

City of Rigby
Council Meeting Minutes
March 17, 2016

Mayor Richardson called the meeting to order at 7:00 pm Thursday, March 17, 2016. The pledge of allegiance was given by Benson Taylor and the prayer was offered by Schyler Walker.

The Mayor asked the clerk to call the roll.

Councilman Taylor	Present
Councilwoman Thomas	Present
Councilwoman Weight	Present
Councilman Burke	Present
Councilman Walker	Present
Councilman Olsen	Absent

Attorney Dunn also present.

The mayor indicated that he wanted to adjust the agenda to recognize that DEQ was not ready for their presentation and that item is being deleted from the agenda. In addition Sheri Poulsen who is presenting the audit this evening may be late in coming and the mayor would like a motion to have her review the audit at such time as she arrives.

Councilwoman Thomas moved to allow the audit to be presented when Mrs. Poulsen arrives seconded by Councilman Burke.

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

The mayor further indicated the agenda needed to be amended to discuss the Association of Idaho Cities resolution regarding their work on the east Idaho water mitigation. He noted the information was not available prior to Tuesday morning and therefore was not posted on the original agenda and was therefore needed to be amended to allow discussion.

Councilman Taylor moved to amend the agenda to allow discussion on the AIC water mitigation resolution seconded by Councilwoman Thomas.

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

Walking Path Around Rigby Park:

Bill Fitch and DeWayne Hodges representing the Rigby Lion's Club came forward with the desire of having the Lion Club install sidewalks around the park. Their concerns were with older citizens having trouble walking through the grass and not having a solid path on which to walk. The idea of the sidewalks was first brought up by Bruce Eckersell several years ago. The Lion's Club wanted a project that would improve the city but prior to proceeding wanted the feeling of the council whether such a project would be supported by the council. The path would be either asphalt or concrete whichever the council preferred. Mr. Fitch indicated the sidewalks would be on the two sides where there are none.

The mayor commented that he felt this was a great idea and he was in support of the Lion Club stepping up with the project. The mayor indicated some of the trees and power poles may have to be moved

along with sprinklers heads. Some of the trees may have to be removed but depending on design and location those items will be looked at. Councilwoman Thomas felt it was a worthwhile project.

The mayor asked if there was any opposition. Hearing none, he informed Mr. Fitch to get with him after they have some plans and the city would work with them on getting it completed.

2nd Quarterly Interfund Transfers:

The treasurer came forward and indicted the quarterly transfer that have been set in the budget needed to be approved at this time by the council. The transfers as he indicated are shown below.

<u>From</u>	<u>To</u>	<u>Amount</u>
Water Revenue	General Fund	\$6,250.00
Sewer Revenue	General Fund	\$6,250.00
Sanitation Fund	General Fund	\$6,250.00
General Fund	Library Fund	\$2,500.00
General Fund	Park/Rodeo	\$4,000.00

Councilman Burke moved to approve the transfers a stated seconded by Councilman Walker.

The Mayor asked the clerk to poll the council:

Councilman Taylor	Yes
Councilwoman Thomas	Yes
Councilwoman Weight	Yes
Councilman Burke	Yes
Councilman Walker	Yes

Part time summer hire:

The mayor indicated that in prior years the council had given the mayor to make non-department head hires but the personnel policy states new hire must be approved by the council. Having said that, he indicated the city would be hiring two summer hires, one of the candidates worked for the city last year.

Councilman Walker moved to authorize the hiring of two summer employees for the park seconded by Councilwoman Weight.

The Mayor asked the clerk to poll the council:

Councilman Taylor	Yes
Councilwoman Thomas	Yes
Councilwoman Weight	Yes
Councilman Burke	Yes
Councilman Walker	Yes

2015 Audit Report:

Sheri Poulsen, CPA from Jensen & Poulsen, CPA came forward and distributed a copy of the 2015 audit report, letter on the city's internal control and auditor's letter financial highlight. Mrs. Poulsen reviewed the general fund, road fund, library/park/airport fund, and the three enterprise funds (water, sewer and sanitation). The auditor opinion is an unqualified/unmodified opinion wherein there were no material modifications that were needed. It is the "best" opinion an entity can receive.

