

**City of Rigby
City Council Meeting
August 3, 2010
7:00 p.m.**

Mayor Smith welcomed everyone to the meeting and turned the time over to Councilman Simonson who invited everyone to join him in the pledge of allegiance. Mayor Smith then turned the time over to Councilman Maloney 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.

Recreation Building-

Mayor Smith stated the next item on the agenda was regarding the Recreation Center and stated there were two items for consideration this evening.

a. Authorize by Motion Sale at Auction Personal Property as Surplus Property-

Mayor Smith stated the first item was regarding the surplus property located within the Rec Center and explained that Councilwoman Hinckley had worked hard to organize the surplus inventory. Mayor Smith stated there needed to be a motion to hold an auction for surplus property. Councilman Zimmermann asked if there had been an article in the paper and Mayor Smith stated there may have been one that announced the city was intending to hold auction but nothing formal. Mayor Smith asked if everything was inventoried and ready for auction and Councilwoman Hinckley explained there were a few more items that needed added to the list. Mayor Smith stated there needed to be a motion to sale the property and a date for when that sale would be held. Mayor Smith stated there also needed to be two council members to volunteer to oversee this. Councilman Blackburn asked what would be required of the two council members and Robin Dunn, City Attorney, stated the motion would need to authorize them to make good decisions on behalf of the city. There was a brief discussion on the importance of this. Mayor Smith reminded the council that this had been discussed for some time once the Rec Center was closed and felt now something needed to be done. Councilman Zimmermann referred to previous conversations and asked if there had been a price set or an actual auction. Mr. Dunn stated they had to do a public notice which is the bidding process and explained there could be minimum bids to begin or even sealed bids. Mayor Smith asked about the things that didn't sell during the auction and Mr. Dunn stated those could be sold for whatever amount. Councilman Zimmermann asked how they would determine the minimum bid for an item and Mr. Dunn stated that normally it is guessed but explained there could be an appraisal done if they wanted. Mayor Smith asked what was currently left in the building other than the pool tables and Councilwoman Hinckley stated there were the ping pong tables, 2 washers and 2 dryers and explained these were the largest items. Councilman Blackburn asked if it could be at the discretion of the council members to decide whether an item gets sold individually or not and Mr. Dunn stated that was correct. Mr. Dunn suggested separating the personal property from the real property. Mayor Smith stated personal property would be the small items and the real property would be the building and Mr. Dunn stated that was correct. Mayor Smith stated they had separated those items on the agenda for that reason. Councilman

Day stated he would like the rules noted and explained that city employees or their spouses could not bid on any of the items and Mr. Dunn stated that was correct under the nepotism and ethics in government statutes. Mr. Dunn stated that he would write the legal advertisements and get the rules prepared for whoever is chosen to oversee this project. Mayor Smith stated that what he was asking for is a motion to sale the personal property as surplus property through the attorney and then after the motion would like to have two members of the council volunteer for this assignment. Councilman Blackburn moved to authorize the sale of the personal property at the Recreation Center and for that sale to take place in the month of September. Councilman Maloney seconded. Chief Anderson suggested having all the other surplus items within the city be included in this auction. Councilman Blackburn amended his motion to include not only the personal property at the Recreation Center but also any other personal city property that is chosen to be included. Councilman Maloney seconded the amended motion. On a roll call vote:

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

Mayor Smith stated the next part of this would be to have the two volunteers. Councilwoman Hinckley stated that she would be one and Councilman Blackburn was suggested to be the other.

b. Authorize Sale of Building-

Mayor Smith stated the next item on the agenda is the second part concerning the Recreation Center and explained this would be for the sale of the building itself.

