

MINUTES OF REGULAR MEETING
SUGAR CITY COUNCIL
THURSDAY, DECEMBER 10, 2015

Presiding: Mayor W. Lamont Merrill
Meeting Convened at 6:30 p.m.
Prayer: Bruce Arnell
Pledge of Allegiance

Present: Mayor Lamont Merrill; Clerk-Treasurer Wendy McLaughlin; Councilmen Bruce Bills, Bruce Arnell, and Matt Garner; Chairman Dave Ogden of the Planning and Zoning Commission; City Building Inspector Cliff Morris, and Councilman Elect Joe Cherrington; Community & Economic Development Manager Ted Hendricks, Project Administrator Jessica Moody of The Development Company, Project Manager Engineers Randall Johnson and Aaron Swensen of Forsgren Associates; and Citizens Kelton Larson and John Pocock. Councilman King was excused.

PUBLIC HEARING (Proposed Grant Activities for Public Facility Improvements): Mayor Lamont Merrill called the public hearing to order on Thursday, December 10, 2015, at 6:30 p.m. He introduced the project and the reason for the hearing, which is to inform the public and provide a forum for comments on the submission of an application to the Idaho Department of Commerce for a block grant to assist the city with construction of water and wastewater infrastructure to serve a commercial area expansion in Sugar City. Mayor Lamont Merrill read the "Notice of Public Hearing on Proposed Grant Activities," which is attached as part of the official minutes (Attachment 1). Mayor Merrill introduced Ted Hendricks and Jessica Moody of the East-Central Idaho Planning & Development Association (ECIPDA), known as The Development Company, to provide additional information which follows:

- I. **General description of the proposed project** – Construction of a water and wastewater collection line as well as installation of Internet communication lines, power, natural gas and telephone communication lines along the Business Park northwest of Sugar City.
- I. **Proposed scope of work** – Beginning in February of 2016, the proposed collection/transmission line and installations will connect the new Fertile Peat Products LLC facility and other future developments north of Sugar Avenue to the collection line and manholes.
- II. **Proposed budget** – Cost projections are anticipated to be approximately \$750,000. The Block Grant program is being asked to fund \$500,000 toward the construction of the project. Fertile Peat Products will contribute the remaining funding. In addition, Fertile Peat Products will be contributing \$5,500,000 for their building as well as \$250,000 for project infrastructure.
- III. **Proposed schedule** – The project is scheduled to begin construction in February 2016 and be completed by May 2016.

- IV. **Proposed location of the project** – The project will be constructed north of the Sugar City Business Park on the north and west side by the Idaho Transportation Department’s right of way and on the east side by the Eastern Idaho Railroad’s right of way.
- V. **Proposed beneficiaries** – Beneficiaries are numerous on this project, beginning with the creation of 26 new jobs at the Fertile Peat Products, LLC manufacturing facility.
- VI. **Proposed project objectives** – The creation of new jobs and the availability of at least 51 percent of the jobs to low- and moderate-income persons.

Randall Johnson: Presented to the council the engineering plans for the public utilities (water, gas, sewer and communication) on the property and how they would hook into the city’s existing services through the Business Park. The budget would bring the utilities to the proposed plant site and also allow for anticipated future growth. Forsgren Associates Inc. was selected as the firm to engineer the grant.

The mayor called for those neutral to the proposal to testify. No one testified.
The mayor called for those against the proposed grant to testify. No one testified.

6:45 p.m. The grant hearing ended.

PLANNING & ZONING COMMISSION REPORT: Chairman Dave Ogden reported on the four public hearings held last week and gave recommendations from the commission:

Larsen and Neeley Annexation Public Hearing: Dave reported that a public hearing was held on December 3, 2015, in connection with the proposed zoning and annexation of the Larsen and Neeley properties. The commission recommended to the council that the property be annexed by the city for the following reasons:

- Property lies contiguous or adjacent to the current city limits
- Meets the requirements of category A of the Idaho State Code 50-222
- Ensures orderly development of the city
- Filed, published, and public hearing held, meeting all requirements

The commission also recommended that the property be zoned C-2, Community Commercial, for the following reasons:

- Best use of property
- Current zone as approved in the impact area

Old Farm Estates Public Hearings: The commission also held three public hearings Thursday, December 3, 2015, regarding proposed changes to the second phase development of Old Farm Estates, which included:

- Land use map revisions to the Comprehensive Plan
- Zone changes
- Preliminary plat approval

The hearings were well attended by members of the community. Many were concerned about the proposed changes, mostly in density and land use. The commission did not have a recommendation for the council on the proposals and will meet again for further discussion Thursday, December 17, 2015, at the next regular commission meeting.

