

possibility of having funds for carpet. Councilmember Lau asked if there was a plan on how to move the office space and address the electrical needs. Director Skinner stated that they had met and discussed the issue and will make sure there is a plan.

An application for payment to A+ Construction for the Rose Avenue project was submitted in the amount of \$197,168.75. Director Skinner explained that the pay request is the total due to the contractor except approximately \$31,000 of retainage and the project was estimated to be over budget by only \$722 for unit cost items. He also mentioned that the contractor was half done with the final 26 item punch list and should be completely done and moved out by July 29th. The residents will be given instructions on how to care for the new sod to get the best result. Councilmember Hart moved to approve pay application #2 to A+ Construction for Rose Avenue in the amount of \$197,168.75, seconded by Councilmember Lau. All in favor, motion carried. Final completion will be approved after a walk through is done with each property owner.

Director Skinner updated the Council on the current improvement projects. There is grass beginning to grow at Kelly Park south and the Geyser Park curb, leveling and topsoil is complete with the sprinkler system to be installed next. Councilmember Lau reported issues with the new sprinkler system at Hooper Park. Director Skinner stated that it was being worked on. Mayor Smith noted that he was pleased with the fencing at the Kelly Park playground. Director Skinner presented the Idaho Transportation Department's plans for the ADA accessible sidewalk ramps in front of Broulims and showed an example of the brick work. A letter from the Department of Environmental Quality (DEQ) approving the recent Water Planning Study amendment was presented to the Council. The Formation Springs consent order schedule was reviewed with the next deadline being December 8, 2016 for the City and engineers to hold a pre-design meeting with DEQ. Director Skinner reported that he is meeting weekly with the land owner in hopes of making progress on an agreement to install the test well.

Mayor Smith declared a public hearing open to consider an amendment to the 2016 fiscal year budget. The clerk reported that no written comments were received regarding the proposed amendment. The Mayor asked for comments from those in attendance of which there were none. The public hearing was closed. The City Council briefly reviewed. Councilmember Goode introduced Ordinance #657 entitled 'AN ORDINANCE OF THE CITY OF SODA SPRINGS, IDAHO AMENDING ORDINANCE NO. 649, THE ANNUAL APPROPRIATIONS ORDINANCE FOR THE FISCAL YEAR BEGINNING THE FIRST DAY OF OCTOBER, 2015 AND ENDING SEPTEMBER 30TH, 2016. A motion was then made by Councilmember Hart and seconded by Councilmember Goode that the rules requiring ordinances to be read on three separate occasions be dispensed with and that the ordinance be read once by title. A roll call showed the following vote:

Those voting aye: Mitch Hart
Jon Goode
Robert Lau

Those voting nay: none

Absent: Scott Gambles

Motion Carried.

Clerk Vorwaller read Ordinance #657 by title. Councilmember Hart then moved to approve the adoption of Ordinance #657 amending the 2016 fiscal year budget. Councilmember Goode seconded the motion for adoption. A roll call showed the following vote:

Those voting aye:	Mitch Hart	Those voting nay:	none
	Jon Goode		
	Robert Lau	Absent:	Scott Gambles

Motion Carried.

(SEE ATTACHED COPY OF ORDINANCE #657 - ORIGINAL ON FILE)

Director Skinner informed the Mayor and Council of a couple of requests he has had from residents who want to install solar panels and use net metering to offset their power costs. This would require a special meter to measure usage and generation. Director Skinner provided examples of policies from different power providers and asked for direction from the Mayor and Council on how to proceed. Mayor Smith tasked Councilmember Hart, who is over City utilities, to educate himself, review and suggest a draft proposal involving Councilmember Goode in the cost feasibility. Building requirements were considered along with our requirement to accept the generation. Councilmember Hart mentioned there may also be restrictions in the Bonneville Power Administration contract. Councilmember Goode asked about the risk of back fed power and the cost of administration to track the kilowatt hour influx. Councilmember Hart will start the research and give an update at the next meeting.

