

City Council Meeting

August 19, 2015

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CITY OF
REXBURG
America's Family Community

August 19, 2015

Mayor Richard Woodland

Council Members:

President Sally Smith Jordan Busby

Donna Benfield Jerry Merrill

Christopher Mann Brad Wolfe

City Staff:

Stephen Zollinger – City Attorney

Matt Nielson – Finance Officer

Blair D. Kay – City Clerk

John Millar – Public Works Director

Val Christensen – Community Development Director

Scott Johnson – Economic Development Director

5:00 P.M. Budget Asset Allocation Discussion

Cultural Development Administrator Daniel Torres from the Economic Department presented a proposal to have a Historical Buildings Committee. He proposed to have a Historical Building Committee to oversee the care of the city venues. He recommended having City Council and Staff representation on the committee. Currently the City Council Liaison group consists of Jerry Merrill, Donna Benfield and Sally Smith. Staff members would include John Millar, Keith Davidson, Val Christensen, Scott Johnson, Matt Nielson, and the new Cultural Director/Museum Curator. Community volunteers would make up the rest of the Historical Building Committee.

Cultural Development Administrator Torres asked City Council to continue the discussion September 02, 2015 at the next City Council meeting starting at 5:30 P.M... The City Council will review the proposal to have a Historical Buildings Committee with more discussion at the next meeting of City Council.



CITY OF
REXBURG
America's Family Community



**473 Square Miles
of Idaho Beauty**

August 19, 2015 at 5:30 P.M. Joint Meeting: with the Madison County Commissioners

A. Rexburg/Madison County "Airport Master Plan"

City of Rexburg

Attending: Council President Smith, Council Member Benfield, Council Member Wolfe, Council Member Busby, Council Member Merrill and Mayor Woodland.

Council Member Mann asked to be excused.

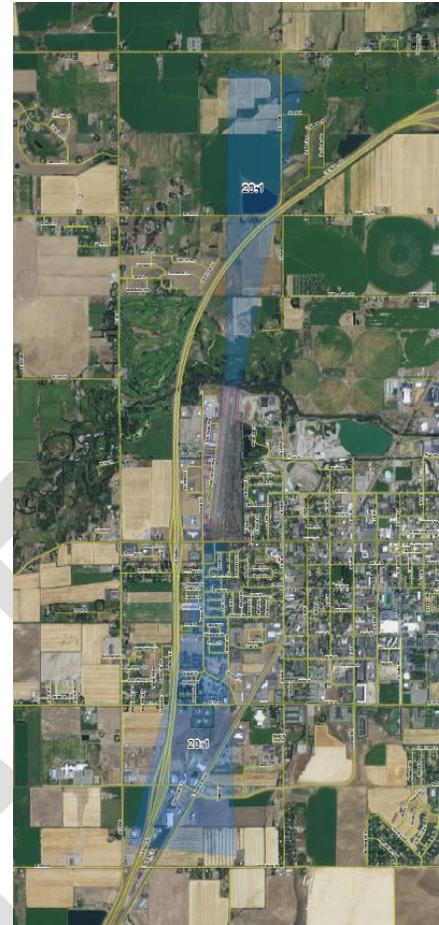
Madison County

Attending: Commissioner Todd Smith and Commissioner Jon Weber.

Commissioner Kimber Ricks asked to be excused.

City Engineer Keith Davidson introduced Rick Patton from GDA Engineers to present the Rexburg/Madison County Airport Master Plan Study. He referred to a discussion with a BYU-I employee concerning quad copters (drones). FAA drones are a different size; this discussion is more related to quad copters or smaller drones.

City Engineer Davidson mentioned the drone policy from FAA restricts flying drones within a five mile radius of an airport. People flying drones have to get permission to fly in the area of an airport; so, the city does not want to be taking calls to fly drones in Rexburg. He reviewed an overhead picture where the recreational aircraft (drones) would not be allowed to fly in the approach slopes (*blue area*) to the airport (*provided by the Airport Board*) where planes come into the airport and fly out of the airport. The recreational aircraft (drones) need to be below 400 feet in elevation to avoid air traffic flying in and out of the airport at 500 foot. They are seeking approval for the restricted zone by a resolution or ordinance to provide the public needed information concerning the flying of recreational aircraft in Rexburg. This proposal has been approved by the Airport Board too.



Rick Patton with GDA Engineers presented the issue of recreational drones being restricted by the FAA. It would probably apply to recreational aircraft being launched from the airport too. He indicated they have a web site to review the Rexburg Airport Study and associated discussion files. You can go to www.gdaengineers.com for more information and register with a logon to get future emails to receive meeting dates and times, etc.

County Commissioner Weber indicated there are other airport entities having the same issues; information may be available from these entities too.

Rick Patton indicated the FAA has only recently come out with drone language; they also require professional photographers to register and follow FAA regulations. The photographer's restrictions would include any pictures taken within a five mile radius of the Airport; this would include all of Rexburg. If you sell the pictures, you would fall under this restriction which would include real estate pictures for real estate transactions. People taking these pictures should be calling the Airport Board for approval. The Airport Board is proposing to follow the FAA regulations for airport security.

City Engineer Davidson said this is a start to have a drone policy that can be modified in the future as more experience is obtained.

City Engineer Davidson presented the Airport Master Plan. There were two proposals from the Airport Board:

1. Extend the runway at the current location.
2. Relocate the runway.

Note: *(The Airport Board recommended expanding the runway by relocating the airport.)*

David Taylor from the Airport Board explained the buffers needed to comply with FAA standards for airport security for extending the runway is prohibitive in the current location. The hangers are too close together and the houses are too close to the airport. He wants to do the right thing for the community. He explained that jets traveling at a B1 speed of 140 knots could have many issues like sucking in birds, etc.

(Knots is how the speed of aircraft and boats is measured. Both miles per hour and knots are a speed which is the number of units of distance that is covered for a certain amount of time.)

1 knot = 1 nautical mile per hour = 6076 feet per hour

1 mph = 1 mile per hour = 5280 feet per hour

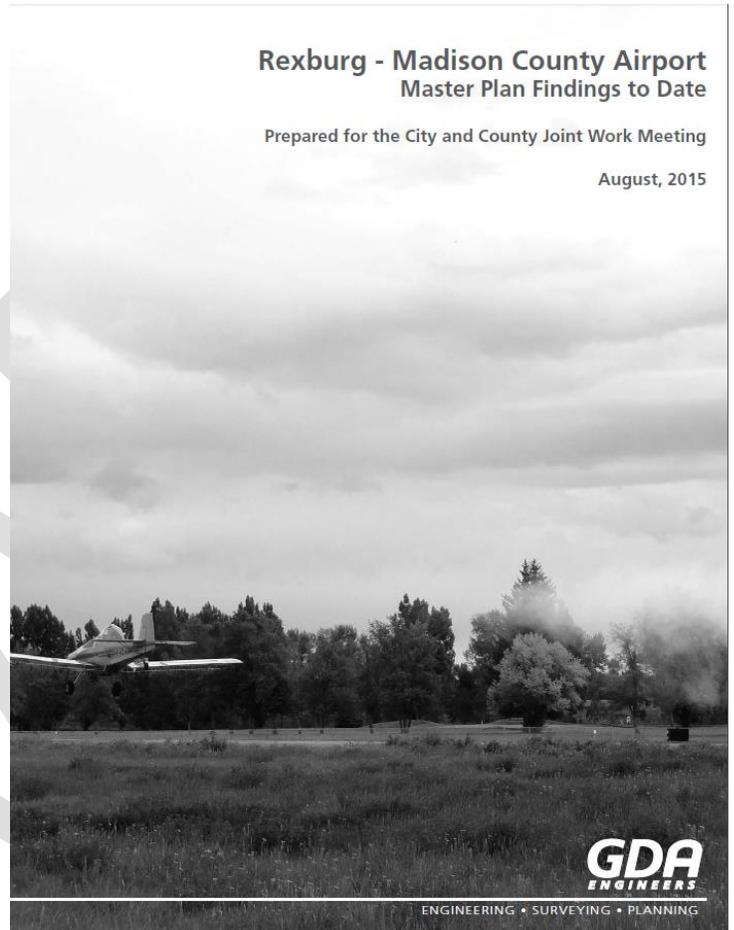
The down side is the investments in the current facility. The county, city, and airport hangar owners have significant investments of around a million dollars in the airport that will be defined as junk if the airport is moved. He wants people to look back in thirty years and say “they did the right thing for the community.”