PUBLIC HEARING (Proposed Annexation and Zone Classification): Mayor Lamont Merrill welcomed everyone and called the meeting to order. He briefly reviewed the proposed annexation and zone classification. City Clerk-Treasurer Wendy McLaughlin reported that there was no prior written testimony submitted. Mayor Merrill called first for those in favor of approving the proposed zone classification. No one testified.

The mayor called for those neutral to the proposal to testify. No one testified. The mayor then called for those against the proposal to testify. No one testified.

6:55 p.m. The annexation public hearing ended, and the council convened its regular meeting.

DISCUSSIONS AND POSSIBLE DECISIONS ON PUBLIC HEARINGS:

Discussion on Annexation: The council discussed the zoning of the property to C-2, Community Commercial, which provides for medium-density districts and controlled business growth through special use permits, shopping and business needs. The council also discussed matters over concerns of potential unfair competition with the adjacent Business Park. However, the Business Park land use zone is structured to encourage technical laboratories, research and development facilities, offices and office complexes, including small-scale production, storage, and distribution, which complements rather than competes with the adjacent zoning of community commercial.

Discussion on Grant Application for Development: It was the consensus of the council that the application for a grant to help development and the creation of new jobs are very positive steps for the city and its future growth as well as the developers.

RESOLUTION NO. 2015-8 (Authorizing Resolution for an Idaho Community Development Block Grant): Councilman Bruce Bills read Resolution No. 2015-8 in its entirety. It was moved by Councilman Bills and seconded by Councilman Arnell to approve Resolution No 2015-8. Thereupon, the clerk called roll upon said motion.

Those voting aye: Councilman Bills, Garner, and Arnell
Those voting nay: None

Councilman King was excused.

Thereupon, the mayor declared the motion passed. A copy of said resolution is attached hereto marked "Attachment 2."

ORDINANCE NO. 311:

Councilman Bills introduced and read in full Ordinance No. 311 entitled:

"AN ORDINANCE ANNEXING CERTAIN LANDS TO THE CITY OF SUGAR CITY, IDAHO; DESCRIBING SAID LANDS AND DECLARING SAME A PART OF THE CITY OF SUGAR CITY, IDAHO, AND THE CLASSIFICATION OF THE SAME UNDER THE ZONING ORDINANCE OF THE CITY OF SUGAR CITY, IDAHO; AND PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE."

It was moved by Councilman Arnell and seconded by Councilman Garner to waive the second

and third readings in full and place it upon its final passage. Thereupon the clerk called roll upon said motion.

Those voting aye: Councilman Bills, Garner, and Arnell

Those voting nay: None

Councilman King was excused.

Thereupon the mayor declared that the motion, having been passed by not less than two-thirds of the council, had been duly carried. It was moved by Councilman Bills and seconded by Councilman Garner to adopt said ordinance. Thereupon, the clerk called roll upon said motion.

Those voting aye: Councilman Bills, Garner, and Arnell

Those voting nay: None

Councilman King was excused.

Ordinance No. 311 was thereupon declared by the mayor to have been duly passed by not less than two-thirds of the council, and the clerk was instructed to publish said Ordinance No. 311 in summary or in full immediately in at least one issue of the *Standard Journal*, a newspaper published in the City of Rexburg, Madison County, Idaho.

MOTION: It was moved by Councilman Bills and seconded by Councilman Garner to amend the agenda to include the discussion and possible adoption of the Fair Housing Resolution needed to apply for the development grant.

RESOLUTION NO. 2015-9 (Fair Housing Resolution): This document is a requirement from the U.S. Department of Housing and Urban Development (HUD) and states that the City of Sugar City will encourage equal opportunity in housing for all persons. The Fair Housing program will at a minimum include:

- Publication of the resolution
- Posting applicable fair housing information in prominent public places
- Providing fair housing information to the public
- Preparing a fair housing assessment
- Declaring April as Fair Housing month

Councilman Garner read Resolution No. 2015-9 in its entirety. It was moved by Councilman Bills and seconded by Councilman Garner to approve Resolution No 2015-9. Thereupon, the clerk called roll upon said motion.

Those voting aye: Councilman Bills, Garner, and Arnell

Those voting nay: None

Councilman King was excused.

Thereupon, the mayor declared the motion passed. A copy of said resolution is attached hereto marked "Attachment 3."

GRANT DEVELOPMENT EASEMENT AGREEMENT: Randall Johnson of Forsgren Associates and grant engineer for the Fertile Peat project reviewed with the council the need to designate easements for public utilities. The easements will mirror the Business Park right of ways and line up with Sugar Avenue. The use of easements instead of right of ways is temporary only until development proceeds further, then the easements will be designated as right of ways.

