MINUTES OF THE CITY OF DRIGGS
CITY COUNCIL MEETING
Budget Work Session
June 10, 2025

Pursuant to adjournment of the City Council meeting held June 3, 2025, and to the call of the Mayor, the Driggs City Council met **Tuesday, June 10, 2025**, at 6:03 pm. Present were Council Member Allison Michalski, Council President Miles Knowles, Mayor August Christensen, Community Development Director Doug Self, Public Works Director Jay Mazalewski, Treasurer Maddi Manos, and Finance Officer Carol Lenz

Public Present: None

FISCAL YEAR 2026 BUDGET WORK SESSION (BWS)

Christensen welcomed attendees outlining the purpose of tonight's meeting. The meeting focused on personnel follow-up and review of the Proposed FY2026 budget.

PERSONNEL FOLLOW-UP

1) Mayor/Council Compensation Proposal

a. Proposed compensation for council members and the mayor was reviewed
b. Compensation for each included an Option A and an Option B; the option chosen by each respective elected official would remain in effect for that official's term in office
c. Option A for each official included payment of family health care premiums up to $2,000 per month with any premium balance to be paid by the respective official; PERSI retirement was also included in Option A
d. Option B offered salary and PERSI retirement
e. Salary for the mayor under both Option A and Option B was based on the presence or absence of a City Administrator (CA) staff position; mayoral salary would be adjusted each/any time there is a change in the CA position, i.e., staffed or not, based on the option initially chosen
f. Discussion was lengthy, including comparison of other Idaho cities, with emphasis on selected resort cities; Council members present were favorable to the compensation proposal; however, input from the absent Council members will be sought before a final decision is made

2) COLA/Merit Wage Recommendation

a. Budgets are presented with a 2.5% merit increase for staff; as proposed, the merit increase addresses lateral movement on the City's salary scale, matches the Social Security COLA (Cost of Living Adjustment) for 2025, and is slightly above the annual CPI (Consumer Price Index) increase of 2.3%
b. Merit wage increases are not automatic; they are based on respective staff performance review(s)
c. Mazalewski stated that COLA increases are preferred in order to remain "wage competitive" in the labor market

d. Placement of existing staff on the City's current salary scale and the budget effects of 3% and 4% COLA increases, with and without merit increases, will be provided at the next BWS

3) Open/New Positions

a. The open Airport Manager position dominated the discussion of open/new positions; the proposed FY2026 Airport budget includes a full-time (FT) manager and a FT operations position; one (1) FT winter seasonal position for snow removal, November through April, is also budgeted
b. All other open/new positions - Open: City Manager, New: IT (Information Technology), Facilities, and Public Works (PW) Assistant Engineer - reviewed at previous budget work sessions are also included in the proposed FY2026 budgets
c. Discussion centered on the engineering needs of the PW Department and how the proposed new positions could be blended and/or share job duties
d. A shared job matrix will be developed and provided at a future BWS

FY2026 BUDGET REVIEW

Although still early in the budgeting process, the individual fund budgets are starting to finalize. Property Tax levy will not be known until late July; additional research/questions remain for IT and some expense breakout between funds. The City's liability insurance, ICRMP, is estimated to increase 17%; benefit/insurances are estimated to increase 12%

Airport Fund – OOB (Out of Balance) $6,563

- Elimination of the FBO (Fixed Based Operator) snow removal contract resulted in the Airport budget reflecting positive net revenue at this point in the budget process; the open Manager position, the potential need for additional legal assistance/review, and the need to generate more revenue were all part of this fund's discussion; Christensen stated that information will be provided "in the next few weeks" which should answer lingering questions

Impact Fee Funds – Balanced

- **Parks** Impact Fees – Placeholder of $50,000 entered
- **Street** Impact Fees – Includes $1.1M in Reserve funding for Johnson & 5th Street
- **Fire** Impact Fees – passthrough for the Teton County Fire District. The City received 2% of fees collected with the balance forwarded to the Fire District
- It is unknown at this time whether or not Teton County Idaho will bring a request to the Council for the collection of a Law Enforcement/EMS Impact Fee

Incubator Fund – Balanced

- All tenant leases at the IB expire September 30, 2025. Two existing tenants are requesting a two (2) month, "open" lease extension. The third existing tenant is requesting an expansion of space allocated
- It is unknown at this time whether or not the Airport Board would like to assume some or all of the Industrial Building space
- A possible sale of the building was briefly mentioned, although Self noted that he has had inquiries from new businesses for available space

Resort Tax – Balanced

- Projects under Facilities were discussed:
  - City Hall access at $15K may be completed in FY2025
  - Keeping the $50K 5th Street vestibule/air lock was requested
  - The TISA/Transit Center vestibule/airlock at $50K "could be" postponed pending completion of a Facilities Plan
  - Reducing the $75K Facility Plan to $25-$30K was recommended if the new Facilities and/or PW Engineering positions are approved

General Fund – OOB

- With outstanding unknowns the General Fund was not reviewed

Mazalewski requested additional time before Council reviewed the following funds:

- **Parks & Rec** – OOB ($40,552)
- **Transportation** – OOB ($43,340)
- **Wastewater** – OOB ($233,991)

Water/Wastewater Rate Proposal

- Rate proposals for the Water and Wastewater Funds were reviewed
- Both funds are proposed at a 4% base and flow increase. Wastewater will need to include fees to cover debt service for the Treatment Plant expansion
  - Mazalewski noted that updated information on the Treatment Plant is scheduled to be presented to the Council at a future regular meeting which may change the rates/debt service requirements for the Wastewater Fund
  - Calculating expansion debt service payback by ERU (Equivalent Residential Unit) versus by account may be considered

ADJOURNMENT

The meeting was adjourned at 7:58 pm. The next Council Budget Work Session will be held on June 24, 2025 at 6:00 pm.

ATTEST:

Carol Lenz, Finance Officer

August Christensen, Mayor