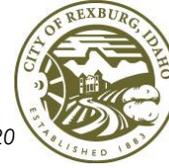


# Customer Support Services City Council Minutes

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CITY OF  
**REXBURG**  
America's Family Community

**September 13, 2006  
8:00 A.M.**

**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

**8:00 A.M. – Pledge to the Flag**

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

**Mayor Larsen** discussed the reason for Resolution 2006 – 11. The city needs to continue the process towards building the south arterial. The State of Idaho will pay their commitment and the city is required to commit to pay for any overruns on the road project. The amount the city will pay covers initial design work and engineering. The state is asking for clarification on the amount of money the city has paid to date on the project. BYU-I made a commitment to help with the development of a road on the south side of Rexburg when Ricks College closed off Viking Drive on 4<sup>th</sup> East. The university has contributed \$250,000 through a joint transportation agreement with the City of Rexburg.

**Mayor Larsen** continued to discuss the need to follow through with the project for the south arterial. It has been in the planning stages for about 25 years.



CITY OF  
**REXBURG**  
America's Family Community

**RESOLUTION NO. 2006 – 11  
Construction Agreement on Rexburg South Arterial**

**WHEREAS**, the Idaho Transportation Department, hereafter called the **STATE**, has submitted an Agreement stating obligations of the **STATE** and the **CITY OF REXBURG**, hereafter called the **CITY**, for construction of South Rexburg Arterial; and

**WHEREAS**, the **STATE** is responsible for obtaining compliance with laws, standards and procedural policies in the development, construction and maintenance of improvements made to the Federal-aid Highway System when there is federal participation in the costs; and

**WHEREAS**, certain functions to be performed by the **STATE** involve the expenditure of funds as set forth in the Agreement; and

**WHEREAS**, the **STATE** can only pay for work associated with the State Highway system; and

**WHEREAS**, the **CITY** is fully responsible for its share of project costs; and

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Agreement for Federal Aid Highway Project STP-7866(101) is hereby approved.
2. That the Mayor and the City Clerk are hereby authorized to execute the Agreement on behalf of the **CITY**.
3. That duly certified copies of the Resolution shall be furnished to the Idaho Transportation Department.

This resolution shall take effect and be in force from and after its passage and approval.

DATED this 13<sup>th</sup> day of September, 2006.

CITY OF REXBURG  
Madison County, Idaho

By \_\_\_\_\_  
Shawn Larsen, Mayor

ATTEST:

\_\_\_\_\_  
Blair D. Kay, City Clerk

CERTIFICATION

I hereby certify that the above is a true copy of a Resolution passed at a duly called special meeting of the City Council, City of Rexburg, held on September 13, 2006.

\_\_\_\_\_  
BLAIR D. KAY, CITY CLERK

**Mayor Larsen** presented ITD's request for a funding commitment of \$306,000 from the city. Public Works Director Millar was directed to identify the monies contributed thus far by the city to the project and revise this number. The city is responsible for providing matching funds to the project and any overruns. Mayor Larsen explained the overruns could be covered through projected future street impact fees and future redevelopment funds through an Urban Renewal District.

**Council Member Young** explored the idea of using higher estimated costs for the project to allow for anticipated inflation. Oil and other associated costs have caused the project cost to rise.

**Mayor Larsen** explained higher prices can not be built into the cost projections until they are realized.

**Council Member Stevens** explained the cost for asphalt has risen rapidly this summer. The project needs to have the costs locked in at the anticipated level to avoid unnecessary cost increases in the spring. He suggested bidding the project this fall. He said the cost of asphalt in the spring will keep going up and up.

**Council Member Mann** asked if the city could avoid unanticipated cost overruns by stopping the project. Mayor Larsen indicated the city has already made the commitment to the State to move forward with the project.

**Council Member Schwendiman** was supportive of the project and he recommended finding a way to fund the overruns through a loan or other budget related planning.

**Mayor Larsen** reiterated the commitment the city has made to fund the project. The city is putting the mechanics in place to fund the overruns with street impact fees and redevelopment funding.

**Council Member Erickson** suggested sharing the open-ended project overruns with the State. If the over runs are significantly higher, the State should be obligated to help with the over runs.

**Mayor Larsen** explained the State Transportation funds are budgeted and appropriated through LOCAL HIGHWAY TECHNICAL ASSISTANCE COUNCIL (LHTAC). There are only a limited number of projects the State can fund each year. The LOCAL HIGHWAY TECHNICAL ASSISTANCE COUNCIL (LHTAC) made an effort to find additional funding to keep this project alive this year.

**Council Member Erickson** questioned how the city could come up with funding for the expected over-runs. He noted street projects inside the city are not getting funded with the

city's current budget. How can the city take on additional funding responsibilities? He was uncomfortable with signing an open ended contract.

**Mayor Larsen** expressed confidence the expected over runs could be funded through Street Impact Fees and redevelopment monies.

