



The Common Council of the City of Bellevue, Idaho met at a Special Meeting on Tuesday, July 23, 2025, at 5:00 p.m. in the Council Chambers of the City of Bellevue Offices, located at 115 E. Pine Street, Bellevue, ID 83313.

Call to Order: Mayor Giordani called the Regular Meeting to order at 5:04 p.m. (00:00:08 in video)

Roll Call: (00:00:41 in video)

Christina Giordani, Mayor – Present
Diane Shay, Council President – Present
Tammy E. Davis, Council Member – Present
Suzanne Wrede, Council Member – Present
Shaun Mahoney, Council Member – Present (Arrived at 5:12pm)
Tom Bergin, Council Member – Absent
Jessica Obenauf, Council Member – Present

Staff Present:

Chris Johnson, Public Works Director
Amy Phelps, City Clerk
Brian Parker, Community Development Director
Kirtus Gaston, Marshal
Shelly Shoemaker, Treasurer

1. Notice of Agenda Compliance: (00:01:00 in video)

The posting of this Special meeting agenda complied with Idaho Code §74-204. The Special meeting agenda was posted within twenty four (24) hours prior to the meeting at the Bellevue City Hall, Post Office, and on the City website on July 21, 2025.

Motion: Council President Shay moved that the agenda notice was in compliance with Idaho Code §74-204. Council Member Davis seconded, and the motion passed unanimously.

2. CALL FOR CONFLICT (AS OUTLINED IN IDAHO CODE §74-404): ACTION ITEM

No conflict was noted at this time.

3. WORK SESSION

a. BUDGET WORK SESSION 6

Mayor Giordani opened the meeting by noting that this was the sixth budget work session for FY26, held to review updates based on Council feedback from the previous meeting. She explained that, following earlier discussions and collaboration with department heads and Shelly Shoemaker-Treasurer, the City was now presenting a balanced budget for Council review.

The Mayor emphasized that the FY26 budget focuses on returning to the basics of accountability, communication, and efficient service delivery. She highlighted the City's ongoing transition from reliance on contracted services toward building a fully staffed, capable City Hall team dedicated to serving the community.

Mayor Giordani also addressed the perception of a divide between residents and City Hall, emphasizing that City Hall is the community -made up of elected officials, appointed and hired staff, and citizens working together. She reminded the Council that the City's budget represents the collective investment of Bellevue's residents.

Finally, she underscored the importance of fiscal sustainability and revenue growth, noting that while cost-cutting measures have been necessary, future focus must shift toward expanding revenue sources to maintain and improve services. The Mayor invited Council discussion and questions regarding the proposed budget.

(00:07:20 in video) Council President Shay reported that she had discussed the necessity of the grader with the Public Works Director, Chris Johnson. She asked whether the City could operate without it and how the three departments under Public Works felt about the proposed three-way cost split. She noted that she received no negative feedback from staff and emphasized that, while the equipment is expensive, she considers it a necessary investment given the City's historical focus on cost-cutting.

Council Member Wrede raised her concerns about the FY26 budget, noting what she stated is an apparent \$250,000 shortfall being funded by transferring \$270,000 from the water and wastewater enterprise funds. She questioned the use of multiple accounting methods for these transfers, the lack of supporting documentation, and the potential impact on city services, Council duties, federal and state grants, and compliance with financial regulations. She asked how the City is justifying the \$270,000 transfer from the enterprise funds to the general fund.

In response to Council Member Wrede's concerns, the Mayor and Treasurer Shoemaker explained that the \$270,000 transfer from the water and wastewater enterprise funds is intended to cover budget shortfalls while maintaining essential services. They reviewed the accounting methods used, noting they comply with standard municipal practices, and emphasized that the transfer would not compromise grants, bond covenants, or the City Council's ability to perform its duties.

Council Member Wrede further expressed her concerns regarding the allocation of \$270,000 from the water and wastewater enterprise funds to the general fund and the documentation supporting those allocations. Treasurer Shoemaker explained that the allocations are based on actual expenses and staff time spent on water and wastewater operations, with percentages detailed in the administrative fees worksheet. She confirmed supporting documentation exists and noted it would be provided prior to budget adoption.

Public Works Director Chris Johnson clarified that Public Works staff routinely dedicate 2–2.5 days per week supporting water and wastewater operations, such as grounds maintenance, equipment installation, and security measures at treatment facilities. He explained these efforts are recorded in payroll and justify the allocation of costs to enterprise funds. Council Member Wrede argued that all allocations must comply with federal uniform guidance, reflect actual staff time, and are documented for audit purposes. It was noted that adoption of the budget would not occur at this meeting, allowing time to provide complete supporting documentation.

Council Member Wrede again expressed concerns regarding enterprise fund allocations, compliance with federal guidance, and the impact on staff time and City services. Mayor Giordani guided the discussion, asking Wrede to focus on one question at a time and emphasizing the importance of clear, productive dialogue. Treasurer Shoemaker explained that the allocations are based on established practices and actual staff time, and confirmed that supporting documentation would be provided by Monday. The Mayor noted that the discussion also presented an opportunity to improve transparency with residents, suggesting a narrative document could summarize staff time allocations and job responsibilities in a more digestible format. Council members agreed to review the documentation and provide feedback prior to budget adoption.

