

**THE WORKSESSION
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA
HELD MAY 18, 2011 AT 6:00 P.M.
AT CITY HALL, 120 W. 6TH STREET, BENSON, ARIZONA**

CALL TO ORDER:

Mayor Fenn called the meeting to order at 7:00 p.m. with the pledge of allegiance.

ROLL CALL:

Present were: Mayor Mark M. Fenn, Vice Mayor John Lodzinski, Councilmembers Jo Deen Boncquet, David Lambert, Lori McGoffin and Al Sacco. Absent was: Councilmember Nick Maldonado.

NEW BUSINESS:

1. Budget Worksession for the City of Benson, Fiscal Year 2011-2012; all revenues and expenditures of the City may be discussed

Finance Director Jim Cox addressed the Council stating the subject for the worksession was the General Fund expenditures budget, but wanted to inform Council the budget from the last worksession had not included a Capital Improvement Project (CIP PW11-08) in the amount of \$50,000, which is the purchase of two used dump trucks. Mr. Cox then turned the subject over to Public Works Director Brad Hamilton, who addressed Council stating the County is looking at changing out some of their 10-wheel dump trucks to use less personnel and had approached him to see if the City would be interested in purchasing their outgoing trucks. Mr. Hamilton then stated he didn't know the price yet, but wanted to make sure the project was in the budget in case that opportunity presented itself. Mr. Hamilton then stated the City has 3 older, smaller single-axle dump trucks and it would be good to update our fleet with at least 1 newer truck, adding he would like to purchase 2, if possible, to have larger, road worthy trucks we wouldn't mind sending to Tucson to pick up hot mix and improve our capability. Mayor Fenn asked if we would sell the older trucks with Mr. Hamilton stating we would.

Mr. Cox then addressed personnel stating the Arizona legislature changed the contribution ratio for our defined benefit pension plan the City participates in from an equal matching contribution rate. Mr. Cox then stated currently the contribution of 9.85% is paid by both the employer and the employee, but now the employee will be responsible for a larger percentage, which directly affects the net wages employees take home, adding the employees contribution rate will be increased from 9.85% to 11.39% while the employer contribution rate has increased from 9.85% to 10.1%. Mr. Cox then stated he had been asked to calculate the cost if Council decided to increase employee pay to cover the 1.54% increase, which would be \$85,000 annually. Mayor elect Toney King stated he had asked Mr. Cox to look into covering the increase since employees haven't had a raise in 4 years, and was trying to see if there was a way to help the employees a bit. Councilmember McGoffin noted the City has lost several employees that have not been replaced, so all the employees still here have taken on the extra duties of those employees and have actually gotten less pay for it, adding every year costs go up and they haven't received any increases for 4 years. Councilmember Lambert asked if it could be worked out in the budget with Mr. Cox stating we do have contingency funds in the budget that would allow it, but Staff's opinion is that we have fought tooth and nail up to this point to keep from having to do what almost every other City in the State has done and that is have real economic woes of having to lay people off and/or have furloughs or a salary reduction program up of to 10%, which are really economically devastating to employees. Councilmember Lambert asked when the new contribution rates took effect with Mr. Cox stating they start July 1. Mayor Fenn then stated with the expected decreasing revenues for the upcoming budget, he would not support the increase. Council agreed it was a good idea, but couldn't be done at this time.

Mr. Cox then discussed the health insurance renewal reminding Council we had a 10% decrease in our insurance cost last year, which was unheard of and he fully expected we'd pay for it this year, but they were able to hold down the premium, with a small increase. Mr. Cox then stated the monthly increase for employees will be \$1.82

