

City Council Minutes

October 05, 2016



CITY OF
REXBURG
America's Family Community

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October 05, 2016

Mayor Jerry Merrill

Council Members:

Christopher Mann Jordan Busby
Donna Benfield Tisha Flora
Brad Wolfe Sally Smith

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
Blair Kay – City Clerk

6:30 P.M. City Hall Council Meeting

Gary Bernard said the prayer.

Hannah Murphy the pledge.

Mayor Merrill took a minute to recognize City Clerk Blair Kay for his new elected position as President of ICCTFOA (Idaho City Clerks, Treasurers and Financial Officers Association).

Roll Call of Council Members:

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

Council Member Busby asked to be excused.

Public Comment: not scheduled on the agenda (limit 3 minutes); issues may be considered for discussion on a future agenda. Please keep comments on point and respectful.

Eileen Olson wanted to add something to her comments from two weeks ago. She would like to see the two new hotels coming to town to be successful. She supports them.

Presentations: None

Committee Liaison Assignments for 2016:

A. Council Member Mann: *Golf Board · Emergency Services Board · GIS Oversight · Development Workshop*

Council Member Mann reported the golf meeting was canceled. Emergency Services has not met. The Development Workshop met yesterday to discuss upcoming projects. Councilman Mann appreciates that the city has hired three of those people from the Development Workshop. The annual Date with Chocolate will be in March at the Middle School. Carlow Senior Apartments had their grand opening yesterday. It's great to see these businesses for seniors with low income.

Mayor commented that the owner said there is so much student housing but little senior housing.

B. Council Member Busby: *· Airport Board · Traffic & Safety · Trails of Madison County*

Council Member Busby was excused.

C. Council Member Benfield: *Police · MYAB · Parks & Recreation*

Council Member Benfield reported MYAB met last Thursday. They played some ice breaker games. There are 50 kids that have signed up and they are a great group of kids. They will be going to the elementary schools on Halloween to teach about safety. The next meeting will be pictures and a presentation on Escape the Vape. The Police Department wants to remind everyone about the barbeque on October 12th at 6 p.m. at the shooting range. They are still looking for a volunteer to be tased. Recreation is meeting tomorrow for a review.

Mayor Merrill added that he received a certificate from Safe Wise ranking Rexburg the 6th safest college town in America.

D. Council Member Smith: *Legacy Flight Museum · Beautification Committee · M.E.P.I.*

Council President Smith reported Legacy Flight Museum did meet. They are making minor improvements to the building. The museum had a donation of a Corvette valued at \$75,000 and they have found a trade for that for a unique airplane. They will be doing fly-overs for Veterans Day Ceremonies. MEPI met on Monday and had Economic Development Director Johnson report on the conference in Cleveland. Cleveland has an interesting story of how they revitalized their city. The Entrepreneurs Start-up Weekend has been moved to February due to Boise State having one the same weekend and offering free tickets to the BYU/Boise State game.

E. Council Member Flora: *School Board · Rexburg Arts Council/ Museum of Rexburg*

Council Member Flora reported her committees have not met.

F. Council Member Wolfe: *Planning & Zoning · Urban Renewal Agency · IBC*

Council Member Wolfe reported P & Z met and had a public hearing for the property at 141 and 135 South 2nd East that will be discussed tonight. It was a lengthy hearing but was decided unanimously for approval. A Conditional Use Permit was tabled because the definition of overnight rental was not clarified. Urban Renewal met last Thursday and refinanced one of the bonds on the Washington District that includes the loan for Rexburg Rapids and got it down to 2.45%. There is about eight more years on the bond and this will save us \$108,000.

Staff Reports:

A. Finance: - Matt Nielson

1. **Review the 2017 Budget in Brief** – Want to release in the utility bill next week.

Finance Officer Nielson reviewed the “Budget in Brief”.

