

City of Rigby
Council Meeting Minutes
July 30, 2015

Mayor Richardson called the meeting to order at 7:00 pm Thursday, July 30, 2015. The pledge of allegiance was given by Jerry Simonson and the prayer was offered by Skylar Walker.

The Mayor asked the clerk to call the roll.

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

Also present: Keith Hammon, Attorney Dunn

Amend Agenda:

The mayor stated that Councilman Taylor asked that the agenda be amended to include discussion on the Family Crisis Center. Councilman Taylor is currently at a doctor's office. Councilman Walker moved to amend the agenda to allow for discussion of the Family Crisis Center, seconded by Councilman Maloney.

The mayor called for a voice poll: All in favor none opposed.

The mayor also indicated the budget for the library was received this afternoon and needed to be included in the agenda for discussion. Councilman Simonson moved to amend the agenda to allow for the discussion of the library budget seconded by Councilman Burke.

The mayor called for a voice poll: All in favor none opposed.

Police Department:

- a) Surplus Equipment: Chief Hammon came forward and presented the council with a list of equipment that he wanted to be declared as surplus and those items be declared as surplus and authorized to be sold. (List attached). The sale of the surplus is being planned for in September. September is needed to allow the passage of time when the federal equipment can be surplus.

Councilman Simonson moved to declare the items as surplus and authorized they be sold in September seconded by Councilman Olsen.

The Mayor asked the clerk to call the roll.

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

- b) Purchase of Bicycles: The chief mentioned that he has old mountain bikes that were purchased in 1999 or 1998. He is requesting approval for the purchase of two bikes from Ron's Tire Store for the total price of \$1,800. There will also be of two different sizes to account for the different

height of officers. They are used during the parade, at the lake, business checks, search and rescue and other bike patrol. The acquisition will be out of the capital improvement fund which had been budgeted for in the capital facility plan.

The mayor asked the chief what the amount of use the bikes have been used. The chief estimated the use amounted to a week per year. The mayor questioned the week use as being productive and beneficial. The old bikes had not been serviced for about the last two years.

Councilman Olsen felt the price was looked complete to the pricing he has seen. The chief stated the bikes are police bikes and have police printed on them.

Councilman Maloney moved to authorize the purchase of the two bikes seconded by Councilman Simonson.

The Mayor asked the clerk to call the roll.

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

- c) Step and Grade Salary Schedule: Officer Jenkins came forward and presented the council with a revised step and grade salary schedule (Copy attached). Officer Jenkins talked about the sheriff response to a question about competitive wages compared to other counties and do low wages cause turnover. Sheriff Anderson stated the wages are low and the turnover rate is improving. Beginning wages in Rigby are \$14.50 beginning county wage is \$15.50. Shelley uncertified officers beginning wage is \$16.50. Officer Jenkins gave other statistics on beginning wages. He continued that he is currently training his third officer this year.

He reviewed the printed handout showing the current budget for police and the percentage used to date. Currently the police budget 3% below budget and he expects to have that amount at 5% by the end of the year. He factored in a 5% increase over the current budget for 2016 along with a cost of living increase of 3%. With a 3% for dept. head and 5% for all other employees the budget would be \$334,000. His second presentation would be an increase of 5% against actual to date would have a buffer of \$34,000 (difference between budget and actual).

On the step and grade schedule he has two different scenarios one with a 3% cost of living increase each year and one without a cost of living increase. On the step and grade schedule without 3% cost of living will put everyone at step one on the schedule. The different colors (blue or green) would be at their current work experience. The blue color would put everyone at their actual work history. Jenkins indicated the pay using the green would be less than a 5% increase. The incentives and other enhancements have not been considered in the current scale.

The logic of using a cost of living at 3% is under the assumption is what if the city had to replace three officers next year. Would their starting wage be \$14.50 or \$14.94? If it were to be \$14.94 how would that affect the remaining officers in relation to the new hires? After they receive

their certification, their post certification would be at \$15.54 which would again put those higher than the remaining officers.

Council expressed concern over an automatic 3% cost of living every year. The mayor stated the property taxes could only increase 3% per year. If the police step/grade increase including 3% the extra amount would have to come from another department within the general fund. You can't have a 2.75% step increase plus a 3% cost of living without busting through the overall property tax restriction. Where does the increase come from within your department? The second item the mayor was the cost of training new officers. Earlier Jenkins had stated the cost of hiring new officers was \$30,000 (Jenkins corrected stating \$20,000) even with the \$20,000 your expenses should be up by \$60,000 and they're not. The mayor said the cost of training is a hidden cost. He also stated since he's been mayor the city has not lost any officers due to money. The last three officers left for other reasons. He also stated the difference in population between Rigby and Shelley while similar the difference in market valuation is different. His concern is any time we're approaching an increase of 3% increase we're hitting a limit on the ability to continually fund the increase. Jenkins noted the increase is spread out at the farther end of the scale. Councilman Walker indicated in his experience, the further out you go the lower the step increase in some case 1% or less, not the 5% the schedule is showing. Jenkins indicated he got the percentage increase off of the Shelley's pay schedule.