The city's financial position continues to improve. The net assets of the city increased \$2 million over the prior year and are stated at \$22.3 million. The city's cash and investments are at \$9,194,000 which is a 4% increase from the prior year.

In recapping the general fund, she noted the revenues for the fund had decreased \$7,000 from last year; actual revenues exceeded budget by \$26,500. Expenditures for the year decreased by \$19,000 from the prior year and actual expenditures were \$253,000 under budget for the year. Cash and investments decreased \$57,700 to \$837,000 and the fund balance remained well over \$900,000 at the end of the year. The general fund is the city's largest fund and given its current financial condition she has no worries concerning it.

The road fund saw an increase of \$25,000 in revenues over the prior year. Expenditures were \$37,000 higher than in prior years but the total expenditures were \$89,000 under budget for the year. The cash balance in the road fund is at \$264,000 and it has a fund balance of \$296,000 at year end.

Recapping other funds: The library fund had revenues almost equaling expenditures of \$157,300 and \$156,200, respectively. The transfer that the city made from the general fund to the library was not expended and was added to the fund balance which is around \$32,000 at the end of the year. The park fund had excess revenues over expenditures of \$15,000. The airport fund had excess revenues over expenditures of \$17,600 for the year. In addition the rodeo and airport accounts have been integrated into the city's financial accounting records thus correcting an internal control deficiency noted last year.

The water revenue funds' revenues totaled \$535,000 which was a decrease of \$21,000 from the prior year. Operating expenses were \$409,000 and \$126,000 under budget. The water fund net assets were \$3,303,500 at September 30, 2015.

The sanitation fund's revenues totaled \$255,000 and increase of \$9,000 over the prior year. Net income for the fund totaled \$69,600 and the net assets for the sanitation fund at September 30, 2015 totaled \$792,000. The sanitation fund purchased a new garbage truck during the year costing \$244,587.

The sewer revenue fund operating revenues totaled \$1,575,000 up \$25,000 over the prior year. Operating expenses totaled \$1,062,000 up \$221,500 from the prior year. Overall net income for the fund totaled \$539,800. The city retired \$889,000 in long term debt out of its surplus reserves. Total debt is stated at \$10,493,000.

Mrs. Poulsen stated the overall financial condition of the city is very solid and very strong. It has made vast improvements over the course of the past several years. The city has done considerably better these past years under the direction of the city clerk, Dave Swager.

Reviewing the internal control of the city the ones mentioned last year have been corrected (rodeo, airport and library accounts), with the exception of the segregation of duties over cash disbursements. Given the size of the city there isn't really any way to get around this one. There are only two people during the cash disbursements and Dave does a lot of the work inside that function so there isn't a way around that deficiency.

The mayor asked if there was a way around the segregation of duties deficiency. Mrs. Poulsen said in an ideal world different people would be doing separate functions: bank reconciliation and co-signing checks, entering account payable, etc. But even splitting up those functions she was doubtful it would

remove the deficiency entirely. In her mind there is only one person with the expertise to do all that is required and that is Dave Swager. The mayor asked if hiring an additional person, full time, that would eliminate the deficiency. Mrs. Poulsen said short of hiring an additional person with the qualifications that Mr. Swager has, the cost benefit would not be worth the cost. The segregation of duties deficiency in small cities occurs all the time. Compensating controls can be put in place but even that segregation of duties may still exist.

Councilwoman Thomas asked what a deficiency in internal control means. Mrs. Poulsen replied that a deficiency in internal control means that the environment could allow material errors or fraud could occur and not be detected either inside the control structure or outside the control structure.

