

OFFICIALS

Joe Stear, Mayor
Pat Jones, Council President
Briana Buban-Vonder Haar, Council Member
Richard Cardoza, Council Member
Greg McPherson, Council Member



CITY OF KUNA

Kuna City Hall Council Chamber, 763 W. Avalon Street, Kuna, Idaho

Budget Workshop MINUTES Monday, July 18, 2016

6:30 P.M. BUDGET WORKSHOP

1. Call to Order and Roll Call

COUNCIL MEMBERS PRESENT: Mayor Joe Stear
Council President Pat Jones
Council Member Richard Cardoza
Council Member Briana Buban-Vonder Haar
Council Member Greg McPherson

CITY STAFF PRESENT: Chris Engels, City Clerk
John Marsh, City Treasurer
Bob Bachman, Fleet/Facilities Director
Bobby Withrow, Parks Director

2. Fund Discussions

City Treasurer John Marsh introduced the workshop for Fiscal Year 2017. The General Fund is the focus of the workshop but a decision is not requested. The goal is to have some discussion and get some direction for the next meeting on Monday, July 25, 2016 at 6:30 pm.

Council Member Buban-Vonder Haar indicated she would be absent that week.

Mr. Marsh said he would check with all the council members. There is an alternative August date.

He explained that, for the General Fund, all the numbers have been put in for everything that was proposed. It was laid out with a summary of revenues, a summary of expenditures, and a summary of the summaries. The summary of the summaries contains were the City stands today with everything in it and is titled *The Primary Budget Items for Discussion - General Fund*. The most important piece in this summary is the Revenue Projection for Fiscal Year 2017 at \$3.9 million. The Expenditure Projection for Fiscal Year 2017, which contains all of the numbers that have been presented, is \$4.4

million. There is a deficit of \$431,882.00 so all the items listed, which in general are the larger items that have been added, must be discussed.

He asked council if they wanted to go line by line or take questions.

Council President Jones preferred to go through it by group.

Mr. Marsh started with Labor.

Labor:

(Timestamp 00:03:42)

The total amount reflected in the general fund is \$146,095.00.

Cost of living is included. The Consumer Price Index in the western region of all urban consumers is referenced to arrive at a general level of prices in the market place. Last year was 1%, this year it is 1.5%. There are requests for promotions, which are not necessarily for permission, but are there to make Council aware of what is in the budget. There is an item for dental and vision. He explained that is there because 50% dependent premium coverage for healthcare was put in place in February of 2016 but dental and vision for dependents had not been addressed. Currently, it is allowed for appointed employees but not non-appointed employees. The budget item attempts to address that issue.

Council President Jones clarified that the dental and vision insurance is an added benefit for the employees and not something that is typically received.

Mr. Marsh explained that the number is based on those that are already enrolled and paying for dental and vision and those that are enrolled with dependents in health insurance. It is not an exact number but it is close.

Council Member Cardoza asked if a vehicle was provided last year for the Building Inspector.

Mr. Marsh said a vehicle was provided to Bob Bachman for Fleet and Maintenance and the Building Inspector has a vehicle that is strictly for building inspections. He said Mr. Bachman could go into more detail, but the vehicle for the Building Inspector is having some issues.

Mayor Stear explained it was discussed but not approved last year.

Council President Jones asked if promotions are following the guidelines.

Mr. Marsh explained that there is a step in grade policy that was approved two (2) years ago. Next level positions were created with a list of what is required for an employee to

get to that level. Generally speaking, the answer to Council President Jones' question is yes.

Council President Jones said almost every promotion listed requires 2,000 hours.

Mayor Stear added that there is one (1) exception. When hiring for the Deputy Clerk position, no one was hired as the Deputy Clerk. Two (2) Customer Service Representatives were hired in order to see how the positions would work out. The goal is to promote the better qualified employee after a year of service.

Council President Jones clarified that the promotion would not go in to affect in October of 2016; it would go into effect one (1) year after the hire date instead.

Council Member Buban-Vonder Haar said 2,000 hours is one (1) year.

Mayor Stear said Council President Jones was correct about the effective date.

Council President Jones asked if the Engineer position was being announced yet.

Mayor Stear explained that the City Engineer is near retirement age and has a lot of knowledge. He would like a minimum of six (6) months of cross training. That is why it is coming up now. There is no retirement date scheduled but it is coming.

Council President Jones asked if the amount budgeted was for a year of training or six (6) months.

Mr. Marsh said it is for a full year.

Mayor Stear said a reduction based on a retirement was not budgeted because they do not have a retirement date yet.

Council President Jones said he understands that but the number is huge. He says he will defer to the Mayor on this issue.

Mayor Stear said it is tough because it is not an easy position to fill. Whoever takes over will need to pick up on everything the current Engineer knows and learn all of Kuna's systems and areas. This will cost some money for a little while but he doesn't really see any way around it.

Mr. Marsh shared an item that was not put into the budget. There is going to be a projected health insurance increase. At one (1) point in time Idaho projected a 20% to 27% increase. Mr. Marsh has a fairly reasonable estimate of an approximate 11% increase that has been factored in to the premiums. There is also a 1% increase projected for dental and vision. These are just projections though. It is very difficult to get an assumption this early since renewal is in February. He added that PERCI, at their year-end on June 30, 2016, was nearing a threshold for the value of the market shares for

their investments. They are required to maintain a certain level for unfunded pension liability. If they dropped below that threshold by June 30, 2016, they were going to discuss putting a rate increase into effect. The outcome is unknown at this point but the increase is built into the numbers.

Mr. Marsh moved on the next group, Automobiles.

Automobiles:

(Timestamp 00:12:16)

Mr. Marsh explained that there are a couple items totaling \$36,550.00. He asked if there were any questions.

Council President Jones asked if the lift was a hoist.

Facilities Director Bob Bachman confirmed that was correct.

Council President Jones asked why Sewer and Water only pay 15% of the hoist when half the vehicles in the fleet belong to them.

