

City Council Meeting

June 17, 2015

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CITY OF
REXBURG
America's Family Community

June 17, 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
John Millar – Public Works Director
Val Christensen – Community Development Director
Scott Johnson – Economic Development Director

5:30 P.M. City Hall (Budget Work Meeting)

A. Tentative Budget Approval for 2016 Budget and set public hearing for July 08, 2015.

Roll Call of Council Members:

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

Council Member Wolfe asked to be excused for the work meeting.

Finance Officer Matt Nielson reviewed the Statement of Understanding on Budget Management. Projects over \$50,000 need to be bid. This information is also sent to the Department Heads.

City of Rexburg

For the 2016 Budget (Year Ending 9/30/16)

STATEMENT OF UNDERSTANDINGS ON BUDGET MANAGEMENT

- 1) The Council will review the General Fund Contingency Balance at the end of the year to decide if any could be applied to the Police Impact Fee Fund deficit.
- 2) Expenditures, including all capital items, will be managed so that short falls in total revenues are offset by cutbacks in expenditures in the General and Street Funds.
- 3) All construction projects over \$50,000 and their related operating and maintenance costs will be reviewed and approved by the City Council before any funds will be committed to the project.
- 4) All hiring of employees to fill a previously existing position that was vacated must have approval from the City Council.
- 5) All new employee positions, if not approved in the normal budget process, must be pre-approved by the City Council.

The City Council was comfortable with the Statement of Understanding.

Finance Officer Matt Nielson indicated the average cost of care has increased 12.5%. The Employees share will go up proportionately. Street operations have increased revenue. The 5th West LID is up for total reconstruction in 2016 with a new storm sewer line. The goal is to connect this line to the 4th West storm sewer line at the roundabout. Personnel will increase by six positions. He reviewed the water system loan for 11.1 million dollars. There will be a percentage of the loan forgiven up to \$2,200,000.

Council Member Busby asked if additional change orders would be forthcoming from the fire station rebuild. Finance Officer Matt Nielson said most of the change orders are done. The area behind K-Mart will be a multi-use field with construction starting next year. Safety Lighting has \$295,300 in the budget.

City of Rexburg 2016 Budget

Total Budget: \$ 76,726,000 up \$ 14,263,100 from the current 2015 budget as of June 15, 2015. This increase is due significantly to water, sewer and street construction projects.

The **General Fund** has a **\$ 133,400 Contingency** for unforeseen increases in expenditures or reductions in revenues, which is funded by excess carryover reserves that is forecasted to be in the general fund at the end of fiscal year 2015.

Revenues available from the **Street Operations Fund** for maintenance, street reconstruction, and the construction of new streets are \$ 3,014,500. With the passage of House Bill 312, which increased the gas tax and registration fees, the city expects to receive up to a **30% increase in fiscal year 2016 over the prior fiscal year in Highway user funds distributed from the State**. Major street projects include the **reconstruction of 5th West from 1st S to 4th S, which includes the addition of a Storm Sewer Line**. We will also be **widening 2nd East**, which is budgeted to be reimbursed by urban renewal contributions.

Property tax revenues are estimated to increase about \$ 312,300 to a total of **\$ 4,000,600**, mostly due to newly constructed buildings. The current City property tax levy rate is at **\$ 417 per \$ 100,000 of taxable value**, which is still one of the lowest for most cities in southeast Idaho and other similar size cities.

Six full-time personnel positions are scheduled to be funded this budget year with one of those being a shift from part time personnel to a full time position and another in wastewater returning us to our prior service level in 2013. The positions are in public works, police patrol (2), human resources, customer service, and arts.

Increases in utility rates will be about 1.3 % for the average homeowner, or about \$ 1.18 per month, which is attributed to a slight increase in the garbage, water, and wastewater rates due to increased costs.

Included in the budget is the completion of the **Center Street Fire Station Addition** of a second floor, which began in Fiscal Year 2014 and should be completed in Fall 2015. The completion of a new **Street Shop** in Fall 2015 is also budgeted. The substantial costs of both these projects should occur in Fiscal Year 2015.

