MINUTES OF THE REGULAR COUNCIL MEETING HELD 7/9/2019

Mayor Ryan Smathers

6:00 p.m.

Pledge of Allegiance

Council Members: Jennifer Dunaway, Mark Swayne, Shannon Schrader, Josh Tilley and Sean Simmons

Absent: Don Gardner

Staff: City Administrator-Rick E. Laam, Clerk-Janet R. Montambo, Treasurer-Donna Wilson, Building Official-Todd Perry, Public Works Supervisor-Shane Miller, Water/Wastewater Supervisor-Michael Martin, Police Chief-Jeff Wilson and Fire Chief-Jon Hoyt

Guests: Clayne Tyler, Prosecuting Attorney

Media: Elizabeth Morgan

AMENDMENT TO AGENDA

Councilmember Schrader made a MOTION to amend the agenda and add the Additional Bills as presented, the Payroll ending 7-6-2019 and a Corrected copy of Resolution No. 19-483. Councilmember Simmons seconded the motion and it passed with a roll call vote resulting in all ayes.

MINUTES

Councilmember Schrader made a MOTION to approve the Regular Council Meeting Minutes as written for June 25, 2019. Councilmember Tilley and Simmons seconded the motion and it passed with a roll call vote resulting in all ayes.

BILLS AND CLAIMS

Councilmember Simmons made a MOTION to approve the regular bills and the additional bills as presented and the Payroll ending July 6, 2019. Councilmember Swayne seconded the motion and it passed with a roll call vote resulting in all ayes.

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PETITIONS, APPLICATIONS, APPEALS AND COMMUNICATIONS

Proposed Budget FY 2020 - Treasurer Wilson provided a brief introduction and overview of the FY 2019-20 Budget to the Mayor and Council. She indicated that each Department Head will introduce their respective budgets and report their proposed activities. Wilson commented as it currently stands the overall proposed budget is in the amount of $6,986,280, which is 6% higher than last year's budget. There are several reasons for this increase, which will be identified as the budget is introduced. While preparing for next year’s budget, it was staff’s objective to maintain expenditure levels at or below last year’s adoptive budget. The intent of this is to maintain or add to our current Fund Balances and not use this money for needed carryover. A bird’s eye view is as follows:

GENERAL FUND

The General Fund, which consists of the Legislative, P&Z, UFO, Executive, Finance and Administration, CCED, Police, Fire, Building, and the Airport is -3.9% lower than our current budget. In terms of dollars, this equates to $93,365 lower than last year.

LEGISLATIVE $54,815 -3.6%
There are no funds budgeted for the annual AIC Conference this year. Other highlights include annual membership dues of $1,300 to CEDA; Annual dues to AIC for $1,375; $275 annual membership to the Orofino Chamber of Commerce; $500 for Sterling Codifiers for internet hosting; $250 for travel expenses; $250 for miscellaneous expenses.

PLANNING AND ZONING $3,600 -20.9%
There is $400 budgeted under Public Relations for Appreciation Gift Cards for each Commissioner and their Secretary. There is also $1,000 for professional services, if needed. Finally, there is $1,200 for the P&Z Secretary.

UFO $10,900 -4.8%
The UFO Committee $4,000 for tree replacement; $1,000 for planting, removal, pruning and the Legacy Program; $3,500 for contract services; $500 Arbor Day BBQ; $350 for Arbor Day Shirts; $500 for Arbor Day Trees; and seven (7) $50 Appreciation Dinner Gift Cards are included in the budget.

EXECUTIVE $11,170 -0.7%
The only difference in this budget from last years’ is the Mayor’s State Retirement and Workers Compensation line item. No funds have been budgeted for the annual AIC Conference which will be held in Boise.

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FINANCE AND ADMINISTRATION  $290,590  +5.7%
The only reason the Finance and Administration budget is up from last year is due to the tentative retirement of the City Administrator next April. There are no capital expenses and no additional building improvements for next year. The Clerk and Treasurer are budgeted to attend the annual ICCTFOA in Idaho Falls. The city’s annual auditing requirements will increase to $18,815 with Finance and Administration’s share being $5,400. The budget contains a minor equipment line item of $2,000 which will be used for computer replacement costs, if necessary. There is $2,035 budgeted for the annual Springbrook Software and Maintenance Agreement. Finance and Administration has also budgeted for the replacement of a Heat Pump for $5,000. The Heat Pump is budgeted as a contingency in the event it needs replacing.