Mr. Marsh explained the allocations were established when Mr. Bachman came on as Facilities Director. The allocations were based on parks, building inspections, street lights, and things of that nature. What they found was that they were a little heavier on the General Funds side. What they used in this allocation was the same payroll allocation, aside from charging to street lights, where generally the General Fund absorbs that piece. He said this can be reevaluated from a vehicle stand point. Mr. Bachman could attest as to whether the value should be higher for the enterprise funds. There is usually a little kick back when these things are changed though.

Council President Jones asked to have it looked at again. He felt it would be better to split the cost so the General Fund would have money to put towards something else.

Mr. Marsh said they would look at it.

Council President Jones asked Facilities director Bob Bachman if he had a truck or an SUV.

Mr. Bachman said he has a truck.

Council President Jones asked how many years Mr. Bachman expects to be able to use the new truck.

Mr. Bachman answered a minimum of ten (10) years. Some of the vehicles in the fleet right now are going on twelve (12) to over twenty (20) years.

Council President Jones asked Mayor Stear if the Building Inspector is or would be driving his vehicle home every day.

Mayor Stear confirmed that the Building Inspector did drive the vehicle home. He works on the same schedule as the builders so a lot of times he goes to job sites in the evenings to do inspections. He also comes in really early in the morning and it is easier to go straight to a job site than to pick up a vehicle from the facility. Not letting him drive it home would not really save the City anything.

Council President Jones said, based on his calculations, it would be about 50,000 miles over the span of ten (10) years being put on that vehicle that would not normally be on it. It would also be about \$7,500 in fuel. That is a lot of money that no other employee gets and he is concerned that the tax payers shouldn't be paying for gas money for the inspector to get to and from work.

Council Member Buban-Vonder Haar asked if a mileage calculation had ever been done, such as reimbursing for mileage at the designated rate.

Mr. Marsh said it used to be that way. It ended up being cheaper to bring in the vehicle he is using now. They have not done any further analysis.

Mayor Stear asked if Mr. Bachman wanted to add anything to Mr. Marsh's statement.

Mr. Bachman shared with the Council what it was like filling in for the Building Inspector the previous week. He was doing inspections until 8:00 pm to provide a service for the builders. The City has one (1) Building Inspector when there should really be two (2) or more, so in order to do all of their duties and provide the service is very taxing for one (1) person. He feels it is a lot better service-wise to let the Inspector leave straight from home to a job site but leaves it to the Council to decide. He added that it is not an 8 - 5 job and that is his biggest concern.

Council President Jones understands but is concerned about the fairness. He asked if the Inspector was an hourly position.

Mr. Bachman said yes.

Council President Jones asked where he punches in at and how his hours are tracked.

Mr. Bachman said the Inspector punches in when he gets to the job site and punches out when he finishes his last inspection.

Mayor Stear said the hours can be tracked by inspections and the time it takes to complete an inspection. The Inspector is more than fair with the City.

Council President Jones explained that he was just concerned about the extra benefit the Inspector, and no other employee, gets by taking the car home.

Mr. Bachman clarified that the Inspector does not use the vehicle for any personal use.

Council President Jones said he understands that, but there is still the issue of the mileage being put on the car that would not be if it was left at City Hall.

Mayor Stear said Council President Jones' concerns were understandable.

Council Member Cardoza asked about the cost of the vehicle coming out of General Funds but being allocated by fees for building permits.

Mr. Marsh explained it is wholly in the General Fund. There is an activity set apart for building inspections and the only thing in that is expenditure so the cost center can be tracked. The funds related to going out and doing a building inspection all end up in the Planning and Zoning activity and those all end up in the General Fund. The activity is just being tracked.

Council Member Cardoza said the cost of the vehicle should be subsidized by building permits.

Mr. Marsh said it is. The dollars are not tracked directly to expenditures. Instead, all the fees collected go into the General Fund and then the expenditures come out of that. There could be a year where ten (10) permits are done and those costs are then handled by other sources of revenue within the General Fund or vice versa if the permits are bringing in more revenue than they are costing. He said the revenue could be identified directly with expenditures, but he would not recommend it.

Council Member Cardoza asked if it would really clarify that line item.

Mr. Marsh said it would and the City can go that route if that is what is desired.

Council Member Cardoza asked if the computer system would allow that.

Mr. Marsh said it will but it will take some reconfiguring in the general ledger. It would be a pretty good effort. He does not think it could be done for this budget cycle but it could be worked on for future budgets if that is Councils direction.

Council Member Cardoza said he was asking because the revenue generated by building permits operates the entire Planning and Zoning department.

Mr. Marsh said silos could be created for building activities for revenue that is generated by building inspections versus revenue that is generated by Planning and Zoning application and permit fees. A smaller amount would be in Planning and Zoning and a larger amount in building permits but there is a larger cost structure in Planning and Zoning to push it out. It gets very complicated because one (1) would have to be allocated to the other because one (1) does not function without the other. It can be done though.

Council Member Cardoza addressed the Mayor saying that he thought that might be a good way to go for the Building Inspector position in order to maintain a true profit/loss.

He feels the Building Inspector position is the only position that the time element cannot be accounted for. He asked Mr. Bachman if every stop and inspection done was tracked or on an itinerary.

Mr. Bachman said yes. At the end of everyday Planning and Zoning sends him and the Building Inspector the next day's work. The only thing that does not track is courtesy stops, phone calls, and impromptu requests. An effort is made to log that as they go. He does think they are getting some software to help with that.

Council Member Cardoza asked if re-inspections are accounted for on those logs.

Mr. Bachman said that is one (1) thing that is hard to account for. The only system they have for that right now is to keep track of it on a spread sheet which is somewhat outdated.

There were no further questions.

Equipment:

(Timestamp 00:26:32)

Mr. Marsh explained the total for equipment, \$143,879.00, and the variety of things listed; much of it is the parks department. Office equipment for the move to the new City Hall is also listed.

Council President Jones asked about the office equipment.

Mr. Bachman, Facilities Director, said that wasn't his line item but there should be a standard for what the office equipment will be like moving forward. He intends to talk to the Mayor and the other Directors about it. He thinks the line item is for the Planning and Zoning area of the new City Hall.

Council President Jones asked why this amount was not included in the original assessment.

Mr. Marsh explained that the exact number of cubicles needed has not been determined. How it will all fit together and go in place is still in question. The number listed is just a rough estimate of what may be needed for Planning and zoning, the clerk's staff, treasurer staff, and the possible fleet and parks administrative position.