Major utility construction projects include a **major upgrade to our water facilities** and a **final phase at the wastewater treatment plant** to eliminate odors, add new capacity, and help with the disposal of the bio-solids. The water project will provide needed production, storage, and delivery capacity to meet the current water demands and future water demands as our population grows. The water upgrades will be funded with a combination of **operating reserves and a loan from the Department of Environmental Quality of up to \$11,100,000**, which includes **principal forgiveness of up to \$2,211,300**. We project to spend over **\$12,000,000 on the water improvements over two years**. The Wastewater improvements include a final phase at the wastewater treatment plant that will use a process of pasteurization to bring our end product to a Class A. **The projected costs for this final phase at the wastewater plant over the next two years is expected to not exceed \$6,000,000 and is being funded with current operating and capital reserves**. The **Airport Relocation Master Plan Study** will conclude in 2015 and will help determine the future airport needs and projects. These projects are funded approximately 90% by the FAA, up to 5% by the State of Idaho, and the rest by the City and the County.

\$160,000 is budgeted for **Riverside Park** that includes the **completion of the open land (green space)** to the north of the newly completed parking lot and between the Teton River and the Canal. This improvement is budgeted to be funded by Park Impact fees with some contributions from the North Highway Urban Renewal District. The City has budgeted \$ 800,000 to continue constructing a **new baseball/softball quad** at Community Fields and the projected completion date of this project is 2017.

This budget includes the **Community Safety Lighting Fund** of \$ 295,300, which is available for street lighting construction projects, with the remainder budgeted for street light maintenance.

Finance Officer Matt Nielson reviewed the budget requests for capital and new personnel. Column I is the recommended budget amount reduced from the requested amount in Column H.

Minimum Reserve % of Expenditures:	25%	\$2,510,425	\$2,573,775
Amount Above Minimum Reserve:	25%	\$669,839	\$706,489
Actual Percentage	31.7%		31.9%
Maximum Reserve % of Expenditures	33%	\$3,313,761	\$3,397,383

Finance Officer Matt Nielson reviewed the 2016 Personnel Requests. There was some discussion On each position. The GIS Technician position was a current position vacated when the employee filled a vacant position in the Building Department. The Arts Currator will fill a position being vacated by a retirement. The Economic Development position will support Economic Development and the Tabernacle and Romance Theatre venues. The Payroll Clerk will replace a vacated position by retirement. The HR Director position is a new position to take care of the Personnel Department previously supported by the payroll clerk on a partime basis. The Deputy Clerk position is a new postion to train in the City Clerk’s office for a future retirement. The City Work’s Technician is a software technician to manage the software that supports the Public Works Deparment and the GIS Department. Three new Police Officers have been budgeted for 2016. One of the three officers will be assigned to the Madison Memorial Hospital to cover a three year contract for the hospital paid by the hospital contract.

FISCAL YEAR 2016 PERSONNEL REQUESTS

Department	Employee Position	Annual Wage	Annual Benefit	Annual Wage/Benefit	Actual 2016 Budget Request	Proposed Fund Source	Notes
Replacement Positions							
GIS	Technician	31,400	27,600	\$ 59,000	\$ 59,000	50% County/ 50% City Public Works	Filled with Part-time position last 1/2 of Fiscal Year 2015
Wastewater	Line Maintenance and Skilled Laborer	30,200	28,000	\$ 58,200	\$ 58,200	Wastewater	Would take us back to employee level of 2013.
Combination of Replacement and New Positions							
Arts	Museum Currator	30,700	26,700	\$ 57,400	\$ 57,400	Arts/Arts Venues	Current Curator retiring/Replace with Full time Curator/Arts Director
Economic Development	Economic Development/ Public Affairs Assistant	47,100	30,900	\$ 78,000	\$ 78,000	21% Arts/79% General Fund	see attached-Requires \$18,400 increase in economic development
Financial Management	Payroll Clerk	36,600	28,700	\$ 65,300	\$ 65,300	General Fund	Split Current PR Clerk/HR Director into two separate positions
Human Resources	HR Director	61,000	34,600	\$ 95,600	\$ 71,300	General Fund	Start on 01/01/2016
Fiscal Year 2016 Budget Increase for New Positions					\$ 65,900		
New Positions							
Customer Service	Deputy Clerk	42,800	30,200	\$ 73,000	\$ 30,400	General Fund	Start on 5/1/16
Public Works/Community Development	Public Works GIS/City Works Technician	38,100	29,400	\$ 67,500	\$ 67,500	Public Works/Comm. Development	see attached
Police Patrol	Police Patrol Officer	37,900	30,200	\$ 68,100	\$ 68,100	General Fund	Added one Position April 2015 w/Offsetting Revenue Source/Prior Increase 2004 with COPS Grant
Police Patrol	Police Patrol Officer	37,900	30,200	\$ 68,100	\$ 68,100	General Fund	Added one Position April 2015 w/Offsetting Revenue Source/Prior Increase 2004 with COPS Grant
Fiscal Year 2016 Budget Increase for New Positions					\$ 234,100		
Less Hospital Contributions Remaining (\$10,000 month)					\$ (30,000)	First \$90,000 covers Officer hired in April 2015	
Total					\$ 204,100		

