

City of Rigby
Council Meeting Minutes
July 16, 2015

Council President Maloney called the meeting to order at 7:00 pm Thursday, July 16, 2015. The pledge of allegiance was given by Jerry Simonson and the prayer was offered by Taylor Benson.

The Mayor asked the clerk to call the roll.

Councilman Walker	Present
Councilman Maloney	Present
Councilman Simonson	Present
Councilman Olsen	Present
Councilman Burke	Present
Councilman Taylor	Present

Also present: Keith Hammon

Review of May 2015 Financial Statements and Journal Entries:

The clerk came forward and reviewed with the council the statement of revenues and expenditures compared with budget. He noted that he had expanded the financial statements to include the actual results that occurred in 2014 and where necessary made adjustments to non-recurring items to estimate the results on how the funds may end the year. Excerpts from his management letter follows:

General Fund:

The general fund revenue to date totaling \$796,729 and expenses totaling \$1,066,348 for a net expense over revenues of \$269,619. Year to date budget has the fund for a net loss of \$335,000. Looking at the history of 2014 total revenues for the four month should approx. \$518,000 and expenses around \$300,000. If the estimates hold the general fund will end the year with a net reduction in surplus of \$55,000 versus a budget estimate of \$335,000. Both revenues and expenditures for the period ending May 31 are approximating budget with the overall results \$280,000 better than budget.

	Budget	YTD Actual	Jun-14	Jul-14	Aug-14	Sep-14	4 Month Sub Total	Actual Plus Estimate
Revenues:	1,270,273	796,729	282,881	90,113	17,248	127,050	517,292	1,314,021
Expenditures:	1,605,345	<u>1,066,348</u>	<u>83,516</u>	<u>66,221</u>	<u>69,126</u>	<u>82,667</u>	<u>301,530</u>	<u>1,367,878</u>
Net Revenue/Expenditures	(335,072)	(269,619)						(53,857)

Library Fund:

Library fund has revenue and expenses are at breakeven at May 31. The library will receive an additional \$7,500 over 2014. It is unknown how the additional funding will be expended therefore no estimate is being provided.

Library	Budget	YTD Actual	Jun-14	Jul-14	Aug-14	Sep-14	4 Month Sub Total	Actual Plus Estimate
	172,02		+3750			+3750	+7,500	
Revenues:	5	107,454	38,626	5,461	1,411	8,037	53,535	160,989
	<u>172,02</u>			10,03			<u>?????</u>	
Expenditures:	5	<u>107,814</u>	8,906	6	14,332	11,765	<u>45,039</u>	<u>152,853</u>
Net Revenue/Expenditures	-	(360)						8,136

Park Fund:

The park fund has revenues exceeding expenses of \$13,000. Summer work will increase which will reduce the overall excess earnings but still end the year with positive results.

	Budget	YTD Actual	Jun-14	Jul-14	Aug-14	Sep-14	4 Month Sub Total	Actual Plus Estimate
Revenues:	79,030	49,485	24,988	1,759	368	3,570	30,685	80,170
Expenditures:	<u>79,030</u>	<u>36,459</u>	11,200	8,855	8,614	8,251	<u>36,920</u>	<u>73,379</u>
Net Revenue/Expenditures	-	13,026						6,791

Road Fund:

The road fund has revenues exceeding expense of \$126,000. Major expenditures yet to be incurred will be seal coating which was completed in July 2014 and is expected to be completed in July of this year. Given the projections based on 2014, the road fund should end the year is \$100,000 excess revenues.

	Budget	YTD Actual	Jun-14	Jul-14	Aug-14	Sep-14	4 Month Sub Total	Actual Plus Estimate
Revenues:	380,355	226,528	46,629	46,159	8,341	48,411	149,540	376,068
Expenditures:	<u>380,355</u>	<u>100,195</u>	6,132	126,377	7,194	18,582	<u>158,285</u>	<u>258,480</u>
Net Revenue/Expenditures	-	126,333						117,588

Capital Improvement Fund:

The capital improvement fund has revenues exceeding expenditures of \$295,000. The increase is arising from the transfer of \$350,000 from the general fund. Revenues projects for 2015 should mirror that of 2014 except for the transfer of \$600,000 from the sewer construction fund. Expenditures yet to be incurred for the public works should come in under \$45,000 for the balance of the year. Expenses in 2014 relating to the improvements on West 1st North will not be incurred. The capital improvement fund should end the year with a positive \$230,000 surplus versus the budget of \$173,000.

	Budget	YTD Actual	Jun-14	Jul-14	Aug-14	Sep-14	4 Month Sub Total	Actual Plus Estimate
Capital Improvement						1,700	32,046	411,570
Revenues:	388,910	379,524	21,916	905	7,525	591,887	622,233	1,001,757
			49,050			45,000	94,050	178,449
Expenditures:	<u>215,000</u>	<u>84,399</u>	<u>35,520</u>	<u>34,064</u>	<u>79,651</u>	<u>453,002</u>	<u>602,237</u>	<u>686,636</u>
Net								233,121
Revenue/Expenditures	173,910	295,125						<u>315,121</u>

Park/Rodeo

Park and rodeo is an unknown. Receipts for the rodeo are being compiled and questions remain as to the break out of sales. As for the upcoming events that have been scheduled estimates for gate receipts are unknown as are the related expenses. The current position of the park/rodeo is a net loss of \$18,000. I will only estimate that the park/rodeo break even for the year. The clerk handed the council a summary of the 2015 rodeo income and expense. The rodeo earned \$9,976 in overall net income.