Budget Highlights

Total Budget: \$76,902,000 down \$6,272,800 from the amended 2016 budget due in large part to the substantial completion of the **final phase of improvements at the wastewater plant.**

Operating Budget is 24,856,300. The **General Fund** has a **\$209,600 Contingency** for unforeseen items.

Street maintenance, reconstruction, and new construction totals \$5,463,700, which includes an additional \$100,000 from power franchise fees shifted from the general fund to streets, \$125,100 in additional gas tax, and a large carryover from prior years.

Major street projects: reconstruct center street from Main to 1st S, reconstruct 5th West from 1st S to 4th S, reconstruct 4th W from Main to 1st N, and a new traffic signal at 7th S/University along w/ other traffic signal upgrades. (pg. 2)

Property tax revenues increased about \$232,900 to a total of \$4,314,400. The current City property tax levy rate is at \$429 per \$100,000 of taxable value, which is still one of the lowest for most cities in southeast Idaho and other similar size cities. (pg. 4)

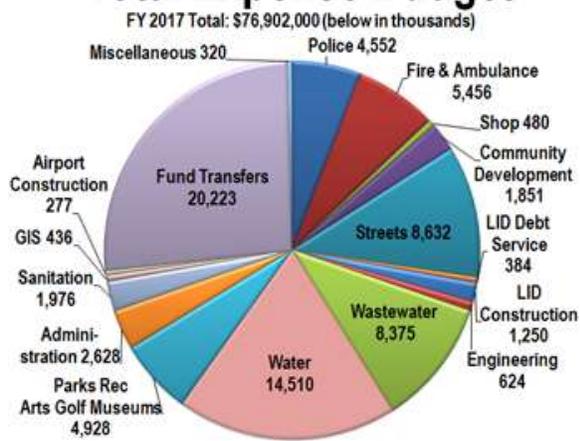
Six new full-time personnel are funded (After removing 2 from the adopted budget) in: public works (3), Fire (2), Mayors Office.

There will be no Increases in utility rates. (pg. 4)

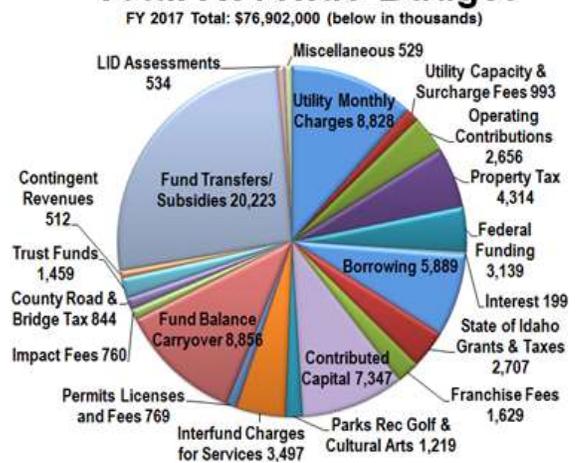
Major construction projects: (pg.3)

Water facilities: \$9,973,500 funded by operating reserves and a loan from the DEQ; **Wastewater treatment plant:** \$2,000,000, funded with current operating and capital reserves; **Baseball/softball fields:** \$1,600,000.

Total Expense Budget



Total Revenue Budget



2017 Budget in Brief

October 2016 through September 2017

BUDGET PROCESS

Mayor's Recommended Budget

April through May

The Mayor recommends funding levels for employee wage and benefit cost increases to the City Council to base the new budget on with help from the Chief Financial Officer (CFO) and staff. The Mayor holds budget review meetings where three members of the Council are invited to participate with each Department Head and applicable Supervisors in the preliminary approval and cost cutting in their departments. If necessary, after all departments are reviewed, the Mayor and CFO will meet with Department Heads individually or collectively in a final review of the General Fund in order to prepare a recommended list of cuts in expenditures, so that the total expenditures equal the estimated revenue to be available in that fund.

