

CITY OF SHELLEY  
COUNCIL MEETING  
MINUTES

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AUGUST 28, 2018

PRESENT: Mayor Stacy Pascoe

Council Members: Earl Beattie Mayor, Jeff Kelley, Kim Westergard, and Adam French  
Police Chief: Rod Mohler  
Public Wks Dir.: Justin Johnson  
Recreation Dir.: Mikel Anderson  
City Clerk/Treasurer: Sandy Gaydusek  
City Attorney: BJ Driscoll

PLEDGE OF ALLEGIANCE: Rod Mohler

PRAYER: Adam French

Earl moved, Kim seconded to approve the following consent agenda:

Minutes of Council Meeting on August 14, 2018  
Approval of July Overall Budget & Treasurer's Rpt.  
Approval of July Expenditures  
Building Permits:

Bart Wattenbarger - storage units  
Brent Davis - solar panels  
Adam French - addition

A roll call vote was taken: Kim – aye, Earl – aye, Jeff – aye, and Adam-aye.  
Approved unanimously.

The Budget Hearing for Fiscal Year 2018-2019 was conducted. Sandy said the budget this year is in the amount of \$11,465,977. She said a property tax increase of three percent is proposed, an increase of \$.55 per increase in the sewer fund is proposed, and sports registration is proposed to increase by \$5 per sport. Included in this budget hearing is a public hearing for the increase to sports registration since the increase proposal is over five percent. Sandy presented a narrative report that discussed the condition of each fund and what is proposed to be spent out of each fund. A three percent cost of living raise, and incentive pay based on certifications are proposed for the city employees. Sandy also presented graphs showing each fund based on spending, contingencies, and carry overs for the past five years. Copies of the narratives and graphs are attached to these minutes. BJ explained the hearing procedures and opened the hearing for public testimony on the budget or the increase of fees in the recreation fund. No public testimony was given in favor, opposition, or neutral discussion regarding the budget or the Resolution increasing the fees. BJ closed the public hearing. Jeff said the city is doing well financially and we have accomplished many projects; street improvements, infrastructure improvements, etc. Mayor Pascoe said he hates to raise taxes, but we need to continue with street improvements in the city. Jeff moved, Kim seconded to suspend the reading of Ordinance 592 appropriating funds for the 2018-2019 fiscal year and read it by title only once. Approved unanimously. Jeff read the title of Ordinance #592. Jeff moved, Earl seconded to adopt Ordinance #592 appropriating \$11,465,977 for the fiscal year

2018-2019 as presented. A roll call vote was taken: Adam – aye, Earl – aye, Kim – aye, and Jeff – aye. Approved unanimously.

Sandy presented Resolution 18-03 increasing the recreation fees by \$5 per sport. Kim moved, Adam seconded to adopt Resolution 18-03 as presented. A roll call vote was taken: Kim – aye, Adam – aye, Jeff – aye, and Earl – aye. Approved unanimously.

Sandy presented Resolution 18-04 increasing the sewer rate by \$.55 per ERU. Adam moved, Earl seconded to adopt Resolution 18-04 increasing the sewer rate by \$.55 per ERU. A roll call vote was taken: Earl – aye, Adam – aye, Kim – aye, and Jeff – nay. Approved three in favor, Jeff opposed.

Sandy presented the documents for the public hearing to consider adopting the budget for fiscal year 2018-2019 for the Country Club Road Urban Renewal Agency, and the Shelley Urban Renewal Agency. She said the Shelley URA has been retired, and the only portion left in that account is \$16,100 to finish the sewer facility planning study. She said the Country Club Road URA consists of the taxes paid in by Golden Valley Natural, and they receive a portion of that back for the community improvements they did when building their facility. Sandy said SICOG and the City gets \$10,000 annually for administration for the first five years of the TIF. The public hearing was opened. There was no public testimony in favor, opposed, or neutral comments regarding this matter. Kim moved Jeff seconded to adopt the Shelley Urban Renewal Agency budget for fiscal year 2018-2019, and the Country Club Road Urban Renewal Agency budget for fiscal year 2018-2019 as presented. A roll call vote was taken: Adam – aye, Jeff -aye, Earl - aye, and Kim – aye. Approved unanimously.

Sandy said the Planning and Zoning Commission held a hearing to consider rezoning a portion of the Wind River Subdivision Phases Four and Five upon annexation of the property outside of city limits, and the preliminary plat for the subdivision as well. The P&Z Board recommended approval of the rezone of the property to R1/Single Family Dwelling conditional upon the property being annexed, and recommended approval of the preliminary plat. Based on the findings of the P&Z Earl moved, Jeff seconded to annex the portion of property outside of the city limits known as Wind River Subdivision Phases Four and Five. Approved unanimously.

Earl moved, Jeff seconded to rezone the property in Wind River Subdivision Phase Four and Five to R1/Single Family Dwelling. Approved unanimously.

Earl moved, Jeff seconded to approve the preliminary plat submitted by Harper Leavitt Engineering for the Wind River Subdivision Phases Four and Five. Approved unanimously.

Kim moved, Jeff seconded to approve the following business licenses for 2018:  
Kevin Christensen/Christensen Farms - Itinerant License for Farm Produce  
Peggy Poulson - 340 Shelley Avenue – On Line Sales  
Fraun Peterson – Mobile Food Truck  
Approved unanimously.

