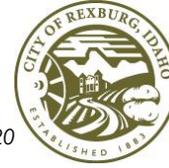


Customer Support Services City Council Minutes

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CITY OF
REXBURG
America's Family Community

August 16, 2006

Mayor Shawn Larsen

Council Members:

Donna Benfield – Council President
Farrell Young Christopher Mann
Rex Erickson Randy Schwendiman
Bart Stevens

City Staff:

Stephen Zollinger — City Attorney
Richard Horner – Finance Officer
John Millar — Public Works Director
Val Christensen – Building Official
Vacant — Planning & Zoning Administrator
Blair Kay — City Clerk

7:00 P.M. – Pledge to the Flag

Roll Call of Council Members:

Consent Calendar: The consent calendar includes items which require formal City Council action, however they are typically routine or not of great controversy. Individual Council members may ask that any specific item be removed from the consent calendar for discussion in greater detail. Explanatory information is included in the City Council's agenda packet regarding these items.

- A. Minutes from August 02, 2006 meeting
- B. Approve the City of Rexburg Bills

Council Member Erickson moved to approve the consent calendar; Council Member Young seconded the motion; all voted aye, none opposed. **The motion carried.**

Public Comment: on issues not scheduled on the agenda (limit 3 minutes) – NONE

Presentations:

- A. Introduce the (MYAB) Mayor's Youth Advisory Board for 2006/2007

Tyler Blanchard introduced the members of the MYAB Executive Committee:

Chair: Jacob Thatcher
Vice Chair: Jordyn Bochenek
Secretary: Tyler Blanchard
Treasurer: Braydn Larsen
Historian: Kylie Peterson

Members:

Eljay Robertson, Ryan Taylor, J. C. Weber, Alicia Jones, Julie Allen, Ryan Oakey, Jessica Berger, Derity Erickson, Rick Hoffman, Branae Shaum, Zack Stoker, Jason Birch, Grace Oakey

Mayor Larsen mentioned the up-coming event for the beginning of the school year. The event is called “Celebrate Youth” and it will be held on August 22, 2006 at Porter Park. Last year about 4,000 people showed up for the event. This year the event will be held from 2:00 p.m. to 9:30 p.m.

Council Member Benfield moved to ratify MYAB members; Council Member Stevens seconded the motion; all voted aye, none opposed. **The motion carried.**

B. Madison Economic Development Corporation

- Gale Harding MEDCO President
- Clair Boyle MEDCO Executive Director

Mayor Larsen introduced Gale Harding and Clair Boyle as officers of the Madison Economic Development Corporation. They gave an update of MEDCO.

Gale Harding said they have been in existence for 18 years. Bob Dabell was the first MEDCO president. They are an entity that can obtain grants to establish new businesses. Some of the businesses they have assisted are the following: High Country Potato, downtown businesses, and other businesses in the Rexburg Business Park. The business park is almost filled with businesses. They thanked City Council for supporting MEDCO. The City has helped foster economic growth for the community through MEDCO. Most MEDCO Board members have served for 10-15 years. MEDCO is seeking light industry to serve the community.

Clair Boyle gave more high lights from MEDCO’s history. MEDCO was organized in 1988 to bring good paying jobs to the area. In 1990 the county made it possible for industrial bonding. Economic development in Madison County is many people from the community working together. The RDA and CRA help to bring in new developments. Training funds are available to train employees up to \$3,000 per employee. It is a rigorous training program. It is a big draw to bring in new business to the county. Idaho has better workman’s comprehensive rates for businesses; this is an enticement to locate in this area. The RDA has been giving grants; however, the \$30,000,000 start-up fund was disappearing with the grant program, so the governing board went to a loan program to keep the funds alive. MEDCO sends a community profile to every business seeking information from Madison County. Clair gets help from students at BYU-Idaho for the brochures. Clair

sends out letters and information to every business, when he gets contact information. The information explains “Why they should move to Rexburg.” The quality of life is an important benefit for new businesses. They work with potential businesses on a regional basis. Their marketing is done by the RCC group. They do cold calls to get the word out. An example is a business needing a 5,000 square foot building. They are a wire company which produces all kinds of wire products. Some of the companies like AMET have come to Rexburg due to MEDCO’s recruiting efforts. AMET will be building a 30,000 square foot structure. Their equipment will need to be installed with a 30 ton crane. They do \$5,000,000 a year out of the old JCPenney’s building. The new building is 30 feet high. They plan to do three structures in the business park. They have 50 employees with many engineers.