City Council Budget Review and Development

June through August

The City Council reviews and discusses the Mayor's recommended budget and recommends changes. The City Council then approves the Tentative Budget and Estimated Revenues, including recommended utility fee increases, and sets a date and time for the public hearing on the budget and fee increases (if necessary), which are then advertised in the local newspaper. The budget and fee increases are then presented at the hearings and further decreases (not increases) in the budget amounts can be made at that time or until the budget is approved. The fee increases are usually approved at the hearing, but usually are not effective until the beginning of the new fiscal year, which starts October 1.

City Council Budget Adoption

September

The final budget is approved by the City Council upon the third reading and adoption of the Appropriation Ordinance, which must be completed by the first week in September.

THE CITY'S FUNDS

EXPENDITURES & REVENUES - CITYWIDE

The accounts of the City are organized into funds. A fund is a group of related accounts used to control money that has been earmarked by the City Council or by State law for specific activities or objectives. About 86 percent of the City's revenue is dedicated for a specific use. That means, for example, that the city may not raise water bills to pay for Recreation Programs. This also means that, of the City's nearly \$77 million budget, most of the flexibility in spending occurs only with the City's \$10.8 million General Fund budget.

EXPENSES

Public Works

The Public Works Departments account for 47% (\$36.1 million, most of which is for capital projects) of the City's total budget. This budget funds 42 full-time positions. The main tasks of Public Works include: offering safe transportation by maintaining streets and pathways; offering high-quality drinking water by managing the water and sewer systems in the city; collecting and disposing of garbage and recycling, and overseeing various city construction projects. Public Works includes the Sanitation, Water, Wastewater, Streets, Shop, and Engineering Departments.

Administrative Departments

The Administrative Departments account for 4.4% (3.38 million) of the City's total budget. This budget funds 24 full-time positions. The administrative departments include: Mayor & Council (the Council is part-time), Customer Service, Financial Management, Human Resources, Technology Coordination Services, Economic Development, Legal, and Geographic Information Systems. The general fund contingency and other miscellaneous budgeted amounts are also included in this total budget.

Community Development

The Community Development Department accounts for about 2.4% (\$1.85 million) of the City's total budget. This budget funds 8 full-time positions. Community Development services all planning, zoning, building permits, and inspections.

Parks, Recreation, Golf and Cultural Arts

These Departments account for 6.4% (\$4.93 million) of the City's total budget. This budget funds 5 full-time positions and includes some budget for construction and remodel of facilities.

REVENUES

Property tax is a major source of revenue for the City. Of the total property tax bill you pay each year, only 25% of the total goes to fund the services provided by the City. See page 4.

Fund Balance Carryovers include \$1.46 million in sewer funds, \$3.35 million in water funds, and \$1 million in street funds that will all be spent on new water wells and storage tanks, water and sewer line extensions, sewer treatment plant improvements, and the repair and construction of streets. These funds are invested safely until used.

State Shared Revenue is money that comes from the State of Idaho as a share of sales tax, gas tax, and liquor tax. The City's share is calculated on a different formula for each type of tax, using population, property valuations, and other factors.

FUND TRANSFERS & SUBSIDIES

Fund Transfers/Subsidies are the transfers from one fund to another. For example, the Wastewater Capital Reserve Fund will transfer money to a construction fund to do a sewer project. Transfers must be budgeted, but are not a cash increase or decrease overall.

Police, Fire, and Ambulance

The Police, Fire and Ambulance Departments account for 13% (\$10 million) of the City's total budget. This budget funds 40 full-time Police officers and staff, and 19 Fire and Ambulance personnel. Madison County Ambulance District and the Madison County Fire Protection District share in the funding of the Fire and Ambulance services with the City of Rexburg, which provides some of the most efficient and effective funding of these services in the State of Idaho.

