City of Bethel, Alaska
City Council Minutes

April 21, 2004 | Special Meeting | Bethel, Alaska

CALL TO ORDER

A special meeting of the Bethel City Council was held on April 21, 2004 at 6:30 p.m. in the Council Chambers, Bethel, Alaska.

Mayor Short called the meeting to order at 6:30 p.m.

ROLL CALL

Comprising a quorum of the Council, the following were present:

Hugh Short, Jr.
Stanley "Tundy" Rodgers
R. Thor Williams
Hugh Dyment
Dave Trantham

Excused absence(s): Andrei Jacobs
Unexcused absence(s):

Also in attendance were the following:

Bob Herron, City Manager
Amanda Byington, City Clerk

PEOPLE TO BE HEARD

APPROVAL OF THE AGENDA

MOVED BY:	Williams	To approve the agenda of the April 21, 2004 meeting
SECONDED BY:	Dyment	

VOTE ON MOTION	Motion passes unanimously

Council moved to table for better discussions. City Council then gave consensus to adjourn all budget meetings at 9:00 pm.

UNFINISHED BUSINESS

NEW BUSINESS

Council Member Notti arrived at meeting at 6:37 pm.

City Manager Herron went over the budget work session schedule. The Council then asked for the meeting on April 22, 2004 to be rescheduled. Mr. Herron agreed.

A. Public Works Department Part I Budget

Vice-Mayor Williams started the discussions off by asking why the City Shop Electricity (10-65-621) budget was cut in half. City Manager Herron responded by saying that the amount shown is the true cost of the Water and Sewer electricity costs. The rest of the costs have been moved to the prospective department within Public Works.

Vice-Mayor Williams then asked the City Manager to explain why the philosophy of the budget has changed from last year. He voiced his dissatisfaction. City Manager Herron replied that the true costs are what this budget is reporting. Instead of including all costs of the City Shop in one amount, they just separated it out to each inner department.

Council Member Trantham asked the Public Works Director, Gregg Sargent, if the proposed budget considered the fuel rate increase expected when the barge comes in to town. Mr. Sargent explained that it would cover the expected increase.

Discussions ensued between Council Members about why the shifting of monies to appropriate departments within Public Works was such a big deal. It was discussed that if the philosophy was changed then how to view the new budget will have to change. It was explained to Council that the reason it was done this way was because of the crunch this year. It was thought that true costs would be more effective in the budgeting process.

Laurie Walters, Finance Assistant, then explained that 10-65-621, 10-65-623 and 10-65-626 are all cut in half due to this true cost analysis. The rest of the costs are budgeted under the Enterprise Fund. All of these line items are shared costs between the General Fund and the Enterprise Fund; therefore, they are going to be shown as such in this budget cycle.

Council Member Trantham then asked if any updates about the insurance increases expected this year have been addressed. City Manager Herron responded by saying yes, he has been in touch with the city's broker, Doug Brown of Brown Agency in Kenai. Mr. Brown has given the figure that has been budgeted. He gave the highest increase to allow for revisions if necessary.

Council Member Rodgers started discussing the issue of the $100,000.00 gravel request made by Public Works that has not been included in the proposed budget. He suggested that if the position of Operations Manager was cut it would allow for $50,000.00 toward the gravel request leaving only $50,000.00 to find.

City Manager Herron responded by speaking about the Operations Manager being the foreman over all foreman. If one calls in sick, he is expected to take up the slack. This position is a management position as well, therefore there is no overtime paid to him. He can work as much as needed at no added cost to the City. Mr. Herron also spoke about more native hires in the management team being his focus of recruitment. So far, he has two positions filled in management by natives. He believed it would show the wrong message to the community if one of them were cut.

Council Member Rodgers responded to Mr. Herron by saying it is not an attempt at getting rid of natives in the management team, it is a money issue. The position is new and Mr. Rodgers doesn't agree that it is a required to run the Public Works department. This is due to the fact that there is a Director of Public Works and a foreman for every position within that department. He feels the City is becoming top heavy. He recommended cross training all the foremen to do each other's job then, it wouldn't be necessary to have a "super foreman" within the City.

