



CITY OF DRIGGS
COUNCIL WORK SESSION
July 12, 2016

Pursuant to adjournment of the City Council meeting held July 05, 2016, and to the call of the Mayor, the Driggs City Council met on July 12, 2016 at 6:36 p.m. Present: Council President Jones (arrived at 6:46); Council Members Christensen, Kaufman, & Mazalewski; Mayor Johnson. Also present: Finance Officer Lenz.

Lenz opened the meeting by reminding the Council that she will be meeting with the Airport Board on July 20, 2016 to finalize the Airport Budget. Lenz spoke with the Teton County Idaho Clerk today and received confirmation that final property values are due to the Clerk on Monday, July 25, 2016 from the Teton County Assessor. Once a final levy rate and property valuations are received from the Clerk Lenz will finalize the estimated property tax revenue for the City's FY2017 general fund budget.

A copy of all final budgets will be sent to the Council members via email prior to August 2 with any changes different from tonight's discussion noted in red. The Council will adopt a preliminary FY2017 budget at its August 2, 2016 meeting with a budget hearing to be held on Tuesday, August 16, 2016. There will also be a public hearing for use of foregone levy funds on August 16, as required by a new State law. The final FY2017 budget adopted can be lower than the preliminary budget adopted but cannot be higher.

Proposed budgets for the Impact Fees, Improvement District (LID), and Road funds did not change and were not included in tonight's packet.

Resort Tax

The only change noted on the Resort Tax budget was the addition of interest revenue. An off-setting expense was added to the Office Supplies line. Consensus was reached that this additional expense would be used to market/advertise renewal of the resort tax (non-property sales tax) in 2017.

Water Fund

Lenz noted the addition of a Bank of Commerce (BOC) Interim Financing revenue line and recommended \$5.5 Million based on the anticipated total Water Project cost and expenses to date. Johnson explained that the BOC loan would be used to pay invoices during construction. At completion of the Water Project, the US Department of Agriculture (USDA) loan funds will pay BOC, and the City will begin reimbursement to the USDA. USDA funds are not available until a project is complete, thus the need for interim financing.

A brief discussion on depreciation was held with the Council again recognizing that the budget(s) as presented do not fully fund depreciation.

Sewer Fund

Lenz informed the Council that a meeting was held with the City of Victor personnel and costs associated with repayment of the Waste Water Treatment Plant (WWTP) were reviewed and agreed

upon. Costs to be shared proportionally include the construction loan repayment, ongoing capital costs, and operational costs. Lenz will continue to invoice the City of Victor on a quarterly basis.

Johnson advised the Council that as a direct result of the joint city meeting, one City of Victor public works employee will become a City of Driggs employee for a maximum of ten (10) hours per week and will work strictly at the WWTP working toward obtaining a waste water treatment certificate.

Incubator Fund

Estimated revenue and expenses for a kitchen incubator were added to this fund based on information given to the Council at its 7/5/16 regular meeting. Lenz noted that cleaning would be via contract and not employee time and that the manager would also be paid as an independent contractor, not an employee. Estimated rent is at or below current market rate. With the Industrial Building and Kitchen Incubator, the total proposed budget for the Incubator Fund is \$126,770.

Discussion was held concerning inclusion of kitchen incubator start-up funds in the general fund (GF). Johnson explained that the City is paying start-up funds and that budgeting in the GF makes sense as it is the City's most flexible fund.

General Fund

Property Tax revenue will be finalized (see discussion above) once information is received from Teton County. Crowdfunding revenue/expense lines have been added and the Howard Avenue Sidewalk grant revenue/expense lines have been zeroed. Funding for the sidewalk is slated for FY2018 from the Idaho Transportation Department.

Planning & Zoning intern wages and Parks seasonal employee wages were reduced per Council instruction at the June 28 work session.

Gaps in funding were discussed including the Teton Valley Animal Shelter and technology maintenance; however, Council was reminded that it will be approving total dollar budgets not line-item budgets for FY2017.

Adjournment

7:43 p.m. With no further business **Jones moved to adjourn. Mazalewski seconded.** The motion carried unanimously.

Mayor: Hyrum Johnson

Attest: Carol Lenz, Finance Officer

Dated this _____ Day of _____, 2016.