

SPECIAL EMERGENCY MEETING / BUDGET WORK SESSION

I. PROCEDURES

A. Call to Order 6:08 PM

Mayor Moore called the meeting to order.

B. Roll Call

Present: Mayor Moore, Vice Mayor Dent, Council member Mike Cowen, Council member Hiemenz, Council member Frank McNelly, Council member Lee Payne (arrived 7:21), and Council member Dawn Trapp.

Present from City Staff, Finance Director Barbara Bell, Police Chief Herman Nixon, and City Clerk/HR Director Pamela Galvan.

C. Council will review and discuss the tentative Fiscal Year Budget for 2020-2021.

Barbara Bell explained in the overview, that she had applied the same budget numbers from 2019/2020. She had reviewed each of the departments budgets with each department head, going over their needs etc. There were only minor changes made.

She noted that she went conservative on the revenues, and that the last rate statements were sent out and are included in this budget; they are a bit higher than she anticipated. She broke it out by different funds, but kept the same format.

- Vice Mayor Dent referred to page 9, asking if the reserves carried forward fund balance, can they anticipate them to be used this year.
Yes.
- Council member Hiemenz referred to page 10, the increase, and decrease column. *The large increase is the WIFA fund for Dogtown Water Line and Million Gallon Tank projects.*
- Vice Mayor Dent referred to page 11, noting a handout he provide showing the current number of active employees vs the numbers showing on page 11. Council member Cowen inquired on the number of police officers the city currently has. *The have fourteen positions, and only eleven are currently filled.*
- The City's Tax Levey rate is set at 1.1958.

SPECIAL EMERGENCY MEETING / BUDGET WORK SESSION

- Vice Mayor Dent referred to page 14, inquiring on the City Sales tax, Building Permit fees, miscellaneous revenues, and Transfers in columns. He asked where the transfers were coming from and would like to see an in-and-out for the transfers; *Barbara will provide one.*
- Mayor Moore noted the state revenues showed about a 45,000.00 increase. Is that reality or projected? *It is the actual.*
- Vice Mayor Dent referred to page 15, Bed Board and Booze taxes, projected too high, he can't see them being greater than this year. Council member Cowen asked about water revenues, reclaimed and the county's use, Council member McNelly stated that there is an agreement with them for maintaining Pronghorn Rd and if we had extra they could use it, and Fain Construction they pull water that costs us in electricity and labor. He feels the city needs to keep track of its use. We need to maximize our revenues with things like this and utilities. Who's keeping track of what the county and Fain Construction are getting from us. *There is no current tracking.*

There was additional discussion on what is agreed upon with them and we need to tighten things up with them.

- Grant revenue there is a \$100,000.00 plug number from last year.
- Vice Mayor Dent referred to page 18, asking about the \$693,886.74. Is that sales tax taken out of the general fund, and transferred to streets; *yes.* He asked how we calculate how much is budgeted. *It is a formula based on certain tax codes; it is our formula that we previously adopted.* Council member Hiemenz asked if it can be reversed; *yes, by vote.* Transfers in line item needs greater explanation. Barbara will look into and provide an answer to Council.
- Mayor Moore referred page 19 to Council member Cowen as it addresses the Stand Pipe sales of \$52,276.87.
- Council member Trapp asked about the Electric Systems turn-on, turn-off fees. Vice Mayor Dent spoke about having budgeted for us actually doing our own billing and believes that is where the discrepancy lies, we have not done it yet. We put numbers in there in anticipation of taking over the billing. The city has a meeting with KR Saline and APS

SPECIAL EMERGENCY MEETING / BUDGET WORK SESSION

on the 17th of August. Council member Cowen inquired on the price we are charging for the stand pipe. We need to be able to run the city and the prices need reviewing. Feels we should have a cost of living increase each year so that it is gradual for tax payers. Mayor Moore said all the enterprise funds needs to be examined. Council member Hiemenz asked about the Water Card fees. *Barbara will look into.*

- Council member Trapp referred to page 20, misc. sewer charges noted for 2019/2020 at \$600,000.00, and now at \$2,536.50. such a wide discrepancy. *Barbara did not know why the numbers for 2019/2020 were such, she will try to look deeper into it.* Sewage Dump Revenues of \$2,536.50 was questioned for 2020/2021, and will require research.

Council member Payne brought up pine needles being dumped into the trash cans and how educating the public may assist the department in their processes.

He mentioned how 80-90% of the trash dumped in our transfer station is from county. With county cuts to our revenues, no more subsidy, this is something Council need to review very closely, and consider raising the fees. He spoke of vouchers, and some cost sharing with the Forest Service to assist with the camper's trash.