for parent/children coverage, \$2.89 for couple coverage and \$4.31 for family coverage, which is a nice win for the employees. Mr. Cox then stated the City pays 100% of the employee health insurance costs and 45% of dependent care costs, which is very good compared to other cities, adding most other cities, as these insurance premiums have increased, have laid the burden back onto the employees more heavily and we haven't had to do that because we've been able to keep the costs down. Mayor Fenn then stated this is an area they are able to look out for the employees, adding the small increase in retirement contribution is a small sacrifice if the City is going to keep funding 100% of the employee's health insurance. Councilmember Boncquet noted the decrease last year offset the increase this year. Councilmember McGoffin stated the employees have made up for the changes, though with higher co-pays and deductibles and they can't use Benson Hospital at all so the employees have to drive out of town, noting this had increased employees' costs. Mr. Cox then stated they tried to get the emergency room co-pay down, but it couldn't be done, so we have increased the HRA to have it pay \$200.00 of the \$450.00 emergency room co-pay. Mr. Cox then stated he was still working on being able to have x-rays done locally, but there is no guarantee at this point. Councilmember Boncquet then stated she works in healthcare and her insurance isn't any better.

Mr. Cox then stated we would now discuss the General Fund expenditures by General Fund Departments. Discussion was then held on the large difference in the Fire Department budget with Mr. Cox stating the budget now includes the purchase of a brush truck for \$282,000, which is anticipated to be a grant, noting the truck will not be purchased if we don't receive a 95% grant for it and also includes the purchase of a new Ford crew truck for \$90,000 funded by the accumulated reserve we have in the fire truck payment fund.

Mr. Cox then stated he would have each Department Head address Council for their budget beginning with the City Council budget. City Manager Glenn Nichols asked if there were any questions with Mayor Fenn asking about the increased salary expense. Mr. Cox then stated the Council enacted a salary that would now be taking effect with newly elected Councilmembers and some Councilmembers had donated some of their pay back to the City in the past. Discussion was then held regarding the League Booth budget line item and Council supplies with City Clerk Vicki Vivian stating the budgeted line items were sufficient for the upcoming fiscal year, noting we have reduced expenses for both items in the recent past and supplies can sometimes be charged to the City Clerk when they should be charged to Council and vice versa.

Moving to Administration, Mr. Cox stated it the IT services have been added after being moved from Finance and this budget can be a catchall for expenses that don't really belong to another department or unexpected expenses, so it is probably the most difficult budget to project. Councilmember McGoffin asked about the phone bill with Mr. Nichols stating many calls made now are long distance and can't be helped, but the City is continuing to look at phone systems to see if there is something better.

Mr. Cox spoke about the miscellaneous transfers that we have budgeted into other funds, like the Fire Pension Fund and the Airport Fund for grant matches and expenses that exceed the very minimal income we earn, as well as a budgeting contribution to the transit fund, which is not expected to be used, but must be budgeted. Mr. Cox then noted the most important items there are the contingency reserve set aside, which we've built up to \$900,000 and our actual projected contingency for this next budget year of \$870,327, which is a fairly healthy contingency to have going into the new budget year. Mr. Cox then stated it takes into account our accumulated cash balances that we bring forward from year to year and we've been able to maintain that fairly constant over the past several years in spite of the economic downturn. Mr. Cox then stated the Community Center budget has decreased pretty dramatically, because we don't pay CCS \$24,000 a year for the Dial-a-Ride program, adding we have been able to effectively expand transportation services and cut costs at the same time.

Mr. Nichols then addressed Community Enrichment stating we tried to cover all the different groups that request funding from Council, either through the budgeting process or at meetings, and put some extra funding in the miscellaneous enrichment projects for anyone who may come forward and ask for additional funding so we wouldn't have to take it from some other area, like we have in the past. Discussion was then held regarding the Governor's Alliance program including the placement of the program into Community Enrichment and the amount of funding. Councilmember McGoffin felt the amount should be \$5,000 with Mr. Nichols stating the budgeted amount for several years has been \$3,000, but the City has paid the higher invoices each year. Mr.