MOTION: It was moved by Councilman Arnell and seconded by Councilman Garner to accept the proposed easements as presented by Project Engineer Randy Johnson for the Fertile Peat project and as designated by Authorizing Resolution 2015-7.

GRANT DEVELOPMENT CONTRACT: The engineering firm selected for the project was Forsgren Associates Inc. on November 30, 2015. The cost to the city for the engineering services of the grant will not exceed \$77,000. This includes \$5,000 for project development. The \$72,000 includes the design and construction of the development, contingent upon the grant being awarded to the city.

MOTION: It was moved by Councilman Arnell and seconded by Councilman Garner to authorize the mayor to sign the Development Agreement with Forsgren Associates for services in connection with the project known as Fertile Peat Products, LLC and as designated by Authorizing Resolution 2015-7.

GRANT ADMINISTRATION CONTRACT: The Development Company was selected to administer the grant. The council complimented all parties for their work and effort to make the grant deadline of Monday, December 21, 2015. Total cost to the city will be \$68,000. \$8,000 is for planning and preparing the application. The cost of \$60,000 is for administration of the grant, contingent upon it being awarded to the city.

MOTION: It was moved by Councilman Bills and seconded by Councilman Arnell to approve \$68,000 for the grant administration in connection with the project known as Fertile Peat Products, LLC and as designated by Authorizing Resolution 2015-7.

RESOLUTION NO. 2015-10 (LHTAC Grant Application): Aaron Swensen of Forsgren Associates returned to review with the council the possibility of applying for a Local Highway Technical Assistance Council (LHTAC) grant. The Surface Transportation Program (STP) Urban would help road construction, reconstruction or rehabilitation, transportation planning, or corridor studies. Sugar City must apply under the urban program with Rexburg even though the population of Sugar City is under 5,000 because of the way the census was taken. Aaron reported that Rexburg does not have a project now to conflict with Sugar City. The city is looking at 9th North and 7th West as in need of major road repairs and reconstruction. Both roads are considered major collectors. The grant could cover up to \$2 million for the project, with match requirements of 7.34%. The council had questions about the timeline and the match requirement. Mr. Swensen explained that the grant deadline is January 11, 2016. The awarded contracts are announced by the state in March. However, there is about a 10-year timeline typical of the grant awards before the money and projects are actually started. Mr. Swensen also explained that the city may qualify for a grant that would help with the matching funds through the Local Rural Highway Investment Program (LRHIP). The council decided to go ahead with the application considering:

- City owns the roads and is responsible for their upkeep

- Roads are in need of apparent repair even now
- LHTAC grant would help the city with necessary repairs and reconstruction
- Growth of the city is expanding in that area
- Grant timeline is 10 years out and may not be timely, even if applying now
- Matching funds may be covered in future development agreements or grants

It was moved by Councilman Bills and seconded by Councilman Garner to approve Resolution 2015-10 to seek grant funding through the Local Highway Transportation Funding options and acknowledge agreement to pay matching funds of \$149,000 as outlined by LHTAC, with acceptance of project. Thereupon the clerk called roll upon said motion.

Those voting aye: Councilman Bills, Garner, and Arnell

Those voting nay: None

Thereupon, the mayor declared the motion passed. A copy of said resolution is attached hereto marked "Attachment 4."

Councilman King was excused.

Mayor Merrill asked if there were any corrections to the minutes of the regular meeting held on November 12, 2015. Each councilman had a copy of the minutes prior to the meeting. It was moved by Councilman Arnell and seconded by Councilman Garner to accept the minutes; motion carried.

Mayor Merrill asked if there were any corrections to the minutes of the special meeting held on November 30, 2015. Each councilman had a copy of the minutes prior to the meeting. It was moved by Councilman Arnell and seconded by Councilman Garner to accept the minutes; motion carried.

RECONCILIATION REPORTS: Wendy presented the November reconciliation reports for the General Fund. It was moved by Councilman Arnell and seconded by Councilman Garner to accept the November reconciliation reports for the General Fund; motion carried. Wendy presented the November reconciliation reports for the Utility Fund. It was moved by Councilman Arnell and seconded by Councilman Bills to accept the November reconciliation reports for the Utility Fund; motion carried.

Wendy presented the current bills in the amount of \$87,595.01. It was moved by Councilman Garner and seconded by Councilman Bills to pay the current bills, together with all regular December bills; motion carried.

