

CITY OF SHELLEY
BUDGET HEARING
MINUTES

SEPTEMBER 07, 2004

PRESENT: Mayor Eric Christensen
Council Members: Lorin Croft, Chad Landon, Steve Cederberg, John Lent
City Clerk: Sandy Gaydusek
Public Works Dir: Rick Anderson
Police Chief: Alan Dial (absent) - Rod Mohler in attendance
Recreation Dir: Dawn Lloyd
City Attorney: Scott Hansen

Prayer: Steve Cederberg

Mayor Christensen turned the time over to Sandy to explain the budget for the 2004-2005 fiscal year. Sandy said this year's budget totals \$4,885,493 which rose by approximately \$226,905 from last year. She said the main reason for this increase is due to the raise in utility fees to help upgrade the sewer treatment system. Sandy said this year the General Fund was cut by approximately \$27,000 so the tax levy rate would not be raised for our citizens. She said approximately \$12,000 was received from the new construction roll due to the growth the city had encountered. Sandy said it has been proposed to raise the residential water rate by \$.25, the residential sewer rate by \$2.25 and the residential sanitation rate by \$.50. She said \$2.00 of the sewer increase will be set aside for the sewer treatment system upgrade and the remaining increases were inflationary. She said it has been proposed to raise the water tap to \$900 and the sewer tap to \$1200. Sandy said other raises that have been proposed to increase are the punch passes and swimming lessons at the pool, pool reservations and fingerprinting. She said blue cross insurance is rising by 14%, and a cost of living increase is proposed at 3%. Sandy said the liability insurance decreased this year by approximately \$4000. She asked if there were any questions. Mayor Christensen asked if there were any comments from those in attendance.

Ron Christensen said he has lived in Shelley for 26 years. He said he remembers when utility rates were \$17 per month, and now they're almost \$50 per month. Mr. Christensen said this is a big chunk when families are on a fixed income. He said he really doesn't have a solution to the problem at the present. Mr. Christensen said other utilities have also increased substantially, but incomes do not go up. He said Shelley is a great community, and he knows the services have to be paid for somehow. Mr. Christensen said the Board is doing a great job. He said when the sewer lagoon was originally constructed; we were told it would handle double our population;

however he does understand that EPA has changed the amount of discharge allowed in the river. Mr. Christensen asked about our intentions to drill a new well. He asked if the existing wells could be dug deeper. Rick said they could not because they were already dug through lava rock. Mr. Christensen said utility bills seem to keep rising, but he is asking that our Board be mindful of the citizen's pocketbook. Mayor Christensen said the council does try to be mindful of everyone's pocket books, and the city is trying to be frugal in its spending. Mr. Christensen then asked several questions about the upcoming proposed sewer bond. The council discussed the importance of passing the bond, and the importance of having contingency set aside to help fund the project.

Robert Nate said he has been comparing the City of Shelley's budget with the City of Montpelier's budget. He said he has calculated how the budget compares to the population. Mr. Nate said the City of Shelley spends approximately \$1200 per person, whereas the City of Montpelier spends only \$600 per person. Chad discussed the contingencies that the City has set aside for some major projects. Mr. Nate said he is also on a fixed income, and continues to see all costs being increased. Mayor Christensen said the city is not trying to overtax anyone, but we need to have contingencies built up to be able to fund large projects. Sandy said our city has actually been told that we do not have enough contingencies in reserve, and the AIC recommends that each fund have approximately 30% of the fund balances not including capital outlay, set aside for emergencies. Mr. Nate asked several questions regarding the proposed sewer bond. He asked how much the city will be responsible to pay if the plant does not go regional. Mayor Christensen said it will cost the city \$6,000,000 whether the plant goes regional or the city does the project alone. He said there may be a \$3,000,000 grant available if the plant goes regional. Mr. Nate inquired about the cost of the lines that will be run from the City of Ammon and who will maintain those lines. Mayor Christensen said Ammon will be responsible. Mr. Nate questioned the police department's budget and compared it with Montpelier's. He said the City of Montpelier only has four police officers, but it has two major highways running through it. Mr. Nate left the budget comparisons with Sandy for her review.