Mayor Smith stated the building has been appraised. Mayor Smith asked the council if they wanted to get a realtor and get this building sold. Mr. Dunn stated that could not be done until after the attempt to auction it off had been exhausted. Mr. Dunn stated they could attempt the auction through the assistance of a realtor is they wanted. Mr. Dunn stated if the auction didn't bring the minimum price then it can be given to the realtor to sale. Mr. Dunn stated that personal property and real property were different and explained that personal property could be sold for whatever amount was deemed reasonable but real property generally had a set minimum amount. Mr. Dunn suggested leaving that up to the determination of the committee that has been assigned and Mr. Swager. Mayor Smith asked if there needed to be another motion on this and Mr. Dunn stated that he didn't think so. Councilman Day stated that city property is split into lots and blocks and explained that now the elevator servicing the Recreation Center is located on the Police Departments legal description. Councilman Day stated the reason he brought this up is because if the building was sold either by lot and block then it would leave out the elevator. Mr. Dunn stated there may need to be a survey done on the property. Councilman Simonson stated this was all one building and asked how they could say this part is owned by city and this part owned by someone else. There was a brief discussion regarding the legal description of the property and the building being split by a common wall. Mayor Smith explained this was not an emergency sale but was merely a surplus item that needed to get back on the tax records. Mayor Smith stated it would also be nice to get someone in this building so there would be one less unoccupied building in the city.

Burgess Canal and Sub-Water Pumping-

Mayor Smith stated the next item on the agenda is the Burgess Canal and sub-water pumping.

Mayor Smith stated that Lloyd Hicks had come in last week and met with the department heads and expressed a concern over the way the water has been pumped into the ditch over the past few years. Mayor Smith stated the city has not pumped the same amount and explained it was sporadic. Mayor Smith stated that Scott Barry, Water/Wastewater Operations Manager, and Jim Anderson, Water Supervisor, had talked with him about this and reminded him of when the pump was put in there had been discussion about extending the line past the ditch so that it dumped directly into the Burgess Canal. Mayor Smith explained this discussion had taken place three years ago and there were other things going on and those council members involved are no longer on the council and so things were dropped. Mayor Smith explained that Mr. Hicks had asked the city not to start pumping into that ditch until there is an agreement drawn up between the canal company and the city. Mayor Smith asked Mr. Swager if he had been able to find anything and Mr. Swager stated that he could not. Mayor Smith stated there was a concern over the ditch because it is not maintained and has a tendency to back up and would like the city to assume liability for those things. Mayor Smith stated that he would like to look into the cost of having that line extended over and dump directly into the Burgess Canal instead of into the ditch. Mayor Smith stated that once work began on the collection system there was no way to know what impact that would have on the sub-water in the area. Mayor Smith stated he didn't believe the ditch was a long-term solution and asked if there needed to be a motion to investigate this issue and Mr. Dunn stated that it did not. Mayor Smith asked Mr. Swager if there needed to be anything else on that and Mr. Swager stated there would need to be an entirely new agreement as the current one is over 30 years old and neither party could locate a copy. Mr. Swager suggested having Mr. Dunn draw up a new agreement to include the proposed changes they are discussing. Mayor Smith stated they needed to get something going pretty quickly and Mr. Barry stated that he was already receiving phone calls regarding water being a foot or so away from basements in the area. There was a brief discussion regarding this water issue, recharging the aquifer concerns and other sub-water issues.

Paul Hepworth, 571 Aspen Drive, asked the council if there wasn't an agreement in place how could the canal company stop the city from discharging into this ditch. Mr. Hepworth stated this agreement has been in place for 30 years then why would there be a problem this year. Mayor Smith stated that Mr. Hicks had submitted a letter showing all the expenses the Canal Company has incurred in maintaining the canal versus what the discharge water is worth. There was a brief discussion regarding the monitoring and control issues for the water. Mayor Smith stated that Mr. Barry had been looking into the price of installing a VFD pump that would control the amount of water being discharged and found the city is looking at an expense of around \$18,000. Mayor Smith stated that once again this was not a long term solution and referred to the collection system repairs that were being planned. Mayor Smith stated once these lines were repaired that pond may receive twice as much water as it does now.