The mayor also wanted the step increases to be tied to goals and not to just an officer to receive increases with no effort on his part other than years of service. Councilman Walker expressed concern over adding incentives or enhancements without having specific caps or specific goals. Councilman Simonson felt the schedule was too aggressive. We can't pay out what we don't have. The mayor stated the city did have a step and grade schedule in place and that was one of the problems that got the city in financial trouble. Officer Jenkins stated that the problem was when the city hired new officers the bottom level officers got cost of living increases which put the new hires over or near the pay scale as a three year officer. That's one of the reasons they wanted something structured for both new and existing officers. Where are they going to be in 3 to 5 years down the road?

The mayor stated under the new uncertified officer needed a higher track after their three year period as an incentive to stay beyond the three year period. He felt the current schedule is simpler and more in line with what the council is looking for, but also noted what Councilman Walker stated about lowering the increases farther out on the scale. The mayor noted that in reviewing the salary of some of the officers he noted that some have received 5.8% increase over the last eight years. He felt that increase is busting the city. The mayor stated any increase has to come within the budget.

Councilman Walker asked if the hidden costs of hiring new officers costs \$60,000 to \$90,000 and the budget is under budget by \$30,000 would the budget then over further under budget by the \$60,000-\$90,000? Chief Hammon indicated one cost is the protective vest that each new officer receives. If he did not have to replace the vest than that money would still be in the budget. Councilman Walker then stated to the chief that the spread between budget and actual would therefore be greater, to which the Hammon responded yes.

Proposed Code Changes:

The clerk reviewed the code changes the council had approved back in April. He was thinking there would be more changes but noting there hasn't been any so he's proceeded with completing the proposed changes and calling for a public hearing after publication of the proposed changes.

Councilman Simonson moved to authorize the publication on proposed changes relating to dog licensing, kenneling; police vehicles; police standards; firearms; parking restrictions; Code# 5-4.2; 5-4.4; 5-1.6; 5-1.7; 5-2.3; 6-4.8; 6-4.19 and set September 3, 2015 for public hearing. motion seconded by Councilman Olsen.

The Mayor asked the clerk to call the roll.

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

Family Crisis Center:

Kimber Tower representing the Family Crisis Center out of Rexburg came forward and explained to the council the purpose and need for having the Family Crisis Center. She is the community outreach coordinator for the Family Crisis Center. She explained the need for the center is a need where there is no legal action involving law enforcement. Most crises can be financial and/or verbal. There is also a lack of public awareness that "abuse" can and does happen. The Crisis Center assists those individuals who lack housing, food or other financial means. There is also aid for small children who may be suffering from abuse. The center is in desperate need for advocates and volunteers to assist in the food bank and food store. The center is located at 16 East Main, Rexburg and she invited each of the council to visit the center. The center operates a center in Menan and Rigby will be hosting a center on the 1st Monday of the month at the Rigby Library.

Review of the sewer revenue rates and sewer bond rates:

The clerk presented an amortization schedule keeping the sewer bond rate the same as is currently being charged. The clerk indicated that he was planning on making an advanced payment of \$500,000 by October 1. The amortization schedules presented reflect that advanced payment. If the city were to keep the rates the same the bond would be redeemed in 13 ½ years. If the city were to drop the assessment \$.75 the bond would be retired in 14 ½ years. A drop of \$2.75 would retire the bond in 18 years. Making the minimum payment of \$168,270 per year would retire the bond in 20 years.

Review of the sewer revenue fund: Reviewing the sewer revenue fund the fund would need a monthly fee of \$3.15 to have the fund at breakeven with expenditures totaling \$967,000. A fee increase of \$2.75 would have the funds' revenues totaling \$958,000 and expenses of \$967,000 short by \$9,000. The clerk felt the shortage could be covered with a second review of expenditures taking a critical look at each category.

The mayor asked with the city paying off the one bond that reduction in debt the necessary fees could be reduced with the increase in sewer costs. The clerk corrected the statement by saying the sewer bond is independent and separate of the costs of running the sewer operation. There are two components of operating the sewer system: bond retirement and maintenance & operational expenses. Each component needs to be looked at separately and not combined.