UTILITY SOFTWARE UPDATE: Councilman Bills recommended to the council the hosted Caselle software version after reviewing the demo. The application upgrade and extra working stations will be needed as the city grows. The cost would be about \$1,315 per month versus about \$600 per month now, plus costs of future upgrades and tech support. Caselle will no longer support the current version starting Jan. 1.

MOTION: It was moved by Councilman Bills and seconded by Councilman Arnell to authorize the city to enter into a contract with Caselle to upgrade the current utility Caselle

software program from a desktop environment to a hosted environment, with two additional work stations provided.

MOTION: It was moved by Councilman Arnell and seconded by Councilman Garner to amend the agenda to include the discussion and possible appointment of Clay Rasmussen to the Planning and Zoning Commission.

P&Z APPOINTMENT – CLAY RASMUSSEN: The council agreed to appoint Clay Rasmussen to the commission to fill Christine Lines' vacancy. Christine ended her appointment in August of this year. Clay will serve three years from 2016 – 2018.

MOTION: It was moved by Councilman Arnell and seconded by Councilman Garner to ratify the appointment of Clay Rasmussen to the P&Z commission.

DEPARTMENT REPORTS:

COUNCILMAN KING: Excused

COUNCILMAN BILLS:

Tree and Beautification Committee: The tree lighting went well. The kids were excited to see Santa, even though it was raining. The committee would like to have more lights to decorate the area. Maybe the city could shop after Christmas sales on lights.

Document Management: Councilman King previously asked Bruce Bills to research options on document management for the city. Councilman Bills is looking into a couple of options that will work with our new system.

COUNCILMAN ARNELL: The annual Fall AIC municipal training meeting in Idaho Falls was attended by Dave Ogden, Bruce Arnell, Matt Garner, and Joe Cherrington. The meeting was both informational and beneficial. Resolutions do not need a roll call vote? Will ask Attorney Bill Forsberg.

COUNCILMAN GARNER: The annual Christmas dinner was a success and well attended. Food and entertainment were great.

MAYOR'S BUSINESS:

Water Diversion Permit Update: The city is working with River Bend Ranch and Old Farm Estates on planning the new well site and cost.

Sugar City Impact Area Agent with Madison County: The city cannot act as an agent to the county because of state law.

Silver Star Communications Update: The cement is being poured at the site on Sandra Ball's property. Silver Star will have a small relay station next to the North Rexburg interchange.

Environmental Insurance – River Bend Ranch: River Bend Ranch is working with the city attorney and Depatco to be covered before beginning work on extending water and sewer lines under the North Fork Teton River bed.

MOTION: It was moved by Councilman Arnell and seconded by Councilman Garner to amend the agenda to consider a possible resolution for the AT&T contract on the water tower lease.

RESOLUTION NO. 2015-11 (AT&T Authorizing Resolution): AT&T has approached the city to extend the current lease agreement to two years instead of the current six-month rent guarantee (\$108,246.10) and a \$1,000 signing bonus in exchange for additional tower space, with an option to buy out available space. AT&T's expansion will not interfere with existing leases on

the tower.

It was moved by Councilman Bills and seconded by Councilman Garner to approve Resolution No 2015-11 and authorize the mayor to sign the revised contract. Thereupon, the clerk called roll upon said motion.

Those voting aye: Councilman Bills, Garner, and Arnell

Those voting nay: None

Thereupon, the mayor declared the motion passed

Councilman King was excused.

Meeting adjourned at 9:10 p.m.

Signed: _____
W. Lamont Merrill, Mayor

Attested: Wendy McLaughlin
Wendy McLaughlin, Clerk-Treasurer

Notice of Public Hearing on Proposed Grant Activities

The City of Sugar City is submitting a proposal to the Idaho Department of Commerce for an Idaho Community Development Block Grant (ICDBG) in the amount of \$500,000. The proposed project is to perform public facility improvements including water, wastewater, electrical and gas backbones to facilitate a new development

The hearing will include a discussion of the application, scope of work, budget, schedule, benefits of the project, how ICDBG funds will benefit low and moderate income persons, and location of the proposed project. The application with related documents including ICDBG Application Handbook will be available for review.

The hearing has been scheduled for Thursday, December 10th 2015 at 6:30pm at the City of Sugar City Council Chambers, 10 East Center Street, Sugar City, Idaho 83448. Verbal and written comments will be accepted prior to and at the hearing.

The hearing will be held in a facility that is accessible to persons with disabilities. Special accommodations will be available, upon request, five (5) days prior to the hearing in a format that is usable to persons with disabilities. For more information, contact Wendy McLaughlin at (208)356-7561.