The choice is staying the same as we are now “or” increasing the size of the runway for future community growth by allowing the business world to have an airport resource that will allow them to come and go for business purposes.

Council Member Smith said the community is in favor of moving the airport when they went through the Envision Madison process. They have talked about moving the airport for a long time.

Economic Development Director Scott Johnson said surveys from Envision Madison indicated by a 75% margin that the public would support moving the airport to allow access to more business traffic which would include business jet traffic.

David Taylor indicated the airport is a conduit which would allow the community to grow. Other items including schools and roads are needed to allow our community to grow. He referred to St. George Airport as an example of moving the airport out of town; however, development began to appear around the airport causing growth in the City of St. George. Denver is another example of an airport built out of town.



Rick Patton spent some time talking about the Airport Master Plan. Business jets want to come into the airport; however, they just can't due to safety because of the proximity to the river, etc. There is a constrained site and an unconstrained site. Rexburg's airport is in a constrained site due to roads, houses, and the river. Aircraft look different in a constrained site verses an unconstrained site. They have received five letters of intent to bring larger aircraft into the airport if it is extended. These are jets that bring in movers and shakers to do business in Rexburg.



To get letters in writing on company letterhead is very unusual; it is incredible, it is just a stepping stone. Usually, we may get one email endorsing a project. There are people out there that are serious about using the airport to bring in business to Rexburg. It really shows a line out there of what you have now and what you could have with business access to the airport. The inventory study shows the existing airport can be built to be very safe for the existing traffic.

There is a daily use cargo aircraft (B1) using the airport now. A (B1) aircraft is in a certain approach category with a certain wing span.

The identified critical aircraft for the current Rexburg-Madison County Airport is the Beechcraft C99 (ARC B-1), a twin-engine turbo prop that flies in and out of the airport on a daily basis. The empty weight of a C99 is approximately 5,500 lbs and the maximum takeoff weight is 11,300 lbs. This aircraft hauls light cargo for the community.



Wing span separation and runway length are the defining factors for aircraft to use an airport. Weather factors also play a part in the pilot's decision to use an airport runway or not on a certain day. The type of aircraft the University wants to use and other businessmen want to use requires a longer runway.

We are at the point of making a decision of looking for serving the needs of an unconstrained airport or continue to use a constrained airport. A new airport would need up to 650 acres for appropriate separations.

David Taylor indicated the elevation of Rexburg is at about 5,000 feet which requires a longer runway due to the thin air. The weather gets worse as you go north from Rexburg. Two miles north of Rexburg has more snow in the winter; there is a lot of difference just north of Rexburg.

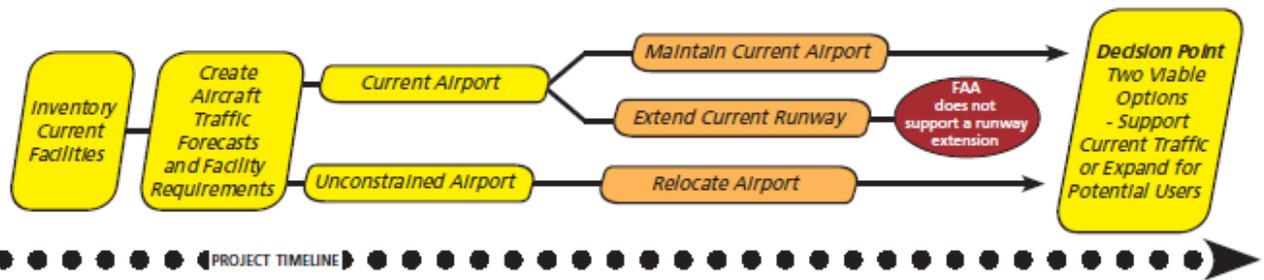
Council Member Busby reviewed the 15 mile constraints. David Taylor said there are suitable locations for a new airport. The plan is not to compete with the Idaho Falls Airport; it is to provide a place for new businesses to come to Rexburg in a plane. We are like Provo in our infancy.

Rick Patton said we need to design the airport for B2 aircraft which requires a 75 foot wide runway for light business aircraft. Council Member Merrill asked what types of aircraft are envisioned in 30 to 50 years. Will we need a longer runway or will the aircraft need a shorter runway?

Rick Patton said we want to plan for the future growth of the aircraft industry for B2 aircraft with a load of 75,000 lbs. and plan for the next generation (C2) of aircraft. The airport owners would need to set the criteria and parameters; then go look for a site. FAA would not fund the extension of the current runway. Airport revenue from the transition would need to go into the new airport.

INTRODUCTION

The Airport Master Plan for the Rexburg-Madison County Airport has reached a decision point. A resolution must be passed by the Rexburg City Council and Madison County Commissioners to direct the project's future work. To date, the inventory, forecast of aviation activity, facility requirements, and development alternatives have been completed. This handout will quickly summarize the findings to help inform key stakeholders and decision makers.



There are multiple advantages and disadvantages for both development alternatives. By selecting one alternative, the other is not necessarily discounted. For example, if the community opts to explore relocating the airport but no suitable site can be found, then the other option of maintaining the current airport will be pursued. Additionally, if the community opts to pursue relocating the airport, in the interim the current airport will still be required to work towards meeting Federal Aviation Administration (FAA) standards as relocation is a long process. Any alternative of moving the airport will always be compared to the baseline option of the existing airport.

Maintain Current Airport

Improve current airport for constrained forecast. Maintain existing runway length, make improvements to meet FAA Aircraft Reference Code (ARC) B-I, Small Aircraft Design Standards within current airport property. Major improvements for this alternative would include rehabilitation or reconstruction of the entire runway, removal of multiple taxiway connectors, mitigation of numerous Part 77 obstructions (mainly fencing, terrain, and trees), and removal of tie-downs on south apron and new markings to meet FAA Design Standards.

ADVANTAGES

- Substantially lower development costs
- No additional land needed
- No environmental studies necessary
- No added social impacts
- Maintains close proximity to town
- Private and public investment is maintained

DISADVANTAGES

- Meets the needs of current users only
- Does not promote economic impact to the community
- Nearing full capacity of 100 based aircraft (presently at 88)

Relocate Airport

Relocate airport to an alternative site that accommodates additional runway length and FAA ARC B-II, Large Aircraft Design Standards. Initial length (6,130 feet) would likely accommodate at least 100% of the small aircraft fleet. Final runway length would depend on federal funding available. A new site for relocation would need to be at least 450 acres for facility and protection areas. The FAA will require that all public investment in the current airport be transferred to the new airport. This investment can be used as match against new federal funds as well as most in eligible costs associated with the relocation.

