

## 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

### City Council Meeting MINUTES Tuesday, August 16, 2016

#### 6:00 P.M. REGULAR CITY COUNCIL

##### 1. Call to Order and Roll Call

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

**CITY STAFF PRESENT:** Richard Roats, City Attorney  
Chris Engels, City Clerk  
Wendy Howell, P & Z Director  
Gordon Law, City Engineer  
John Marsh, City Treasurer  
Bob Bachman, Fleet/Facilities Director  
Bobby Withrow, Parks Director

2. **Invocation:** None
3. **Pledge of Allegiance:** Mayor Stear
4. **Consent Agenda:**  
(Timestamp 00:00:41)

*All items listed under the Consent Agenda are considered to be routine and are acted on with one motion by the City Council. There will be no separate discussion on these items unless the Mayor, Council Member, or City Staff requests an item to be removed from the Consent Agenda for discussion. Items removed from the Consent Agenda will be placed on the Regular Agenda under Business or as instructed by the City Council.*

##### A. City Council Meeting Minutes:

1. Regular City Council Minutes, August 2, 2016

2. Budget Workshop Minutes, August 8, 2016

B. Accounts Payable Dated August 12, 2016 in the Amount of \$219,016.18

C. Alcohol Licenses:

D. Resolutions

E. Findings of Fact and Conclusions of Law

1. 16-04-AN (Annexation) Jose or Irma Garcia; approval to annex an approximately 1.21 acre parcel located at 930 W. Deer Flat Road into the City of Kuna with an 'R-6' (Medium Density Residential) zoning designation.
2. 16-05-AN (Annexation) David Austad; approval to annex an approximately 10 acre parcel located west of Deserthawk Estates Subdivision; south of W. Sunbeam St. at the western terminus of W. Stony Desert St. into the City of Kuna with an 'R-6' (Medium Density Residential) zoning designation.

Council President Jones asked about a restocking fee on accounts payable.

City Engineer Gordon Law said whether it was the City's error or the supplier's error is still being discussed.

**Council Member Buban-Vonder Haar moved to approve the consent agenda. Seconded by Council President Jones. Motion carried 3-0. Council Member Cardoza Absent.**

5. **Community Reports or Requests:**

6. **Public Hearings:** (6:00 p.m. or as soon thereafter as matters may be heard.

7. **Business Items:**

*(Timestamp 00:02:31)*

A. Budget Workshop – John Marsh, City Treasurer

City Treasurer John Marsh opened up the matter to discussion. He said there are two (2) funds that hadn't been covered yet. The Agency Fund, which is a single amount from a check the City received a few years ago from Ridley's for a development agreement. It is housed at the Bank of the Cascades and will sit there until the City is obligated to act on it. The other fund is the Capital Projects Fund, which is a governmental fund attached to the General Fund. The items that end up in this fund are the items that are capital in nature that come out of the General Fund. They transfer out of the General Fund and into the Capital Projects Fund and then the City tracks the particular assets. It is generally noted on the Profit and Loss Statements. In other words, it takes the expenditures that are capital in nature from the General

Fund, transferring them out as expenditure and into the Capital Projects Fund as revenue and then expending them out of the Capital Projects Fund. It is basically a wash in the Capital Fund account until there is money left over from a project which won't be known until the end of the year. He stood for questions.

There were no questions.

Mr. Marsh added that the summary from the General Fund he sent to Council included all the changes Council had requested at the last meeting; including the use of carryover and the use of Foregone Property Tax. What remains at the top of the summary are the projected carryover and the projected contingency fund at the beginning of the fiscal year. Currently, the General Fund budget is balanced with \$5,729,506.00 in projected revenue and \$5,729,506.00 in projected expenditures. Initially the carryover was \$1,689,360.00, some of that was used and the Contingency Fund was dropped to just under \$1.3 million. Foregone Property Tax in the amount of \$53,719.00 was input and there was no Property Tax Increase. The use of Carryover Funds was \$419,107.00. There were more expenditures than what was projected for revenue so the Carryover Fund was dipped into. The Forgone Property Tax also includes new construction and annexation.

