

CITY OF SHELLEY
COUNCIL MEETING
MINUTES

JULY 26, 2011

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

PLEDGE OF ALLEGIANCE: Chuck Lloyd
PRAYER: Earl Beattie

Charlotte moved, Kurt seconded to approve the following consent agenda:

Minutes of July 12, 2011 Council Meeting
Approval of June 2011 Expenditures
Approval of June 2011 Overall Budget & Treasurer's Rpt.
Building Permits:
Phillip Durbin - re-roof
Nalders - re-roof
Debbie Evans - sign
Tom King - remodel

A roll call vote was called for: Earl – aye, Charlotte – aye, and Kurt – aye. Approved three in favor, one absent.

Kerri Payne asked permission to close off a portion of Pine Street to hold a block party. She said the block party would be August 20, 2011, from 8:00 a.m. until 9:30 a.m. Mrs. Payne said she would like to close off one block of the street on West Pine from Emerson Avenue to State Street. Alan said he did not see any problem in honoring Mrs. Payne's request. Charlotte moved, Earl seconded to approve the request to block off the section of West Pine from Emerson Avenue to State Street on August 20, 2011 from 8:00 a.m. until 9:30 a.m. Approved three in favor, one absent.

Sandy said Adrian Bench, the new King's Manager was not in attendance. However, he was wondering if he allowed a farmers market to take place in the King's parking lot if the city's liability insurance would cover it. Sandy said she contacted ICRMP, and the city's insurance would not cover any non-city sponsored event of private property. She said she informed Adrian Bench.

Ken and Ryan Anderson addressed the Mayor and Council to discuss the city's medical and dental insurance. Ken said he has been the city's insurance agent for the past thirty years. He introduced, Ryan his son to explain the city's renewal with Regence Blue Shield this year. Ryan said the new regulations coming into effect with Obama care have impacted the health insurance rates. He said Bonneville County has a 24.5 % increase and the City of Idaho Falls has received a 22% increase this year. Ryan said the city's renewal rate with Blue Shield this year has a 19.13% increase. He discussed three different options to reduce that renewal rate. 1) The city

could save approximately \$12,000 by waiving maternity coverage through the plan, however if an employee should need maternity coverage, the city would have to self fund it. 2) The city could waive maternity and mental health, and change the co-pay and prescription plan. 3) The city could choose the Revive Plan which has very limited coverage, such as only four office visits per year would be covered by this plan. Ken discussed Legacy Consultation which has the III-A program and requires a minimum of a three year membership. He discussed the Gem Plan which is a County Health Insurance Pool Ken said the insurance agents were allowed to assist with the Gem Plan, but he did not believe the agents would remain involved with the III-A Plan. He said Legacy Consultation has used the MMIA Plan in Montana as a guide post for this plan. He felt the smaller cities with larger health experience claims will be joining the plan in hopes of salvation for this expense for their cities. Ken said there are a lot of gambles, demographics, etc., when going into a healthcare pool. He said the joint powers agreement between the cities and III-A state they have the ability to raise the premiums every sixty days if they choose. Also, there is an early penalty withdrawal of a years worth of premiums as well as their share of unfunded liability. Ken said he is also concerned about the provider network. He said he spoke with Blue Cross and Blue Shield representatives who said III-A has not contacted them regarding this matter. Ken said the deadline for becoming a member is August 2, 2011, or you will be subject to Board approval. He said this should be underwritten and health applications should be reviewed prior to coverage anyway. Ken said he is concerned about III-A taking everyone with no questions asked. Ryan said a lot of things will be changing regarding health insurance within the next three years. He said this plan requires a three year commitment, and he felt to tie yourself up for that amount of time wouldn't be a good idea. Ryan said by signing the Joint Powers Agreement you become a joint owner of the program. The Council discussed the III-A plan and felt it might be a good idea to wait at least a year before joining the plan, however they do realize that at that time membership would be subject to Board approval. The Council discussed Option 2 with Blue Shield which would waive maternity coverage through Blue Shield, but would save approximately \$12,000 annually. After further discussion the Mayor and Council decided to wait at least one year before considering membership with III-A and to change our Blue Shield coverage to Option 2 waiving maternity coverage.

