

Minutes 8-2-05
Called Meeting and Budget Work Session
Ransom Canyon City Council
August 2, 2005
Minutes

This meeting of the Ransom Canyon City Council was called to order by Mayor Pro-tem David Peterson at 6:00 PM , Tuesday, August 2, 2005. Earl Starks, Dick Hulslander, Ron Cox and Donna Clarke were present. Mayor Robert Englund was absent.

Mayor Pro-tem David Peterson announced that an executive session had been called to confer with the city attorney about pending litigation. However, David announced that the session would not be held because the city attorney was not there.

The council moved on to the budget work session. Three changes were authorized at the last work session. 1. The water rate was adjusted to \$2.29/3.29 which change would raise \$270,000 in water revenue. 2. The tax rate was increased to .64, which would raise \$555,620 in revenue. And 3. The CIP savings contribution was lowered to \$80,000. These changes balanced the budget, without transferring any money from Reserves.

Another major revenue change increased the mosquito spray revenue to \$25,150. This figure is reached because the council will pass through the 04-05 \$16,000 cost of new mosquito fogging equipment and chemicals. This will be spread over the 2005-06 year via a new monthly line item on the water bill in the amount of \$3.00 per customer. This expense will be in addition to, and will supplement the usual and customary cost that is passed through for the aerial spraying. \$16 K plus \$9 K = \$25 K.

The council considered the 2005 tax roll that was certified August 2. The total taxable value is \$88,248,724. The council agreed that a .63 tax rate was needed to reach the budgeted amount of \$555,620.

Mary Brown shared considerable information with the council about proposals she had received for group health insurance benefits. The formal bid packages are due by Friday, August 5, but she had already had conferences with the Scioli Group and with Steve Sybert. Both of these groups have shopped the group benefit package and have submitted 10-15 companies that are willing to carry this insurance for the group. There were numerous package choices with variables based on 1. deductible choices 2. Group or Individual premium setting, 3. OV and Prescription Drug options, 4. Dependent premium choices, 5. Possible provider limitations 6. Possible second year increases. There appeared to be some cost savings with some companies.

The council discussed why the premiums were so high, and Earl Starks, who sold insurance for awhile, explained that municipalities as a group are the worst possible risks. He said these employees are typically older, unfit physically, out of shape, and as a whole have much higher medical expenses. He commented that there was always some older, senior employee with high claims expenses, such as a librarian, who had really high

insurance expenses, along with her husband, who would have heart related expenses, for instance. This employee would increase the cost for the whole group. He then turned to Melissa and remarked that Melissa probably had high medical expenses. He asked Melissa if she had high medical expenses. Earl also commented that a low first year proposal would almost certainly be increased the second year.

Final presentation of the proposals will be done at the City Council meeting next week.

The council discussed the letter from Insurance Services Organization advising the city of Ransom Canyon that they will do a Building Codes Enforcement Grading study of Ransom Canyon, and will assign a number to the city that will be used by private insurers to calculate home insurance rates.

The council believed that the city was in good shape to withstand this kind of audit. Police Chief Rawls commented that all of the building codes had been adopted and were in place. Harold, the building inspector, had no comment. Melissa, the city administrator, advised the council that the city would be graded on building inspection, including certification, schooling, budget allocation for the city function, and she asked that the council again reconsider the building inspection cut that took this category from \$15,000 last year down to \$2200.

At this time Harold has a case load of 25 building projects, not including 165 roof permits this spring, but, including 7 homes that were complicated and that presented serious challenges in the way of inspection experience. Harold called Max Garza to inspect one home, and Max agreed, for a fee of \$125 per inspection. The council agreed to increase the building permit budget by \$4000. This will be achieved by increasing the permit to 30 cents per square foot per permit. This will offset a \$4,000 budget increase to building inspections. Harold has had no more luck finding another person to do contract building inspections.

The library submitted a request for funds to plan an expansion. The council agreed to put \$7500 in year #2 of the CIP, with the thought that the library board could come back with a more specific request.

\$2000 was assigned for RV lot expansion, and \$2000 revenue increase was put into RV rentals.

There were no further budget line items that needed discussion, so the meeting adjourned.

Melissa Verett
City Administrator