

**CITY OF GREEN RIVER
CITY COUNCIL WORKSHOP PROCEEDINGS
June 3, 2010**

The Governing Body of the City of Green River met in budget workshop session at 6:30 p.m. in the City Hall Council Chambers. Mayor Castillon called the meeting to order. The following Council Members were present: Pete Rust, Carl Morck, Ted York, Tom McCullough, Jim Boan, and Lisa Maes. The following were present representing the City: City Administrator Barry Cook, Director of Human Resources Debbie Klein Robertson, Acting Director of Finance Chris Meats, Director of Community Development Laura Hansen, Chief of Police John Love, Fire Chief/Emergency Services Mike Kennedy, Parks and Recreation Director Walt Bratton, Parks Supervisor Allan Wilson, Parks and Recreation Supervisors Alyssa Krumholz, Brenda Roosa, Kevin Sadler, Sherry Schumacher, and Katie Duncombe, and Public Information Coordinator Stephen Pyles. Governing body candidates Gary Killpack, Dick Wilson, and Gene Smith were also in the audience.

There were also several employees present to support Rick Owens as spokesperson for the employee relations committee.

Citizen Concerns and Comments

Tomahawk Grants

Futures President Brad Sutherland noted the Wyoming Business Council had recommended the State Loan and Investment Board approve the \$1.8 million grant requests for the Tomahawk building earlier in the day. A final decision on the grant award will be given on June 17th by the SLIB.

Mr. Sutherland stated Futures was thrilled. If funded he believes they can get the job done next year at a price cheaper than the city or anyone else could. So he hopes they stay with Futures, and they will try and help more good things happen for the community.

Responding to questions from the mayor, Mr. Sutherland stated there are two contingencies regarding the approval of the grants. (1) A business plan; (2) A development management agreement that states the city will take over the project in the event Futures ceases to exist. He submitted a copy of the business plan and the development management agreement with the grant applications approximately three weeks ago.

Mr. Cook noted the Wyoming Business Council had also recommended the two grants (one of \$300,000 and the other for \$1.5 million) be tied together. In addition, they have required that both Futures and the city sign the development management agreement, or the city will not get the grants. The agreement was amended today with a motion that the city of Green River will become the project manager and be the owner of the Tomahawk *in the event Futures fails to exist*. That means the city will become the landlord of the building, collect rent, do management agreements, and everything that Futures has set up.

Mr. Cook stated he was at the meeting and had agreed, on the part of the city, to sign the agreement. He couldn't make a statement for Futures. The agreement is being reviewed by the city attorney. He believes there are several points that will have to be negotiated, so it won't be ready to present to the governing body for approval until July.

Mr. Sutherland also noted their previous agreement had stated once they started receiving revenues from the project, the city would get 35%, and when the building was sold the city would get 20% of the proceeds if it sold for over \$500,000.

In trying to follow the council's wishes, he made amendments to the agreement. If the amount of funding the city gives to Futures drops below \$160,000, Futures will assume they want Futures to be more self-sufficient, so Futures will not have to share the net revenues with the city. Again, it depends on what the governing body wants. He asked for the governing body's direction. If Futures is supposed to be more self-sufficient the revenues from the project should help with that. If the city still wants to continue paying Future's maintenance costs and continue sharing the profits of the projects that's great too.

Employee Relations Committee

Spokesperson Rick Owens asked the governing body to remember the employee's commitment to help reduce costs with the recommendations they submitted on April 13, 2010. Mr. Owens stated there is a perception that other organizations are asking for additional funding over what has been recommended in the proposed budget. If these organizations receive additional funding, he asked the governing body to remember the hard work and sacrifices the employees have already made, and to consider funding the additional 1.43% employee amount to Wyoming Retirement. Mr. Owens noted it is the employees who keep the essential functions of the city operational for the citizens of the community. The estimated cost for the city to fund the employee's share is \$60,000 to \$65,000.

