

CITY OF SHELLEY  
WORK MEETING  
MINUTES

---

AUGUST 09, 2016

PRESENT: Mayor Stacy Pascoe

Council Members: Earl Beattie, Jeff Kelley, Kim Westergard, and Adam French

Police Chief: Rod Mohler  
Public Wks Dir.: Justin Johnson  
Recreation Dir.: Scott Williams  
City Clerk/Treasurer: Sandy Gaydusek

This work meeting was opened at 6:00 p.m. to discuss the new budget fiscal year of 2016-2017.

Sandy presented a hand out regarding the condition of some funds, the items that need to be purchased, and the items that are wanted. She discussed the taxes, utility rates, employees, and mandates. Below is the information on the hand out:

Property Taxes

A 3% property tax increase and the new construction would generate \$40,772.

I would like to appropriate this funding to:

General \$739698 (increase of \$21,545)

Street \$182954 increase of \$17,227)

Street Light \$3000 (increase of \$2000)

The Levy Rate would increase as follows:

Last year's levy rate .006313861

This year with inc. .006292146

This year w/inc. & forgone .006360121 (using \$10,000 of forgone which would go to streets, not included above)

The decrease in the levy rate from last year is due to the valuation which went up about 7 million dollars. This is due to just over 2 million in new construction, full occupancy of Ace Hardware which is just over 4 million this year and an error with the Family Dollar building last year.

Employees:

COL – From May 2015 to May 2016 the COL index rose 1%. With a 1% COL and the merit raises it will raise the budget by approximately \$34,447. Out of that total the 1% COL is \$11788. I would like to raise the DMV Part Time Employees to \$10 per hour from \$9.49 per hour in lieu of the 1% COL. This is a difference of \$1300 annually. In 2014 the COL rose 1.4% and the employees received 1%. In 2015 it raised 2.1 % and the employees received 2%. Last year it was 0.

Blue Cross Insurance is increasing by \$16,880 and the out of pocket is changing from \$4000 to \$5000, and the RX plan is increasing the co-pay by \$20 on the second and third tier. We could change plans by increasing our deductible to \$2000 and provide the city "buy down" to \$500 (this is what we used to do). This

would reduce our increase to \$8700, plus it would change our out of pocket to \$3500 and change out RX plan so the tier 2 and 3 are reduced by \$10 from what we currently have. The liability of the city for the "buy down" would be \$1200 for any employee meeting their full \$2000 deductible. However, with the employee turnover that we have had I believe the liability would not be fully used.

Persi will not have an increase this year, however they are planning an increase in 2018.

#### Streets

We are decreasing about \$50,000 in contingency this year. This is due to the expenses exceeding the revenue being generated. The additional revenue from HB312 has helped and added about \$40,000 to this fund each year, however with the projects we have been doing we are still exceeding the revenue. I have added more to the street fund from property taxes; we could also add \$10,000 more by using the forgone amount. We could also move more property taxes from the General Fund depending on what projects need to be done this year. I have budgeted \$200,000 for street projects again this year.

#### Recreation

For the past two years I have watched this fund to see what was happening with the contingency. Last year there was \$15000, and this year it has grown to \$38000. I moved \$15000 of Scotts wage and benefits back to the Recreation Fund. This helped the General Fund, and would allow more taxes to be moved into the Streets Fund this year.

#### Rate Increase

##### Sewer

EIRWWA has proposed an increase of \$1.88 per ERU. We have 1917 ERU's and there will be 24 more coming on in 2017 sometime. This is a 4.5% increase and will cause a public hearing to be held in conjunction with the Budget Hearing. Contingency raised slightly (\$5000) last year. We are collecting \$5.48 per ERU for our collection system. If we raised our portion by \$.25 it will generate \$5700 annually. We have 1.3 million in wwtp improvement and I will be adding \$200,000 each year to try and build up funds for when the improvements are needed. This will leave \$80,000 for our own improvements and \$25,000 in emergency funds. Do we want to increase our portion?

