

**City of Rigby
City Council Special Meeting
July 27, 2010
7:00 p.m.**

Mayor Smith welcomed everyone to the meeting and explained this was a special meeting to discuss the budget. Mayor Smith stated the budget was the only item on the agenda and explained this was the only item they could discuss or make decisions on this evening.

Dave Swager, City Clerk/Treasurer, performed roll call. Those present were: Mayor Smith, Councilman Day, Councilman Maloney, Councilman Simonson and Councilman Zimmermann. Those absent were: Councilman Blackburn and Councilwoman Hinckley (excused).

Mayor Smith turned the time over to Mr. Swager to begin the presentation. Mr. Swager stated that since the last council meeting there had been a few changes in the budget and explained the majority was coming from the General Fund. Mr. Swager stated there had been an additional \$55,000 to the Road and Bridge Fund. Mr. Swager referred to page 3 of the original budget handout under City Hall expenditures for Capital Outlay and explained he reduced the amount on the boiler from \$20,000 down to \$15,000. Mr. Swager stated that out of the audit/legal audit and insurance section the \$18,000 was reduced by \$6,500 and explained there would be a portion out of the federal grant that would cover this amount. Mayor Smith referred to the recent letter of engagement that was signed with the auditor and asked if that was just for the audit and Mr. Swager stated it also included the federal funds and explained that was the reason for this portion of the change in the budget. Councilman Day asked what the new amount was and Mr. Swager stated that it was still \$18,000 and explained this was now being split between the General Fund and Wastewater Treatment Fund. Councilman Day asked what amount would be taken from each fund and Mr. Swager stated the amount from the General Fund would be \$11,500 and the amount from the Wastewater Treatment Fund would be \$6,500.

Mr. Swager referred to bonding and insurance and explained he had reduced the amount for the ICRMP insurance. Mr. Swager stated the bid on ICRMP was \$44,000 and explained that Marie Olsen had stated \$10,000 was being attributed to liability insurance on the wastewater treatment plant. Mr. Swager stated that due to this information he switched the \$10,000 over to the Wastewater Treatment Fund as expenditure. Councilman Day asked how much would come from the General Fund and Mr. Swager stated it would be \$34,000.

Mr. Swager referred to the Police Fund and stated that he had talked to Larry Anderson, Chief of Police, and explained that together they had reviewed the salary and benefits for the officers and were able to take another \$27,000. Mr. Swager stated that out of that \$27,000 he had increased the fund outlay for car replacement from \$20,000 to \$30,000. Mr. Swager stated that by the end of next year there will be enough cumulative fund balance to buy a car. Mr. Swager stated this change left a net reduction in police expenditure of \$17,000. Mr. Swager referred to the Compliance Officer and explained that Landon Clousing was getting certified and so twenty-five percent (25%) of his salary has been moved to police and the remaining seventy-five percent (75%) will stay under compliance. Mr. Swager stated this change has reduced the compliance by

\$9,600. Mr. Swager stated that with all the above mentioned changes the General Fund expenses were reduced by \$41,700 and there was a \$10,000 surplus and explained that was how the additional \$55,000 was able to go to the Road and Bridge Fund.

Mr. Swager stated that he had not previously done anything for the GIS system and explained that he split this between the Water Fund for \$10,000 and the Sewer Fund for \$10,000. Mr. Swager stated this did not drastically impact either of these two funds.