ADVANTAGES

- Would meet the needs of current and future users
- Would promote economic impact to the community
- Would provide ability to plan and develop a new facility to standards with recommended runway length and room for future expansion
- Would facilitate development of a better instrument approach capabilities

DISADVANTAGES

- Substantially higher development costs
- Additional land needed
- Environmental studies required
- Significant social impacts
- Would likely be farther from town

Rexburg-Madison County Airport (RXE)

David Taylor said FAA is listening to see if the community moves forward with plans for a new airport.

City Engineer Davidson explained the current upgrades needed at the current airport include shoulder grading; even cutting down trees at the golf course where they are in the airspace of the airport.

David Taylor said the FAA is listening to the airport planning for the future; either move forward with a plan to comply with the FAA regulations or the FAA will move the funding to another location.

CRITICAL AIRCRAFT

The forecast completed for Rexburg-Madison County Airport determined the most demanding aircraft using the current airport and the potential most demanding aircraft at a new airport site. These aircraft are referred to as the critical aircraft. The FAA requires different Design Standards dependent on the ARC of an airport's critical aircraft, such as runway to taxiway separation distance or runway width.

The identified critical aircraft for the current Rexburg-Madison County Airport is the Beechcraft C99 (ARC B-I), a twin-engine turbo prop that flies in and out of the airport on a daily basis. The empty weight of a C99 is approximately 5,500 lbs and the maximum takeoff weight is 11,300 lbs. This aircraft hauls light cargo for the community.

The identified critical aircraft for an unconstrained airport site is the Cessna Citation V (ARC B-II). This is a common turbine powered medium sized business aircraft. The empty weight of a Citation V is roughly 9,400 lbs and the maximum takeoff weight is 15,900 lbs. This aircraft is generally associated as a light business jet for passenger travel.

In addition to ARC, the FAA has different standards for Small and Large Aircraft. Any aircraft with a maximum takeoff weight over 12,500 lbs is a Large Aircraft (such as the Cessna Citation and most regional business jets). An aircraft with a takeoff weight equal to or less than 12,500 lbs is a Small Aircraft (such as the Beechcraft C99).



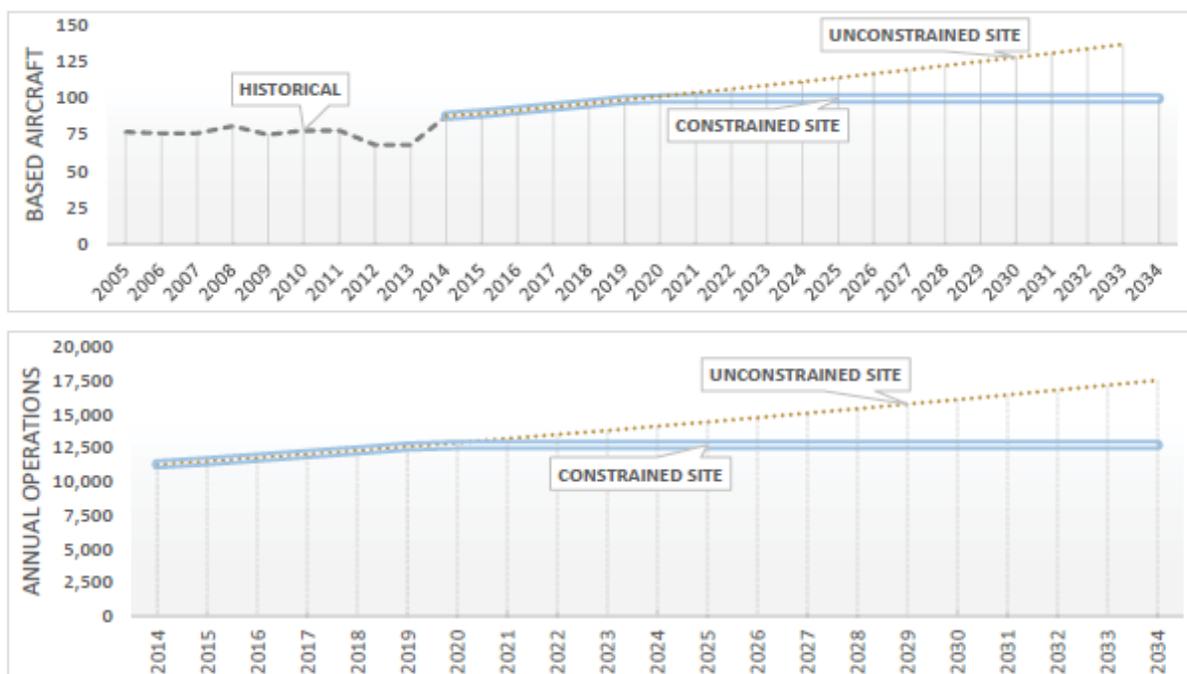
Critical Aircraft for Current Airport: Beechcraft C99 (ARC B-I)



Critical Aircraft for Unconstrained Airport: Cessna Citation V (ARC B-II)

FORECAST SUMMARY

The two charts below summarize the forecast of activity for the current airport (*constrained site*) and a hypothetical airport with no restrictions (*unconstrained site*). An operation is a takeoff or landing. Eventually, the constrained site will reach its maximum hangar capacity resulting in the number of based aircraft and operations leveling out. The runway length at the current site restricts the type of aircraft that can safely operate. An unconstrained site is forecasted to grow steadily for the next 20 years, coinciding with the growth of the community and increased business activity.



GDA Engineers

Craig Cobia from the Airport Board indicated that not very long ago FAA was not able to put this project on the planning calendar; however, things have changed and they are willing to fund this airport move if the community moves forward with a plan.

Rick Patton indicated the FAA requires airport revenue to stay with the airport system. Generally speaking, they put in 90% (which comes for the aviation users like ticket tax) and the community does 10%. A current hanger owner would be compensated for his hanger at the current airport from airport system revenue to help with startup funds for the new airport.

City Engineer Davidson indicated the cost for a new airport in 10 years would be in the neighborhood of \$30,000,000. At a 90/10 ratio, the city and county would have a \$3,000,000 commitment which could be covered out of the sale of the current airport. Rick Patton used an example of a new airport in Wyoming for a total cost of \$22,000,000 built on pasture

