

Minutes of the Special Meeting of the City Council of the City of Lava Hot Springs, Idaho held Monday, August 23, 2010 at 4:00 p.m., Lava City Hall, 115 West Elm Street, Lava Hot Springs, Idaho

Present:

Marshall N. Burgin, Mayor

Canda L. Dimick, City Clerk

Rita Anderson, Councilperson

Phillip Beeson, Councilperson

Newton J. Lowe, Councilperson

Cathy Sher, Councilperson

The mayor called the special budget work session for FY2011 to order at 4:00 p.m.

### **FY2011 Budget Work Session**

The council compared the FY2010 budget to the FY2011 proposed budget.

The city clerk reported that we have used up the reserves in the general fund. For the last couple of years, the city has been using up some of the cash carry over and more of the property taxes were appropriated for streets. This year, the city needs to shift some of the property taxes back to the general fund. The city is only allowed to carry over so much of the property taxes. This is why the property taxes in the general fund have increased to \$82,000. The property taxes that will be taken in will still be low. The amount collected will be the same as last year.

The Rural Fire District is suggesting that the training officer/assistant fire chief position be \$200 per month. They would like the city to share in the \$200 per month. The Rural Fire District will cover the full amount if needed. The council decided that the Rural Fire District should pay for this position because the city is paying a larger portion of the fire department budget in comparison to the Rural Fire District.

The council discussed the legal counsel budget. It was decided to leave the budget at \$12,000.

The city clerk explained that she had divided the telephone and internet charges between the funds at \$830 each fund.

The city clerk reported that the animal control/code enforcement vehicle had used 210 gallons of fuel last year and 175 gallons this year up to now. \$650 was line itemed in the budget for animal control/code enforcement fuel. Councilperson Beeson stated that the council had decided that the animal control/code enforcement position hours be cut to 10 hours per week, which will make the annual budget amount for wages \$6,500. The city clerk asked if the council was in agreement on this. The council agreed.

The city clerk reported that the maintenance crew wages are divided between four funds according to how they record their work. As of June 30<sup>th</sup> they had used 80% of the

general maintenance fund budget. The city clerk will have the maintenance crew shift their hours to other funds for the remainder of the year.

Comprehensive Plan budget funds were discussed. The city clerk reported that there is a balance of \$241 from the Monsanto grant and she has budgeted \$500 for the legal publication.

The city clerk pointed out where she had taken \$40,000 from the projected street fund property taxes and shifted it to the general fund property taxes. The shift still leaves \$184,000 appropriated in the street budget. Set aside for the Center Street project is \$35,000.

Councilperson Sher questioned using the city maintenance crew on the park improvement project. The city clerk explained that the maintenance crew wages when working on the park is under the street fund budget. Their wages are already figured into the budget. Councilperson Sher would like the city to budget \$5,000 to complete the project. The council decided that this would be appropriate to come out of option tax funds.

The city clerk reported that the sanitation collection fund is gaining. The contract renewal is coming up in April 2011.

The sewer and water funds were discussed. The balance after maintenance and wages will be put into the capital improvement fund. The mayor said that he thought that the city should consider purchasing some property to drill a well on or property with a good existing well with the capital improvement money.

The local option tax fund revenue has increased to \$170,000 which is right close to where we are going to be this year. This is all the option tax funds. The council will need to make a motion to amend the FY2010 budget for the additional revenue funds. Some discussion followed regarding delinquent taxes. The city clerk stated that most of the delinquent taxes are eventually collected.

The city clerk told the council that the \$1,600 which Councilperson Anderson would like for trees and paper towel holders at the park could come out of the FY2010 budget if she can get them ordered before the end of September.

The city clerk reported that there were funds available in the budget to pay the street sweeper off. The council decided to pay off the street sweeper out of the FY2011 budget.

The water improvement fund was discussed. Funds were set aside to drill a new well at some time. The mayor stated that it would be good to have a source of cold water that is not up Fish Creek.