CCED  $230,090  14.8%
This Economic Development position is funded from outside contributions with the exception of $10,000 which is a city match from funds received from the Idaho Department of Commerce for the position. The Orofino Business Center (OBC) will be paying the match requirements for the CCED position. The city does not contribute any tax dollars toward this program. Clearwater County and its member cities contribute annually to the program operations. The director also enters into professional agreements with public and private entities that helps finance and sustain the program. The program has a Fiscal Year of July 1 through June 30 which makes budgeting of the program a little awkward. There is $100,000 budgeted as a contingency in the event of unanticipated grants being received by CCED. The nature of CCED often requires it to apply for grants as projects arise or are developed throughout the year. CCED is currently in the process of expanding the Business Center which will benefit SJX Boats and create an additional 7-12 jobs. Since the CCED position is a city employee, the city absorbs the administrative and accounting expenses associated with the operations of this county-wide program. The CCED position is supervised by a separate Board of Directors composed of public and private sector individuals.

AIRPORT  $340,410  -25.3%
The Airport Budget is currently set at $340,410 which will be used to complete the second and third phases of planned airport improvements. The Seal-coating of the runway, taxiway, apron and access road is currently underway as we speak. The proposed dollar amounts for next years improvements is our best estimates for project costs. The obstruction phase has been put out for bid twice and has come back too high and was rejected. We will try it one more time in October and see where it lands.

The General Fund is currently down from $2,373,470 to $2,308,755. That’s a $64,715 or 2.7% reduction from last year. This is subject to change before the final budget is finally adopted.

OROFINO BUSINESS CENTER  $440,345  118.8%
The Business Center is up $239,065 over last year’s budget. This is due to its expansion project and the award of the $300,000 RDBG grant. The city will expend $100,000 of our own money toward the expansion and improvement project. Total project costs are a little over $700,000.
SANITATION $428,790 3.8%
Simmons has requested a cost-of-living of 2.9% pursuant to our contract with him. This percentage reflects the Consumer Price Index (CPI) from May 2018 to May 2019. This amount cannot be absorbed by the city without passing it through to our users. We still need to do a little more work to determine new Sanitation rates.

TORT INSURANCE $74,070 1.7%
The City’s General Liability has taken a slight increase of 1.7% or an increase of $1,265.

RECREATION $195,145 11.2%
Of all the city departments, the Recreation Fund is the one fund that is hurting the most. Cities are restricted from exceeding a certain levy rate imposed on property owners when it comes to Recreation. Orofino is very near that maximum levy rate and have been for many years. Last year, we funneled an additional $17,000 into recreation from non-property tax revenue, which helps, but is still not enough to do what we would like to do. We were able to carryover $50,000 to next year in order to construct the long waited Skate Board Park. As you know, the city received a grant from Parks and Recreation for another $50,000 to help build the Skate Park. The only other proposed expenditure is a $25,000 future set-a-side for the eventual repair of the City’s Tennis Courts. We really need to do something with them. But the Council has the prerogative of using these funds in other recreational areas if they so desire. All other expenditures in Recreation are related to operations and maintenance. Only seven-tenths (.07) of one employee is paid from recreation.

VEHICLE REPLACEMENT $290,000 56.8%
The Vehicle Fund can sometimes be misleading. This is because of the way our Auditor treats this bank of funds. This fund really is a savings account for future acquisition of vehicles. For example, if Public Works sets aside $25,000 for three years to buy a truck, they would have $75,000. Rather than expending the funds directly from the Vehicle Fund, our Auditor transfers the $75,000 back into the Street Budget inflating the overall budget by $75,000. Purchasing directly from the Vehicle Fund (like we do with all other funds) makes sense and would save time. But Rick and I lost this argument with the Auditor.

This budget reflects revenue from the Police Department, Fire Department and Public Works who will be contributing funds to the Vehicle Replacement Program. The Police Department will be contributing $25,000; the Fire Department will be contributing $15,000; and Public Works will be expending $150,000 toward a new Street Sweeper. Streets already has $100,000 in the Vehicle Fund toward the Street Sweeper for a total of $250,000.