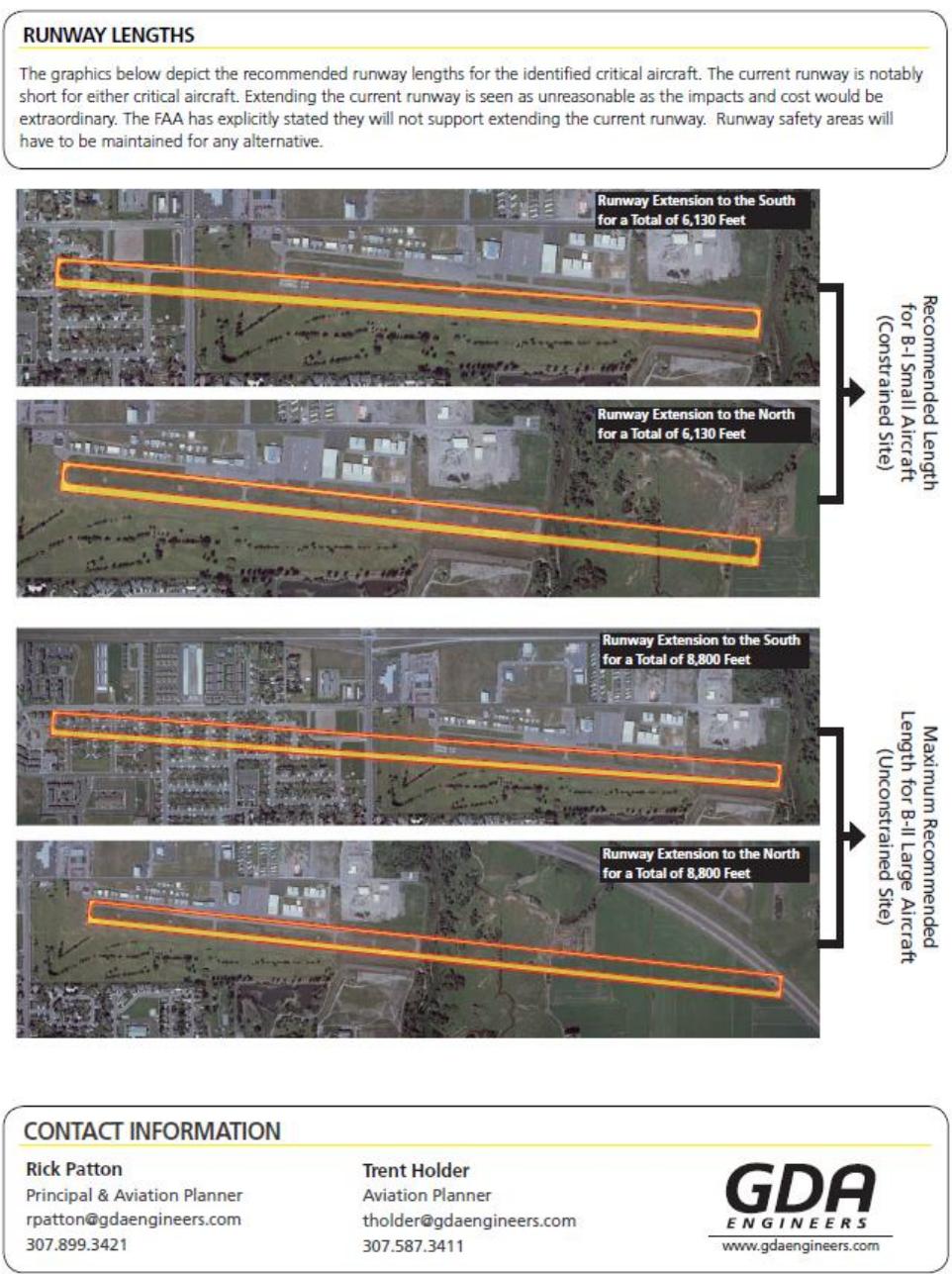
ground. The new airport could be phased in without a taxi way to hold the initial cost down. \$30,000,000 might be on the high side but not out of the ball park. David Taylor said the city and county need to start budgeting now for a future airport move out of the City to take advantage of the FAA's funding for a new airport. Rick Patton indicated the Wyoming project was ready to go with the funding match; so, they were moved up on the FAA discretionary funding list of projects to a current active project. This allowed their airport project to be moved up two years ahead of schedule.

David Taylor gave examples of small communities in Wyoming like Thermopolis and Powell, Wyoming that have larger airports.

Council Member Wolfe suggested starting now to move on the new community airport.

Discussion with the proximity of the Idaho Falls Regional Airport meeting the needs of Rexburg. The business principals want to have a local airport in Rexburg to land and do business in Rexburg.

They can avoid the time and expense of going through a commercial airport with security checks, etc. An example is the UPS plane that lands daily in the Rexburg Airport because it is better for their business than landing in Idaho Falls. Businesses have 30 million dollar jets to move around the world to do their business. The idea is to bring these business people to Rexburg to bring jobs. The plan is to build a 30 million dollar airport with the city and county sharing a 3 million dollar match. The bottom line is the need to provide a serviceable airport that business wants.



County Commissioner Jon Weber said we are talking about two types of airports. One is for public transportation; the other is for businesses to use for job creation.

Council Member Wolfe said the business growth allowed with a new airport would cover the cost of the match money in a few years. **Eric Conrad** explained his experience with using Learjet's to travel around the country to do business; he worked for a company that had 42 States and 3,000 contacts. The most travel he did from Denver was using five Learjet's to go to three states in one day. You can't do that from a commercial airport. Council Member Wolfe said it is not what we want; it is what they require to do business in Rexburg.

Economic Development Director Scott Johnson added another use for a new airport; the possibility of chartered flights from Jackson, Wyoming stopping in Rexburg to take students going home on break to a location like California.

City Engineer Davidson said the request is to allocate funds to go look for a new site.

Rick Patton said there is a process to move forward including the Master Airport Plan and an environmental assessment. His contact in the FAA has never seen five letters of intent to bring larger aircraft into an airport in this state. There was not an opportunity for funding in the past with the FAA; however, there is a window of opportunity now. Safety and security is the responsibility of the community to provide to the public. Funding is possible if the community moves in that direction.

David Taylor indicated if the community moves forward to build a new airport; under the best circumstances, it would take a decade to complete.

Rick Patton indicated there are three airports vying for the pot of money hanging over them; it is Rexburg, Burley and Hailey. The FAA is going to have to do something somewhere with this big pot of money hanging over them. Hailey will eventually have to move; depending on what is going on there for about three hundred million dollars. The approval for funding is based on the completion of the Airport Master Plan, the Environmental Assessment, and the availability of funding. The priority for funding is going to be those ready to move forward.

Discussion on airport liability if the FAA standards are not met. Council Member Benfield reiterated the public's desire to move the airport based on the Envision Madison process.

City Engineer Davidson reviewed the funding allocation formula used by FAA to fund airport maintenance. Rexburg gets \$150,000 from FAA per year to maintain the airport. It is separate funding from the funding process for a new airport.

Discussion on the process to move forward.

Council Member Busby moved to approve the scope of work for GDA Engineering on the Airport Master Plan and look for options for extending the length of the airport runway including moving the airport; Council Member Merrill seconded the motion; Mayor Woodland asked for a vote:

Those voting aye

Council President Smith
Council Member Benfield
Council Member Wolfe
Council Member Merrill
Council Member Busby

Those voting nay

None

The motion carried

Madison County Commissioner Todd Smith moved approve the scope of work for GDA Engineering on the Airport Master Plan and look for options for extending the length of the airport runway including moving the airport; Madison County Commissioner Jon Weber seconded the motion;

Those voting aye

Jon Weber
Todd Smith

Those voting nay

None

The motion carried

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

Rick Schmitt led the pledge.

Ian Zollinger said the prayer.

Roll Call of Council Members:

Attending: Council President Smith, Council Member Benfield, Council Member Wolfe, Council Member Busby, Council Member Merrill and Mayor Woodland.

Council Member Mann asked to be excused.