	Budget	YTD Actual	Jun-14	Jul-14	Aug-14	Sep-14	4 Month Sub Total	Actual Plus Estimate
Revenues:	56,600	25,757	3,720	5,680	1,036	44,810	55,246	81,003
Expenditures:	<u>56,600</u>	<u>44,467</u>	3,125	2,220	1,294	18,742	<u>25,381</u>	<u>69,848</u>
Net								
Revenue/Expenditures	-	(18,710)						<u>11,155</u>

Water Revenue:

The water revenue fund stands with net revenues over expenditures of \$61,000 at May, 2015. Operating revenues should follow those of 2014. Expenditures will increase due to higher electricity rates and hotter weather conditions. There was an uptick in expenditures in Sept 2014 but the same will occur this year with the water line being upgraded on 1st North. I see no change in overall forecast from 2015 using 2014 as a guide.

	Budget	YTD Actual	Jun-14	Jul-14	Aug-14	Sep-14	4 Month Sub Total	Actual Plus Estimate
Revenues:	535,000	323,401	61,110	49,408	61,306	72,493	244,317	567,718
Expenditures:	<u>535,000</u>	<u>262,193</u>	67,663	25,905	24,948	160,175	<u>278,691</u>	<u>540,884</u>
Net								
Revenue/Expenditures	-	61,208						26,834

Sanitation Fund:

The sanitation fund for the balance of the year will incur ordinary and necessary operating expense. The sanitation fund has a current deficit of \$224,000 incurred with the purchase of the new garbage truck (\$245,000). The sanitation fund is estimated to end the year with a deficit of \$230,000 less than the budgeted \$271,000 deficit.

	Budget	YTD Actual	Jun-14	Jul-14	Aug-14	Sep-14	4 Month Sub Total	Actual Plus Estimate
Revenues:	279,500	172,286	22,230	19,020	21,398	21,295	83,943	256,229
Expenditures:	550,970	<u>396,925</u>	30,432	16,773	13,195	29,793	<u>90,193</u>	<u>487,118</u>
Net Revenue/Expenditures	(271,470)	(224,639)						(230,889)

Sewer Revenue:

Sewer Revenue fund's revenues and expenditures will also follow those incurred for 2014 with the addition of the new sewer line on 1st North. The sewer line budget is \$240,000 which is over the 2014 expenses. The ending operation is projected to have a net deficit of \$50,000 from the original breakeven budget.

	Budget	YTD Actual	Jun-14	Jul-14	Aug-14	Sep-14	4 Month Sub Total	Actual Plus Estimate
Revenues:	850,500	717,002	75,637	72,630	77,941	73,201	299,409	1,016,411
						+240,000	<u>578,052</u>	<u>1,072,944</u>
Expenditures:	850,500	<u>494,892</u>	107,708	79,306	29,937	121,101	<u>338,052</u>	<u>832,944</u>
Net Revenue/Expenditures	-	222,110						(56,533)
								<u>183,467</u>

Sewer Bond:

While the sewer bond fund is scheduled to breakeven, actual receipts versus bond debt will again have positive revenues over debt service of \$375,000. If actual results prove out as estimated, I expect the city will make an advanced payment over and above the normal bond payment of \$250,000 or more.

	Budget	YTD Actual	Jun-14	Jul-14	Aug-14	Sep-14	4 Month Sub Total	Actual Plus Estimate
Revenues:	635,000	422,271	54,875	52,029	52,391	51,741	211,036	633,307
Expenditures:	635,000	<u>193,856</u>				61,825	<u>61,825</u>	<u>255,681</u>
Net Revenue/Expenditures	-	228,415						377,626

Internal Service Fund:

The internal service funds' income and expenses should follow those incurred for 2014. The internal service funds ending cash balance at May 31 is \$56,700. This balance should increase by an additional \$3,475 at year end. The 2015 capital facility budget has \$40,000 being transferred from the internal service fund to assist in financing of the various items shown on the five year worksheet.

Review of May Journal Entries:

The clerk reviewed the journal entries he made for the month of May 2015. One entry was made for reclassification and the balance of the entries were to record interest earned on the investments and charges made in the internal service fund.

Review of the 2015 Budgets for Enterprise Funds and Capital Facilities Projection:

Debt Service Fund:

Using the current monthly charge of \$32.75 will generate total income of \$625,656. The Sewer Bond fund with the payoff of the one USDA loan reduces the annual payment to \$564,620. The clerk presented a number of options with a reduction in monthly rates and advanced payments. He indicated his goal was to retire the debt earlier than the 20 year term. The council requested a recalculation of the amortization schedule using the same monthly rate with advanced payments as was presented.