Councilman Taylor asked what the council should look at. Mrs. Poulsen stated that the clerk gives the city monthly financial reports to keep the council up to date on the financial condition of the city. One of the things is to have the council review the journal entries. Someone less than honest could manipulate transactions and not be detected. That is why she has had Dave provide the council with those entries. You may not understand all the entries but by having you review them its gets the onerous off of Dave. One area where you should review is entries into and out of the cash account, transfers between funds and transfers between accounts. Councilman Taylor asked if she reviews those entries and she indicated they do and there have never been any problems. Mrs. Poulsen said that the review is done once a year but at that point it's too late to check anything.

Having no further questions, the mayor asked for a motion to approve the audit report.

Councilwoman Weight moved that the 2015 audit report be approved seconded by Councilwomen Thomas.

The Mayor asked the clerk to poll the council:

Councilman Taylor	Yes
Councilwoman Thomas	Yes
Councilwoman Weight	Yes
Councilman Burke	Yes
Councilman Walker	Yes

AIC Water Mitigation Resolution:

The mayor explained that the AIC is trying to bring all of the cities together represented by one body that will have input for all cities where water mitigation is being placed on the cities. The association that the city discussed with Roger Warner, East Idaho Water Rights, is a small association while AIC includes a much larger number of cities. The AIC coalition is to add a voice to any restriction placed on municipal water rights. The noted that cities from southern Idaho, Bliss, Carey, Rupert on down the line are all being included. At the present time this resolution is for discovery for information and it is only a year by year commitment. Mr. Warner has recommended that Rigby join this association because it has a larger voice. The mayor also commented that the AIC not only has an attorney in Boise but they are more attuned to the discussion occurring at the state level.

Councilman Taylor moved that the city participate in the AIC water mitigation resolution seconded by Councilman Burke.

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

Review and Approval of Minutes:

Councilwoman Thomas moved to approve the minutes of March 3, 2016 seconded by Councilman Taylor.

The mayor called for a voice poll: All in favor none opposed, Councilman Walker abstained.

Review and Approval of Bills:

Councilman Taylor asked if there was anything that needed to be brought before the council. The clerk indicated included in the bills is the payment for the street sweeper; however pending delivery of the sweeper the check is not being processed at this time.

Councilman Taylor moved to approve the bills seconded by Councilwoman Weight.

The Mayor asked the clerk to poll the council:

Councilman Taylor	Yes
Councilwoman Thomas	Yes
Councilwoman Weight	Yes
Councilman Burke	Yes
Councilman Walker	Yes

Other Council Business:

Councilwoman Weight mentioned that she was working a obtaining grant funding to purchase playground facilities.

Councilwoman Thomas mentioned the Senior Citizens will be holding a fund raiser breakfast this Saturday from 7:00am to 11:00am.

The Easter Egg hunt will be conducted Saturday March 26 starting at 9:00am.

City cleanup is being held April 23 and May 14 at the usual drop off point.

The demolition of the old county courthouse has begun and almost complete if anyone has not seen it.

Public Comments:

Ambrea Morales came forward and wanted to know how to cater a food concession at the rodeo grounds. She has been told they couldn't due to conflict with the Lions Club. She was directed to address the issue with the park/rodeo committee who oversees the rodeo grounds and concessions.

Scout Newford came forward and stated a fountain in the park would be nice. Councilwoman Thomas asked if a splash park would be of interest to him. Yes.

Scout Porter Newman asked if a group could clean up the park and if they could get some assistance. The mayor said yes, the city has a cleanup day Mar 26.

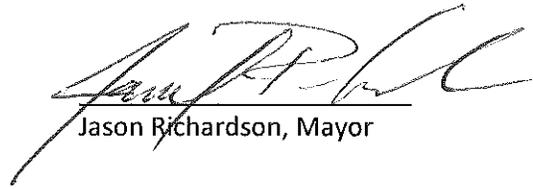
Adjournment:

Councilman Taylor moved that the council adjourn seconded by Councilman Burke.

The mayor called for a voice poll: All in favor none opposed, Councilman Walker abstained.

Meeting Adjourned: 8:05pm

CITY OF RIGBY



Jason Richardson, Mayor

ATTEST:



David Swager, Clerk