Council Member Buban-Vonder Haar asked if this meant the City spent \$419,107.00 less than what had been budgeted the previous year.

Mr. Marsh said the projected carryover is an accumulation of prior years plus what is projected for this year. The City is budgeted to spend \$419,000.00 out of that total.

Council Member Buban-Vonder Haar asked if the amount not spent from Fiscal Year 2016 was listed on its own in the reports.

Mr. Marsh said no, he did not have it as an individual line but, in the summary report, there is a section at the bottom titled "Summary of Carryover Activity – General Fund". The first item listed is the Estimated Beginning Carryover Balance FYE 2017 at \$1,616,344.00.

Council Member Buban-Vonder Haar asked which page it was on.

Mayor Stear said page three (3) of three (3) at the very bottom; \$369,661.00 is carryover from last year.

Mr. Marsh said instead of putting all of the detail behind that in the report, which would have taken up quite a bit of space, he left it at the summary level, but he does have the detail available if Council would like to look at it. He added that these things are tough to estimate and the estimate given is conservative. The carryover from this current fiscal year could end up being larger than what is projected. It is tough to say how things will end up over the next month but it should be pretty close.

Council President Jones said, at the budget meeting on August 8, 2016, \$1.689 million was the projected carryover for the start of the year. If the \$390,000.00 that was just spent out of the General Fund for the new City Hall was factored in, the carryover would have been close to \$2 million. Going back to the \$1.689 million, originally with the needed items there was a deficit of \$102,000.00 which put the carryover at \$1.586 million; then another \$386,000.00 was spent to cover the wanted items, making the carryover roughly \$1.2 or \$1.3 million. That is pretty much the same amount the City projected for the current year. He was puzzled as to why \$872,000.00 over the projected revenue came in. It is a good thing but if the City's cash in the Water Fund, Sewer Fund, PI Fund, and the leftover cash in the General Fund were factored together it would be almost \$6 million in cash. He feels that, based on these facts, a tax increase is not needed. Also, the City has funded new employees, the money saved by purchasing a new City Hall is going back into the reserves, and the first stages of the dog park and the splash pad have been funded. He asked if Council would be open to negotiating the tax increase. If the City took nothing there would actually be a tax decrease of approximately \$36.00 per house. If the City stays at the same tax rate so taxes don't go down or up, that gives the City about \$30,000.00 in foregone. He would be willing to make that compromise, otherwise he will be voting "no" on the tax increase.

Mayor Stear said his personal tax records over the past four (4) years show the City's levy rate has gone from .004%, rounding down, in 2012 to .0031%, also rounding down, in 2015. There are different factors to look at, such as property value increasing, which makes the levy rate go down and does not really affect the City's bottom line. What the City needs to be concerned about is growth. If growth is the main contributing factor, it does have an adverse effect on the City's ability to maintain a level of service. The easiest way to see if growth is a main factor is to look at the bottom line of a property tax bill. Looking at his tax bill on his house from 2012, he paid \$513.82. In 2015, he paid \$457.34. That is a net decrease of \$56.48. Last time it was discussed that if the foregone was levied it would be a \$12.00 per year per home increase. That would still leave him with a net savings of \$44.00 on his next property tax bill. As the City of Kuna grows and subdivisions come in, the City puts in new parks and the City will have to hire more people. The City has the unique opportunity this year to play catch-up. He feels that is what is happening; the City is staying caught up as it grows. If the City keeps passing up on the tax increases, which to him are not really tax increases but maintaining a level rate, the City will end up in trouble. At some point in time the City would have to ask for a nine (9) point increase and the people would not be happy about that. When talking about a \$1.00 a month increase on a house payment, it shouldn't even affect the payment. Escrow carries those balances and they have cushion built into them. He feels this increase should not have an effect on people but it will give the City the ability to keep up. This year may be a big year but that is not the norm. He is okay with not taking the 3% and just taking the foregone. He can't see passing on funding that will help the City carry on in the future.

