

**City of Rigby
City Council Meeting
July 20, 2010
7:00 p.m.**

Mayor Smith welcomed everyone to the meeting and turned the time over to Scott Barry, Water and Wastewater Operations Manager, who invited everyone to join him in the pledge of allegiance. Mayor Smith then turned the time over to Councilman Zimmermann who gave the prayer.

Dave Swager, City Clerk/Treasurer, performed roll call. Those present were: Mayor Smith, Councilman Blackburn, Councilman Day, Councilwoman Hinckley, Councilman Maloney, Councilman Simonson and Councilman Zimmermann.

Jefferson County GIS Department-Presentation of Jefferson County's GIS System-

Mayor Smith stated the next item on the agenda was a presentation on the County's GIS system and reminded the council of the GIS presentation from Keller Associates at the last council meeting. Mayor Smith turned the time over to the representative for their presentation.

Eric Smith stated that he is a GIS contractor and has been working with Jefferson County for approximately three (3) years now. Mr. Smith stated that he has been working with them to update their data bases but stated that more importantly he was getting the various departments to communicate with each other. Mr. Smith stated that over the past year he had been working on getting all the county data and putting it together in a mapping source on the internet that is available to the general public as well as internal departments. Mr. Smith stated that he had recently held a presentation on this system with some of the city employees. Mr. Smith explained the county had asked him to come this evening and do a presentation of their GIS system for the council and show what programs and resources are available. Mr. Smith stated the website address and showed the link to the mapping system and then gave a brief presentation on the various search items and information available. Mr. Smith stated the maps are downloadable and printable from this system. Mr. Smith stated the county has invested between \$20,000 and \$30,000 in hardware and software for this program and explained the data portion is an entirely different matter. Mr. Smith stated that he has worked with several counties in the area, either contracted or as an employee, and has found the information being made available is valuable.

Mayor Smith stated the City's concern is if there is a water emergency in the middle of January would this system be able to help staff locate a shut-off valve. Mr. Smith stated the answer would be yes and gave a brief explanation on how this information could be added to this system. Councilman Day asked if a GPS was used to obtain the valve location information would that cause a discrepancy of anywhere from six (6) to ten (10) feet. Mr. Smith stated that would depend on who was obtaining the information and explained there are three (3) different GPS systems available. Mr. Smith stated the first kind is a recreation grade GPS and can be purchased at any local Wal-Mart and explained this would get you within thirty (30) feet. Mr. Smith stated the second kind is a mapping grade which is typically what the county uses and explained this would get you within a meter or three (3) feet. Mr. Smith stated the third kind is a survey grade and explained this would get you within millimeters. Mr. Smith stated they usually don't use this third kind as it's

typically more than what is needed for the information they are obtaining. Councilman Day stated this confirmed his concern over not getting precisely over that shut-off valve with standard GPS and Mr. Smith stated that he disagreed and explained that with the right information you would be placed within a manhole size difference of the exact location. Councilman Day gave a brief explanation of the issues with GPS that he has noticed where he works. Mayor Smith asked if once the valve was located if there could be additional information put in the system regarding that valve and Mr. Smith stated that could be done and gave a brief demonstration of how this would be done. Mr. Smith suggested the city look into the jointly operated GIS system that Madison County and the City of Rexburg have and explained this is a unique and cost-effective model. Councilman Blackburn referred to the Madison-Rexburg GIS and that since they both pay for the system asked who actually inputs the data. Mr. Smith stated there is a GIS department located in the city and explained that was where the software and hardware is located and explained the county gives them a check for half the cost of the system. Mr. Smith stated that if the city was interested and had someone with some computer experience they might consider getting them trained and licensed in GIS. Mike Miller, 911 Coordinator, stated this would be the way to have the city maintain their information and have access to the database and could update information. Mr. Miller stated that once a change was made it would upload to the county's database and be available for public view within 24 hours. Mayor Smith stated that it was his opinion the city should work with the county and share the information that has been gathered and add to it rather than start over. Councilman Blackburn referred to the city growing and asked if this would be useful to the city by current infrastructure and legal description being available and Mr. Smith stated that was correct. Mr. Smith gave a brief explanation on how this would increase efficiency across the board. Mr. Smith stated that when a piece of property is annexed it doesn't immediately change jurisdiction in the assessor's office but does for all other departments involved. Mr. Miller stated that once an annexation has been accepted by the city Paula Sessions, Planning and Zoning Administrator, notifies him and then the information is updated and explained that when a police or emergency call comes in for that property the right police agency can be notified. Mr. Miller stated that Mrs. Sessions is very good at communicating with them and so they are able to keep the maps updated. Mr. Smith referred to address changes and explained that if they were operating the same system once the city made a change then the county would have that same change and vice versa. Mayor Smith stated that he would like to personally approach the commissioners and discuss this further. Councilman Blackburn moved to grant Mayor Smith authorization to approach the County Commissioners regarding their GIS system. Councilman Simonson seconded. Councilman Day stated that he was willing to entertain this but was concerned over the cost. Mayor Smith stated this was just approval to talk to the commissioners. All were in favor.