Discussion: Each position was discussed with some options to redistribute the work load with some of the position.

Finance Officer Matt Nielson reviewed proposed increases for Residential use for utilities.

Wastewater Treatment Costs	SUGAR/TETON	REXBURG	COLLECTN
	TREATMENT COSTS	TREATMENT COSTS	& BILLING COSTS
OPERATING TREATMENT COST/1000 GAL.	2.19	2.19	
K-MART LIFT STATION POWER & REPAIR COSTS	0.06	0.06	
REXBURG CAPITAL TREATMENT COST/1000 GAL.		1.37	
TOTAL TREATMENT COST/1000 GAL.	2.25	3.62	
REXBURG COST PER EQUIVALENT METER			13.34

Old Rate	\$2.25	\$3.58	\$13.34
Change in Rate	\$0.00	\$0.04	\$0.00
Total Increase	0.0%	1.1%	0.0%

REXBURG RESIDENTS -SAMPLE BILL					
	AVERAGE	OLD	NEW	INCREASE	INCREASE
SEWER (10 th. gal)		49.14	49.54	0.40	0.8%
WATER (10 th. gal)		19.15	19.54	0.39	2.0%
GARBAGE (90 gal)		20.15	20.54	0.39	1.9%
LIGHTING		1.65	1.65	0.00	0.0%
TOTAL		90.09	91.27	1.18	1.3%

Finance Officer Matt Nielson reviewed Madison County’s share of the Budgets for Joint Operations.

Madison County Share of Budgets for Joint Operations with the City of Rexburg
For Fiscal Year 2016 Budget

Entity	2015 Budget	2015 Estimated Amendment	2015 Budget Final	2016 Budget	Notes
Airport Construction	26,800	8,200	35,000	35,000	50% share of costs not covered by grants-In 2015 project costs are projected to exceed the budget. The City will match what the County does and we can adjust the 2016 budget if an amendment cannot be made in 2015
Airport Operations Deficit	-	-	-	6,400	This deficit is from the used plow truck they purchased winter 2015 and Hired Work Projects
Ambulance District	1,463,000	-	1,463,000	1,350,100	The City billed \$74,366.66 in 2015, which was included in the 2015 budget as \$100,000. The City would be fine with this being paid over 3 years from 2015-2017 and would ask that the County increase their budget accordingly for how they choose to pay that amount.
Dare	7,500	-	7,500	8,500	Dare Contribution
GIS	209,600	-	209,600	209,700	50% share
Golf Course	13,500	14,500	28,000		Fence/Sidewalk Project-This is still an estimated cost. If the County cannot amend their budget, the City could bill the difference and ask that the County budget that amount in 2016.
Golf Course Construction Debt	-	-	-	15,000	This would help to reduce the new 9 hole construction deficit, which is currently at \$ 627,300
Legacy Flight Museum	1,300	1,100	2,400	2,500	Hangar Rent (\$2800)/Mowing for Airshow Parking Priviledges (\$2200)-50% from Each Entity. Hangar Rent Charged to be equitable to Airport Operations Fund
Legacy Flight Museum	10,000	-	10,000	10,500	50% of the cost for insurance, we are hoping to add a higher passenger coverage rate to help limit our liability.mkn
	\$1,731,700	\$ 23,800	\$1,755,500	\$ 1,637,700	

Council Member Busby moved to approve tentative budget and set the 2015 Budget’s public hearing for July 08, 2015 at 7:30 a.m.; Council Member Benfield seconded the motion; Mayor Woodland asked for a vote:

Those voting aye

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

Those voting nay

None

The motion carried

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

Samuel Castro from Troop 405 led the pledge.
Hayden Lamar Castano said the prayer.