Council Member Buban-Vonder Haar asked Council President Jones if he would be willing to do just the full foregone amount.

Council President Jones said that was the original plan but he does not see the need for that. He would like to see \$20,000.00 in taxes but he thinks the break-even point is \$30,000.00 on the foregone. Anyone could go through and pick apart the budget. Showing that the City can still create a decent budget that has an increased carryover, added two and a half (2 ½) employees, and purchased new equipment to improve efficiency is a good thing. He has a hard time taking a tax increase but he would be willing to do the break-even point even though he would prefer to do a tax decrease.

Council Member Buban-Vonder Haar said she remembered not taking any tax increase or foregone amount last year because the City was trying for the rec district. They were trying to be considerate of the impact that would have on the citizens of Kuna. If they had not expected that to pass, she feels Council would have taken a tax increase. She said that may be why she has less angst about it. She keeps hearing requests for a pool, a rec district, or some sort of large improvement but if it has to go for a vote it gets shut down. It would seem the only way to pay for those types of things is to keep up with tax rates and pay for them out of funds set aside.

Council President Jones said he thought foregone was levied last year and it was the two (2) years ago nothing was levied.

Mr. Marsh said yes, last year foregone was levied and in Fiscal Year Ending 2015 nothing was levied other than annexation and new construction and, if his memory is correct, there was discussion on a rec district.

Council President Jones said he understands where Council Member Buban-Vonder Haar is coming from and he would like to do that but his concern is that Council is not willing to commit to set aside that money for anything that binds future councils.

Council Member Buban-Vonder Haar said, knowing that legally they can't bind future councils; she is willing to earmark the money for a special project. If she were lucky enough to still be on the Council six (6) years from now, when enough money has been saved to make a purchase and a great project comes along, she would not want to be restrained in what the money could be used for just because the current Council was wanting to be specific about that for in the future. She suggested earmarking it with a broad term that encompasses projects such as a community activity, potential land acquisition, potential construction, or a partnership on a project.

Council President Jones asked if that was doable.

Mayor Stear said if it was for something four (4) years down the road, no, they can't lock up future council but, it can be put in with that intention and future councils can

see that presentation and decide if that is the direction they want to go. City Council is here for the good of the community, so if a project came up that is good for the community at that time, he would think the Council would be willing to spend money on whatever that may be. New and innovative things are coming up all the time and something may pop up in the next couple years that Council feels ought to be done. He said give future councils credit. They will have to approve whatever the project is anyways.

Council Member Buban-Vonder Haar said she would like the option to use it for possible tax incentives for specific recreation type businesses coming in. She could not think of a single establishment in Kuna that is not a restaurant where a kid's birthday party could be hosted. She suggested possibly working with the Economic Development Committee in a year or two (2) to offer an incentive to get something like mini golf or paint your own pottery or any number of activity type businesses in. That is her only concern; that they keep their options open for whatever creative ways the money could be used, even as they try to name an account for the money.

Council President Jones said he would be open to that. He brought up the \$24,000.00 being saved on City Hall. He looks at that \$24,000.00 as offsetting the \$24,000.00 he would like to hold back from the foregone. He asked if Council would be willing to put that \$24,000.00 aside for a broad fund.

Council Member Buban-Vonder Haar said she thought the idea was to replenish the contingency funds used to pay for City Hall and then move forward from there. She does not think she would have an issue earmarking those funds for the benefit of some sort of recreational opportunity. She added that, in regards to the 3% and or foregone increase, property value is going up and the economy in general is improving. She would hope that it would not be as difficult for people to deal with a small increase. She also thinks Kuna is on the cusp of having enough growth to bring in more commercial business which would help alleviate residential taxes. The more that can be done to help bring in commercial business the better. Even if an increase may hurt a little bit now, if that increase in residential taxes can be struggled through for another year or two (2), hopefully it will balance out due to the amount of growth happening. Having recreational opportunities will help to bring that change.