Councilman Blackburn referred to the comment made earlier about the canal company receiving money for the water being discharged and asked why whoever maintains the canal could not help with the expense of extending the line from the ditch over to the canal. Mayor Smith stated the issue became the farmers were done with their crops about the time the sub-water needs to be pumped and so the need for the water is way lower. Mayor Smith stated the benefit for the canal company is very low. Councilman Blackburn stated that tax payers were responsible for the

electricity for that pump. Mayor Smith stated the alternative is to leave it alone and have basements get flooded. Mr. Lamoreaux stated that if the line was extended then the liability decreased because the line would be enclosed where the ditch currently sits open. Councilman Day referred to the \$18,000 for the VFD pump and asked what the cost of extending that line to the canal would be and Mayor Smith stated that was what they needed to find out. There was a brief discussion regarding how much can be discharged into the canal. Councilwoman Hinckley referred to the letter Mr. Hicks had submitted and asked if the recommendations seemed reasonable and Mayor Smith stated he wasn't really asking for anything other than the steady water flow and explained there really wasn't a way to do that. Councilman Day asked if water was being pumped right now and Mayor Smith stated there was not. Councilman Day asked if there was any way while this situation was being fixed to coordinate some pump time to drain that pond and Mayor Smith stated that he would talk to Mr. Hicks and see what could be arranged. Councilman Zimmermann asked who owned the land where the line and easement would be going and Mayor Smith stated Dennis Virgin was the owner. Councilman Day stated the first thing would be to coordinate some pump time with Mr. Hicks and then arrange for the easements and asked if that was correct and it was decided that it was. There was a brief discussion regarding watching this ditch, pumping the water, coordinating the work and the complications surrounding it. Mr. Dunn explained the Burgess Canal was one of the most progressive canals in the state and explained the fines they faced if the water situation was not handled exactly right. Mayor Smith stated there didn't need to be a motion but explained that he would talk to Mr. Hicks and see about getting those pumps going for now. There was a brief discussion regarding the location of the ditch, obtaining an easement and getting an agreement written.

Mayor Smith asked Mr. Hepworth how he was monitoring the level of the water and explained that he had heard of some phone calls Mr. Hepworth had made. Mr. Hepworth stated he was watching the french drains in his subdivision. Mr. Hepworth stated their subdivision sewer system was not taking on any water and explained the manholes were sealed and grouted. Mr. Hepworth stated that if they were noticing water in their subdivision then people with deeper basements were definitely getting close. Mr. Hepworth questioned all the concerns that Mr. Hicks had presented due to the fact that the pumps had not even been turned on yet. Mayor Smith stated this was due to events that have happened over the past few years. Mr. Hepworth asked when this was brought to the attention of the city and Mayor Smith stated last Wednesday. There was a brief discussion regarding high water years and drought problems.

Utility Rates-

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

Mr. Swager referred to discussions held in the previous council meeting and stated the recommendation had been made to increase the utility rates another 5%. Mr. Swager referred to handouts in the council packet and explained one was a breakdown of the existing rates and the other was with the increase.

a. Water Rates-

Mr. Swager stated the current water rate was \$16.80 and 5% on that would be eighty-four (84) cents bringing the total water to \$17.64. Mr. Swager stated that his recommendation would be to

round that down to \$17.60. Mr. Swager referred to the discussion on whether to retire the water bond or not and explained that presently the water bond is \$9.

b. Garbage Rates-

Mr. Swager stated the current garbage rate for single residential 90-gallon can is \$10.50 and 5% on that would be fifty-three (53) cents bringing the total garbage to \$11.03. Mr. Swager stated that his recommendation would be to round that down to \$11.00.

c. Sewer Rates-

Mr. Swager referred to the debt services on the sewer and explained this works out in accordance with the EDUs. Mr. Swager stated this amount would be \$38.50 and the city could retire the debt and annual payment would be \$748,000. Mr. Swager stated the maintenance and operations for 1,620 EDUs would require the amount to be \$28.52. Mr. Swager stated this would generate \$554,000 to maintain the sewer revenue account. Mr. Swager stated this would bring the sewer debt service and maintenance and operations to an amount of \$67.02 and explained his recommendation would be to round that down to \$67.00.