Mr. Swager referred to the handout sent to the council for this special budget meeting and stated the changes he had discussed were incorporated into the budget now. Mr. Swager explained that Councilwoman Hinckley was unable to attend this meeting but had given him some notes that she would like to read into the minutes. Mr. Swager referred to these notes and stated her concerns were to reconsider the \$15,000 city hall expenditure for the boiler, the \$5,000 administrative under clerk and would like to reduce funding down to \$500 for the Senior Citizens, the Historic Museum and Parks and Rodeo. Mr. Swager stated that Councilwoman Hinckley indicated approximately ninety-five percent (95%) of the people benefiting from Meals on Wheels are county residents and only five percent (5%) were city residents. Mr. Swager stated that Councilwoman Hinckley was wondering why the city was funding such a high amount to the Senior Citizens. Mr. Swager explained that these suggestions have not been considered on the present budget handout. Mayor Smith stated the only one he would address would be the boiler because he feels that need kept in the budget. Mr. Swager referred to conversations he has had with Rick Lamoreaux, Park/Street/Sanitation Supervisor, and Chief Anderson regarding the Urban Renewal Project for downtown and explained the city does not have nor have they considered the increase expenditure for putting Christmas decorations up on the new trees that are being planted along Main Street. Mr. Swager stated there would now be 50 trees and 27 poles and felt this needed to be a consideration. Mayor Smith asked how mature these trees were that were being planted and Mr. Swager stated about a two inch caliper. Mayor Smith asked if this would be approximately eight feet (8') and Mr. Swager stated that was a fair judgment. Mayor Smith stated that perhaps the city would not want to decorate them this year. Mr. Swager referred to the new poles being installed are seventeen feet tall where the old ones were twenty-seven and stated the old decorations would not work on the new poles. Mr. Swager stated there was some undesignated money under Capital Improvement Fund. Chief Anderson stated the city may be able to save the brackets that are on the current poles and use them on the new poles. Mr. Swager stated that regardless of this there was still an unknown expense hanging out there regarding this issue. Councilman Day referred back to the approval of this project and stated it was his belief that brackets were planned from the beginning. Mr. Swager stated the brackets they were referred to were planter brackets for the flowers and explained another bracket can be purchased from the pole company for banners but was not sure about Christmas decorations. Mr. Swager stated that he did not think all of that could be hung from the new poles because he did not feel they would be tall enough. Councilman Zimmermann asked if the poles would have their own outlet and Mr. Swager stated that was correct and stated each tree would have their own as well. Councilman Day referred to the discretionary fund and asked what that was and Mr. Swager stated this was originally set up for the proposed HRA fund and explained the city would not want to touch this fund until the actual cost of the insurance was known. Councilman Zimmermann asked if there had been anything budgeted for the new park this project would be putting in and Mr. Swager stated this would be under the park fund and stated he hoped it would cover. Mr. Swager stated there was also the Hailey Creek greenspace that was being dedicated to the city that would need to be maintained by city staff.

Mayor Smith stated that with the cancellation of the city maintained irrigation Mr. Lamoreaux would have some additional time. Mayor Smith asked if there were any salary increases reflected in this budget and Mr. Swager stated the only ones were for Mr. Lamoreaux, Scott Barry, Water/Wastewater Operations Manager, and Tom Sessions, Wastewater/Collections Operator. Mayor Smith asked if there was going to be a cross the board cost of living raise and Mr. Swager stated there was not.

Councilman Simonson referred to this revised budget and asked what amount would be going back into the General Fund and Mr. Swager stated there would be nothing. Councilman Simonson stated the city would be spending all of what was coming in and Mr. Swager stated that was correct. Mr. Swager stated this budget was strictly revenue based and so there would be no money coming out of savings. Councilman Maloney referred to Councilwoman Hinckley's note regarding lowering the Historical Museum's amount down to \$500 and asked if she had given a reason for that. Mr. Swager stated she did not indicate a reason or a concern other than the Senior Citizen. Councilman Maloney referred to the major budget cuts from last year and asked if the Historical Museum, Senior Citizens and Parks and Rodeo had received cutbacks at that time. Councilman Maloney stated that while he could appreciate Councilwoman Hinckley's concern to save money he felt these departments were already cut down and running under very tight budgets now and would like to stay with the current budgeted amount. Chief Anderson referred back to the three raises where one was due to certification and asked how that affected other employees and stated there were three certifications that his officers were required to get which are basic, intermediate and advanced. Mayor Smith asked if historically raises were given to officers for those certifications and Chief Anderson stated no. Councilman Day asked how raises were given and Chief Anderson stated they were based on rank advancement. Chief Anderson stated that if this was being done in one department then it needed to be considered for other departments as well. Mr. Swager asked if this had been worked into the department budget and Chief Anderson stated he had not because he hadn't known this was available and explained that all of his officers were certified now. Mr. Swager stated that he felt Chief Anderson was capped on his department budget but explained that if he could work raises into it then they could be considered. Councilman Simonson asked how the Police Department expenditures compare to cities of similar size and Chief Anderson stated they were lower and always has been. Councilman Simonson referred to the total budget of \$1,031,000 and stated that over half of that was being spent on the Police Department. There was a brief discussion regarding police salaries in other area cities. Mayor Smith suggested to Chief Anderson that he develop a program and explained that was how this was presented to himself and Mr. Swager. Mayor Smith stated that Mr. Barry and Mr. Swager had come up with an incentive program for these employees that have to have water and sewer certifications. There was a brief discussion regarding officer coverage and responsibility and comparisons with other area cities. Mr. Swager referred to page 9 of the handout this evening where it shows how much the General Fund will be getting back as part of this sewer collection project which totals \$1.4 million. Mr. Swager stated this money would more than likely be allocated to more funds than just the General Fund. Councilman Simonson stated that he would like to see money placed back into the General Fund and Mr. Swager stated he felt this was a very conservative budget and explained there was a little bit of leniency allowed. Mr. Swager explained there was \$15,000 for the boiler, \$5,000 capital outlay in Administration and \$8,000 in salaries for Administration if he chose not to hire a part-time person that could be used elsewhere or held over. Councilman Day referred to the budget worksheet and asked if they were to go page by page or if each council member was going to bring