The Mayor and Council discussed closing Drivers License Services in City Hall. There has become a space issue which creates a privacy issue, as well as tax payer dollars supplementing the wages and overhead of the service by approximately \$22,000 annually. Kim said maybe customers could pull a ticket with a number on it and wait in their vehicles until their number is called. Jeff suggested putting a FEMA trailer in Kiwanis Park behind City Hall to provide the service. However, a third person would need to be hired and that would not take care of the financial aspect. Kim said we just need to look at all the options. Jeff said obviously something must be done; there is just not room to provide city services when there are so many customers standing in line for Drivers License services. He suggested taking appointments for one or two days a week. Jeff said he is against raising taxes to the city residents to provide services for a large group of people who reside outside of the city limits. Earl said it has become hard for Jasmine and Sandy to get their work done and provide attention to city business. Jeff said he doesn't think taxpayers should supplement Drivers Licensing, but Title's and Registration Services funds itself, and doesn't create a long line in the city office. He said when someone comes in for title work or to renew a registration they are in and out. Mayor Pascoe said he feels the same, and he is not in favor of taking appointments for drivers' licensing. Earl said he feels it is in the best interest of the city to close Drivers' Licensing. Jeff said the State has not been funding Driver's License Services appropriately but mandate the Sheriff's Office to provide these services at their tax payer's expense. He said the city is the only city hall in the State that provides drivers licensing. Jeff said to get any fee increase, the legislature must approve it. Earl moved, Jeff seconded to close the Driver's License Services at City Hall effective September 27, 2018. Approved three in favor, Adam opposed, motion carried. Lisa Hurt said we are here to provide a service, and people pride us in that and how friendly we are. She said there is a big privacy issue though. Jeff said he has heard nothing but good about our staff. Kim said she has seen on Facebook that you should go to the Shelley DMV because they are nice. Corrin said she agreed with Lisa. She said something has to be done and feels more money should not be spent in another building or addition. The Mayor and Council stated Corrin will remain employed with the city; she will be utilized in other Departments that has been budgeted for.

Sandy presented the valuation chart that was proposed to be used when figuring building permit fees. The fee schedule being used is the 1994 UBC rates and are not changing; just the valuation table that is used for residential valuation. Jeff moved, Kim seconded to adopt the valuation chart as presented. Approved unanimously.

Adam moved, Earl seconded to table the ECIPIA items on the agenda since there was nobody in attendance to present it. Approved unanimously.

Mikel said the pool is being closed for the season on September 1, 2018. He said he has received several compliments for Justin and his crew regarding the appearance at the parks. Mikel said the ATM has been installed at the High School.

Justin said some of the parts came in for the Hawk Light, but we are still waiting on the poles. He said the Water Tank Project had a major mishap. He said some of the tension cables were cut accidentally and now Dome Technologies is having to repair those lines; it will put them behind three to five weeks. Justin said the

camera work and jetting of the sewer lines is being done. He said he is hoping to get it all finished by this winter.

Justin said Landon Williams will be done by the end of the month with the grounds keeping work. He said he has done a great job for the city.

Justin said Fall Clean Up will be October 8th through October 13<sup>th</sup> this year.

Rod thanked the Council for the budget considerations for his employees. He said he is still working on hiring a new employee to fill the vacancy.

Adam said the budget went well this year. He said Sandy and her staff did a great job.

Kim thanked Justin and Rod for their work on the picnic. She thanked Sandy for her work on the budget.


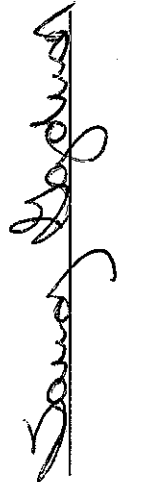
Kim said there have been citizens that have stepped up to help the Tree Committee. She thanked Mikel for all the great ideas working with the Mayors Youth Committee.

Jeff and Earl thanked Sandy for her work on the budget. Earl felt good about the incentives for the employees this year.

Mayor Pascoe said he appreciates Sandy for her work on the budget and appreciates Corrin and Lisa for hanging in there; and this should fix the problems we have been having regarding the DMV. He thanked the city crew for their work leading up to Spud Day. He said he has been riding with several police officers and they are going a great job also. Mayor Pascoe said he appreciates the council members and for their input on the budget.

The Mayor and Council determined they will each be riding in the Spud Day parade. The City will provide three bags of candy to throw to each person from the city participating in the parade.

Adjourned: 8:47 p.m.

APPROVE:  ATTEST: 

PROPOSED BUDGET FOR FISCAL YEAR 2018-2019

A public hearing pursuant to Idaho Code 50-1002, will be held for consideration of the proposed budget for the fiscal year from October 1, 2018 to September 30, 2019. The hearing will be held at City Hall, 101 S. Emerson Ave., Shelley, Idaho, at 7:30 p.m. on August 28, 2018. All interested persons are invited to appear and show cause, if any, why such budget should or should not be adopted. Copies of the proposed City budget in detail are available at City Hall Monday through Friday during regular office hours (8:00 a.m. to 5:00 p.m.). City Hall is accessible to persons with disabilities. Anyone desiring accommodations for disabilities must contact the City Clerk at least 48 hours prior to the public hearing. The proposed fiscal year 2019 budget is shown below as proposed expenditures and revenues.

