

CITY OF WILLIAMS CITY COUNCIL

ANNOTATED MINUTES  
AGENDA ITEM

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May 14, 2019  
COUNCIL ACTION

BUDGET WORK SESSION

**I. PROCEDURES**

**A. Call to Order – 6:06 PM**

Mayor Moore called the meeting to order.

**B. Roll Call**

**Present: Mayor John Moore, Councilmember Bernie Hiemenz (Arrived at 6:17), Councilmember Frank McNelly, Councilmember Lee Payne, Councilmember James Wurgler.**

**Absent: Vice-Mayor Don Dent**

**Excused: Councilmember Dawn Trapp.**

Present from City Staff, Keith Buonocore Interim City Manager/Finance Director, Public Works Director Tim Pettit, Police Chief Herman Nixon, Public Works Manager and City Clerk/HR Director Pamela Galvan.

**C. Adopt Agenda**

**Not necessary**

**II. *Council will review and discuss the tentative Fiscal Year Budget for 2019-2020.***

Mayor Moore opened the discussion noting in all the years he has been here this is the best prepared budget he has seen, and Keith is here to answer questions.

- Mayor referred to page three, the Organizational Chart. He expressed the need for the change of City Court in our budget, etc.; need to be properly titled as the Magistrate Court. He also noted that the City Clerk is independent of any supervision other than the City Council, and Police Chief reports to City Council.
- Chief Nixon mentioned another chart he had seen, it was provided to him from Bill Lee; one that was laid out just as the Mayor was expressing. Pam Galvan had prepared it for Mr. Lee and will provide it to Keith Buonocore for assessing.
- Mayor noted that the Airport is not a part of the pay structure through the city. He went on to explain an organizational chart.
- Mayor moved onto page 12, the Budget Overview – The increase of four million over last year was addressed.
- Proposed Budget For Fiscal Year 2019-2020 – The increase is due to projects, one is the electric project at 3.2 million and the utility project is close to 1 million, bringing it to 4 million.

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- There was a reduction in taxes in March by 35% does this budget anticipate an increase. Keith noted the state has an overall increase between 3 and 4% this benchmark was used when putting this budget together.
- Mayor noted that this budget could always be adjusted as needed.
- It was asked, how if necessary, you go about cutting the budget. Keith explained the budget is broken out by funds. The general fund may be effected immediately and cuts would be based on Councils recommendation. The budgets are monitored monthly and if cuts are needed, the shortfalls are addressed.
- Revenues – Property tax was addressed with the county and money for the flood control district. Essentially, we told them to keep it. The property assessment is up 48.8 and it is included.
- Revenues – General Fund
  - The city auction brought in \$79,880 this year.
  - The rodeo grounds revenue is impressive. Improvements have been taking place. It was agreed that they are the nicest grounds around.
  - The Housing Authority Reimbursement is just a payroll pass-through.
- Mayor asked Keith to go through with his take away. He uses the past years as a benchmark. Something like the Zip line goes into the Miscellaneous. We receive \$50,000.00 annually from them, \$25,000.00 in the beginning of the fiscal year and \$25,000.00 at the end of the fiscal year. Most of the other funds are consistent year-to-year otherwise there are some adjustments.
- Mayor inquired on the Refuse Collection and Keith explained that we are going to adjust the rates for the county people. We still get 66% from the county and next year it will be 33%, then it goes away. We are still in conversation with them about the county residents we just cannot abandon them. Mayor feels someone local should run for the county seat to represent this area. Mayor asked if anyone had any further questions on revenue, and noted that Keith did a great job.
- Mayor and Council – It stays the same. It is suggested by a Councilmember that instead of this Council deciding who gets funds, and how we dole it out, to have a committee do it. Personally, Mayor likes the way we do it allowing individuals to come and speak with them. It was clarified a non-council committee, yes, but the response was that Council likes the way it is.

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- Mayor spoke about the need to consider future Council and their pay. We need to take care of them with proper compensation.
- Magistrate Court – Increase of \$12,000.00 due to salary and pro-tem costs. There is also the 3% annual IGA increase and that contract is for 10 years, with 8 years left. The new judge is working and has already done a batch court and the Mayor has heard nothing but good things. Chief Nixon says things are working great.
- General Administration – Increase of \$10,000.00 is based on salaries.
- Finance – Is good.
- Maintenance – Increase is due to the hiring of another individual.
- Library – Worth every penny.
- Recreation – Is \$4 to 5,000.00 higher due to group insurance. Salaries are the same.
- Pool – Mayor says it is a lot of money spent for such little use. He would like to see greater use of the facility. The cost to run it year-round was too expensive.
- Police Department – Is our biggest budget. This looks like it is about the same. Grants are still coming in. It has been asked why we have two animal control officers. The second control officer does two days of dispatch and works the weekends allowing for weekend coverage. The overtime was inquired upon and the possible placement of another officer to alleviate it. Chief explained that adding an officer would not alleviate the overtime. The overtime is because of the events we have. We get some reimbursement from BBB.

MTR is a one-time payment if the business gets up and running.

- Fire Department – The budget is in limbo, this will require several more meetings. The volunteers pay is included the biggest thing here is the capital line of \$660,000.000 based on the needs assessment. It is not approved yet. It is put in the budget, its millions of dollars; this would be the first step in the needs assessment. We have an ad hoc committee discussing the future of a fire department.