Council President Jones asked if this includes desks, chairs, partitions, and cubicles.

Mr. Marsh explained that the number was determined by using an office modular model. The City does not have the luxury of shopping around at the moment so the budget was done based on worst case scenario. The number could come down considerably depending on what furniture the City already owns will fit in the spaces at the new location.

Council President Jones said he is disappointed that this was not thought about when the price estimate was done for the new City Hall.

Mr. Marsh said most of what would be purchased is for getting the building to its intended use; not necessarily moveable items. He reiterated that the number could go down.

Council President Jones asked about the Verizon Fleet Monitoring Service.

Mr. Bachman explained that this item was requested last year but not approved. It is maintenance software for each vehicle. It would be hardwired into the vehicle. It alerts him when an oil change is due, when an OBD2 code comes up, and when service is needed for each individual truck. It can also track the speed the vehicle is being driven at any given time, wear and tear on a vehicle, fuel mileage, and how many miles a day it is driven.

Council President Jones asked if it records through OBD2.

Mr. Bachman said yes or it can be hardwired in. The option that is budgeted for is hardwiring it in; that way the OBD2 doesn't get unplugged.

Council President Jones asked if it had GPS.

Mr. Bachman said yes.

Council Member Cardoza asked how old the City's Bobcat is.

Parks Director Bobby Withrow said he remembers it as being a 2010. The Bobcat listed is a utility vehicle/tractor. A lot of the things Parks does right now require an PTO driven tractor in the back. The one currently owned by the City is shared between Parks and Sewer and it is becoming too small for the things Mr. Withrow needs it for.

Council Member Cardoza clarified that the new Bobcat would be more of a UTV.

Mr. Withrow said yes. It would be bigger than the orange Kubotas and is actually the size of a small Ranger truck.

Council Member Cardoza asked if it was not truly a Bobcat with a bucket and other features.

Mr. Withrow said it would have a smaller bucket in the front and used for miscellaneous stuff but the Bobcat would be more of a tractor.

Council Member Cardoza asked what the PTO is used for.

Mr. Withrow said it is used to spread fertilizer and grass seed. He added that there are also attachments for the three (3) point rerun.

Council President Jones asked if everything Mr. Withrow has on the budget is for Parks only.

Mr. Withrow said yes.

There were no further questions.

Capital Improvements:

(Timestamp 00:34:11)

Mr. Marsh amended the section due to a duplication of items. The Acquisition of Messmer Property for Greenbelt East Access & Facility was also listed in another section so he will remove that item from the Capital Improvements section bringing the General Fund total below \$300,000.00.

Council President Jones asked if the duplication was also in the totals at the top of the report.

Mr. Marsh said no.

Council Member Cardoza asked about the greenbelt lighting project. He remembered allocating \$5,000.00 for the project and wanted to know about the price for \$2,500.00.

Bob Bachman, Facilities Director, explained last year's funds were for phase one (1) which was to get the power from the transformer to a Myers cabinet in order to distribute power from that point. That should be completed August of 2016.

Council Member Cardoza asked where it would be located.

Mr. Bachman said the transformer is down on the Greenbelt, south of the ball fields.

Council Member Cardoza asked if this would put lighting going both east and west all the way down to Indian Creek and to Orchard.

Mr. Bachman said this would complete the first phase of that. This will go from Swan Falls to Bridge and create the ability to go from Bridge to School and Swan Falls to Orchard.

Council Member Cardoza clarified that the project was shaping up to be about \$75,000.00 total.

Council President Jones said the current ordinance prohibits people being in the park after hours. He does not see the need to light it when no one should be there in the dark.

Mayor Stear responded that Mayor Nelson had started this when looking at the crime rates and noting the City of Caldwell's lower crime rate due to lighting their Greenbelt. He said keeping the Greenbelt open longer will have to be revisited.

Mr. Bachman added that the lights would include waypoints; meaning if someone were to get hurt on the Greenbelt they could call emergency services and say what light number they are at. Emergency services would have a map of where all the lights are at.

Council President Jones asked about the parking lot overhaul.

Parks Director Bobby Withrow explained that the parking lot for Nicholson Park is just gravel at the moment. The plan is to have it paved, lined, and with sidewalk and gutter all the way around it.

Council President Jones said he is not against that but just wants to put out there that, considering the Downtown Revitalization project, he would rather see the parking lot in Downtown get fixed first, even though it is considerably more money. He never hears complaints about Nicholson Park's parking lot, but he does hear about the Downtown parking lot.

Mayor Stear said some of the area by the BMX track, directly across the bridge and down by the skate board park is being considered for a possible parking lot. A road mill and chopped up asphalt is what is being looked at make that project happen. It would provide more parking for Downtown. His only concern with doing the parking lot by the ball fields is that it is used for Kuna Clean-Up Days. Changing it would take away a multipurpose space.

Council President Jones said he would like it looked into since the rest of Downtown is being fixed up.

Mr. Withrow asked if Council President Jones would like him to find out the costs of doing that and bring it to the next meeting.

Council President Jones said yes. He remembers Rideshare coming in about two (2) years ago and giving an estimate of about \$200,000.00 but he has no idea what it would be now.

Mayor Stear added that the City would have had to follow Rideshare's guidelines with all kinds of center islands and lights. The City doesn't have to follow those guidelines now and it can certainly be looked into.

Council President Jones asked about the sidewalk connectivity project.

Mayor Stear explained that generally new development puts curb/gutter/sidewalk in, but some of the connecting areas will not be completing curb/gutter/sidewalk for some time.

The plan is to map out where people go and then try to find those little gaps and start filling them in so there is more pedestrian connectivity around the city. One of the biggest problems Kuna pedestrians face is being able to get from point A to point B. There is no specific area at this point. It's kind of like the lighting project; just starting to do what can be done; determine areas that need it the worst and go from there.

Council President Jones asked if Sidewalk Connectivity Project was for determining those areas or actually putting the sidewalks in.

Mayor Stear said City Staff would locate the gaps and map it. The \$10,000.00 budgeted is for actually putting in the sidewalks, with Ada County Highway District's (ACHD) permission, and then a study for something else.

