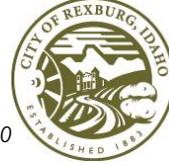


Customer Support Services City Council Minutes

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CITY OF
REXBURG
America's Family Community

November 29, 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
Gary Leikness — Planning & Zoning Administrator
Blair Kay — City Clerk
Celeste Beattie – Deputy City Clerk

7:00 A.M. – Pledge to the Flag

Roll Call of Council Members: All Council Members were present.

New Business:

- A. Discuss city fee schedule list: Mayor Larsen** reviewed the process to compile the city fees into a list for update.

Finance Officer Horner asked when the City Council would like to review the list. Mayor Larsen used Idaho Falls as an example for publishing the fees annually. The City Council would like to review the list on December 20, 2006.

Old Business:

- A. Discussion to set hearing on “water & sanitation hookup/capacity fees”**
Mayor Larsen said that this discussion would be deferred to December 20, 2006.

- B. Remodel upstairs area “City Annex” construction building at 19 East Main Street.**

Building Official Christensen handed out a cost estimate to remodel the upstairs portion of 19 East Main Street. The estimate included front windows, front wall, stairs and the upstairs rooms. The remodel cost would be about \$79,000. Building Official Christensen mentioned the building needs a new roof. The frame on the roof needs to have additional roof supports.

Mayor Larsen asked Building Official Christensen if he anticipated the repair of the roof beam would be done this year. Building Official Christensen said he has spoken to Smith’s for a bid. If they can do the roof repairs, he recommends getting the work done. Heavy snow on the roof would cause a problem to the structure because the roof structure has been compromised.

Council Member Erickson was not sure if it would be worth spending the money on the upstairs. He would request to have the roof structure repaired. He mentioned the building may have mold and rot. The upstairs portion of the building is in poor condition to renovate into office space. It would be pouring good money into a bad situation.

Building Official Christensen said the bottom two items on the list: 1. Repair roof structure, 2. Re-roof outside roof; would need to be addressed. He indicated the City Counsel would not have to make a decision right now. We can simply take the repairs a step at a time; starting with the bottom part of the list first. There is no reason to rush into this; there are things that we must do now and evaluate the proposal as we move forward.

Council Member Stevens said we are not going to do this work in-house? Building Official Christensen said the roof repair would not be done in-house. Council Member Stevens suggested getting formal bids on the work. Building Official Christensen said there was \$500 for stairs, \$3,200 in framing and labor, and almost \$4,000 in demolition, etc.

Council Member Stevens and Building Official Christensen discussed the items on the list which costs should be in the ball park.

Council Member Mann moved to spend \$6,900 for repair of the roof structure and re-roof; Council Member Stevens seconded the motion; Discussion: Council Member Young did not want to spend any money on the building. Council Member Young asked Building Official Christensen if Eames' law office next door was in the same condition. It is possible; however, without cutting into the drywall, it is uncertain if the Eames' building is in the same condition. Council Member Young was concerned with fixing the city's side of the roof on a shared building without touching the other half. He suggested moving the people out of the building. Building Official Christensen reviewed the construction of the roof system. **Council Member Stevens** suggested maintaining the roof structure to protect the people in the building. There is four to six inches of sway in the roof system. Building Official Christensen explained someone has cut out some of the old trusses and put a beam between the remaining trusses. Two trusses on the end of the beam are now supporting an area where 10 trusses were originally installed. Building Official Christensen explained getting the roof system fixed is a matter of finding someone to do the work. All voted aye, none opposed. **The motion carried.**

City Council wanted to get bids on the proposed work. Building Official Christensen said it would be worse to leave the building in its current condition. Council Member Stevens said he would not develop the upstairs space; however, he would make it into attic space with the addition of insulation.

Council Member Schwendiman did not want to spend the money on upstairs space. Mayor Larsen said it was not good work space to utilize because it is better to keep the workforce together for efficiency.

C. Consultant "Federal Grant Writer/lobbyist" to produce and provide information to Federal employees and agencies concerning the City of Rexburg's needs.