The Mayor and Council reviewed the health insurance and other employee benefit renewals. Sam Winward the City's insurance agent gave a detailed report and explanation of the premium cost increases and the co-pay and out of pocket maximum changes for health insurance through Select Health and the disabilities through MetLife and mentioned that he didn't foresee much change to the life or dental insurances. The Select Health renewal has a 26.6% increase and about a 15% increase for the short and long term disabilities through MetLife. He explained this is an industry wide trend and he looked at other companies, plans and options with the closest being Blue Cross but not quite as good as Select Health's renewal. Councilmember Goode reported that the HR Committee met and reviewed the options and had a good dialogue regarding the employee's benefits. The Committee recommended accepting the 26.6% increase from Select Health, the 15% increase from MetLife and what may be a small increase from Delta Dental to renew and continue with the current policies with the total annual increase to the City of approximately \$50,000. To help offset the cost increase the Committee recommended a slight decrease to the Health Savings Account contributions setting the family contributions at \$1000 up front and \$1000 matching \$1 for \$1 and \$500/\$500 for singles. This keeps the cost of the PPO traditional plan and the High Deductible Plan equal. The Committee recommended keeping the 84% city paid portion the same but pointed out that the cost split between City and employee may have to change in the future along with increasing the deductible amounts.

The Mayor, Council and staff reviewed in detail the proposed budget for fiscal year 2017. The proposed budget includes the maximum 3% property tax increase, 3% rate increases for Water, Power & Sewer, and a 1% cost of living wage increase with an additional 1% to be used for merit and wage equity adjustments. The projects and fund balances were also reviewed. Councilmember Hart stated that he had reviewed the proposed budget in detail and was comfortable with it compared to past practices and taking into consideration the more aggressive approach to improvements and capital projects. Councilmember Goode agreed. Councilmember Lau expressed concerns regarding the overall deficit of the proposed budget and the aggressive capital work with no long term plans in place for parks, water or sewer and is worried about how the City will keep up with the needed improvements in the long run. Councilmember Hart pointed out that a proposed capital project plan was presented last meeting drawing from Streets, Water and Sewer prioritizing the projects of which two were included in the proposed budget. Councilmember Lau reiterated his opinion that by doing a small project a year it will take 108 years to upgrade all the infrastructure in the City that needs improved. He also questioned the funds spent on the Kelly Park project which initially was approved for \$10,000 and over \$40,000 has been spent with no explanation or plan of what project was canceled to cover the overage. Councilmember Hart pointed out that during his 20+ years on the city council the urgency to upgrade the infrastructure has not changed and priorities and funds have gone to mandated projects. He agreed there are deficiencies in the water and sewer systems and decisions ahead to deal with 100 years of projects but feels there is thought going into identifying and prioritizing critical projects based on water, sewer and transportation infrastructure studies periodically done in the past. Councilmember Lau agreed that projects were prioritized for the next year but still feels the City needs a long term plan. He expressed concerns about the transfers and expense reimbursements from the Power, Water and Sewer Funds to the General Fund to support Public Safety, Library and Parks & Recreation. He also suggested more research into rebuilding and a more conservative approach to the purchase of a new Vactor sewer truck. Councilmember Goode pointed out that the capital list had been presented for review and used to discuss and prepare the proposed budget. He also commented that he feels the accumulated dollars in the fund balances have been spent for needed improvements. Mayor Smith expressed his frustration stating that the current projects including Kelly Park have been reviewed several times over the last month and the Library project came out of dedicated funds to improve the library building not from Power funds. Mayor Smith invited Councilmember Lau to meet with him anytime to discuss particular items of concern and ideas for the budget but did not feel it was the appropriate time to discuss during city council meeting. Councilmember Lau disagreed stating that city council meeting was the forum to discuss the City's proposed budget. Councilmember Hart pointed out the proposed budget deficit is the result of the budgeted projects prioritized for the next year in the Water, Power and Sewer funds and feels it supports the overall direction the City is going within the reserves the City has and with the present priorities established going forward. Councilmember Hart moved to approve the tentative budget for fiscal year 2017 as proposed including the recommended employee benefit changes and schedule the public hearing to be held August 17th, 2016 at 6:45 p.m. Councilmember Goode seconded the motion. All in favor, motion carried.

The Mayor reminded the City Council that starting with the second meeting in August which is August 17th the meetings will begin at 6:30 p.m. to accommodate Councilmember Gambles participation with the high school football program.

Councilmember Goode moved to adjourn the meeting at 6:30pm, seconded by Councilmember Hart. All in favor, motion carried.

PASSED AND APPROVED BY THE MAYOR AND CITY COUNCIL THIS 3RD DAY OF AUGUST, 2016.

James R. Smith, Mayor

ATTEST:

Tausha Vorwaller, Clerk