Council Member Cardoza asked why ACHD wouldn't take care of the sidewalk since the sidewalks are their property.

Mayor Stear said the City has been struggling with that for years. ACHD doesn't generally do just sidewalks. The sidewalks would need to be tied to other projects and new development. They did, however, put sidewalks along the ball fields and down 2nd Street though.

Council Member Cardoza said ACHD did a good job with that.

Mayor Stear said he would continue to see what can be done. ACHD is doing some sidewalks around Kuna as part of their project list. He believes that if ACHD sees the City investing they will see how serious the City is about getting it done.

Council Member Cardoza commented on how much better things have gotten with ACHD based on the project they did along 2nd Street.

Mayor Stear said staff has been working very hard to build relationships with other entities and they worked very hard at getting that project to come to fruition. Wendy Howell, Planning and Zoning Director, and Gordon Law, City Engineer, spent a lot of time talking with ACHD and Mr. Bachman and Mr. Withrow worked really well with ACHD. ACHD is more apt to help Kuna than they used to be.

Council President Jones asked Mr. Withrow about the dog park. He said each time it is talked about there is a different number.

Mr. Withrow explained that the \$57,000.00 covers two (2) fences for separate areas for big dogs and little dogs, a covered area on each side, and a water feature. The fence is approximately \$44,000.00. The goal is to get as much as possible with the rest.

Council President Jones asked if Sadie Creek had been decided on as the location.

Mr. Withrow said Sadie Creek is his recommendation.

Council President Jones asked about the water feature and its correlation with the pond.

Mr. Withrow said the water feature would be smaller and in the fenced area. It would not be for swimming; just for running and playing in. If owners want to take the dogs swimming they will have access to the pond as well.

Council Member Cardoza suggested the old bmx track area for the dog park.

Mr. Withrow explained people feel that area as a dog park would take away from the beautification of the town.

Council Member Cardoza asked Mr. Marsh how much money is in the Restroom Sinking Fund at the moment.

Mr. Marsh said \$50,000.00 and the \$25,000.00 on the proposed budget would make it \$75,000.00.

Council President Jones asked if the location for that had been decided since that amount only covers one (1) sinking restroom.

Mr. Withrow said it has not been decided yet.

Mr. Marsh said the money will be budgeted into the Capital Improvements so that when it is decided the money will be there.

Council Member Cardoza asked about accumulating interest on investments in the General Fund on a yearly basis. He wanted to know if the interest would be attached to a particular line item or project.

Mr. Marsh said interest is not attached to a particular project or line item. It is attached to individual funds.

Council Member Cardoza asked if the Restroom Sinking Fund should be accumulating interest.

Mr. Marsh said yes, but it is less than half a percent of interest.

There were no further questions

Projects:

(Timestamp 00:50:58)

Mr. Marsh explained this section is the one that rightly contains the \$180,000.00 Messmer Property Acquisition. The total for the section is \$323,578.00.

Mayor Stear explained the property acquisition request. He has had discussions with the property owner and he wants to sell that property sooner rather than later. The property

is one (1) of two (2) that he wants to sell and he wants to sell one (1) this year and one (1) next year. The property is right at the end of the Greenbelt where it runs into Orchard St. which makes it a road block for developing the Greenbelt. Mayor Stear is concerned about someone else buying the property and not selling it for years. He is looking into other options but is not sure how they will pan out. This is the only option he is fairly certain would work to secure the Greenbelt route which is why it is on the budget for this year. He added that the property has not been appraised so he does not know the value of the property, but he did let the owner know that the City could not pay more than it appraises for.

Council Member Cardoza asked if the City is budgeting \$360,000.00 for the property.

Mayor Stear said no, just \$180,000.00.

Council President Jones asked if the property has been looked at to determine if the part needed for the Greenbelt could be used and the rest sold off, especially the house.

Mayor Stear said he thinks the Parks Director and the Facilities Director have looked at it. The problem right now is that if someone were to give right of way to the Greenbelt, the City would have to cut into their deck.

Bobby Withrow, Parks Director, explained the portion needed would go ten (10) feet off the side of the house. The building could be turned into an event center for events like weddings.

Council President Jones asked about bringing the building up to code.

Bob Bachman, Facilities Director said the biggest thing that would need to be done would be bringing it up to ADA standards. It would not be very difficult since there are no high steps or anything like that. As for parking, there are four (4) or five (5) spots down there and the rest of the property could be opened up for parking.

Council President Jones asked if the fence has been moved out farther.

Mr. Bachman said the owner had it surveyed and put the fence in during the Greenbelt project in order to create a clear separation.

Mayor Stear said there may be other options. This is very preliminary and is only on the budget because of time sensitivity. He and Mr. Marsh will work with the tax accountant to see if there is a way to get a tax credit or some other way to bring the price down, but for now, without an appraisal, \$180,000 is where it is at.

Council Member Cardoza asked about building a bridge in order to use a corner of an island south of Messmer's as part of the Greenbelt.

Mr. Bachman explained it was talked about but the cost was too high due to the requirements for putting a bridge across the water.

Council President Jones asked Mr. Bachman how long it would take to recoup the \$12,000.00 loss for the Senior Center lighting and oven upgrade.

Mr. Bachman said he thinks it is three and half (3 ½) years.

Council President Jones asked if that was reflected in the itemized.

Mr. Marsh said the utility numbers are based on the current trends.

Council President Jones asked if Mr. Bachman is confident with \$5,000.00 on the fence for the Senior Center.

Mr. Bachman said the \$5,000.00 is high.

Council President Jones asked how much it cost to do the park.

Mr. Bachman said it was about \$13,000.00. He added that ACHD told him that they had just bid a wrought iron fence for another project at \$70.00 per foot. The fence for the park was done at \$15.00 per foot.

Council President Jones asked if Mr. Bachman was planning on duplicating the plan for the park.

Mr. Bachman said yes.

Council Member Buban-Vonder Haar asked if the fence was urgent.

Mr. Bachman said it was considered last year and a grant was attempted. The point of the fence is to give a little separation for the Senior Center and the Skate Park. Last year there were some issues with kids wandering in the yard and someone setting off fireworks.

