

Town of Ignacio Board of Trustees
Wednesday, November 2, 2016
BUDGET WORKSHOP

Board members present: Mayor Stella Cox, Sandra Maez, Dixie Melton, Edward Box and Thomas Atencio. Staff: Mark Garcia, Georgann Valdez, Jeremy Schulz, Diana Briar.

2017 Preliminary Budget - UTILITY RATE DISCUSSION:

After a thorough evaluation of the utility rates, Town Treasurer Diana Briar feels there is no alternative but to raise the rates in the sewer and water funds. Changes in the budget were cost allocations in the funds and proposed rate increases. Staff is recommending a 10% increase to the sewer rates, providing small amount for reserve, emergencies and grant match; 8% increase only covers the Tribe's increase for 2016 and 2017. In the Water Fund, each account would be increased by \$1.50 per account. Total impact to the customer will be an increase of \$8.31. The new rates will be effective January 1, 2017; the new rates from the Tribe are effective with the October billing.

Total cost of removing the fuel tanks was \$26,442; the State may reimburse \$16,442.

Irrigation fund rates will remain the same for 2017 but a rate increase may be needed in 2018. The BIA raw water rates were increased in 2016. The Town has been billed for several individual's raw water usage. These accounts will be billed directly by BIA to the customer, thus reducing the Town's responsibility.

Capital Improvement Plan Grant match is \$5000 from the Water, Sewer, Gas and Irrigation Funds. This is a one-time expense which is impacting the bottom line in each fund. Training costs are in the budget for these funds.

A Public Hearing Notice will be published in the Pine River Times this week. The Public Hearing will be held October 16 at 7:00 p.m. The Board directed staff to change the sewer rate increase by 8% and \$1.50 per account to water.

Discussion followed regarding the Tribe's treatment plant, the meeting held with the Tribal Council and the Wastewater Treatment Agreement with possible mediation. A letter will be written to the citizens explaining the rate increase and sent in the October Utility Bills this Friday, November 4.

Mr. Garcia asked for clarification on making COLA (3%) and merit raises (2%) effective January 1; merit will be performance based, new employees (less than one year) must wait for their COLA increase till 2018 and 2% will be determined at their anniversary date. This followed by the Board's directive to proceed with staff's recommendations.

Employees have elected CEBT as their health insurance provider; cost is higher, coverage is better and employees will get \$700 for employee only and \$800 for employees with dependents. The Health Savings Account had \$10,000 in the budget for 2017, will not be needed.

The workshop concluded at 7:30 p.m.

Stella Cox, Mayor

Date

Attest: Georgann Valdez, Town Clerk