

CITY OF SHELLEY  
SPECIAL MEETING  
MINUTES

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AUGUST 5, 2010

PRESENT: Mayor Eric Christensen  
Council Members: John Lent, Charlotte Fredrickson, Earl Beattie, and Kurt Russell  
Police Chief: Alan Dial (absent)  
Public Wks Dir: Chuck LLOYD  
Recreation Dir.: Dawn Lloyd  
City Clerk: Sandy Gaydusek

PRAYER: Mayor Christensen

This work meeting was opened to discuss the new fiscal year budget for 2010-2011.

Sandy said she needed direction from the Mayor and Council as to if they are considering raising the property taxes the 3% as allowed by law. She said the council did not raise the property taxes last year, and more of the general fund contingency was used to cover increased expenses. There was a wage freeze last year, but the insurance and other operating expenses still increased. Sandy said she received the city valuation and it rose by 7.2 million which actually will decrease the city levy even with a 3% increase. The Mayor and Council determined Sandy should proceed with the 3% property tax increase in the proposed budget.

Sandy said she received all of the health insurance proposals and Blue Shield's renewal is still the least costly. She said if the employee's deductible is left at \$500, but the buy down deductible is raised to \$3000 the city will see a 12% increase instead of 22%. The Mayor and Council directed Sandy to use the renewal rates from Blue Shield with the \$3000 deductible for the proposed budget.

Chuck discussed the need for a new sanitation truck this year. He said the truck itself is not worn out, but the hydraulic equipment only lasts about five years. Sandy said the lease has been paid off this fiscal year for the last new truck, and she has budgeted \$25,000 each year towards a new truck. She said there is \$125,000 towards a new truck that has been budgeted in this proposed budget. The Mayor and Council directed Sandy to figure a new sanitation truck in this proposed budget. Chuck also discussed raising the truck usage fee to \$50 from \$30 for residents to fill one of the city trucks and have it dumped at the Rattlesnake Transfer Station. He said that it takes about one man hour to take the truck to Rattlesnake and dump it and return. Chuck said with the gas that is used and the manpower he felt \$50 is fair. The Mayor and Council directed Sandy to include this increase in the proposed budget. Sandy said she will schedule this item for a public hearing to be held in conjunction with the Budget Hearing.

Sandy said the wastewater treatment plant is up and running, and a bond payment will be due in the new fiscal year. She said the city's billing is broken down as follows: \$26.00 per ERU to pay debt service, \$9.00 per ERU to pay to EIRWA to operate and maintain the new plant. Sandy

said that leaves just \$2.70 per ERU to operate our collection system and administration. She said ECIPDA and the engineers have recommended the monthly sewer rate be approximately \$42.00 per ERU to operate functionally. Sandy said that would take a \$4.30 increase to our current sewer rate. She said this year there are some reductions due to the operation of the plant being separate, but for a year or two it may be difficult to calculate a historic trend. Sandy said she took a 7% decrease in the way the sewer funds were spread for expenses. The Mayor and Council recommended Sandy work \$2.15 increase into the budget this year and the remaining needed portion will be reviewed next year. Sandy will schedule this for a public hearing to be held in conjunction with the Budget Hearing.

The Mayor and Council discussed the equipment that each department head would like for the new fiscal year. General Administration – new computer, and new phone system (\$9,500). Police – two new mobile cameras, and two new tasers (\$12,000). Parks and Recreation – Men’s Shower repair and update at the pool, two new picnic tables (\$6000). Public Works – Fill the vacancy on the crew, used flatbed truck, and a new Bob Cat RTV (\$100,000). The Mayor and Council instructed Sandy to figure these expenses into the proposed budget and see where the city stands with contingency. This will be reviewed at the council meeting on August 10, 2010.

The Mayor and Council discussed the employee’s wages and determined with the increases in taxes, and rates this year, the merit wages and cost of living wages should be frozen for another year.

The Mayor and Council determined they will also discuss implementing a “dog turn in” fee of \$25 and a special circumstances water turn off fee of \$100.

Adjourned: 7:35 p.m.

ATTEST: Sandy Wajduch APPROVE: Eric R. Kuttan