Council Member Buban-Vonder Haar asked if anyone uses the outside for events or if the grassy area was just maintained for looks.

Mr. Bachman said the grassy area is sometimes used by rentals and seniors when the weather is nice but generally it is just maintained for looks.

Council President Jones asked about Downtown Revitalization and Grant Matching. He wanted more specific information.

Chris Engels, City Clerk, said \$15,000.00 of the \$40,000.00 came over from Parks and Fleet and Facilities as their request. The scheduled matches for this upcoming year are the IDPR Greenbelt Trail Head, IDPR Greenbelt behind Indian Creek School, the SHRAB grant which is to convert the City's historical documents onto archival paper and proper storage, and the PetSafe Bark Park Grant is pending for \$25,000.00. There is

an additional one coming up in the next few months and there is a Play Everywhere Grant to create interactive art pieces for Downtown. The City will also be reapplying for the TAP Grant for phase two (2) of Downtown. There is a 7.34% match on all those federal funds. Also, for the fencing around the Senior Center, the City will be applying for ICF Grant Funds. Those are just the ones that are scheduled. There are others coming up the City may apply for.

Council President Jones clarified that this line item is strictly for grant matching and is not attached to a certain project.

Ms. Engels confirmed Council President Jones' statement.

Council President Jones asked if the Comp Plan was just the first half.

Mayor Stear said yes.

Council President Jones asked if there was any need to do that sooner.

Mayor Stear said it needs to be done fairly quickly but there are a lot of things that are not in it and a lot of inconsistency. The hope is to have the impact area boundaries approved by the County by the end of the year. Then things can go forward with the Comprehensive Plan. If the City gets public input there will be a lot less push back when projects are brought to Planning and Zoning and the Council. He gave the example of how things played out with Memory Ranch. The Comp Plan was not tight enough when it was brought before Council so there was not a lot of discretion on making a decision and the public was unable to give input. He feels that, for the growth of the community and the City's overall plan, the Comp Plan is crucial.

Council President Jones asked if there was something that could be done this year.

Mayor Stear said he was not sure but it might be possible with the whole amount.

Council Member Buban-Vonder Haar asked if the entire plan had to be redone at the same time or if it could be done in sections.

Mayor Stear said he would have to talk with Wendy Howell, Planning and Zoning Director, because she has some experience in that area and possibly talk with Gordon Law, City Engineer.

Council Member Buban-Vonder Haar said she remember Ms. Howell going over different sections with Council and reviewing and making changes with her. Council Member Buban-Vonder Haar said she assumes those changes were made which makes her think the plan could be redone in sections.

Mayor Stear said he does not think the things that are already good would have to be rebuilt. The original estimate was much higher so this number incorporates not changing things that don't need to be changed.

Council Member Buban-Vonder Haar asked about targeting sections that specifically deal with development issues that have been discussed. She wanted to know if those areas could be put first and if that would help.

Mayor Stear said the City would have to work with a consultant to see what can and can't be done, but he will look into it.

Council Member Buban-Vonder Haar said if it can't be done that way it may make sense to pay for the whole thing sooner rather than later.

Council President Jones said he feels it is a priority and there are some things that could be put on hold in order to complete the Comp Plan.

Council Member Cardoza asked why the Comprehensive Plan is not allocated to the Water and Sewer Funds as well. They benefit from the Comp Plan.

Mr. Marsh said there is an argument for that. The prior Comp Plan came out of the General Fund entirely and that is the way it generally goes, but it can be put on the enterprise funds. An allocation would have to be determined.

Council Member Cardoza said he would be interested in looking at that, if the rest of the Council agrees. He would like a ruling by City Attorney Richards Roats to determine if the line of separation is being crossed in regards to benefits of the Comp Plan to those three (3) divisions. However, if it was allocated to the other funds it would free up a lot of money in the General Fund.

Council President Jones added that it could also provide the money to complete the plan.

Council Member Cardoza said in order to get it done in approximately one (1) year the other 50% of the plan could be allocated equally among the other funds.

Mayor Stear said it could be looked in to.

Mr. Marsh said a reasonable allocation could be assessed.

Council Member Cardoza felt that was fair.

There were no other questions.

Property Tax Levy:

(Timestamp 01:09:19)

Mr. Marsh explained that there are two (2) items included in this number, New Construction Value at prior year levy rate and the Annexation Value at the prior year levy rate. The New Construction Value is \$93,923.00 and the Annexation Value is \$1,677.00. Two (2) items not in this number for revenue are the Property Tax Increase which is maximized at 3% and the Foregone Property Tax Increase. The two together total \$111,252.00. What that means for property taxes, on a two (2) level basis, if the entire amount was levied, without adjusting any property values for inflation, there would still be a tax decrease in the City of Kuna. However, if that adjust \$100,000.00 for inflation, which is called the real value, there is about a \$30 average tax increase per year in Kuna. That number could be high but it is hedged in there for high level. Basically it could be anywhere from a decrease to a \$30 to \$32 increase.

Mr. Marsh reiterated that the Tax Increase and the Foregone Tax Increase are not included in the revenue number at the top of the report.

Council President Jones asked if projection of a \$100,000.00 tax increase was without the 3% increase.

Mr. Marsh said it is without the 3% increase and without the Foregone Tax Increase.

Council President Jones asked if property tax assessments have been better for businesses.

Mr. Marsh said yes, commercial has not grown. Kuna is at 80% residential. If a large commercial enterprise moves in the number will change, but for now Kuna is still a residential based community and will be funded in that fashion.

Mr. Marsh went back to the beginning of the report to go over the projected deficit in the General Fund of \$431,882.00. He asked Council for guidance. He asked if the Council had any preferences; the staff could come together to prioritize or the Council could prioritize if they would like. He asked if they want to balance the budget based on current revenues and current expenditures or if they want to erode the carry over, the Contingency Fund. He reminded Council that growth is happening and, generally speaking, if commercial growth happens from now until next year, the City will fall behind a little on property taxes. If that happens, the pressure on property tax will decrease on the dollar for dollar basis on a household level and a commercial level depending on the level of growth.

