

MINUTES OF REGULAR MEETING
SUGAR CITY COUNCIL
THURSDAY, JANUARY 25, 2018

Presiding: Mayor David D. Ogden
Meeting Convened at 6:30 p.m.
Prayer: Brent Barrus
Pledge of Allegiance

Present: Mayor David D. Ogden; Clerk-Treasurer Wendy McLaughlin; Councilors Brent Barrus, Vaun Waddell, Joy M. Ball, and Bruce King; City Public Works Director Zane Baler; Chairman Dave Thompson of the Planning and Zoning Commission; Delorum Co-Founder and Project Manager Keith Nelson; City Auditor of Searle Hart Associates Dana Izatt; City Building Inspector Cliff Morris; Forsgren Associates Randy Johnson; Planning and Zoning Quentin Owens; Standard Journal Reporter Adam Jacobs; Citizens Bert McLaughlin and Kevin Galbraith.

MINUTES: Mayor Ogden asked if there were any corrections to the revised minutes of the regular meeting held on January 11, 2018. Each councilor had a copy of the minutes prior to the meeting. Councilman Barrus asked that the “Citizens for the Rule of Law” associated with Councilman Waddell, Richard Rembish, and Elaine King not be stricken from the minutes until the lawsuit is finalized, however, the council felt that Councilman Waddell and Elaine King were not acting in that capacity at the time and let the revisions stand; it is not appropriate to attribute motives for attending the meeting to individuals who do not express their motives. There was also a question whether Councilman Waddell gave a reason why he abstained from deliberation on the test well drilling contract, but he stated that his prepared comment was only to abstain. “Councilman” or “Councilwoman” will remain as titles when addressing members of the council in the minutes instead of Mr. or Ms. as revised.

MOTION: It was moved by Councilman Waddell and seconded by Councilman King to accept their revisions to the draft minutes, with the addition of Councilman King’s recusal statement; motion carried.

PLANNING AND ZONING REPORT: Chairman Dave Thompson reported on the following items:

Land Use Schedule: The commission reviewed the schedule and found more modifications. However, they have gone through everything and feel comfortable setting a public hearing date possibly at their next meeting.

Special Use Permit for The City Well and Tank: The commission reviewed the city’s application but needed more information before they could set a public hearing date. The Design Review Board will also review the application.

Impact Area Expansion: The commission is also working with the county to expand the city’s impact area to include U.S. Highway 20’s frontage area north of the North Rexburg Interchange and east of the Salem Highway. This is a key area to the city for future growth and economic well-being. Since Rexburg’s interest lies west of the interchange, the commission would only need a six-man committee from the city and county to review the expansion. The commission would like to work with residents of the Salem township on possible annexation.

Several have expressed their desire to incorporate with Rexburg as a result of perceived density issues and the ensuing law suit in Sugar City.

Jeannie Wright Resigns: Jeannie Wright resigned from the commission. Chairman Thompson expressed the commission's gratitude for her service and insight. Thompson asked the council for help in finding her replacement. Someone from the city's impact area is preferred.

STATE OF THE CITY ADDRESS: Mayor Ogden read to the council and public his state of the city address (see Attachment #1). He addressed the city's accomplishments this past year and his concerns over the divisive lawsuit and his hope of going forward and resolving the issues.

STATE OF THE CITY/COUNTY BREAKFAST: The council and city employees have been invited to the first annual State of the City and County breakfast sponsored by the local Rexburg Area Chamber of Commerce. Mayor Ogden will give his State of the City address, along with Rexburg's Mayor Merrill and County Commission Chair Jon Weber.

2017 CITY FINANCIAL REPORT: Dana Izatt reported to the council and reviewed with them the city's financial statements and position. The city overspent its budget by \$83,536, which may be rectified by opening the budget to account for the over expenditures. However, the city had a surplus of \$52,508 for the year.

Mr Izatt recommended the following:

- Separate duties as much as possible – council needs to be actively involved in reviewing bank statements and expenditures
- Raise the \$5,000 threshold for capitalizing assets – set equipment at \$10,000, vehicles \$15,000 - \$20,000, buildings at \$250,000, and roads at \$500,000
- Mind W4 and W9 form applications – the government is monitoring these forms more closely

Overall, Mr. Izatt's report was favorable.

MOTION: It was moved by Councilman Waddell and seconded by Councilman Barrus to approve the 2017 audit report with thanks and to include in the minutes thanks to the city treasurer and others who prepared materials for the audit; motion carried.

PROPOSED TEST WELL DRILLING CONTRACT: The council did not approve the test well drilling contract. The reasons are listed below:

- A public hearing has not been held for the site's Special Use Permit application
- The council wants to hear from the public before going forward

Councilman Barrus reminded the council that the water bond had already been approved at the last election, and the land for the well site was donated to the city.

Through the water study conducted by Forsgren Associates, the well site was chosen for its strategic location to growth and minimal economic impact to the city. The Department of Environmental Quality (DEQ) mandates that a test well be drilled not more than 20 feet from the well site.

The mayor asked the council to consider approving the contract with conditions, so that a driller could be secured before the drilling season begins and rates go up.

Councilman King would like to consider the matter further at the next meeting. Councilman Waddell continued his abstention.

MAYOR'S REPORT: Mayor Ogden reported on the following items:

State of the City and County Breakfast: See above.