W. Lamont Merrill, Mayor

10 East Center Street

Sugar City, Idaho 83448

This Notice can be provided in a format accessible to persons with disabilities and/or persons with limited English proficiency upon request.

Al ser solicitada, ésta notificación puede ser proveída en un formato fácil de usar para personas con discapacidad y/o personas con conocimientos limitados del Inglés.

Published in the Standard Journal on December 1, 2015.

The City of Sugar City, Idaho

RESOLUTION NO. 2015-8

Authorizing Resolution

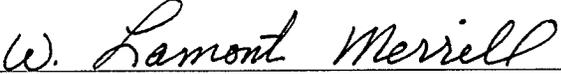
"A Resolution to Submit an Application for an Idaho Community Development Block Grant to Assist in the Construction of an Economic Development – Job Creation Project."

WHEREAS, the Council of the City of Sugar City desires to assist in economic development activities by performing infrastructure improvements on City rights of way which will assist in job creations within the City of Sugar City.

WHEREAS, the Council of the City of Sugar City desires to submit an Idaho Community Development Block Grant application to the Idaho Department of Commerce for an Economic Development Grant to assist in the construction of the said infrastructure;

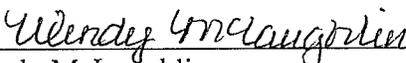
NOW, THEREFORE, IT IS HEREBY RESOLVED THAT:
The City Council of the City of Sugar City hereby authorizes the submission of the Idaho Community Development Block Grant application to the Idaho Department of Commerce for funds to assist in the construction of infrastructure for said Project. The Council also authorizes Mayor W. Lamont Merrill, to sign and execute the application and any associated documents.

RESOLVED this 10th day of December, 2015.



W. Lamont Merrill, Mayor

ATTEST:



Wendy McLaughlin
City Clerk-Treasurer

(SEAL)

Fair Housing Resolution No. 2015-9

LET IT BE KNOWN TO ALL PERSONS OF the City of Sugar City that discrimination on the basis of race, color, religion, gender or national origin in the sale, rental, leasing or financing of housing or land to be used for construction of housing or in the provision of brokerage services is prohibited by Title VIII of the 1968 Civil Rights Act (Federal Fair Housing Law).

It is the policy of the City of Sugar City to encourage equal opportunity in housing for all persons regardless of race, color, religion, gender or national origin. The Fair Housing Amendments Act of 1988 expands coverage to include disabled persons and families with children. Therefore, the City does hereby pass the following Resolution.

BE IT RESOLVED that within available resources the City will assist all persons who feel they have been discriminated against because of race, color, religion, gender, national origin, disability or familial status to seek equity under federal and state laws by referring them to the U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, Compliance Division.

BE IT FURTHER RESOLVED that the City of Sugar City shall publicize this Resolution and through this publicity shall encourage owners of real estate, developers, and builders to become aware of their respective responsibilities and rights under the Federal Fair Housing Law and amendments and any applicable state or local laws or ordinances.

SAID PROGRAM will at a minimum include: 1) publicizing this resolution; 2) posting applicable fair housing information in prominent public areas; 3) providing fair housing information to the public; 4) preparing a fair housing assessment; and 5) declaring April as Fair Housing Month.

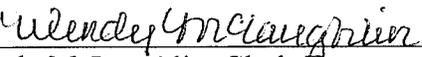
EFFECTIVE DATE

This Resolution shall take effect December 10, 2015



W. Lamont Merrill, Mayor

Attest:



Wendy McLaughlin, Clerk-Treasurer

(SEAL)

RESOLUTION 2015-10

**AUTHORIZING RESOLUTION
TO SUBMIT APPLICATION FOR LHTAC GRANT FOR 7TH W & 9TH N IMPROVEMENT**

BE IT RESOLVED by the mayor and the Sugar City Council that effective December 10, 2015, the project identification submittal for 7th West and 9th North improvement has been discussed by the Sugar City Council and resolved that:

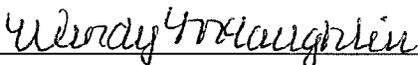
The council supports the submittal for the construction of the 7th West and 9th North Improvement Project to the Local Highway Technical Assistance Council (LHTAC). Total project cost up to \$2,000,000, which will require up to \$147,000 of local matching funds available from the City of Sugar City.

The Mayor of Sugar City is hereby authorized and directed to sign the project identification packet and submit to LHTAC for prioritization.

UNANIMOUSLY APPROVED AND PASSED BY THE CITY COUNCIL AND MAYOR
THIS 10TH DAY OF DECEMBER, 2015.

W. Lamont Merrill, Mayor

Attest:


Wendy McLaughlin, City Clerk-Treasurer

(SEAL)