Fund Name	FY 16	FY 17	FY 18	FY 19
GENERAL FUND	477885	371208	477885	492310
General and Administration	590948	654619	825155	861405
Police Department	160511	111898	200365	180965
Parks	74174	101106	121050	103900
Swimming Pool	1445	1446	5825	5825
General Emergency	100000	100000	100000	100000
Capital Improvement/Building	1227177	1240277	2070657	2223632
TOTAL GENERAL FUND	550701	638121	732797	1888627
STREET LIGHT FUND	23106	29628	123180	85180
RECREATION FUND	38875	44486	68454	7069
SEWER GUARANTEE FUND	0	0	403960	457219
WATER FUND	681177	391148	1927415	110000
SEWER FUND	357264	73631	2044281	2040997
WATER & SEWER RESERVE FUND	11025	11300	68523	1007823
SANITATION FUND	288614	466224	556881	593680
SEWER BOND RESERVE FUND	487350	487350	1122487	1177006
STATE REVENUE FUND	666974	75775	712858	758604
4331203	4102940	4102940	4513970	11465977
GRAND TOTAL EXPENDITURES				
Fund Name	FY 16	FY 17	FY 18	FY 19
GENERAL FUND	581966	585547	1343447	888802
GENERAL FUND	286808	307910	499843	213843
STREET LIGHT FUND	13895	15951	120180	107180
RECREATION FUND	41620	39871	68454	32954
WATER FUND	386984	452978	1927415	637415
SEWER FUND	359190	608634	2044281	1608281
WATER & SEWER RESERVE FUND	154300	41050	68523	557273
SANITATION FUND	340382	341409	556881	250581
SEWER BOND RESERVE FUND	550916	545142	1122487	582487
STATE REVENUE FUND	140430	158571	712858	758604
SEWER GUARANTEE FUND	54905	50095	403960	350960
TOTAL OTHER REVENUE SOURCES	2920266	3047158	9354129	5690634
3817778	3983747	10327293	5690634	11465977
GRAND TOTAL REVENUES				
PROPERTY TAX LEVY	728421	725897	727210	741863
GENERAL FUND	168104	207673	242964	272954
STREET LIGHT FUND	987	3018	3000	4000
FORGONE AMOUNT	0	0	0	0
TOTAL PROPERTY TAX LEVY	897512	936589	973164	1018817
OTHER REVENUE SOURCES	581966	585547	1343447	888802
GENERAL FUND	1481769	1481769	1481769	1481769
STREET FUND	335673	1615673	213843	1615673
STREET LIGHT FUND	13895	15951	120180	107180
RECREATION FUND	41620	39871	68454	32954
WATER FUND	386984	452978	1927415	637415
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3817778	3983747	10327293	5690634	11465977
GRAND TOTAL BALANCES (contingency)				
*Includes accumulated fund balances (contingency).				
Contingency includes funding for unforeseen emergencies, future capital improvement plans, and allows the city to operate on a cash basis. Government accounting practices recommend a contingency in each fund to maintain a financially sound budget.				
**Includes carry over fund balances from prior fiscal years.				
Funds are carried over each year for over estimated expenditures and savings for future capital improvement projects. These funds are used for contingency items.				
The proposed expenditures and revenues for fiscal year 2018 - 2019 have been tentatively approved by the City Council and entered in detail in the Journal of Proceedings.				
DATED THIS 14th day of August, 2018				
Sandy Gaydusek City Clerk/Treasurer				

FISCAL YEAR 2018-2019 BUDGET  
(final)

The city's valuation decreased approximately \$649,738 this year down to \$147,591,820. Basic American disputed their valuation and it was lowered just over a million dollars. A total of \$1,018,817 will be levied for in property taxes which include a proposed 3% increase totaling \$29,618 and new construction of \$16,035. The levy rate last year was 0.006565115. The projected levy rate this year is 0.006902936. Property owners with a value of \$100,000 after the home owner's exemption will see an increase of \$33.78 annually, or \$2.83 monthly from their city taxes. It is proposed to not use any of the forgone amounts this year. There are new requirements when forgone is used; we must publish our intent to use it and hold a public hearing in conjunction with the budget hearing. We now can opt to disclaim any forgone which after a resolution is created it is taken off of the books through the County. I have put \$30,000 of the additional monies into the street fund which is basically the 3% increase from property taxes. An example of property taxes is property valued at \$100,000 after the homeowner's exemption will pay \$690.29, last year they paid \$656.51. Legislature passed a bill a few years ago that exempts businesses from paying personal property taxes on the first \$100,000 of personal property (equipment). This has lowered a portion of the city's valuation. However, the State will be sending funds to replace the revenue that will be reduced to the city each February (approximately \$14,000). This has not been included in the property tax projected revenue; however the revenue is appropriated to the General Fund. The proposed fee increases planned for this year will raise the sewer rate by \$.55 per ERU. EIRWWA has increased their O&M by that amount in their budget. We are proposing to increase the sports registration fee by \$5 this year to cover part of a shortfall in that fund. The remaining shortfall will be covered by moving 7% of Mikels wage to the Parks Department. A public hearing is required for the about fee increase since it is over 5%. The employee's medical insurance will increase by about 6.67% in September which will be an annual increase of about \$8800. We will still use our "buy down" program in regards to the deductible. Our liability per employee using their full deductible is \$1200. However, with the turnover we have had I have conservatively budget 40% liability. Dental Coverage will remain the same with no increase to the premiums. The city is proposing a 3% cost of living raise based on the Department of Labor index from May of 2017 to May of 2018; Merit raises will be considered per the wage scale. The increase for payroll raises totals approximately \$42,508. (The COL portion is \$34,577). We are proposing to implement a certification program that would allow employees who obtain certain certificates to receive more monthly wages. The additional cost would be \$17,200 for that program. Also, the police department will see a shift differential for swing shift and graveyards totaling \$2300 annually. It is proposed to that all employees in the city limits will receive free utility services. This will reduce the income to Water, Sewer and Sanitation Funds by approximately \$6750 annually, and the city will need to pay EIRWWA the O&M for the employees totaling \$975 annually.