Council Member Buban-Vonder Haar said her preference is to get the budget as close to balanced as soon as possible without dipping into carry over. She would like staff to go through the budget and be really honest about what is a need and what is a want. She gave the example of the Parks Department's request for the replacement lawn tractor, the hydraulic dump trailer, the Bobcat Utility Vehicle, and the soil spreader. She asked if they are all absolute must haves for this budget session or could they be put off until the next year. She suggested that, in future years, a retrospect of one (1) to (3) years on

requests so the Council can determine what has been passed on previously and what should be passed in current sessions.

Mr. Marsh said that can be done.

Council President Jones said he agrees with everything Council Member Buban-Vonder Haar said.

Mayor Stear pointed out that when the acquisition of a City Hall was discussed there was a projected \$1.563 million in contingency. The projected carry over after that acquisition was \$1.026 million. The City is actually in a better position than that. After the purchase of the new City Hall, the contingency fund is already back to \$1.5 million dollars. The carry over fund has already rebuilt itself, so there is that cushion if there are things the City wants to move on with it won't hurt. He does not recommend digging into the fund to deeply though.

Council Member Cardoza said his figures show the shortfall is about \$441,800.00.

Mr. Marsh said he was correct.

Council President Jones asked if the Park Impact Fee could be used for any of the items on this budget.

Mr. Marsh said it has not been determined what the committee would want to spend that money on. This is a brand new fund; the money has to be set aside. An account and new tracking mechanisms still need to be set up for the Park Impact Fee. The number that is projected for that fund will be presented at the next meeting. There will be an expenditure line item with nothing specific and the amount will come out of the Contingency Fund. Depending on how that materializes during the year, if the committee wants to spend that money on something that falls into the criteria of something that has already been budgeted to come out of the General Fund, they could reimburse the General Fund.

Council President Jones suggested putting an asterix next to items that could come out of another fund to help Council decide what to cut.

Mr. Marsh said items could be identified that are currently up for discussion that could potentially fall into something that is already approved or is available for the Park Impact Fee Committee.

Council Member Buban-Vonder Haar said the flip side of that is, if anything has to be cut it could be recommended or the information given to the Park Impact Fee Committee.

Council President Jones pointed out that on page 1 of 5 of the Expenditure Statement, in the General Government Admin. Section, Professional Services has a 100% increase. He wanted to know why.

Mr. Marsh explained it was for an asset evaluation by Valuations Northwest. Every so many years ICRMP contracts with Valuations Northwest to appraise the assets ICRMP insures over a certain dollar amount. Valuations Northwest offers a reduced rate to appraise all of the rest of the City's assets at the same time, including buildings and their contents. This helps the City with insurance, evaluation, and inventory. In the past they have inventoried all of the tools. Everything over \$50 is assessed and items under \$50 are only assessed if they are high risk. It doesn't have to be done but it is very helpful.

Council President Jones asked about item 01-6265 Training and Schooling. He wanted to know if that was for the Ranger Program.

Mr. Marsh explained that there is a \$10,000.00 line item in Parks Training and Schooling for the Ranger Program. The \$10,000.00 line item has a lot of little line items. He wants it to be put into an activity so it can be tracked. It is in Parks, which is already an activity, so it had to be moved out to the Admin and then it can be turned into an activity.

Council President Jones asked about Small Tools being doubled.

Mr. Marsh said that is the office equipment listed on the call out sheet.

Council President Jones asked if all of the memberships Kuna has held will be renewed.

Mr. Marsh said yes, they are the same as previous years.

Council President Jones pointed out page three (3), item 01-6265-1003 Planning and Zoning Training has doubled.

Council Member Buban-Vonder Haar asked for clarification on a couple items on page two (2) before moving on to page three (3). She wanted to know about Meetings/Committees doubling and Travel is up about seventeen (17) times last year's amount.

Mr. Marsh said Meetings/Committees was budgeted at \$11,495.00 last year. The projected actual is at \$5,157.00; that could climb if the budgeted items materialize throughout the year. However, it is actually budgeted at less than what was budgeted last year because the projected actual is lower.

Council President Jones asked if the actuals were to date and not what is projected for the year.

Mr. Marsh said yes, a lot of the actuals are extrapolated numbers. They take where the City is at today and extrapolate that out to the end of the year. This means some items could fall short and some items could be on or above.

Council President Jones compared it to prorating and thanked Mr. Marsh for explaining it.

Mr. Marsh then explained the Committees aspect of Council Member Buban-Vonder Haars questions. All the Committees have remained the same. Some have been used and some have not. He gave the example of the Bike Path Committee. It has not been used yet but it might.

Council Member Buban-Vonder asked if the Committee Funds don't get used, will they roll back into the General Fund and is there a way to account for unused money rolling over for the next year.

Mr. Marsh said funds being reused could probably be put in the notes.

Council Member Buban-Vonder Haar felt it would help balance the budget if there was a way to account for the fact that, in theory, only \$5,000.00 would need to be budgeted but the item would actually have \$10,000.00 due to the roll over. She thought maybe everything should be gone over to see if any other items were like this. She does not want to ear-mark money that will never get spent.

Council President Jones thought some of the bigger items might have the same issue and if that's the case it could help figure out the deficit. He asked Mr. Marsh if he had those numbers.

Mr. Marsh said he has them in raw format and it is a lot of information, but it is available to Council.

Council Member Buban-Vonder Haar asked if there is a need to budget \$1,725.00 for travel when only \$150.00 was used this year.

Mr. Marsh explained there is a new item in the budget for Caselle, the City of Kuna's enterprise reporting system. Some staff members need to go to Caselle's training conference to learn their new products and to better understand their existing products. Also, there is still time in this year where some of the budget may or may not get used; it's hard to say. The Mayor has had seminars to attend and some of that travel is related to that. Sometimes there isn't a need for it; it just depends on what comes up. The budget can be narrowed down if needed.

Council Member Buban-Vonder Haar said this is another place where it would help to have a notation of a roll over amount letting Council know that there is a possibility of \$1,500.00 left over from this year. She then asked about Contract Services and Dues and

Memberships going up. \$7,604.00 was budgeted last year for contract services and this year \$13,785.00 is being requested. Dues and Memberships went up about \$7,000.00.