ICRMP Training Update: Deadline for completion of the training is Thursday, February 1, 2018. If completed, the city gets a 5% discount on its annual insurance billing.

Floodplain Training: A training for flood insurance administration and compliance will be held next Wednesday, January 31, 2018, at the County Courthouse for all city officials.

Business Park Sign: The business park sign was damaged recently by a vehicle accident. The city is currently getting repair estimates. The insured's insurance company will cover the costs.

Lawsuit Update: No report.

MUNICIPAL CODE ONLINE: The mayor reported that the city's municipal code was now online. Through the Municipal Code Online software, the city is able to revise and write new code that has far less expense to the city and takes less time for code updates. Procedures of council and attorney review and approval will remain the same. The procedures to revise and update the code are simplified and more proficient. The program can also be used to publicize resolutions at no additional cost.

ANIMAL ORDINANCE REVISION FOR CERTAIN LARGE ANIMALS: The council proposed a new revision that would address having certain large animals without altering the current animal code. By softening the wording "extreme hardship" or "extraordinary hardship" in Chapter 1-6-B13 of the city code, the council can decide on a case-by-case finding rather than by a permit and revising the current animal code. Councilman King suggested that Vaun submit wording for the proposal for the next council meeting.

CITY LOGO: Keith Nelson, of Delorum, presented to the council several different logo styles for the council to review and choose 10 to send to the public for their feedback (see Attachment #2). He asked them to consider three criteria in making their choices:

- Layout – text centered, color
- Concept – ideas behind symbol
- Style – contemporary, classical, etc.

The council would like to add "Idaho" to the logo, since there is a Sugar City, Colorado, and perhaps other towns or communities called Sugar City. Also, City of Sugar City will be shortened to just Sugar City. Councilman King liked the idea of perhaps including the date the city was founded as well. Mr. Nelson will send Wendy a link to share with the public with the top 10 choices from the council. He will also leave an option to submit ideas from the public.

DEPARTMENT REPORTS: The mayor announced his decision to appoint Councilwoman Ball to be the council liaison to the Planning and Zoning Commission, since the new council did not approve his earlier appointment of Councilman Barrus as the liaison. Currently there are no department assignments filled. The mayor asked the council to consider where they would like to serve and let him know.

COUNCILMAN BARRUS: No report.

COUNCILMAN WADDELL: No report.

COUNCILWOMAN BALL: No report.

COUNCILMAN KING: No report.

Meeting adjourned at 9:40 p.m.

Signed: _____
David D. Ogden, Mayor

Attested: _____
Wendy McLaughlin, Clerk-Treasurer

State of the City Letter
Sugar City, Idaho
January 11, 2017

Dear Sugar City Residents,

This last year has been very eventful, both in a positive and in a negative way. I would like to report to you the following occurrences:

1. One of the most difficult things the city has gone through has been the controversy over Division #3 in the Old Farm Estates Subdivision. There has been much written about what happened, and many opinions have been expressed about how it should have happened. It is unfortunate that many of the facts about the case have been misinterpreted or misrepresented. It is not my intention to debate this matter in my letter to you, but to express my sorrow that as of yet we have not reached a compromise. In all of my prior correspondence to you I have never intentionally misrepresented the facts, but have give them to you as I have received them. My greatest hope is that we can resolve these difficulties, and begin the healing process.
2. One of the most exciting things to happen is the recent passage of the Water Bond. The City has long known that it was deficient in certain minimum requirements imposed by both Federal and State agencies tasked with the regulation of all municipal water systems. I am grateful to the citizens for helping the city correct these deficiencies. The Bond that was passed was in the amount of \$3.7 million dollars. We are in the process of finalizing the engineering and beginning to drill a test well to make sure the big well will be adequate. The Developers, Jeff and Ryan Lerwill, have donated the two-acre lot that will house the well site. I will continue to keep you apprised as to how this project proceeds during this next year.
3. This water project has also allowed us to provide a water line down S. 7th W. to the Moody Highway, and around to Highway 33, in order to provide water to the developments south of town. Those affected have agreed to be annexed into the city, which allows the businesses along Highway 33 north of the Moody highway to become a part of Sugar City. This will benefit those businesses, as well as help Sugar City with its tax base. I am very excited about this turn of events, and I am grateful for the help of such a great staff that has made this possible.
4. We had a singular experience with the total eclipse of the sun that happened last August. The staff and I worked hard with the City of Rexburg and Madison County to make sure this did not adversely impact the city. The almost 3,000 people that came to Sugar City were respectful of our way of life, and they did such a great job of cleaning up after themselves. We almost did not need the many volunteers that came out to help the city clean up, for which we are very grateful. People came from all over the United States, as well as many foreign countries. I had the enormous pleasure, as I went about town, to talk with many of them. They were very complimentary of the city. Thanks go to all of you as well as to our staff for the successful experience.
5. We finished the project with the new Pro-peat fertilizer plant, where we received \$400,000 in grant funds from the Idaho Department of Commerce. The business is now up and running and has created almost 20 new jobs. I appreciate Forsgren Engineering, The Development Company, John Pockock and Kelton Larsen for the success of this major project for Sugar City.
6. We also sold two lots in our Business Park, and construction should start on these business buildings in the spring. We are hoping this is a sign of further growth in the future.