

City of Rigby
Council Meeting Minutes
June 18, 2015

Mayor Richardson called the meeting to order at 7:00 pm Thursday, June 18, 2015. The pledge of allegiance was given by Kirk Olsen and Benson Taylor offered the prayer.

The Mayor asked the clerk to call the roll.

Councilman Walker	Present
Councilman Simonson	Present
Councilman Olsen	Present
Councilman Taylor	Present
Councilman Maloney	Absent

Also present: Keith Hammon and Attorney Robin Dunn

Swearing in new personnel:

- Douglas Burke: Mayor Richardson asked Douglas Burke to come forward. Mr. Burke was confirmed by the council on June 4, 2015 to complete the unexpired term of Councilman Sullenger. The mayor administers the oath of office to Mr. Burke. Councilman Burke takes his seat on the council.
- Police Officers- Shane Lusk and Emerson Parsons: Chief Hammon administers the oath of office to Shane Lusk and Emerson Parsons. Both officers completed their POST training in May. Chief Hammon administers the oath to Shane Lusk and Emerson Parsons.

Idaho Life Publications:

Gary Mueller of Idaho Life Publications came forward and explained a new magazine he was promoting for the upper valley which includes Rigby, Rexburg, and St. Anthony. The purpose of the magazine is to promote lifestyles and local businesses. The magazine will be an annual publication with of print date scheduled for September/October, 2015. The magazine will be distributed to every household in city plus two at every business an estimate of 12,000 copies. The magazine will be distributed free of charge. Mr. Mueller distributed a copy of the Pocatello Life magazine as an example that the publication would be. Businesses can advertise along with the cities. The city of Rexburg has committed to eight pages in the magazine. Rigby's Chamber of Commerce has committed to one page. The cost for the city will be \$750 per page.

Sharon Mueller came forward and explained that municipalities promote themselves and act ivies and/or events that they want to highlight in a way of selling themselves to new potential residents. What's unique about your city, what does Rigby offer to people looking at moving to Rigby?

After council discussion, the mayor would get information concerning the publication from the department heads and have the attorney review the contract. Topic tabled pending additional information.

Rigby Towne Square Development:

The mayor briefly described the development agreements that have been presented over the years beginning in 2001. Prior councils have agreed to extension of time when the development will be completed. The lasted agreements, being two, were entered into in 2008 and 2011. The 2011 agreement states the connecting road from Courthouse Drive to Annis Highway will be completed by July, 2015. The 2008 agreement stated the Rigby Lake Road will be completed with curb, gutter, street lighting and fire hydrants. To date, neither of the two agreements has been completed. As part of the agreements if the project was not completed, the developer would be invited to a council meeting to discuss the next step that needed to be done to complete the projects. The agreements also stated that if the developer

were not to complete the projects, the city would complete the improvements and recover such funds from the developer. Willard Price, a member of the development company, Parker-John LLC is in attendance to discuss the status of the two agreements. The mayor stated that he had received a letter from Mr. Price's attorney indicating that Mr. Price is not in a position to financially complete the projects. Mr. Price owns a section of ground off of Sunnyside Road and Interstate 15 consisting of 2.4 acres. The land has two existing deeds of trust on the property totaling \$245,000. The attorney also stated in the letter that Mr. Price would execute a promissory note for the cost of completing the projects secured by a third deed of trust on the 2.4 acres. The letter was requesting additional postponement of the projects. The mayor indicated the city has granted postponement upon postponement since 2001 and feels the time has come to stop postponing the project and complete the projects.

Councilman Taylor asked if the only recourse for the city at this point would be to complete the two projects and seek restitution for the costs expended from Mr. Price. The mayor indicated yes. The only recourse would be to lien the 2.4 acres for the costs incurred. Costs to complete the projects including two cul-de-sac are not known at this time. The mayor stated that since the projects are not done, the city has the option to complete the projects.

