Mayor Kwarsick opened the meeting at 5:36 PM. Present were Council Members Seligson, Allderdice, Sundberg and Allen. Rene Neff was absent. Also present were Public Works Director Challis Stringer, Police Chief Randy Heston, and Finance Director/Clerk Debbie Mahler.

Mayor Kwarsick explained that in 2013 the employee’s portion of social security taxes will raise 2%. In addition, federal tax cuts are ending and the standard deduction will be lowered, the child care credit cut in half and higher tax brackets put in place. Cost of living increases for employees were discussed. Debbie passed out charts of position salary histories for the last eight years and the cost of COLAs at different percentage levels.

Challis recommended that the scheduled water rate increase for 2013 be instituted. The rate increase is needed to keep the system maintained and the infrastructure improvements done. Sewer rate increases were also discussed. A new sewer comp plan and rate study will be done in 2013, but a minimal increase in the rate needs to put in place by the beginning of 2013 to keep the fund solvent.

Challis made a power-point presentation of the proposed CIP program for the year and went through all the infrastructure needs and their funding sources.

The meeting was adjourned at 7:25 PM.

Respectfully submitted,

[Signature]

Debbie L. Mahler, Director of Finance/Clerk