Nichols then stated with all the adjustments the City is making, he sent out a letter ahead of time, notifying the Governor's Alliance program that the budgeted amount was \$3,000, and hopefully, they will stay within that budget or find some other people to donate and help them support what they're doing. Discussion was then held regarding the tailgate party with the Benson school with Mr. Nichols stating his understanding is the school was looking more for support from the members of the City to support them in that project rather than money. Mr. Cox then stated when this budget was prepared, he looked at historical items and did not consider the tailgate party, adding it concerns him a bit that that budget might be a little light in this area and may be a little heavy in Economic Development. Councilmember Lambert then stated in using historical items, he would like to see more of them with their own budget line item and recommended the individual line items for Butterfield Rodeo in the amount of \$750, the Arizona Rangers biker rodeo in the amount of \$750 and the Shop with a Cop program in the amount of \$500. Councilmember Lambert then stated he would like to add a line item for the Youth Council in the amount of \$3,500, adding it doesn't mean it will necessarily be spent, but will be used to start the program. Mr. Cox asked Council if they would like a separate line item for the tailgate party or for activities done in conjunction with the school with Council agreeing in the amount of \$750.

Mr. Cox then noted the Cemetery budget has now been moved to the Public Works Department.

City Clerk Vicki Vivian addressed Council concerning the City Clerk budget stating there were no changes.

City Manager Glenn Nichols then addressed the Tourism budget. Discussion included the unforeseen repairs and maintenance due to the freeze, advertising and travel for Mr. Bob Nilson to the Cochise County Tourism Council meetings and dues.

Mr. Cox then addressed the Finance budget, noting the IT portion had been moved to the Administration budget and he had now allocated 15% of his salary to the golf course. Mr. Cox then stated the proposed budget contained capital outlay anticipating the purchase of modules to add onto the Caselle software system, allowing the City to do more such as paperless internet billing, adding the lack of capability for this to happen has been on the City's side. Mr. Cox then noted the proposed budget also includes 6 months salary for his replacement should he retire during the year or by the end of next year, adding he doesn't have any firm plans yet, but is contemplating retiring during the next year sometime.

Chief of Police Paul Moncada then addressed the Police Department budget. Discussion included the increased professional services for a contracted IT person due to the increased technology obtained through grants and the amount of time used with the previous IT employee to install new systems and keep their systems operational. Discussion also included overtime, the way it was budgeted and the reimbursement for overtime received from Operation Stone Garden with Chief Moncada asking for the line item to be increased from \$50,000 to \$55,000. Councilmember Lambert stated in the Community Enrichment, we have now added the Shop with a Cop program, but felt there should be funding in both the Police Department and the Fire Department for the sponsorship of youth sports teams. Chief Moncada stated he missed that, thinking it would be included in Community Enrichment and would like to request \$500 for baseball and football sponsorship. Councilmember Lambert requested the same amount be put into the Fire Department budget.

Chief Moncada then stated he would like to request the uniforms line item be increased by \$6,000 from \$26,000 to \$32,000 for the personnel who are authorized uniform allowance and for bullet proof vests, which, by IACP standards must be replaced every 5 years. Chief Moncada stated we are slightly behind on the replacements and are now looking at replacing 7 vests at \$500 each. Chief Moncada then stated we have applied with the Department of Justice, which has a program to reimburse up to 50% of the cost of the vests. Chief Moncada then requested the addition of \$800 in office supplies, bringing the total budgeted amount to \$4,000, adding the increased cost is to cover the certified mailing of reports to the County Attorney's office since there has been a problem with reports being received. Discussion then moved to the budgeted fuel amount, which is \$2,000 less than the current budgeted amount. Chief Moncada stated the proposed budget is optimistic fuel prices will go down or stay the same and noted the department gets approximately \$7,000 for fuel from Operation Stone Garden and since we work in overlapping grant cycles, the department will be drawing out both reimbursements during our fiscal year. Chief Moncada also stated to cut fuel costs, the department could look at becoming more reactive

and less proactive and take measures to cut back on fuel consumption. Chief Moncada then stated another area he would appreciate the Council considering was an increase in vehicles repair and maintenance for \$5,000 bringing the total budgeted amount up to \$21,000. Chief Moncada then stated he had worked out a deal with Ford Motor Company to pay for the 2007 vehicles to be repainted since the paint was bubbling and peeling, adding the City could then supplement the cost and have the vehicles done in the new black and white schematic with the new City logos.