Roll Call of Council Members:

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

Mayor Woodland welcomed the members of the press and students from BYU-Idaho.

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

Presentations: - NONE

Committee Liaison Assignments for 2015:

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

Council Member Mann reported his committees have not met; however, the Mayor, Council Member Merrill and he attended the AIC Conference in Boise. He said there was great discussion

regarding water, planning and zoning, financing, and a great session about the history of Idaho's land use laws. He said he learned the importance of working with the legislators.

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

Council Member Busby reported the Traffic and Safety Committee did not meet and the Airport Board will meet tomorrow with GDA regarding the Airport Master Plan. He said the GIS Oversight Committee met to go over upcoming goals.

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

Council Member Benfield reported the Police Department had a Special Needs Picnic at Porter Park with over 200 Special Needs Residents in attendance. The Police Department was also involved in hosting an officer training seminar. The seminar brought in about 180 police officers from all over Idaho. All of the police officers met at the Romance Theater for training, the cost of the training programs are about 10,000. She said by having the Rexburg Police Department sponsor the seminar most of the cost for our City's Officers training was covered.

Council Member Benfield indicate Kenny Marlor will be attending the Post Academy and on a sad note one of the K9 service dogs was put down due to health issues. Chief of Police Turman said the community has been donating funds to purchase another K9 service dog.

Council Member Benfield reported on a soccer tournament that took place in Rexburg this past weekend, there was a total of about 6,000 people attending the tournament. She said by calculating the economic multiplier from economic development and tourism this would equate to 1.4 million dollars spent in Rexburg. She said the Teton Dam Marathon took place the same weekend and is not included in the equation. There were people from all over the country in Rexburg attending one of these events. It was a good weekend for the City's economy.

Council Member Benfield thanked the Parks and Recreation Department for their hard work in keeping the City Parks green and beautiful.

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

Council President Smith reported her committees have not met. She encouraged everyone to attend the Fly-In this coming weekend. The Legacy Flight Museum Committee has done a great job planning the Fly-In.

Discussion regarding the 4th of July parade. Council Member Merrill indicated there is a Mile Fun Run scheduled on the 4th of July.

Council President Smith said Main Street looks great with all of the newly planted trees. Council Member Merrill said some of the new trees look tilted due to recently high winds. He asked staff to take a look at these trees to make sure the problem doesn't become worse.

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

Council Member Merrill reported the leak in the pool at Rexburg Rapids was located and repaired. The Teton Dam Marathon was a success with an increase in the number of runners. A kid's fun run was added to the Teton Dam Marathon's events. He said many children participated in the fun run.

Council Member Merrill said the Madison School District is still working on the agreement regarding the baseball quads.

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

Council Member Wolfe reported Planning and Zoning reviewed a Conditional Use Permit on 3rd East on a LDR2 Zone the developer wanted to put a duplex on an existing single family lot. There was a public hearing due to the number of units. The CUP was approved by the Planning and Zoning Commissioners. They also reviewed a preliminary master plan on a PUD at 565 Pioneer Road. The parcels have existing 4 plexes. The reason for the PUD was to get the units closer

together then allowed. He said Community Development Director Christensen had indicated if the 4 plexes were all on one parcel a PUD would not be necessary.

