

City Council Meeting

November 19, 2008

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CITY OF
REXBURG
America's Family Community

November 19, 2008

Mayor Shawn Larsen

Council Members:

Christopher Mann – Council President
Rex Erickson Randy Schwendiman
Bart Steven Richard Woodland
Adam Stout

City Staff:

Stephen Zollinger – City Attorney
Richard Horner – Finance Officer
John Millar – Public Works Director
Val Christensen – Building Official
Blair Kay – City Clerk

7:00 P.M. City Hall – Pledge to the Flag

Roll Call of Council Members:

Attending: Council Member Stevens, Council Member Erickson, Council Member Schwendiman; Council Member Stout; and Mayor Larsen.

Council Member Woodland will arrive soon; Council Member Mann asked to be excused from this meeting.

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

Scouts were welcomed. All scouts were working on either a communications or citizenship in the community merit badge. Mayor Larsen stated that in the back of the room there was a handout on city government that could prove to be beneficial for the scouts' use.

Mayor Larsen welcomed all students in attendance.

Council Member Woodland joined the meeting.

Presentations:

1. Williams Engineering Presentation

Williams Engineering presented an overhead review of their company. They deal with modeling and calibration of water systems. They do transportation projects, storm water master plans, along with other civil engineering jobs. He discussed various projects they have completed in the Rexburg area, Utah, and Colorado. They have only been officially doing work in Madison County for three years. Currently their local jobs consist of the following projects: Three in Madison County, two in Preston, and two in Ammon which consist of flood plane delineation.

Mayor Larsen mentioned they are a Rexburg company. They could be a resource for city water projects.

Committee Liaison Assignments for 2008:

A. Council Member Chris Mann *Museum Committee · Beautification Committee · Emergency Services Board*

Council Member Mann was excused.

B. Council Member Rex Erickson *Golf Board · Planning & Zoning · Rexburg Redevelopment Agency*

Council Member Erickson did not have a report. The Redevelopment Agency will meet Friday.

C. Council Member Bart Stevens *Airport Board · Romance Theatre Committee · MYAB · School Board*

Council Member Stevens reported the Romance Theatre Committee has a new chairman. Auditions for Upper Valley Idol are currently taking place. The Warren Miller movie brought in about \$1,500. MYAB

kicked off the “Shop with a cop” program. Council Member Stevens mentioned a three minute DVD about “Shop with a cop” which he showed at the City Council meeting. The film showed the happy faces of those children involved in the “Shop with a cop” program. Christmas trees with suggested present tags are placed in strategic locations around the city for donations.

Mayor Larsen mentioned there would be coin jars placed at various businesses with the “Shop with a cop” logo on them for donations.

D. Council Member Randy Schwendiman *Parks & Recreation · Traffic & Safety Committee*

Council Member Schwendiman indicated Chris Moore had resigned from the Parks and Recreation Committee. The recreation programs are going well. He said there was a street light out at 2nd East and 7th South.

E. Council Member Richard Woodland *Rexburg Arts Council · IBC Committee · Tabernacle Civic Center*

Council Member Woodland reported on the Arts Council publication. It was nicely done. The Arts Council is involved in fund raising activities.

F. Council Member Adam Stout *Legacy Flight Museum · Trails of Madison County*
Nothing to report.

Public Hearings:

1. 8:00 P.M. Local Improvement District (LID 36) Final Assessment Roll – Staff
(Property owners located on 2nd West from Main Street to 4th South, Sunrise Drive, 4th North and 3rd East and add on properties)

City Engineer Keith Davidson reviewed the LID 36 package. He stated LID 36 consists of projects from:

1. 2nd West from Main Street to the round-about;
2. 4th North by Cal Ranch;
3. 3rd East;
4. Sunrise Drive;
5. Two additional properties voluntarily added on to this LID.

These properties adjacent to Sunrise Drive have some costs associated with the curb and gutter adjacent to these properties connecting to Sunrise Drive. The questions of the cost for curb and gutter for four properties was discussed. It was understood from previous discussions the city would pay for a portion of the project and that the property owners would pay for the curb and gutter; however, in meetings discussing the retaining wall on Sunrise Drive, the property owners had the impression the city was responsible for paying for the entire curb and gutter and they were only responsible for the sidewalks.

Council Member Stevens asked if the sidewalks include the area directly in front of their homes as well. City Engineer Keith Davidson stated that it does. He stated the previous concern about the responsibility of the home owners to pay for the curb and gutter or is the city responsible.