Chief Moncada then spoke about the Grant Matches budgeted amount, asking the item be changed to Dispatch Improvement or Dispatch Center. Chief Moncada then explained the Police Department and Fire Department have worked to negotiate contracts for providing dispatching services with several local fire departments and the local ambulance service. Chief Moncada then stated if these contracts are approved by both parties, the revenue for the service will be used to improve and upgrade our dispatch center, which would need to be done in order to provide the service and run another dispatcher to assist with the fire calls. Discussion was then had regarding the use of codes and radio frequencies and the process currently used, with Chief Moncada stating the agreements state the outside party would be required to pay for any upgrades to our radio system enabling direct communication with them. Fire Chief Keith Spangler then stated there is currently a grant application out for \$150,000 from the Department of Homeland Security to upgrade the dispatch center, including the console and the recording system for the San Pedro Valley Fire Departments and the Police Department. Chief Moncada then added this would also help the Police Department tremendously in coordinating their efforts in the event an emergency or a catastrophic situation arises.

Fire Chief Keith Spangler then addressed the Fire Department budget. Councilmember Lambert mentioned adding the \$500 to the community sponsorships and Mayor Fenn asked about the increase in salaries with Chief Spangler stating the increase was to allocate dispatching service to the Fire Department from the Police Department with no new personnel. Discussion was then had regarding the proposed increase in professional services to increase pay for fire calls from \$5.00 per call to \$10.00 per call, the results of not increasing the pay and how other volunteer departments paid their volunteers with Chief Spangler stating the departments all pay various ways so it was difficult to compare our departments to other departments. Discussion then turned to education and training with Chief Spangler stating Firefighter I and II classes must now be taken through a college, and he has budgeted for 3 firefighters who are very interested in the classes, adding the EMT training is approximately \$1,000 and he has also budgeted for 3 firefighters to take that training. Chief Spangler then discussed other training opportunities such as the annual fire school and the annual fire chief's convention. Chief Spangler then spoke about the Community Service projects, which are fire prevention presentations through the schools and local events, stating last year they bought extra coloring books to give out but when they have attended community service fairs, like the hospital, they didn't have anything to hand out, so he would use this budgeted amount to get pamphlets and information they can give out at all the fairs they go to or if they go to Wal-Mart and do some sort of demonstration.

Discussion then turned to the budgeted amount for operating supplies with Chief Spangler stating this included the purchase of hose and 10 pagers at \$500 each which will be required for the mandated narrow banding system as well as the start of a turn-out replacement program. Chief Spangler then discussed the turn-out replacement program being a separate line item and the requirement to replace turn-outs.

Councilmember Elect Chris Moncada asked if new SCBAs were in the proposed budget with Chief Spangler stating they were not, but the department needed to start thinking about a replacement program for those as well, adding each SCBA costs approximately \$5,000. Chief Spangler then stated the Fire Department used to purchase between 2 and 4 SCBAs each year and then a grant was approved allowing the department to purchase 26 SCBAs which brought them all up to the NFPA standard at that time, but the standards have changed a bit since then and the SCBAs are getting old, requiring more replacement parts. Chief Spangler then stated a replacement program for them should be looked at in the next budget cycle, adding when the SCBAs become old, the issues are the maintenance costs and SCBAs that are out of service.

Vice Mayor Lodzinski asked about other equipment with Chief Spangler stating a grant application for new extrication equipment is pending and the grant application for monitoring equipment was denied, but they are

looking for grants all the time. Chief Spangler then stated his fear is that the federal government is going to run out of money or just not have as much grant funds available and this is something the City is going to have to start looking at in the future.