Council President Jones said he still has a hard time levying the entire foregone amount. He would vote "no" on that.

Council Member Buban-Vonder Haar asked if he would consider taking the full foregone amount without the 3% a compromise.

Council President Jones said no, he does not want to take the 3% or the entire foregone amount, he just wants to break even. If the savings from the City Hall purchase were factored in it would add up to the \$50,000.00 that would be the entire foregone. Depending on any big projects being completed by the end of the year, some taxes might be seen from them.

Council Member Buban-Vonder Haar said she would like to hear Council Member McPherson's thoughts but if Council ends up in a position where some would like to take both the 3% and the foregone, taking one and not the other could be a happy compromise.

Council Member McPherson said in his 20 years at the fire department they were always behind the eight-ball with money. If the City has the chance to get a little ahead of things, his vote is for the 3%. The City is at that point where financially things are doing well and this will make things a little better; that way if a rough year comes along the City will still be even instead of falling behind.

Council Member Buban-Vonder Haar asked if he wanted both, the 3% and the foregone.

Council Member McPherson said he would go with one (1) or the other.

Council President Jones asked if next year was a banner year, would anyone vote for a tax decrease.

Council Member Buban-Vonder Haar said it would depend on what the finances look like and if there is an idea for a recreational opportunity that requires the foregone or 3% amount. She would probably not be interested in a tax decrease if there were still projects that the City still wanted to try to do. There is still significant community outcry to work towards recreational opportunities. She can't say for sure, but she does not think she would be prepared to reduce taxes until larger scale recreation is in place.

Council Member McPherson agreed. Everyone wants everything but when it comes to a vote it gets shut down. If it can be done through budgeting it will look good in the end. A small tax increase here or there does not mean it has to be done the next year. Maybe next year will be status quo but he feels this year the taxes should be taken if possible.

Council President Jones said he thinks the Park Impact Fee will be helpful with small projects. He does not see how a swimming pool could be budgeted for out of the General Fund. He felt it would be passed if it was a stand-alone swimming pool. He thinks the problem in the past has been the size of the projects. He would like to try proposing the pool by itself because he feels it would solve the problem. He still does not see the need for the tax increase but he is just one vote. He thanked everyone for talking it out with him.

Mayor Stear asked if there were any other items on the summary that anyone would like to discuss.

There were no further questions.

**B. Park Impact Fee Fund and Bank Account**

*(Timestamp 00:31:52)*

City Treasurer John Marsh explained the purpose of the fund and why it was needed. It had been gone over at the previous budget meeting so this is just a formality of actually creating the fund and its stand-alone bank account. The bank account would be at the US Bank where the City currently has operating accounts.

Council President Jones asked if Mr. Marsh was concerned about having funds in different institutions.

Mr. Marsh explained there isn't really a problem with that other than it creating more work. The City deals with that to a small degree right now since the Agency Fund is sitting in the Bank of the Cascades. Once in a while if there is an entered amount into that fund it has to be receipted under a special code and a separate deposit book has to be taken to that institution. This can lead to errors if someone is not paying attention. This means too much volume can cause a headache. Otherwise, the primary objective is to have a local presence for a bank.

Council President Jones mentioned he was concerned about insurance.

Mr. Marsh said that would be addressed shortly.

1. Consideration to approve Resolution No. R52-2016 Creation of Park Impact Fee Fund - John Marsh, City Treasurer

A RESOLUTION OF THE CITY OF KUNA, IDAHO AUTHORIZING THE CITY TREASURER TO CREATE A PARK IMPACT FEE FUND (A GOVERNMENTAL FUND TYPE).