Abandon Surface Irrigation-2011-

Mayor Smith stated the next item on the agenda was regarding abandoning the surface irrigation.

Mayor Smith referred to the downtown renewal project and the proposed pocket park on the old V-1 property and stated there is a gravity fed irrigation line in the area. Mayor Smith stated it has been found that this irrigation line is leaking and H&K who is the contractor stated they cannot cover the line back up while it's leaking. Mayor Smith stated he has talked with Mr. Swager and Rick Lamoreaux, Park/Street/Sanitation Supervisor, and found this line is servicing six people and would like to consider abandoning this line. Mayor Smith explained the property owners have been talked to and Mr. Lamoreaux stated it was two days a week to service those six people. Mayor Smith stated this system was very old and quite deteriorated and considering the cost of

maintenance versus the benefit of the service. Mr. Swager stated there is a summary of irrigation expenses placed in front of the council for review. Mr. Swager referred to this summary as he explained the cost in labor through July 14th was \$2,500, the expenses through June 30th was \$5,070 and after subtracting the canal assessments and including the payment of \$386 in today's payable list there was a total cost of \$3,600. Mr. Swager stated the projection of expenses from July 14th through October 1st would be \$6,000 and pumping costs average \$110 per month for the next three months. Mr. Swager stated that when considering all of this information the total cost for the city for this surface irrigation is approximately \$10,000. Councilman Simonson asked for the total of people using this service and Mr. Lamoreaux stated there were thirty-five (35). Mayor Smith stated this total is just for the cost of the service for the season and does not include maintenance on the line and Mr. Swager stated that was correct. Mayor Smith stated this line is leaking by the V-1 property and by the optometrist office and asked if those were the only ones and Mr. Lamoreaux stated there may be more not found yet but explained these were the confirmed leaks. Mayor Smith asked how the city could justify paying this kind of money for maintenance and repairs when there was no additional charge for this service in the first place. Councilwoman Hinckley asked if there was an estimated cost for bringing those lines up to date and Mayor Smith stated not at this time. Councilman Blackburn stated that even if they were brought up to date there would still be the \$10,000 per year cost and Mayor Smith stated that was correct and explained that was just the operating expenses and explained this did not include any maintenance or repairs. Mr. Lamoreaux stated that even if these leaks were repaired he was concerned over how long it would take until another one was found and needed repaired. There was a brief discussion regarding the size of the line in varying areas of the city and how the line routes through the city. Councilman Day stated the \$10,000 in question was for the entire city and not just for the six people in question and Mr. Swager stated that was correct. Councilman Day asked if they were only talking about the one line servicing six people and then leaving the rest alone and Mayor Smith stated the proposal this evening was to abandon the line for these six people and explained he wanted to abandon the entire project because of the age and condition of the system and the cost.

Natalie Burns stepped forward and stated she would like to ask a question regarding the irrigation system. Mrs. Burns explained at one time the entire city was irrigated in this manner and then the decision was made to cancel the service except for those few that are receiving it presently. Mrs. Burns stated there had been a petition signed because they didn't feel they needed the water to irrigate the smaller city lots and explained they complained because the stray cats were using the holes for breeding grounds. Mrs. Burns stated that her grandmother uses the irrigation service to water her lot because its still rather large and expressed concern over the grass, trees and flowers dying if the service was cancelled. Mrs. Burns stated that if the city chose to go to metered water in the future this would cause a problem for these property owners with the bigger lots and gardens, trees and whatever. There was a brief discussion regarding past irrigation usage compared to present and the concerns over water conservation.

Kenny Blakely, 146 S 2nd West, stated that he lives next to Mrs. Burns' grandmother and explained that he has a larger chunk of land and has been using this irrigation water for the past seven years. Mr. Blakely stated that presently he has barely enough water pressure to one run sprinkler at a time and explained that when other people in the area are using water then he doesn't even have that much pressure. Mr. Blakely stated that he was concerned about getting water on his land if the city chose to abandon the irrigation service. Mayor Smith stated that Mr. Lamoreaux informed him of the unique situation regarding the irrigation service and how it pertains to this property. Mr.