Profusion Technology is an electrode company with 12 employees. They are progressing. Premier Powder Coating and Fabrication has 28 employees. Clair said they are clustering the businesses in the same area to get efficiencies. Premier Performance has 37 employees as a national distribution company. They do computer chips for automobiles. Mountain West Bark has received a shredder for small bark that increased their production. MEDCO holds the contract for seven years on the equipment. Artco is doing well partnering with MEDCO. They have added a printer for about \$1,000,000 which took out the off set printers. High Country Potatoes is \$3.4 million. Wilcox Brothers is \$4.3 million. Melaleuca is doing great with about six hundred student employees at \$8.00 to \$13.00 per hour. Western Watts is the oldest call center. They hire up to 250/300 employees. Rexburg Opinion Center has 200 employees. This is nearly 1400 employees in call centers. Clair is working with AMAX to come to Trejo Street. Gorgeous Garages is new business coming to Rexburg. They bought a lot in the business park. Ben Rudder is building a large building behind Valley Wide Business Park. Mel Press is a trailer manufacturer. He is planning to locate in Idaho. Auto Zone is another business they are trying to get to move to Rexburg.

Clair indicated MEDCO does a lot of retail work placements. They work with the Commerce Department to solicit these developers. They use County/City GIS resources for their presentations plus a letter from the Mayor of Rexburg. They go to trade shows in Portland and Salt Lake for business leads. Clair talked about the support organizations including the following: RCC, RDA, CRA, IDA, TechConnect, and the Small Business Center. MEDCO can help new businesses develop business plans.

Regional Development Alliance:

Our Mission

The Regional Development Alliance (RDA) is a regional economic development corporation serving seven (7) counties in eastern Idaho. Those counties are Bannock, Bingham, Bonneville, Butte, Custer, Jefferson & Madison. Simply put, we work to strengthen business in our region.

Our primary focus is financing qualified businesses that seek to expand in our service area. We manage two funds. Each is described in detail under their respective links.

An additional area of focus is providing direct access to excess personal property from the Idaho National Laboratory through our Community Reuse Program. Any business needing specific equipment can review the CRO Property List and request the equipment for a small fee. Although the equipment is offered first to businesses located in one of the seven (7) counties referenced above, we also offer second tier opportunity to businesses located throughout Idaho.

Community Reinvestment Act:

The Community Reinvestment Act (CRA), enacted by Congress in 1977 (12 U.S.C. 2901) and implemented by Regulations 12 CFR parts 25, 228, 345, and 563e, is intended to encourage depository institutions to help meet the credit needs of the communities in which they operate.

Regional Coordinating Council:

The pro-business environment of Eastern Idaho is one of the best-kept secrets in the Northwest. Over the last few years, companies relocating here have found proactive business development everywhere they look. Development professionals have assisted in every possible way from Custer County in the north to Bannock County in the southern part of the region.

To make the process of locating new operating sites in the 11 county regions even easier, the Regional Coordinating Council was formed. This coalition of economic developers from Custer, Butte, Fremont, Teton, Clark, Lemhi, Jefferson, Madison, Bonneville, Bingham, and Bannock counties, has been inspired by the concept of streamlining the process of site selection. By working together, the RCC will provide more of the essential information a site selection team requires.

This shared focus translates into quicker decisions. In addition, the crucial criteria for each new business prospect can be explored in greater depth. Finally, the RCC is hard-wired into the Idaho Department of Commerce. Assistance and concessions from the state that add value for new prospects can be incorporated immediately into site proposals

IDA

The Idaho Economic Development Association was formed in the spring of 2000. The idea that small, local economic development organizations could band together to have a greater voice in the highly competitive national economic development arena, was right on target. IEDA's mission statement reflects these beliefs:

The Idaho Economic Development Association is a trade association of economic development professionals and affiliated entities whose purpose it is to enhance and elevate the practice of economic development and to promote sustainable business growth for Idaho's economic vitality and increased standard of living.

TechConnect:

TechConnect is a global technology outreach organization, dedicated to locating the world's most promising IP and start-up companies across all industries and technology focus areas.

TechConnect is founded upon the application of the academic Peer-Review process towards the evaluation of emerging technologies and early stage venture companies.

With extensive knowledge in industry, academia, and business development, TechConnect brings only the best ideas and companies to its audience through publications, events, and outreach activities.

Council Member Young asked if there is a term limit on board members. Clair said they stay on for the full four year term; they can be re-appointed to a new term by the board. Madison Economic Partners, Inc. is their new name, if it is approved.

Council Member Young asked if Jon Weber, representing the Downtown Vision Committee is working with MEDCO. Rick Merrell is the new representative of the Downtown Vision Committee and he is a MEDCO board member. The Downtown Vision Committee has been working with the city officials on improving the downtown area.

Mayor Larsen said MEDCO is the economic development organization funded by Rexburg, Madison County, BYU-I and other businesses in the community. Economic development is critical for the community and economic development is the responsibility of the City Council working through MEDCO. Mayor Larsen serves on the MEDCO Board and the RDA Board. He mentioned some successes like ARTCO, AMX, HORTENSE, and AMET. It is a cooperative effort to bring businesses to the community. Steven R. Covey is coming to the community for a fund raiser on September 27, 2006. He encouraged City Council to support the event.