Water Revenue Fund:

The water fund has projected revenue of \$555,400 and projected expenditures of \$520,575 for a net surplus of \$35,000. The revenues do not contain any rate increase over the current year's rates. He also mentioned that he has had three or four property owners complaining about the flat fee being the same for apartment buildings with little or no grass as it is with a single family home with children and a large yard. Ammon has a split tier water rates for small and large property. The city should look at a similar adjustment.

Sanitation Fund:

The sanitation fund has projected revenues totaling \$245,098 and expenditures of \$254,350. The revenue based on \$245,098 is using the current rates of \$11 per month that is projected to be short of balance budget by \$9,252. If the rates were to increase \$1.00 per month the deficit would turn into a surplus of \$1,644. Given the history of the sanitation fund, he felt the expense numbers could be massaged to breakeven and not change the rates, unless the council was so inclined.

Sewer Revenue:

The **sewer revenue** fund has seen expenses for maintenance and operations (excluding transfers and legal) increase 15% year over year. The current budget is \$965,500. The accompanying worksheet shows five analysis using the current rate of \$35.25 and increases of 25 cents, 50 cents 75 cents and one dollar. With decreasing deficits with each increase the \$1.00 increase will still show a deficit of \$45,000. The council asked Rick Lamoreaux if the plant was being operated efficiently. The director indicated it was to his knowledge it was. The plant is aging and equipment is wearing out. The council asked the clerk to provide an analysis at a breakeven.

The wastewater treatment plant is operating without a filtration system and may or may not need one in the future. Consideration of those costs should be considered in the capital facilities needs of the sewer fund.

Capital Facilities Forecast Worksheet:

The clerk next discussed the capital facilities forecast for the city's infrastructure. He indicated he had been working for the past five years to get some forecasting done but can't seem to get past the year by

year budgeting. He reviewed the recently completed transportation capital improvement plan completed by Keller's and Associates. He stated he was disappointed in the "quality" of the study which listed three bridges and a lump sum of \$5.2 million needed for construction of city's streets. The report gave no indication as to individual streets that needed be addressed so the city could begin chipping away at them. He reviewed a 2009 transportation study completed by Thompson Engineering which was far better in detail in that it listed specific streets, one being Claremore Drive and Circle Drive.

With the exception of the \$65,000 under water, none of the worksheet have been updated or used to forecast the needs past the current year. It always is a year by year approach a kind of jerk knee reaction without clear forecasting on the needs as to dollar cost or timing when or if they will be completed. The clerk then handed the council a sewer project that was submitted to him on Wednesday for the improvement of the sewer system south of 2nd South and along 3rd West. The project estimate totaled \$743,000. He also noted the engineer fee was at 14% of estimated construction costs which should be at 9%. The council discussed the project with Rick Lamoreaux who explained the problems the trailer court was having and several homes in the area were still on septic tanks. The clerk stated one resident on Claremore Drive has written a letter to the mayor requesting that the sewer system on Claremore Dr. be improved. Lamoreaux said Claremore Drive was being looked at for upgrading.

The clerk stated the next council meeting set for July 30 could be used by the council to narrow in their decision presented at last council and this evening. The final budget would need to be approved at the August 20 meeting which would allow two publications and the public hearing on the budget set for September 3, 2015.

Approval of Bills:

Councilman Walker moved to approve the bills including the library bill for sales tax of \$39.20 seconded by Councilman Taylor.

The Chair asked the clerk to call the roll.

Councilman Walker	Yes
Councilman Maloney	Yes
Councilman Simonson	Yes
Councilman Olsen	Yes
Councilman Burke	Yes
Councilman Taylor	Yes

Approval of Minutes:

Councilman Simonson moved to approve the minutes seconded by Councilman Burke.

The chair asked for a poll of the council: All in favor, Councilman Taylor abstained

Other Council Business:

Councilman Maloney commented on the car show held over the weekend and felt it was well attended.

Chief Hammon noted there is a Figure 8 Race this weekend at the rodeo grounds.

Councilman Walker said he had attended the park/rodeo committee meeting. One of the biggest obstacle with the park/rodeo is having is getting volunteers to help. He noted the comment was made

during the meeting of the lack of volunteers to assist in parking. He suggested that we should look at assisting when needed.

Councilman Taylor mentioned the 1J Bed Races being held August 22. He also asked if the council could review the service contracts that the city has. This includes the attorney, cell phone towers and engineers.

Public Comment:

None

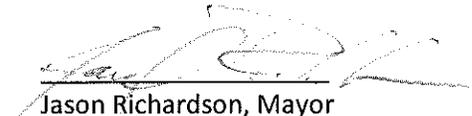
Adjournment:

Councilman Simonson moved that the council adjourn seconded by Councilman Walker.

The chair asked for a poll of the council: All in favor none opposed.

Council adjourned: 8:15pm.

CITY OF RIGBY



Jason Richardson, Mayor

ATTEST:



David Swager, Clerk