the meeting, some options for to consider include direct tax support; a Local Option Tax; an Override Levy; conducting studies on the operation and economic impact of the course and continuing to review rates on an annual basis. Mr. Strope is requesting that the Council provide guidance on what City Staff should do next.

Council Member Muller would like to see a professional analysis to determine the economic benefit to the community of the golf course and another survey to examine the financial problems and provide suggestions on how to resolve them. He would also like to look at the special tax options and all other alternatives that were raised at the meeting. He also feels that we should provide the Golf Superintendent with more equipment and whatever labor is needed to get the course into good shape early. He specifically wants staff to explore details by having our own professionals assist in creating specific details for every item on the list.

Council Member Eimers would like to have a \$150,000 override tax on the ballot and put out an RFP to get proposals for a management firm to run the Golf Course and if neither works, then do an RFP to hire a consultant to provide specific suggestions for improvement. He wants someone to help find the balance that needs to exist between all of the constraints that the City Golf Course faces. He would like to have the Council choose a specific type of tax proposal tonight to put on the ballot in November.

Council Member Arp noted that those attending the meeting did not feel that there has been enough education to get an override or a local option tax passed.

Mayor Colton would also like to look at the local option tax and other options to raise revenue. He would like to have staff provide specific ideas for use of a 3% increase, including previous suggestions like paving and increased funding for MCPAWS or funds for studying golf course problems. Using the strategy designed in the past for a mixed-use local option tax should not be abandoned because it will provide very specific feedback to the Council. He also hopes to receive more public comment before a final decision is made on the budget at the August 28, 2003 Council meeting supporting or opposing the use of the available 3% property tax for specific purposes.

Council Member Eimers moved to concurrently put a \$150,000 override tax on the ballot in November, and put out an RFP to get proposals to privatize the course and then do an RFP to hire a consultant to provide specific suggestions for improvement. Motion dies for lack of a second.

The discussion continued on the possibility of changing the current management contract to include management of the entire course or putting out an RFP to outsource the management. There are a number of complex contractual issues that must be resolved in order to do this.

Council asked staff to provide the Council with a specific proposal for a tax override on the November ballot; to ask the Foundation to fund a study of the economic impact of the golf course on the City of McCall, and create a draft RFP for privatizing the operations of the Golf Course.

REPORTS

City Attorney – Susan Buxton

If the Council believes that it is necessary and in the best interest of the City to transfer City property to the Cemetery District that was donated to the City with the intent that it would be maintained for cemetery use, then the first step needed is to establish a value for the property, unless Council intends to make the transfer at no cost to another public entity. Once that step has been completed, the Council must advertise and hold a Public Hearing on the proposed exchange or transfer of real property. Following extended discussion, it was agreed that the City Manager will ask the Cemetery District to make a presentation to the Council at the August 28, 2003 meeting concerning their interest in the City transferring land at the corner of Deinhard and Mission streets.

Council Member – Marilyn Arp

The City has forwarded a comment about handicapped accessibility to the Chamber of Commerce. She also raised some concern about the definition of a resident contained in the Library fee proposal scheduled for August 28, 2003.

Council Member – Kirk Eimers

Mr. Eimers asked whether there was a possibility that the City could recover some or all of the legal costs of a lawsuit if the City prevails in a case. The City Attorney said that there is at least a fifty percent chance that this could occur.

EXECUTIVE SESSION

At 11:10 p.m., Council Member Arp moved to go into executive session per Idaho Code 67-2345(1f) to consider pending litigation. Council Member seconded the motion. Mayor Colton, Council Member Arp, Council Member Muller, and Council Member Eimers voted aye. The motion carried.

The discussion concerned issues related to litigation.

At 11:25 p.m. Council Member Eimers moved to come out of executive session. Mayor Colton seconded the motion. Mayor Colton, Council Member Arp, Council Member Muller, and Council Member Eimers voted aye. The motion carried.

BUSINESS

Council discussed the need for additional information regarding a bill from Floyd Ayers for payment for services related to the Montgomery Watson case.

Council Member Arp moved to reconsider approval of the Consent Agenda. Mayor Colton seconded the motion. Mayor Colton, Council Member Arp, Council Member Muller, and Council Member Eimers voted aye. The motion carried.

Council Member Eimers moved to reconsider approval of the Warrant Register. Mayor Colton seconded the motion. Mayor Colton, Council Member Arp, Council Member Muller, and Council Member Eimers voted aye. The motion carried.

Council Member Eimers moved to withdraw approval of payment to Mr. Ayers and have staff write Mr. Ayers requesting additional information regarding the details of this billing, and direct Mr. Strobe to work with Mr. Ayers on this request. Seconded by Council Member Arp. Mayor Colton, Council Member Muller, and Council Member Eimers voted aye. The motion carried.

Council Member Muller moved to approve the Amended Warrant Register. Mayor Colton seconded the motion. Mayor Colton, Council Member Arp, Council Member Muller, and Council Member Eimers voted aye. The motion carried.

Council Member Eimers moved to approve the Amended Consent Agenda. Mayor Arp seconded the motion. Mayor Colton, Council Member Arp, Council Member Muller, and Council Member Eimers voted aye. The motion carried.

ADJOURNMENT

Without further business, Council Member Arp moved to adjourn. Council Member Muller seconded the motion. All Council Members voted aye. The motion carried. The Council adjourned at 11:42 p.m.

Ralph Colton, Mayor

ATTEST:

Barbara Bauer, Finance Director & City Clerk