

CITY OF SHELLEY
COUNCIL MEETING
MINUTES

AUGUST 14, 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: Sandy Gaydusek

PRAYER: BJ Driscoll

Mayor Pascoe opened the meeting at 7:32 p.m. and welcomed Sgt. Hook of Bingham County.

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

Minutes of the Council Meeting on July 24, 2018

Minutes of the Work Meeting on August 2, 2018

Minutes of the Work Meeting on August 8, 2018

Building Permits:

Kim Pascoe - new home

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

Sandy presented and discussed the tentative budget for fiscal year 2018-2019. A copy of the narrative proposals is attached to the minutes. Jeff said he is against the \$.55 increase to the sewer rate. He said this increase will go directly to EIRWWA and he is unhappy with the current engineer, and plant staff. Adam moved, Kim seconded to adopt the tentative budget for fiscal year 2018-2019 and hold the budget hearing on August 28, 2018 at 7:30 p.m. Approved unanimously.

Sandy presented the tentative budget for the Shelley Urban Renewal Agency for 2018-2019. Kim moved, Jeff seconded to adopt the tentative budget for 2018-2019 for the Shelley Urban Renewal Agency. Approved unanimously.

Sandy presented the tentative budget for the Country Club Urban Renewal Agency for fiscal year 2018-2019. Earl moved, Jeff seconded to adopt the tentative budget for the Country Club Urban Renewal Agency for 2018-2019. Approved unanimously.

Mayor Pascoe opened the hearing for the abatement of the weeds at 306 N. State Street owned by Zhue Xue. Mr. Xue was not in attendance. Sandy said she has been unable to locate Mr. Xue. She said all notifications she sent to the address on file at the Assessor's Office came back undeliverable. There was no testimony given on this matter. Jeff moved, Earl seconded that Mr. Xue has not shown

cause of why his property should not be abated by the city, and to proceed forward with the clean-up. Approved unanimously.

Jacqueline Wittwer said she would like some clarification of what Jeff stated on his Facebook page regarding the DMV. She said she is grateful of the information he puts on the page, but has some questions. Jeff explained that the city is supplementing the operation of the Drivers' License operation with city tax dollars. He said Bonneville County residents are coming to City Hall because the wait time at their own county is very long. Jeff said there is also no room at city hall for everyone that is waiting. He said it is difficult for city residents to come in and do city business. Therefore, we are looking at closing this service. Ms. Wittwer said she is glad money is being set aside to repair the tennis courts as stated in the budget presentation. She said she would also like to address something she brought up eleven years ago. Ms. Wittwer said she came to the city council and asked for bicycle paths. She said she feels this is a viable option since the city is growing. She feels bike paths are an inexpensive way to show people that we are community minded. Ms. Wittwer asked the council to keep bicycle paths in mind as the main highway is widened into four lanes. Kim said the city is working on establishing green space. She said as businesses are moving in, the city is requiring green space. She said the Tree Committee is also planning how to provide additional green space and walking paths.

Sandy discussed the valuation schedule used to figure building permit fees. She presented a document Doug submitted showing how long and how many trips it takes to inspect a new home being built. For instance, instead of using \$62 per square foot for a single story home with an unfinished basement the new schedule provides \$85 be used. The Mayor and Council were okay with changing the schedule and feels it is more in line with what it costs to build a home. Sandy will bring back a formal schedule to be adopted at the next council meeting.

Justin said he contacted DEQ regarding the "as built" for Wind River Subdivision phase three. DEQ said they have accepted the "as built". Adam moved, Earl seconded to accept Wind River Subdivision Phase 3. Approved unanimously.

BJ said the Auditor sends a letter each year asking if there is any pending litigation with the city. He said he responded and sent the letter back.

Sandy said the new computer system is up and working and we should be going live soon.

Mikel said the pool is looking good, and Pam is doing a great job. He said the Jazz player visited today, and about 50 kids attended the event.

Justin said both pads have been poured for the Hawk light, and the boring for the electrical wire has been done. He said the poles are still sixteen to twenty weeks out, and we need those before the project can be finished. Justin said the project must be done by December 31, 2018.

Justin said the city should be receiving an incentive check from Rocky Mountain Power for the six LED lights that were installed on State Street. He said Well #4 is still being worked on, and the water tank is almost complete. Justin said they are pulling samples, and hopefully the project will be done in the next month or so.

He said the new meter that is mandated for the city wells will be installed when the well is being upgraded. He said all of the other wells have the new meters installed. Justin said he will file for an extension on Well #4 through IDWR.

Rod said school will be starting soon. He asked everyone to be safe.

Adam thanked Sandy and her staff for all their hard work, and Sandy for her work on the budget. Kim agreed.

Jeff said the city is in good financial shape, and thanked everyone for their work on the budget.

Earl said great job on the budget and he is happy for the incentives for the employees.

Mayor Pascoe thanked everyone for their hard work on the budget. He said he is grateful for the different input from all of the departments. He said he appreciated everything that has been done.

Adjourned: 9:00 p.m.