Councilmember Lambert asked about the Fire Department communications with Chief Spangler discussing the mandate to convert to the narrow banding system beginning January 1, 2013 and the need to purchase the 10 pagers to comply with the mandate. Chief Spangler also stated the department is trying to wait on the conversion because of their strong working relationship with all the other fire departments, adding throughout the County, all the departments are trying to wait on the conversion to be able to continue working together. Chief Spangler then stated he plans on switching over in January, 2012 in order to work out any problems and order anything else that may be necessary to meet the mandate, adding he has been told there will be a hefty fine each time the mic is keyed after January 1, 2013. Mayor Fenn then asked if the consensus was the fire calls should stay at \$5.00 per call with the Council agreeing. Chief Spangler then stated he had a couple more items he would like to discuss, starting with rentals, stating the department purchased a new on-line records management system which required a subscription in the amount of \$1,068 that was inadvertently left out of his budget. Council agreed to add \$1,100 to the rentals line item bringing the total to \$2,900.

Chief Spangler then discussed in more detail the turn-out replacement program stating every year they are required to send the turn-outs out to get inspected and cleaned to make sure they are functioning like they are supposed to and he would like to start a replacement program with a separate line item for 2 sets of turn-outs every quarter, or 8 sets per year. Chief Spangler then stated in 2008, the department got a grant and replaced all the turn-outs from helmets to boots, adding the replacement program would just address the jacket and pants at a cost of \$2,000 for a total of \$16,000 per year. Chief Spangler then stated the NFPA has a requirement that after 10 years, turn-outs can not be used, so he is trying to put a replacement program in place so the City doesn't have to spend \$60,000 to purchase all new turn-outs. Chief Spangler then stated he is also looking at 8 sets per year to purchase an extra turn-out set for firefighters who only have 1 set and don't have a set to wear when it is sent out for the inspection, which takes between 1 and 2 weeks. Councilmember McGoffin stated with the cuts the City has been making, she felt 4 turn-outs could be in the budget this year and we could possibly increase it in the coming years, creating a line item for the replacement turn-outs in the amount of \$8,000. Council concurred. Councilmember Lambert asked if the turn-outs had serial numbers on them with Chief Spangler stating they had both serial numbers and the manufactured dates on them.

City Manager Glenn Nichols addressed the Attorney's budget; there were no questions.

Magistrate Joe Knoblock addressed the Magistrate budget. Discussion included the consolidated court agreement, which was still being worked on and everything else remaining the same.

Kelly Jeter, Senior Library Assistant addressed the Library budget. Discussion included a recent grant the Library obtained to purchase 10 public computers for a total of 17 public computers and the dues that were inadvertently left out of the proposed budget for \$175. Ms. Jeter then asked if the office supplies could be increased to \$1,000.

Public Works Director Brad Hamilton addressed the Parks & Recreation budget stating nothing has changed; the department is still running 1 position short in maintenance and they are trying to keep the budget the same as the previous year. Finance Director Jim Cox noted he would be moving \$3,000 to the Community Enrichment budget for the Governor's Alliance Program.

City Manager Glenn Nichols then addressed the Building budget with Councilmember Lambert stating he was glad to see the fees for Brown & Brown were considerably lower. Mr. Hamilton then stated this is a direct reflection of the slow down in permits.

City Manager Glenn Nichols then addressed the Planning & Zoning budget; there were no questions. Councilmember McGoffin asked where the DOC salaries were with Mr. Cox stating they were all charged to the golf course.

Public Works Director Brad Hamilton addressed the Public Works budget stating the increase is due to the shop and cemetery budgets being moved to the Public Works Department.

Mayor Fenn asked if the Council would like to continue moving forward in the budget with Council agreeing to do so.