up their various issues. Mayor Smith stated that he was letting Mr. Swager lead this meeting as he was the one to answer any questions that would be raised.

Mr. Swager referred to the Building Department and explained there had been no changes made. Mr. Swager stated he had budgeted a \$25,000 income with ninety percent (90%) going to the Contract Building Inspector and ten percent (10%) being retained for in-house office supplies and administrative fees. Mr. Swager stated this amount could be higher or lower and explained that since the city wasn't getting the building permits they had in the past.

Mr. Swager referred to page 6 under the Library Fund and stated there was a slight increase in this fund and explained the salaries went up a little as well. Mr. Swager stated that Marilyn Kamoe, Library Director, was still under a very tight budget for her department. Mr. Swager explained there had been an additional \$30,000 allocated to this fund from the projected tax revenue.

Mr. Swager referred to the Park Fund and stated there was only a slight change in the amount of \$2,200 and explained this was for Christmas lighting. Councilman Day asked if Mr. Lamoreaux was ok with this proposed budget and Mr. Swager stated that he was. Mr. Swager referred to earlier discussion regarding the Urban Renewal Project and explained this was an area of concern for Mr. Lamoreaux as he was not sure this would be enough.

Councilman Zimmermann referred to the capital outlay out for the airport and Mr. Swager stated that he had not. Councilman Zimmermann stated that he did not see it on the budget handout and Mr. Swager explained that it was listed under fund nineteen (19) which is the Capital Improvement Fund.

Mr. Swager referred to the Road Fund and stated this fund had seen an increase and explained that last year's budget was \$291,000 while this year's budget was \$352,000 which was an approximate \$61,000 increase. Councilman Day asked if this reflected the additional \$55,000 that was transferred and Mr. Swager stated that was correct. There was a brief discussion regarding the funding in this account and what could be done.

Mr. Swager referred to page 9 under Capital Improvement and explained to Councilman Zimmermann this was where the \$4,000 for the airport was included. Mr. Swager stated there was \$5,000 place in this fund for the Sidewalk Improvement Program. Mr. Swager stated there was \$12,530 designated as a total for this fund.

Mr. Swager referred to the bottom of page 9 under LID 7 and stated this was an in-an-out fund and explained there was two more years on this LID. Mayor Smith asked if this was the Ramona Avenue improvements and Mr. Swager stated that was correct.

Mr. Swager referred to the Sewer Collection and explained that between the loan and grant money there was \$7.2 million budgeted for this fund. Mr. Swager explained this budget was done in accordance to the schedule worked out with Ted Hendricks from Rural Development.

Mr. Swager referred to page 10 under Water Revenue Fund and stated there had been a change in the revenues as the projection had been a little over. Mr. Swager stated that he was not projecting an increase in water or sanitation user fees but explained the council could if they chose