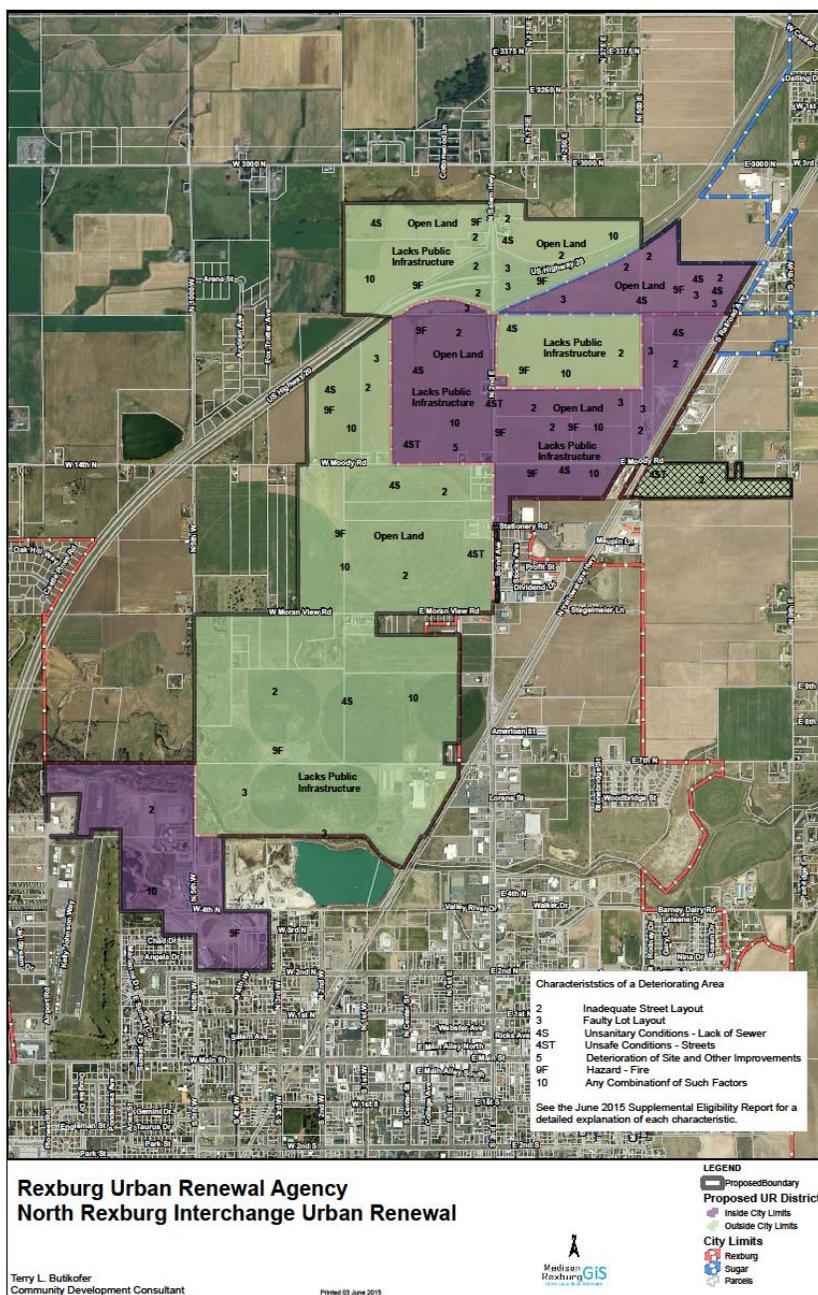
Public Hearings: - NONE

Items for Consideration: - NONE

A. Rexburg Urban Renewal Agency: (Resolution 2015 – 10) North Interchange Supplemental Eligibility Report Approval – Richard Horner

Richard Horner from the Rexburg Redevelopment Agency reviewed the Eligibility Report for the north 2nd East properties.

Richard Horner also reviewed the map of the three areas being added to the Supplemental Eligibility Report on the overhead screen. These areas include the business park area, the “S” curve additional property, and the highway inclusion. He said this is not the final report; it is a preliminary eligibility report.



Discussion:

Council Member Merrill moved to approve the North Interchange Supplemental Eligibility Report (Resolution 2015 – 10); Council Member Mann seconded the motion; Mayor Woodland asked for a vote:

Those voting aye
 Council President Smith

Those voting nay
 None

Council Member Benfield
Council Member Mann
Council Member Wolfe
Council Member Busby
Council Member Merrill

The motion carried

B. Surplus Equipment – Staff

1. Golf Course Lawn Mower
(Jacobsen Walk behind Greens Mower-18475)
2. Fire Truck Engine 31



Fire Chief Davis indicated the Fire Department has acquired a new fire engine; it has a 1000 gallon tank. The advantage of the new fire engine is it has a foam induction system. They find that fighting fire with a foam and water combination works a lot better, it uses less water and it puts out fires faster. The fire engine is bigger; however, similar to ladder 31. The equipment for the new fire engine will be here in about four weeks, as soon as the equipment is installed they will get the fire engine certified through the rating bureau.

