

CITY OF GREEN RIVER
CITY COUNCIL BUDGET WORKSHOP PROCEEDINGS
May 27, 2010

The Governing Body of the City of Green River met in budget workshop session at 6:47 p.m. in the City Hall Council Chambers. Council President Tom McCullough called the meeting to order. The following Council Members were present: Pete Rust, Carl Morck, Tom McCullough, Jim Boan, and Lisa Maes. The following were present representing the City: City Administrator Barry Cook, Director of Finance Jeff Nieters, Director of Community Development Laura Hansen, Building Inspector Dave Allred, City Planner John Dahlgren, Director of Public Works Mike Nelson, Solid Waste Supervisor Linda Roosa, Fire Chief/Emergency Services Director Mike Kennedy, Director of Human Resources Debbie Klein Robertson, Director of Parks and Recreation Walt Bratton, Parks and Recreation Supervisor Alyssa Krumholz, and Public Information Coordinator Stephen Pyles. Members of the Arts Council were also present.

Opening Comments

Mr. Cook noted the 6th penny capital facilities tax passed in November of 2005 started Green River on a five-year infrastructure improvement program. The city has invested approximately \$17 million over the last five years to complete eight projects funded by the sixth penny (\$10,400,000), the 5th cent optional sales tax (\$2,276,345), and one-time state revenue sharing funding (\$3,812,000). (The projects: SIP 2006, Northside A, Pavilion Bridge, Northside B&C, Logan & Schultz Improvements, Trail & Wisconsin Improvements, SIP 2008, and CIP Evans/Arizona/Birch)

Mr. Cook stated investing in infrastructure makes sense, but is expensive when trying to provide day-to-day services for the community.

Mr. Cook advised the governing body to take a close look at their strategic plan, set priorities for the community, and wait on new projects and programs until the city revenues come back up.

The capital projects he has recommended for FYE2011 are those the city received grant funding for over the last two years, and the contracts or agreements the governing body has authorized. (i.e. consensus grants for the SE Water Improvements, FMC Park Road, three year contract with Skywest for air service.)

At the April 17th budget retreat the governing body discussed funding to accomplish the goals they have set in their strategic plan, what was funded, and what wasn't in the proposed FYE2011 budget.

Strategic Plan Goals:

- ♦ Plan and Prepare for Quality Growth
- ♦ Upgrade City Infrastructure with Capacity for Growth
- ♦ Expand Green River as a Tourist Destination
- ♦ Enhance Quality of Residents' Lives
- ♦ Create a Vibrant Downtown and Riverfront
- ♦ Improve City Facilities and Services

Capital Projects

Mr. Cook noted, historically, over the last four to five years, the city had a huge Capital Projects Fund. This year is the exception because there isn't money to provide day-to-day services as well as do capital projects.

Mr. Nieters explained how the Capital Projects Fund relates back to the General Fund with grants and transfers in from the General Fund.

Mr. Nieters noted the following:

General Fund 10:

♦ Estimated Revenues	\$15,735,519
♦ Estimated Expenditures	\$15,471,099
♦ Difference between Rev & Exp	\$ 381,420
♦ Transfers out to other funds	\$ 1,088,847 <i>(includes Capital Project Fund 15)</i>
♦ Shortage/deficit	\$ 770,427
♦ Carryover from 6/30/10	\$ 4,735,252 <i>includes 5% difference between estimated budget and budget actuals</i>
Subtotal	\$ 3,964,824

Allocated Reserves:

♦ Reserve for Operating	\$ 3,854,275 <i>(25% of estimated expenditures—governmental industry standard for three months of revenues to make sure they can pay their bills)</i>
♦ DARE Program	\$ 15,281
♦ Drug Seizure Program	\$ 36,944
♦ Rec. Center Expansion Proj.	\$ 5,850
♦ Law Enforcement Grant	\$ 43,218
♦ Special Response Team Donations	\$ 400
♦ Qwest Internet Agreement	\$ 8,856
Total Allocated Reserves	\$ 3,964,824

Estimated unallocated fund balance: \$0.00

Addressing questions from Council Member Rust, Mr. Nieters explained the reserve for operations. The money is allocated as reserve and therefore not available as unallocated funds that can be spent on projects. The bottom line amount for money that hasn't been allocated is zero, because there isn't any this budget. So, there are no funds for the governing body to spend any where they deem fit. In the past there has been unallocated funds the governing body could spend on projects or purchases. However, this coming year, if they decide they want to spend money on something that isn't budgeted, the governing body will have to decide what will get cut in order to have the money to spend. For example, if the governing body decides they want to fund the crossing guards for \$20,000 they will have to cut another expenditure account so they can maintain a balanced budget. By law they cannot have a budget with a deficit balance.

Mr. Cook noted staff feels it is prudent to allocate, lockup, tie up, 25% of the budget expenditure (for operating reserve) so in the event of an emergency the city will have the money available to pay its bills. It is not savings that the council can spend on something else, because it is allocated as a reserve. While it is allocated for something they hope never happens, it is there.