to. Mayor Smith asked what the standard amount every year was and Councilman Simonson stated five percent (5%). Mr. Swager stated this could be done without a hearing but if the council wanted to raise sewer user fees then they would need to hold a hearing. Mr. Swager stated that what he was hearing in the office was to go ahead and raise the sewer user fees but to leave the water and sanitation alone for this year. Mr. Swager explained that water and sanitation were creating a positive cash flow and so they do not need to have the increase. Mr. Swager stated there needed to be a review of charges on refuse containers due to people not paying for what they are getting. Councilman Simonson asked what the current charge was for water and Mr. Swager stated sixteen eighty (\$16.80). Councilman Simonson stated that a five percent (5%) increase was around fifty (50) cents. Councilman Simonson asked what the current charge for garbage was and Mr. Swager stated ten fifty (\$10.50). Councilman Maloney referred to a previous meeting and asked Mr. Swager about the conversation regarding paying off the water bond a little early and applying those funds to the increase needed in the sewer funds and so the overall increase in the utility bill would only be six dollars (\$6) instead of fifteen dollars (\$15) and asked Mr. Swager to please explain that again. Mr. Swager stated there was currently \$750,000 in bond sinking cash and explained this was approximately what was owed. Mr. Swager stated the city could not prepay this bond until 2013 and explained the bond retires in 2016. Mr. Swager explained the escrow account procedure and how the bank would retire the bonds out of that account. There was a brief discussion regarding the bond, the utility bill and what changes this proposal would mean for the city. Councilman Maloney stated that he felt the city needed to take a good hard look at this and Mr. Swager stated that he would have a representative from Zion's Bank come over and explain this to the council. There was a brief discussion regarding the standard five percent (5%) increase, hearing procedures and requirements. Councilman Maloney referred to the constant increases in the utility bill and asked if there was a chance this would level off at some point. There was a brief discussion regarding the charges that were increasing year after year and how this affects the charges for the treatment plant. Mayor Smith stated that he was concerned with skipping a standard increase and explained that when that has happened in the past the city has had to play catch up. Councilman Day stated that he agreed with Councilman Maloney on looking at paying off the bond. Councilman Day referred to the water tank that was needed out at Hailey Creek and the property the city was looking to purchase and asked if there was money set aside for those and Mayor Smith stated that was not as important as other things but felt it would need to be addressed at a later date. There was a brief discussion regarding impact fees and setting aside money for a study to implement them. Chief Anderson explained the city had gone in on a study with the county and then the city Planning and Zoning denied it. Mr. Swager explained that could be picked back up and continued on of that was the wish of the council. Councilman Simonson stated that he felt the water and sewer connections were too low for the city and needed to be increased. Mayor Smith stated they were due to increase by 5% this year and Councilman Simonson stated he felt they should go up higher than that and become more in line with what is going on around the city. Mr. Swager stated this could be done through a public hearing and explained it would only impact new construction because the current tax payers were already connected and would have no need for this. There was a brief discussion regarding the impact area, comprehensive plan and the importance of having a city representative at the county planning and zoning meetings. Mr. Swager referred to the water revenue and explained that he had been conservative in his projections.

Mr. Swager referred to page 11 under Bond Sinking Fund and stated there was 188 going in and 188 going out. Mr. Swager stated the \$49,000 listed in miscellaneous is actually the surplus that is

currently being generated. There was a brief discussion regarding how this fund worked. Mr. Swager explained this amount was charged to every property in Rigby that had a connection to the system regardless of whether the water was on or not.

Mr. Swager referred to page 12 under Sanitation Fund and explained if the city chose to take the increase then it would be picked up on the bottom line. Mr. Swager explained this fund was the easiest in the city to operate and stated that Ken Harvey, Sanitation Driver, did a good job and caused no problems or issues. Mr. Swager suggested the council recognize Mr. Harvey because of the good job he does for the city.

Mr. Swager referred to the Sewer Revenue Fund and explained this was the big fund. Mr. Swager stated there was a need of \$746,000 in order to retire the bond. Mr. Swager the balancing figure was \$563,000 in order to break even on the budget. Mr. Swager stated there was a conservative estimate of \$20,000 revenue from the septic dumps and \$500 for permits for outside septic haulers. Mr. Swager stated the interest revenue was approximately \$4,000 but explained the city wasn't getting much for interest anymore. Mr. Swager stated there was \$1,033,000 on sewer revenue and explained this was broken down between sewer collections, wastewater and administrative. Mr. Swager stated that he had gone over this with Mr. Barry and came up with \$279,000 for collection expense and explained this was a decrease from prior years. Mr. Swager stated they were hoping this amount would be more for capital outlay for pumps and manholes. Mr. Swager explained there wouldn't be the expense of maintaining the old collection lines with the start of the new collections project.