The projected 1% tourism development and promotion budget is \$67,500. The committee's proposals must be submitted to the chamber for approval then submitted to the city council quarterly for council approval. The council discussed how the council

will budget and appropriate these funds. The council agreed that all proposals will have to be submitted to the council by the 15<sup>th</sup> of the last month of each quarter.

The park improvement project funding was discussed. The city clerk reported that the city has \$12,000 in grants. The council will budget \$10,000 from 2% local option tax for the park improvement project which will bring the park improvement budget to \$22,000. The council agreed that the city will not be required to go through the chamber to get approval to use the 1% tourism promotion funds for things like portable toilet rentals and extra garbage cans for the summer tourism season.

The balance of the option tax funds was discussed. It was decided to put \$5,000 into the lawn mower budget. The council discussed putting doors on the shop. The mayor said that if doors were put on the shop we would also need to pour a concrete floor. Councilperson Sher suggested adding onto the restrooms at the Veteran's park. The mayor said that he would like to purchase the vacant lots east of the Veteran's Park. He would like to expand the park, tear down the old restrooms and storage building, build new restrooms with stainless steel fixtures with a police station in back and have 15 parking spaces along the alley. Councilperson Anderson and Councilperson Sher will approach the Berit's about purchasing their vacant lots. The mayor suggested putting some funds toward the Center Street project. The city clerk suggested putting the funds into the street fund which could be used as a match for a grant for the Main Street Bridge replacement or the Center Street Project. The council decided to put \$100,000 into the Street improvement Fund and \$150,000 into a Park Development Fund. Another lot that was talked about for an option for a park development project was the Bannock Shoshone Tribe property and the Silver Eagle building. The mayor suggested hiring someone to fix the "L" properly. The city clerk stated that there are funds budgeted for maintaining the "L".

The city clerk reported that the employee insurance premiums had gone down a touch. The city has been paying 70% of the employee's premium and the employee pays 30% of the premium plus vision and their family if they put them on the plan.

The council agreed to leave the fire chief salary the same. It was suggested that the employees be given a 1 ½% raise.

A motion was made by Councilperson Sher to give the five regular employees a 1 ½% raise beginning October 1, 2010, FY2011, plus add \$500 of the ambulance coordinator monthly payment to Canda's salary to coordinate the ambulance program. The motion was seconded by Councilperson Lowe. All voted aye, unanimous.

#### **Approve FY2011 Tentative Budget and reschedule budget hearing**

A motion was made by Councilperson Anderson to approve the annual budget for Lava Hot Springs at \$5,643,705. The motion was seconded by Councilperson Beeson. All voted aye, unanimous.

The budget hearing was rescheduled for Tuesday, September 7, 2010 at 5:30 p.m.

**USDA Loan and Grant Approval Conditions**

The city clerk asked if the council had reviewed the letter of conditions from USDA. Councilperson Anderson suggested that the mayor and city clerk take care of this. The mayor stated that the city is still thinking about the DEQ loan offer.

A motion was made by Councilperson Anderson authorizing the mayor and city clerk to work with USDA on the grant approval conditions. The motion was seconded by Councilperson Sher. All voted aye, unanimous.

**Schedule budget hearing amendment for FY2010 budget**

The council discussed the \$25,000 additional option tax revenue for 2010. The council designated the \$25,000 additional option tax funds for street improvement/bridge replacement expense.

A motion was made by Councilperson Sher to schedule the amended FY2010 budget hearing for September 7, 2010 at 5:30 p.m. The motion was seconded by Councilperson Lowe. All voted aye, unanimous

**Adjournment**

A motion was made by Councilperson Lowe to adjourn. The motion was seconded by Councilperson Beeson. All voted aye, unanimous. The meeting adjourned at 5:50 p.m.

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Trish Avery, Transcriber

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Marshall N. Burgin, Mayor

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Canda L. Dimick, City Clerk (proof read)

Approved September 9, 2010