APPROVE: 

ATTEST: 

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 EIRWWA since they have proposed to raise their O&M fees by that much. The city is proposing a \$.55 increase which is EIRWWA's increase. We will be paying EIRWWA 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 EIRWWA. 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.

Date	July	Amount	Check #
7/9/2018	Comdata	3,237.55	51663
7/9/2018	Snake River Valley Irrigation	879.24	51664
7/16/2018	A & B Transmission	134.10	51665
7/16/2018	AAA Giles	675.00	51666
7/16/2018	All American Sports	457.53	51667
7/16/2018	Allied Business	39.60	51668
7/16/2018	American Construction	361.00	51669
7/16/2018	American Linen	624.60	51670
7/16/2018	Broullim's	75.68	51671
7/16/2018	Cammans MVP	200.00	51672
7/16/2018	Central Tramster Station	166.40	51673
7/16/2018	Digline	3.58	51674
7/16/2018	Eagle rock Hydraulic	533.16	51675
7/16/2018	First Responders	689.70	51676
7/16/2018	Fleetpride	6.75	51677
7/16/2018	Hammon teton Delivery	16.00	51678
7/16/2018	Hard Times	3,590.55	51679
7/16/2018	Weston Hayman	77.00	51680
7/16/2018	Holly Carlson	156.83	51681
7/16/2018	Howards Equipment	4.77	51682
7/16/2018	Idaho Irrigation Pumpers Associ.	150.00	51683
7/16/2018	IDEACOM ESCI	189.54	51684
7/16/2018	Industrial Hose	56.09	51685
7/16/2018	Intermountain Bobcat	67.25	51686
7/16/2018	Intermountain Gas	627.43	51687
7/16/2018	Les Schwab Tire	157.50	51688
7/16/2018	Mastercraft Pool and Spa	8,032.65	51689
7/16/2018	Matthew Bender	550.50	51690
7/16/2018	Oldcastle Precast	110.00	51691
7/16/2018	PSI Environmental	11,887.00	51692
7/16/2018	Rocky Mountain Power	15,375.54	51693
7/16/2018	Rose Shop	72.55	51694
7/16/2018	Schows Truck Center	15.00	51695
7/16/2018	Shelley Ace hardware	1,069.81	51696
7/16/2018	Shelley Auto Care	37.78	51697
7/16/2018	Sherwin Williams	1,476.75	51698
7/16/2018	Smith Driscoll & Associates	989.00	51699
7/16/2018	Solid Waste Systems Equipment	528.26	51700
7/16/2018	Valley Agronomics	247.50	51701
7/16/2018	Valley Office System	318.20	51702
7/16/2018	2M Company	104.86	51703
7/16/2018	Dome Technology	308,625.59	51704
7/26/2018	Dome Technology	203,021.65	51705
7/26/2018	IBM Corporation	1,156.16	51706
7/26/2018	Stephenson Computer Consulting	18,947.49	51707
7/31/2018	A & B Transmission	77.43	51708
7/31/2018	Advanced Diagnostics Inc	245.00	51709
7/31/2018	Alert Magazine	205.00	51710
7/31/2018	Allied Business Solutions	19.00	51711
7/31/2018	Blackfoot Morning News	586.60	51712
7/31/2018	Cable One	205.56	51713
7/31/2018	Centurylink	275.40	51714
7/31/2018	Custom Canvas	40.00	51715
7/31/2018	Eden Valley Food and Firearms	220.00	51716
7/31/2018	Electrical wholesale	1,724.28	51717
7/31/2018	Ferguson Waterworks	373.48	51718
7/31/2018	Forsgren Associates	10,000.00	51719
7/31/2018	Garrett H Sandow	1,650.00	51720
7/31/2018	Sandra Gaydusek	355.15	51721
7/31/2018	Harper Leavitt Engineering	23,262.92	51722
7/31/2018	Home Depot	13.74	51723
7/31/2018	IAS-EVROCHEM	112.00	51724
7/31/2018	IBM Corporation	578.08	51725
7/31/2018	Idaho Traffic Safety	3,147.50	51726
7/31/2018	Industrial Hose	88.42	51727
7/31/2018	Justin Johnson	50.00	51728
7/31/2018	Kassie pool	45.00	51729
7/31/2018	Oldcastle Precast	920.00	51730
7/31/2018	Partsmaster	337.28	51731
7/31/2018	Rons Tire	125.58	51732
7/31/2018	Rotational Molding	1,820.00	51733
7/31/2018	Sams Club	847.55	51734
7/31/2018	Sherwin Williams	458.36	51735
7/31/2018	Snake River Supply	114.46	51736
7/31/2018	State Insurance Fund	3,128.00	51737
7/31/2018	U.S Post Office	504.70	51738
7/31/2018	Uniforms 2 Gear	8.00	51739
7/31/2018	Valley Office System	58.50	51740
7/31/2018	Verizon Wireless	470.34	51741
7/31/2018	2M Company	27.84	51742
7/11/2018	Payroll	54,659.94	
7/26/2018	Payroll	60,024.59	
Total		752,522.84	