Blakely stated the mainline is under the grandmother's driveway but splits off right there to service his property. Mayor Smith stated that his hope was that during this collection improvement program this situation could be addressed and fixed and therefore give back the water pressure that he was presently missing. Mr. Blakely stated that his water pressure was so bad that if the sprinkler was running he couldn't take a bath or do laundry or anything else. Mr. Lamoreaux stated the situation regarding the water line servicing this property and explained that two pieces of property were being serviced by a single one inch water line. Mr. Blakely explained that his property had a sprinkler system but he couldn't use it due to the lack of water pressure. Councilman Day stated there were several areas in the city that had issues with water pressure and felt this was a legitimate concern. Mayor Smith stated that he agreed but also felt the money needed to be spent in improving the water lines rather than updating irrigation issues. Councilman Simonson stated that when he had his line upsized he had to hire someone and get that done on his own and so he questioned as to whether the city could go on this property and replace the line. There was a brief discussion regarding city responsibility and homeowner responsibility when it came to replacing and repairing water lines. Mayor Smith stated the basis this evening would be these six homes would no longer receive irrigation water because the city was abandoning that line. Mr. Lamoreaux stated this would be effective immediately as H&K wanted to get back to work by the first of the week. Mayor Smith stated the decision on these six homes had already been made but was asking for a decision on the other twenty-nine homes that were serviced by the irrigation water. Mayor Smith stated they could continue to receive the water this season but would like to see the system abandoned by next spring. Councilman Day stated that he felt this needed to be researched a little more and referred to the waiver they were proposing regarding rights and questioned the need for this if there were no rights. Mayor Smith asked Robin Dunn, City Attorney, whether he had reviewed this or not and Mr. Dunn stated that he had and explained the city needed to contact the canal company to see if the property owner or the city actually owns the water rights. Mr. Dunn explained they keep a record of the actual certificates and could answer this question rather quickly and easily. Mr. Dunn asked if the canal company secretary had been contacted and Mr. Swager stated that Lynn Walker had come into City Hall earlier today and had stated as far as he knew there was no one in Rigby with homes that had rights to the canal. Mr. Dunn stated the city still needed to check into this. Mr. Lamoreaux stated that was his understanding as well because the city pays all the assessments and not the property owners. Councilman Day asked if that was the case then why was there the need for this waiver and Mr. Dunn stated he wanted to make sure that all the bases were covered. Mr. Dunn stated that historically the city had offered this service for 20-30 years. Councilman Blackburn stated that he agreed with Councilman Day regarding the wording in the waiver and Mr. Dunn suggested changing that to say they are waiving any interest in the city's water. There was a brief discussion regarding the issues surrounding the water rights and the irrigation water being a privilege not a right.

Maria Blakely, 146 S 2nd West, stated that when they purchased their home seven years ago they had been told they had water rights. Mr. Dunn asked who had told them that and Mrs. Blakely stated the people that had sold them the home. Mrs. Blakely stated that when they went in to sign the papers she had tried to obtain information from the mortgage company because they were located at the end of the ditch and this became important to them. Mr. Dunn stated the former owner may or may not have told the truth but the actual owner of the water rights will be shown on the water certificates. There was a brief discussion regarding the procedures to obtain certificate information and the importance of this in this matter.

Mayor Smith asked Mr. Swager if there were funds in the water department to perform the city's portion of providing separate lines to these property owners and Mr. Swager stated there was. Mayor Smith asked if there could be a motion made on this issue this evening as it pertains to the water issue at hand and it was decided there could. Mayor Smith stated that he would entertain a motion for the city to go in and take care of the water line problem with these two residences. Councilman Blackburn asked what size of a line this would be and Mr. Lamoreaux stated it could still be done in one trench and suggested a one inch or inch and a half. Councilman Blackburn asked if this was standard in the city and Mr. Lamoreaux stated they used to put in a three quarter inch line but explained that lately they have gone with the one inch. Councilman Maloney asked if they were looking for a motion to begin correcting this water problem tonight and then later come in with the motion to abandon the irrigation and Mr. Dunn stated that was correct and explained that he would like to see an actual water certificate and not just take the word of someone else. Councilman Maloney moved to begin the process of fixing the Blakely and Beck water problem. Councilman Zimmermann seconded. Councilman Day asked what the estimated cost from H&K was to fix that leaky water structure and felt sure it would be approximately \$7,000 and Mr. Lamoreaux stated they had never come back with a cost estimate. Councilman Day then asked if it would be cost effective to avoid the change order cost to repair the line and work on putting in this water line. Mr. Dunn stated that with Urban Renewal's project it doesn't solve anything to fix this one area and then dig up the new concrete being placed a little later on to fix another part of this problem irrigation line. On a roll call vote:

Councilman Blackburn	--	aye
Councilman Day	--	aye
Councilwoman Hinckley	--	aye
Councilman Maloney	--	aye
Councilman Simonson	--	aye
Councilman Zimmermann	--	aye

Councilman Blackburn asked what would happen if they find that a property owner has water rights in the irrigation. Mr. Dunn stated that if that was the case then the contract is between the canal company and the home owner and explained the city would be under no obligation to convey that water and the homeowner would need to make arrangements to obtain the water. Mr. Dunn stated that if the city was the individual owner then they could do whatever they wanted with the water rights. There was a brief discussion regarding water assessments and water rights. Councilwoman Hinckley asked if for future planning the city started leaning more towards desert type landscaping or promoting the use of trees and shrubs that require less water. Mayor Smith stated that he had talked with Ted Hendricks from Rural Development about this very issue approximately a week ago and explained the big difference in water bills when watering a yard. Mayor Smith stated the important thing was making sure the residents were paying for what they were using. Mayor Smith stated the best way to do that would be to place meters on every service but explained the city has not done that and so they set the fees where they feel it is the most appropriate. Councilwoman Hinckley asked if there was a cost analysis of what it would take to install meters and Mayor Smith stated he didn't know if this was something that had ever been figured but explained it was something the city was working towards. Mayor Smith stated he believed this was being initiated in new subdivisions. Councilman Day stated there was a provision in the city code that allowed for the city to require a meter be installed at a property if they feel it to be necessary.