Mr. John Harmer, is from Bountiful, Utah, representing a law firm in Washington D. C. known as the National Group. The law firm represents non profit entities chartered by the state and city for special purposes. The law firm deals with the federal congress for ear mark appropriations. Ear marks came about a little over ten years ago because small entities were getting a disproportionate amount of the appropriations. The smaller states got less while bigger state got more federal appropriations. Congress feels ear marked funds are spent more efficiently. The law firm also represents other entities in Idaho. Idaho Senator Craig asked John Harmer to approach Rexburg and BYU-I for a project with some synergy for both entities. The National Group will never tell a client they can get federal appropriations. The National Group averages a return of not less than five times the fees that are paid to them by their clients; however, the average is ten times the fee. They do not presume to tell the client what the project should be for the entities. If the City Council approves the proposal to use a consultant/lobbyist, the National Group will return in two weeks for a wish list from the city. The National Group will sort the list and suggest priorities on the list which will most likely succeed. After the priorities are decided, they prepare a briefing

document for two US Senators and a congressman from this district who are members of the appropriations committee. The National Group will deliver the approved briefing document to the elected officials in the district with a copy to the appropriations committee in mid January. An early submittal will put the wish list on top of the congressional list. In early May, the project would be reviewed in the congressional committee with the appropriations committee's markup list of their selections in late May or June. The approval range for requested items goes from none to all of the requested amounts. If responsible progress has been made on a prior congressional appropriation, the current ear mark request for the same project has a better chance of approval. After the appropriation committee finished their markup list, the markup list goes into the congressional appropriations bill.

Mr. Harmer asked the question: "Why pay National Group what the elected officials could do?" Mr. Harmer said it is because congressional elected official's staff is enormously over worked. He has worked in the federal buildings since he was a freshman in law school at Washington University in 1959. The staff members for congressional elected officials are at their desks by 7:00/7:30 A.M. in the morning to 8:30/9:00 P.M. in the evening. The National Group follows the requests through the system to report to their hiring entity. The National Group is constantly monitoring the ear mark list through the process for their employer. They can tell where the ear mark items are in the process on any day of the federal appropriations budget.

Council Member Benfield asked how long the contract would run. Mr. Harmer said the contract would only be for one year from December 15, 2006 to December 15, 2007. The contract amount would be \$5000 per month which is 50 percent of their typical fee.

Council Member Young asked why they cut the fee in half. Mr. Harmer said they want to go at half for a year to demonstrate their viability and make a good friend. If they demonstrated a five times return to the City of Rexburg the first year, they would request to move the fee up to \$7,500 as an incremental step the next year. The National Group will not make any money on the contract this year. Council Member Young asked if the City Council would have time to put together the city's wish list between now and the next time they meet. Mayor Larsen said that he felt the list could be put together during a work meeting. Mr. Harmer said they would be back to the City Council on December 14, 2006. .

Council Member Schwendiman wants the wish list first before he approves the contract.

Council Member Mann asked if ear marks were in trouble. Mr. Harmer said he could guarantee they are not in trouble. A major detractor is U.S. Senator John McCain (R-AZ). Senator McCain is opposed to ear marks. He is now in the minority; however, some of his colleges in favor of ear marks are now in the majority. Therefore, the atmosphere has improved for ear marks. In the past ten years the majority has drawn 60% of the ear mark money while the minority has drawn 40%. That is still the case; however, even though Idaho's senators are now in the minority, they are very powerful and they hold senior positions in congress.

Council Member Benfield made a list of priorities for the ear marks and she passed the list out to the City Council.

Council Member Schwendiman asked to get started on the wish list before approving the contract.

Mayor Larsen said we could have the discussion today. Council Member Erickson did not want to have the discussion today. He wanted to spend some time on the projects on site before the list is created. If the City Council can't come to an agreement, they don't have to sign the contract. It is more important to spend some time on the wish list.

Council Member Schwendiman asked if the city would be under any obligation to the National Group before the contract is signed. Mr. Harmer said no. The normal procedure

is to take the wish list back to Washington D. C. to review with the appropriations committees' staff to determine the viability of the entities wish list. If the Department of Commerce had a project in Idaho, the National Group would tell Department of Commerce there is an item on the ear mark wish list which would normally go through the Department of Commerce. They will make sure the Department of Commerce understands the ear mark on the wish list is going through the process sponsored by the Idaho senators, which will not impact the Department of Commerce's appropriations budget in Idaho. If City Council wants to proceed on the thought of "no commitment" until the contract is signed, it is ok; however, the longer the process is delayed, the more difficult to get at the head of the list.