Clair Boyle mentioned MEDCO is giving a very good return to the community. MEDCO is working on a new look with a new name. The promotional information will be provided to interested parties in a DVD presentation.

FILL THE BOOT

“FILL The Boot” campaign collects money for MS. Chuck Velman, representing the Fire Department asked for permission to have an annual MS Drive. The MS drive four years ago collected \$4,200; two years ago \$5,600; and they expect to collect \$6,800 this year. The money is spent locally for local needs. A wheel chair for a MS patient cost about \$1,200. A recent volunteer in charge of the food drive for MS donations has two children in need of using the program for MS ailments.

Chuck invited City Council and the Mayor to participate in the MS drive from 8:00 a.m. to 6:00 p.m. The event will be held August 26, 2006.

Committee Liaison Assignments for 2006:

- A. Council Member Chris Mann *Parks & Recreation· Museum Committee· Romance Theatre Committee - No Report*

- B. Council Member Donna Benfield *Beautification Committee· Police Department*

Council Member Benfield reported the Beautification Committee met August 04th to discuss some projects for next year. They want to re-do the island and intersection on 2nd East to be more pedestrian friendly. They would like a nicer flower display area. Tree replacements on Main Street a block at a time would look nicer with metal grates like Walgreen's development. They would like to see some garbage cans and benches added in the downtown area. The committee is in the process of picking some properties for the beatification awards. City Engineer Keith Davidson wanted to tie Main Street, Porter Park and Smith Park into the trails system. They would like to see some landscaping along Main Street on the north end of the golf course. They would like to involve the Golf Course Board in the discussion to improve that area.

Council Member Erickson had three requests:

1. Clean up the mismatched trees on Main Street. The city needs a new tree project on Main Street. Council Member Benfield said businesses on 1st South are seeking help to put trees along the area by Morris Floral. The Beautification Committee and an arborist will look at the request. Norwegian Maple trees are being installed on Main Street. Council Member Schwendiman wants the trees trimmed every year.

2. Clean up the entrances to the city. The entrances to Rexburg are not very inviting to people.

Evergreen project on Main Street. The west end has weeds from the last tree

3. Clean up the areas on the ends of the new fence at Evergreen Kiwanis Park. Mayor Larsen said the east end is private property. The west end will have concrete to the bike path. Council Member Erickson wanted concrete or pavers on the east end too. Mayor Larsen said the fence needs to be finished when the headgate is removed. They talked about changing the location of the canal to allow for a sidewalk on the north side of Main Street adjacent to the municipal golf course.

- C. Council Member Rex Erickson *Airport Board· Planning & Zoning*

Council Member Erickson reported the Airport Board and Planning and Zoning held meetings. Warren Smith said they want to hold a tractor and antique show at the Legacy

Flight Museum on September 23, 2006. The Planning and Zoning Commission met; however, Council Member Erickson did not have a report. Mayor Larsen mentioned the city is moving forward with hiring a Planning and Zoning Administrator. Council Member Erickson gets input from Winston. Mayor Larsen said Winston will be involved with the position hiring process.

D. Council Member Randy Schwendiman *Golf Board· Traffic & Safety· Emergency Services Board*

Council Member Schwendiman reported Traffic Safety took July and August off. The Golf Board was off for the summer. Emergency Services did not have a meeting. Mayor Larsen asked Council Member Schwendiman to get input from the Golf Board concerning the canal/sidewalk issue on Main Street. The corner of the golf course by the T box has weeds. Council Member Erickson would like a foot bridge across the canal. The City Council discussed the possibility of re-routing the canal through the first and second holes to make room for a sidewalk on Main Street. The City of Blackfoot put up a double fence to protect walkers along their golf course.

E. Council Member Farrell Young *Tabernacle Committee· Rexburg Arts Council*

Council Member Young reported the Fine Arts series came to an end last Wednesday night. It was a good series of Wednesday night performances. They are planning another orchestra concert on Wednesday night next week. Council Member Benfield asked if the numbers of sunbirds attending the performances are down. They are still coming; however they come in fewer numbers to the concerts. The Tabernacle Orchestra is getting more members. They put on exceptional performances. Council Member Erickson mentioned the need to have a holiday performance for the orchestra in December. Mayor Larsen would like to see more than one holiday performance. The fire engine at the museum needs to be moved to emphasize the more of the Tabernacle.

F. Council Member Bart Stevens *Trails of Madison County· IBC Committee*

Council Member Stevens reported there is a new foot bridge over the Teton river for the bike path. The bridge was funded by a grant. The bridge is not completely installed until the pillars are installed at the ends of the bridge to restrict motorized traffic.