Funding Request Rigby Airport-

Mayor Smith stated the next item on the agenda was a funding request from the Rigby Airport and turned the time over to Councilman Zimmermann for his presentation.

Councilman Zimmermann reminded the council of the airport board's work on asking for a grant. Councilman Zimmermann stated they were asking for \$56,000 and explained the grant had been approved but they only received \$37,000. Councilman Zimmermann stated that since the city has contributed money to their cause over the years they had asked him to come before the council this evening and ask if the city could help this year. Mayor Smith stated that would be something in the budget process and it was determined there was some money in the budget for the airport. Councilman Zimmermann stated they had also asked for the use of the backhoe and truck to haul off some concrete and other debris and explained that he had talked with Mr. Lamoreaux about this. Councilman Day asked if there was money budgeted and Mr. Swager stated there was no money in the 2009 budget but after speaking with Councilman Zimmermann he had placed \$4,000 in the 2010 budget for the airport and referred to page fifteen (15) of the budget report under capital outlay. There was a brief discussion regarding the need for the budget to be approved and then the airport could be notified of whether the city has the money or not at that time.

Other Council Business-

Mayor Smith stated the next item on the agenda was other council business and turned the time over to Mr. Swager for his presentation.

a. 2011 Draft Budget Presentation-

Mr. Swager stated that he had met with Mr. Barry and Mr. Lamoreaux and gone through the budget again after the mailing of the council packets and explained that some of the numbers had changed and referred to the document placed on the table in front of the council members. Mr. Swager stated there is a single sheet on the table as well that shows the estimate of 2010 property evaluation and explained this shows what the actual property value was for 2009 which was \$974,000 and stated there would be a 3% incremental increase on that which is \$29,000 and explained that he had met with Mrs. Sessions to get the new construction estimated value and that was \$2.5 million. Mr. Swager stated the levy rate is \$7 million which generates \$17,000 on the new construction values for a current tax charge for 2010 which would be \$1,020,000 which is a \$46,000 increase over the 2009 tax. Mr. Swager stated the estimated market value will not be known exact until August but explained he figures it to be approximately \$135 million versus the \$126 million from one year ago. Mr. Swager referred to the 2009 column under the \$974,000 tax allocation by general, library, park and capital improvement. Mr. Swager referred to the 2010 column and explained this showed where he has allocated that \$1,020,000 to these same departments. Mr. Swager stated that in going through the budget he allocated additional funds out of the property taxes to the library in the amount of \$30,000 and to the roads in the amount of \$50,000 to assist them in their funding. Mr. Swager stated the General Fund is currently self-sufficient and explained there is no money coming out of savings to help this fund. Mr. Swager referred to the sales tax from the state and explained this would be down a little bit in the amount of \$101,000 versus the \$107,000 from last year. Mr. Swager stated that revenue sharing will be up a little bit in the amount of \$97,000 versus the \$90,000 from last year. Mr. Swager stated the state liquor board had indicated their amount would be down and explained he estimated \$55,000 versus the \$60,000 from last year. Mr. Swager stated there had been a change in Legislature and so there had been an appropriation from liquor fund to the general fund and explained that was the

reason behind that decrease. Mr. Swager stated the rest was more informational and referred to the water rates and explained he showed current as well as with the 5% increase. Mr. Swager referred to the budget sheet on the General Fund and explained there is a total budget excluding transfers of \$1,131,000 with \$63,000 coming from the three enterprise accounts. Mr. Swager stated the revenue source for the General Fund equals \$1,194,000 versus the \$1,271,000 for last year. Mr. Swager referred to the expenditures and explained this was a basic analysis for the departments.

Mr. Swager referred to the Police Department and stated there was an increase from \$602,000 to \$608,000 and explained this was due to the request for additional outlay for cars and trucks. Mr. Swager stated there was also a \$15,000 increase in dispatch services as well as a Compliance Officer.

Mr. Swager referred to Planning and Zoning and explained they eliminated Mr. McCowin's previous expenses coming from this department. Mr. Swager stated that he removed the reimbursable engineering fees from this fund also and explained this was an in-and-out with really no actual cost to the city. Mr. Swager stated these changes dropped the expenses in this department from \$110,000 to \$63,000 for the current year.