Council Member Woodland stated his recollection of the meeting was the homeowners would pay for the sidewalk and the city would pay for the curb and gutter, and the retaining wall.

Mayor Larsen opened the hearing for public testimony:

Bruce and Wendy Cook at 1020 Hillview Drive thanked the City Council for bringing this project to a conclusion after two years. Mayor Larsen asked how the project turned out in their opinions. They both stated that it was a wonderful project and they really appreciate it.

John and Kirsten Rector at 1025 Hillview Drive thanked the City Council for making the best out of a bad situation.

Lindsey Lundholm representing Horizon Realty Advisors and Rexburg Housing on 2nd West stated she was concerned with cost issues and payment timing. Their properties take up a large part of the

road in this area. She was concerned with the timely manner of the billing. The project lasted for two years. They received written notification of the improvements and costs on February 5, 2007 and the improvements took place in July and August, 2007. Nearly 20 months after the initial contact from the city, they received the billing. She expected timely invoices after the work was completed. She asked for a concession on the billing due to the late billing, plus extending the due date to January of 2009. This will allow time to budget for the expense.

Council Member Schwendiman asked if the billing would be paid monthly or in one payment. Lindsey stated it could be paid monthly, but she is not certain.

Mayor Larsen said the bill could put it on the LID for monthly payments or they could pay the total cost in January. He would support the January payment. Council Member Erickson agreed with the payment extension. He would be in favor of a lump sum payment. Council Member Schwendiman would support a January payment.

Deputy Finance Officer Matt Nielson explained the 20 month period was due to projects being completed over the two year period after the city sent out the actual estimate letters. Council Member Erickson asked if there was a reason why they wouldn't bill the customer when the work was done. Deputy Finance Officer Nielson explained the billings can't be done until the City Council approves the final assessment for the LID. City Attorney Zollinger explained the last LID was delayed due to some of the projects waiting for completion. The City Council can't approve the LID final assessment until the entire project is complete. The discussion was the city should have notified the property owner of the anticipated costs when those cost became available. The problem concerned the LID (Local Improvement District) laws. The city can't send out a bill until the entire project is closed. The projects were under one LID; however, the problem was these projects took over two years to complete. Council Member Erickson said the property owner should have been notified of the costs when the general contractor was paid. City Attorney Zollinger agreed the city should have notified them of the costs when the work was completed.

Council Member Stevens reviewed the reasons for having such a large LID. He stated the city could have told the property owners how much they owed, but we couldn't tell them when it was due because the city had no idea until the project officially closed. City Attorney Zollinger explained the appropriate legal answer is to say the city apologizes for not conveying the cost information to the property owner in a timely manner so the property owners could budget for the expense.

Finance Officer Horner said they could give a 60 day extension. Mayor Larsen said the interest will be backed out to meet prior discussions with a January due date. Council Member Stout asked if there were other complaints. Deputy Finance Officer Nielson stated that there were a few. Mayor Larsen explained prior discussions indicated the interest would not be charged for late billings. City Attorney Zollinger explained if the property owner had not been notified in a timely manner of the billing and incurred interest so they could have an opportunity to pay it, the interest could be taken off. The City Council discussed removing some of the accrued interest from the billing.

Finance Officer Horner explained a reasonable time period for interest should be 4-6 months (maximum interest period).

Mayor Larsen asked for consensus on the interest time period. Finance Officer Horner explained that it was 4-6 months at the most.

Bill Moss at 410 Partridge Lane stated it is unfair to charge a person interest or give them a deadline when they have not yet received a bill for what has been spent. He thinks it is a courtesy that should be extended to everyone.

Mayor Larsen closed the public testimony

Council Member Stevens stepped down from the Dias due to a perceived conflict of interest.

Mayor Larsen asked City Attorney Zollinger if by law the city has the right to charge interest. City Attorney Zollinger stated that legally the city would be allowed to charge all of the interest. This is all due to the fact that an initial notice was sent out telling all of the property owners they can chose

to opt out at the initial public hearing. If the property owner doesn't opt out, they are subject to be charged interest on everything.

Finance Officer Horner explained some of the LID participants asked to be added to the project expecting to pay the interest. Deputy Finance Officer Nielson said over \$130,000 of work was on the LID from property owners who signed a waiver expecting to pay the interest.