The clerk referred to the hand out, which Councilman Taylor asked for, which showed the current rates by category: water, sewer, debt service, and garbage which currently total \$98 per month for residential. The clerk proposed dropping the sewer bond assessment by seventy-five cents and increasing the sewer revenue assessment by \$2.75 making a net increase per month of \$2.00 for a monthly bill of \$100.00. He stated his goal is to keep the rates to cover operating expenses and provide for future operating costs. The office hears a lot of complaints concerning utility rates and department head should be aware that there is a limit which residents can pay. A majority of residents are on fixed income and a bill of \$100 per month is an expense to them.

The mayor asked if there was any indication that the operating costs of the sewer plant would level out or slow down. Rick Lamoreaux responded that the plant is aging and things wear out. The mayor said if that is the case then the city could be looking another increase every year. The clerk responded that yes if expenses continue to increase greater than the revenues. Based on the last two years actual expenses the wastewater plant costs have been increasing 12-15% year over year the expenses of the collection have been fairly flat. The mayor felt each fund of the city should pay for itself. He stated years ago expenses increased over revenues but the deficit was paid out of savings and when the saving was exhausted, rates were increased drastically. The clerk recapped the budget process which requires a decision from the council on August 20 calling for a public hearing on September 3.

The clerk stated that when he was hired by Mayor Smith, his direction was to get the city back to stable financial position. He has initiated and implemented the financial goals which are creating a reserve of 90-days in each of the city's operating funds. His second goal is to establish a 5 year capital facility plan forecasting the needs for capital expenditures. The city has one for the equipment but still need it for the infrastructure: roads, sewer, and water. And thirdly, to retire debt as soon as possible and avoid future indebtedness. He is reluctant to have the enterprise funds to forego rates increases and begin using savings and then in 20 years be faced with capital expenditures without savings to fund them.

The mayor stated the council needed to give the clerk direction on the sewer bond and sewer rates. The council discussed various options concerning the rates for the bond and sewer. Councilman Walker indicated that the city could keep the bond debt low and have the debt for the next 20 years. He also asked if there is a physiological of keeping the rates \$100.75, \$100 or \$99. Councilman Burke said the dollar does make a difference. Councilman Walker stated the difference between seventy-five cents on the bond is one year difference. Councilman Olsen stated the rates need to be reviewed each year and determined what the rate will be to pay for the ongoing expenses.

The mayor opened the discussion up to the public for comment:

Barry Lewis: Asked if the city prioritize expenditures and is there a saving that could be used. He also asked if there if some potential business that could come in and aid in the revenue flows. The mayor said the city is looking to expend commercial businesses in the city. The shortfall in the sewer would require a lot of increase in fees from the commercial businesses. Mr. Lewis also questioned the city willingness to spend money on little things. An example the magazine last month for \$2,700 each and every month there seems to be items that are spent. The mayor replied that the enterprise funds are not intermingled with other funds and tax money is not to be used for the enterprise funds. He expressed support of the council and clerk not wanting to dip into savings for fund current expenditures.

Council Discussion:

The mayor again stated the clerk needed direction regarding the fees. Councilman Olsen stated the \$100 scenario was the most logical. Councilman Walker said the breakeven is 40 cents and the fund would be self-sustaining at \$100. Consensus from the council was to go with the \$100.00.

Library Budget:

The mayor stated the next item would be the library budget. He said he had just received their budget this afternoon and it was on their desks. Councilman Simonson stated that last year the council appropriated \$15,000 from the general fund with the understanding that the board would show the council how it was used. The mayor concurred. Simonson stated that they are still looking at another \$15,000 but he doesn't see how the revenues were increased. The budgeted revenues for next year totaled \$174,337 and the current year's budget was \$172,025 both with the \$15,000 from the city.

The clerk indicated the tentative surplus in the general fund is \$12,000 without anything being appropriated to the library. The mayor said he doesn't see an increase in other revenues for the current year to the next year. Councilman Maloney asked what are the sources of revenues that the library receives. The clerk reviewed the library revenues by source. Councilman Simonson stated he supports the library but as stated earlier on the sewer fund, each fund needed to support itself. He sees this is going to be ongoing. In prior years they operated on their own funds until this year.

Councilman Olsen noted the changes in various items have been cut back but noted that salaries have increased.

The mayor stated that there wasn't a representative from the library here this evening and stated he was opposed to the \$15,000 last year. The support last year was not tied to any particular number. He noted his explanation given to the police department that they have to operate within their budget. He sees this as being the same. He stated he didn't feel the council has sufficient information with what was presented. But the clerk needed direction to prepare for the budget.