CAPITAL IMPROVEMENT PLAN

The fund where the City has the most discretion in spending is the General Fund. The major sources of funding include property tax, state shared sales tax, franchise fees, and administrative overhead charges to other funds. The General Fund Budget is \$10.8 million, which is about 14% of the citywide budget. Below is a more detailed look at the General Fund. All revenues are generally very limited; therefore, increasing funding on one project or department will usually require reducing funding for others.

Every year, the City adopts a **Capital Improvement Plan** for the next five years. Capital improvements include any one-time expenditure over \$5,000 in the form of equipment or construction.

Major utility construction projects include a **major upgrade to our water facilities**, which 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 (DEQ) 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 and complete these projects by the end of the calendar year 2017. A final phase at the wastewater treatment plant to eliminate odors, add new capacity, and help with the disposal of the bio-solids will continue. A new process of pasteurization will bring our end product to a Class A. The wastewater improvements should be completed by the end of the calendar year 2016.**

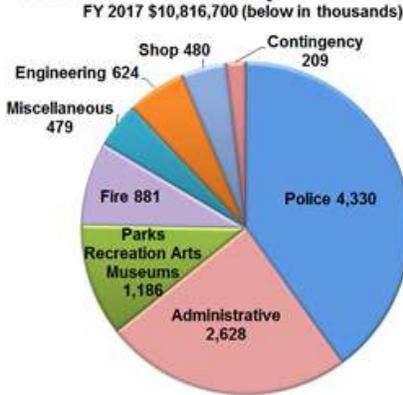
The **Airport Relocation Master Plan Study** will continue through 2017 and will help determine the future airport needs and projects. Projects are funded approximately 90% by the FAA, up to 5% by the State of Idaho, and the rest by the City and the County. The City is setting aside reserve funds to meet their portion of any match if a final decision to relocate the airport is made. The city projects to have \$535,000 of reserve set aside by the end of Fiscal Year 2017.

The City has budgeted **\$1,600,000 to construct a new baseball/softball quad** at Community Fields and the projected completion date of this project is Fall 2017. Funding from the Urban Renewal Agency and the Parks Impact fees will help make this project possible. \$170,000 is also budgeted from Park Impact fees for the **lighting of 1 field at Riverside Park.**

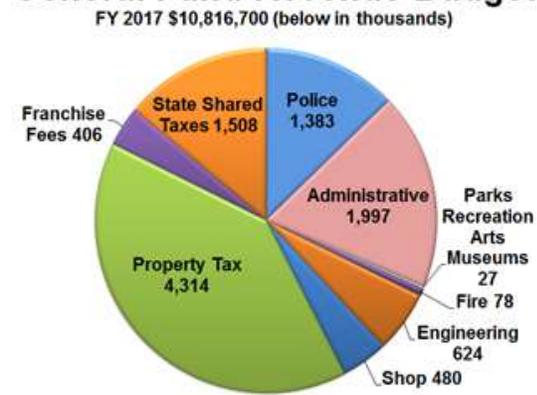
In the **Community Safety Lighting Fund**, a **project to light center street downtown** is budgeted.

Currently the City has no general obligation bonds outstanding. In December of 2010, it sold \$10 million in **Sewer Revenue Bonds** at an average 3.2% interest rate, which will be paid back over 15 years from monthly sewer user revenues and new construction capacity fees. **The current balance owed is \$6,525,000. The City also has \$315,000 in Local Improvement District (LID) Warrants**, which are not a general obligation of the City, but are a lien on individual properties for needed improvements that have been made on or next to those properties. The City usually creates an LID each year to support needed private improvements, such as sidewalks and curb and gutter, along a street that needs other public improvements and periodically sells interest bearing warrants to cover that LID. As mentioned above, the City is expecting to receive in 2017 a **DEQ loan for water upgrades** at an interest rate of 1.75% for up to 30 years and a **total repayment obligation of up to \$8,888,700.**