- Golf Course Revenues shows a \$40,000.00 decrease. Council member Cowen noted the "Transfer in from General Fund", \$129,088.00. Barbara explained this is the amount transferred in to assist the course in its operations. Vice Mayor Dent referred to the numbers in the program sheets, based on the numbers he does not believe the fund will require the \$129,088.00, but will probably transfer out this year. Rates were mentioned and the possibility to raise them.
- **Mayor Council**
Mayor Moore questioned line item 4500, Travel Expense. Wants to cut it to \$2,500.00 from \$7,000.00. Everything else is a necessity.
- **Magistrate (Court)**
See no changes.
- **General Administration**

SPECIAL EMERGENCY MEETING / BUDGET WORK SESSION

Council member Payne asked for details about line item 4340, Communications. Mayor Moore asked about Bank Fees for the departments. Are they typical; *yes*. Mayor Moore feels we should be able to negotiate the fees based on our usage with the banks.

Council member Trapp inquired on line item 4114, Employee Allowances. That was created for the City Manager at the time. Council member Payne inquired on line item 4500, Travel. Feels there should be a hold for unnecessary trainings and such, unless it is mandatory. Pamela Galvan explained that currently there is no travel for training due to the COVID-19, however, there is on-line webinars that staff continues to participate in. Vice Mayor Dent noted the expense of flying in and lodging that took place during our interviews for our City Manager and Finance Director is included in the Travel line item.

Council wants line item 4114, Employee Allowance removed.

Line item 4130, Group Insurance was addressed as the numbers did not make sense.

- **Finance**

Bank fees was brought up again, and the need to address. Line item 4130, Group Insurance was questioned once more, and will be addressed. The department is budgets for 6 employees and currently operating with 5.

- **Maintenance**

Vice Mayor Dent noted that Maintenance is down 2.5 employees and line item Other with \$15,000.00. That is misc. equipment and this year they are purchasing a generator.

- **Library**

Mayor Moore noted the department has two full-time and one part-time employee, and there has been discussion about the hours our library operates. Council member Trapped asked how much the county puts into our library, because it is jointly funded by the county. *\$107,315.11 for this year, so we subtract it from the budget for the year.*

- **Recreation / Swimming Pool**

Mayor Moore reminded Council that they concluded that neither department, Recreation and Swimming Pool will be open this year due to the pandemic and economic downturn. They will leave the budget as presented with line

SPECIAL EMERGENCY MEETING / BUDGET WORK SESSION

items. There was discussion about the two remaining employees within the department, and their duties they perform.

- **Parks**

Line item 4510, Uniforms. Council member Cowen asked about line item 4485, Little League Maintenance. We are charging the organizations a fee for use; *yes*.

Council member Trapp inquired on the facility fee's and where are we with them. *They need to be reviewed this coming year and presented to Council. Currently the city waives a lot of fees for certain entities, we need to track it and keep it on the books as contributions the city makes. Mayor Moore noted the need for consistency in the fees.*

- **Police Department** The decrease in the funding, 4.7%, does not affect the staff in the department. Chief noted that some things were reduced but without great effect. He noted the difficulty in finding officers to fill the two positions currently open. He spoke of the grants they have they are waiting on and how it is taking longer than usual due to the county's current state.

- **Volunteer Fire Department**

The Fire Inspector position is included in the 2020/2021 budget. Line item 4130, Supplemental Insurance, \$28,412.00, is to be applied to 5190, Contingency fund.

- **Public Works/Planning/Development**

No changes.

- **Building Inspection/Cemetery**

Line item 4430, Other Professional, \$5,000.00, what is that for? *Unknown, Barbara will look into. Vice Mayor Dent thinks it may have to do the Downtown Historic District Guide recently worked on. She will review.*

- **Central Garage**

The garage needs a new lift and compressor, the funds are in the capital line, \$60,000.00. Line item 4480, is in great need as the current system is failing and not tracking properly. The system is old and is need of replacement. Council member Cowen mentioned a program in the state of Arizona that will fund it. He will get the information needed to apply for the grant.

SPECIAL EMERGENCY MEETING / BUDGET WORK SESSION

- **Airport**
No change.
- **Senior Center**
Line item 7030, Building Improvements. Siding, paint, windows and lights are scheduled.
- **Forest Service Building**
We now operate on a month-to-month with them. Our Police Department, Animal Control, Victims Advocate and Resource officer occupies several offices there, and it works out well.
- **Housing Authority**
Is a pass through.
- **Communities Facilities District**
The city and property owners also contribute to these projects on a case by case basis.
- **Tourism Promotion**
Council member Payne noted the last money we spent was well spent on the local travel. We still need to watch it closely.
- **Recreation Facilities**
We don't have the money. Why is there \$30,000.00 budgeted for the rodeo grounds? *A roof.* Buckskinner Park is noted for a playground, but we need to take a closer look at some of the projects planned, if we have the money, before we move on anything.
- **Visitor Center**
We receive \$500.00 a month for the Forest Service space (400 feet) each month. We have 5 employees that work there. Two full-time and three part-time. Mayor Moore feels that \$300,000.00 is a lot to fund for the Visitor Center. Council member Cowen feels it is money well spent.