Kimberly Young discussed city wide recycling with the Mayor and Council. She said recycling saves natural resources, and she presented information regarding the City of Chubbucks recycling program. Ms. Young felt the city should look into this program. She said any resident wishing to participate in the recycling program would be provided a separate bin that would be picked up by the city and sorted by the recyclers. She said Chubbuck picks up recycling bins one day per week every other week. Ms. Young said Chubbucks participating residents grow each year. She presented the information to Sandy for further review by the city.

Earl moved, Charlotte seconded to call for a public hearing to consider annexing and rezoning a parcel of property to Manufacturing which is owned by Max Ririe at 479 S. Spud Alley on August 23, 2011. Approved three in favor, one absent.

Kurt moved, Earl seconded to call for a public hearing on August 23, 2011, to consider rezoning a parcel of property at 485 N. State Street owned by Shane Wooton to Heavy Commercial from Manufacturing. Approved three in favor, one absent.

Earl moved, Kurt seconded to approve the following General Business Licenses for 2011:

Mankind Enterprises – 152 S. State Street

Zoli's Boutique – 550 W. Fir Street

Approved three in favor, one absent.

Sandy said there has been an issue come up regarding the application for a special use permit or rezone request. She said if someone has a non-conforming use and must apply for a special use permit or rezone, should that use be allowed during the hearing process. In other words if someone has animals on their property unknowing that they are not properly zoned, should they be allowed to keep the animals on their property while waiting for the hearing process. Sandy said sometimes this may take over one month for the hearing. She said there is no provision in the ordinance for a temporary special use permit. Sandy asked if the council would like to consider an amendment to the ordinance to handle this type of situation. The council directed Sandy to contact other cities to see how they handle this type of situations.

Sandy discussed the 2011-2012 fiscal budget. She said at the last council meeting the council asked her to figure the liability for a 3.6 cost of living raise for the employees, and to re-implement the merit raises. All wages have been frozen for the past two budget years. Sandy said the increase the wages by 3.6% would raise the expenditures by approximately \$32,043 annually. To re-implement the merit raises would increase the expenditures by \$9,995 annually, and both raises would increase the expenditures by approximately \$43,000 annually. Charlotte moved, Kurt seconded to have Sandy use both a 3.6% cost of living, and the re-implementation of merit raises for budget purposes with the understanding that either or both raises could be rejected at the time of the Budget Hearing. Approved three in favor, one absent. Earl felt the 3.6% cost of living increase should not be across the board. He felt the lower paid employees should receive a high percentage that the higher paid employees.

BJ said he drafted a letter to the principal at Sunrise Elementary regarding the loading and unloading signs they wanted the city to post on Birch Street. The Mayor and Council received copies of this letter in their packets.

BJ said he researched the liability of the city in regards to the poor condition of the tennis courts. He said there is a code section in the Idaho Code that states any property open to the public at no fee, grants the owner immunity for any injury that could happen without negligence on the city's part.

Sandy said the city was awarded a grant by L-Tach in the amount of \$16,500 to replace the street signs with the newly required high density signs.

Sandy presented the quarterly reports from the U.S. Bank Trust account.

Dawn said Chuck located a company that will repair the tennis courts for \$3000 instead of the anticipated \$90,000.

Dawn said Mrs. Foster may have changed her mind on the type of Spray Park she would like at Pillsbury Park. She said Mrs. Foster intends on meeting with Water Design Co. in Salt Lake City sometime in August to discuss several options.

Chuck said the city crew has started working on the sewer line replacement project on Locust Street.

Alan discussed his employee salary budget for the new fiscal year.

Charlotte discussed some of the information she obtained at the AIC Conference.

Mayor Christensen said there will be an EIRWWA meeting on Thursday at 10:00 a.m.

Adjourned: 9:17 p.m.

ATTEST: Sandy Hapdich APPROVE: Eric R. Christensen