

Mayor David Anderson called the special meeting of July 26, 2011 to order at 5:00 p.m. Present for the meeting were Mayor Anderson, Council President Chris Clark, Council Members Mike Klaus, Connie Wells, and Tom Mayo, Clerk Kris Larson, Assistant City Administrator David Sims, Police Chief Rick Alonzo, and Street Department Supervisor John Youngwirth. Also present was Dave Gray, Jean Diel, and Jerry Higgs.

The purpose of the special council meeting was to discuss 2012 budget.

David Sims presented a slide show of an overview of the city's historical six largest sources of revenue and historical expenditures by department in the general fund.

Mike Klaus spoke about wages. He said he thinks cost of living allowances should match the consumer price index (CPI). He thinks we are five to six percent behind in keeping the employees whole. He thinks the CPI should be followed with utility rates also. There are a few employees that are under paid and in need of adjustment. Chris Clark said he has been independently employed and has to work harder to make it. Now government workers are some of the highest paid employees with the best benefits out there. He gave an example of a relative retiring from the Forest Service. Mayor Anderson spoke about PERSI retirement and the morale factor. He said he gets good compliments regarding the city employees and would like to see the employees rewarded. He understands the revenues are not as substantial as they used to be. He wants to see a cola for the employees. Mayor Anderson said he would feel comfortable to take the contingency down to \$250,000 if this would help give a cola for the employees of about three percent. Connie would like to give a raise but she is worried that pretty soon our budget will be all wages and fringe. She is worried that pretty soon we will have no money for supplies and equipment to do the work that needs to be done. She does not want to see the utility rates increase either. Connie is concerned about laying off employees. Tom said if we do a cost of living wage adjustment then he will make less than the city employees. He said city employees have good jobs. Tom said we will have to raise fees and some of the people paying these fees make less than the city employees.

The group discussed wages. Increases included in the wage projections for 2012 were three employees in the clerk's office (two positions currently at \$11.35 per hour requested by Clerk/Treasurer to be raised to \$13.50 per hour and one position presently at \$10.00 per hour to be raised to \$11.00 per hour).

Mayor Anderson asked about the county deductible and coverage. The county has a \$500 deductible and optical and dental insurance. Mayor Anderson said the increased benefits make up about \$1,500 per employee per year. The group discussed wages between entities and the city. Tom said he and Connie think the employees do a great job and their comments are not meant differently.

Rick spoke about the amount on the capital list for a reserve for a patrol vehicle in the future. He said the police department is getting good at garnering used equipment. He said the computer link to the Sheriff's office for an operating system would be great for the sharing of data.

John Youngwirth spoke of the cost of a new loader under the State bid. He estimates the cost to be about \$120,000 and the business services the loader for 18 months and then when the 18 months is over the company comes back in and buys the loader and gives the city about \$7,000 and a new replacement loader. John is still checking to see if we can get in on the buyback program. John asked for \$8,000 for auction purchases that may come up during the year. The concrete lift pump jack is a piece of equipment that pumps concrete under pressure into an area that is not level. He said this would be cheaper than replacing sidewalks and streets that are not level. Connie suggested researching the concrete pump jack as to how it does in our climate. John said the stump grinder would also be used quite often by the street department to take out trees that are in the streets. David said there is a lease option also that we could look at for a loader. David explained the buyback program to Connie. John said the buyback program for the State has been successful for the past three years. David said the county is doing the buyback program on graders. He said the equipment is good advertisement for the equipment companies.

Tom Mayo asked about the slough at the dam. David explained that at this time we are just maintaining it.

Chris Clark said the city needs to start annexing the areas that receive city services without being in the city limits. David informed council that there is \$20,000 in the 2012 budget for annexation services.

David said Connie asked about how the water tank will be funded. There are the loan payments from the water fund to the electric fund for the clarifier loan and district 1 loan for seven years. These payments total about \$100,000 per year and when they are paid off that money can go toward the tank replacement.

The next budget workshop will be held on August 2, 2011 at 5:30 p.m. before the regular council meeting.

The meeting adjourned at 6:20 p.m.

David K. Anderson, Mayor

Attest:

Kris Larson, City Clerk