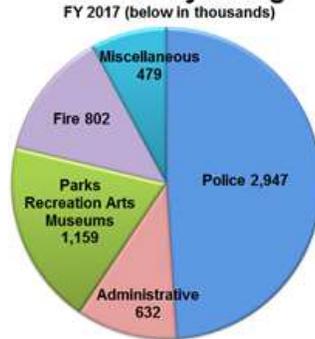
General Fund Expense Budget



General Fund Revenue Budget



General Fund Tax Subsidy Budget



GENERAL FUND

DEBT SERVICE AND BONDS

PROPERTY TAX BREAKDOWN & COMPARISONS

UTILITY RATES

Your property tax dollars paid to the City of Rexburg are generally dedicated to Police and Fire services, because they are less than the budgets of those departments. The total estimated property tax for the City in this fiscal year is \$4,314,400, which equals 25.1% of each city resident's total tax bill. Here are some comparisons of 2015 levies (received in FY 2016) with other entities. This year's levies are very similar in comparison.

The City charges for utilities:

water, sewer, garbage/recycling and community safety lighting.

In this budget, utility rates for an average home will not increase.

If you have any questions about any of the material presented in this brochure, please call the Mayor or Chief Financial Officer at 208-359-3020 or email us at finance@rexburg.org or visit or write us at 35 North 1st East, Rexburg, Idaho 83440.

For more information you can also visit us online at www.rexburg.org

Discussion about sales tax and how it is distributed.

B. Public Works: John Millar

Public Works Director Millar reported the water and wastewater projects are moving along. They are trying to get things closed up for winter. They are pulling out the remaining trees on Main Street between Center Street and 1st East. New trees have been ordered to replace them. They will be replacing the street lights with new LED lights. The new lights should provide a savings to the city.

Council President Smith asked about an end date for construction. Director Millar said it will take as long as weather will allow and into next year.

Mayor Merrill said that the current trees are mixed varieties and not conducive with the businesses. The new trees will be more consistent and less dense. Parks Foreman McInnes and Bob Yeatman attended an arborist school to learn how to trim trees. They were able to drop a large pine tree in Porter Park saving two or three thousand dollars.

C. Engineering: Keith Davidson did not have a report.

Mayor's Report: Mayor Merrill encouraged everyone to go to the Madison/Highland game tomorrow in Pocatello. He also announced the new web page called the Play Book that the recreation department has added. A scout wants to put together a time capsule that will be opened in a hundred years. He asked the Mayor for a state of the city letter. The time capsule will go into one of the monuments at the Tabernacle. There is a new insurance company in Rexburg that will be a worldwide company. This is a business that is being started by some young entrepreneurs that went to school here and wanted to come back here to start their business. The City hosted a company called Navix Global for a city and campus tour. This is a company that was started here and got bought out but they still want to use people here. The Mayor is working with a group of engineering students from BYU-I to see if they can come up with a way to heat the water at Rexburg Rapids more efficiently. The ready team is working with Ball Ventures on a project on 4th South. He reported on the conference in Cleveland. It's good to get ideas from other cities around the country. They learned that we need a stronger economic development board. He attended the SAUSA (Special Assistant United States Attorney) meeting in Blackfoot. We contribute to the special assistance attorney in Pocatello. There have been three prosecutions from our area. This attorney will take on cases that counties don't have time for. The Rural Planning Organization met today and talked about a walking and biking loop around the city and maybe developing Poleline Road to make it safer. He showed the thick Environmental Impact Statement for the Idaho National Laboratory. They are planning on a billion and a half infrastructure project to be able to handle naval spent nuclear fuel for the next forty years.

Public Hearings: – NONE

Items for Consideration:

A. **Comprehensive Plan Map Amendment** at 141 and 135 South 2nd East from Low-Moderate Density Residential to Neighborhood Commercial/Mixed Use – Steve Herdti and 2M Holdings LLC

Judy Hobbs with Realty Quest reported that 2M Holdings is developing the area. 2M Holdings already owns the long blue strip indicated on the map and Mr. Herdti owns the small blue area next to it. They would like to change the comp plan map to be consistent with the north end of the block. The home already on the property will be used for the apartment managers and the shop will be used for construction staging and later for lawn equipment. These two properties will not be incorporated into the project at this time but if the rest of the block changes, these properties may be included in a redevelopment.