Fire Chief Davis said with the purchase of the new fire engine it leaves behind a 1985 top kick fire truck. The old fire engine has minimal issues; it is still in working condition and will pass the rating test. He stated in the condition the old fire engine is in, selling it on the market isn't feasible. As a tradition, Fire Departments will try to surplus older working equipment and donate it to a Fire Department in need of better equipment. They have been looking around eastern Idaho to see which Fire Departments may be in need of the old fire engine. He said they found the City of Holbrook's; Fire Department they are in need of better fire equipment. They hope to donate the old fire truck to the City of Holbrook or another worthy Fire Department.

Mayor Woodland asked for a motion;

Council Member Benfield moved to surplus the fire truck as presented; Council Member Merrill seconded the motion; Mayor Woodland asked for a vote:

Those voting aye

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

Those voting nay

None

The motion carried

Finance Officer Nielson said the Teton Golf Course would like to surplus an older Jacobsen Walk behind Greens Mower-18475. They have no use for it; the mower has been sitting for a long time. He said they had an offer of \$500.00 for the old mower.

Mayor Woodland asked for a motion;

Council Member Merrill moved to surplus the lawn mower presented; Council President Smith seconded the motion; Mayor Woodland asked for a vote:

Those voting aye

Those voting nay

Council President Smith None
 Council Member Benfield
 Council Member Mann
 Council Member Wolfe
 Council Member Busby
 Council Member Merrill

The motion carried

Staff Reports:

A. Public Works: – **Public Works Director Millar** reported on 2nd North the project is on schedule. There was a change requested by one of the businesses affected by the construction. They made arrangements to facilitate the change. There haven't been any complaints that he is aware of regarding the construction.

Public Works Director Millar indicated there are a lot of projects up for design. They will be putting out to bid the mechanic/street shop next week. The bid results will be ready the 1st of July.

Council President Smith asked about the situation with temporary parking on South 2nd East. Public Works Director Millar said he has been working with Compliance Officer Powell to remedy the situation. Ms. Powell has been in contact with the property owner and has informed them that parking is no longer allowed on the empty lot and that the weeds need to be cut down.

B. Finance Department: Matt Nielson
 1. 2015 Budget Adjustment

Finance Officer Matt Nielson reported on the proposed budget adjustments.

Department	Amount	Reason
Recreation Administration	\$21,300.00	Workmen Comp. charges higher than actual budget due to claims.
Parks Department	\$44,000.00	\$22,000.00 For part-time labor \$22,000.00 Resurface tennis courts.
Streets Department	\$80,000.00	Street repairs underestimated County Road & Bridge taxes.
Water Department	\$2,930,800.00	Transfer to Capital-Maintenance Projects. Water upgrade forecasted in FY 2015.
Waste Water	\$1,635,000.00	\$1,265,000.00 Transfer to Capital-Maintenance Project \$120,000.00 Land fill tipping fees \$250,000.00 Contributed Assets/funding offsets sewer upgrade forecasted in 2015.
Parks Impact	\$800,000.00	\$320,000.00 Baseball/Softball Quad \$440,000.00 Grass behind Kmart. \$40,000.00 Parking lot lights.
Airport Construction	\$401,600.00	Airport Relocation/Master Plan Study increase in FAA project costs. 90% by FAA, 2.5% by State & remaining split 50/50 County/City
N. 2 nd E. Construction Project	\$995,000.00	\$740,000.00 URD Contribution \$255,000.00 Fund transfer in sewer Capital reserve. To widen road & add water/sewer infrastructure.

Council Member Busby questioned the cost to put grass behind Kmart. Finance Officer Nielson said the dirt work, lights, irrigation, grass, pedestrian walk-ways and bridges, are included in the cost.
Discussion:

Mayor Woodland asked for a motion;

Council Member Busby moved to approve budget adjustments; Council Member Smith seconded the motion; Mayor Woodland asked for a vote:

Those voting aye

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

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: – NONE
- D. Second Reading:** Those items which have been first read: – NONE
- E. Third Reading:** Those items which have been second read: – NONE

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 June 03, 2015 meeting
- B. Approve the City of Rexburg Bills

Council Member Merrill 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 Mann
Council Member Wolfe
Council Member Busby
Council Member Merrill

Those voting nay

None

The motion carried

Adjourned at 8:00 P.M.

APPROVED:

Richard S. Woodland, Mayor

Attest:

Marianna Gonzalez, Deputy City Clerk