Finance Director Jim Cox then addressed the Golf Course budget stating the food & beverage revenues should be listed as \$309,000 with a like amount of expenditures, because it's an enterprise fund. Mr. Cox then state we are very pleased with the restaurant operation and expect it to exceed pretty significantly what is budgeted, but that money will go back into improvements in the Golf Course. Mr. Cox then stated he is very confident with the money the City receives from AGS, the golf course will operate and generate excess money for needed improvements at the golf course, adding upcoming improvements will be improvement to the irrigation systems, replacement of several pieces of maintenance equipment and a few golf carts in the next year. Mr. Cox then stated he feels confident we'll have the cash flow to do those. Mr. Cox then address the golf course personnel stating they are managed differently than other City employees, since they are part-time temporary employees and he is working on a legal classification to put them into a special class, where they can be laid off for periods of time, like most commercial golf courses do. Mr. Cox then stated all of the golf course employees understand that and are told that when they are hired, adding the only permanent full-time City full benefit employees we have are the 3 key managers; the Director of Golf, the Golf Superintendent and the Food & Beverage Manager. Councilmember Elect Ron Brooks asked about the education and training budget with Mr. Cox stating the Director of Golf has some testing to go through to get his final certification and it is in the budgeted under education and training.

Mayor Fenn then stated the City doesn't have a previous year to measure the golf course with, but it sounded like Mr. Cox was pleased overall and was confident in the golf course operations. Mr. Cox then confirmed this stating everything is right on target with his expectations and he thinks we have passed the high risk point where we are going to have something happen that we weren't aware of. Mr. Cox then stated we have pretty well been through everything now and his main concern was the clubhouse repairs, but they were done successfully, the restaurant has been opened successfully and the golf course is doing ok. Mr. Cox then stated the golf course is really improving from a technical standpoint and thinks it will be absolutely beautiful this summer, helping to build our reputation which is exactly what the plan has been, adding he couldn't ask for more at this point.

Public Works Director Brad Hamilton addressed the Natural Gas Fund budget stating they were still running 1 position short and there were no changes in the budget. Discussion then turned to a rate study for the utilities with Finance Director Jim Cox stating there is no requirement to have an outside study done, but the City was strongly advised by the bond rating agency and our investment bankers to use an outside consultant, which is budgeted for in the coming fiscal year and will be done for all utilities; gas, water, wastewater and sanitation.

Mr. Hamilton then addressed the Water Fund budget stating there were no changes. Discussion then included the replacement of older water meters with telemeters with Mr. Hamilton stating the City has replaced just under 50% of the meters, but with the recession is currently only replacing broken meters. Vice Mayor Lodzinski asked about the water loss ratio with Mr. Hamilton stating the loss ratio has improved tremendously since the replacement of meters was started. Mr. Hamilton then stated the beginning loss ratio was approximately 29% and the current loss ratio was now 11.5%.

Mr. Hamilton then addressed the Wastewater Fund budget stating again, this department was running 1 position short and they were working to keep the budget the same as the previous year. Mayor Fenn asked about the new perc plant with Mr. Hamilton stating the developer was going to be responsible for the first year of operation before handing it off to the City. Mr. Hamilton then stated the plant is still a vaulted haul operation and he would love to see it start, adding the developer is paying those fees, but it is a pretty significant fee to vault haul all the sewage.

Mr. Hamilton then addressed the Sanitation Fund budget stating it remained the same as the previous year. Discussion was then had regarding the sanitation contract with Southwest Disposal with Finance Director Jim

Cox stating the City has a 5 year contract with them and there have been small, automatic contractual increases, but the contract will be negotiated prior to the expiration of June 30, 2012. Councilmember McGoffin asked if the Sanitation Fund was still breaking even with Mr. Cox stating the City is slightly above breakeven, but the margin diminishes each year and will be almost zero this next year. Mr. Cox then stated the reason he wants to include the sanitation utility in the rate study is we are currently not allocating any accounting time, billing time or anything like that, so we're not getting a clean picture, since all we're showing in the sanitation fund at this point in time is revenues actually earned vs. what we pay to the County and to Southwest Disposal, adding in reality, he believes we're running below breakeven.

