

CITY OF SHELLBY
SPECIAL MEETING
MINUTES

JULY 31, 2008

PRESENT: Mayor Eric Christensen
Council Members: Steve Cederberg, John Lent and Charlotte Fredrickson
Public Works Dir: Rick Anderson
Parks & Recreation: Dawn Lloyd
City Clerk: Sandy Gaydusek

PRAYER: Mayor Christensen

Sandy said she needs some direction on fees, wages, and insurance so she can proceed with the new budget for fiscal year 08-09.

Sandy said she has not heard any news from Ken Anderson regarding the new applications for medical and dental insurance. She said it probably won't be until next week before she hears any quotes. She said she has started figuring some of the budget and due to time constraints she is using the current cost estimates for insurance. Sandy said if lower estimates come in the budget can always be reduced, but it can not be increased once it is published.

Sandy said the cost of living index is 4.2 percent. She said she has figured a 4 percent increase however again, the budget can be reduced. The council felt a 4 percent cost of living increase should be calculated.

Sandy said she has not received any values from Bingham County yet, but preliminarily the city's property tax should increase by approximately \$32000. She said due to the increase in insurance, fuel, wages, etc. she needs approximately \$68,000. Sandy said the General Fund has been decreasing in contingency for the past few years, however she intends to take some of the Rocky Mountain Power and Intermountain Gas Franchise fees back from the Street Fund for administration, etc. which should help this fund. Sandy said the Department Heads have been looking for areas to cut costs. She said they could look at reducing part time hours, training, uniforms, etc. Sandy said there are no capital expenditures planned this year which the exception of the police car that has already been purchased in advance.

Sandy discussed the water, sewer and sanitation fees. She said each fund has seen some increases especially in fuel. Sandy said each fund has almost doubled in fuel usage. She said the water fund has seen a decrease in contingency due to the litigation for the water rights which will probably continue on into the next budget year. Sandy said the tipping fee is increasing beginning October 1, 2008 at the Jefferson County Landfill which will mean approximately a \$9600 increase in expense to the city. She said the sewer rate will need to be at least \$40.32 by 2010 when the new plant is operational. Sandy said her recommendation is to raise the water residential rate by \$1.50, the sewer residential rate by \$2.50 and the sanitation residential rate by \$.75 which is a total of \$4.75. She said she spoke to Lorin about this matter before he went out

of town and he felt the increase was too high. Steve asked what other cities charge for water. Sandy had a 2007 survey of Idaho cities water and sewer rates. After reviewing the survey the council felt the increase was appropriate and needed to maintain current operation.

Sandy discussed the operation of the pool. She said she contacted the City of Ammon and they have five different public swim sessions. Sandy said her and Dawn feel an extra session should be added to the city's schedule which should generate an additional \$6000 annually. She said this will fund the increase to minimum wages. Also, they feel people who reside outside the city limits and registers for swimming lessons should be charged an additional \$10; the same as outside recreational users. The Mayor and Council approved of these changes.

Sandy said the Recreation Fund is not going to balance with the revenue that is anticipated. She said fees could be raised which may help. The council did not feel the recreation fees should be raised this year. If there is need for more funds they could be transferred from the General Fund.

Adjourned: 8:45 p.m.

ATTEST: Sandy Hydusak APPROVE: Eric R. Christensen