ALL OTHER FUNDS $1,315,400 0%
These Funds consists of EMAP, the Water Bond, the Water Bond Redemption and Reserve Fund. There is no change in these funds which total $1,315,400. These are all healthy funds with regular revenue coming in each month to support these activities.
POLICE $993,340 0.9%
The Police Department Budget is currently up from last year by a little more than $10,000 or nine-tenths of a percent. Like any other Police Department in the country, the Orofino Police budget is primarily a labor-intensive operation. This means, in Orofino’s case, that 67% of our Department’s expenses are directly related to the cost of labor, benefits and the associated payroll taxes. The remainder of the Departmental operations consist of having the proper equipment, contracts and professional services in place to properly run the Police Department. Our proposed salary and wages for next year comes to $689,640. Our operational expenses come to $278,700. And our capital equipment comes to $34,000 which is our future vehicle set-a-side.

FIRE $253,460 0.7%
The Fire Department is currently seven-tenths percent (.02) higher than last years budget. Salary and Wages are almost $9,000 down from our current budget with Operations almost $25,000 more in the proposed budget. With a Full-time Fire Chief, we can expect expenses to increase in the Operations of the Department. One area that desperately needs attention are the Fire Stations themselves. We have budgeted $18,000 for Stations 1 and 2 for heating, lighting, roof repair, painting and bathroom remodeling. There is $1,300 budgeted for our Annual Lumberjack Breakfast. I have also plugged in $15,000 for minor equipment which includes four sets of new turnouts. Finally, we are debt free from the Vehicle Fund and will be contributing $15,000 toward future equipment.

BUILDING $115,425 -0.5
The Building Department has virtually the same budget as last year with the exception that no money will be set aside in the Vehicle Fund. Salaries and Wages are up slightly which reflects the tentative retirement of the City Administrator and his cash-out requirements.

STREETS $726,125 -9.1%
The Street Department is currently budgeted at $726,125 which represents a decrease in proposed expenditures of 9.1%. The only area to show an increase is in Administration where there is a $3,680 difference from last year. This increase is due to the tentative retirement of the City Administrator, PERSI increase, fuel increase and an auditing increase. The two primary expenses for streets is the contract maintenance line item for paving/seal coating which is set at $125,000 and the purchase of a new street sweeper which will cost $250,000. No additional money will go into the Vehicle Fund until next year.

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<tr>
<td>Administration</td>
<td>$68,175</td>
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WATER AND SEWER $1,207,650 14.1%
The combined budget for the Water and Sewer Departments is $1,207,650 which is 14.1% higher than last year’s budget. The proposed Water Fund is $700,730 which represents a 47.7% increase compared to last year. The single most reason for this increase is due to the repair work on the million-gallon water reservoir. We had to budget an additional $250,000 for this work which is all in the interior of the tank. The reservoir will need to be drained and taken off-line for about one month to complete the work. Other than a slight increase in Water Administration for the tentative retirement of the City Administrator all other Water expenditures are below last year’s amounts.

The Sewer Department has a budget of $506,920 which is $76,960 or -13.2% lower than last year’s budget. We needed to postpone next year’s slip-lining until the following year. This is a $200,000 reduction in expenditures. The reason for this postponement is due to the fact that the Water and Sewer Revenue is legally one Fund and not two. Trying to perform $250,000 in reservoir repair work and $200,000 in slip-lining work in the same Fiscal year is too taxing on the overall Water and Sewer Budget. The reservoir took priority since we are under DEQ regulations to perform the work. We did plug in $50,000 for I&I Repair Work for the sewer collection system in the Orofino-Whiskey Creek area and $15,000 in minor equipment for sewer treatment. This will mainly consist of a Conveyor Belt/Auger/Press Replacement & Parts.