6th Penny Special Tax Money

The city's representative on the 6th Penny Special Improvement Tax Board, Gene Smith, reported the bonds for the projects will be paid off in June 2011. The accounts for the projects have accumulated interest which has exceeded the amount allowed by the IRS. The bond company and the bond attorneys have stated the bonds can be diffused, which means the interest can be placed in an account to pay off the bonds in June 2011 on schedule.

According to the information he received on May 25, 2010, there will be no further penalty to the IRS after August 25th, 2010, which means there will be interest money available to distribute to Sweetwater County communities. Attorney Barbara Bonds will be here in June to talk to all the communities. The city will have to pass a resolution to diffuse the bonds and purchase back the improvements to the properties.

The estimated amount the City of Green River will receive in late September is \$478,591. There is an additional \$2.3 million in an escrow account through the Sweetwater County Treasurer that was over collected on the 6th penny since the first of the year. That money will be distributed in January 2011, and the city could receive \$400,000 - \$500,000.

Mr. Smith noted since the 6th penny was for special improvements, both amounts of money have a restricted use for water, sewer, street improvements, or bridges. It is not general fund money.

Council Members McCullough and Rust suggested the money be used to fund the 1.43% retirement for the city employees. Mr. Cook reminded them there were restrictions on how the money could be spent. It wasn't for employee benefits or community service programs. It has to be used for infrastructure such as street or utility improvements, or a bridge.

Council Member York suggested they fund the community service organizations at the amounts they had requested versus what was recommended by the city administrator.

Mr. Smith stated he had asked, but hadn't received an answer yet... since the city had paid more on their projects than what was funded by the sixth penny, could the money the city receives be placed in the general fund to reimburse the city for money they had already spent on the sixth penny projects?

Other topics

Mr. Dick Wilson stated he hoped they could find some money for the chamber so they could continue with their kids programs. He also reminded them the city employees are the city's biggest asset, and he hoped they could fund the 1.43% to Wyoming Retirement for them.

Green River Chamber of Commerce Director Janet Hartford stated they had received donations to continue with the Santa's arrival even though the governing body had cut her budget by \$25,000. She announced there would be a ground breaking ceremony for the Visitor's Center on June 14th. She asked the governing body to consider giving her an extra \$5,000 for a recruitment committee to recruit conventions, athletic events, and other activities. It will take money to produce the materials to do that.

Responding to questions from Council Member McCullough, Mr. Meats explained how the balances in the Wastewater and Solid Waste Funds were used in order to avoid a rate increase for the city utilities. Approximately six years ago, the Wastewater Fund had a huge surplus, and the Solid Waste Fund needed equipment replaced, and the mandated post-closure costs weren't

being funded. So five years ago, to provide a zero impact on the fees, the sewer fees were reduced by \$5 and \$5 was added to the Solid Waste fee. This allowed the Solid Waste Fund to start building revenues so they could take care of the post-closing costs, replace dilapidated equipment, and stop operating in the red.

The changes to the Wastewater Fund reduced the reserve fund balance because the fund was operating in the red. They knew sooner or later they would have to have a rate increase to get the fund back into the black. Mr. Meats noted the proposed 5% rate increase will reduce the amount of operating in the red, but will not bring the fund back up to where it needs to be. The plan is to have another 5% rate increase the next and following years.

Amendments to the Proposed Budget

Council Member York suggested they fund the community service organizations at their requested amounts.

Council Member Rust stated he has always been an advocate for the employees and feels they should cover the employees 1.43% to Wyoming Retirement.

Mayor Castillon noted there were restrictions on the additional sixth penny revenues and before they started making adjustment to fund community organizations and Wyoming Retirement, they should take a closer look at the capital projects that weren't proposed for funding. He felt allocating funding from money they didn't have yet was irresponsible.

Mr. Meats noted the full amount budgeted for the FMC project would not be used and 30% percentage of what was left over could be used to fund other things, but 70% had to be returned to the state because it was grant money.

Mr. Meats didn't think there would be \$800,000 remaining on any of the capital projects that could be used for the general fund changes the governing body was proposing, there might be \$200,000. He suggested the question regarding whether the two million the city spent from the general fund to cover the shortage on their sixth penny projects could be used to reimburse the general fund needed to be answered.