Mr. Swager referred to the airport and stated there was \$12,000 but explained this was an off-set from a year ago and stated this too was an in-and-out with no expense to the city. Mr. Swager stated this did not include the \$4,000 that was previously discussed.

Mr. Swager stated the Senior Citizens was kept the same at \$5,500 and explained this also covered the insurance. Mr. Swager stated there was \$4,500 going out to each of the museum, parks and rodeo funds.

Mr. Swager stated that Mayor Smith had discussed previously that he would like some sort of circuit breaker program in place for assisting the elderly with their utility bills and explained that he had placed \$10,000 in anticipation for this. Mr. Swager explained that he had talked with the county and they had stated there were 90 seniors that owned property and qualified for this program.

Mr. Swager referred to another column and stated this was the dollar amount impact the employees took with the 4% reduction for the six months and explained the total for that was \$18,262. Mr. Swager stated there had been talk about implementing an HRA program for the employees and explained that he was going to be speaking with the insurance representatives. Mr. Swager gave a brief explanation of the current deductible, the buy down and how that works and some cost-cutting alternatives. Mr. Swager stated the city shows a total expenditure of \$1,183,000 and explained there was \$10,000 revenue over expense for the General Fund. Councilman Simonson asked where the General Fund would be by year end and Mr. Swager stated best guess would be approximately \$40,000 net profit. Mr. Swager stated there was \$70,000 carryover from last year and \$40,000 from this year.

Mr. Swager stated the next item was the Building Fund and explained that he had estimated the building permits to be \$25,000. Mr. Swager explained that 90% of this amount will go out to Mr. McCowin as per contract for inspection fees and 10% would be retained to cover administrative expenses.

Mr. Swager stated the next item was the Library Fund and explained that he had included an additional amount of \$30,000 from the projected increase in property taxes. Mr. Swager stated that Marilyn Kamoe, Library Director, had indicated that she will not be getting the grants and donations that she has in the past. Mr. Swager stated that he took that information into consideration and dropped that revenue amount down accordingly. Mr. Swager stated the anticipated fees were remaining the same at \$12,000 with miscellaneous fees at \$11,000. Mr. Swager explained the expenses were about \$135,000 but explained this was down from the \$155,000 of last year's budget. Mr. Swager stated the Library Fund would show a net profit of approximately \$3,500 if everything stayed in line with projections.

Mr. Swager stated the next item was the Parks Fund and explained this one had stayed pretty much the same. Mr. Swager stated one thing to consider would be the Urban Renewal project and explained he is currently tracking the expenses for decorations and parades. Mr. Swager stated that with everything Urban Renewal is having done the city will not have enough decorations for the coming season. Mr. Swager stated this labor and other additional costs are not funded and explained the city would have to absorb that cost. Mr. Swager stated that he had included \$2,000 for Christmas Lighting and or flower works.

Mr. Swager stated the next item was the Road Fund and explained there was an increase in funding from property tax from \$37,000 to \$89,000. Mr. Swager explained that revenues have gone up and this fund has used no transfers at this point. Mr. Swager stated that expenses have gone up from \$291,000 to \$298,000 but explained this was still short of what Mr. Lamoreaux feels he needs. Mr. Swager stated there is only \$5,000 in repairs and maintenance of streets versus \$30,000 from one year ago and explained there was a concern of where the city would get this money. Mr. Swager stated that seal coating and chip sealing had gone up a little but explained they were still down from prior years. Mr. Swager stated these areas were reduced by half and explained these services were being delayed. Mr. Swager stated this would eventually catch up to the city and explained that for every expense you delay it will cost more in the end. Mr. Swager stated this was unfortunate but there was really no where to get additional money for that fund. Councilman Blackburn referred to the Road Fund and stated that someone had approached him regarding the franchise fee due to all the improvements on Main Street and expressed concern over a potential increase on their power bills. Mr. Swager explained that fee is based on the actual power bill and not on the additional lighting. Mr. Swager stated he has increased the street lighting budget from \$31,000 to \$37,000 and explained this was about a fifteen percent (15%) increase. Mr. Swager stated that he felt the city would have been ok with the \$31,000 but was unsure of their intentions on rates and felt having a little extra was playing it safe.

Mr. Swager reminded the council of the Arterial Road and Bridge fee concern that was raised at a previous meeting and referred to a handout that he had given the council members. Mr. Swager stated the annexation fee fund currently has \$44,000 that should be transferred into the arterial road and bridge account and explained this would be used for future roads and bridges. Mr. Swager stated that by code the developers pay this money into the account for that purpose but explained this money has been used for operations and maintenance for the road fund. Mr. Swager stated that if the city was reimbursed this sewer grant then this \$44,000 needed to be funded back so the developers could not come back and say the city violated its own code.