MOVED BY:	Rodgers	To eliminate the Operations Manager position and hand back the City Manager's proposed budget for revision to allow for the salary cut and the request for gravel and represent the budget to Council.
SECONDED BY:	Trantham	

Discussions:
Council Member Dyment commented that *less emotion and more frankness would make meetings more efficient.*
Vice-Mayor Williams *concurred with Dyment. Williams also stated that cutting positions is a realization that is happening now; cross training is the most effective way to cut costs and utilize the foreman.*
City Manager Herron *responded that the management team understands that there will be changes to the proposed budget, but cutting this position is not the way find to funding. He said this is a important position and the Operations Manager is responsible to fill in if a foreman is sick; he does not get paid over-time which is a cost savings; and suggested that Council find other ways to fund the gravel request.*
Mayor Short *announced that there has been more accomplishments since the new Operations Manager and new Director have been hired. He does not agree with this motion. The budget process is just beginning and he feels that the Council should wait before cutting positions on the very first meeting.*
Laurie Walters *addressed Council by letting them know that only 15% of the Operations Manager's salary is funded from the General Fund.*
Council Member Rodgers *spoke about his motion not being a racist motion, just a matter of funding. We do not have the money to fund a position that is not needed, when there is a request for gravel that cannot be funded at this point.*
Council Member Notti *said that if Council would just raise the rates of Water and Sewer, we could cover that cost. At that time, we would be able to afford the requests without having to cut positions.*

VOTE ON MOTION	Motion Fails with a 3-3 Roll Call Vote: Trantham-yes; Rodgers-yes; Dyment-no; Williams-yes; Short-no; Notti-no

MOVED BY:	Dyment	To direct administration to cut $100,000.00 and replace it with the $100,000.00 gravel request from the General Fund side of the budget
SECONDED BY:	Rodgers	

MOVED BY:	Williams	To cut $100,000.00 from 10-65, 10-66, 10-67 and 10-70 portions of the budget
SECONDED BY:	Trantham	

City Manager Herron *explained the necessity of the request and the costs of the department.*
Mayor Short *responded by saying he thinks this is the right direction, but is unsure of the general nature of the motion*

VOTE ON AMENDMENT TO MOTION	Motion Fails with a 3-3 Roll Call Vote: Rodgers-yes; Dyment-no; Trantham-yes; Williams-yes; Notti-no; Short-no

VOTE ON MOTION	Motion passes with a 4-2 Roll Call Vote: Notti-yes; Rodgers-yes; Trantham-no; Dyment-yes; Williams-no; Short-yes

Vice-Mayor Williams then asked about Engineering Fees (10-65-643). He said that the budget last year was overrun by $5,000.00. He then asked Mr. Sargent if it would happen again since the same amount was budgeted this year. Mr. Sargent said he didn't foresee any overruns at this point.

Laurie Walters addressed Mr. Williams's next concern about not funding any Social Security in that budget. She said that since there was no funding for a temporary than there would be no Social Security being taken out.

Council Member Trantham then led a discussion about the PERS increase. He wanted to know if it had been addressed. City Manager Herron responded by saying yes, the increase is included in the budget.

10 Minute Break.

Council Member Trantham commented about the allotted fuel expense. He doesn't think it is enough and is worried about over running the budget next year.

City Manager Herron spoke about the electricity which is projected out in the proposed budget. The fuel rate increase that is expected is included in the budget.

MOVED BY:	Williams	To increase 10-66-621 to $100,000.00
SECONDED BY:	Dyment	

Discussions:

Council Member Dyment *asked Mr. Sargent if the expected fuel rate increases have been considered when the budget was in the planning stages. Mr. Sargent said yes to the fuel rate increases were considered, and then spoke about the electric budget only spending 75% of this year's budget and so he thinks it will be adequately covered.*

City Manager Herron *responded that Yukon Fuel has provided the city with an open scale of the past year of fuel prices and it indicates that fuel prices are always going up and down, starting in October.*

VOTE ON MOTION	Motion passes with a 5-1 roll call vote: Trantham-yes, Rodgers-no, Dyment-yes, Notti-yes, Williams-yes, Short-yes

Council Member Trantham then asked about the cut of Temporary positions. The City Manager said that the Public Works department can make it with one temporary. Mr. Trantham then asked why all the salaries for that line item are the same? Mr. Herron said that all the personnel listed are topped out and cannot make any more money except one person.

Laurie Walters replied that the one person who may be receiving a raise is listed in that line item as what he will be making as of July 1. His salary increase is budgeted under Salaries line item.

MOVED BY:	Trantham	To cut $10,000.00 from the overtime and add it to cover the gravel request
SECONDED BY:	Dyment	

VOTE ON MOTION	Motion passes 5-1 with a Roll Call Vote: Rodgers-yes, Dyment-yes, Trantham-yes, Notti-yes, Williams-yes, Short-no

Council Member Rodgers asked for more detail on Other Purchased Services line item. Mr. Sargent replied that it includes fire extinguishers-testing and replacing, furnaces-maintenance and repair, soil samples, and much more.