1. Personnel Policy Update - Administrator Laam gave the Council a brief update on the changes that were made to the Personnel Policy and Procedures Manual. Laam commented it has been a few years since the last update. One of the changes in the policy is the city is now considered an “At Will” employer. The State of Idaho is an “At Will” employer, but leaves the final decision on whether or not a city wants to be an “At Will” employer to the City Council. Employees should not fear this change as long as they keep doing their job. Another change that was noted to be added to the Personnel Policy is the city is subject to the Family Medical Leave Act (FMLA), which became Federal Law in 1993. Both public and private organizations are subject to FMLA as long as they employ over 50 employees. The city has to count all employees, including volunteers and part time employees. All public entities are specifically subject to the FMLA, but the employee must be eligible to apply for FMLA. A complete section on FMLA, has been added to the policy. Laam stated this law will not have a negative impact on the city. Employees can utilize the program, but must use it concurrently with any other leave such as vacation, sick leave and compensatory time which is paid leave. Laam apprised the Council that an Employee Meeting will be scheduled to review the changes in the Personnel Manual. Each employee will sign an acknowledgement of the changes made to the new manual. Finally, there is a comprehensive section in the manual regarding employee discipline and workplace discrimination. These sections have been updated by ICRMP and have been used word for word.

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DEPARTMENTAL REPORTS

Administrator - Administrator Laam reported the Airport Contractor will be done tomorrow with seal coating on the runway, taxiway, apron and the approach road leading into the airport.

Treasurer - Treasurer Wilson submitted the Revenue vs. Expenditure Fund Report ending May 2019 to the Council for review. Wilson reported the new Avgas Card Lock system is very popular, Wilson receives daily reports on the Avgas usage.

Building Official - Building Official Perry reported at the last Council meeting there was discussion on people staying in campers in the residential zones. Perry reported this is a Land Use issue and he will present this to the Planning and Zoning Committee at their next meeting for discussion and recommendation.

Public Works - Public Works Supervisor Miller reported the Public Works crew completed the conduit work at the Orofino Business Center. The Public Works Crew is busy cleaning up tree limbs from the recent wind storm. Miller commented a water leak was fixed on First Street and that the pipe is very old and in rough shape and will need to be replaced at some point. In other news, Miller wanted to publicly thank Maria Ward and some of the church volunteers that stepped up to form a Community Watch for the Splash Pad. This will help to keep the Splash Pad from being damaged and plugged on a daily basis.

Police - Police Chief Wilson reported he will refer his report to the Executive Session.

Water/Wastewater - Water/Wastewater Supervisor Martin reported he is working with a vendor who sells a polymer product to apply to the belt press to help make it more efficient. A sink hole was identified at the Lift Station and will need to be repaired in the near future. It was noted EPA and DEQ will be here on July 30, 2019 at 10:00 a.m. to award the City of Orofino on the Water Treatment Plant.

Fire - Fire Chief Hoyt reported the July 4th festivities went well and there were no fires. Hoyt commented he had a good representation of the Fire Department at the Chamber of Commerce July 4th show in the Orofino Park. There were four fire vehicles and eight people in attendance to be available in the event of a fire.

RESOLUTION

Resolution No. 19-483 Amendment to the Personnel Policy - A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF OROFINO, IDAHO AMENDING THE CITY'S PERSONNEL POLICIES AND PROCEDURES; AND PROVIDING FOR AN EFFECTIVE DATE.

Councilmember Simmons made a MOTION to adopt Resolution No. 19-483. Councilmember Swayne seconded the motion and it passed with a roll call vote resulting in all ayes.

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PUBLIC COMMENT

Clayne Tyler, Prosecuting Attorney wanted to thank Orofino Police Department for the time involved in the Colpitts Trial. Sergeant Vince Frazier spent every day assisting with evidence shuttling it back and forth to the trial in Grangeville. Tyler spoke highly of Frazier and the time commitment involved with OPD for the investigation before it went to trial. Tyler trusts in the department of seasoned and professional employees, they did a good job in helping with the prosecuting team. Tyler reported the jury was out four hours for deliberation and came back with a conviction. Tyler thanked the Council and wanted them to know they have a good team of police officers.

EXECUTIVE SESSION

At 7:06 p.m., Councilmember Dunaway made a MOTION to go into executive session pursuant to Idaho Code 74-2016 subsection 1 (b) to consider the evaluation, dismissal or disciplining of or to hear complaints or charges brought against a public officer, employee, staff member or individual agent or public-school student.

ADJOURNMENT

At 8:25 p.m., Councilmember Schrader made a MOTION to adjourn. Councilmember Dunaway seconded the motion and it passed unanimously.

Ryan Smathers, Mayor

ATTEST:

Janet R. Montambo, City Clerk

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