Council Member Erickson asked if he would be back before the end of December with feedback on the wish list. Mr. Harmer said yes. The City Council can give an opinion on the list before the contract is signed. Mr. Harmer responded to the requests of Council Member Benfield and Council Member Schwendiman to have the list prepared before the contract is signed. The National Group can develop a wish list from the City Council's priorities before the contract is signed. It would be a more refined list if the contract was signed and the appropriations committee staff had an opportunity to review the list. The appropriations committee staff review to sort out the most likely projects to succeed for ear mark funding would take place after the contract is signed.

Council Member Stevens agreed with Council Member Schwendiman to hear what other Council Members would like to have on the wish list. The City Council could take 15 minutes to discuss the ideas of the City Council. A follow up meeting to finalize the wish list could be scheduled before Mr. Harmer comes back to Rexburg.

Council Member Young really liked Mr. Harmer; however, he does not believe in lobbyists. He is opposed to ear mark funds because they are indiscriminately dispersed. The funds should go to other areas of the federal budget (national debt) or to reduce taxes. If he was a believer, he would choose Mr. Harmer. He respected the Mayor's desire to seek funding for Rexburg. The funding would replace the need for a grant writer the city had at one time. He does not agree philosophically with the ear mark process. He would not be able to vote for the funding. He agreed to compile a list of priorities with alternative ways to fund the projects.

Mayor Larsen asked the City Council to spend fifteen minutes to discuss the priorities for the wish list. He would like to find money for roads. The city has received pass through funding from the federal government to build the south arterial in Rexburg. It is phase one of the 20 year transportation study. Mayor Larsen explained the city has been successful in obtaining federal appropriations over the last three years for the LP property. The 1st appropriation three years ago was for \$100,000; the 2nd appropriation last year was released by HUD for \$346,500; and the 3rd appropriation the city requested \$1,000,000 for this fiscal year and the city is on the appropriations docket for \$450,000. The appropriation request will pass through congress and it will be released through HUD. Mayor Larsen believes the appropriations committee is under the understanding Rexburg will apply for the rest of the \$1,000,000 request next year. The application and grant request will be written next year.

Mayor Larsen indicated in January the last appropriations request will be done for \$500,000. Mayor Larsen wants to continue with the final funding of the LP property. In addition, he mentioned Idaho Falls received funding for a regional waste water project last year. Rexburg is a regional sewer plant servicing Sugar City and Teton. The waste water treatment facility should also be on City Council's priority list.

Council Member Mann is concerned with water issues. He asked to have some long range planning of the Teton River. We should plan a long term study to take care of this resource.

Council Member Stevens wants emphasis on the roads, especially 7th South. He agrees with Council Member Young on a personal level to avoid hand outs from the federal government. As a City Council member, representing his constituents, he would support

increasing the city's investment with a five to ten times return. He referred to a discussion with building permit clerks from Idaho Falls and Ammon. Both Cities rely on ear mark funding from the federal government to sustain water and waste water development instead of impact fees. He would like to see if Rexburg could reduce the cost to the citizens for the development of water and waste water facilities by using ear mark funding.

Council Member Erickson said Rexburg has some real needs. The LP property may not make his top five on the wish list. 12th West will need improvements for two miles due to the proposed new high school. North on 2nd East has proposed growth of a large development that will need road development. Finally, annual maintenance on the roads within Rexburg needs to be done. Any funding for roads would free up existing funding for needed road maintenance.

Council Member Benfield agreed with Council Member Stevens. She would have roads first as a top priority; 7th South, 11th South, East Parkway, 2nd East, and 12th West. The Airport expansion and the waste water treatment plant were also on the top of her list. She did not include the LP property because of the funding source set up with the Redevelopment Agency for that area of the city. She did not want the LP request to detract from the request to fund the other priorities.

Mr. Harmer asked about the LP property and Mayor Larsen explained the property was purchased from a lumber company called Louisiana Pacific. The property improvements include a trials system along the Teton River.

Council Member Young visited with Congressman Raybould, who explained the Idaho cities water issues are in dire circumstances. Rexburg is at a point where a mandate may not allow city residents to water their lawns. The water in the aquifer is in short supply and the allowed uses may be restricted to domestic uses. He agreed with Council Member Mann to have an aquifer study to see where the city is going with the city's water supply. He had the same roads list as Council Member Benfield. The roads deserve the City Council's foremost attention. He agreed the recreational facilities at the LP property had been taken care of by the Rexburg Renewal Agency and the renewal district formed in the area.