Sandy said there are several resolutions that need to be considered for adoption and also the Appropriation Ordinance.

Mayor Christensen read Resolution 2004-05 in full regarding the increase in sewer service rates. John moved, Steve seconded to adopt Resolution 2004-05 regarding the increase for residential sewer rate by \$2.25 and all others a fraction thereof. Approved unanimously.

Chad read Resolution 2004-06 in full regarding the increase in sanitation service rates. Steve moved, Lorin seconded to adopt Resolution 2004-06 regarding the increase for residential sanitation rate by \$.50 and all others a fraction thereof. Approved unanimously.

Lorin read Resolution 2004-07 in full regarding the increase in water service rates. Chad moved, Steve seconded to adopt Resolution 2004-07 with one correction regarding the increase for residential water rates by \$.25 and all other a fraction thereof. Approved unanimously.

Steve read Resolution 2004-08 in full regarding the increase in the pool rates. Lorin moved, John seconded to adopt Resolution 2004-08 regarding the increase in rates for swimming lessons, punch passes, reservations, etc. as read. Approved unanimously.

John read Resolution 2004-09 in full regarding the establishment of a fee for finger printing. Chad moved, Lorin seconded to adopt Resolution 2004-09 regarding a new fee for finger printing at \$5 per card. Approved unanimously.

Sandy read Resolution 2004-10 in full regarding the increase of the water tap fee. Chad moved, Steve seconded to adopt Resolution 2004-10 regarding the increase of the water tap fee from \$600 to \$900. Approved unanimously.

Scott read Resolution 2004-11 in full regarding the increase of the sewer tap fee. Lorin moved, Chad seconded to adopt Resolution 2004-11 with one correction regarding the increase of the sewer tap fee from \$800 to \$1200. Approved unanimously.

Sandy presented the Appropriation Ordinance #481 for fiscal year 2004-2005. Chad moved, Steve seconded that the provisions of Idaho Code 50-902 requiring all ordinances to be fully read on three separate days be dispensed with. Approved unanimously. Mayor Christensen read Ordinance #481 in full. Steve moved, John seconded to adopt Ordinance #481 regarding the annual appropriation for fiscal year 2004-2005 as presented and read. Approved unanimously.

Sandy presented the Fiscal Year Budget 2004-2005 for the Urban Renewal Agency in the amount of \$165,000. Chad moved, Steve seconded to adopt the Urban Renewal Agency Budget as presented. Approved unanimously.

Sandy said Mike Moore, our appointed bond counsel sent a packet of documents and instructions regarding the upcoming bond election. Sandy presented Ordinance #479 regarding the call for a bond election to construct a waste water treatment facility. Scott discussed the procedure to pass Ordinance #479. He said the Council may vote to read the Ordinance by title only, but it must be read three times. John moved, Lorin seconded that the provisions of Idaho Code 50-902 requiring all ordinances to be fully read on three separate days be dispensed with, and the ordinance shall be read by title only three times. Approved unanimously. Scott read the title to Ordinance #479 three times successively. Chad moved, Steve seconded to adopt Ordinance #479 regarding the call for a bond election to construct a waste water treatment plant for the City of Shelley. Approved unanimously.

Sandy presented Resolution 2004-04 regarding the approval of the agreement between the city and Mike Moore to retain his firm as our bond counsel. Chad read Resolution 2004-04 in full pertaining to the agreement, and establishment of fees for the services Mike Moore will provide as our bond counsel for the upcoming bond election. Scott discussed the items in the agreement and the cost of the services Mr. Moore will be providing. Mr. Moore will charge the city \$7000 for his services if the bond passes, and \$750 if the bond does not pass. Lorin moved, Steve seconded to adopt Resolution 2004-04 regarding the bond counsel services for the upcoming bond election that will be provided by Mike Moore. Approved unanimously.

Sandy asked if the Council would like to set a date for the next sewer bond informational meeting. This was a brief discussion regarding the bond issue, and it was determined a meeting would be set at the next council meeting on September 14, 2004.

Adjourned 9:27 p.m.

ATTEST: Sandy Haysush APPROVE: Em R. Carter