Mr. Swager explained that if the water bond was retired then it would bring the utility bill to \$95.69 or to his recommended rate of \$95.60. Mr. Swager explained this 5% increase would raise the utility rates approximately \$7.29. Mr. Swager stated that if the water bond was not retired then it would raise the utility bill to \$104.69 or his recommended rate of \$104.60.

d. Connection Fees-

Mr. Swager stated the current connection fees were \$2,575 and explained 5% on that would be \$128.75 which would bring the new amount to \$2,703.75. Mr. Swager stated that his recommendation would be to round that down to an even \$2,700.

e. Metered Water Rates-

Mr. Swager stated the current metered water rate was \$1.74 and the 5% on that would be nine (9) cents bringing the total to \$1.82. Mr. Swager stated the excess of 49,000 gallons is currently seventy-eight (78) cents and the 5% on that would be four (4) cents bringing that total to eighty-two (82) cents.

Mr. Swager stated the 5% being considered is a standard increase and therefore there would be no need to hold a public hearing. Mr. Swager stated that there would need to be a hearing on the sewer revenue account no matter how much the increase.

Mr. Swager referred to the other portion of the handout and explained this was a breakdown of the entire rate structure for the garbage rates. Mr. Swager stated this does not make sense to anyone that looks at it and explained that he has talked briefly with Mr. Lamoreaux about this. Mr. Swager stated that everything on this handout was based upon a single family 90-gallon residential rate. Mr. Swager gave a brief explanation of the handout and his proposed changes to the charges.

Councilman Zimmermann referred to the 300-gallon can and stated that it was quite an increase and Mr. Swager explained this was due to the amount of garbage difference from a regular 90-gallon can. Councilman Zimmermann asked if this was due to them not being charged enough at the beginning and Mr. Swager stated that was correct. Mayor Smith stated the water rates and

connection fees could be approved this evening and the sewer and sanitation rates would have to wait for a public hearing and Mr. Swager stated that was correct. Councilman Day asked if the water bond could be retired this evening as well and Mr. Swager stated that his recommendation would be to have the representative from Zion's Bank come in and make the appropriate presentation prior to that decision. Mayor Smith asked if this could be done at the next council meeting and Mr. Swager stated he would contact him and schedule him just as soon as possible. Councilman Day stated that he was concerned with approving the increase and bringing the utility bill to \$100 and that he would like to know the water bond was going to be retired. Councilwoman Hinckley asked what the downside of retiring the water bond would be and Mayor Smith stated that he could not think of anything. Mr. Swager stated there was surplus money in the bond sinking account and if the city lets that bond go or retire it then the city would actually pick up about \$30,000 a year in more revenue from users. Mr. Swager stated that when the bond retires in 2016 the city could actually have in excess of \$748,000 with which to fund another water project without having to bond or borrow money. Mayor Smith stated the downside would be spending money that could be saved for another project but the upside would be if it can be retired then the savings can actually be passed onto the citizens. Mayor Smith stated that \$9 was still being charged but was being shifted from water to sewer and the end user rate doesn't increase that much. Mayor Smith stated that whether the bond gets retired or not he believes the city should still take the 5% increase. Mayor Smith stated the reason they were being held to this issue was because it hadn't been done in the past and explained that he didn't want to get in the habit of not taking the 5% and then having the administration in 20 years be in the same situation. There was a brief discussion regarding the bond, retiring the bond and what the money could be used for. Councilman Simonson stated that he too had done some calling and found the rates to be higher on the sewer because of the new plant but significantly lower on the water even with the proposed increase than other area cities. Mayor Smith stated that if the rates were going to be increase regardless of retiring the bond then it needed to be done before October 1st and Mr. Swager stated that was correct because it needed to be advertised twice. There was a brief discussion regarding what motions needed to be done this evening. Councilman Maloney moved to proceed with the raising of the water and connection fees up 5%. Councilman Zimmermann seconded. Councilman Blackburn asked if this motion also included garbage and Mayor Smith stated the residential garbage rates would increase but explained there needed to be a public hearing on the commercial rate structure. Mr. Swager stated this was due to that increase being more than 5%. Councilman Maloney amended his motion to include the residential 90-gallon garbage cans in the 5% increase. Councilman Zimmermann seconded the amendment. Councilman Day asked if they wanted to include the metered water rates and Mayor Smith stated the motion referred to water rates and explained it would include those. On a roll call vote:

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

Mayor Smith asked Mr. Swager if a date could be set for the public hearing on the other fees. There was a brief discussion regarding advertisement rules. Mayor Smith stated they would tentatively hold the public hearing on September 7th. Councilman Day asked if this would cover the

sewer rate increase and the garbage rate for commercial and Mayor Smith explained it would be for the 300-gallon garbage cans and explained there were some residences with this size can and so it was not strictly commercial. Councilman Simonson asked if they could just say they were doing that or if there needed to be a motion indicating that and Mr. Dunn explained there would be a publication for a public hearing and explained any motions would be held at that time. Councilman Simonson moved to publish for a public hearing on the rate increase for sewer rates and 300-gallon garbage rates. Councilman Day seconded. On a roll call vote:

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

Other Council Business-

Mayor Smith stated the next item on the agenda was other council business and turned the time over to the council for anything they wanted to discuss or disclose.

Mr. Dunn stated the only thing he had was the judicial confirmation and explained that he needed to publish the ordinance that states approval to proceed. Mr. Dunn stated that he would also need some affidavits from Mr. Swager and also from Ted Hendricks of Rural Development.

Mayor Smith stated that he wanted to reiterate to Councilwoman Hinckley and Councilman Blackburn that if they needed any help or had questions to feel free to ask. Mayor Smith stated that whether it was having Mr. Lamoreaux's crew move something or questions for Mr. Dunn or anything in between.

Councilwoman Hinckley referred to the Urban Renewal Project on Main Street and asked if they were behind schedule because they had been in the same spot for some time. Mayor Smith stated that he did not have a final completion date but explained they had poured the curbing back in front of the Police Station today. Chief Anderson stated they are pouring all of it back and explained workers had been through quite thoroughly and felt they should be done soon. There was a brief discussion regarding when work on the South side of Main Street and when work on the North side would be completed. Councilwoman Hinckley stated that she would be concerned over people parking and coming into the auction at the Rec Center if work was still going on and Mayor Smith stated that he would get with H&K Contractors tomorrow and get some additional information.

Councilman Maloney asked if the Veteran's Memorial dedication was still set for August 21st and Mayor Smith stated that was correct and it was to be at 10:00 a.m. Councilman Maloney stated that was a nice monument and stated he had been very impressed by it. Mayor Smith stated that he encouraged all the council members to attend the dedication if possible. Councilman Blackburn stated that he had done a follow-up with the Pentagon because they are planning to have a fly-over by Hill Air Force Base. Councilwoman Hinckley stated that she would be out of town but explained she was sending a thank you card to Gary Williams for all the work that he has done.

Councilwoman Hinckley stated that she would like to know when the budget would be printed and finalized. Mr. Swager explained that it would be coming out in the Jefferson Star tomorrow and would be published twice in preparation for the August 17th public hearing.

Approval of Minutes-

Mayor Smith stated the next item on the agenda was the approval of minutes and asked if there were any additions or corrections.

Councilman Zimmermann moved to approve the minutes as written. Councilman Maloney seconded. All 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.

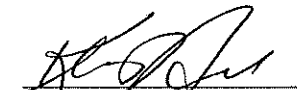
Councilman Blackburn referred to page 1 under Rocky Mountain Power and asked for clarification on those bills and Mr. Swager stated those were just the power bills for the various departments. Councilman Blackburn referred to the one for \$20,000 and asked what that was for and Mr. Swager stated that was a pre-payment that comes out automatically. Mr. Swager explained that was the total amount of all the bills. Councilwoman Hinckley referred to page 2 under the police vests and asked if that was a one-time expense. Chief Anderson stated that it was not and explained that a police bullet-proof vest was only good for five years and then needed retired and replaced. Councilman Zimmermann referred to the charge under Planning and Zoning and asked what that was and Mr. Swager stated that it was reimbursable engineering for Mike Jaglowski on Hailey Creek. Councilman Day moved to approve payment of the bills. Councilman Simonson 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 Simonson moved to adjourn the meeting. Councilman Zimmermann seconded. All were in favor. The meeting was adjourned at 8:10 p.m.


Keith Smith, Mayor

Attest 
David Swager, Clerk