Mr. Price came forward recapped the history of the development. He stated that in 2011, the city granted a four year extension. He felt that the property that was sold last year was sold at industrial land price and not at commercial land price. The lots along Pleasant County Way are currently being listed for sale at even lower prices. The mayor asked how sales of current lots affect the discussion on the execution of the agreement. He went on that given everything that has happened since 2001 including the 2007/08 recession he will not break even on any of the development. Usually, it's a win-win for both sides but that is not so in this case. In this case, only the city is benefiting. Mr. Price said his financial partner in the project when things slowed down pulled out of the partnership and wanted the remaining property and be out of the development. Mr. Price transferred the remaining property to the financial partner and is left with nothing but the obligation to complete the project. The property was transferred to the financial partner sometime between 2008 or 2011. The mayor stated that the city granted extension to Mr. Price to complete the projects in good faith that the projects would be completed. But Mr. Price transferred the property without completing his obligation to complete the projects. Mr. Price stated he transferred the property to protect his name and reputation that the partner was bad mouthing his name. He held the rights to repurchase the property until about a year ago at which time he released his rights of repurchase to the partner in the property. The mayor said he transferred the remaining rights in the property was to his benefit. Mr. Price stated the letter sent to the city by the attorney would be his effort to complete his obligation. The deed of trust would be a legal claim on the property to recover the funds. The deed of trust has been signed with instructions that the terms of the note be completed and the dollar amount stated. The mayor stated the city is not negotiating a new contract but is executing existing agreements.

Councilman Simonson voiced his frustration over the extensions and delay in completing the project. Councilman Olsen agreed with the statements made by Councilman Simonson. Councilman Olsen asked why on the last transfer why the obligation to complete the road on Rigby Lake Drive wasn't made as part of the transfer. Mr. Price answered that they would not accept the obligation.

Councilman Simonson moved that the city obtain bids to complete both projects as specified in the agreements seconded by Councilman Taylor

The Mayor asked the clerk to poll the council. .

Councilman Walker	Yes
Councilman Simonson	Yes
Councilman Olsen	Yes
Councilman Taylor	Yes

Councilman Burke Yes

Quarterly Transfers of Funds:

The treasurer recapped the third quarterly transfers as set by the budget that need to be approved by the council.

	<u>To</u>	<u>From</u>
Sanitation		\$ 6,250
Water Revenue		\$ 6,250
Sewer Revenue		\$ 6,250
General Fund	\$ 18,750	
Library Fund	\$ 3,750	
General Fund		\$ 3,750
Park/Rodeo	\$ 4,000	
General Fund		\$ 4,000
Historical Museum	\$ 2,500	
General Fund		\$ 2,500
Rigby Sr Citizens	\$ 4,500	
General Fund		\$ 4,500
Rigby Airport	\$ 3,000	
General Fund		\$ 3,000

Councilman Walker moved to approve the transfer seconded by Councilman Olsen.

The Mayor asked the clerk to poll the council. .

Councilman Walker	Yes
Councilman Simonson	Yes
Councilman Olsen	Yes
Councilman Taylor	Yes
Councilman Burke	Yes

Review of April 2015 Financial Statements and Journal Entries:

The city clerk reviewed the April 2015 management letter with the council. His letter indicated the various funds of the city were exceeding budgeted revenues and most of the funds were having expenditures below budget. The clerk stated he felt the city was on track to exceed budget for most of the funds.

The clerk also reviewed the journal entries he made for the April 2015 financial statements. The entries consisted of recurring entries for accrued interest and recording of charges for the internal service fund.

Review and Approval of Bids:

Public works supplied the council with a request to purchase three items: 1) 2009 GMC dump truck from Grover's All Wheels; 2) Manhole Sealing and Grouting; 3) Rehab and Coating of WWTP lift station.

Councilman Taylor moved to approve the purchase of the 2009 GMC dump truck from Grover's All Wheels for \$49,050. Motion seconded by Councilman Simonson.

The Mayor asked the clerk to poll the council. .