Public Comment on non-controversial issues: not scheduled on the agenda (limit 3 minutes):

Presentations: Heidi Fransen presented information regarding O.U.R. Run to Break the Chain a Community Race. They have raised \$6,000 dollars in donations; she hopes to raise more funds. She said Recreation Director Yeatman has been very helpful. He has allowed her to use the City's race equipment. Ms. Fransen stated she hopes to have booth vendors at Smith Park the day of the race. The booths will be set up to be carnival themed and sell items like cotton candy. She said Mr. Yeatman also said he would ask the City's Carousel staff to help make cotton candy to sell that day.

Council Member Busby stated he is concerned with the vendors selling their products at a City park. Ms. Fransen clarified the vendors will not be selling business based products.

Council Member Merrill asked about the number of people who have signed up for the race. Heidi Fransen stated due to a late start in advertising, their numbers are not as high as she would like them to be. She hope to get at least 300 to 400 participants.

Mayor Woodland stated the title of the race is O.U.R. Run to break the chain. The "O.U.R. stands for Operation Underground Railroad.

Request from Heidi on August 11, 2015

Blair,

Thanks. I noticed you had (Can city sponsor) on the agenda. We actually already have the city as a sponsor- I came to a city council meeting back in April and did a presentation about it and the city voted unanimously to sponsor the event. So now, I just want to give an overview of our progress and what we still need help with. I talked to Bob today (don't know his last name- he's in the recreation department). I will meet with him Wednesday before the council meeting to see what the city can offer as far as assistance toward the race- tables, loud speaker system, traffic cones, tables, coolers, etc. He will also help me set up a tentative map for the setup of the event. I will be able to share that info with the council, as well.

I'm not sure what you want as far as information for the presentation, but basically I will want to discuss the following:

1. Update on sponsors we have acquired for the race and how they plan to be involved.
2. Update on our budget (which grows as we get more sponsors) and how we plan to use the funds.
3. Update on progress- what we have already taken care of and what we still need to work on
4. Volunteers- Is anyone from the city is interested in helping with the event?
5. Advertising information: Where/how we are advertising and future advertising plans. Social media pages, registration information, etc...

I think that's about it. Do you need me to be more specific or is that enough information?

Heidi

Committee Liaison Assignments for 2015:

A. Council Member Christopher Mann: *Golf Board · Emergency Services Board · MYAB*

Council Member Mann asked to be excused

B. Council Member Jordan Busby: *GIS Oversight · Airport Board · Traffic & Safety*

Council Member Busby reported the Airport Board met. They decided to allow GDA to continue the study with expanding the airport's runway.

C. Council Member Donna Benfield: *Police · Trails of Madison County · IBC · Teton Flood Museum Committee*

Council Member Benfield reported Kenneth Marlor with the Rexburg Police Department will graduate from Post Academy on August 28th. The Police Department has also been training on active shooter scenarios. They will be at the BYU-Idaho campus tomorrow training on one of these scenarios. They have invited the Campus Security and Ambulance Response Team to the training.

Council Member Benfield said she has received a letter from city residents, stating what a great job the Animal Shelter staff is doing. They stated the treating of the animals and the customer service they witnessed was exemplary. She also received a letter regarding the Police Department's active shooter scenarios training. She said the letter stated, the training is one of the best trainings he has seen, he had attended several of them.

D. Council Member Smith: *Legacy Flight Museum · Rexburg Arts Council (Romance Theatre & Tabernacle Civic Center, Orchestra) · M.E.P.I.*

Council President Smith reported the Legacy Flight Museum will meet in September. Rexburg Arts Council did not meet. M.E.P.I. held an executive board meeting today. They will meet again on September 14th.

E. Council Member Jerry Merrill: *School Board · Parks & Recreation · Urban Renewal Agency*

Council Member Merrill reported the School Board sponsored the Celebrate Youth event at Porter Park. He said he attended the celebration; there were over 1,200 people in attendance. The event was great fun. Council Member Merrill asked City Attorney Zollinger about the land exchange between the City and Madison School District for the baseball fields. City Attorney Zollinger indicated it will be discussed at the School Board's next meeting.

Council Member Merrill reported the Urban Renewal Agency met last week to discuss the proposal for the development project on the corner of 1st North. Cory Sorensen is putting together an investment group to build a mix use project with restaurants on the bottom floor, two story apartments on the top floor of the building and underground parking. He has been back and forth with Urban Renewal with several proposals. There will be a public meeting tomorrow regarding the North Interstate District. The City of Sugar City submitted a letter with their concerns. He encouraged the public to attend the meeting, it will be held in the ECPIDA building.

F. **Council Member Brad Wolfe:** *Planning & Zoning · Beautification Committee*

Council Member Wolfe reported Planning & Zoning met a couple of weeks ago; there was a public hearing that was canceled. The public hearing was for a daycare center. They were seeking a Conditional Use Permit (CUP). He indicated the CUP couldn't be approved, because the daycare is in a residential zone and due to the number of children enrolled; it is too high per code. City Attorney Zollinger stated staff has encouraged the owner to find a new location.

Council Member Wolfe reported Planning and Zoning also reviewed the PUD regulations. They were discussing possibly reducing the size of acreage for a PUD or if the number of units should be the deciding factor for a PUD. He said they decided to table the discussion to allow time to gather more information.

Public Hearings: None

Items for Consideration:

Staff Reports:

A. **Public Works:** – **Public Works Director Millar** reported the replacement of the curb, sidewalk and gutter work at the Cresthaven Subdivision was completed today. They had budgeted \$25,000.00 and were well below budget. He said the Cresthaven homeowners were pleased with the work. All of the paving and concrete has been completed at the 2nd North project from Center Street to 2nd East. They are still working on patching in some grass, they hope to complete the project next week. He said another project being worked on is the sidewalk project; it will start by the golf course and end at the south interchange.

Public Works Director Millar also reported on the Airport project, it is under construction to repave the ramp. There were some soft spots under it, which will need to be dug out and stabilized. He met with the engineer to go over the final plans for the sewer project on the bio-soils. They had a few modification; however, the engineer should have it ready to bid in two weeks.

Public Works Director Millar reported on the water project, it is under design and moving forward. He said they still need to work with the Madison School District to acquire the land for the water wells.

Council Member Benfield asked how the Super Walmart project is coming along. Public Works Director Millar said they are on schedule. He indicated the entire roof has been installed, they have half of the floor in and most of the parking lot has been paved. The scheduled completion date is February 15th. Council Member Benfield asked about what looks like a moat on the property. City Attorney Zollinger indicated it will be used as a storm water detention pond; however they have requested a modification, which may change the appearance of the moat.

Council Member Busby asked when the street by BMC West will be striped. City Attorney Zollinger said the truck used to stripe the street is broken down. The City hires Idaho Traffic Safety to stripe the streets. As soon as they repair their truck they will start the work needed in the City.

Council Member Merrill asked if the striping work will continue on down to the intersection of University Boulevard and the new McDonalds. Public Works Director Millar stated there will striping that intersection. They had to postponed the striping, because of work needing to be completed there.

Council Member Busby said he is concerned with the left hand turn when heading South at the intersection of University Boulevard. He fears there might be an accident, because most people think both lanes can be used to go straight. He would like to see signage indicating left turn only. Public Works Director Millar said he has a striping plan in place for that intersection.

Finance Department: – CFO Matt Nielson reviewed the new investment policy; it was compiled by the investment committee. The policy is implemented to keep the City’s funds safe.