**Council Member Buban-Vonder Haar moved to approve Resolution No. R52-2016. Seconded by Council Member McPherson. Motion carried 3-0. Council Member Cardoza absent.**

2. Consideration to approve Resolution No. R53-2016 Creation of new bank account for Park Impact Fees – John Marsh, City Treasurer

A RESOLUTION OF THE CITY OF KUNA, IDAHO AUTHORIZING THE CITY TREASURER TO CREATE A NEW STAND-ALONE BANK ACCOUNT FOR PARK IMPACT FEE ACTIVITY.

**Council Member Buban-Vonder Haar moved to approve Resolution No. R53-2016. Seconded by Council Member McPherson. Motion carried 3-0. Council Member Cardoza absent.**

C. Consideration to approve Resolution No. R54-2016 Liquidation of Employee Vacation Leave Bank – John Marsh, City Treasurer

City Treasurer John Marsh explained this was a follow up to Council direction at the last budget workshop and the Employee Vacation Leave Bank will be liquidated before the new fiscal year when the proposed COLA would go into effect. There are a few things employees can do with this for tax approval such as changing their withholding allowances or putting more money into their Perci or a 401K. There are also retiree only options. He said if Council would like the numbers on how the liquidation would pan out in the funds he has them. He stood for questions.

Council Member Buban-Vonder Haar asked if there was potential for this to occur after October 1, 2016 if an employee were to choose one (1) of the other options Mr. Marsh listed and if so are the employees agreeing to a current day valuation.

Mr. Marsh said it would be in the City's best interest to have the exchange completed by October 1, 2016 so there are no questions as to payroll and the COLA increase.

Mayor Stear said his intent is to get this negotiated out so it is taken care of and done in a way that people won't choose a different option that the City can't lock in by the end of the fiscal year.

Council Member Buban-Vonder Haar said that was her main concern; that this not carry on past October 1, 2016 and, if it does, that the employees sign some sort of contract or agreement that the value of their leave time does not change after September 30, 2016. She was not sure of the entire range of options, but this way if someone were to take half now and half later it is all covered, though, hopefully that sort of exchange will be minimal.

Mr. Marsh said he and City Attorney Richard Roats could work some kind of agreement out if it does get to that point. If all goes as planned it will all be done before September 30, 2016.

Mayor Stear said it sounds like most will just be going with the payout which should minimize any complications.

Mr. Marsh said the account is liquidated into the budget numbers so it is removed from the carryover balance.

A RESOLUTION OF THE CITY OF KUNA, IDAHO AUTHORIZING THE CITY TREASURER TO LIQUIDATE THE EMPLOYEE VACATION LEAVE BANK (VLB).

**Council Member Buban-Vonder Haar moved to approve Resolution No. R54-2016. Seconded by Council Member McPherson. Motion carried 3-0. Council Member Cardoza absent.**

- D.** New City Hall Update (*No Action Required*) – Bob Bachman, Facilities Director  
(Timestamp 00:40:05)

Facilities Director Bob Bachman said he didn't have anything to add and stood for questions.

Council President Jones said it looked good and thanked Mr. Bachman and his staff.

- E.** Tentative Budget FYE 2017 – John Marsh, City Treasurer  
(Timestamp 00:40:41)

Mayor Stear confirmed that the tentative budget matches what Council just looked at in the budget workshop as long as there were no changes to it.

City Treasurer John Marsh said yes, and the only outstanding question from the workshop was property taxes. He asked for direction from Council.

Council Member Buban-Vonder Haar said the Foregone Property Tax is \$53,719.00 and the Property Tax Increase is \$57,533.00. She recapped that Council President Jones wanted to take \$30,000.00 in taxes and Council Member McPherson would be willing to take either the Property Tax Increase or the Foregone Tax Increase. She recommended taking the foregone amount and not the 3% as a compromise.

Mayor Stear asked if Council Member Buban-Vonder Haar's suggestion is also what is on the tentative budget.