Mayor Larsen said Joseph West has done a great job getting funding for the trails system. He asked Public Works Director Millar if eagle projects are good for the City. Works Director Millar reported Edelmayer & Sons Concrete Company did 1,000 square feet of sidewalk at the Splash Park for an Eagle Scout project. The labor was donated and the city paid for the concrete. The splash pad and the sidewalks were done on the eagle project. The Splash Park is ready for sod. There will be 17,000 square feet of sod under sprinkler. Public Works Director Millar said it was the best Eagle project the city has authorized.

G. Mayor Larsen *Mayor's Youth Advisory Board· Legacy Flight Museum*
(Reported in a previous discussion)

Public Hearings:

A. 7:30 P.M. Vacation of property at the Rexburg Business Park

Public Works Director Millar reviewed the proposal on the overhead screen. It is to adjust the size of a storm drainage basin to accommodate the development of a new business at the Rexburg Business Park. It would require abandoning an easement in one area and moving it to another area. The developer will do the landscaping and reconstruction of the basin. It has filled with water during storms in the past. The project used federal funds to develop the holding pond. It is needed to maintain a vertical separation of storm water from ground water. The city does not have an easement to dump surface water into ground water. City Council discussed the use the basin and the improvement of the area by the new development.

City Council discussed the vacation of the easement verses trading property with the developer to accomplish the same objective. City Attorney Zollinger indicated a land swap would require starting the process over again with that objective in mind. The motion could be conditioned upon the easement maintaining an equal size and the easement must be deeded to the City.

Mayor Larsen opened the public hearing.

Those in favor of vacating the easement. - NONE

Those neutral to vacating the easement. - NONE

Those opposed to vacating the easement. - NONE

Mayor Larsen closed the hearing to public comment.

Council Member Schwendiman moved to vacate the easement with the condition of maintaining an equal sized easement with the same square footage as the current basin; Council Member Erickson seconded the motion; Discussion: Council Member Erickson asked to amend the motion to say they are trading the property plus developing a holding pond or usable basin for the city of the same size after the easement is approved. Council Member Schwendiman agreed to amend his motion to say the basin should be the same size and developed into a usable holding pond. Council Member Erickson seconded the amended motion; All voted aye, none opposed. **The motion carried.**

B. 7:40 P.M. Vacation of property on Vista Avenue

Public Works Director Millar reviewed the proposal on the overhead screen. Cresthaven Subdivision was platted with Vista Avenue in the middle 1970's. A portion of Vista Avenue was never built and a one foot strip on the east side of the road was deeded to the owners on the west side of Vista Avenue; therefore, the vacation of the road would go to the adjoining properties on the west side of the street, as was the intention of the developer. This proposal would clean up the property around the cul-de-sac on Vista Avenue.

Council Member Stevens declared a conflict with this proposal and stepped down from the dias.

Blair Manwaring was a property owner in the area when the sewer line was added to the south end of the development. Kent Jolley developed a portion of the property. Kent did not plat Vista Avenue or Hillview Avenue. Mr. Croft purchased the property and developed the cul-de-sac for Vista Avenue. Blair Manwaring said he owned five lots and he paid for the street and the improvements on the street. The infrastructure had been put in by the time Mr. Manwaring purchased five lots. He built his home on 920 Vista Avenue in 1991. The remaining lots on Vista Avenue were not developed. AMR sold the property with the stipulation in the sales agreement the sewer line would be available to the local church. Blair Manwaring worked with AMR Corporation to extend the sewer from the south to lot 1030 and 1050 South 2nd East. There is not a manhole at the end of the sewer line he extended to 1030 South 2nd East. He "dead-ended" the sewer line with a clean-out.

City Attorney Zollinger recommended completing the vacation of Vista Avenue and maintaining the existing utility easement through the vacated right-of-way on Vista Avenue to connect the sewer line at 1030 South 2nd East to the sewer line at the north end of Vista Avenue.

Council Member Schwendiman said the south lots were developed before the north lots were developed at the cul-de-sac. City Attorney Zollinger explained the one foot strip was sold or deeded to the west property owners. The one foot strip was platted to prevent the property outside of the Cresthaven Subdivision access to Vista Avenue.

Mr. Manwaring concurred with the need for sewer easements to lots 1030 and 1050 South 2nd East. City Attorney Zollinger said the utility easements are on the plat.

Mayor Larsen opened the public hearing.

Those in favor of vacating the easement. - NONE

Those neutral to vacating the easement. - NONE

Those opposed to vacating the easement. - NONE

Council Member Young asked about the “spite” strip. City Attorney Zollinger explained Mr. Croft deeded the one foot strip to the property owners on the west side of Vista Avenue’s right-of-way. The right-of-way would become their property if the city vacated the street.