GENERAL FUND – This fund totals \$2,223,632 which includes the carryover in the amount of \$998793 from last year. This is up from last year by about \$109,991. This year the general fund will receive \$741,863 from the property taxes and \$14101 from

personal property tax replacement. Once the TIF for Golden Valley is retired the city should expect to see an increase in tax revenue of \$80,000 to \$90,000 based on the valuation at that time. We have received \$10,000 per year for an admin. fee which will continue annually until 2020. A contingency of \$579,227 is expected to be left for capital improvements at the end of the new fiscal year which is up by about \$142,350. The investments from Corp. Bonds have decreased in revenue, but we are still receiving interest that balances it out and adds revenue to the individual funds (\$25,000). I budgeted \$40,000 to be on the conservative side. Everyone has rolled off of the Retirement Health Program, so nothing is budgeted for that. I have increased the revenue for Title and Registration transactions since Bingham County intends to increase the admin fees to \$6 from \$3. We still are receiving so many customers from Idaho Falls that we have no where to put them in city hall. We are proposing to close the Drivers Licensing which will allow Corrin to work for Rod part of the week, do registrations on Fridays, code enforcement, and other work within the office. In drivers licensing we lose about \$22,000 for wages and benefits of one person. If Drivers Licensing remains open I have budgeted \$12,000 for a part time employee to cover lunches and vacations. It takes two people at all times to run the DMV since we get so many people from Bonneville County. I believe since it takes so long to issue a drivers license this is why we have long lines and wait times, but a bigger issue is where to put the people in line. It is interfering with people who want to do city business, and it is distracting to personnel helping city patrons while there are so many people in line for DMV. They get to listen to who is delinquent, collection efforts, etc. Drivers Licensing has also become stricter in issuing which requires different certifications to issue CDLs, Star Cards, etc. Its hard to pull city hall staff to attend the trainings so they are certified. So, just Lisa and Corrin have become certified. I have budgeted for a new computer and the new computer lease that will come from the General, Water, Sewer and Sanitation funds of about \$9000, however I did not budget any annual support for the new AS400 since we went with a different package. This year the capital expenditures from this fund include Recodification of City Ordinances (\$6200), Recreation District Election (\$18,000), and Tasers (\$3000). I have budgeted for a Part Time Police Office Staff, and a Part Time Patrol Officer (\$31,000) this may help with overtime costs, and pool electrical panels, drain repair, lifeguard chair, etc at the pool (\$14,000) Diamond Dust for the Fields (\$2500). I have budgeted \$300 per year for new Welcome Signs as instructed during the last budget. That way we will have enough to replace the signs again in 2023. We are still supplementing a portion of the pools operation. In 2010 the pool was in the red by \$26680, 2011 by 34,876, 2012 by \$25,429, 2013 by \$27,256, 2014 by \$27,474, 2015 by \$18,777, 2016 by \$22,089, and 2017 by \$44,533. I am projecting the pool will be in the red by \$34,000 this year. Each year \$3000 is added to the park construction in the general fund each year making a total of \$37,200 this year. Kim approached me about setting money aside to repair the tennis courts; we could use some of this funding if you choose. The General Fund is in good financial condition. The General Fund budget grew by \$152,975, which is partially due to increases in contingencies, health insurance, wages, retirement, etc. This fund receives it's monies from property taxes, sales tax, pool admission, dmv fees, building permits, city licenses, etc.

STREET FUND- This fund totals \$1,888,627 which includes the carryover of \$335,673 which is up \$121,830 from last year. This is the first time in the past five years the carryover and contingency have increased. We have been spending \$200,000 to \$250,000 in street improvements. We have increased the property tax portion to the street fund, by \$30,000 which will give the street fund \$292,954 in tax revenue to operate on. The increase to property tax and the new HB312 revenue from the State helped maintain this fund better (\$40,000). This year \$294,000 has been budgeted for street improvements. A contingency of \$75,000 is expected to be left if no emergencies occur. In the next year or so we need to look at our incoming revenue from taxes. It is hard to project exactly where the crew will be working; streets, water, sewer, etc. Therefore, payroll is projected a little higher. Franchise fees will remain the same, and \$8,000 was appropriated for the Sidewalk Replacement Program instead of \$15,000 as we did last year and it seemed to work out fine. This amount should still be enough to help those who need to replace their sidewalks. I have budgeted for the million dollar grant which will improve West Fir Street. We should receive the funding in April of 2019 if we are awarded this grant. \$25000 was budgeted for the design fee for Harper Leavitt Engineering. This fund receives its monies from property taxes, state highway user tax (\$195,000), sales tax (\$11,000), franchise fees (\$54,000), and road and bridge (\$20,000).

