Minutes of the Special Meeting of the City Council of the City of Lava Hot Springs, Idaho held Tuesday, August 16, 2011 at 5:30 p.m., Lava City Hall, 115 West Elm Street, Lava Hot Springs, Idaho.

Present: Marshall Burgin, Mayor  Canda Dimick, City Clerk
Phil Beeson, Councilperson
Newt Lowe, Councilperson
Cathy Sher, Councilperson

Guests: None

The meeting was called to order at 5:30 p.m.

**Fern Byington’s residential sewer service connection.**

The mayor explained that the original septic system for Fern Byington’s house at 10284 E. Highway 30, which is within the city limits, has failed. The law requires that all homes within the city limits be hooked into the city sewer system. In order to connect this home to the city sewer system, the sewer line will need to run in the highway right-of-way. The Idaho State Highway Department is requiring the city to own the service line in the highway right-of-way.

A motion was made by Councilperson Sher approving Fern Byington’s sewer connection with the contractor filling out the paper work for the Idaho Transportation Department permit. The motion was seconded by Councilperson Beeson. All voted aye, unanimous.

**Finalize FY2012 Tentative Budget & Approval**

The city clerk reported that she had balanced all the line items out. The utilities changed some due to the proposed increases. She had put in the projected cash carry over amounts. The auditor is adamant that the city should transfer $30,000 to the general fund to increase the cash carry over so that the city has sufficient cash carry to operate off of until the property tax revenues are received after the 1st quarter. A motion will need to be made at the next meeting to transfer funds from Local Option to General Fund. Establishing a line item for a cash carry over reserve may be wise.

Councilperson Beeson noted that the city clerk had moved $50,000 from the park development/bridge replacement fund to the fire truck purchase fund as was suggested at the last meeting.

The mayor questioned if there was anything in the budge to hire an animal control/code enforcement officer. The clerk reported that the budget is still in place for an animal control/code enforcement officer. The council reviewed the animal control/code enforcement budget and decided that it was sufficient. The mayor stated that the city needs to hire an animal control/code enforcement officer.

The city clerk reported that to balance out the General Fund that she had moved more property taxes to the General Fund and decreased the amount of property taxes budgeted
in the Street Fund. With the estimated market value and the last year’s tax revenue, the levy should stay close to the same.

The Street Fund has $188,000 and Local Option Tax Fund has $112,000 which includes the $100,000 LTAC grant for the Center Street Project. Crosswalk painting will stay in the road maintenance fund for another year and then will be line itemed out.

The city clerk reported that the bid opening for Phase II of the Wastewater Project is scheduled for September 13, 2011.

The city clerk reported that Councilperson Sher had talked to her about funding the water meter reader upgrade out of the Local Option Tax Fund. The city clerk talked with the city attorney and the attorney said that it could be budgeted in the Local Option Tax Fund but he questioned when the last time there had been an increase in the water rate. The attorney said that when there is an expense like this it is appropriate to have an increase to cover the expense. The council did not want to increase the water rate at this time. The city clerk reported that she had put a line item under Local Option for the meter reader upgrade which will cost $7,000. The council agreed to budget to purchase the upgrade of the water meter reader from the water capital improvement fund. The $7000 from the Local Option Fund will be budgeted for street improvements and will be used to purchase a thumb for the back hoe.

Councilperson Sher reported that she had spoke with Kirk Irick regarding the fire trucks. Mr. Irick told her that the fire truck is a maintenance issue. It was stated that the maintenance issues need to be straightened out before a fire truck is purchased. The council felt that the fire trucks need to be started every week. The council reviewed the budget for the fire department training and maintenance officer. The city clerk reported that some of the other cities are no longer maintaining a fire department. The rural fire districts are covering the city. The council would like to review these fire department issues further in the future.

The council discussed the possible need to increase the legal service budget and that some of the legal services should come from the Local Option Tax Fund, both 2% and 1% funds depending on what legal services are needed. It was felt that any legal services that are needed for administering the 1% tourism development/promotion projects should be paid for from the 1% funds.

The law enforcement budget was discussed. The city clerk reported that the law enforcement budget for the July 4th and 24th are taken from the Local Option Tax Fund. Councilperson Sher suggested that the council look at what the annual expenses for law enforcement are due to visitors and take that percentage out of the Local Option Tax Fund. The city clerk stated that the local option tax has to be voted in every eight (8) years; therefore it is wise to be hesitant to budget much law enforcement from the Local Option Tax Funds should the tax be voted out it may be hard to fund. The council discussed if there was enough law enforcement services. It was decided that the law
enforcement contract is sufficient for now. The city may want to do a study to determine if changes are needed.

Employee wages were discussed. It was stated that the employees were given a 1½% increase last year and the city clerk was brought up to equal with the maintenance supervisor when the ambulance coordinator wages were included. The mayor suggested a 2% wage increase. Councilperson Beeson stated that would be a 3½% wage increase over a two year period which is more than the private sector has gotten. State and county employees got no increase this year. The council discussed employee wages and it was determined that no wage increase would be offered this year.

Council wages were discussed. No change was made.

The city clerk reported that she is working on tracking down records for a FEMA grant that the fire department received in 2003. A final report was never made and they are making noise that they may deobligate the funds.

A motion was made by Councilperson Sher to approve the FY2012 Proposed Budget. 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 6:37 p.m.

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Trish Avery, Transcriber       Marshall N. Burgin, Mayor

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Canda L. Dimick, City Clerk (proof read)

Approved September 8, 2011