Chief Finance Officer Nielson reviewed Resolution 2015-09 proposed investment policy. He said the last investment policy was updated in 1980 it was essentially a copy of the State of Idaho’s investment policy. The Investment Committee went though and revised the policy. They are asking for a resolution to replace the old policy with the new revised policy, which would replace any prior resolutions regarding investment policies. He indicated the purpose of the investment policy is to provide prudent investment of public funds.

Chief Finance Officer Nielson reviewed the Investment Objectives (section 3); the 1st is safety in preserving the City’s money and capital. The 2nd is liquidity to meet cash flow needs. The 3rd is yield; he said most of the City’s investments are low yield and low risk. The yields are compared to benchmarks; however most cities compare it to LGIP which is the local government investment pool. He said the return on LGIP is about .18 or 18 basis point. The diversified bond fund’s average return is 2%. He indicated it amounts to a very small return.

Chief Finance Officer Nielson reviewed the Suitable and Authorized Investments (section 5) and the Portfolio Parameters (section 6). He said the City is limited to investment instruments included in Idaho Code Section 50-1013. The City commonly invests in cds, bonds, agencies, and money markets etc. He indicated another thing the City does, is to secure its money with FDIC, NCUA, which is contributed to credit unions and collateralizations etc. Chief Finance Officer Nielson said they established Portfolio Parameters which would allow the City to invest in different types of investment and not limit it to just one type of investment. He indicated they are allowed to invest up to 50% in certain levels, this increases the City’s diversification. He said when the City goes out to get bonds; it gets them on the secondary market through competitive bids. Sometimes it is with different agents and other times it the same agent giving us multiple options. The City’s maximum maturities are typically 5 years; however, we may invest longer if there is a City project further out than 5 years. CFO Nielson indicated cities are allowed to invest in their own LID’s.

<p style="text-align: center;">Resolution 2015-09 Proposed Investment Policy</p> <ul style="list-style-type: none"> • Last updated in 1980 • Replace any prior resolutions regarding an investment policy • New policy reviewed and recommended by Investment Committee • Purpose <ul style="list-style-type: none"> • “provide guidelines for the prudent investment of public funds” 	<p style="text-align: center;">Investment Objectives (Section 3)</p> <ol style="list-style-type: none"> 1. Safety- Primary objective is the preservation of capital 2. Liquidity- Structure portfolio so that securities mature concurrent with cash needs 3. Yield- <ul style="list-style-type: none"> • Limited to low risk securities • Intention of holding the investments to maturity • Benchmarks <ul style="list-style-type: none"> • LGIP- Investments under 3 Years • DBF- Investments 3 or more Years
<p style="text-align: center;">Suitable and Authorized Investments (Section 5)</p> <ul style="list-style-type: none"> • Limited to investment instruments included in Idaho Code section 50-1013 • Common instruments used: <ul style="list-style-type: none"> • Certificates of Deposit (CD) • Bonds and Notes of the US Government (Agencies) • Money Market-Mutual Funds • Investment Pools (LGIP(Local Government Investment Pool) and DBF (Diversified Bond Fund)) • Collateralization, FDIC, or NCUA- To be provided or kept to a minimum 	<p style="text-align: center;">Portfolio Parameters (Section 6)</p> <ul style="list-style-type: none"> • Limitations set forth to minimize risk of principal loss and increase diversification • Competitive bids if using secondary market • Maximum Maturities-Typically 5 years, but may vary with long-term projects or LID’s (Local Improvement Districts)

Attachment A

City of Rexburg Investment Policy

Authorized Financial Institutions and Depositories for Investments and Cash Balances:

Institution	Approved
Bank of Commerce	
Beehive Credit Union	
Citizens Community Bank	
Citizens Community Bank CDARS	
Glacier Bank (affiliate with CCB)	
East Idaho Credit Union	
Idaho Central Credit Union	
Idaho State Diversified Bond Fund	
Idaho State Local Government Investment Pool	
Key Bank	
Moreton Asset Management	
Mountain America Credit Union	
US Bank	
Washington Federal	
Wells Fargo Bank	
Westmark Credit Union	
Zions Bank	
Zions Bank Direct Auction	

Authorized Securities Brokers/Dealers:

Institution	Approved
Citizens Community Bank CDARS	
Idaho State Diversified Bond Fund	
Idaho State Local Government Investment Pool	
Moreton Asset Management	

Investment Institutions and Authorized Financial Dealers (Section 8)

- Must provide proof they are qualified
- Maintain a List of qualified and authorized financial institutions
 - The Treasurer with the Investment Committee shall select those advisors, broker/dealers, and or financial institutions that may be utilized in the City's investment portfolio.
- List to include:
 - Financial Institutions (i.e. Banks or Credit Unions)
 - Investment Advisors or Groups
 - Broker Dealers

Suggested Investment Advisor

- Recommendation to seek out an Investment Advisor Group to manage a portion of our portfolio
 - \$4 Million to start (Still allows us to meet cash flow needs)
 - Recommend Investments from 2 to 5 Years
 - Require them to follow our investment policy and sign an Acknowledgement Form
 - Agree to a fee (typically 15 - 25 basis points) prior to engaging services
- Suggested Investment Advisor
 - Moreton Asset Management
 - Require a Proposal of fees and estimated total returns benchmarked to LGIP (possible tryout period)
 - Positive References from City of Ammon, Beehive Federal Credit Union, and Bonneville County
 - They have multiple clients in municipal sector and invest with same objectives we follow
 - Good Reporting System (Clearwater Analytics)

Investment Committee (Section 10)

- Investment Committee
 - Treasurer
 - 3 Council Members from the Administrative Advisory Committee
 - Mayor may appoint different member if all council members on the same re-election schedule (cycle)
- Normally meet annually to review performance, strategy, procedures, and the investment policy

Reporting (Section 11)

- Report quarterly-provide a clear picture of the current investment portfolio
- Maintain a list of current Investment Institutions and Authorized Financial Dealers
- A list of investments will also be maintained and available for review