Mr. Swager stated the next item was Capital Improvement Fund and explained there had only been the 3% change in revenues from sales tax. Mr. Swager referred to the building depreciation of \$17,400 and stated there should be a correction to that and explained this should be reduced by the deficit of that account of \$4,800. Mr. Swager stated that he also wanted to put something in the budget for the sidewalk, curb and gutter improvement and explained this had not been part of the budget for the past few years. Mr. Swager explained that he put \$5,000 for homeowner improvements in the cost-share reimbursement program. Mr. Swager stated that he had placed \$4,000 in the airport for their capital expenditure.

Mr. Swager stated the next item was the LID and explained this was another basic in-and-out scenario. Mr. Swager stated there were two more years on the LID which was started at twenty and explained this is a trust account.

Mr. Swager stated the next item was the Sewer Collection Project and explained he had budgeted the \$7,250,000 and set up expenditures pending the receipt and how that applies to the Judicial Review.

Mr. Swager stated the next item was the Water Fund and explained that he had conservatively estimated the revenues and expenditures. Mr. Swager stated the Water Fund has revenue over expense of approximately \$9,200 and explained the labor was broken down on who would be used and how paid. Mr. Swager stated there wasn't anything other than \$8,500 designated as capital improvement or capital outlay.

Mr. Swager stated the next item was the Bond Sinking Fund and explained this was another in-and-out. Mr. Swager stated this was the repayment of the water bond and explained this bond will retire in 2016. Mr. Swager stated this fund has more revenue coming in than what the city is presently paying out. Mr. Swager stated there would be a revenue expense picked up from this fund in the amount of \$40,000-50,000.

Mr. Swager stated the next item was the Sanitation Fund and explained they were projecting a slight increase in revenue. Mr. Swager stated there had been a city wide review and explained that Mr. Lamoreaux had found several people were receiving free sanitation services and that has now been corrected and updated. Mr. Swager explained the expenditures had been gone over and it still showed a deficit of \$2,100.

Mr. Swager stated the next item was the Sewer Revenue Fund and explained this was the one they struggled on the most. Mr. Swager stated there had also been a change in this fund since the Friday mailing of the packets. Mr. Swager stated the revenues did not change significantly and explained they are projecting \$746,000 for the bond. Mr. Swager stated this would be if the city went through the full Judicial Review. Mr. Swager stated they were projecting \$20,000 from outside sewer dumps and \$500 for the license fees and \$4,000 on interest. Mr. Swager stated that Mr. Barry had gone through the expenses and labor of who he was having and where he was having them. Mr. Swager stated this did include Mr. Barry's increase in salary when his probation was completed as well as an increase for Tom Sessions for his certification. Mr. Swager stated that Mr. Barry has put in on the Collections part one which is \$269,000 and then the Wastewater Treatment Plant for \$247,000 and \$24,500 for capital outlay which consists of a backhoe and mule to assist with snowplow. Mr. Swager stated there is \$51,000 in administrative expense. Mr. Swager stated

there needed to be \$543,000 moved from M&O assessed from sewer revenue to bring up the funding. Mr. Swager stated the sewer revenue estimate was short \$554,000 and explained there were 1,620 EDU's per month and stated there needed to be \$38.50 for debt service and \$28.50 for M&O or a total of \$67.00 which would be an increase of \$15.00 per month for sewer. Mr. Swager stated this meant the city would have to hold a hearing to increase the monthly rate for sewer. Mayor Smith stated that he understood that sounded like a lot but explained that he had talked with Ted Hendricks and had been told the City of Rexburg utility bill was \$120.00 per month. Councilman Day stated there were outlying subdivisions that pay \$100 per month. Councilman Simonson stated he had kept a clipping that showed another city was raising their sewer costs and connection fees to fund their new treatment facility.

Mr. Swager stated that as a side note the water bond will retire in 2016 and explained at that time the city will owe approximately \$740,000 in outstanding bonds. Mr. Swager stated the city currently has about \$750,000 in the water bond account and explained the city could prepay the bond and retire the bond. Mr. Swager stated the thinking behind this was if the city retires that bond and pays this money out then move the \$9 water bond out of that account and use it to supplement the sewer bond. Councilman Day stated that he would like to see the city hold a hearing and find another funding source for the roads.

Mr. Swager stated they needed to publish a hearing once this draft budget is approved. Mr. Swager stated that he had worked with the newspaper to have the hearing on August the 17th which is the normal budget cycle. Mr. Swager stated that he would like to have a work meeting next week to finalize the budget and prepare it for advertisement and hearing. There was a brief discussion regarding the possibility of a work meeting the next week and who would be able to attend.