Mr. Marsh said the Verizon Fleet Monitoring accounts for about \$2,300.00 in the Contract Services. There is an auto-cad software license in that as well. As for the Dues and Memberships, all of them went up a little bit and the biggest one in the budget is VRT, Valley Regional Transit.

Mayor Stear added that Kuna reduces VRT billing every year.

Council Member Buban-Vonder Haar asked if any of the Dues and Memberships were flexible in the amount payed.

Mr. Marsh asked if she was looking for the difference in every year.

Council Member Buban-Vonder Haar said some memberships have a set cost but some, like Valley Regional Transit or Boise Valley Economic Partnership, seemed to have a requested amount but would take less.

Mr. Marsh said Kelly Fairless of VRT usually comes every year but he doesn't recall her coming this year. In prior years it has been \$1,000.00 but the request that came in this year was \$7,160.00.

Council Member Buban-Vonder Haar asked if that accounted for the whole increase.

Mr. Marsh said that is the primary and there are some additional.

Mayor Stear said he has learned that federal funding they receive is two (2) to one (1) on what money is paid by members; so if Kuna gives \$7,000.00 they actually end up with \$2,100.00; for every dollar given they use three (3).

Council Member Buban-Vonder Haar asked if Kuna was getting any additional services from VRT.

Mayor Stear said no and he felt it would be best to have Kelly Fairless come and explain it. Looking at it by regional system, the more cars off the road the more convenient it is. Kuna does have people who use the Park & Ride buses but he does not have any numbers on that. At this point they are using the freeway. That is something that may be best explained by Kelly Fairless if the Council is interested.

Council Member Buban-Vonder Haar said if Kuna were to pay \$7,000.00 in addition, just to get a single round trip bus to take people up to the Park & Ride is about \$20,000.00 for the year, it doesn't seem that efficient.

Mayor Stear said the system is growing and will eventually get to Kuna but it isn't in Kuna yet.

Council Member Buban-Vonder Haar said if that is what Kuna would be getting she would rather pay \$1,000.00 instead of \$7,000.00 for membership and put the other \$6,000.00 towards the bus, especially since they don't help pay for the bus and they get to keep all the fares.

Council Member Cardoza asked about Building Permits on the Revenue Statement. FYE 2015 and FYE 2014 have exactly the same amount listed for actuals. He wanted to know if that was a clerical error.

Mr. Marsh said yes, that is an error. The budget is structured with links all over the place so a column is probably out of place.

Council Member Cardoza reviewed Building Permits for FYE 2016 and FYE 2017. The actual for 2016 is \$417,133.00 and 2017 is projected at \$336,189.00 which is a difference of about \$80,944.00. He wanted to know if that is low by today's standards and if it should be brought up a bit to a more realistic number. In the past the actual from the following year has been used to determine the projected amount for the next year which would make this year's projected amount about \$417,000.00 or \$420,000.00.

Mr. Marsh explained that it comes down to conservatism. The \$417,000.00 is a projected year end number for the current year and is based on where Kuna is at today and extrapolated out to the end of the year. He feels it is probably a little high because there is a lot going on right now but it tends to taper off toward the end of the year. He built some conservatism into the projected number for 2017 because it would not be good to budget on something that is way out there. It can be changed if it would make more sense.

Council Member Cardoza said it is hard for him to even think about projecting with 2014 and 2015 having an incorrect amount. He felt \$336,189.00 was low with the Simplot building coming, the development on Hubbard, the development on Hubbard and Linder, and the development on Ten Mile. He felt the number was about \$100,000.00 short.

Council Member Cardoza then asked now that Kuna has purchased a new city hall where the funds would be allocated that were usually spent on rent in the past. He wanted to know if there would be a separate line item or if it would go into contingency.

Mayor Stear said he could not commit future councils to that but it could be set up that way and discussed every year.

Council Member Cardoza said if the money was to be line itemed, in the future, if there was a desire to add to the building or buy another building, the money that was allocated for rent in the past would be available for purchases.

Mayor Stear said it could be done as a line item if that is the Council's preference.

Council Member Cardoza suggested keeping the item as rent and making it a Contingency Fund for buildings and land acquisitions. Although it would read rent, it would be itemized strictly for acquisitions.

Mayor Stear said it would work to make a fund for property acquisition.

Council Member Buban-Vonder Haar said she thought that when the decision was made to purchase City Hall, the decision was made to put the money back into the Reserve Funds to build them back up to the prior amount.

Mayor Stear said there was a discussion but it was about how many years it would take to do that without obligating future Councils. It can be done as a line item or however Council would like to do it.

Mr. Marsh said the number that was determined pays the City back for the lost interest which is nothing. It would have to be a line item that is discussed every year. It is not on the budget currently.

Council President Jones asked if ACHD had been asked the value of the land the City is renting on Shortline and if they would be willing to sell.

Mr. Marsh said he is not aware of that.

Mayor Stear said he has not but can be looked into.

Council President Jones said that would be a great thing to do if the money could be used to purchase property. He does not like renting if it is not necessary. He said he thinks the City has already paid about \$60,000.00 in rent which is probably close to what the property is worth.

Council Member Cardoza said in the past exchanging land has been discussed with ACHD. He does not remember what parcel ACHD wanted from Kuna but it may have been on Kuna Mora Road and Swan Falls. They wanted a corner out of the farmland. He doesn't remember the reasoning but they had talked about trading parcels. He thinks Mitch, Kuna's ACHD representative at the time, might be able to recall that.

Mr. Marsh referred back to Council Member Cardoza's and Council Member Buban-Vonder Haar's questions about replenishing the Reserves or using the replenishment to fund a Capitol Fund. Staff will run numbers and bring them to the next meeting. It is essentially a little bit more than what the City has been paying in rent on an annual basis. It was \$4,500.00 to \$4,600.00 a month in rent that would be allocated back to the General Fund.

Mr. Marsh then returned to Council Member Cardoza's question about Building Permits in the Planning and Zoning section of the Revenue Statement and the two (2) years with matching numbers. His source information is where the error is and he is not sure why

that is. He will have to go back to the prior year's statement to determine the correct amounts. He will give those numbers at the next meeting. He will also go back and look at the projected number for 2017 but he will proceed with caution in regards to that item because it could decline more rapidly than any other number on the budget if something were to happen in the market.