STREET LIGHT FUND - This fund totals \$130,620 which includes the carryover of \$113,620 (up \$6440). This year the street lighting fund will be allotted \$4000 from property taxes. A contingency of \$80,120 is expected to be left for capital improvements for future years. The hawk light will be mostly funded in the last fiscal year, but \$10,000 will be covered in the new fiscal year. This fund receives its monies from property tax and sales tax.

WATER FUND - This fund totals \$1,132,807 which includes the carryover of \$702,807 (up \$165,392). A contingency of \$323,557 is expected to be left for capital improvements for future years and unexpected expenses which is an increase from last year (approx. \$213,557) (includes emergency projections). We increased the fees 17.15% in April and about \$60,000 to \$70,000 each year will go to build up capital improvement funds. So far, we have \$150,000 in this line item. We received a grant from the Idaho Department of Commerce (\$400,000) and URA monies (\$600,000) to go towards the 1.5 million dollar project. \$100,000 will be expended from the Water Reserve Fund. This project will be complete during the new fiscal year. \$491,685 was budgeted to complete the project. \$10,000 is set aside for hydrant replacement each year. There will be no rate increase this year in the water fund. We are still trying to acquire a generator. This is proposed to be purchased with grant funds. The meters as mandated by IDWR have been completed with the exception of well #4. That will be done during the other upgrades to it.. I will need to review contingencies, carry over, and capital improvement monies next year to see if another rate increase will be needed. The only source of revenue to support this fund is from water users.

SEWER FUND - This fund totals \$2,040,997 which includes a carryover of \$1,624,997 which is up about \$16,700. We purchased a sewer vac truck in 16-17 fiscal year which took the contingencies down, but they are slowly starting to come back up. There is an



expected contingency of \$1,598,041 which is up only \$35,000 from last year. There is an increase of \$.55 per ERU proposed for EIR WWA since they have proposed to raise their O&M fees by that much. The city is proposing a \$.55 increase which is EIR WWA's increase. We will be paying EIR WWA just over \$267,000 for O&M at the plant based on 1912 ERUs. The ERU count has increased slightly with the new homes that have been built. Currently we collect an extra \$4.50 from residents in West River Estates for the lift station. There is no increase proposed for the lift station patrons. I have set aside \$1,500,000 for capital improvements for the treatment plant which I have been trying to add \$200,000 per year to so we are prepared for any future upgrades. However, this year I could only add \$53,000 to that line item. We will need to replace the membranes and provide phosphorus treatment sometime in the future. This will leave just \$50,000 for emergencies and capital improvements. Approximately \$150,000 is accrued each year in the Sewer Bond Fund after the bond is paid and \$53,000 is accrued in the Sewer Guarantee Fund based on the anticipated ERU count. These funds can also be used for capital improvement at the treatment plant once the bonds have been paid off. We currently collect \$7.16 per ERU for our collection system, \$23.78 for the Bond, \$2.37 for the guarantee, and it is proposed to collect \$11.59 for EIR WWA. The next phase of the treatment plant will be to add another train which is estimated at 12 million dollars. This will be necessary when the capacity runs low. Hopefully by this point we should have enough built up in our contingency to fund our portion of this project and well as the membranes, etc. In the future we may need to increase the rates to help fund new infrastructure at the plant. The only source of revenue to support this fund is from sewer users.

SEWER BOND FUND - This fund totals \$1,177,006 which includes a carryover of \$637,006 which is up \$54,519 from last year. The Bond payment is \$487,350 annually. We have an expected contingency of \$689,656 this year. Originally the bond payment was based on about 1600 ERU's. Since we have 1912 ERU's there is contingency being created which can call the bonds in for early pay off, or be used for capital improvement to the system. Our bond term is twenty years and this will be our eighth year making payments.

SEWER BOND GUARANTEE FUND - The city is mandated by the bond covenants to hold 10% of the bond payment in a guarantee fund to make payments in the case of emergencies. This fund totals \$457,219 and will carry this contingency at the end of the year. This can be used for capital improvement to the system once the bond is paid off.

SANITATION FUND - This fund totals \$593,680 (up \$27,999) from last year) which includes the carryover of \$277,580. A contingency of \$201,310 is expected to be left at the end of the year. We purchased a new sanitation truck in 16-17 and have two more annual payments to makes. We put \$25,000 away each year towards another new truck when needed. There is no fee increase proposed for this year. The only source of revenue to support this fund is from the sanitation users.

WATER & SEWER RESERVE FUNDS - These funds total \$1,007,823 which includes a carryover of \$589,823 (up \$32,000). A contingency of \$134,813 is expected in the

water reserve and \$434,210 is expected in the sewer reserve at the end of the fiscal year. \$100,000 from the Water Reserve Fund is being appropriated to the water tank project. These funds are used for any future capital outlay in the water and sewer departments. The revenue in these funds is received from the water and sewer tap fees the city gets when a new home is tapped into our water and sewer systems. Growth seems to be picking up so the funds will continue to grow to use for future infrastructure improvements. The figures for this year include the 83 apartment units that are being proposed. EIR WWA gets \$3850 for every sewer connection, leaving \$500 for the city. A study is currently being done by EIR WWA to look at the connection fee to see if it is adequate to cover new growth.