Public Works Director Brad Hamilton then addressed the Airport budget; there were no questions.

Mr. Hamilton then addressed the Street Fund budget stating we will see Highway User Revenue Funding (HURF) dropped and we're not getting State lottery money anymore, which brings the budget down approximately \$120,000, adding out of a \$400,000 budget, that is a big cut. Mayor Fenn then asked about the pavement management program stating he knew chip seal was the fastest, cheapest way to address the streets, but he wasn't impressed with the results and asked if we could do less coverage and use asphalt with Mr. Hamilton stating it would be up the Council, but one thing to consider was that the cost of asphalt rises with the cost of oil. Mr. Hamilton stated the resurface the streets would take approximately \$6 million.

Finance Director Jim Cox then addressed the Transit Fund budget stating it was operating just as expected. Mr. Cox then spoke of purchasing 3 buses instead of the 1 bus per year as planned, since we were strongly advised to get all 3 buses now. Mr. Cox then stated he would be coming to Council prior to the end of the fiscal year to seek an adjustment to the current budget for that change. Mayor Fenn asked if other items, like the bus barn were grant funded with Mr. Cox stating they were. Mr. Cox then stated the bus barn was applied for at the suggestion of the State when we went through the grant application process. Mr. Cox then added Denise Wolford is to be commended for her work with the transit system, stating our application came in number 1 in the State in the grant rating this year for the application process and grant management and it's only the second time we've been through the cycle. Councilmember Elect Chris Moncada asked about the use of the buses with Mr. Cox stating the usage increases everyday and is something that will continue to build, adding he has had nothing but positive comments. Councilmember Lambert asked if the 2.9 drivers for the transit budget was correct with Mr. Cox stating the way the schedules work, there are 2 full-time drivers and 1 driver classified as part-time, who works about 32 hours a week right now, adding with the main bus routes and the Dial-a-Ride program, the service time extends way beyond 8 hours, so we need and use all 3 drivers each day to keep all of the drivers out of overtime.

Mr. Cox then addressed the Debt Service Fund budget stating we made our first interest payment in December and will be making the first principal payment of \$277,000 right at the end of the current fiscal year. Mr. Cox then stated the account is really just for accounting showing interest income coming in and debt payments going out.

Mr. Cox then stated the Council addressed the Capital Projects at an earlier worksession.

Mr. Cox then moved to the Impact Fee Fund budget stating we have estimated \$100,000 in impact fees this next year, which will then be allocated back out to appropriate capital projects the following year.

Mr. Cox then addressed the Grants Fund budget stating there are so many grants in the works, he has listed the funding as "unallocated grants" for a total of \$4.05 million. Mayor Fenn stated if the last two years were any indication, the City should be receiving \$300,000 to \$400,000. Mr. Cox then stated he thinks it will be higher since there are several grants in the works plus the transit fund that is an annual grant receiver along with the airport, adding with that combination, it should be over \$500,000 each year and both the Police Department and Fire Department are very active in grant applications.

Mr. Cox then stated the Firemen's Pension Fund budget remained the same with an allocation from the General Fund of \$9,600 to cover pension payments.

Mayor Fenn asked if there were any other comments. Mr. Cox then stated the Council had gone through the entire budget and he would put together a budget that included all the proper numbers, graphs, pages and changed items as soon as he could, getting it back to Council for their review. Mr. Cox then stated we could then proceed on schedule to approve the Tentative Budget on June 6. Mayor Fenn thanked all the Staff members who attended the meeting and thanked the Councilmembers for attending.

ADJOURNMENT:

Councilmember McGoffin moved to adjourn at 8:59 p.m. Seconded by Councilmember Boncquet. Motion passed 6-0.

Mark M. Fenn, Mayor

ATTEST:

Vicki L. Vivian, CMC, City Clerk