Council President Jones asked about a special tax to only fund one item and once that item is built the tax goes away. He couldn't remember what it is called.

Mr. Marsh said he thinks Council President Jones is talking about the General Obligation Bond and it can be looked into.

Council President Jones asked if the details pertaining to Small Tools are in Mr. Marsh's other notes that he had asked about earlier. Small Tools is the section he has the most questions about because every line item has considerable increases.

Mr. Marsh said yes.

Council President Jones asked Mr. Marsh to send those notes to him.

Mr. Marsh said he would and explained that Small Tools has office equipment, PC replacements, and things of that nature; items that generally are not small but also not \$5,000 per ticket for capitalization. The goal is to plan ahead to replace PCs instead of coming back to Council with a request to use Contingency Funds. On top of that there is a little extra built in in case a printer goes down. Staff needs to be able to replace the printer right away instead of waiting to bring it to Council.

Council President Jones said he just wants to make sure everything is accurate. The average over the last three (3) years has been \$3,500.00 and it has gone up \$11,663.00. He knows the office furniture is included in that and thinks that might be causing his confusion. He does not think of office furniture as small tools.

Mr. Marsh said Small Tools is defined as items of durable nature that have more than one (1) year of longevity and generally fall below the \$5,000.00 mark for capitalization. Anything from a printer or PC to a hammer or a chainsaw falls into that category, creating this sort of misnomer.

Council President Jones brought up past discussions on lumping items into broad categories and the purchase of items for Capital Projects that could go under sections like Small Tools.

Mr. Marsh explained, with Capital Projects, all items purchased to complete projects go under Capital Projects but some of those items fit the description of Small Tools. He understands how someone could come in and say certain items are needed so why not charge them to a Capital Project and then tools the City could not get otherwise are on hand. Staff keeps an eye on that to make sure what is going in is appropriate and

hopefully the reporting mechanism of activities by project will help to highlight changes. Anything that does not look right will be questioned.

Council President Jones said he understands.

There were no further questions.

Mr. Marsh said it sounds like one (1) more dedicated meeting is needed. Since July 25, 2016 did not work for Council member Buban-Vonder Haar, he suggested Monday, August 8, 2016.

Council President Jones asked if a Wednesday or a Thursday would be okay with everyone else. He can do Mondays if necessary, but they are a little more difficult for him.

Council Member Buban-Vonder Haar asked if he still wanted the week of August 8, 2016.

Council President Jones said the week doesn't matter to him.

Mayor Stear asked when the public hearing is set.

Mr. Marsh said the regular City Council Meeting on August 16, 2016 is when the tentative budget is to be set. As long as one (1) more budget meeting occurs before then, all the numbers can be finalized and brought forward to set the tentative budget with the public hearing following on September 6, 2016. That is when the official adoption would take place.

Council President Jones asked if City Engineer Gordon Law's presentation would take very long.

Mr. Marsh said Mr. Law wanted to talk about his next steps, especially regarding retirement and the inclusion of a City Engineer Trainee.

Council President Jones said he was thinking about an hour for Mr. Law and an hour to discuss the rest.

Council Member Buban-Vonder Haar reminded him that it took six (6) hours last time. She doesn't mind tacking the budget meeting on to another Council Meeting if it can be done quickly but she did not want to stay until midnight like the last time.

Council President Jones said he is fine with either; he would just prefer a Wednesday to a Monday.

Council Member Buban-Vonder Haar suggested Wednesday, August 10, 2016.

Mr. Marsh said that would give Staff until Thursday evening to get the tentative budget out for the Council Meeting Packet but he thinks it can be done.

Council Member Buban-Vonder Haar said the preceding week, maybe August 3, 2016, if that would work.

Council President Jones liked August 3, 2016 because it allows for staff to go back over things if something comes up. He feels a regular meeting should be sufficient to complete the budget though.

Council Member Buban-Vonder Haar agreed.

The next budget meeting was set for Wednesday, August 3, 2016 at 6:30 pm.

Council Member Cardoza asked why the Commissioners are increasing by 4% if the Cost of Living is 1.5%. It puts the City of Kuna in an awkward position.

Kuna Police Chief Justin Dusseau explained it is an area where he has very little control. He was not at the meeting, but he believes the Sherriff asked for 5% but was given 4%. Chief Dusseau always projects out to a 3% increase because they hardly ever go over 3% and over a ten (10) year period the average is 2.2%. He agrees that this does put Kuna in an awkward position. If Kuna was not in line with the rest of the County no one would want to work here. He has to stay in line with the County which creates an issue because Kuna has other employees. Unfortunately, he has no effect on that.

Council Member Cardoza said he has no problem with that but his problem is probably with the County Commissioners who have a contract with Kuna, Eagle and Star. He wanted to know why Mayors and Councils were not involved or forewarned of the 4% raises when everyone else will be going with the 1.5% per this year's COLA.

Chief Dusseau said he tries his best to predict which way it will go, all the way from 0% to 3%, but he usually doesn't know until it is done. Then he comes back and shares it with the Council. Usually he presents his budget to Council before the Commissioners make a decision and this year he was off by 1%.

Mayor Stear said the only thing he can suggest is asking the Sherriff if he feels it would be appropriate, in future years, to share the information he will be presenting with Chief Dusseau.

Chief Dusseau said he has asked. He will continue to have that conversation with the Sherriff though because it makes things go much more smoothly for Kuna.

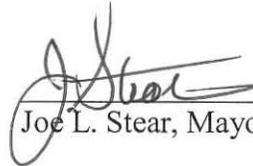
Council President Jones asked Chief Dusseau if he had a COLA last year.

Chief Dusseau said last year was 2%.

Council President Jones said he has no issue with it and appreciates everything they do.

Mayor and Council thanked Chief Dusseau.

3. Adjournment 8:30 pm



Joe L. Stear, Mayor

ATTEST:


Chris Engels, City Clerk



*Minutes prepared by Ariana Welker, Customer Service Specialist
Date Approved: CCM 08.02.2016*