**Council Member Young** noted the LOCAL HIGHWAY TECHNICAL ASSISTANCE COUNCIL (LHTAC) had committed an additional \$2.25 million to the south arterial project. The state estimated a \$2.5 million short fall from the original amount. The state has committed to do \$4 million towards the south arterial project. The city's portion of the \$2.5 million increase will be about \$230,000.00. Council Member Young admired the State LHTAC group for making the effort to sort through state funding allocations to find the additional funds for the Rexburg south arterial project.

**Council Member Erickson** was still concerned with an open ended agreement. He would like to see additional funding for this project from the university.

**Council Member Benfield** reviewed the projected estimates and asked if they had been updated from Keller and Associates. The latest estimates were done by Keller and Associates three weeks ago.

**Mayor Larsen** was hopeful the actual bid for the project would come in under the engineering estimate. Council Member Stevens explained the engineering estimates are usually very close to the bids.

**Mayor Larsen** continued to support the project. He explained the Idaho Transportation Department would not be able to fund the entire project. If the project can get started, Mayor Larsen is hopeful to find additional funding sources to cover the override costs.

**Council Member Erickson** asked if the expected over-run would be \$100,000.00 or even \$1,000,000.00. He wanted a firm number before a vote on the resolution. He was concerned with the city being obligated to an open-ended agreement. He is in favor of the project as much as the next citizen; however, he wanted to hear a ball park number for the expected cost over-runs.

**Mayor Larsen** said it is not a question "if it gets built;" but a question of "when will it get built." This is the only way to make this project happen. If we need additional funds, Urban Renewal and Street Impact Fee funds will be a funding source. The mechanism is in place to provide additional funding. He mentioned the City of Idaho Falls' commitment to build the Sunnyside road project using \$10,000,000.00 of their city's budget reserves. The City of Rexburg will not get five lanes of road with this funding as soon as we wanted five lanes; however, the city will get two lanes of road.

**Council Member Benfield** asked for additional information on the expected cost over runs. Public Works Director Millar reviewed the projected costs for the project over time. When the project was initially planned years ago; the LOCAL HIGHWAY TECHNICAL ASSISTANCE COUNCIL (LHTAC) estimated a cost of \$1.5 million. Now the project is estimated to cost about \$4.7 million including the procurement of right-of-way. LHTAC has committed to fund \$4 million of the project. The city would provide funds of \$250,000.00 obtained from the university's commitment (joint agreement) to support a 7<sup>th</sup> South access to the university when 4<sup>th</sup> South was closed for Viking Drive. Additionally, the city would be responsible for matching funds on the \$4 million of 5.63% or \$225,200.00. The right-of-way and necessary lands have been purchased by the city to proceed with the project. The current expended costs from the city may allow a credit back to the city.

**Council Member Schwendiman** reiterated his thought to finance the over runs with a loan or expected revenues from Street Impact Fees or Urban Renewal Funds. This road discussion has been going on for 25 years. This would allow the road to get completed.

**Council Member Young** moved to accept and approve Resolution 2006 – 11 for the Construction Agreement on Rexburg South Arterial; Council Member Schwendiman seconded the motion; all voted aye, none opposed. **The motion carried.**

**Mayor Larsen** reviewed the upcoming schedule for October. He has been invited by **Mayor Jared Fuhrman** of Idaho Falls along with other elected officials to go back to Washington DC to visit the Department of Energy. President Bush is planning a global project for nuclear energy. INL could be chosen to be the GNEP (Global Nuclear Energy Partnership) site as proposed by the INL. It would bring 2000 to 5000 highly skilled positions to the area. Mayor Larsen asked City Council to support his involvement in this committee. City Council was supportive of the effort to bring the GNEP site to this area.

The City Council discussed the possibility of having a morning meeting to take care of work items that do not require public input. This would allow for shorter evening meetings.

**Council Member Erickson** recommended having a morning meeting on October 05, 2006 due to some scheduling conflicts with some City Council Members and the Mayor. The meeting will be scheduled for 7:00 A.M. on October 05<sup>th</sup>, 2006.

**Mayor Larsen** explained the Spray Park will close for the season today.

**Mayor Larsen** asked the City Council to go into an executive session for a personnel issue pursuant to State Statute 67-2345.

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

**Those voting aye**

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

**Those voting nay**

**The motion carried.**

**Executive Session**

**Executive Session ended.**

**The City Council discussed holding work meetings from 7:00 A.M. to 9:00 A.M. The evening meetings would cover public hearings.**

**Mayor Larsen** announced an upcoming event hosted by the City of Rexburg. Dr. Stephen R. Covey, author of *The 7 Habits of Highly Effective People* and vice chairman of Franklin Covey, (a leading global professional service firm) has agreed to speak to the community on “Strengthening Families & Communities” family issues.

The tickets for Dr. Covey’s presentation are \$20.00 per person. Tickets for the event on September 27<sup>th</sup>, are available at City Hall and the Chamber of Commerce in Rexburg. The event will start at 7:00 P.M. The event will benefit Madison Economic Partners, Inc.

**Mayor Larsen** said the City and County are scheduling a joint meeting on the 22<sup>nd</sup> of September.

**Adjournment**

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Shawn Larsen  
Mayor

Attest:

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Blair D. Kay  
City Clerk