Mayor Short asked Mr. Sargent to explain two line items. He said that 683 is being used to place extinguishers over boilers as is required by the insurance company. He said 685 is being used for oil absorbents, safety masks and glasses. We need to replace old fire extinguishers this year; this is included in the line item as well.

Council Member Trantham requested that finance provide a copy of the details of line items such as Other Purchased Services for this meeting and all meetings in the future to help better understand the proposed budget.

Vice-Mayor Williams asked Mr. Sargent if he could abide by a budget cut in overtime. This year the department was overrun in this area and he is concerned that it will happen again. Mr. Sargent said he could, and he didn't see any problem. Mr. Williams then suggested that the Operations Manger could pick up the slack since the city does not pay him overtime.

Council Member Rodgers asked Mr. Sargent how many foreman are HAZWHOPPER certified. Mr. Sargent said 4, and others are hazmat trained. Mr. Rodgers then suggested that there needs to be more training in this area, to utilize all the foremen for the dangers that may occur.

MOVED BY:	Williams	To remove Operations Manager salary from the Projects and Safety line item since he is not trained in this area
SECONDED BY:	Trantham	

Discussion:
Vice-Mayor Williams *said that 2% of the Operations Manager budget comes from this line item, yet he is not qualified to cover any one being absent from work.*
Council Member Notti *responded by saying HAZMAT is not the only item being funded in this portion of the budget.*

VOTE ON MOTION	Motion fails with a 3-3 Roll Call Vote: Notti-no, Rodgers-yes, Trantham-yes, Dyment- no, Williams-yes, Short-no

Council Member Trantham asked what was not going to be bought with the cut from line item 669. Mr. Sargent said that what will happen this year is that the department will work from accumulated supplies. Next year the budget for this will probably go up.

Vice-Mayor Williams is concerned with not having supplies for the workers to work with. If there isn't enough supplies than how will the department keep up the maintenance within the city.

City Manager Herron replied that the department could buy needed supplies with what is left in this year's budget for next year's usage. He believes there is enough supplies to get through the next budget cycle.

MOVED BY:	Williams	To increase 10-70-545 through 10-70-799 line items by $50,000.00 to cover supplies
SECONDED BY:	Trantham	

Discussions:
Council Member Rodgers *commented that we asked for the budget to be cut; now so far we have added $165,000.00 to the budget. This will all come out of the General Fund if we are not careful.*

VOTE ON MOTION	Motion fails with a 1-5 Roll Call Vote: Dyment-no, Trantham-no, Rodgers-no, Notti-no, Williams-yes, Short-no

B. Main Lift Station Bid Award

MOVED BY:	Notti	To award the bid to MKB Construction for the main lift station
SECONDED BY:	Rodgers	

VOTE ON MOTION	Motion passes with a 6-0 Roll Call Vote

COUNCIL MEMBER COMMENTS

Council Member Notti handed in his resignation to the Mayor. It was accepted and there were many thanks for his service to the City of Bethel.

Council Member Trantham had no comment

Vice-mayor Williams

MOVED BY:	Williams	To direct the finance department to provide a quarterly proportional report for the last five years for revenue received.
SECONDED BY:	Rodgers	

VOTE ON MOTION	Motion passes unanimously

Council Member Rodgers commented that he has been involved with the budget processes for nine years and it always seems to work itself out. He expects the departments to provide Council with a balanced budget without using the General Fund.

Council Member Dyment comments about not giving the administration any specific direction on how to cut their budget. He apologized for this. He recommended that the Council be more specific in the future.

Mayor Short spoke about a meeting he had about a review for a new borough requested by Calista Corporation. He is upset about no one approaching the City of Bethel with any intent to do this. He did send this message back to the Calista Corporation and is waiting for a response.

MOVED BY:	Williams	To declare a vacancy on the City Council and to advertise until the May 11, 2004 meeting
SECONDED BY:	Dyment	

VOTE ON MOTION	Motion passes unanimously

MOVED BY:	Williams	To adjourn the meeting at 9:05 pm
SECONDED BY:	Rodgers	

VOTE ON MOTION	Motion passes unanimously

APPROVED THIS 25th **day of** May **2004**

ATTEST:

Hugh Short, Jr., Mayor

Amanda Byington, City Clerk