Councilman Burke asked about the volunteers in the library. The mayor answered that the employees are volunteers in that they are paid minimum wage of around \$8.00 hour but for the director. Councilman Burke felt that maybe more volunteers could be used.

Councilman Maloney stated that if the council doesn't approve the \$15,000 what is going to take the hit? Councilman Simonson said the council doesn't set the library budget but the library board would need to set the budget without the \$15,000. The mayor said the prior year's spread sheet prior to the current year budget shows the various line expenditures. Some items are tied directly to salaries and increase as salaries increase. Almost all of the increase is in salary.

Councilman Simonson said the director does a great job. The city gave the library along with the parks/rodeo funds, but there is a limit of what the city can provide. Councilman Walker is having a hard time in just giving them the funds. The mayor reiterated that he didn't feel it was appropriate to give them the funds last year. Councilman Olsen felt the \$15,000 was given to the library to be used at their discretion. Councilman Maloney said the library made a pitch and it may not have worked out. That's just life.

Councilman Walker asked what would happen if the council took the approach of giving \$7,500 because the council didn't see the return that they thought they would. Councilman Maloney concurred.

The mayor said if there is not money to allocate then there's not money to allocate. His job and the job of the council is to get the best service we can and he felt the \$15,000 did not produce the service he thought would be forth coming. This is his own opinion and this is part of his job to get the best rate for the city. What direction do we give the clerk?

Councilman Simonson said if we don't have it we don't have it. He said the council just told the police department no to their increase and it's only fair for the library. The clerk suggested allocating \$10,000 from the general fund surplus of \$12,000 to the library. The mayor said he still opposed to the \$15,000 because he doesn't see the benefit. The clerk said the decrease would have an effect on morale and the library is an asset for the community. Councilman Walker recalled the conversation last year that it may not be here this year. Councilman Maloney and Simonson both agreed. Councilman Burke said he doesn't see it. From the past the council had warned them it may not be there so they shouldn't just expect it. He's an advocate for the library but if it isn't there it isn't there.

The mayor said the clerk needs direction and the library board sets their own budget which needs to be done by August 20. Councilman Burke felt splitting the difference to \$6,500. Councilman Olsen said the council needs to stick to their guns on what was said last year. The mayor said the library needs to show the council where the increase is seen. He may be missing it.

Councilman Maloney said if the council pulls back the \$15,000 and the library came back during the hearing to make their case. Let's stick to our guns and have them show cause for the \$15,000. Councilman Walker liked Councilman Maloney's statement. If the board has absorbed the \$15,000 into their salaries then the council will be accused of giving and taking. Councilman Simonson also felt that would be a good alternative. The mayor said the original proposal was they needed a leg-up; let them show us how it helped them.

Service Contracts:

The mayor indicated Councilman Taylor had requested this information in addition to what the clerk mailed out there is also a copy of the agreement with the county's GIS system. The copies are just for your own information and so you each have a copy for your own reference.

Review and Approval of Bills:

The mayor indicated the next order of business would be the approval of the bills and included is a copy of the library bills.

Councilman Walker moved to approve the bills including the library bills seconded by Councilman Simonson.

The Mayor asked the clerk to call the roll.

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

Approval of Minutes:

Councilman Maloney moved to approve the minutes of July 16, 2015 seconded by Councilman Olsen.

The mayor asked for a voice poll: All in favor none opposed.

Other Council Business:

Jefferson Star Guide to Summer Events: The mayor noted the summer guide which he felt was a good item to keep and distribute to new residents.

IJ Bed Race: The mayor reminded the council that the IJ bed race is coming up August 22. The mayor challenged the council if the council should enter the race versus the police department. Councilman Olsen said yes but had reservation. You would need four pushers and one bed rider. Councilman Simonson said he would participate if four of the council would participate.

Public Comment:

None

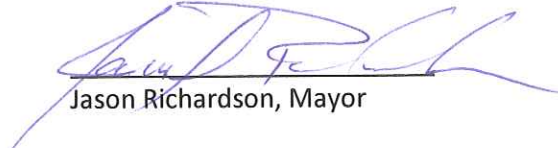
Adjournment:

Councilman Simonson moved the meeting adjourn seconded by Councilman Burke.

The mayor asked for a voice poll: All in favor none opposed.

Meeting adjourned: 9:29pm.

CITY OF RIGBY


Jason Richardson, Mayor

ATTEST:



David Swager, Clerk