Council Member Schwendiman explained property owners west of Vista Avenue purchased the lots behind their properties before the cul-de-sac on Vista Avenue was constructed. They did not expect Vista Avenue to be completed as a through street. He thought the lots on Vista Avenue were developed across the right-of-way for Vista Avenue before the Cul-de-sac was constructed. City Attorney Zollinger mentioned previous discussion in City Council concerning the abandonment of this street. The action was never completed in a formal public hearing. Blair Manwaring voiced additional concerns with the need to maintain the easement for the sewer line on Vista Avenue. City Attorney Zollinger explained the city would maintain the necessary sewer easement on Vista Avenue. He asked the motion to indicate the Public Works Director could make the determination on the sewer line easement. Council Member Schwendiman mentioned other utilities have easements. City Attorney Zollinger said the power company has an easement down the center of the street.

Mayor Larsen closed the hearing to public comment.

Council Member Young asked why there was only a one foot strip deeded to the property owners. It is not big enough for a utility easement. City Attorney Zollinger explained the one foot strip precludes property owners outside the development that did not participate in the construction costs for the street to access the road. This action would not allow the lot owners outside the development to sell off the backs of their lots as frontage on the new road for new lots.

Council Member Young moved to proceed as described in BILL 970 with an emphasis to maintain the easement to the public utilities; Council Member Schwendiman seconded the motion; Discussion: Council Member Benfield asked if Brent Hill’s property is part of the vacation. City Attorney Zollinger said this vacation is for property in a straight line south of the cul-de-sac. The property within the cul-de-sac will be retained by the city. Brent Hill is planning to develop his property on the cul-de-sac. The city has a right-of-way constructed on Brent Hill’s property for the cul-de-sac. There may be a deed from Brent Hill to the city for this property which the city has not located. The Perkes’ (950 South 2nd East), Messer’s (980 South 2nd East) and Hill’s (1010 South 2nd East) property will need an easement for a connection to the city sewer. Public Works will have to provide sewer access to 950, 980, and 1010 South 2nd East with a sewer easement clause. Also, retaining such sewer easement as deemed appropriate by the Public Works Department for sewage management to the south end of Vista Avenue. All voted aye, none opposed. **The motion carried.**

Blair Manwaring asked about the development of Sunrise Drive. It is a bad spot with large gravel. It should have been taken care of with pavement, curb, and gutter when it was developed. City Council reviewed Sunrise Drive on the overhead screen. The right-of-way was recently obtained to complete the roadway on Sunrise Drive when the property to the south is developed. This section of road will be widened when the South Arterial is developed from 2nd West going east.

Council Member Erickson said the City, developer and property owners would have to pay for the improvements. Discussion: When the south half of the property is developed, the road will be developed. It is over a city block in length. Blair Manwaring wanted a time line for improving the road when a development is done. He wanted to have approaches installed when the curb is installed.

Council Member Young asked if the developer could be required to go back and do the road. It has passed through AMR to Kent Jolley to the Crofts. Those entities that are not in business at this point.

Council Member Stevens re-joined the City Council on the Dias.

C. 8:00 P.M. Amend the 2006 fiscal year budget by appropriating additional monies – Staff

Finance Officer Horner reviewed the amendments as projects that were previously approved during the year by City Council. The budget amendments have to be formalized by City Council. They reviewed the revenues that came in from projects to be added to the budget with the associated expenditures.

Council Member Schwendiman asked about the fund balance carry over sheet. Finance Officer Horner explained the fund balance is kept at 25-33 percent reserves for cash flow to cover operating expenses. It is 25 percent of the budgets for a rainy day fund. The operating expenses in the budget is 5.2 million times a reserve fund of 25% = 1.3 million. If you keep a reserve of 33%, the reserve would be 1.7 million. The number changes from year to year due to inflation, projects, etc. Council Member Stevens asked for property tax increases. Finance Officer Horner indicated they are included in the numbers. The increase in revenue can be from a 3% base to 12%; which translates to \$100,000 to \$200,000 per year increase from property taxes.

Mayor Larsen opened the public hearing.

Those in favor of vacating the easement. - NONE

Those neutral to vacating the easement. - NONE

Those opposed to vacating the easement. - NONE

Mayor Larsen closed the hearing to public comment.

Council Member Schwendiman asked if the budget has gone up \$2,000,000. Finance Officer Horner said it is re-classifying budgets and adding new money to the budget. The City Council discussed the carry over items.

Mayor Larsen asked for a motion.

Council Member Erickson moved to suspend the rules and read BILL 967 for passage; Council Member Schwendiman seconded the motion; Mayor Larsen called for a roll call vote:

Those voting aye:

Donna Benfield
Farrell Young
Rex Erickson
Randy Schwendiman
Bart Stevens

Those voting nay:

NONE

The motion carried.

Council Member Erickson moved to consider BILL 967 third read and passed; Council Member Schwendiman seconded the motion; Mayor Larsen called for a roll call vote:

Those voting aye:

Donna Benfield
Farrell Young
Rex Erickson
Randy Schwendiman
Bart Stevens

Those voting nay:

NONE

The motion carried.