RECREATION FUND – This fund totals \$54,962. A contingency of \$1,347 is expected at the end of the year. 34% of Mikel's wages are being expended out of this fund. 66% of Mikel's wage is supplemented by property taxes. Contingency has went down about \$7000, but theres really not much to work with. Football pays for 8%, Baseball 9% and Basketball 17%. This fund includes all of Mikel's recreation programs; jazz basketball, flag football and boy's and girl's baseball. There is a \$5 increase in fees proposed for recreation to help with operational expense, as tax dollars are supplementing this program. The revenue is brought in by the fees charged to the participants of each program and is used to purchase new equipment and normal operation. We will begin trying to budget some to replace the tennis courts, however it will be a long time before enough funds exist for this. I mentioned using monies in the General Fund for this purpose.

STATE REVENUE SHARING – This fund totals \$758,604, which includes a carryover of \$598,604 (up \$37,746). A contingency is expected to be left over at the end of this fiscal year \$642,104. Revenue from this fund comes from sales tax which is projected to be up higher this year. A portion of the revenue this year is being used for contribution to Sr. Citizens (\$2000) and PUT (\$800), Sweeper (\$90,000), Lawn Mower (\$23,000) and council room chairs (\$700). We are using approximately \$116,500 (73%) of the projected income this year. The remaining will go into contingency to build this fund up for more improvements and infrastructure. This fund is only used for updates and capital improvements, not normal operations. It has been past policy to use one half to three quarters of the revenue expected to be received during the year and allow the remaining portion to build up the contingency for major improvements to the street, water, sewer, etc., I have capital outlay budgeted for the recreation path, street, water, sewer, and building for future projects.

The total budget this year is \$11,465,977 which is up approximately \$1,138,684 due to the 1 million in grant funds for the West Fir project. However this was slightly offset by the increase of in property taxes, highway user revenue, and other contingencies for certain projects park construction, sewer upgrades, etc. Most contingencies have increased this year. It is important to have some contingency in each fund to be saved and added to for major improvements such as the street replacement program, recreation path, park construction, water line or sewer improvements, and the most important, by having a healthy contingency it allows the city to operate on a cash basis during the last

three months of the year (Oct-Dec). During these last three months there is not a large projection of revenue coming in. In January is when the majority of the property tax money is received and is invested and used throughout the year. If the city did not have a healthy contingency then it may be necessary to take out a loan to fund the last quarter of the year which then would have to be repaid with interest. During this budget year contingencies will be reviewed and the city will need to watch unbudgeted expenditures to keep our contingencies healthy.

A public hearing pursuant to Idaho Code 50-1002, will be held for consideration of the proposed budget for the fiscal year from October 1, 2018 to September 30, 2019. The hearing will be held at City Hall, 101 S. Emerson Avenue, Shelley, Idaho, at 7:30 p.m. on August 28, 2018. All interested persons are invited to appear and show cause, if any, why such budget should or should not be adopted. Copies of the proposed Urban Renewal Agency Budget in detail are available at City Hall Monday through Friday during regular office hours (8:00 a.m. to 5:00 p.m.). City Hall is accessible to persons with disabilities. Anyone desiring accommodations for disabilities must contact the City Clerk at least 48 hours prior to the public hearing. The proposed fiscal year 2019 budget is shown below as proposed expenditures and revenue for the Shelley Urban Renewal Agency.

<b>SHELLEY URBAN RENEWAL AGENCY</b>			
	FY17	FY18	FY19
Expenditures	Actual	Budget	Proposed
Expenditures	Expenditures	Expenditures	Expenditures
Administration Cost			
Capital Improvement Projects	590000		
Facade Project	10000		
Engineering Fees	40200	16100	16100
Other Expenses	1144		
<b>TOTAL</b>	<b>51344</b>	<b>606100</b>	<b>16100</b>

<b>SHELLEY URBAN RENEWAL AGENCY</b>			
	FY17	FY18	FY19
Revenues	Actual	Budget	Proposed
Revenues	Revenues*	Revenues*	Revenues*
Property Tax Levy	939	1000	
Carry Forward	655211	605100	16100
Other			
<b>TOTAL</b>	<b>656150</b>	<b>606100</b>	<b>16100</b>

\* Includes Carryover

The proposed expenditures and revenues for fiscal year 2018 - 2019 have been tentatively approved by the City Council and entered in detail in the Journal of proceedings.  
 DATED THIS 14th day of August, 2018.

Published in the Morning News, Blackfoot, Idaho August 17 and August 24, 2018.

A public hearing pursuant to Idaho Code 50-1002, will be held for consideration of the proposed budget for the fiscal year from October 1, 2018 to September 30, 2019. The hearing will be held at City Hall, 101 S. Emerson Avenue, Shelley, Idaho, at 7:30 p.m. on August 28, 2018. All interested persons are invited to appear and show cause, if any, why such budget should or should not be adopted. Copies of the proposed Country Club Road Urban Renewal Agency Budget in detail are available at City Hall Monday through Friday during regular office hours (8:00 a.m. to 5:00 p.m.). City Hall is accessible to persons with disabilities. Anyone desiring accommodations for disabilities must contact the City Clerk at least 48 hours prior to the public hearing.