Council Member Flora asked why they want to change the comp plan map if these properties are going to stay the same. Ms. Hobbs said to make the zoning consistent with the other properties that they own. They have visited with the neighbors on the south end and they may want to be included in this.

Council President Smith asked Attorney Zollinger about the letter from Mr. Walker and the conditions already imposed to make the east side along Harvard a residential buffer. Attorney Zollinger stated that Mr. Walker's letter ends up with the same result.

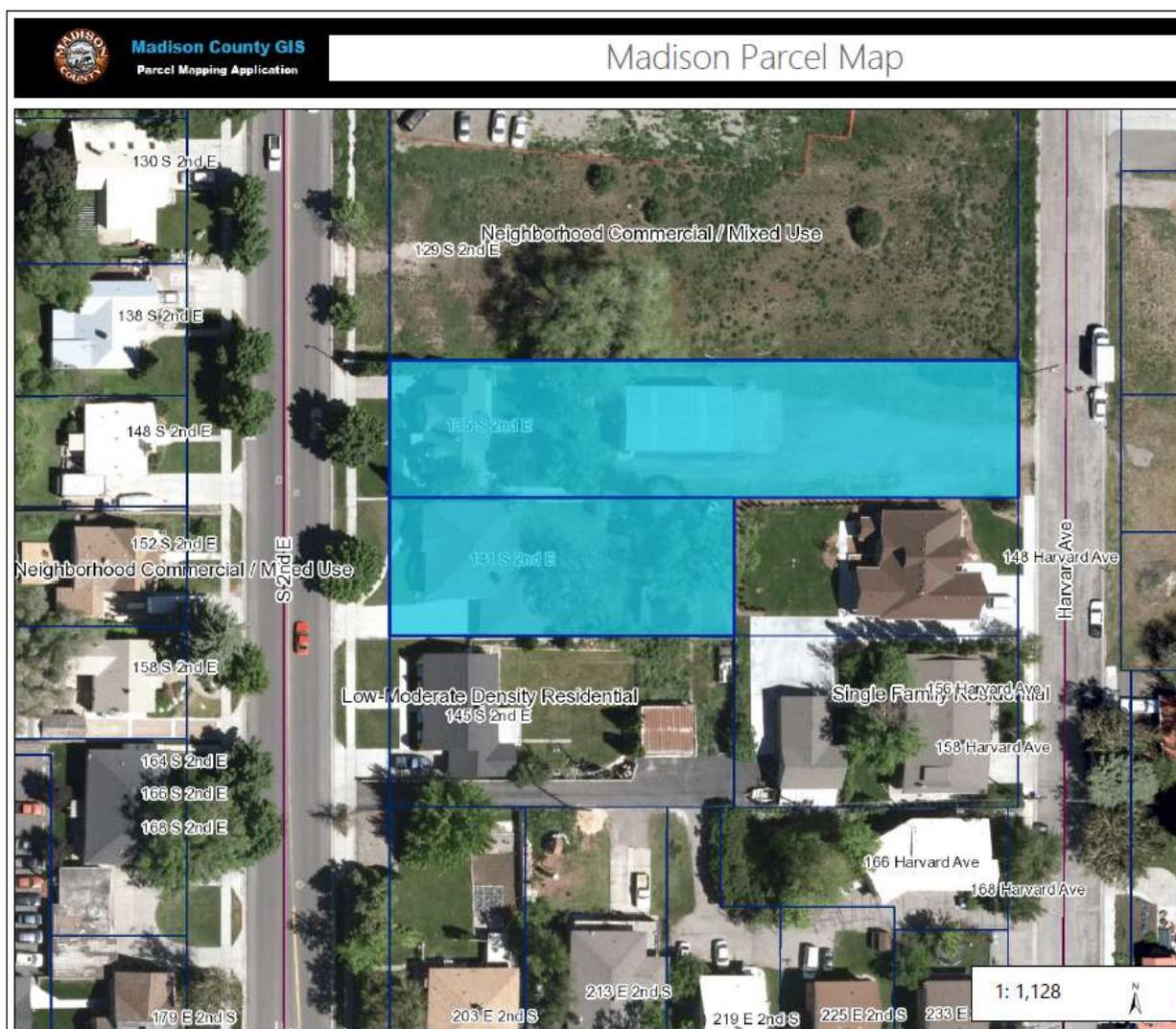
Council Member Flora reminded council that the original change was approved based on misinformation. It was supposed to be a very small commercial building. Now we are supposed to look at this new change and they say they are not going to develop this area but that could change. She does not agree with a commercial zone being right next to a residential zone. There was some deception there, whether accidental or intentional. She feels there should be a buffer between the neighbors and the proposed project.