New Business:

A. “Tax Participation Note” – borrowing for the Animal Control Building.

Finance Officer Horner said the Supreme Court has shut down leasing. The city was going to lease/purchase the building before the Supreme Court ruling. He proposed to do a tax participation note requiring the note to be paid off every 12 months. The other option would be funding the building out of the city’s budget. Three banks bid the process with about \$3,500 at 4.5% for the principle being the lowest bid to set up a \$300,000 note. He wanted to fund the project with city funds and use Police Impact Fees to cover the loan by charging future lease payments to Police Impact Fees. It would be paid like a mortgage over five to ten years. The expenditure for the facility would be in this year’s budget in the

Animal Control Fund. The Impact Fee budget would need amended next year to cover the transfer.

Council Member Schwendiman asked for clarification on the cost of the building. Finance Officer Horner explained the expenses to fund the construction of the building were about \$360,000 with the city financing the balance of \$330,000. The money would be borrowed from the City Police Impact Fee at less cost. The normal charge for interest expense would be the same interest percentage earned on the city's investments. Another option for the city would be to seek a judicial confirmation at a cost of about \$20,000.

Council Member Stevens does not want to see the Impact Fees upside down. He wants to spend the fees as they come into the city. The payments can come out of the general fund. The Police Impact Fees are seven cents per square foot for new commercial building space. Finance Officer Horner explained the facility could be paid off out of the general fund for \$40-50,000 per year. The discussion during the budget preparation was to fund the building out of the Police Impact Fee fund. Council Member Stevens was concerned the negative balance in the Police Impact Fee fund would lend credence to the need to raise the Police Impact Fees.

Council Member Benfield asked about the planned revenue coming from the county and other cities when they use the animal shelter. These fees would not cover the cost of the building.

Council Member Young asked about the completion date for the building. Public Works Director Millar estimated the building would be turned over to the police in two weeks. They are installing the last piece of equipment for the facility. The city is still working to raise funds for the animal enclosures that are needed in the facility.

Council Member Erickson said borrowing from yourself is cheaper. The city built the facility and it would be better to borrow from ourselves to pay for the facility by either proposal. A future City Council could borrow the funds from the bank in a future budget or pay for the building out of the general fund or the Police Impact Fee fund. Council Member Erickson did not want to raise the Police Impact Fee fund. Council Member Stevens reiterated his desire not to raise the Police Impact Fee fund.

Council Member Schwendiman, Council Member Erickson, and Council Member Stevens were in agreement to finance the project through the city accounts. Council Member Schwendiman did not want to see the Police Impact Fee upside down. Finance Officer Horner indicated the long term value of the building is more than five years; therefore, the city can borrow against future Police Impact Fee revenues. General fund revenue can be transferred to the Police Impact Fee fund; however, Police Impact Fee funds can not be transferred to the general fund. The first payment is already in the 2007 Budget for the first payment of \$40,000.

B. IT Manager (Hire a second IT employee)

Finance Officer Horner said the City needs a backup IT employee to cover technology issues. There is a lack of continuity with system maintenance when the IT Manager is not available. He wanted to move up the hire date for the IT assistant from October to August. It would move up the hire date by an additional six weeks; thus, impacting the 2006 Budget. This position is important to the stability of all of the city departments.

Council Member Erickson understood the position was approved to be in the 2007 Budget.

Council Member Erickson moved to adjust the 2006 Budget for the six weeks period to get the person hired; Council Member Young seconded the motion; Discussion: Council Member Schwendiman was concerned with adding more bodies to the City's budget. He would like to add more money to the street improvement budget. Mayor Larsen asked the City Council to review the comparison of services he asked Finance Officer Horner to prepare for the City Council.

Finance Officer Horner said other cities don't do comparable services, even if their population is larger than Rexburg's. Council Member Benfield did not want to compare the work-load of Rexburg's IT person to other cities with larger populations. Finance Officer Horner explained Boise does not have water services, as an example. The City Council reviewed the comparison chart showing Rexburg's work flow compared to some other cities. The chart covered the year 2000 to 2007. IT Manager Steve Christensen explained the comparison was put together to quantify his work load. This position will relieve his stress level.

Council Member Erickson said it makes sense. Mayor Larsen agreed with Financial Officer Horner, backup is necessary to maintain IT service continuity. Council Member Benfield wanted to make sure the interns go through an evaluation process before they are hired full time. Council Member Erickson said government entities hire differently than private businesses. If businesses hired like the city, they wouldn't make it.

Council Member Schwendiman is frustrated with the lack of measurement tools in city government. Finance Officer Horner wants to set up standards in each city department. Council Member Schwendiman referred to the City of Pocatello's work with employee performance standards. Rexburg could look at some of Pocatello's work on measurement tools.