Council Member Schwendiman was concerned with treating anyone differently. Council Member Stout was concurred the city should do the interest forgiveness across the board.

Mayor Larsen asked what the financial impact would be to hold the interest period to four months. Deputy Finance Officer Nielson said it would probably be about \$10,000 or \$11,000 in lost interest.

Council Member Schwendiman moved to suspend the rules for the reading of BILL 1015; Council Member Woodland seconded the motion. Council Member Stout was in favor of pushing the due date back to January for all property owners in the LID. City Attorney Zollinger said the Finance Officer pointed out only one participant in the LID requested a delayed. He suggested giving only one extension to the due date to meet the requestors budgeting cycle. Most of the property owners are individuals, not corporations with budget cycles. Roll call vote:

Those voting aye

Council Member Erickson
Council Member Schwendiman
Council Member Woodland

Those voting nay

Council Member Stout

The motion to suspend the rules for BILL 1015 carried.

Council Member Schwendiman moved to approve and final read BILL 1015 (Local Improvement District 36 Final Assessment Roll) with the exception of Sunrise Drive where the city will cover the cost of curb and gutter for four property owners, the interest period for every property owner will be four months, and Rexburg Housing will have an extension to January 2009, to pay their LID expenses; Council Member Woodland seconded the motion; all voted aye, none opposed. **The motion carried.**

(Five minute break)

Council Member Stevens rejoined the City Council on the DIAS.

New Business:

Erikson Property 36 Acre annexation request at 1022 and 1040 West Main Street - Staff

Mayor Larsen stated this item is to give the City Council a heads up before the request is put on the Planning and Zoning agenda. The request will come before City Council again in a future meeting. The property was reviewed on the overhead screen as well as the areas that are seeking to be annexed. The property is on the west side of Hwy 20. Mayor Larsen asked the City Council to give some direction to the Planning Department.

Council Member Stevens asked if the property has ground water or surface water rights. Public Works Director Millar stated the applicant has surface water rights. Council Member Stevens asked if there will be any ability to obtain permits. No. Council Member Schwendiman mentioned the City Council should keep the water issue in mind with this proposal.

Planning and Zoning Administrator Leikness reviewed the zoning. Council Member Erickson reviewed the land ownership in the area. They discussed which areas on the overhead map were commercial. Mayor Larsen asked to have the business on Main Street and other neighboring properties contacted.

Council Member Schwendiman was concerned with additional traffic by the Hwy 33 Interchange. Other City Council members agreed this is a concern.

Staff Reports:

A. Public Works: John Millar

Public Works Director Millar stated that the new water line on Barney Dairy Road has been started and it is going very well; the crew currently has about 300 feet of piping; also, additional signage and striping (fog line) was completed on 2nd West by 1st South. Other crosswalks have been painted. He also stated that the project on 7th South from 2nd West to 4th West is complete.

Council Member Erickson stated that he thought that the city had an “okay” from Gale Harding to move past his place with this project. Public Works Director Millar stated they did not have the right away or the budget to do that.

Public Works Director Millar stated that they bid a small project for additional catch basins. The low bid was about \$15,000; it is to be completed by Friday.

Mayor Larsen said that he met with **Blake Rindlisbacher** from the Idaho Transportation Department to discuss two projects:

1. The Lighting on Main Street Hwy 20 Interchange. **Public Works Director Millar** stated that this consists of about sixteen street lights. North and South Interchange lighting is pending as budgets become available.
2. The Main Street project is still on the discussion table for ITD support.

Council Member Erickson stated that he was driving on 1st South near the church, and noticed that on 2nd West some of the temporary signs have been moved around. Public Works Director Millar stated that soon there will be florescent green signs coming to replace temp signs.

Council Member Woodland was concerned that the flashing yellow lights are not always on when pedestrians cross near Taco Time.

B. Finance Department: Finance Officer Horner

1. Revenue Projection Chart:

Finance Officer Horner presented a graph (Sales Tax, Franchise Fees, Property Tax, and other revenues) on budgeted city revenue from the State of Idaho for fiscal year 2009. The 2009 fiscal year starts October 01, 2008. He visited with Michael H. Ferguson, the state’s chief economist, concerning sales tax revenue and Douglas Hancey, who allocates the gas tax from the state. The sales tax revenue from the state of Idaho could have a shortfall of 5% to 10%. A 10% shortfall would be \$118,000 out of the city’s general fund budget of 6.5 million. The weakness in the economy is the reason for the projected shortfall. Contingency monies of \$197,000 have been set aside in the city’s sales tax fund.