Mr. Nieters explained the transfers from the General Fund to the Capital Projects Fund, and carrying over funds from one year to the next. He noted in the proposed budget, the carry over amounts have not been stated on the list for Capital Projects, because he is waiting until the last payments for FYE10 are made on July 6th to carryover the exact amounts to be approved separately.

Council Member Maes stated people were starting to spend more money on bigger items where she works. She asked about the delay from the time sales tax is paid until the city actually receives it.

Mr. Nieters stated it takes approximately two months to receive the tax revenue. He believes the projections for tax revenues are going to be at the predicted 30% less than FYE09. Revenues are still coming in under \$1 million each month. He also noted that starting in February of 2011 the city would be receiving less tax revenue because of the 2010 census and the growth of Rock Springs. His proposed the budget revenues for FYE2011 reflect a 3% reduction or \$1 million less. He noted he had just gotten back from the Finance Officers Governmental Board meeting and several of the advisors, from back East, were stating that this recovery will be a low to moderate growth. So we aren't out of the woods yet. We aren't going to see a 30% in growth for at least another year to a year and a half.

Council Member McCullough stated if the council decided they didn't want to maintain the operating reserve it was up to them to make a decision on June 15th.

Mr. Nieters stated it is his fiduciary responsibility to present them with a balanced budget. If the governing body decides to go in a different direction, and the city gets into trouble, he told them what they should be doing.

Council Member Boan noted Mr. Nieters had done a fine job all these years, and his projections last year kept the city from being in a real fix this year, so they didn't have to lay-off any employees. He felt they should hold onto every dime they get.

There was a brief discussion that things could be reevaluated mid-year and hopefully by then they will be able to tell where the economy is going to go.

Figures from Capital Project Report:

Capital Improvement Project 2009 Evans/Arizona (6 th Penny)	<i>carry forward balance remaining 6/30/10</i>
Sidewalk (Curb & Gutter) 50/50 Program	\$10,000
Art Development Program	\$10,000
City Wellness Program	\$32,000
FMC Road Improvements – Spur Road (SLIB Grant & General Fund)	
	<i>carry forward balance remaining 6/30/10</i>
Landfill Study <i>Integration Plan</i>	<i>carry forward balance remaining 6/30/10</i>
Capital Improvement Surveys	\$35,000
Ped. Viaduct Bridge Project (2 Grants & General Fund)	<i>carry forward balance remaining 6/30/10</i>
Green River Visitor's Center (Grant, WW and General Fund)	<i>carry forward balance remaining 6/30/10</i>
FMC Bridge Replacement (WYDOT & city match)	<i>carry forward balance remaining 6/30/10</i>
Bike Trails Killdeer Wetland Project	\$5,000
Skywest Air Service (last year of 3 year contract)	\$39,600
Consolidated Dispatch Center	\$172,000
Water SE Expansion Project (Impact Grant)	<i>carry forward balance remaining 6/30/10</i>
Building Acquisition Program (Tomahawk Bldg)(Grants)	<i>carry forward balance remaining 6/30/10</i>
Citywide Wireless Project	<i>carry forward balance remaining 6/30/10</i>
Sewer Improvements Master Plan (100% WW Funds)	<i>carry forward balance remaining 6/30/10</i>
Police Department Radios (city match)	<i>carry forward balance remaining 6/30/10</i>
Green River Water Crossing Project (50/50 Emergency Grant)	<i>carry forward balance remaining 6/30/10</i>
North I-80 Service Road	<i>carry forward balance remaining 6/30/10</i>

Mr. Cook noted a resolution to fund a change order for the Capital Improvements Project 2009 in the amount of \$290,000, from the Risk Management Fund, will be presented at the June 1st council meeting so the project can be completed this summer. (\$110,000 reimbursement for traffic control costs on Faith and Evans to complete the Arizona blocks, \$60,000 for import fill on Birch, \$120,000 to relocate city lines that are on private property)

Mr. Cook noted any grant money left over after the completion of the spur road would have to be returned to the state.

He noted legal council is preparing a five-year lease agreement to lease the utility building at the corner of Shoshone and Uinta to the Joint Powers Communications Center Board. He noted Green River is responsible for 32% of the operating costs of the center.

Mr. Nelson stated the bid opening for the Green River Water Crossing Project was scheduled for July 6th with a completion date of October 1st.

Additional Budget Requests

Art Council vice-chair person Jan McIntosh thanked the governing for generously funding the program over the last six years. The program has received national and state awards. They also appreciate the governing body considering them as one of two capital improvement projects they are willing to continue funding. She noted they have sent out letters requesting donations to help with the Art on the Green event. They understand the restrictions the governing body is under for the budget. However, they could really use an additional \$5,000 to help with the Art on the

Green event and to keep from reducing the “purse” prize. They want to keep the event the high class event that it has been.

Council Members McCullough and Maes stated they would support the additional \$5,000 if they found any extra money in the budget.