Councilwoman Hinckley stated that she would like to see some one to five year goals implemented for the various departments within the City. Councilwoman Hinckley stated that while the first year goal is obviously the collection system she felt an analysis of where the council would like to see the city in the next few years. Councilwoman Hinckley stated that she had some ideas but explained that she was unsure of where the money would come from. Councilman Day stated that he agreed and felt there needed to be a hit-list of needs, prioritize that list, and then see how they flush out. Councilman Day stated that he felt there were a lot of needs but not a lot of funding but would like to make sure the city is moving forward. Mayor Smith stated the main importance was the collection system, maintenance routines and a GIS system. Councilman Blackburn stated that in addition to that he felt that Jim Andersen, Water Supervisor, has a vast amount of knowledge in his head and expressed importance of obtaining that information and putting it into this system. Councilman Day stated that he agreed this is important but was concerned over the economic feasibility and explained there are other programs and options available. Mr. Dunn stated that whether it was a GIS system or something else the key is having someone doing the work and explained that right now there is no one doing that. Councilman Day was concerned over spending the money on a GIS system and explained this was a long-term commitment. Councilman Day stated that as long as the city had the money and other departments were not suffering then he had no problem with the GIS system. There was a brief discussion regarding funding options and employee responsibility. Councilman Day was concerned over deficit spending versus the city being responsible and operating in the black. Councilman Day stated the he didn't feel that just because we had the money that it needed to be spent. Councilman Day felt there were going to be

some hard financial times ahead of the city and stated the last thing he wanted to do was bankrupt the City of Rigby. Councilman Day stated they were currently talking about getting another \$6 million in interest free loans which all sounded great but at the end of the day this money needed to be repaid and so the assets really needed to be looked at. Mayor Smith stated that he didn't feel the sewer collection system was a hard decision because the cost of treating 2.5 million gallons of clean water due to infiltration was huge. Councilman Day referred to recent foreclosures and stated that if the city underwent 150 additional foreclosures then the revenues would drop dramatically and then the city would be unable to keep up with their payments. Councilman Day stated that he felt the city needed to be conservative. Councilwoman Hinckley referred to the meeting between the Mayor and the county commissioners and suggested making sure the city's portion was prorated to how much was actually used rather than just a split down the middle. Mr. Dunn stated the county has already done the majority of the work as made evident by the presentation this evening but explained Mayor Smith would like to see the water and sewer lines added to this system. Mr. Dunn stated the goal was to abstract that information from the employees that have been here and explained the county was not going to charge the city for work they have already completed. Mr. Dunn stated that while having this information is a good thing he felt Councilman Day was correct that it didn't matter if there was no money to go perform the work necessary. Councilman Blackburn stated that he appreciated Councilman Day's concerns but felt there was no harm and no cost in talking with the commissioners. Councilman Blackburn stated that no decision was being made. Mr. Dunn stated that while the city could not afford to spend lots of money on technology they could not afford to remain stagnant either. Councilman Simonson stated that he felt investing this \$6 million into the collection system so that problems could be fixed now that would actually save the city money down the road. Councilman Simonson stated that if the new treatment plant continues to treat millions of gallons of water a day then it will go downhill relatively fast and that just causes more expense for the city.

Scott Barry, Water/Wastewater Operations Manager, stated that he has a couple bills that need to be paid and are not included in payables. Mr. Barry stated there is a spare pump for the lift station at American Pump that needs to be repaired in the amount of \$15,500 and explained a brand-new one would cost \$45,000. Mayor Smith explained that due to the amount it would need to be approved by the council. Mayor Smith stated the pump had gone out so the city purchased a new one and found the old one can be repaired. Mayor Smith stated it has been sitting at American Pump for about six months waiting for a decision. Mr. Barry stated there would be a significant problem if another pump went down as there is no spare. Mayor Smith asked Mr. Swager if there was enough money in the account and Mr. Swager stated there was. Mayor Smith asked if a decision could be made this evening as it was not on the agenda and Mr. Dunn stated that it's on the agenda in a way through the approval of bills. Mr. Barry stated that he also needed to buy a new water meter for Rigby Produce, the courthouse and a meter reader for Yellowstone Log Homes which comes to \$4,400. Mr. Dunn asked if these were being reimbursed and Mayor Smith explained the one on the courthouse was being placed so the city could show a bill for the sludge removal agreement with the county. Councilman Blackburn asked about the one for Yellowstone Log and Mr. Swager stated that he has two buildings and one meter and believes there is a leak and wants to be able to locate that leak. Mr. Barry stated that he does not need a meter for them but just a meter reader cap and explained that it costs \$280. Mr. Swager stated the one at Rigby Produce was a horizontal meter that had been installed vertically and explained that Mr. Andersen had stated it would cost more to re-plumb it than it would to just buy a new meter. Mayor Smith stated these would be considered during the approval of bills portion of the meeting.

Approval of Minutes-

Mayor Smith stated the next item on the agenda was the approval of minutes and explained there were two meetings that needed approved this evening.

Mayor Smith stated they would start with the June 15th minutes and asked for any corrections or additions. Councilwoman Hinckley moved to approve the June 15th minutes as written. Councilman Simonson seconded. Councilman Maloney and Councilman Blackburn stated they would abstain from voting due to their being absent from that meeting. All others were in favor.