Mayor Larsen stated that when the fuel budget was set, it was based on gas costing about \$4.00 per gallon. The 30% increase in the gas budget has been rolled back and this money will be moved to the city’s general fund budget; this should work out to be about \$10,000 to \$35,000 under the current gas prices. If the city has the \$118,000 shortfall in sales tax revenue, it could be covered by contingency money. He also stated the revenue report from the state will be in at the end of January. Each city department will hold off on any capital purchases over \$5,000 in the general fund until the revenue report is received.

Council Member Schwendiman reported the projected reduction in miles driven nationwide is 100 billion miles compared to last year. Finance Officer Horner said Douglas Hancey from the state projected a 2.6 percent decrease in the state gas tax revenue or about a \$45,000 decrease for Rexburg’s gas tax revenue which would impact the city’s street budget. The city’s growth numbers over the previous year will increase

the gas tax allocation from the state by a couple of percentage points to offset the reduction caused by fewer miles driven.

Council Member Erickson discussed the property tax revenue projections. He asked if the city real estate taxes are being downgraded with the trending down of the property values. Finance Officer Horner explained the homes valued at \$250,000 or more may be affected; however, the normal home may not see devaluation. Council Member Erickson was concerned with the possible devaluation of property affecting the property tax revenue for the city. City Attorney Zollinger said the cancelation of taxes by the county would affect the city's property tax revenue; otherwise the county would maintain the same total property tax amount.

Council Member Schwendiman explained how the total county tax would remain stable even though some properties may go down in value, which would increase the levy rate for other properties. The law allows a 3% raise in the levy rate each year. Council Member Erickson expressed he would much rather the city be careful with their money and end up with a surplus rather than a deficit.

2. Employee Wellness Report

Finance Officer Horner introduced Porter Talbot from Archibald Insurance to explain the employee insurance program. He explained the Cafeteria Plan offered is exactly the same as the one currently in place. The new deductible for the health insurance will be \$2000/single and \$4000/family. The city will no longer have a buy down for deductible; the employee will be responsible to pay it. The new HRA (Health Reimbursement Arrangement) will allow the employee up to \$1,200 from the reimbursement account for the deductible. After the HRA contribution, the employee's share of deductible will remain the same at \$800/single and \$1600/family. The employee's balance in the HRA account can be used for current medical expenses or saved for medical expenses in later years or after retirement. An annual physical is required for full payment in the reimbursement account. The spouse would be part of the program. The physician will apply for payment to Blue Cross for the physicals. The incentive is to have employees and spouses get an annual physical in order to get all of the benefits and the physical would detect sickness early. The employee will receive \$120 for themselves and \$120 for their spouse in the HRA once their physicals are completed. This would bring the HRA contribution of \$1,080 per individual up to a maximum of \$1200 each (employee and spouse) or \$2400 for a family in the next plan year beginning in January. The plan has been reviewed by the employee committee. Starting January 01, 2009 the employee can elect to be given a debit card to pay for qualified medical expenses that will draw from the health savings account (HSA) and/or HRA.

Porter Talbot thanked the city for allowing Archibald Insurance to continue as the broker for health insurance. They have reduced the compensation fee and added additional services for the city. They added an internet site (A service usually valued at about \$1,500) for employees to access all of their medical forms, service providers, and benefits. The cafeteria plan and HRA plan will be administered by a 3rd party, National Benefits Services. Also, everyone can elect to get a smart card that works like a debit card that works for Flex spending accounts and health reimbursement arrangements. It can be used in approved local stores when purchasing health care items. This new plan will help prevent large insurance claims by catching health issues earlier and making the employee make wiser medical decisions. Also, an additional service they will provide is called the Proactive Healthy Employer. Rexburg is setting an example in Idaho by using a "Wellness Program for employees". They will help out by providing: gym bags, water bottles, and iPods to help employees stay healthy. Archibald Insurance has lowered their administrative costs \$6,000 and Porter stated this would be indefinite.

Council Member Schwendiman asked if there was any cost savings to the city. Finance Officer Horner said it is about an even cost for the two programs. It is a great program to provide incentives to the employees and their spouses to get preventative medical care.