Councilman Walker	Yes
Councilman Simonson	Yes
Councilman Olsen	Yes
Councilman Taylor	Yes
Councilman Burke	Yes

Councilman Simonson moved to approve the contract for the rehab of the wastewater treatment plant lift station to Pipeline Inspection Services for \$22,500 seconded by Councilman Walker.

The Mayor asked the clerk to poll the council. .

Councilman Walker	Yes
Councilman Simonson	Yes
Councilman Olsen	Yes
Councilman Taylor	Yes
Councilman Burke	Yes

Councilman Taylor moved to approve the contract for the sealing and grouting of 15 manholes to Pipeline Inspection Services for \$15,900 seconded by Councilman Burke.

The Mayor asked the clerk to poll the council. .

Councilman Walker	Yes
Councilman Simonson	Yes
Councilman Olsen	Yes
Councilman Taylor	Yes
Councilman Burke	Yes

Review and Approval of Bills:

Councilman Walker moved to approve the bills included the addendum for the library board bills seconded by Councilman Olsen.

The Mayor asked the clerk to poll the council. .

Councilman Walker	Yes
Councilman Simonson	Yes
Councilman Olsen	Yes
Councilman Taylor	Yes
Councilman Burke	Yes

Council Minutes of June 4, 2015:

Councilman Olsen moved to approve the minutes of June 4, 2015 seconded by Councilman Simonson.

The mayor called for a voice poll: Councilman Olsen, Walker, Simonson voting aye; with Councilmen Taylor and Burke abstaining.

Other Council Business:

Planning and Zoning Sign Height Variance Hearing:

Morgan Construction received a to approve recommendation from the planning and zoning commission for a variance from a free standing sign from 30 feet in height to 60 feet in height.

Councilman Taylor moved to schedule a public hearing on the variance for July 2, 2015 seconded by Councilman Simonson.

The mayor called for a voice poll: All in favor, none opposed.

Direct Payroll Deposit:

The mayor indicated that the city to change to direct payroll deposit will cost the city \$2,950 for the accounting software plus a monthly fee of \$68 per month to Caselle. Zion Bank's fee for direct deposit is \$40 per month plus fifteen cents per transaction. After discussion council approved the change to direct deposit at the beginning of next budget year.

Public Comment:

Bob Ziel came forward and informed the council of an upcoming "Small Business Development Summit" that is scheduled for Tuesday, June 30, 2015 at the Rigby Community Center from 5:30pm to 8:30pm. Mr. Ziel distributed a handout to the council and encouraged all of the council to attend. He mentioned this summit is an extension and follow up on the Community Review conducted last year.

Executive Session:

The mayor stated the council needed to enter into executive session to discuss labor negotiations. Councilman Walker moved that the council enter into executive session per Idaho Code 67-2345(c) to discuss labor negotiations. Motion seconded by Councilman Olsen.

The Mayor asked the clerk to poll the council. .

Councilman Walker	Yes
Councilman Simonson	Yes
Councilman Olsen	Yes
Councilman Taylor	Yes
Councilman Burke	Yes

Council enters into executive session at 8:58pm.

Council exists executive session at 9:55pm.

Addendum to account payable:

The clerk informed the council there was a check payable to the Park/Rodeo Committee in the amount of \$250 that was paid by KLIM as sponsor fee for the horse pull event this weekend. The \$250 needed to be paid into the park/rodeo revolving fund and be available for prize awards Saturday afternoon.

Councilman Simonson moved to approve the addendum bill for \$250 seconded by Councilman Walker.

The Mayor asked the clerk to poll the council. .

Councilman Walker	Yes
Councilman Simonson	Yes
Councilman Olsen	Yes
Councilman Taylor	Yes
Councilman Burke	Yes

Adjournment:

Councilman Simonson moved to adjourn seconded by Councilman Olsen.

The mayor called for a voice poll: All in favor, none opposed.

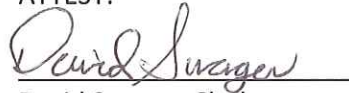
Council adjourned: 10:00pm

CITY OF RIGBY



Jason Richardson, Mayor

ATTEST:



David Swager, Clerk