Council Member McCullough asked for more detailed estimates on which projects were going to have money left over. If there is plenty of money left over he didn't have a problem with fully funding the community service organizations requests, paying the 1.43% Wyoming Retirement increase for the employees, or the other items Mr. Cook had noted. He just wants to make sure the city has the extra before they do it.

Mr. Cook explained the information he had put together earlier in the afternoon from reviewing his notes and the minutes regarding all of the extra requests at a worst case scenario.

6/3/10 Information:

Additional Expenses:

- To fund community organizations at their requested amounts \$218,506
- Overtime amount needed to cover Flaming Gorge Days by the Police Department \$ 25,000
- Amount to fund the Crossing Guards \$ 20,000
He did talk to the School District to try and tie it in with the after school programs, but the School District was only willing to pay approximately \$7,000 mileage for the buses. They were not willing to pay the \$22,000 to rent the buses.
- Additional request from the Arts Council \$ 5,000
- 4,000 hrs to fund the weed crew \$ 48,000
- Employee's request to fund 1.43% to Wyo. Retirement \$ 60,000
- Drainage Ditch repair \$200,000

A new project that needs to be added to the list of twenty is the drainage ditch on the Palmer property. The city received a notice of violation from DEQ. The repair needs to be made at some level.

Whether Palmer will be partially responsible for the repair is uncertain.

Total for additional Expenses: **\$576,506**

Possible Sources of Revenue:

- Community Development/Main Street \$ 65,000
- Risk Management Fund Balance \$1,200,000
It takes approximately \$300,000 to operate the fund. The fund was created to have a balance of \$2 million.
- Operating Reserve Account \$3,800,000
Policy is to set aside 25% of the operating expenditures in a reserve account so in the event of an emergency the city will be able to met payroll and pay its bills. If the council decides to change that policy, then there is money there they can put into the General Fund.
- Carryover from FYE10 budget \$???,???
- 6th Penny Money Sept/Oct (*has infrastructure restrictions*) \$ 478,000
Mr. Cook stated he doesn't know what the carry over is going to be. There are projects that will finish up on June 30th that will have some carry over, but most of them are spent down to between 97¢ and the \$12,000 in the Parks Playground account. However, staff would like to use that \$12,000 to finish Hoover Park. The largest amount will probably be the local match in the FMC Road project.
Take the dollars out of the local matching funds for grant funded capital projects on streets, and infrastructure to cover the employee's 1.43% of retirement and to fund the community service organizations at their original requested amounts. Replace the match with the 6th penny additional revenues. (Mr. Cook stated the only project he could recommend doing that with was the FMC Road project.)

Mr. Cook strongly recommended they not touch the operating reserve account, and he's touchy about their using the risk management account, but that is up to them.

Council Member Maes suggested the extra sixth penny money could be applied to the FMC Bridge match since the Pavilion Bridge was part of the sixth penny projects.

Mr. Cook quickly went through the 2011 proposed Capital Projects that the extra revenues from the sixth penny could be applied to so the governing body good move money to the general fund to cover the proposed additional expenses. Possibilities: FMC Road Project, with a guess of approximately \$500,000 and the FMC Bridge \$250,000 city match.

He reminded the governing body their suggestions to fund the community service agreements, the employees retirement, Flaming Gorge Days overtime for the police department, crossing guards, and the arts council, are ongoing expenses. Once they make the commitment to fund the employees \$1.43 retirement, they are making a commitment to continue funding it each year. The \$478,000 the council is proposing to fund the additional expenses is one-time-money that won't be there next year. In his opinion, one-time money should be spent on one-time projects. Other communities got themselves in trouble because they used one-time money for operations, and ended up laying off employees because they didn't have the money the next year.

6/1/10 Memo Items:

1. Community Funding Requests – how much for each group?
 - ♦ Mr. Cook recommended total funding at \$409,417
 - ♦ The total amount requested was \$627,923
 - ♦ The difference \$218,506
2. Overtime has been cut – we are averaging \$300,000/year. What about the \$25,000 overtime involved for Flaming Gorge Days?