Mayor Moore said they have talked about stream lining City Hall, being open 5 days a week and not closing down in the middle of the day. We need to look at this and decide what we want to do.

Council member Trapp would like to see the Visitor Center have more things online, be more up-to-date, it is kind of "old fashioned" with their operations.

SPECIAL EMERGENCY MEETING / BUDGET WORK SESSION

Mayor doesn't feel that it needs to be micro-managed, but we need to look at it and see what does go on their. Council member Payne says they talk about it a lot, why can't we set up meetings and pull the staff in and ask questions and review this one at a time, department by department. There was further discussion about the operation of departments, and their efficiency or their lack of. They agreed they should have all the facts before making a decision.

- **Street Department**

Council wants it removed.

Line item 4430, Other Professional \$67,500.00 includes Woodson Engineering, CDL testing, and snow removal. Item 7313, Discretionary Street Capital includes the CDBG Dogtown Water line, and Million Gallons Tank projects. We will have a decision next week on the competitive.

- **Electric System**

Vice Mayor Dent noted there are some coding differences. Where it shows line item 4430, Other Professional, he assumes that is a part of the wholesale power costs. *Yes.*

We have system improvements in there, and what is left are two more phases. There are updates coming from APS and KR Saline in a few weeks. He has expressed that unless we find money we will not likely move forward at this time with projects. APS is looking to push out a 4.2% raise and we are already 15% below where they are with rates. At some point we need to address this and adjust, as it will continue to increase our spread in rates from APS putting us at 18 to 20% behind if we don't act.

- **Water Department** (The next three departments, Water, Waste Water and Sanitation, are what they are at this time.) We need to sit down, look these over and figure out a way to equalize our cost of water and waste water so that our bills are not lopsided like they are. It doesn't look good that your waste water rates are so much higher than water rates. Our water rates are actually cheaper than most towns around. Our structure needs to be adjusted. Same thing with the Sanitation department.
- **Waste Water Department**
- **Sanitation**

SPECIAL EMERGENCY MEETING / BUDGET WORK SESSION

- **Golf Course**

No discussion.

- **Enterprise Debt & Payments**

The WIFA loan will not close until the 7th of August. We will have our first interest payment on January 1, 2021 and principle payment. Barbara said they are included in this budget.

We are not going to do any capital project, and if necessary must come before Council to determine what will be done. There are no capital projects pressing to get done at this time that we must do.

Batting cages for Cureton Park was mentioned. Art Flores daughter had a golf tournament and came up with \$7,000.00 and donated funds for half the cost of them. There was talk of taking the other half out of the BBB taxes to complete the project.

Vice Mayor Dent noted that they can change project priorities if monies become available.

Barbara stated she will be meeting with department heads in the fall to go over their request for capital projects and their validity in going forward.

Vice Mayor Dent, Council members Hiemenz, and Cowen along with Barbara Bell are going to review what we're spending over the year, and what we need.

Mayor Moore mentioned employees that are on the boarder of retirement but will a little incentive perhaps they may consider. Barbra Bell and Pamela Galvan will put together an analysis of what we have, to see if there could be benefit to employees, and cost savings for the city.

The Council wants to evaluate the streamlining city hall first, then each of the departments, to make their operations more efficient.

II. ADJOURN – 8:37 PM

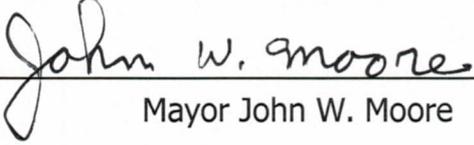
CITY OF WILLIAMS CITY COUNCIL

ANNOTATED MINUTES
AGENDA ITEM

PAGE 9

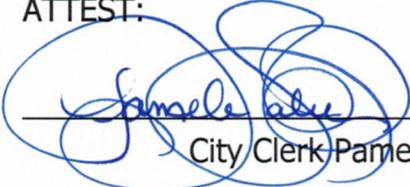
JULY 28, 2020
COUNCIL ACTION

SPECIAL EMERGENCY MEETING / BUDGET WORK SESSION



Mayor John W. Moore

ATTEST:



City Clerk Pamela Galvan

CITY OF WILLIAMS CITY COUNCIL

ANNOTATED MINUTES
AGENDA ITEM

PAGE 10

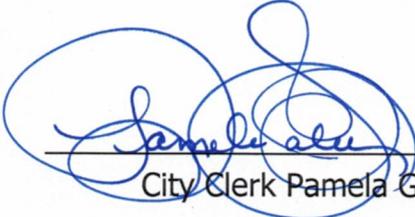
JULY 28, 2020
COUNCIL ACTION

SPECIAL EMERGENCY MEETING / BUDGET WORK SESSION
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 July 28, 2020. I further certify that the Meeting was duly called and held and that a quorum was present.

Dated this 30th day of July 2020.



City Clerk Pamela Galvan