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- Public Works – Has decreased because we do not have the equipment this year. Everyone knows what we are doing with the streets. We are still looking at Rodeo Rd., but it needs a waterline. Aaron noted that they are going to finish 2<sup>nd</sup> and Grant, then 3<sup>rd</sup> St in front of the Newspaper. They would like to redo in front of the school all the way up to Oak.
- Mayor asked Keith if we have looked into any sidewalk replacement. We were looking at it, but we just do not have the secured funding for it right now. If we get the money, we would move forward with it. Any street projects going on right now should include sidewalks, yes, and no additional street work without sidewalks too. People appreciate good streets.
- Building – The budget is the same. We did 40 houses last year and a couple of hotels are coming. He is going to require help at some point.
- Central Garage – Sheldon is retiring and Joe English will be replacing him.
- Airport – Mayor met four airport mechanics and they expressed they need another they are so busy. They expressed the airport needs more T-Hangars. Brad Olsen has possible private investors who could lease land and build them.
- Senior Center – No changes.
- Forest Service Building – We need to figure out what to do with the office space. The forest service pays us \$108,000.00 and we pay \$114,000.00 to keep it up; it is an old building. It was asked what efforts are being made to fill the space, none thus far. Perhaps make it city office space.
- Tourism – Heather Herman of Front Burner Media is asking for a \$108,000.00 increase this year. They will start targeting Southern California, Phoenix, and Las Vegas for Spring Break. It was asked if they had considered any other avenue of advertising. It was suggested that they realign funds from the international advertising to local, but was reminded that what is in place is working; they just want to add to that. Keith was asked if it is funded; yes. It was pointed out that sales tax and BBB tax are a little over 6 million. The 6 million came from sales tax and BBB tax, not property, and that is used for further promotion. She has been dealing with the international markets and now want to work on the local, within driving distance. Tax Revenue is up 5.5 % in past 2 years. We have never seen the business increase like it has in the last couple of years.

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- Recreation Facilities – Has gone down a bit. They are doing a good job. It was asked why of the \$327,500.00 budget, we have only spent \$77,486.00, because of weather.
- Visitor Center – The budget has gone down and Mayor feels the center is as important as tourism. They work hand-in-hand with each other. They recently hired an additional promoter.
- Street Department – Mayor said it looks good and remembers a time when we needed the equipment that we now have. Aaron is possibly hire an additional employee.
- Electric System – The electric system is going from a 4kv system to a 12kv system. Keith said the biggest thing in this budget is the system improvements and he has included the costs in this budget. It may take a couple of years but he is budgeting it all at once so that they can get started.
- Water – Is pretty much what it is. Mayor said it is hard for people to understand the water and sewer bills; he went on to explain how the charges are done. He explained how the sewer rates came about. The city had an analysis done when they were deciding to build the plant. They had expected greater growth, but that did not happen, and now we are left with the cost. Our water rates are low and our sewer rates are high. Keith explained, the last time they did statistics, they found that 70% of the water is used by commercial business, so the bigger burden is put on commercial. That is how the rates were developed. Mayor feels this does not look fair and would like this to be re-addressed.
- Waste Water – Is pretty much the same, the costs are fixed.
- Sanitation – We have the three new trucks, we paid off one and have the other two. The rates are going to have to be addressed because the county is subsidizing 66% this year, 33% next year, and nothing after that.
- Golf Course – Increase was for the \$83,000.00 in golf course equipment.
- Flood Control – We are shoring up Cataract Creek and Lewis St. drainage.
- Williams Indebtedness – Has gone down.

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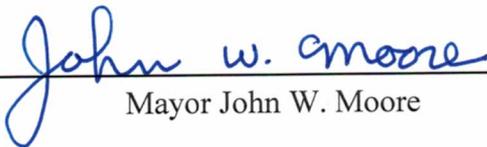
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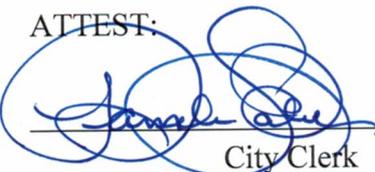
- There was additional discussion about Front Burner Media and going with the 2% increase this year as long as it is not automatic. AAA is reporting an expected higher use of the highways this travel season.
- Mayor Moore brought up salaries. Keith said the salaries are updated within the schedules. Councilmember Hiemenz wants to wait until Vice-Mayor Dent has an opportunity to make a point before they make a decision on raises.
- Keith stated the next budget meeting is scheduled for June 13, allowing additional time for Council to review. It was asked if pay increases are scheduled. Yes, we have it averaged at 3%. These are dependent on performance. We brought the salaries up last year. It was asked who does the performance evaluations. Keith stated the department heads do them, and then have a final discussion with Human Resources and administration. The range is from one to 5%. Chief Nixon explained how he and his department go through their evaluation process. Mayor believes our salaries are comparable and competitive. Chief says we have come a long way and his staff is full up and no one is leaving. There was further discussion on salary pay and how it is earned and given.

Councilmember Hiemenz left the meeting at 7:50 PM

III. *ADJOURN – 7:52 PM*

  
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Mayor John W. Moore

ATTEST:

  
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City Clerk

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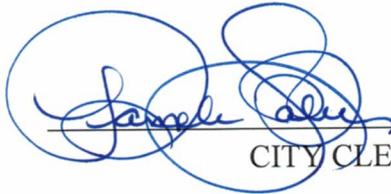
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CERTIFICATION

State of Arizona,     )  
                                  )     ss.  
Coconino County,     )

I, PAMELA GALVAN, do hereby certify that I am the City Clerk of the City of Williams, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the Meeting of the Council of the City of Williams held on May 14, 2019. I further certify that the Meeting was duly called and held and that a quorum was present.

Dated this 15th day of May 2019.

  
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CITY CLERK