

MINUTES OF REGULAR MEETING
SUGAR CITY COUNCIL
THURSDAY, AUGUST 11, 2011

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

Present: Mayor Dalling; Sharon L. Bell, Clerk; Marcie A. Smith, Treasurer; Councilmembers Bruce King, Lamont Merrill and Vaun Waddell; and Teri Tengaio and Rick Moore, Intermountain Gas Company.

The Mayor asked if there were any corrections to the minutes of the regular meeting held on July 28, 2011. Each councilmember had a copy of said minutes prior to the meeting. It was moved by Councilmember King and seconded by Councilmember Waddell to accept said minutes; motion carried.

Marcie presented the July reconciliation reports for the General Fund. It was moved by Councilmember Merrill and seconded by Councilmember King to accept the July reconciliation reports for the General fund; motion carried. Marcie presented the July reconciliation reports for the Utility Fund. It was moved by Councilmember Waddell and seconded by Councilmember Merrill to accept the July reconciliation reports for the Utility Fund; motion carried.

Marcie presented the current bills in the amount of \$58,483.51. It was moved by Councilmember King and seconded by Councilmember Waddell to pay the current bills, together with all regular August bills that have not yet been received; motion carried.

DISCUSSION ON INTERMOUNTAIN GAS COMPANY FRANCHISE ORDINANCE:

Teri Tengaio, Teton District Manager, addressed the council. She said she met with the mayor and Sharon on Tuesday. Former Councilmember Harold Harris was also in attendance. They discussed the following: (1) Intermountain Gas agreed to leave the term at 10 years; (2) Ms. Tengaio delivered the company's certificate of liability insurance to Sharon; (3) Intermountain Gas will request excavation permits and the city will waive the \$1,000 fee in consideration for Intermountain Gas extending the term of repair and maintenance from one year to three years; (4) they would double all insurance coverage; and (5) they will make quarterly payments rather than annual payments.

MOTION: It was moved by Councilmember King and seconded by Councilmember Waddell to accept the renegotiated franchise agreement with Intermountain Gas Company, including the changes recommended by the company, except that the agreement will retain the 10-year term of the previous agreement; motion carried.

BUDGET REVIEW AND DISCUSSION: Marcie presented a tentative budget for fiscal year 2012, which is October 1, 2011, through September 30, 2012. A discussion was had on said

budget items.

Utility rates: The mayor, council and staff discussed Marcie's new calculations for sewer, water and garbage services. Marcie said that increasing utility rates has not been done for several years, except for the treatment fees imposed by the Rexburg Treatment Plant. Rates have not been raised and without raising them, the anticipated receipts may not keep the Utility Fund self-sufficient.

The mayor and council felt that, given the struggling economy, significantly raising rates would place an undue burden on residents. A better approach would be to raise rates some each year as needed. The mayor and council will ensure that the city remains on firm financial footing. Raising utility rates by 4.5% would increase the average household's monthly bill by about \$3.25.

MOTION TO ADOPT TENTATIVE BUDGET: It was moved by Councilmember Waddell and seconded by Councilmember King to adopt the tentative budget dated August 11, 2011, with 4.5% increases in the utilities – water, sewer, and garbage; motion carried.

DEPARTMENT REPORTS:

COUNCILMEMBER KING:

Park and street naming policy: Bruce reported that the city attorney's suggestion that the city develop a resolution setting forth our policy for naming parks and streets is a good idea. A discussion was had.

MOTION: It was moved by Councilmember King and seconded by Councilmember Waddell to invite Attorney Forsberg to prepare a resolution establishing a naming policy for parks and streets in Sugar City; motion carried.

COUNCILMEMBER MERRILL:

LEPC meeting: Lamont reported that the meeting was cancelled.

COUNCILMEMBER WADDELL:

Final report on community breakfast: Vaun reported that approximately 725 people attended the breakfast, which was a success. The city received \$1,000 from officials of Stone's Town and Country Motors in Rexburg, who expressed an interest in sponsoring the event next year.

Teton Dam Marathon: Vaun reported visiting with Mike Hays, who prepared an application for the half marathon to come through Sugar City. The city had previously approved the expenditure of \$1,200 for the application to change the half-marathon route. U.S. Track and Field people were here for the marathon and said the volunteer effort was not up to standard to sanction the Teton Dam Marathon. This allows the committee the opportunity to change the route of the half marathon without paying the \$1,200 fee.

Park signs: The mayor gave Vaun an assignment for wording to be put on the metal plaques on the bottom of each park sign. It should come back for approval by the council. He said we are waiting on concrete caps for the signs.

MAYOR'S BUSINESS:

Lot by Lyle H. Moon Mayors' Park: The mayor reported that the lot was appraised at \$26,500. It is sitting there with a fence around it, and water and sewer are on the lot. The mayor would like to take bids on the property. He asked the council to think about it until next meeting.

If the city agrees to offer the lot out for bids, subject to the city's approval, the lot might sell. The mayor asked that the matter be put on the next agenda.

The mayor entertained a motion to go into executive session.

EXECUTIVE SESSION:

8:45 p.m. It was moved by Councilmember King and seconded by Councilmember Merrill pursuant to Idaho Code 67-2345(l)(a) and (b) to move into executive session to consider hiring and personnel issues. The mayor called for a roll call vote:

Those voting aye: Councilmembers King, Merrill and Waddell

Those voting nay: None

Thereupon, the mayor declared the motion passed.

9:25 p.m. The executive session ended and the regular council meeting reconvened.

DISCUSSION OF COUNCIL VACANCY:

MOTION: It was moved by Councilmember Waddell and seconded by Councilmember King to confirm the mayor's appointment of Burch Drake to complete Harold Harris's term on the City Council; motion carried.

Meeting adjourned at 9:10 p.m.

Signed: _____
Glenn W. Dalling, Mayor

Attested: _____
Sharon L. Bell, Clerk