Mayor Smith stated the next would be the July 6th minutes and asked for any corrections or additions. Councilman Maloney moved to approve the July 6th minutes as written. Councilman Blackburn seconded. Councilman Simonson abstained from voting due to being absent from that meeting. All others were in favor.

Review and Approval of Bills-

Mayor Smith stated the next item on the agenda was the review and approval of bills and asked if there were any questions or concerns.

Councilman Blackburn referred to page 3 under Road Fund for the 5th West sidewalk and asked for clarification on that. Mayor Smith stated that was the completion of the sidewalk out to Hwy 48 and explained this had not been done previously. Mayor Smith stated they were looking to approve these bills plus the \$15,500 to rebuild that pump plus the two meters. Councilman Day moved to approve payment of the bills including the two presented by Mr. Barry. Councilman Zimmermann seconded. All were in favor.

Public Comment-

Mayor Smith stated the next item on the agenda was public comment and turned the time over to the audience.

No public comment was given.

Councilman Day moved to amend the agenda to include the Hailey Creek Subdivision and the Executive Session. Councilman Zimmermann seconded. All were in favor.

Hailey Creek Subdivision-

Mayor Smith stated the next item on the agenda was regarding the Hailey Creek Subdivision and turned the time over to Councilman Day for his presentation.

Councilman Day referred to an approval given for Hailey Creek Subdivision and explained there had been an agreement for the water and sewer lines between the subdivision and the city. Councilman Day stated the agreement was based on actual cost of the lines and that Mr. Magera would be reimbursed according to anyone connecting to the line outside the subdivision. Councilman Day gave a brief explanation of how this reimbursement was considered. Councilman Day stated that he had reviewed the information received from Thompson Engineering and felt it was acceptable. Councilman Day went over some of the information and construction costs, bids and change orders and explained that he had gone over and sat down with Thompson Engineering

and received a detailed explanation. Councilman Day stated the reimbursement for the water and well house would be \$1,589 per EDU and they could claim 349 of those. Councilman Day stated the reimbursement for the sewer would be \$206 and they could claim 753 of those. Councilman Day stated that he wanted to make it clear the city was not paying for the line and explained that Mr. Magera had paid for it. Councilman Day stated that Mr. Magera is not reimbursed any of the connection costs for those connections made within the development but explained that if another developer wanted to connect outside of this subdivision then Mr. Magera would receive reimbursement. Councilman Day stated that he wanted to make sure this was clear because there was a lot of confusion on this part and explained there is no city money going to pay for these water and sewer lines. Mr. Swager stated he had received an email from Mike Jaglowski, Keller Associates, who performed a walk-through on this subdivision and states a few more punch-list items that need to be completed. Mr. Dunn stated this puts the city in a bind because in his opinion the Public Works Director as an authorized agent of the city had approved the subdivision and now the Engineer is finding more things that need to be completed. Mr. Lamoreaux asked how something could be warranted if it wasn't done correctly and Mr. Dunn stated that was the problem they were facing. Mr. Dunn stated they need Mr. Jaglowski's written statement of what needs to be completed and then a punch-list be sent to the developer with an explanation stating that once these items are completed then the city will approve the rest of these numbers. Councilman Day stated that Thompson Engineering and Mr. Magera have received this information. There was a brief discussion regarding engineer involvement, warranty items and development agreement concerns. Councilman Blackburn moved to have Mr. Jaglowski review the numbers explained by Councilman Day in addition to following up on the punch-list with an answer before the next council meeting. Councilman Maloney seconded. All were in favor.

Executive Session-Pursuant to Idaho Code-67-2345 Subsection F-

Mayor Smith stated the next item on the agenda was executive session and stated there needed to be a motion.

Councilwoman Hinckley moved to enter into executive session pursuant to the provisions of Idaho Code 67-2345 subsection F. Councilman Maloney seconded. On a roll call vote:

Councilman Day	--	aye
Councilwoman Hinckley	--	aye
Councilman Maloney	--	aye
Councilman Simonson	--	aye
Councilman Zimmermann	--	aye
Councilman Blackburn	--	aye

Regular council meeting was recessed and executive session began at 9:40 p.m.

Mayor Smith reconvened the regular council meeting at 9:45 p.m.

Councilman Zimmermann moved to enter into executive session pursuant to the provisions of Idaho Code 67-2345 subsection C. Councilman Maloney seconded. On a roll call vote:

Councilman Blackburn	--	aye
Councilman Day	--	aye
Councilwoman Hinckley	--	aye

Councilman Maloney	--	aye
Councilman Simonson	--	aye
Councilman Zimmermann	--	aye

Regular council meeting was recessed and executive session began at 9:50 p.m.

Mayor Smith reconvened regular council meeting at 10:20 p.m.

Councilman Simonson moved to adjourn the meeting. Councilman Maloney seconded. All were in favor. The meeting was adjourned at 10:20 p.m.



Keith Smith, Mayor



Attest: David Swager, Clerk