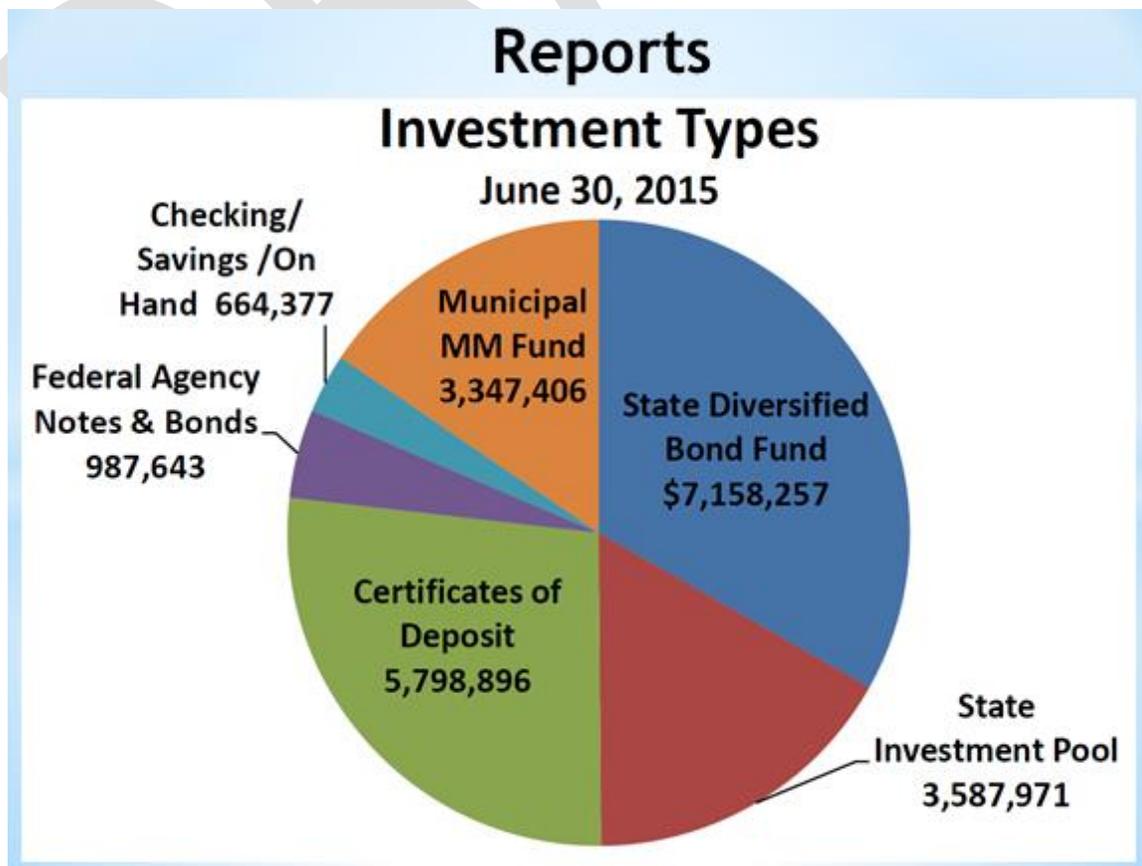
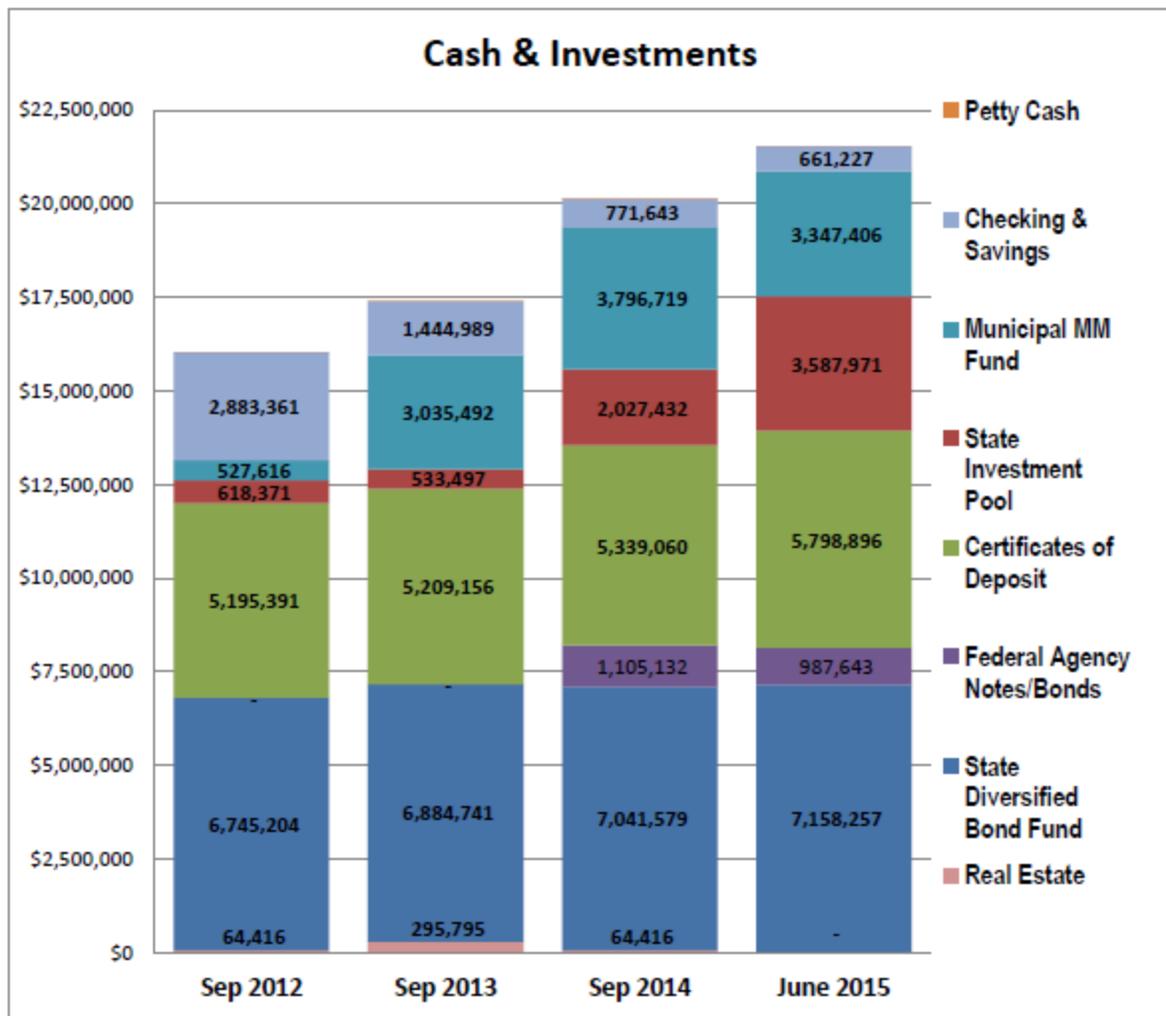
CFO Nielson also reviewed the Investment Institutions and Authorized Financial Dealers (section 8). He said a list of these dealers will be provided. The Authorized Financial Institutions and Depositories will be required to provide proof of being qualified through the State of Idaho and SEC. He indicated Glacier Bank may look unfamiliar; they are an affiliate of Citizens Community Bank. The City uses them for its CDARS program. CDARS is a CD program. The City has a \$250,000.00 FDIC and/or NCUA limit. CDARS will then go to this principal bank; the principal bank will then disperse \$250,000.00 increments into different banks. This process secures the City's money.

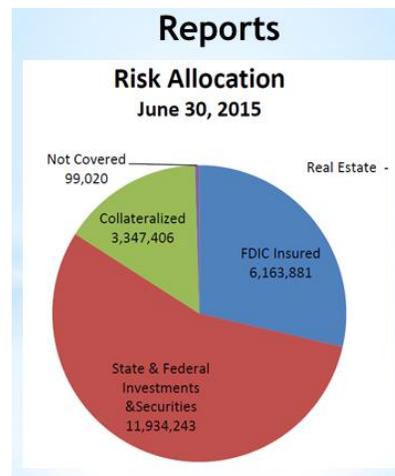
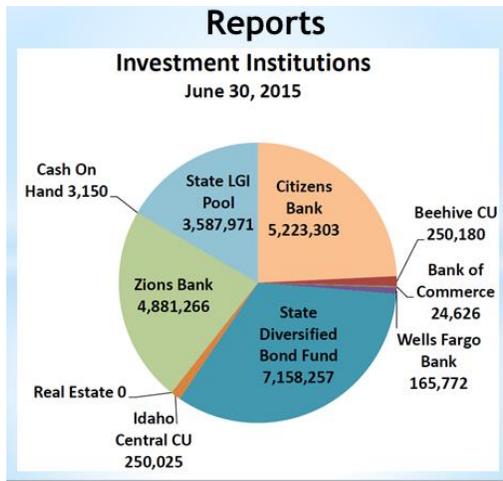
Chief Finance Officer Nielson said in the Authorized Securities Brokers/Dealers: there is a new dealer on the list, Moreton Asset Management. He said the Investment Committee is seeking an investment advisor as part of the City's portfolio. He said as they looked at the City's cash flow needs, he believes they could move four million dollars into the investment. He is recommending Moreton Asset Management to invest the four million dollars in two to five year investments and follow the City's investment policy. Moreton Asset Management will charge a fee of 15 to 25 basis points, which is normal. CFO Nielson said he asked Moreton Asset Management for a proposal. In the proposal they indicated they would charge the City 10 basis points the first year, 20 basis points the second year and every year forward. He said if the City reaches five million, they will only charge 17.5 basis points.

Mayor Woodland asked who the members of the Investment Committee are. Chief Finance Officer said the committee members consist of three City Council Members from the Administrative Advisory Committee: Council Member Busby, Council President Smith and Council Member Merrill, the CFO and Deputy Treasurer Jolyn Briggs. CFO Nielson is recommending a change with the current City Council Member serving on the committee, because they are on the same re-election schedule. The Investment Committee will meet annually to review the performance strategies, procedures and review the investment policy; any changes to the policy would be brought to City Council for approval.

Mayor Woodland asked Council Member Benfield to take the place of Council Member Merrill in the Investment Committee, because they are on different re-election schedule.

Chief Finance Officer Nielson reviewed the Cash and Investments Report, the Investment Types Reports, Investment Institution Reports and Risk Allocation Reports.





- ### Internal Control (Section 12)
- Designed to prevent the loss of public funds
 - Control of collusion
 - Segregation of duties and delegation of authority
 - City Treasurer
 - Deputy Treasurer
 - Maintains a transaction Log or listing of investments
 - Investment Committee

- ### Proposed Actions
- A motion to accept the new investment policy resolution 2015-09
 - Includes:
 - Approving the list of current Investment Institutions and Authorized Financial Dealers
 - Naming those Council Members to be appointed to the Investment Committee
 - Treasurer to move forward with allocating a portion of our portfolio to an investment advisor

CITY OF REXBURG

Resolution Number 2015-09

This resolution replaces any prior resolutions regarding an investment policy for the City of Rexburg.

INVESTMENT POLICY

1. Purpose

The purpose of this document is to provide guidelines for the prudent investment of public funds in a manner which maximizes security and provides maximum return in preserving and protecting funds while meeting the daily cash flow demands and conforming to all applicable federal, state and/or local statutes governing the investment of public funds.

The Treasurer should invest idle public funds in a manner that recognizes that safety of principal is the top priority. The second priority is liquidity. It is the duty of the Treasurer to maintain an adequate percentage of the portfolio in short-term securities, which can be converted to cash if necessary to meet disbursement requirements. A high yield on investments ranks third in priority in the City's investment strategy. Yield should be considered only after the basic requirements of safety and liquidity have been met.

Chief Finance Officer Nielson indicated if the City decided to use Moreton Asset Management the Risk Allocation may change slightly. Moreton Asset invests in a lot of same investments the City currently invests in. They however have more expertise and know where to get a higher yield. He on the other hand doesn't have the time or resources to look at the market each day. Council Member Merrill said the City has evaluated Moreton Asset Management for several years and has checked their references; they appear to be a solid company.

Chief Finance Officer Nielson is seeking City Council approval to accept the new Investment Policy Resolution 2015-09 and to include:

- Approving the list of current Investment Institutions and Authorized Financial Dealers

- Naming those Council Members to be appointed to the Investment Committee
- Treasurer to move forward with allocating a portion of our portfolio to an investment advisor.

Council Member Busby moved to approve Resolution 2015-09 as presented; Council President Smith seconded the motion; Mayor Woodland asked for a vote:

Those voting aye

Council President Smith
 Council Member Benfield
 Council Member Wolfe
 Council Member Merrill
 Council Member Busby

Those voting nay

None

The motion carried

Calendared Bills and Tabled Items:

A. LAND USE ACTION – BILLS RECOMMENDED/APPROVED IN A LAND USE PUBLIC HEARING PROCEDURE: – NONE

B. BILL Introduction: – NONE

C. First Reading: Those items which are being introduced for first reading:

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

1. **BILL 1137** Rezoning 228, 230, 232 South 4th West; & 251, 265, 273 South 5th West

Council Member Merrill moved to rezone 228, 230, 232 South 4th West; & 251, 265, 273 South 5th West from Light Industrial (LI) and Medium Density Residential 2 (MDR2) to High Density Residential 1 (HDR1) as discussed with the following conditions and consider BILL 1137 first read; Council Member Smith seconded the motion; Mayor Woodland asked for a vote: Conditions:

1. The existing green (BarRick Patton) building on South 5th West on the subject property shall be beautified and resurfaced as stated tonight by the applicant.
2. Buildings shall be a maximum of 30 feet in height.
3. An architectural design review meeting shall be held to address having a significant landscape buffer, especially along South 5th West.
4. A P&Z Commissioner who was present at this meeting tonight shall be a participant in this design review meeting to address this buffer.
5. Provide uniform landscaping over the entire project (old and new); landscaping to be continued into the existing apartment complex.

Those voting aye

Council President Smith
 Council Member Benfield
 Council Member Wolfe
 Council Member Merrill
 Council Member Busby

Those voting nay

None

The motion carried

E. Third Reading: Those items which have been second read:

1. **BILL 1136** amending the 2015 Appropriation Budget.

ORDINANCE NO. 1136

AN ORDINANCE OF THE CITY OF REXBURG, IDAHO, AMENDING ORDINANCE NO. 1118, THE APPROPRIATION ORDINANCE FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2014 AND ENDING SEPTEMBER 30, 2015: APPROPRIATING ADDITIONAL MONIES THAT HAVE BEEN OR ARE TO BE RECEIVED BY THE CITY OF REXBURG, IDAHO, AND BUDGET REDUCTIONS IN THE NET SUM OF \$9,340,100 AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF REXBURG, IDAHO:

SECTION I. That ordinance No. 1118, the appropriation ordinance for the City of Rexburg, Idaho, for the fiscal year commencing October 1, 2014, and ending September 30, 2015, be and the same is hereby amended as follows:

Discussion:

Mayor Woodland asked for a motion;

Council Member Wolfe moved to consider BILL 1136 amending the 2015 Appropriation Budget as third read; Council Member Merrill seconded the motion; Mayor Woodland asked for a vote:

Those voting aye

Council President Smith
Council Member Benfield
Council Member Wolfe
Council Member Merrill
Council Member Busby

Those voting nay

None

The motion carried

Mayor's Business:

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 05, 2015 meeting
- B. Approve the City of Rexburg Bills

Council Member Benfield moved to approve the Consent Calendar and pay the bills; Council Member Smith seconded the motion; Mayor Woodland asked for a vote:

Those voting aye

Council President Smith
Council Member Benfield
Council Member Wolfe
Council Member Merrill
Council Member Busby

Those voting nay

None

The motion carried

Adjourned at 7:45 P.M.

APPROVED:

Richard S. Woodland, Mayor

Attest:

Marianna Gonzalez, Deputy City Clerk