Finance Officer Horner said the city is moving in that direction. Council Member Schwendiman said a six month probationary period is good for evaluating employees before they are hired full time. All voted aye, none opposed. **The motion Carried.**

D. Request for annexation – a portion of 839 West Main Street –
Green Family Trust

City Attorney Zollinger explained Ora Green has submitted an application to annex a portion of her lot. The runway protection zone cuts the front part of her lot. The runway protection zone will not be re-zoned.

City Attorney Zollinger reviewed the Green Family Trust request to annexation a portion of their family home lot located at 839 West Main Street. They are asking for a commercial designation for the square part of the lot south of the family home. Council Member Erickson recommended annexing the entire lot because it is an island in the city. City Attorney Zollinger said the city is progressing with the negotiations to purchase the property. The property is against Main Street and it is inside the airport's fly zone. City Council directed the City Clerk to ask the applicant if the application could include the entire parcel. Council Member Erickson said the negotiations should be completed before the request is sent to the Planning and Zoning Commission.

Report on Projects: John Millar

Public Works Director Millar reported on the following projects:

1. **Splash Park**
2. Animal Shelter
3. South Arterial (may bid this fall or next spring).
4. Sewer line alley project (bids were over budget) – looking at other methods to do the project. Maybe a different sized line can be installed without digging up the alley due to numerous gas lines and electric services. Other alternatives would mean pulling a new line through the old line.
5. LP project recreation project. The City has \$450,000 in grants plus an additional \$450,000 in the pipeline. CK Chang is not willing to discuss the options to develop the property behind K-Mart. This will preclude a quad softball complex behind K-Mart because the CK Chang property would be needed to have the right amount of land for the quad.

Mayor Larsen explained an Adhock Citizens Committee from the Urban Renewal Board will make a recommendation to the city on the design. Public Works Director Millar said the city would like to have an architechral firm do master planning. City Council agreed to go ahead with an RFP to accept proposals to select a firm to design the development of a complex on the site.

Council Member Schwendiman asked the city to come up with a vision of the area that could be supported by the city. Mayor Larsen said grants and other funding

obtained through the Urban Renewal District would pay to construct the project. There have been several preliminary proposals for the property including a quad softball diamond, amphitheatre, snowfest sledding mound, swimming pool, and tennis courts. Mayor Larsen said the next step would be to seek a proposal from a planner for an estimate for “what could be built with this kind of funding.”

Council Member Schwendiman requested more information on the location of the facilities before making a decision to proceed. City Council reviewed a couple of designs for the project that were used to seek funding.

Mayor Larsen asked City Council to approve the plan to move forward to seek a designer’s proposal (plan) for an aquatic center and quad softball diamond complex. Finance Officer Horner explained the Urban Renewal Board could bond for 8.5 million dollars for the project. The Urban Renewal Agency would receive funds from the Urban Renewal District to fund the project until the year 2022.

Council Member Schwendiman asked how the project would be funded after it is constructed. The ongoing maintenance would be funded through fees. Mayor Larsen said the Urban Renewal Board would probably only fund what the city could afford to maintain.

Mayor Larsen said it could be started by the City Council letting the Urban Renewal Agency know how to proceed.

Council Member Stevens asked to have the aquatic center located adjacent to 2nd North for high dollar visibility. Mayor Larsen would like to work with the planner to build something that makes sense for the current community with the ability to expand the project. The Zollinger Construction Company property on 2nd North has been purchased by the city for this development.

Council Member Benfield would like to see the entire property designed in the proposal. Council Member Erickson suggested doing the aquatic portion of the complex first because the city has existing ball fields. If a master plan could be developed, the individual projects on the master plan could be prioritized by City Council. Start slow with a less expensive design plan before spending a lot of money with a professional designer.

Mayor Larsen said the city could choose the most desirable proposal for those submitted to the city in an RFP. The planners will get their money if they are chosen to be the project designer. The city is in the initial planning stages of this process. The Urban Renewal Agency may seek funding through a bond next year. The city is applying for \$350,000 for brick and mortar. The \$100,000 grant received last year in the congressional budget can be used for discretionary spending on the LP project.

Public Works Director Millar explained the city has applied for a \$350,000 grant in the congressional budget. There is another grant in the congressional funding mill for \$450,000 that is not yet secured. Mayor Larsen said in January the city will apply for an additional \$550,000 in the congressional budget to complete the million dollar request for the proposed recreational development on the LP property. Public Works Director Millar said the grant applications need to have the project identified for the grant money or the city will lose the grant money. If the project can be planned out with the detail for spending the fund, the grants can be processed. The city will have to start putting some definition to the project or the city will lose the \$900,000.

City Attorney Zollinger reiterated the need to identify the planned uses for the grant funds. IN the grant applications, the city is required to explain how the past monies were allocated in the project before additional grant monies would be considered for allocation to the project. The city must put something on the ground to validate the funding that has been allocated to date. Mayor Larsen noted the ground work for the funding of the recreational project at the LP property has been started. He requested the support of City Council to put the planning of the project in place, “It is really going to happen.”