The proposed fiscal year 2019 budget is shown below as proposed expenditures and revenue for the Country Club Road Urban Renewal Agency.

	FY17	FY18	FY19
<b>COUNTRY CLUB ROAD URBAN RENEWAL AGENCY</b>	<b>Actual</b>	<b>Budget</b>	<b>Proposed</b>
Administration Cost	20000	20000	20000
Capital Improvement Projects/Reimbursement	101000	196000	220000
Facade Project	0	0	0
Engineering Fees	0	0	2183
Other Expenses	121000	216000	242183
<b>TOTAL</b>	<b>121000</b>	<b>216000</b>	<b>242183</b>

**GRAND TOTAL EXPENDITURES**

FY17	0	FY18	0	FY19	242183
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	FY17	FY18	FY19
<b>COUNTRY CLUB ROAD URBAN RENEWAL AGENCY</b>	<b>Revenues</b>	<b>Revenues*</b>	<b>Revenues*</b>
Property Tax Levy	61055	214738	241282
Carry Forward	61055	1262	901
Other	122110	216000	242183
<b>TOTAL</b>	<b>122110</b>	<b>216000</b>	<b>242183</b>

**GRAND TOTAL REVENUE**

FY17	122110	FY18	216000	FY19	242183
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\* Includes Carryover

The proposed expenditures and revenues for fiscal year 2018 - 2019 have been tentatively approved by the City Council and entered in detail in the Journal of proceedings.

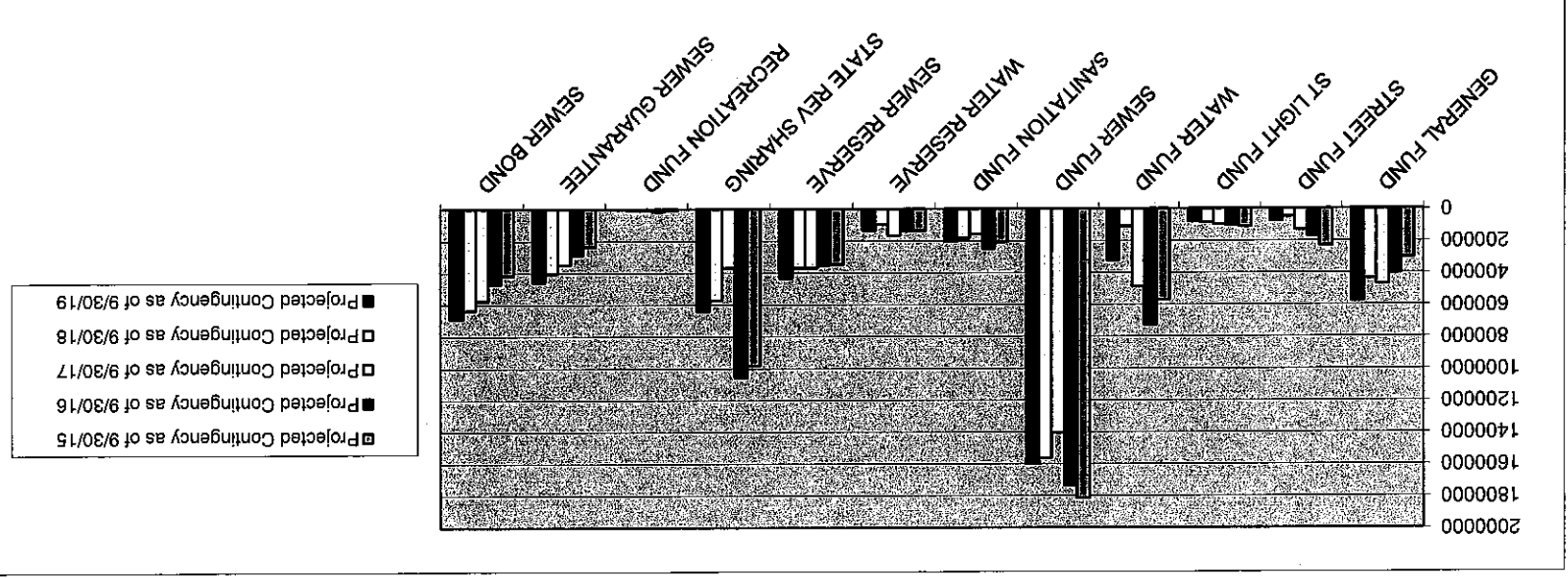
DATED THIS 14th day of August, 2018

Published in the Morning News, Blackfoot, Idaho August 17 and August 24, 2018.

