

**PAGE CITY COUNCIL  
WORK SESSION MEETING MINUTES  
JUNE 8, 2016**

A Work Session Meeting of the Page City Council was held at 5:02 p.m. on June 8, 2016, in the Council Chambers at City Hall in Page, Arizona. Mayor Bill Diak presided. Vice Mayor John Kocjan, Councilors Scott Sadler, Levi Tappan, Korey Seyler, and Dennis Warner were present. Councilor Mike Bryan was excused.

Mayor Diak called the meeting to order.

Staff members present: City Manager, J. Crystal Dyches; City Attorney, Joshua Smith; Finance Director, Linda Watson; Community Development Director, Kim Johnson, Page Utilities General Manager, Bryan Hill and City Clerk, Kim Larson.

Discussion by the City Council pertaining to the FY 2016/2017 Budget

City Manager Crystal Dyches stated that the budget was updated with personnel information, per the request of Council from the last Budget Work Session.

She updated each "Budget Highlights" section with the proposed changes to personnel.

There was a reduction of .48% (\$36,497) in personnel costs from FY 16 to 17 (proposed)

- In the General Fund personnel costs were reduced by 3.9% (\$29,055).
- In the HURF Fund personnel there were no costs associated with personnel (moved personnel costs to GF during the prior year)
- In the Community Development Fund personnel costs were reduced by 4.9% (\$10,328.)
- In the Airport Fund personnel costs were constant (no \$ change).

This is due to a number of factors, which include:

- Reduction in Medical Insurance costs of \$91,965.00, due to the high deductible plan;
- An increase in the budget for Worker's Compensation of \$39,078 (the actual increase was \$11,871, but last year's numbers were based on an estimate, not actual);
- Change to State Retirement Plan

She stated that this does not include the \$325,415 that was included in line item 10-441-2830 – Personnel Compensation (formerly compensated absences), which covers wage increases, retirement payouts, changes to employee elected benefits and costs associated with implementation of Classification & Compensation study results, which was an increase of \$103,154. over FY 2016.

Councilor Sadler asked about the maintenance and upkeep of the old golf course, and where it was in the budget.

City Manager Crystal Dyches stated that it fell under Page Utility Enterprises.

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Councilor Tappan asked when the Classification and Compensation Study would be done.

City Manager Crystal Dyches stated that it would be in a couple of months, and that City Council will be given a recommendation, and City Council would make the decision if they wanted to implement the recommendation. She stated that as a placeholder 3% was put in the budget, along with 2% for the Classification and Compensation Study.

Councilor Warner stated that he felt 5% was excessive. He stated that Council would need time to evaluate the Classification and Compensation study. He stated that historically the compensated absences were roughly \$80-85,000. for retirement and benefits. Then he stated that the budget was \$1 million over, and that he realized that it was for capital improvements.

Ms. Dyches stated that some of the funds were based on who may retire and what their sick payout would be, and some can be substantial.

Councilor Warner stated that he would like to see the fund broken down by discretionary and nondiscretionary.

Councilor Tappan confirmed that any raises would come before City Council before given.

Councilor Warner discussed the Library Fund and stated that the Library should be able to operate on the funds provided from the County, which is a secondary tax that the citizens pay. The funds are meant to be used for communities that cannot afford a library. The City needs to operate the library on the funds that are received from the County, \$348,000.00, and if that is not adequate, the City will supplement it. The City should not continue paying \$200,000.00 and get \$300,000.00 from the County. The City should take the \$200,000.00 and use it for fixing roads. Councilor Warner made the recommendation to reduce the budget down to \$375,000.00, which equals \$350,000.00 from the County and \$25,000.00 received for benefits and services.

There was discussion.

Mayor Diak stated that the budget was increased for the Library due to the number of people the Library services, which is not based on the City's population. That this is the only Library within 140 miles, and that is one of the reasons the Library gets extra money from the County.

Discussion continued.

There was discussion pertaining to the funding received for Library programs, and how it would affect the funding if some of the programs were cut.

Ms. Dyches asked what her direction was.

Mayor Diak stated that more information was needed for reducing the budget by \$126,000.00, to see if the programs are attached to the funding from the County.

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Ms. Dyches stated that she will show what a \$100,000.00 cut would mean to the Library Budget, and she will request that the Community Service Director, Debbie Winlock be present at the meeting.

Councilor Warner stated that he had a few more items to bring up, but that they were running out of time.

He asked if the current building review staff was adequate to deal with the growth that the City is receiving, and should money be put in for contract service to outsource some of the plan review.

Ms. Dyches will bring back information on the Library and Building Safety. She stated that she sent Council an e-mail pertaining to staffing. Based on the two work sessions, and the budget surveys, there were no funds for staffing. However, Council Member Bryan contacted the Police Chief and told him, that if he need other things and staffing to let him know. Ms. Dyches stated that if there was an interest in moving forward with staffing, she would like a broader discussion other than just the Police Department, because there are needs broader than that.

There was discussion.

Councilor Seyler stated that to execute everything that Council wants to get done, there has to be personnel and there should be discussion regarding the needs of departments.

Ms. Dyches stated that the reason the budget looks so high is because \$2 million dollar was added for the airport project. The budget includes \$3 million dollars in projects.

Ms. Dyches asked if discussing personnel was needed at the next meeting. She stated that she tried to balance Councils priorities with operations. The budget represents the wishes of Council and the ability for all of those strategic objectives to be done.

There was further discussion.

City Manager Crystal Dyches confirmed that she will bring the information for the Library, and the answer for Building Safety to the next meeting. She then stated that the Preliminary Budget approval would be moved to July 13, 2016.

Vice Mayor Kocjan asked if the discretionary and nondiscretionary personnel funds would be broken out.

Ms. Dyches stated that they would be.

The meeting was adjourned at 5:44 p.m.



Kim Larson  
City Clerk



William R. Diak  
Mayor

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**CERTIFICATION**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the City Council Work Session Meeting, held on the 8th day of June, 2016. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 22<sup>nd</sup> day of June, 2016

A handwritten signature in cursive script that reads "Kim Larson".

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Kim Larson, City Clerk