Council Member Schwendiman agreed with the City Council's comments about the wish list. He concurred with roads being a priority on the wish list. There have been discussion to build the east belt loop near 1000 East for 25 years and it is still not done. He mentioned needing a second crossing over the Teton River. He felt that the City Council should sit down as a group and prioritize the roads like 7th South. He agreed with Council Member Young concerning the use of ear mark funding; however, if the money is available for the community, he would be supportive to request ear mark funding.

Mr. Harmer asked the population of Madison County. Mayor Larsen said there are 27,000 people in the city and the county has 35,000 to 40,000 people. Mr. Harmer said counties under 50,000 have some advantages in federal appropriations. He suggested a combination project to deal with pollution in the river, expansion of the airport on the north end and the waste water treatment plant. He recommended "one project" that would deal with pollution in the river, expansion of the airport runway and water treatment for the city. It would be helpful if the county endorsed the proposal to make a county wide proposal.

Council Member Schwendiman asked if it was harder to get money for roads than for other projects. Mr. Harmer said the highway funds are appropriated every six years. It takes 2-3 years to do preparation work on a highway project. You can get road money under a different category. He said it would not be easy; however, it is not impossible to get road money. It would be easier to have county endorsements; the broader the base the stronger the petition.

Mayor Larsen commented on the LP property. The first year the city received money from EPA. The second and third year it has come through HUD. He suggested moving forward

with the LP project without submitting another application. The appropriations committee is expecting the city to complete the request for the original funding amount. He thinks it would be a huge mistake to drop the funding request for the LP property before the final request has been submitted. Council Member Mann concurred with Mayor Larsen to continue with the LP funding. He did not want to limit how many hooks are thrown out into the stream. Let's not limit ourselves from possible funding sources. He agreed with having roads as a priority too.

Council Member Erickson said LP funding was obtained without a lobbyist. He recommended continuing the funding requests for the LP property with the congressional staff. The city needs someone with better expertise in getting additional funding for roads in Washington D. C. Mayor Larsen concurred to continue the LP property funding with the congressional staff.

Council Member Young said the money would not be for bricks and mortar. Should the university be involved in the request for a lobbyist?

Attorney Richard Smith said the university is very supportive of the city and the current administration dealing with this funding; however, the university will not participate in the lobbyist proposal. It would jeopardize their Title Nine (9) status as a private educational entity. They will not be involved in seeking federal funding. They are working with the city on other issues to help offset cost like the Fire Department, 7th South, etc. They can not be a sponsor for a lobbyist. Council Member Stevens understands and appreciates the university's position.

Mayor Larsen asked how the Council would like to proceed.

Council Member Erickson moved to give a temporary ok on the contract with the stipulation the City Council spends some time to arrive at a consensus on the City Council for three or four projects. It should not be a laundry list but maybe four or a maximum of five projects. If Mr. Harmer thinks the projects are doable, it would be worth approving the one year contract; Council Member Stevens seconded the motion with the comment the City Council's big priority should focus on roads. Mayor Larsen called for a vote:

Those voting aye

Donna Benfield
Christopher Mann
Rex Erickson
Randy Schwendiman
Bart Stevens

Those voting nay

Farrell Young

The motion carried.

Mayor Larsen asked to have their wish list emailed to the city clerk to share with each City Council member before the next meeting.

Council Member Erickson asked for a date for a meeting to review the wish list.

Mr. Harmer said the National Group will be here in this area Dec 11 – Dec 14. They have a December 13, 2006 meeting in Idaho Falls. They will be available for Rexburg on December 15 and half of the 16th of December.

The City Council agreed to have a meeting scheduled for December 11, 2006 at 7:00 A.M to discuss the wish list.

Executive Session: – Pursuant to State Statute 67-2345

Public Works Director Millar asked the City Council to go into executive session to discuss possible litigation. **Mayor Larsen** asked City Council for a motion to go into executive session due to possible litigation.

Council Member Erickson moved to go into executive session pursuant to State Statute 67-2345; Council Member Mann seconded the motion; Mayor Larsen called for a roll call vote:

Those voting aye

Donna Benfield
Farrell Young
Rex Erickson
Christopher Mann
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