Mr. Swager referred to the Wastewater Treatment Plant Fund and stated the budget here was up from \$235,000 to \$247,000 and explained this \$12,000 increase was broken down in various categories with more going to electricity. Mr. Swager stated there was \$2,400 set aside in capital outlay for a backflow item. Mr. Swager stated the \$40,000 administrative expense was broken down with \$6,500 going to the audit, \$10,000 for the ICRMP insurance and \$20,000 for the potential legal expense. Mr. Swager stated there is also an administrative expense of \$21,000 which will transfer back to the General Fund. Mr. Swager stated there is also the debt service of \$726,000. Mayor Smith stated that debt money was being collected but not paid at this time and Mr. Swager stated that was correct. Mr. Swager stated that once the job was completed there would be a small amount in reserve for the city. Councilman Simonson referred to the \$20,000 for the outside septic dumps and asked if Idaho Falls was still accepting them as well. Mr. Barry stated they were. Councilman Simonson asked how our fees compared to their fees and Mr. Barry stated they were exactly the same. Councilman Day referred to the \$24,500 in capital outlay and asked if this was for a backhoe and Mr. Swager stated it would also be for a mule. Councilman Day referred to the two backhoes currently owned by the city and stated that he would like to see those shared rather than incur the expense of purchasing another one. Mr. Barry stated the problem he was up against was if he didn't schedule the backhoe several days in advance then he was unable to use it. Mr. Barry stated they were also beginning processes with the sludge that would mean having to turn it daily. Councilman Day stated that he had been told the backhoe was used merely for snow removal. Mr. Barry stated they used it for that too but also used it for the moving and management of the sludge. Councilman Day asked if there was any way one of the backhoes could be taken out to the plant and left there while the other one remained in town. Mayor Smith stated this appeared to be an item of contention and has been for some time. Councilman Day stated that he would like to have an agreement with Mr. Lamoreaux that one stay at the plant and Mayor Smith stated that

had been done some time ago but it needed to be used in town also and so it caused some problems. Mayor Smith stated that currently they are using the truck that is out at the plant to haul the sludge from one area to another but explained the rules have changed and so now they need to change their procedure. Mr. Barry explained that presently they store the sludge in the gravel out of the way and use the truck but now they are being required to store it on the concrete inside the shed but explained it needs moved or turned to keep the smell down. Mr. Barry stated they waste every day but Saturday and so they would need the backhoe daily. Councilman Day stated the two present backhoes maybe run twenty percent (20%) of the time and asked if that was a fair assumption. Mr. Barry stated that he could not answer that but knew he had to schedule several days in advance or was unable to use one. Mayor Smith stated there had been a policy put into place regarding their usage and asked Mr. Swager if he could have that information to the council by their next meeting. Mr. Swager stated he could once he obtained the hour logs. Councilman Day stated he was just concerned over incurring another backhoe. Mr. Swager suggested having one of the backhoes assigned to the treatment plant and then when Mr. Lamoreaux needed it he would have to schedule the usage. Mr. Barry stated there have been arguments over the backhoe in the past and explained they have had to return it even when they are not finished using it. Mayor Smith stated they would take a look at the hour meters and see how much they were being used and then make a determination from there.

Mr. Swager stated that if there were no further questions or proposed changes in the budget he has a notice prepared that needs to be published. Mr. Swager stated there would need to be a hearing on the increases in the sewer rates as well. Councilman Day stated he would like to see some money set aside for a comprehensive plan and impact fee plan and asked if this could be possible. Mr. Swager asked if there was an amount he needed to consider and Councilman Day stated about the same as last time. Mayor Smith stated he would like to review the impact fee study and see what Planning and Zoning didn't like about it and see if there was something they could use from it. There was a brief discussion regarding the comprehensive plan, obtaining an updated copy, possible funding and proceeding from there. Councilman Simonson asked if this money was coming from the General Fund did it actually have to specify this is what it was for and Mr. Swager stated they could use \$5,000 of the discretionary fund. Mr. Swager stated that right now all money was committed. There was a brief discussion regarding other funding changes that could take place. Councilman Day suggested making a couple phone calls to see how much it would cost before making a decision. Councilman Day stated that if it would cost more than \$10,000 then it could wait until the following year. Mr. Swager stated that he would pull the \$10,000 out of his salary budget and move it to cover the impact fees. Councilman Maloney asked if there needed to be a motion for the bond payment they had previously discussed and Mr. Swager stated that could be done at a later date. Councilman Maloney moved to approve the preliminary budget for publication. Councilman Simonson seconded. Councilman Day asked if this preliminary budget would include the change they had just discussed and Mr. Swager stated he would make that change prior to advertisement. On a roll call vote:

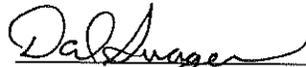
Councilman Day	--	aye
Councilman Maloney	--	aye
Councilman Simonson	--	aye
Councilman Zimmermann	--	aye

Councilman Day stated that he has been doing this job for three years now and that it has been painful and commended Mr. Swager for making this the easiest budget so far. Mayor Smith expressed his appreciation as well. Chief Anderson stated the process wasn't always easy but explained that Mr. Swager was very good to explain the reasons and procedures behind the changes.

Councilman Simonson moved to adjourn the meeting. Councilman Zimmerman seconded. All were in favor. The meeting was adjourned at 8:20 p.m.



Keith Smith, Mayor



Attest: David Swager, Clerk