

CITY OF SHELLEY
SPECIAL MEETING
MINUTES

AUGUST 16, 2005

PRESENT: Mayor Eric Christensen
Council Members: Lorin Croft, John Lent, Steve Cederberg, and Charlotte
Fredrickson
Police Chief: Alan Dial
Public Wks Dir.: Rick Anderson
Recreation Dir.: Dawn Lloyd
City Clerk: Sandy Gaydusek
City Attorney: BJ Driscoll (absent)

PRAYER: Lorin Croft

Lorin Croft called the meeting to order at 7:30 p.m., since the Mayor had not yet arrived. He turned the time over to Sandy.

Sandy presented the tentative budget for fiscal year 2005-2006 to the Council for their review. She said the total amount of the proposed budget is \$5,438,268 which has increased \$552,775 from last year's proposal. Sandy presented documents showing each of the funds and their projected expenditures and contingency.

Sandy said the tentative budget proposes to raise the property taxes by the allowed three percent, thus increasing the levy rate slightly. The city's total valuation is \$88,449,080. She said a property owner whose value of property is \$100,000 can expect to see an increase in city taxes of approximately \$28 unless their valuation has increased from last year. Sandy said the sewer rate is proposed to increase by \$5.00 per month, which will be appropriated to the new wastewater facility. She said the other fees that will be increased are the swimming lessons and recreation program fees for those residing outside of city limits. Sandy said the swimming lessons will be raised \$2.50 per lesson, and there will be a \$5.00 increase for the recreation program. She said Alan has asked that a fee of \$10.00 be established for breath/alcohol testing. Sandy said the medical insurance for the employees will be raising approximately 22% with the new plan implemented, and a 2.5% cost of living raise is proposed for the employees.

Sandy said some of the major expenditures this year are a new police vehicle, snow loader, loader lease, pickup lease, laser fiche server, computer, water planning study, furniture for the

Mayor's office, break room, and new chairs for the council room. Sandy said she budgeted \$90,000 for the addition to city hall. Some of these items will be expended from the state revenue sharing fund. Approximately two thirds of the anticipated revenue sharing funds will be spent on annual upgrades. Sandy said the street fund is looking very good, so she budgeted the snow loader, and the annual lease for a loader out of that fund. She said there is enough money in the State Revenue Sharing Fund to pay for the police cameras so they would not need to be financed, and we would save the interest on the lease.

Sandy said when she telephone polled the Mayor and Council on the sewer and water tap fees, the majority suggested the water tap be raised to \$1300, and the sewer tap be raised to \$1300. This will increase the water and sewer reserve to help pay for new infrastructure. She said she budgeted for a new well again this year, but did not know if all of the necessary work would be completed so the city can begin drilling.

Mayor Christensen arrived.

Sandy said the Mayor and Council would need to make a decision regarding the increase to the Mayor and Council's wages. Sandy presented a wage study regarding what other cities pay their Mayor and Council members. Charlotte felt the Mayor's salary needs to be increased due to the amount of time he spends working for the city. She felt his salary should be increased to \$650 per month from \$450 per month. Charlotte did not feel it was the appropriate time to raise the council member's wages due to the increase in medical insurance, gasoline, utilities, etc. She said the city pays for the Governing Board's insurance, which is \$435 per month, and this should also be taken into account. Steve felt the wages have not been raised since 1992, and it was time for an increase. Lorin also felt the wages should be increased. Lorin moved, Steve seconded to raise the Mayor's salary to \$900 per month from \$450 per month. Approved unanimously. Lorin moved, Steve seconded to raise each council member's salary to \$450 per month from \$225 per month. Three in favor, Charlotte voted not in favor, motion carried. Sandy will prepare the ordinance for the next council meeting.

Steve moved, Lorin seconded to adopt the tentative budget for the fiscal year 2005-2006 as presented by Sandy. Approved unanimously. Sandy will publish the tentative budget so the budget hearing can be held September 6, 2005, at 7:30 p.m.

Sandy presented the Urban Renewal Agency budget for the fiscal year 2005-2006. She said the only project expected to be done during part of next fiscal year is the façade project. John moved, Steve seconded to adopt the tentative budget for 2005-2006 for the Urban Renewal Agency. Approved unanimously. Sandy will publish the tentative budget so the hearing can be held September 6, 2005.

Adjourned 9:00 p.m.

ATTEST: Sandy Bayduak APPROVE: Eric R. Chilton