3. Crossing Guards – Agreement with School District that they pay bus mileage for the after school program and we continue to pay 50% for crossing guards.
4. What level do we fund the departments? Any changes?
5. How do we fund Community Development? Does the governing body support the option to restructure?

Mr. Cook stated staff would like to continue with the proposed restructuring, since Maggie Adams had resigned.

6. Building maintenance will carry over \$27,000 to July 1, 2010.

Mr. Cook stated he had put a moratorium on any further spending from the account so the money could be carried forward.

7. Contract Employees- One-time 3% stipend granted by the governing body last year ends 6/3/10 which means the salaries for the City Administrator, Municipal Judge, City Attorney and City Prosecutor will revert to FYE2009 levels.

Mr. Cook stated it would cost approximately \$8,000 to put the stipend back in for FYE2011.

8. Part-time hours in Municipal Court approved?

Mr. Nieters was directed to re-arrange line items as suggested by Judge Petri so the municipal court archiving project could continue.

9. Is the list of Capital Projects satisfactory? Need to add \$5,000 for the Arts Council.

10. 5% rate increase for Wastewater Fund?

11. Additional funds for Solid Waste?

Mr. Cook stated there had been additional funding requests to monitor the landfill wells, etc.

Mr. Meats noted the amount needed has ranged from \$100,000 to \$150,000. It will depend on the requirements from DEQ and EPA. It might be wise to have a minimal rate increase to help cover the ongoing expense. The costs are increasing more and more every year.

Mr. Cook stated he would get estimates to the governing body before next Tuesday's workshop, so they had the information well in advance of June 15th.

12. Schedule of Fees – increases reviewed? Approved?

13. Risk Management – fund at what level? Right now it is at \$1.2 million.

14. Operating Reserve – fund at what level?

Fee Schedule

Discussion on Recreation Center Fees:

Council Member Boan asked about the rate increase for the senior citizen monthly pass, and what the revenues were from senior citizen usage for the recreation center. Mr. Boan doesn't approve of increasing rates for senior citizens. He asked what the lost revenues would be if the seniors over sixty were allowed to use the recreation center for free.

Ms. Roosa stated each year the reevaluate the fees for the youth and senior citizens, the fees are always the same for both. The only one that is different is the monthly pass for the senior citizens, so to bring that in line they need to increase it from \$15 to \$20.

Ms. Roosa stated they could generate a report on the purchase of senior passes, but they don't separate coupon booklets purchased by the youth and the senior citizens. Mr. Boan asked for an educated guess on the revenue loss, by next week, if the seniors could use the recreation center for free.

Responding to a question from Council Member Rust, Ms. Roosa didn't believe there would be a drastic increase in usage by the senior citizens if the fees were reduced.

Mr. Meats noted the governing body could reduce the fees, but they can't offer services for free.

Council Members Boan and Rust suggested \$1 per person per year for seniors sixty and older.

Mr. Bratton asked for clarification. They want to know what the revenue loss will be with the reduced fee, and they also want to know how much the increased usage will be for operations and maintenance to the facility. He told them right now; in May of 2011, staff will be coming back to the governing body for their equipment replacement line item, normally between \$10,000 and \$40,000, with a \$40,000 to \$50,000 asset acquisition for equipment.

Responding to questions from Council Member Maes regarding the change in the recreation center hours, Mr. Bratton stated i events would be allowed to finish and all the other users will be asked to leave at closing time. He explained the closures were determined by the prime user rate.

Addressing questions from the Mayor regarding employee fees, Mr. Meats stated the employees are charged the same rate as anyone else. The differences being the fees are included as income through payroll and they are taxed on them.

The proposal a few years back to allow the elected officials to use the recreation center in the same manner as employees was never approved. Essentially, it meant the governing body was giving themselves a raise which wouldn't go into effect until the next dually noted election.

Discussion on Building Permit Fees:

Proposed amendment will read: "Building Permit Fees for single family residential remodeling and alterations (does not include new residential construction) shall be 50% of that shown."