##### Water

We will be expending \$300,000 for the water rights on the property we are purchasing. We will also need to purchase new meters to meet IDWR requirements by January of 2018 which will cost approximately \$50,000. We will have \$279,000 in contingency as well as \$30,000 in emergency funds. We are still savings for the water tanks; I have \$175,000 this year and we add \$25000 each year. Do we want to increase rates by \$.25 which is 1.5%. This will generate about \$5250 annually.

Any other increases such as pool, swimming lessons, recreation, connection fees, etc?

Proposed Purchases

General Administration

Election for Recreation District \$18,000 (General Fund)

Recodify the Ordinances \$6200 (General Fund)

New Computer for Accounting/No support after January 2020. Average cost for software and/or hardware is \$30,000. Begin saving \$5000 in General Fund and \$5000 spread among water/sewer/sani

Employee Incentives (Hoodies, Shirts, Jackets, etc.) Would like to spend at least \$1500 which would be \$55 per employee. Employee could wear to training, at work, etc. We could use the dividend we get from the state insurance fund. Last year we received \$3800. (General Fund)

Police

New Vehicle \$33,000 (State Revenue Sharing)

Tasers \$3000 (General Fund)

Server/Software for cameras \$6500 (General Fund) May be expended in old fiscal year

Part Time Office Secretary \$13,000 (General Fund)

Part Time Patrol Officer \$18,000 (General Fund)

Parks

Diamond Dust for Fields \$5000 (General Fund)

Electronic Marquee \$25,000 (State Revenue)

Vehicle \$32,000 (State Revenue)

Pool

Climbing Wall \$17,000 (General Fund)

Repairs \$166,000 (General Fund)

Public Works

Sod Cutter \$3000 (General and Water Fund)

Paint Striper \$12,000 (Street Fund)

Hoe Pack \$12,000 (Street/Water/Sewer Fund)

Band Saw \$3500 (Street/Water/Sewer Fund)

Vac Truck \$325,000 (Sewer Fund)

Garbage Truck \$250,000 (Sanitation Fund) (Have saved \$175,000 and the remainder will be lease/purchased at \$25,000 per year)

Water Meters \$50,000 (Water Fund)

Gator \$12,000 (State Revenue)

Vehicle \$30,000 (State Revenue)

State Revenue

Our contingency went from \$1,048,984 to \$282,984 due to the purchase of the land. We should receive \$135,000 in revenue this new year. We typically spend 50% to 70% which is \$67000 to \$94,000 and the rest builds up our contingency. The total of the current wants listed above as State Revenue equals \$134,800 which also includes the Senior Citizens (\$2000) and CART (\$800). What do we want to buy with this money. We usually build up the contingency for major projects at about \$45,000 each year.

Summary

Workl Meeting -August 09, 2016


Property Tax Increase and Forgone – How much and where  
COL and Health Insurance – Change plans and what increase  
Rate Increase – what and how much  
Purchases – what items and where to expend

The Mayor and Council instructed Sandy to figure in the budget a 1% COL, a change to the Health Plan(\$2000 deductible), increase property taxes 3%, use forgone amount of \$10,000, shift the property taxes to reflect an addition to the Street Fund for the forgone amount, sewer rate increase of \$1.88 to reflect what EIRWWA is increasing our rate, no other rate increase, and to expend for Ordinance recodification, Police Vehicle, Election, Employee Incentives, Police Tasers, Police Server, Part Time Office and Patrol, Diamond Dust for Fields, Climbing Wall at pool, Sod Cutter, Paint Striper, Hoe Pack, Vac Truck, Garbage Truck, Gator, Water meters. These items will be figured in the budget, but the Mayor and Council have the option to deny any of these items when the budget hearing is held and public testimony is obtained.

Sandy said she would like to present the tentative budget for consideration of adoption on Thursday, August 18th. The Mayor and Council set the meeting for the 18<sup>th</sup> at 6:00 p.m.

Adjourned: 7:35 p.m.

APPROVE:



ATTEST:

