

Customer Support Services City Council Minutes

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CITY OF
REXBURG
America's Family Community

October 18, 2006

Mayor Shawn Larsen

Council Members:

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

City Staff:

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

7:00 P.M. – Pledge to the Flag

Mayor Larsen welcomed the scouts to the meeting and invited them to introduce themselves. Mayor Larsen explained the planned break in the middle of the meeting to attend an open house sponsored by the State Parks and Recreation Committee at the Chamber of Commerce building for a review of the proposed locations for a new State Park in Southeastern Idaho. The proposed location for one site is the area adjacent to Beaver Dick Park west of Rexburg. The proposed name for this location is River Butte State Park. The break would occur after the scheduled public hearing to allow City Council to go to the open house and show support for the Rexburg proposal.

Roll Call of Council Members: All City Council members were present at the meeting.

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 October 05, 2006 meeting
- B. Approve the City of Rexburg Bills

Council Member Erickson moved to approve the Consent Calendar; Council Member Young seconded the motion; Discussion: All voted aye, none opposed. **The motion carried.**

Council Member Schwendiman asked for clarification on nine-hole contract at the golf course. He asked for clarification on the money to be spent on the contract. Finance Officer Horner explained the City and the county had signed a contract about a year ago to start preliminary work on the plan for the nine-hole addition to the Teton Lakes Golf Course. City Attorney Zollinger said the plan was a phased in plan starting with an initial design, then a more finite design including a sprinkler design. There is three or four phases in the contract. The plan would proceed through these phases as money from golf course revenues become available.

Council Member Erickson discussed the contract. City Attorney Zollinger reviewed the contract noting it is at the city's discretion to spend on the contract as money is available. Two parts of the contract pending are the sprinkler plan and the finished grade plan.

Council Member Erickson amended his motion to approve the consent calendar and to pay the bills for the contract on the nine-hole golf course; Council Member Young seconded the amendment to the original motion: All voted aye, none opposed. **The motion carried.**

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

Braden Sampson at 175 Rosewood Drive asked if the city was going to build a recreation center or a swimming pool. Mayor Larsen explained the Urban Renewal Agency is working on a plan. The City has sent out for an RFP (Request for Proposal) on a recreational complex behind K Mart. The community will be engaged for input in the future. Mayor Larsen thanked Braden for his question.

Council Member Young said City Council is keeping the idea alive. He noted they have not gone to sleep on this issue. Mayor Larsen noted close to one million dollars from the congressional budget has been budgeted for a recreation project in Rexburg.

Mrs. Sherrie Miller of the Hideaway Tavern at 1025 South Yellowstone Hwy has been in business for the past eight years. She was told from the beginning she would be grandfathered in to sell beer on Sunday. Her property was part of the county before it was annexed into the city last December. The county allows the purchase of beer on Sunday. She is losing a day's wages under the current circumstances. On March 15, 2007 her business will be sold. City Attorney Zollinger explained grandfathering does not apply to licenses. Grandfathering applies to a non-conforming use. Council Member Erickson asked if Sunday beer sales were allowed in the county. City Attorney Zollinger explained the county does allow Sunday beer sales. Council Member Erickson asked if the persons that bought her property intend to use it as a bar. Sherrie Miller said they are not going to use it as a bar.

Council Member Erickson moved to allow Hideaway Tavern to sell beer on Sundays until March 15, 2007; then it will be under city rules; Council Member Benfield seconded the motion: all voted aye, none opposed. **The motion carried.**

Presentations:

A. Christmas season decorative lighting for Rexburg (proposal)

Rich Ballou at 535 Maple Drive representing the Beautification Committee referenced \$40,000 in monies raised in 2002 for Christmas lights including the festival of lights. He estimated three to four thousand people attended the kickoff event in 2002. The committee is worried about the trees being removed on Main Street which would affect the Christmas lighting program. They asked City Council to take into consideration what was started when the Christmas lighting program was initiated as the City Council does their planning. Rich also referenced budgeted money for the program and the opportunity to expand the program. With respect to the decisions that must be made, Rich requested the budgeted money or at least enough money could be used to maintain the Christmas lighting program; He asked how should the Beautification Committee move forward on lighting Main Street?

Mayor Larsen said a number of trees will be replaced on Main Street next spring. The goal is to have the same lights this year on the existing trees. Mayor Larsen asked Rich to reassure the Beautification Committee and the public the lighting program will continue in the future on smaller trees. Rich asked if the money budgeted for the program was in their committee's budget? How can the money best be used to maintain the lighting program?

Mayor Larsen said that there is money budgeted for beautification projects in their fund but repairs have been budgeted in the Public Works Department's budget.

Public Works Director John Millar said there is \$10,000 in the budget for lighting repairs for the Lighting Ceremony on the 25th of November. They will be resetting some lights on the Tabernacle. Some lights have been in for four years and they need to be replaced. Rich asked for special attention to lighting on the tabernacle to prevent sagging lights when their condition deteriorates. He also offered the Beautification Committee's assistance to work on the lighting.

Council Member Benfield asked if the trees recently removed off Main Street could be replaced this year. Mayor Larsen said it was too late in the season to replace the trees this

year. Council Member Erickson discussed replacing all of the trees on Main Street at the same time.

Council Member Erickson understood from prior discussions Main Street would have a tree plan with uniform trees.

Council Member Schwendiman would have liked to see a tree plan before a decision was made to take out the existing trees. Mayor Larsen indicated some of the trees on Main Street from 2nd East to Center Street need to be replaced at the same time. Council Member Erickson agreed with Council Member Schwendiman to have a plan including annual care with trimming.

Mayor Larsen said Keola will bring a tree replacement plan before the Beautification Committee and the City Council before additional trees are removed. Council Member Young would like to include trees on 1st East and Center Street in this discussion. He would like to look at the entire inventory of city trees.

Council Member Erickson and Council Member Mann said there are alternatives to advertise.

B. Madison County Transfer fees – Commissioner Roger Muir

Commissioner Roger Muir discussed the county's increase in the transfer fees. In 1994, the transfer station was opened with the same fees that are currently being charged to the City of Rexburg. The DEQ had a requirement that landfills had to meet certain criteria to hold household waste. There is no area in Madison County that meets that requirement without fancy lining/clay platting being used. Clay soil in Jefferson County allowed a less expensive alternative to a lined landfill system. The county facility can only take metal, lumber, concrete, grass, dead animals, etc. The increase in fees came from the Jefferson County which increased their fees to \$4.75 a ton. Costs (tires, fuel, oil, etc.) have continued to go up since 1994. He referred to County Resolution 290 passed this summer which raised the county rates for the transfer station. Madison County is paying \$22 to \$24 dollars per ton. The increase is substantial.

Council Member Stevens asked if the costs would go down as the fuel costs go down. He indicated the city is a non-profit entity and as such should operate on a cost basis. In response Commissioner Muir asked if the city would decrease their fees as costs go down. As there are other costs other than fuel involved in determining costs they could not reduce their fees. This is simply what it costs to take garbage to Jefferson County.

Council Member Mann asked if it was economical for the county to do the garbage in Madison County verses Jefferson County. Commissioner Muir did not think Madison County could provide that same service as Jefferson County at less cost to the city.

Council Member Young asked if private garbage collection services use the transfer station in Rexburg. Commissioner Muir indicated a county resolution requiring all garbage to be delivered to the transfer station may help support the facility. He indicated PSI does most of their drops in Madison County. Some of PSI's loads go to Idaho Falls at the end of the day because they are located in Bonneville County.

Council Member Schwendiman reviewed the list of items that included metal items. There is not a charge for some of the metal items. Commissioner Muir said these items are salvaged by companies coming into the landfill to recycle those metal products. The salvage companies pay the county a small fee to recycle those items. The landfill operates on its own budget.

Mayor Larsen said it was a county decision to have all garbage taken to the transfer station. He was supportive of a proposed county resolution to that effect. City Council would support that decision. The city's transfer station bill is a big bill.

Council Member Young asked if grass and leaves could be composted and stay in house. Commissioner Muir said these items are welcome at the county Construction and Demolition (landfill) site. He indicated the county was favorable to having the spring and fall yard waste from the city residents go to the landfill if the leaves and branches are not contained in plastic bags. The site can not have household items or the C&D site would be shut down. Public Works Director Millar said it was too costly to open garbage bags to verify only grass and leave in the bags. City crews did try to un-bag the leaves for one year; however, the labor costs were more than the saving from the county landfill. Commissioner Muir said using garbage for revenue was not the intent. It is just an issue of trying to dispose of the garbage.

Council Member Schwendiman said there may be a way to do spring and fall cleanup and collect grass, branches, and leaves in an acceptable fashion for disposal at the county landfill.

Mayor Larsen explored the idea of using a city site for a collection point for this refuse. Public Works Director Millar responded explaining open sites can not be policed, allowing unacceptable refuse to be disposed at the site. City crews would have to clean up the debris.

Commissioner Muir said the county may approve a couple of free weekends for hauling leaves to the dump on a county wide clean up day. The transfer station has inherent costs but the landfill cost for C&D materials can be pretty minimal.

Finance Officer Horner asked how much the residential rates would change to cover the rate increase. Commissioner Muir explained the resolution states an increase in garbage per pound. It is not based on the type of customer. The tax bill for residential fees for the transfer station will not change under this resolution. Mayor Larsen said the city would have to open up the city budget to adjust the city budget for the new transfer station rates.

Commissioner Muir reviewed the ambulance rate which should be reviewed quarterly. They do not want to reconcile annually. The agreement was to get quarterly reports within two weeks of the end of the quarter. The county auditor needs the appropriate documentation. Finance Officer Horner agreed to provide the appropriate reports. The other item is a bill on GIS reconciliation billing from September 2004. It is from two budget years ago. The county is seeking clarification on why the GIS billing is so late. Commissioner Muir will meet with Finance Officer Horner and Mayor Larsen later on this issue.

Committee Liaison Assignments for 2006:

- A. Council Member Chris Mann *Parks & Recreation*· *Museum Committee*· *Romance Theatre Committee*

Council Member Mann – Park and Recreation meets tomorrow and the Museum Committee meets next week. Council Member Mann wanted to commend the Romance Theater Committee for the work they are accomplishing in not using city money. Parks and Recreation's basket ball camps participation has doubled. Council Member Mann also spent four days in Seattle attending some workshops on parks and recreation. Council Member Mann also encouraged everyone on the City Council to be involved in United Way program.

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

Council Member Benfield explained the possibility of submitting a grant application to the Idaho Heritage Foundation for the theatre. It would be for brick and mortar type request.

The Police have a new finger printing comparator machine from a Homeland Security Grant.

Chief Archibald said it is sophisticated equipment to compare finger prints in other data bases with the same equipment. Chief Archibald also spoke about the new Crime Scene Van, which is new with mobile command center equipment.

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

Council Member Erickson – The Airport Board the Planning and Zoning issues will be mentioned later in the meeting.

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

Council Member Schwendiman – Reported the nine-holes are on hold until we can get more money. Council Member Schwendiman said Traffic and Safety Committee needs a quorum. Emergency services met last night and they are close to an agreement with the university to use students. There is also the possibility for a rate increase for the fees charged. Mayor Larsen explained this is the first attempt from the university to participate in the fire protection program in the city. It will benefit the city and the county.

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

Council Member Young reported a great orchestra concert was held last night with a big one coming up on November 8th. The Tabernacle Committee is meeting regularly with the same recommendations. They are positive and upbeat.

Midwest Circuits and Case Electronics are coming to Rexburg from Detroit, Michigan. They manufacture LED lights and electronic panels. They have 12 employees but do \$7 billion worth of business each year. They are very interested in coming to Rexburg.

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

Council Member Stevens reported he will meet with the Tails of Madison County Committee. JD Hancock wanted some work done on Eagle Park. Mayor Larsen said Eagle Park is a work in progress and the work is volunteer work by eagle scouts. Mowing the grass is not budgeted for the park. It is not a manicured park.

H. Mayor Larsen *Mayor's Youth Advisory Board· Legacy Flight Museum*

Mayor Larsen said The Mayors Youth Advisory Board met today. Twenty-eight youth painted the shelter at Porter Park. On Halloween day they will go with resource officers to talk about Halloween safety including trick or treat candies.

Council Member Young asked when/if the old jewelry store would be torn down before spring. Public Works Director Millar said it was turned over to his department on October 15, 2006.

Discussion was held for parking in the right-of-way to be discussed in further detail tomorrow night at the Planning and Zoning meeting. The discussion centered on a parking issue for Buena Vista. The student's contracts should explain if there is parking including with the contract.

Public Hearings:

A. 7:30 P.M abandon a portion of the right-of-way at the end of East Main Street for Madison Hospital near 4th East

Mayor Larsen explained the purpose for public hearings and asked if there was anyone that had other matters they wanted to be brought before the Council.

Public Works Director Millar presented the proposal to abandon the parking lot property on the overhead screen. Public Works Director Millar explained the reason for the abandonment of right-of-way at the end of Main Street was to facilitate the improvement to the intersection where Main Street ends at the old hospital parking lot.

Mayor Larsen opened the public hearing to speak to the issue of the abandonment.

Mark Harrison, COO of Madison Hospital is supportive of the transfer of property. They are working on the parking lot. It would allow a continuance of the plan that has already started.

Those in favor of the proposal – NONE

Those neutral to the proposal – NONE

Those opposed to the proposal – NONE

Mayor Larsen closed the public hearing.

Council Member Erickson explained the land has already been used for years as a hospital parking lot. It will allow some changes to the corner of the property at the intersection. The area will become the main entrance to the hospital with new curb and gutter. It will direct all of the traffic to the hospital to the north route. It will also widen 4th East an additional 14 feet to the width of a full street. Council Member Erickson thinks this is a good plan. The road would become 44 feet wide. In front of Garner's home the street will be wider than 44 feet.

Council Member Young agreed whole heartedly with the proposal; however, he would like a two month credit from the county on transfer fees. Council Member Stevens asked about the changes to Smith Park. The hospital has agreed to do the improvements with curb, gutter and grading on the edge of Smith Park.

Mark Harrison said the hospital is covering the bases to take care of the area on the corner of Smith Park which is affected by the intersection. It will need a block wall to protect the planned veteran's memorial. Mayor Larsen asked to keep the sprinkler system in working condition too. Council Member Mann asked if sledding on the hill could continue in the winter. Mark Harrison and City Attorney Zollinger said the sledding would not be impacted. Council Member Stevens asked the staff to be kept up to date with any changes to the plan.

City Attorney Zollinger said the city is simply transferring land between two governmental agencies on the condition that the hospital agrees to construct the road as shown on the drawings presented.

Council Member Erickson moved to approve the transferring of land between two governmental agencies (City of Rexburg and Madison County) on the condition the hospital agrees to construct the road as shown on the drawings presented; Council Member Schwendiman seconded the motion; all voted aye, none opposed. **The motion carried.**

The City Council meeting adjourned to the State Parks and Recreation Committee's open house at the Chamber of Commerce for a hearing on the State Park proposal for Southeastern Idaho.

New Business:

A. Final Plat for Rock Creek Hollow, Phase 1 – at the corner of Pioneer Road and Mariah Avenue.

Public Works Director Millar reviewed preliminary plat for Rock Creek Hollow, Phase 1. This plat is phase one of a three to four phase development. The first review of the total project showed the setbacks out of compliance with the ordinance. They decided to start with this phase because it meets all set backs and requirements. Planning and Zoning recommended approval of this plat – phase one.

Council Member Schwendiman asked about the status of the next phases in the development needing concessions. Public Works Director Millar said if the Planning Ordinance is modified to allow unit clustering for planned developments, future planned phases could meet the setback requirements. Council Member Erickson explained Planning and Zoning's position to require the developer to meet the city code with a redesign of

future plats; the Planning and Zoning Commission gave a clear understanding to the developer, these proposals need to meet the current city code.

Council Member Erickson moved to approve the final plat for Rock Creek Hollow, Phase 1; Council Member Benfield seconded the motion; Discussion: Council Member Young asked if the developer would complete the landscape area. Public Works Director Millar said “that is correct.” Mayor Larsen asked for a vote; all voted aye, none opposed. **The motion carried.**

B. Annexation discussion of a 40 acre parcel located south and east of the corner of 7th South and 4th East between Millhollow Road & 2nd East.

Public Works Director Millar reviewed the proposal on the overhead screen the 40 acre tract is an island in the city. The owner is Eaglewood Enterprises from Utah. They would like to be annexed with an LDR1 zoning request. The land is farm ground currently under cultivation. This is for information purposes only. It will be taken to Planning and Zoning for a public hearing.

City Clerk Kay asked if there were any other annexations that should be brought up.

Public Works Director Millar said there is one other annexation that should be taken into consideration at this time. It is the two parcels discussed at the last annexation between Pioneer Road and West Main Street. The properties on the hill can not be serviced without a new lift station. One lift station will be placed in the area to service 500 to 1000 acres. Everyone will be charged as they develop and connect to the system.

Council Member Mann said he received a call concerning trucks with fill coming into this area. The university was bringing fill to the area; however, they are finished hauling the fill.

C. Discuss parking policy adjacent to Brigham Young University -Idaho.

Mayor Larsen introduced the issues. Council Member Young explained enhanced cross walks with lighting and other university parking issues were being discussed at the last meeting. He referred to an agreement with the university on parking. The City Council asked to continue the general discussion around the university from the last meeting to tonight.

Council Member Schwendiman asked if the upper lots are available to the students. University Attorney Richard Smith said those parking lots off 2nd East to the west are available to the students; however, the students are still parking on 2nd East.

Attorney Richard Smith explained the university will make some big changes in parking next year. A 600 car parking lot on the north side of 7th South across the street from the stake center will be built; plus students will get parking permits for a specific lot. The university recognizes there is too much movement for parking during the day.

Council Member Schwendiman asked if the students have a permit to park on university lots. Attorney Richard Smith said they do have to have a parking permit; it is a small fee for a permit. Council Member Schwendiman is concerned with the crosswalk on 2nd East located on the south end driveway of the upper lot. The situation is getting more dangerous as time passes.

Council Member Stevens said cars pull half way into the street to check for traffic. It is a dangerous situation. Council Member Schwendiman said the crosswalks are not built as planned. Attorney Richard Smith explained in the Traffic Safety Committee meeting, there were discussions on the crosswalks and a plan was agreed upon.

Lynn Archibald explained mid-block crosswalks were not approved in the Traffic Safety Committee meeting, and now we have mid-block crosswalks. 2nd East is terrifically dangerous because the students don't use the crosswalks. We can't stripe the entire area

around the university for crosswalks; however, that is the way students are using the roads now. There is no respect for crosswalks in general. The elementary students show more respect for crosswalks that college students show for crosswalks. It is a problem. He was hoping for a definitive proposal from the October meeting from the university before the crosswalks were installed. Council Member Schwendiman recalled the crosswalk should go on the north side of the driveway.

Council Member Young said the crosswalks were installed wrong per the city and the university. City Attorney Zollinger discussed the minutes that approved the crosswalks. He explained the minutes were given to the crew to install the crosswalks. The minutes may not have been representative of the discussion in the meeting. Council Member Schwendiman said the mid-block crosswalk across from the girl's dorm was an agreed location. The map showing the proposed crosswalk locations has been lost. The minutes stated the crosswalk was to be installed on the south side of the upper parking lot driveway; however, Council Member Schwendiman said the agreed location for the crosswalk was on the north of the driveway.

Council Member Schwendiman said the meeting was a year ago and the motion in the meeting was to table the issue until the university could come back to the city with another proposal. City Attorney Zollinger read portions of the minutes discussing the proposed locations for the crosswalks and he said the minutes were given to the street crew to install the crosswalks. The minutes were from October 2005. Mayor Larsen said let's decide what to do and the let's fix it.

Council Member Young asked to decide to eliminate parking on 2nd East. Maybe the crosswalks would work if parking was taken off the street. City Attorney Zollinger explained that the project is currently on hold so they could discuss these matters with City Council.

Council Member Schwendiman referenced the crosswalk that goes into the parking lot is a problem. City Attorney Zollinger said this crosswalk has been intended for enhancement with lights.

Council Member Erickson asked for a recommendation from the Traffic and Safety Committee on parking on 2nd East. The crosswalk can be corrected by cutting the curb and doing a diagonal crosswalk from the north side of the driveway.

Council Member Schwendiman said there were so many issues that were up in the air before the committee could make a decision. They did not know if legal would go for a diagonal crosswalk.

Council Member Mann was opposed to taking parking off 2nd East due to the increased speed. Mayor Larsen wanted the decision to be made in the Traffic and Safety Committee.

Public Works Director Millar explained he understood from the Traffic and Safety Committee meeting he needed to get the crosswalks done as soon as they could get them done. Council Member Schwendiman said he understood the Traffic and Safety Committee would see the proposal again before a final approval.

Attorney Richard Smith did not ask the university to provide additional information after the meeting. He said if taking 10 parking stalls off 2nd East would make the crosswalks safer then they would support it. The university takes the position to make the crosswalks and the street safe for the students even if parking stalls need to be removed.

Mayor Larsen said Public Works Director Millar and the Traffic and Safety Committee could handle it. It should not have to come before City Council again.

Council Member Stevens asked to make it safe by removing one parking stall on each side of the crosswalk on the upper parking lot.

Mayor Larsen said let's get it done by meeting with Attorney Richard Smith and Public Works Director Millar to solve the problem.

Attorney Richard Smith renewed the request to advertise the walking campaign and that there will be no on-street parking from November to March. There was proposed language for licensing in the ordinance for business registration requiring apartment owners to notify the students if they have parking. He asked the city to make those disclosures by ordinance. He wanted to work with the city to let students know if they have off-street parking available after November 01, 2006. He asked for any steps City Council could take to revisit the issue.

City Attorney Zollinger said he could bring an ordinance to address parking at the next meeting.

Sergeant Corey Foster said the police are giving out notices in reference to the restrictions on street parking 2 – 3 weeks prior to November 01, 2006, when the winter restrictions take effect.

D. Set a public hearing date for electrical inspection fees – Val Christensen

City Attorney Zollinger suggested the city adopt the same fees charged with state electrical inspections. Council Member Erickson said it was part of Val's proposal to hire the electrical inspector to save money by doing electrical inspections with city personnel. City Attorney Zollinger said it would be a new city fee for electrical inspections. Council Member Erickson said Building Official Val Christensen was going to run figures and come up with the exact costs. City Attorney Zollinger estimated those costs could be available in January, 2007.

Council Member Stevens explained the reason for using the state fee. It was used to establish the position of a city electrical inspector. Mayor Larsen suggested having a public hearing on electrical inspection fees on the 15th of November, 2006.

Council Member Mann moved to set the public hearing for the electrical inspection fees for November 15th, 2006; Council Member Schwendiman seconded the motion; all voted aye, none opposed. **The motion carried.**

Report on Projects: Public Works Director John Millar

1. LID update: Morgan and Reed Streets will be paved next week on Monday and Tuesday.
2. The city opened bids on the waste water bio-solids project and there was only one bidder for the project. Additional bidders were contacted and the bid was extended for three weeks without getting additional bids. The bid was \$109, 225 over city engineer's estimate. Material and labor on electrical components was one cause of the bid being high. There were three electrical bids obtained by Depatco and those bids came within \$3,000 of each other. The city has already purchased and received \$425,000 worth of materials for this project. This bid is as good as the city will get. Public Works Director Millar asked for an award to Depatco for the project.

Council Member Erickson asked when it would start. Public Works Director Millar said as soon as possible to close the project in through the winter. Council Member Erickson asked if Depatco was big enough to do this project. The city has already given them three projects in late summer with only one project getting completed. He asked if they have the resources to do this project. Yes, per Public Works Director Millar.

Council Member Schwendiman reviewed the budget for this project. The funds are available for this project.

Council Member Stevens moved to recommend the waste water bio-solids project within the budgeted amount; Council Member Mann seconded the motion; Discussion: Council Member Schwendiman wanted more bidders. Public Works Director Millar sought out supplier; however, the project is too small for Utah firms who normally bid \$5,000,000 plus projects. Public Works Director Millar was concerned with moving the project into next year because of the work load planned for next year. Mayor Larsen said this makes the smell better if the waste is processed. Public Works Director Millar said the biological load from Norsun of Idaho has impacted the treatment plant. This equipment will help resolve the overload problem and greatly reduce the smell. Mayor Larsen asked for a vote; all voted aye, none opposed. **The motion carried.**

3. **Public Works Director Millar** explained that he met with LTAC on the South Arterial. They sent a resolution requesting the city to pay \$300,000; however the city has paid in excess of \$300,000 to date. The project has gone on to the Transportation Department. It is now out of LTAC's hands and ITD will bid the project. The project is in Boise for the bid process. A bridge across the canal must be completed before water enters the canal; therefore, construction may start as early as February or March of 2007.
4. **Public Works Director Millar** presented a surplus equipment list of cars, pickups, a lawn mower, a line printer, a drill press, a generator, and a fire truck bed/tank. He asked to have the list declared surplus for an auction. Council Member Erickson asked to sell the zipper (pavement grinder) or use it. Public Works Director Millar said it will be used on 7th North next week and Millhollow Road next spring.

Council Member Benfield moved to give Public Works Director Millar the OK to surplus the equipment; Council Member Erickson seconded the motion: All voted aye, none opposed. **The motion carried.**

5. **Public Works Director Millar** asked for an executive session at the end of the meeting to discuss right-of-way (land acquisition.)

Council Member Benfield said Colonial House does not want red rock on the right-of-way by the roundabout on 4th South. They want to use grass. Public Works Director Millar said this concern was raised in an effort to fix the roundabout flooding which has caused the bark to float away.

City Council discussed the use of rock on the roundabout instead of bark. Perhaps the use of larger gradation of rock would be better. Public Works Director Millar has not evaluated the rock samples they received today. The red rock may be available in a larger gradation. Council Member Mann said river rock may work in this situation. Council Member Stevens said larger rock may be the best fit.

Council Member Mann asked when the artwork will go into the roundabout. Public Works Director Millar said tomorrow weather permitting. He noted rest rooms in Porter Park are supposed to be open during park hours in the winter.

A. Procurement bidding policy – not covered

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. - NONE
- 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:

A. **Animal Shelter Discussion** – Colin Erickson and Chief Archibald

Sergeant Colin Erickson gave a short history of the plan to get a grant for \$65,000 for several projects including interior cages. Rexburg has a high adoption rate for animals. The Steele Reece Foundation did not award the grant for the interior animal kennels, etc. They checked with BYU-I for their old kennels but they will not work. We have the building built but we do not have kennels. We are now trying to finish the project with \$20,000 left in the budget. The total budget would be about \$84,000 to finish the whole project. Sergeant Colin Erickson tried to contact several kennel companies. They are six to eight weeks out on an order on next year's schedule.

Council Member Erickson does not understand why the building was built without the funding for these extra items. The presentation given to the City Council for approval did not cover all of these costs. The City Council would probably not have approved the project if all of the costs were disclosed for the approval. He did not agree with the engineering costs in the project if the city employees did the engineering. It is shifting expenses from one department to another. Council Member Erickson did not agree with this method of accounting. Why shift it to make things look good for one department over another department.

Finance Officer Horner said some of the accounting methods are mandated by the State. The city is made up of several different legal entities. Those entities need to pay their fare share of any costs, i.e. utilities and the street department. Otherwise property taxes would be subsidizing a utility or something else. The city is a conglomerate of 40 different businesses. An outside engineering firm would have charged \$35,000 to \$50,000 to engineer this building. The city engineers are paid by every project they work on during the budget cycle.

Council Member Erickson was frustrated with the accounting methods used to track project costs.

Mayor Larsen explained the engineering is charged to the project because Impact Fees are involved to build this facility. Council Member Schwendiman agrees with both Council Member Erickson and Finance Officer Horner. Non-enterprise funds are just shifting monies; however, enterprise funds would be subsidized by property taxes if the appropriate expenses are not charged to the appropriate department.

City Attorney Zollinger said legally water and sewer are enterprise funds. The city manages golf and sanitation as break-even funds not enterprise funds. The sanitation rate payer is paying for fees that go back into the sanitation fund.

Discussion on billing out time to city projects to get the true cost for the project. Council Member Erickson's point is not to charge other departments. City Attorney Zollinger said the cost discussion should be done at the annual budget table.

Council Member Erickson agreed to justify the department's existence by stating what they did for the year. All they would have to do is put in writing what they have contributed to the city.

Council Member Mann said he likes to see figures to get a full picture of what these projects really cost. He also asked where do we go from here. Where are we going to come up with these kennels, etc?

Mayor Larsen said the project is funded out of the police Impact Fees. This would put us in the hole for whatever the kennels will cost us.

Council Member Young asked if the fences could be chain link. Sergeant Colin Erickson said dogs will tear chain link apart within a few years. Sergeant Colin Erickson said one bid ran about \$47,000 just for the dog runs. He toured several different facilities and they all

said stay away from chain link fences. We could either build it to last or do chain link now and be faced with replacing it.

Council Member Stevens said he would like to start using the facility. The city needs to find some way to use the investment. Finance Officer Horner explained the Impact Fees would be in the red; however, monies could be transferred from the general fund to the Impact Fee fund to cover the expense as needed.

Council Member Benfield asked where the fund balance was standing. Finance Officer Horner said it was about even; however, the Impact Fees have to be spent on capital items within eight years. In eight years the police Impact Fee monies should cover the deficit. Council Member Stevens thought the police Impact Fee was in the red.

Finance Officer Horner said the city could use the Impact Fees to fund the project even if it needed to be recouped in a few years. He wanted to show the actual costs for building the project by leaving the charges where they are utilized; which would mean charging city staff engineering charges, etc. He recommended charging the Impact Fees for the project and leave all of the costs together in one spot. The City Council could choose to move monies out of the general fund to cover Impact Fees at a later date. The plan is to have the fund break even as the facility is utilized. This project is \$109,000 over budget with the addition of dog kennels. This expense with a minimum 20 year life would put the Impact Fees \$450,000 in the red. The city planned to pay \$40,000 to \$50,000 out of general funds per year as a lease payment to pay for the facility.

Council Member Mann asked if we could increase the fee for licensing animals to help impact this balance. This amount will not pay for the building but it will help. Finance Officer Horner explained one option that would help raise the police Impact Fees.

Council Member Erickson said then we are better off to show the police Impact Fee fund in the red and show the expenses from all the city departments. Finance Officer Horner said that is the plan for now.

Council Member Schwendiman explained if the city does not use police Impact Fees to pay for the expenses, the funding would have to come from other revenue sources. The City Council agreed to build the building and fund it with an annual lease. The police Impact Fees would be used to pay the building off. The police Impact Fees are in the red, so the city will borrow from the general fund to pay for the project; otherwise, other revenue – like building permits would be subsidizing the animal control project.

City Attorney Zollinger explained new growth in the city would help pay for the project; therefore it is better to have the police Impact Fees pay for the project. If the growth does not occur, then the project could seek alternative funding.

More discussion over how the Impact Fees will cover the costs for the facility. Mayor Larsen and the City Council did not want the facility to set unfinished.

Council Member Erickson moved to approve an additional funding necessary to finish the project pursuant to this request; Council Member Stevens seconded the motion; Discussion: Council Member Schwendiman asked for an amount to be in the motion. City Attorney Zollinger explained the project came in as everyone understood; however, the Steele Reece Foundation grant of \$65,000 is the only part of the funding that was not realized. The fence, paving, and kennels are part of the \$65,000 shortfall. Sergeant Colin Erickson explained there is \$20,000 remaining in the budget to cover the proposed additional costs of \$84,000 with the additional \$65,000. City Attorney Zollinger explained the project came in \$7,347 over budget on change orders. The bids are firm on the kennels; however, the other costs are estimates. All voted aye, none opposed. **The motion carried.**

Council Member Stevens asked to limit the funding on Impact Fees to avoid them from being upside down. It will take 10 years to have the fees come back into the black. He wanted a limit somewhere to control the spending. Finance Officer Horner said the City

Council can dedicate general funds later to cover Impact Fees if they chose to balance the funds. Council Member Mann said this situation teaches that grants are not grants until the city has the money. The City Council needs to be wise and realize the money is not available until the grant is awarded.

Council Member Schwendiman asked what we would cut if we had to cover this out of the general fund. Finance Officer Horner said the money would have to come out of city reserves and it would leave the city budget tight. Council Member Stevens did not want to lean on future revenue to cover these projects.

Mayor Larsen explained the City Council is dealing with capital items and it is a delicate balance. He gave an example of an additional fire station for the city. Finance Officer Horner said the city would have to go to a lease or other financing because the city could not support the one and one half to two million dollar project for a fire station out of the general fund.

Chief Archibald thanked the council for their approval to finish the animal facility. He apologized for the loss of the grant.

Mayor's Report:

Mayor Larsen presented the names of Rona Yardley, Catherine Nelson, and Peggy Jepson to serve on the Westwood Committee. Council Member Mann moved to approve the names selected; Council Member Young seconded the motion: All voted aye, none opposed. **The motion carried.**

Mayor Larsen passed out information on Proposition 2 from the Association of Idaho Cities. He was concerned on how well the City Council has been informed regarding Proposition 2. Mayor Larsen wanted the City Council to educate themselves and others on this issue.

Council Member Erickson said it would be a disaster for the State of Idaho for Proposition 2 to pass. Mayor Larsen said everyone has the right to speak for or against the proposition.

Council Member Erickson said the city cannot take a stand. City Attorney Zollinger agreed, the city is not allowed to take a stand on this issue.

Mayor Larsen said there is a pro group and a con group and their websites should be available.

Council Member Benfield said the Chamber of Commerce is against Proposition 2 and they will make a statement.

Mayor Larsen explained the city has responded to a records request on this issue.

Council Member Mann moved to go into executive session for a property right-of-way issue; Council Member Benfield seconded the motion.

Mayor Larsen asked for a roll call vote:

Those voting aye

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

Those voting nay

NONE

The motion carried.

Executive Session to discuss a property acquisition:
Executive Session ended.

Adjournment

Shawn Larsen, Mayor

Attest:

Blair D. Kay, City Clerk