Calendared Bills and Tabled Items:

A. BILL Introductions: - NONE

B. First Reading: Those items which are being introduced for first reading. – NONE

C. Second Reading: Those items which have been first read.

1. **BILL 1014 Amending Ordinance 911** for “Towing and Parking Enforcement”

Mayor Larsen asked the City Council to delay the 2nd reading to allow interested parties to come up with a solution to the ongoing issues. Once these issues have been resolved, they can be presented to the City Council. The city does have Ordinance 911 on the books for towing and booting. A number of people have expressed concerns with the proposed changes to Ordinance 911; therefore, Mayor Larsen asked the City Council to table BILL 1014 concerning amendments to Ordinance 911 to a future meeting. He asked the City Council to give direction to the interested parties to meet together and come up with some proposed solutions to bring back to City Council.

Council Member Schwendiman moved to table BILL 1014 concerning amendments to Ordinance 911; Council Member Erickson seconded the motion; Discussion: Council Member Erickson said it should be removed from the agenda indefinitely until the parties involved come up with a solution. Mayor Larsen asked interested parties to sign up on a sign-up sheet so they can be notified of future actions on the towing and booting issue. 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:

1. **RESOLUTION 2008 – 19** (Adoption of Comprehensive Plan 2020)

Mayor Larsen introduced Resolution 2008 – 19 for the adoption of the Comprehensive Plan 2020 and he asked if there were any changes or corrections to the draft Comprehensive Plan 2020. The draft Comprehensive Plan is adopted by passing Resolution 2008-19.

Council Member Woodland indicated there were some miss spelled words needing to be corrected. Otherwise, the City Council agreed the updates and corrections requested in previous City Council meetings to the draft Comprehensive Plan had been addressed.

Council Member Erickson moved to approve Resolution 2008-19 adopting the Comprehensive Plan 2020 with typo cleanup per Council Member Woodland; Council Member Stout seconded the motion; all voted aye, none opposed. The motion carried.

Mayor Larsen and Council Member Erickson explained it had been a good process to update the Comprehensive Plan.

Mayor Larsen asked Planning and Zoning Administrator Leikness to move forward with the appropriate changes to Ordinance 926 to bring it in line with the new Comprehensive Plan.

Mayor’s Report:

- A. T-Mobile contract extending the communications tower behind the police station

Public Works Director Millar reviewed a pending contract with “T-Mobile West Corporation” (A Delaware corporation at 2625 S. Plaza Drive, Suite 400, Tempe, Arizona 85282). He reported the existing communication tower behind the police station came from a previous occupant (Utah Power and Light Company) when the city purchased the property. The city uses the tower for police and public works radio communications.

T-Mobile has asked to change out the tower to a mono pole and increase the height of the facility to about 75 feet. T-Mobile would move the city’s equipment into the south side of the

communications building and their equipment would utilize the north end of the communications building. T-Mobile will cover all costs including the costs to relocate city equipment. If the city needs to add additional equipment to the pole, T-Mobile has agreed to accept the additional equipment. The proposed lease is \$1,500 per month totaling \$18,000 per year. Public Works Director Millar asked the City Council to give Mayor Larsen signing authority for the proposed lease. The height of the tower would be increased about 30 feet.

Mayor Larsen said it would benefit public safety. The sheriff's department and the 911 dispatch center have been contacted. The 700 megahertz radios will have increased range in the city's jurisdiction. Planning and Zoning Administrator Leikness was asked if the tower would be allowed in the zone. He stated it is a public facility which is allowed because it is under the city's control.

Council Member Stevens asked to have the revenue deposited into the contingency fund. Public Works Director Millar indicated some communication building expense will be required for a heater and a wall unit air conditioner at a cost of about \$500.00.

Council Member Stout asked how long is the contract would last?

It is a five year contract with an annual renewal clause. The escalation rate is 3% per annum. If T-Mobile pulls out of the contract, the tower (pole) would be retained by the City of Rexburg.

Council Member Stout moved to authorize Mayor Larsen to sign the T-Mobile contract with the condition the revenue would go into the city's contingency fund; Council Member Schwendiman seconded the motion; all voted aye, none opposed. **The motion carried.**

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.

Minutes:

- A. November 05, 2008 meeting
- B. Approve the City of Rexburg Bills

Council Member Erickson moved to approve the Consent Calendar; Council Member Stout seconded the motion; all voted aye, none opposed. **The motion carried.**

Adjournment

Shawn Larsen
Mayor

Attest:

Blair D. Kay
City Clerk