CONTINGENCY COMPARISON

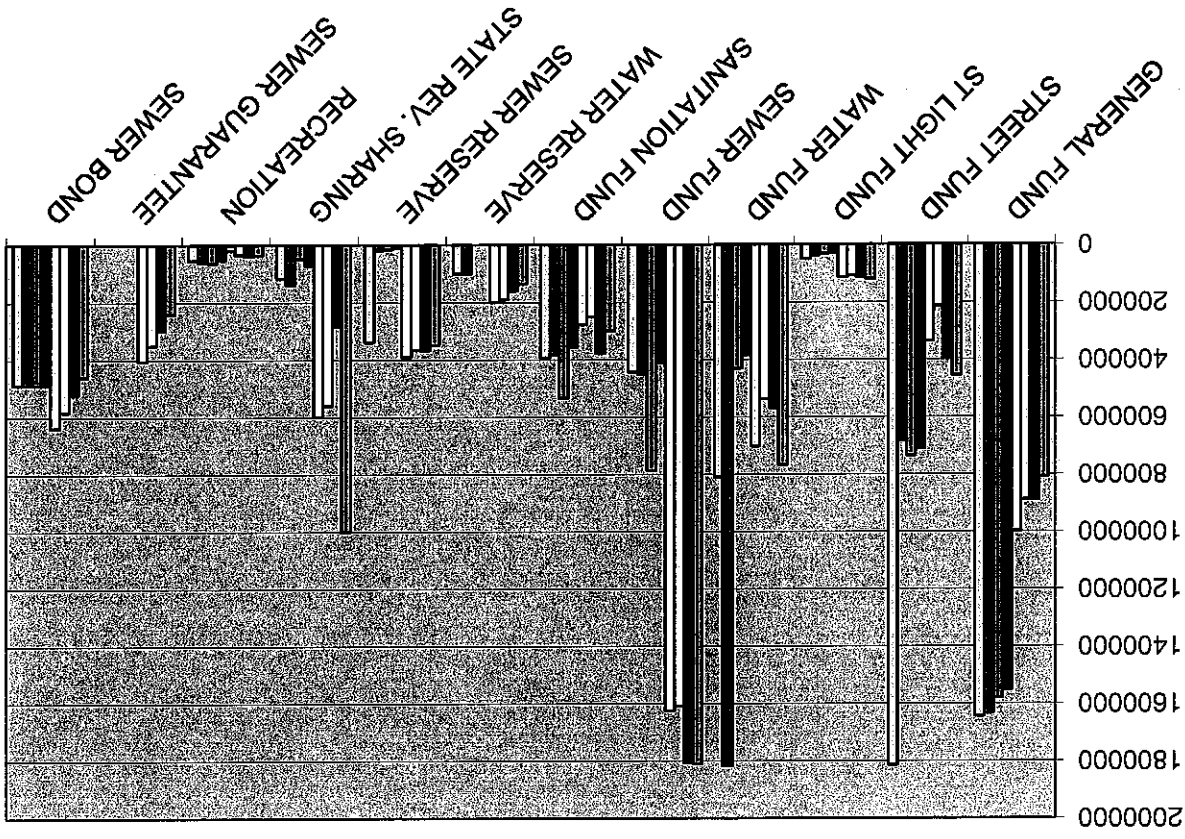
PROJECTED CONTINGENCY AT END OF FISCAL YR

Fund Name	Projected Contingency as of 9/30/15	Projected Contingency as of 9/30/16	Projected Contingency as of 9/30/17	Projected Contingency as of 9/30/18	Projected Contingency as of 9/30/19
GENERAL FUND	304628	403328	471323	436877	579227
STREET FUND	230427	170702	131193	50000	75000
ST LIGHT FUND	112618	104937	97630	85180	80120
WATER FUND	571113	728062	488391	110000	323557
SEWER FUND	1813080	1734826	1405788	1563000	1598041
SANITATION FUND	206923	248970	155001	182916	201310
WATER RESERVE	136550	138613	165413	97313	134813
SEWER RESERVE	346610	351285	369060	368960	434210
STATE REV SHARING	984847	1059250	370184	573558	642104
RECREATION FUND	6000	15720	7676	7069	1347
SEWER GUARANTEE	234671	290342	349291	403960	457219
SEWER BOND	416080	469043	575687	635137	689656



COMPARATIVE BUDGET REPORT

Fund	15-16 Carryover	16-17 Carryover	17-18 Carryover	18-19 Carryover	15-16 Oper. Exp.	16-17 Oper. Exp.	17-18 Oper. Exp.	18-19 Oper. Exp.
GENERAL FUND	809458	890315	888802	998793	1579510	1633780	1644405	1644405
STREET FUND	455260	397654	213843	335673	710785	682797	1813627	1813627
ST LIGHT FUND	120437	112630	107180	113620	31000	38000	50500	50500
WATER FUND	767017	569336	537415	702807	430945	1817415	809250	809250
SEWER FUND	1810596	1804503	1608281	1624997	410770	786715	442956	442956
SANITATION FUND	300280	378041	250581	277580	533540	382765	392370	392370
WATER RESERVE	136013	160213	190813	199613	0	100000	100000	100000
SEWER RESERVE	349785	367060	366460	390210	15400	19250	338800	338800
STATE REV. SHARING	1000050	282984	560858	598604	47800	139300	116500	116500
RECREATION	35580	38411	32954	18962	63735	61385	53615	53615
SEWER GUARANTEE	241342	296291	350960	405219	0	0	0	0
SEWER BOND	460393	523037	582487	637006	487350	487350	487350	487350



Estimated as of 10/01/15 15-16 Carryover  
 Estimated as of 10/01/16 16-17 Carryover  
 Estimated as of 10/01/17 17-18 Carryover  
 Estimated as of 10/01/18 18-19 Carryover  
 Budgeted 15-16 Oper. Exp.  
 Budgeted 16-17 Oper. Exp.  
 Budgeted 17-18 Oper. Exp.  
 Proposed 18-19 Oper. Exp.