Mr. Marsh said it is.

**Council Member Buban-Vonder Haar moved to approve the tentative budget as presented. Seconded by Council Member McPherson.**

**Voting Aye: Council Members Buban-Vonder Haar and McPherson**

**Voting No: Council Member Jones**

**Motion carried 2-0. Council Member Cardoza absent.**

**8. Ordinances:**

(Timestamp 00:42:51)

- A.** Consideration to approve Ordinance No. 2016-25 Garcia Annexation

*Consideration to waive three readings*

*Consideration to approve ordinance*

*Consideration to approve a summary publication of ordinance*

AN ORDINANCE ANNEXING CERTAIN REAL PROPERTY, TO WIT:  
PARCEL NO. S1314346791 SITUATED IN THE UNINCORPORATED AREA  
OF ADA COUNTY, IDAHO AND CONTIGUOUS TO THE CORPORATE  
LIMITS OF THE CITY OF KUNA INTO THE CITY OF KUNA, IDAHO;  
ESTABLISHING THE ZONING CLASSIFICATION OF SAID REAL  
PROPERTY; DIRECTING THAT COPIES OF THIS ORDINANCE BE FILED AS  
PROVIDED BY LAW; AND PROVIDING AN EFFECTIVE DATE.

**Council Member Buban-Vonder Haar moved to waive three readings of Ordinance No. 2016-25. Seconded by Council Member McPherson. Motion carried 3-0. Council Member Cardoza absent.**

**Council Member Buban-Vonder Haar moved to approve Ordinance No. 2016-25. Seconded by Council Member McPherson. Approved by the following roll call vote:**

**Voting Aye: Council Members Jones, Buban-Vonder Haar, and McPherson**

**Voting No: None**

**Motion carried 3-0. Council Member Cardoza absent.**

**Council Member Buban-Vonder Haar moved to approve summary publication of Ordinance No. 2016-25. Seconded by Council Member McPherson. Motion carried 3-0. Council Member Cardoza absent.**

**B. Consideration to approve Ordinance No. 2016-26 Austad Annexation**

*Consideration to waive three readings*

*Consideration to approve ordinance*

*Consideration to approve a summary publication of ordinance*

AN ORDINANCE ANNEXING CERTAIN REAL PROPERTY, TO WIT:  
PARCEL NO. R7321000916 SITUATED IN THE UNINCORPORATED AREA  
OF ADA COUNTY, IDAHO AND CONTIGUOUS TO THE CORPORATE  
LIMITS OF THE CITY OF KUNA INTO THE CITY OF KUNA, IDAHO;  
ESTABLISHING THE ZONING CLASSIFICATION OF SAID REAL  
PROPERTY; DIRECTING THAT COPIES OF THIS ORDINANCE BE FILED AS  
PROVIDED BY LAW; AND PROVIDING AN EFFECTIVE DATE.

**Council Member Buban-Vonder Haar moved to waive three readings of Ordinance No. 2016-26. Seconded by Council Member McPherson. Motion carried 3-0. Council Member Cardoza absent.**

**Council Member Buban-Vonder Haar moved to approve Ordinance No. 2016-26. Seconded by Council Member McPherson. Approved by the following roll call vote:**

**Voting Aye: Council Members Jones, Buban-Vonder Haar, and McPherson**

**Voting No: None**

**Motion carried 3-0. Council Member Cardoza absent.**

**Council Member Buban-Vonder Haar moved to approve summary publication of Ordinance No. 2016-26. Seconded by Council Member McPherson. Motion carried 3-0. Council Member Cardoza absent.**

**9. Mayor/Council Discussion Items:**

**10. Announcements:**

**11. Executive Session:**

**12. Adjournment: 6:48 pm**



Joe L. Stear, Mayor

ATTEST:



Chris Engels, City Clerk



*Minutes prepared by Ariana Welker, Customer Service Specialist  
Date Approved: CCM 09.06.2016*