Responding to a question from Council Member Maes, Ms. Hansen stated there was a lot of confusing regarding the new construction and remodeling fees. Staff went back and listened to the recording of the minutes and the motion for FYE2010 was: *"Building Permit fees for single family residential construction (including residential remodeling and alternations) shall be 50% of that shown."* But the 50% for new construction isn't working for the department.

Mr. Allred stated the intent was for the 50% *of total valuation* to be for remodeling, not for new construction, to encourage people to remodel, finish off their basements, put in a water heater, etc., because these things have limited expenditures for the city *versus a new build*.

He proposed the fee for new residential dwellings be put back as it was before the FYE2010 budget year.

Discussion on Special Use Permits:

Rate Increase from \$60 to \$100 for Special Use Permits, Conditional Use Permits, Temporary Use Permits, Vacation Requests, Zoning Code Variances, and Board of Appeals requests.

Ms. Hansen noted they were asked to go through their different applications and look at the costs as far as advertising, notices to adjacent property owners versus what the application fees are. They also compared the fees to other municipalities and the county rates. She noted these applications are for special things outside of the zoning code that require going before the Planning and Zoning Commission which require public hearing notices, and then their recommendation is forwarded to the city council for public hearing which also has to be advertised in the newspaper. They also send out notices to adjacent property owners.

She noted the rate increases will still not recoup the costs of processing the applications.

Discussion on Pavilion Rental Fees:

Council Member Maes stated she had heard the Pavilion rentals were way down. She believes the rental fee is too high, and that is why people she has talked to aren't renting the facility. She would like to see the fee dropped down to \$300, and the deposit down to \$400 to make the building more accessible to renters. She feels they would bring in more rentals and therefore more revenue. She noted the renters deposit refund can take up to two to six weeks before they get it back. She also questioned why the renters weren't allowed be in the building until 1 a.m.

Mr. Bratton stated renters are required to stop the music and serving of alcohol at midnight, but they can stay until 1 a.m. to clean up. She asked Mr. Bratton to check the rental form, because it states the rental stops at midnight.

Mr. Meats stated they had to start depositing the renter's deposits instead of holding them at the Parks and Recreation office because they had several issues with tracking deposits, and trying to recoup the costs of any damages. So they had to go to a cash only process, that way if a deposit check bounces, the people can't rent the Pavilion. The city does take credit cards for deposits.

Mr. Bratton reminded the governing body they have made \$200,000 in improvements to the Pavilion. It is up to the governing body to decide whether they want to keep the deposit at \$500 or change it to \$400.

He stated there hasn't been a decrease from his view point in the number of rentals for the Pavilion. He suggested they leave the fees as they are for another year to allow staff to look at the rentals to see if the levels have actually dropped, since they only have one year of data for the rentals at \$400, half day rentals at \$200, and the \$500 deposit. He noted the deposit is \$500 across the board and is easier for staff if all the deposits are the same. He noted the \$500 deposit doesn't really cover very much when you consider the city just spent \$20,000 for new tables and chairs for the facility, or to cover the cleaning of the facility if the renter opts not to have their deposit returned.

The council consensus was to change the Pavilion rates as follows: \$150 for half day rental, \$300 for full day, and to keep the damage deposit at \$500.

Responding to questions from the mayor, Mr. Bratton stated they have been working collaboratively with the Hampton Inn, and referring people to the Hampton if the Pavilion was booked. He didn't feel the city using the Hampton for meetings was comparing apples to apples. The Pavilion can accommodate between 300 – 700 people, while the Hampton has a limit of perhaps 200 people, and therefore limited opportunity for the use of their room. The city does have competition now, in regards to the Hampton, that wasn't there before, so yes, it could be affecting any reduction in Pavilion rentals.

Mr. Cook stated they have an obligation to let the citizens know what the true costs of services are. So when the council lowers the fees, the taxpayers have to make up the difference. The fees should be set by the cost to provide the services. The costs don't go away, and the city can't provide free services. So when the council lowers a fee, the difference between the true costs of the service has to be paid by all the taxpayers of Green River.

Adjournment

The meeting adjourned at 8:28 p.m.

H. Castillon, Mayor

ATTEST: _____
Jeffrey V. Nieters, City Clerk