



CITY OF DRIGGS
COUNCIL WORK SESSION
June 28, 2016

Pursuant to adjournment of the City Council meeting held June 21, 2016, and to the call of the Mayor, the Driggs City Council met on June 28, 2016 at 6:42 p.m. Present: Council President Jones (arrived at 6:48); Council Members Christensen, Kaufman, & Mazalewski; Mayor Johnson. Also present: Finance Officer Lenz.

Johnson started the meeting with a brief outline of budgets to be discussed tonight:

- Airport – Council does not have a copy; next Airport board meeting will be 7/20/16 to finalize
- Water – the water project dominates in FY 2017
- Sewer – no major projects in FY 2017
- Roads – there is a funding gap, Council will need to eliminate
- General Fund – some expenses were shuffled around, will review recommendations.

Individual budgets were then reviewed with Council questions answered by Johnson and Lenz.

Water Fund

The proposed 3% service fee increase was briefly discussed. Conversion to an ERU system puts estimating service fees in 2017 at a disadvantage. The budget allocated for well power appeared low to Council and will be revisited. The Repair & Maintenance line has been reduced due to anticipated efficiencies from the water project. This line will also be reviewed. Consensus was reached by the Council to put any surplus revenue into the Water Fund's depreciation line with the realization that depreciation will not be fully funded.

Sewer Fund

Lenz noted that the Orange colored revenue line is anticipated reimbursement from the City of Victor for Waste Water Treatment Plant (WWTP) capital expenditures which will be on-going. Mayor Johnson and staff will be meeting with Victor staff and Mayor Potter next week to finalize the WWTP loan repayment amounts and to begin discussion on capacity and flow billing. A 50% DEQ grant to update the City's Waste Collections Facility Study will be applied for in FY 2017. Studies are valid for a five-year timeframe. Council reached consensus to put any surplus revenue into the Sewer Fund's depreciation line with the realization that depreciation will not be fully funded.

Incubator Fund

Lenz pointed out the addition of salary and benefit lines based on the City's current custodial staff's time estimate. Excess revenue was put into the Building Maintenance line. The addition of Kitchen Incubator revenue and expense lines was also noted should that program start-up. A brief discussion on incubator (Industrial Building) versus established businesses (City Hall) was conducted.

Resort Tax Fund

Discussion for the Resort Tax (RT) focused on the anticipated Road Fund shortfall in FY 2017. Excess RT funds will be transferred to the Road Fund as will additional funds available in the RT Reserve. A

further discussion of RT reserves led to the addition of a \$30,000 expense line in the Road Fund for road maintenance (e.g. crack sealing, mag chloride application, or micro sealing). Discussion also touched on what is allowed under the current RT ordinance with questions asked on irrigation needs and lighting around town. Voter approval to assess the current RT expires December 2017; when the City requests voter approval to renew the RT (non-property sales tax) in May 2017, the ordinance could be written to divert a percentage of collected revenue for Park and Recreation activities. A full discussion on the renewal of the Resort Tax Ordinance will be brought to the Council at a later date. Council questioned whether revenue was being under estimated and will be reviewed.

Road Fund

As mentioned above, excess Resort Tax Funds in FY 2017, along with Resort Tax reserve funds, will be transferred to fill an anticipated shortfall in Road Fund revenue. Johnson notified the Council that the City will be partnering with Teton County Idaho for chip sealing some roads this summer. He then talked about the goal of creating a five-year road maintenance plan. Mazalewski spoke of his experience with the Iworq software program used by the State and offered to help Staff develop a “meaningful” plan. With limited funding, building up and maintaining existing roads rather than rebuilding was emphasized as one major goal for the Road Fund.

General Fund

A review of revenue started the Council’s discussion of the General Fund. Fireworks donations, property taxes (estimated until Teton County provides final assessments in July 2016), and grant revenue and match requirements were highlighted.

Park expenditures dominated the Council’s discussion, in particular the status of the bulb-outs and green strip on East Little. Johnson spoke of the growing involvement of the Tree and Beautification Committee members and expressed his desire to let the Committee take charge of increasing community involvement. Increased funding for the Parks was noted, with Council agreeing that contracting park maintenance may be a viable option in lieu of hiring seasonal staff.

Wayfinding signage was discussed, as was the Teton Geotourism Center (Visitor Center), the Teton Valley Business Development Center, the administrative consulting line, and engineering.

Johnson reviewed proposed staffing for FY 2017. He noted that salary lines include an across the board 2% cost of living adjustment (COLA) and select merit increases. He then reviewed proposed changes to staffing (administration, custodial, parks, planning & zoning, public works). Whether or not there is a need to hire/reallocate personnel into an enforcement position was briefly discussed. The anticipated revenue shortfall in the General Fund will be removed by reducing the proposed Planning & Zoning Intern and the proposed seasonal Parks employees’ hours.

Johnson closed the evening’s FY 2017 budget discussion with a request for Council input on a Transit Center proposal at the “old” Ford Garage. All Council members preferred a downtown core Transit Center location.

Adjournment

9:33 p.m. Jones moved to adjourn, Kaufman seconded. The motion carried unanimously. The next work session is scheduled for Tuesday, July 12, 2016 at 6:30 p.m.

Mayor: Hyrum Johnson

Attest: Carol Lenz, Finance Officer

Dated this _____ Day of _____, 2016.