Mayor Larsen said a master plan would allow the public to know exactly what is planned in the development and where the aquatic facilities and the ball fields will be located. Council Member Schwendiman asked for clarification on the bid for a master planner. The master plans received from applications would be reviewed and the successful applicants could be chosen by the Redevelopment Agency with City Council approval. The firms will submit their applications saying “choose us.” The RFP is a request from the city for a cost to do the planning work for the project.

Public Works Director said the planning firm will work for the city to design the project. Financial Officer Horner explained the process for selecting the planning firm. The Redevelopment Agency would receive a recommendation from a sub-committee. The sub-committee recommendation would come to City Council for approval. Mayor Larsen said the goal would have the City Council involved in the process every step of the way. Ultimately, the Redevelopment Board does not want to run the facility; it will be a facility run by the City. Council Member Stevens summarized by saying the city would ultimately be responsible for operation and maintenance of the facilities. Finance Officer Horner asked for permission to move ahead with the RFP, Mayor Larsen said, “yes.”

6. **Council Member Benfield** asked about the tipping fees the city pays the county at the garbage transfer station. The county is in the process of preparing for a public hearing on the issue. She asked about 7th South re-striping. Public Works Director

Millar said the stripping would be done soon on 7th South. The oil prices have doubled in recent months causing delays in street seal coating and resurfacing projects; therefore, 7th South is on hold for resurfacing.

7. **Council Member Schwendiman** suggested doing away with the turning lane at the Hardhat Café; Public Works Director Millar said it could be done. The turning lane may be narrowed to allow the west lane of traffic to move to the east away from power poles. The road going south will be widened to the width north of the Hardhat Café as the property develops.

Council Member Erickson asked if the hospital curb and gutter was ready to be torn out. Public Works Director Millar said the plan is to put in the curb and gutter this fall on Reed Street and Morgan Drive. The Millhollow/Shoshone project will be designed as it currently exists.

Financial Officer Report: Richard Horner

- A. Monthly Budget summaries – reviewed in a hand-out.

Calendared Bills and Tabled Items:

A. BILL Introductions:

1. **BILL 968 – Amend Ordinance 564** (Use of City Parks)

Mayor Larsen explained the changes to the City Parks Ordinance with BILL 968. The City Park hours will change from 7:00 a.m. to 5:00 a.m. and the no-smoking requirement will be expanded to the playground equipment and water facilities and other structures inside the city parks. The city park signs will be changed to reflect these new hours.

The new BILL 968 will address smoking around play ground equipment as follows: **“Smoking.** It shall be unlawful for any person to smoke within fifty feet (50) of any structure, bleacher, playground equipment or water facility within the park.”

Council Member Erickson wanted “no smoking” signs displayed throughout the city parks.

Mayor Larsen explained this BILL will be on the next agenda for a first reading.

- B. **First Reading:** Those items which are being introduced for first reading.

1. **BILL 967 – Amend Ordinance 943** Annual Appropriations Budget for 2006
(Passed in previous discussion)

- C. **Second Reading:** Those items which have been first read. – NONE

1. BILL 966 – Annual Appropriations Budget for 2007

Council Member Erickson asked if any concerns on first reading. Council Member Schwendiman asked if new hires would come to City Council for approval. All new hires are approved by City Council.

Council Member Erickson moved to approve the 2nd reading of BILL 966; Council Member Schwendiman seconded the motion; Discussion: all voted aye, none opposed. **The motion carried.**

D. Third Reading: Those items which have been second read. – NONE

Tabled Items: Those items which have been the subject of an affirmative vote to a motion to table: - NONE

Old Business: - NONE

Mayor's Report:

Calendar:

August 19, 2006

Rush Triathlon

August 22, 2006

East Idaho State Park Tour

“Celebrate Youth” is a back to school youth event in Porter Park
Transportation meeting at the County – 6:00 p.m.

August 26, 2006

Wal-Mart protect teens handout

County fair day

Chamber day

August 30, 2006

MYAB parent meeting (the student members introduce their parents to the program)

Sept 06, 2006

City Council meeting with Council President Benfield presiding.

Mayor Larsen will attend a Community Action Conference.

Executive Session: – Pursuant to State Statute 67-2345

Mayor Larsen asked City Council to go into executive session due to pending litigation.

Council Member Erickson moved to go into executive session; Council Member Benfield seconded the motion; Mayor Larsen called for a roll call vote:

Those voting aye

Donna Benfield
Farrell Young
Rex Erickson
Randy Schwendiman
Bart Stevens

Those voting nay

None

The motion carried.

Executive Session

Executive Session ended.

Adjournment

Shawn Larsen, Mayor

Attest:

Blair D. Kay, City Clerk