(00:25:21 in video) Council Member Davis asked about the handling of enterprise funds and funding for specific projects. Treasurer Shoemaker explained that existing DIF (Development Impact Fee) funds would be used for designated projects as they are approved by Council, rather than being included in the budget as income. The FY26 budget reflects reductions in some department expenses to accommodate these projects.

The discussion also addressed Public Works staffing and payroll allocations. Mayor Giordani clarified that the Public Works Director position is now fully funded by enterprise funds, with an increase in payroll for the Streets Department due to the elevation of the Street Superintendent to City Assets Manager. She explained this consolidation of departments (streets, buildings, parks, and separately water/wastewater) allows for more efficient management. She further stated that staff time and equipment costs are allocated across departments and reimbursed appropriately, with oversight maintained to ensure compliance with operational and regulatory requirements.

Council Member Wrede raised questions regarding the allocation of administrative fees and whether payroll and other costs for City Assets and Public Works were being properly credited to the departments providing the work. Treasurer Shoemaker explained that administrative fees are centralized in the general fund for efficiency, and while some departmental payroll contributes to common services, these amounts are captured as internal reimbursements rather than separate revenue lines.

Council Member Wrede also questioned discrepancies in cost allocations between water and sewer for shared expenses, such as software subscriptions, and the rationale behind the differing percentages. Shoemaker explained allocations are based on each department's share of the overall city budget and historical auditor recommendations, noting opportunities to refine allocations and document usage more accurately in future budgets.

Council Member Mahoney expressed frustration with the level of scrutiny being applied to this budget, noting that the City has been audited annually without issue and that past practices have consistently complied with regulations.

(00:49:43 in video) Council Member Obenauf asked if the records management software request from the City Clerk was funded. Mayor Giordani confirmed that the admin budget includes funds for records management software. Council Member Wrede asked about increases in franchise fees which the Mayor explained was for the pending Clear Creek Franchise agreement. Regarding Community Development, Council Member Wrede asked about GIS software usage, website expenses, and code enforcement software, expressing concern that website costs were misallocated to the administration budget instead of Community Development.

Council Member Wrede acknowledged Kristin Gearhart, Library Director, for successfully and single-handedly managing the new website and newsletter and noted that she thought a one-time bonus might be nice. Mayor Giordani noted a wage adjustment for the additional hours added for Kristin's new responsibilities.

On the Marshal's Department, Mayor Giordani confirmed funding for a fifth officer and Council discussed overtime and uniform needs for new hires with Marshal Kirtus Gaston.

For City Assets, including Streets, Parks, Buildings, and Grounds, Council Member Wrede asked for clarification about staffing allocations at 28 hours per week for traditional services per staff member, a \$30,000 payroll increase, and that Public Works Director costs have been moved to the enterprise funds. Administrative fee allocations, contract labor including snow removal were further discussed, and it was clarified that GIS software will use open-source solutions. The discussion emphasized clarity of staffing allocations, proper allocation of administrative fees, and budget sufficiency for departmental initiatives while balancing contract labor and in-house services.

(01:10:44 in video) Council members reviewed specific budget line items across several departments, seeking clarification on funding sources, carryovers, and revenue projections. Questions were raised about repairs and maintenance allocations, the \$22,000 parks grant carryover, and the accuracy of the LOT tax revenue estimate, which was reduced from \$100,000 to \$75,000 to better reflect current revenue trends and improved code enforcement on short-term rentals. Discussion also covered the status of prior-year grant funds and clarification that the parks grant carryover accounted for much of the unspent funds from FY25.


Council then turned to the Water and Wastewater Fund budgets. Council Member Wrede brought up the need for documentation to justify equipment allocations, specifically the loader split across enterprise funds, and confirmed that the budgets did not include rate increases for water or wastewater services. Public Works Director, Chris Johnson explained ongoing repairs, meter activation progress, and the continued use of limited contract labor to meet certification requirements until additional staff licensing is complete. Council inquired about fuel cost increases, noting expanded meter and maintenance duties.

In the wastewater discussion, engineering and utility costs were reviewed, with Mr. Johnson explaining that future facility planning and additional engineering work may be needed. Clarifications were made regarding merchant fees now being passed to customers, as well as ongoing maintenance expenses for system upgrades.

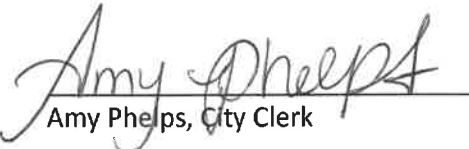
Toward the end of the meeting, Council discussed equipment needs, including the importance of maintaining a functional grader for snow management and the condition of equipment received from the City of Sun Valley. The discussion concluded with expressions of appreciation from several Council members for Treasurer Shelly Shoemaker and the Mayor, commending the collaboration, professionalism, and improvements made to the budgeting process. Mayor Giordani acknowledged that while the process was not perfect, it reflected significant progress and a commitment to continued improvement.

Before adjourning, Council Member Wrede reiterated her request for prior-year allocation worksheets and supporting documentation for enterprise fund transfers. Mayor Giordani confirmed that public comment would be accepted at the upcoming budget adoption meeting, following Council Member Bergen's prior recommendation.

4. **Adjournment:** (01:37:47 in Video) With no further business coming before the Common Council at this time, Council Member Obenauf moved to adjourn the meeting. Council Member Wrede seconded the motion. The meeting adjourned at 6:42 p.m. The motion passed unanimously.


Christina Giordani, Mayor

Attest:


Amy Phelps, City Clerk