Council Member Rust stated it was one of the most successful programs in the eight years that he had been on the council. It has brought pride and tourism to Green River. So he will also support the additional \$5,000 allocation. Council Member Rust felt it was also important to hear from the citizens regarding the program to influence the council decision.

Enterprise Funds

Mr. Nelson noted two positions had been cut from the water division, and overtime and seasonal hours had been decreased in all the enterprise funds.

Mr. Nelson explained the budget cuts from the FYE10 budget amounts to the FYE11 budget with division totals as follows:

Fund 70 Solid Waste

530 – Solid Waste Collection: decrease of \$47,545 or 5.96%

535 – Recycling: decrease of \$26,574 or 86%

540 – Landfill Operations: decrease of \$60,582, increase of \$113,400

Total decrease for Fund 70 = \$21,701

Mr. Nelson noted the \$30,000 request for garbage cans to keep the can replacement program going had been denied.

Supervisor Linda Roosa noted the work and materials for recycling will be incorporated into the solid waste and landfill accounts. They are trying to revise the tri-party agreement with Rock Springs before they purchase the baler.

Mr. Nelson stated they needed to integrate the DEQ requirements from the Solid Waste Management Plan estimated to be approximately \$113,400 for monitoring or digging more wells. So, the proposed budget amounts submitted to the governing body do not represent the \$113,400 increase. The money will be budgeted under professional services.

Fund 71 Wastewater

560 – Wastewater Plant: decrease of \$32,849 or 4.13%

570 – Wastewater Collection: decrease of \$18,396 or 4.28%

Total decrease for Fund 71 = \$33,356

Responding to questions from Council Member McCullough, Mr. Nieters stated the Water Fund was very healthy. The Solid Waste Fund is going to need some help.

Mr. Nieters stated they are asking for a 5% rate increase to the Wastewater Fund or the fund will lose \$118,792. The rate increase will bring up the fund balance by \$46,890 for a net loss of \$71,902. The 5% rate will add approximately 60¢ to the *residential* utility bill even though a higher increase is needed. The rate increase is included in the proposed budget figures. Staff didn't want to ask for a 10% increase, and another 5% next year in order to balance out the loss. Staff recommendation is to ease up the rate increase over the next three years to get the balance back up to where it needs to be. The overall fund balance has been decreasing for a number of years, but is still in the black. Mr. Nieters reminded the governing body the enterprise funds are required to run in the black, not the red.

Mr. Nelson noted the rate increase is included in the changes to the Fee Schedule which will be discussed at another workshop, and is approved through the adoption of the Fee Schedule on June 15, 2010.

Fund 72 Water

590 – Water Distribution: decrease of \$365,231

Mr. Nelson stated since the Wastewater and Water crews were combined into the Utility Division, there has been a reduction of two full time employees. They are carrying on the same work load with nine full time employees, 2 part-time and one seasonal employee (*with reduced hours.*)

Responding to questions from Council Member McCullough, Mr. Nelson stated the wide range in fees charged for water in comparison to other communities, is associated with the amount of pumping that is required to get the water where it needs to go. Riverton pumps water, Evanston does not. Every gallon of water that comes through the water treatment plant in Green River is pumped at least once. In addition, the Green River plant has a more sophisticated system, and additional chemical treatment costs. He doesn't know if the Joint Powers Water Board will increase water rates to install a reservoir.

Fund 85 Risk Management

Increase of \$46,015 or 18.86%

Ms. Robertson explained this fund is for the local liability pool (\$102,246), the property insurance (\$124,680), liability claims under the city's \$5,000 deductible (*the amount is uncertain*), and the supplemental insurance – i.e. the property lease insurance for the Visitor's Center (\$3,500), and the Parks and Recreation Department for programs that use School District facilities (\$17,774.)

Mr. Nieters explained the transfers from the General Fund to the Risk Management Fund. The fund has been "raided" several times over the last couple of months to cover expenditures in other line items that didn't have the money to cover costs, and we are about to do it again.

Mr. Cook noted several years ago, \$2 million was set aside to cover the cost of insurance premiums with the interest earned off of the \$2 million. However, over the years, the funding for the account hasn't kept up with inflation, plus the governing body has taken money out of the account to cover capital projects or something else they didn't have the money for. With the continued rate increases for insurance and the depletion of the account to pay for projects, transfers in have to be done to keep the fund at a balance staff was directed to keep by the council.

Ms. Robertson explained the claim limits on the city's insurance coverage to Council Member McCullough. She noted her department was in the process of evaluating property coverage to make sure the city is adequately insured.

Mr. Cook noted the council still hadn't made a decision on whether to require renters of city facilities to have liability coverage, or whether the city would take out additional insurance to cover it. He noted the proposed budget was based on staying with LGLP. If the council opts for the city to get the coverage from another provider, the city will no longer have those governmental protections to limit liability through the governmental liability pool. There is a very short period of time to obtain premium costs from private providers, by July 1, 2010, if the governing body wants to go in a different direction.

Adjournment

The meeting adjourned at 8 p.m.

H. Castillon, Mayor

ATTEST:

Jeffrey V. Nieters, City Clerk