Judy Hobbs said a lot has changed after many hours spent on the original development. Things evolved and the opportunity to develop it into dormitory housing proved to be a better option. There was never any intent to deceive anyone.

Council Member Wolfe says the problem comes from listening to the project plans rather than focusing on the change to the comp plan. He does, however, believe this is the best use for that property.

Council Member Flora feels it is a huge encroachment and poor timing. Attorney Zollinger clarified that the property to the north is existing and approved so it's incumbent upon council to recognize that the complex to the north is going forth. This rezone would allow them to expand the buffer and create a better project. There has been no request to increase the density. The current situation is less desirable without the change.

Carl Matson indicated that it is not their intention to build on the Barrick property. They purchased the Barrick property for three reasons: 1. It will serve as the buffer that is required. 2. The home already there would be the managers apartment. 3. There could be some turn around or overflow parking.



Staff Report:

SUBJECT: Comprehensive Plan Map Amendment Application File # 16 00549

***APPLICANT: Steve Herdti - 141 South 2nd East
2M Holdings, LLC - 135 South 2nd East***

PROPERTY OWNER: Same as applicants

PURPOSE: Request to amend the Comprehensive Plan Map - to change property from Low-Moderate Density Residential to Neighborhood Commercial/Mixed Use

PARCEL SIZE: Approximately .71 acres

PROPERTY ID RPR000R0083506, RPR000R0083020

PROPERTY LOCATION: 141 and 135 South 2nd East, Rexburg, ID 83440

AUTHORITY § 6.13c "Council may adopt or reject an amendment to the Comprehensive Plan."

REQUEST

Applicant is requesting a land use map designation change from Low-Moderate Density Residential to Neighborhood Commercial/Mixed Use.

RECOMMENDATION

The applicant is seeking to change the subject property from Low-Moderate Density Residential on the Comprehensive Plan Map to Neighborhood Commercial/Mixed Use.

Staff's concern is that consensus should be reached on the future use of the properties along 2nd East. Engineering is concerned about higher traffic on 2nd East. The residents of the neighborhood have expressed concern about added traffic on Harvard. There seems to be consensus on the fact that individual driveways with vehicles backing out onto 2nd East is not in the best interest of the community. Redevelopment that removes these traffic conflict points and redirects traffic to 1st South and 2nd South seems to be a logical solution.

If the changes asked by this developer can be attributed to the project to the north then Staff feels they could be considered at this time. However, Staff recommends that there be Ready Team and Task Force involvement for direction with changes to the rest of the block and for the rest of the neighborhood. A traffic study is also recommended as part of the review.

The Planning and Zoning Commission should take testimony in the public hearing to determine if this change to the comprehensive plan map will be in the best interest of the community.

Applicant:

Steve Herdti

Discussion:

Council Member Smith moved to amend the **Comprehensive Plan Map (Resolution 2016-10)** at 141 and 135 South 2nd East from Low-Moderate Density Residential to Neighborhood Commercial/Mixed Use (Steve Herdti and 2M Holdings LLC); Council Member Wolfe seconded the motion; Discussion:

Council Member Mann indicated that he would like to see the whole block come in together to ask for a zone change so we're not just spot zoning. He has always felt that 2nd East is the buffer. He would like to see properties closer to campus be developed before jumping farther away and getting away from the Pedestrian Emphasis area.

Council Member Wolfe said if you look at Second East and go a block north, it's commercial and if you skip a block to the south, it's apartments. He said Harvard is the glass wall and 2nd East is already commercial except for these two blocks.

Council Member Benfield voted against it last time but he feels the time is now for this change.

Council Member Flora thinks the hard part is that the block would not have been changed if it had been presented as dormitory housing in the beginning. She would vote in favor if this really would be a better buffer but there's no guarantee. Attorney Zollinger stated that this property will have to be used for a bigger buffer. Council Member Wolfe also reminded everyone that even if the property was sold tomorrow and the new owner came with a request for a rezone, council still has the option to place conditions on the project.

Mayor Merrill asked for a vote:

Those voting aye

Council President Smith

Council Member Flora

Council Member Benfield

Council Member Wolfe

Those voting nay

Council Member Mann

The motion carried

B. **Approve the surplus of a router** in the Economic Development Department. This property is not useable by the Technology Coordinating Services (TCS) Department – Daniel Torres

Daniel Torres from the Economic Development Department asked to have an Apple Router excessed. Discussion: The router does not fit with the TCS Department's equipment.

Council Member Benfield moved to surplus the Apple router as requested; Council Member Smith seconded the motion: Mayor Merrill asked for a vote:

Those voting aye

Council President Smith
Council Member Flora
Council Member Benfield
Council Member Mann
Council Member Wolfe

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 (Recommend Suspension of the Rules):

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:

1. **Ordinance 1150** Amending the City of Rexburg Impact Area

Council Member Flora moved to consider **Ordinance 1150 amending the City of Rexburg Impact Area** approved and third read; Council Member Wolfe seconded the motion; Mayor Merrill asked for a vote:

Those voting aye

Council President Smith
Council Member Flora
Council Member Benfield
Council Member Mann
Council Member Wolfe

Those voting nay

None

The motion carried

2. **Ordinance 1152 to rezone of property at 255 and 259 West 2nd North** from Low Density Residential Two (LDR2) to High Density Residential One (HDR1) – Wesley Haws

Council Member Wolfe moved to consider **Ordinance 1152 to rezone property at 255 and 259 West 2nd North** from Low Density Residential Two (LDR2) to Medium Density Residential Two (MDR2) approved and third read; Council Member Flora seconded the motion: Mayor Merrill asked for a vote:

Those voting aye

Council President Smith
Council Member Flora
Council Member Benfield
Council Member Mann
Council Member Wolfe

Those voting nay

None

The motion carried

Mayor’s Business: Mayor Merrill shared a police report of a college student who fell in a man hole. Officer responded and we don’t think it was our people who removed it. BYU-I Liaison Eric Conrad showed a proposal for College Avenue property that BYU-I is sending to Salt Lake for approval. It looks good and will hopefully be approved.

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 September 21st , 2016 meeting;
- B. Approve the City of Rexburg Bills

Council Member Benfield moved to approve the Consent Calendar containing the minutes and city bills; Council Member Flora seconded the motion; Mayor Merrill asked for a vote:

Those voting aye

Council President Smith
Council Member Flora
Council Member Benfield
Council Member Mann
Council Member Wolfe

Those voting nay

None

The motion carried

Adjourned at 7:47 P.M.

APPROVED:

Jerry Merrill, Mayor

Attest:

Mary Flanary, Deputy City Clerk