

MINUTES OF REGULAR MEETING
SUGAR CITY COUNCIL
THURSDAY, AUGUST 10, 2023

Presiding: Mayor Adams
Meeting Via Internet and at City Hall Convened at 6:30 p.m.
Prayer: Councilwoman Nielsen
Pledge of Allegiance: Councilwoman Ball

Present at City Hall and Online: Mayor Adams; Councilors Joy M. Ball, Daniel Baird, Glenn Dayley, and Catherine Nielsen; City Clerk-Treasurer Wendy McLaughlin; Building Inspector Quinton Owens; Public Works Director Arlynn Jacobson; Planning and Zoning Administrator Kurt Hibbert; Planning and Zoning Chairman Derik Taylor; City Attorney Chase Hendricks; Business Park Business Owner Greg Stoddard; Citizens Marc & Taunia Stewart, and others who may have joined electronically or otherwise but not identified.

CONSENT AGENDA:

MOTION: It was moved by Councilwoman Ball and seconded by Councilwoman Nielsen to approve the Treasurer's Report; motion carried.

MOTION: It was moved by Councilwoman Nielsen and seconded by Councilwoman Ball to approve the Minutes with changes; motion carried.

The Council asked to have updated monthly reports on business licenses and building permits.

BUSINESS PARK SPECIAL USE APPLICATION & RECOMMENDATION: Planning and Zoning Administrator Kurt Hibbert met with developer and applicant to address council concerns on parking, storage, and operating without a business license or Special Use Permit. Summarized below:

- Available parking will restrict rental trucks to three or four and trailers to eight or nine.
- On street parking for loading and unloading only.
- Storage In Transit (SIT) only and containers will be housed inside the building.
- No hazardous materials.
- A privacy fence will be installed.
- Landscaping will be finished.
- Special Use Permit corrected to show business lots 3 & 4.
- \$300 fine for operating without and a Business License or Special Use Permit

MOTION: It was moved by Councilman Dayley and seconded by Councilman Baird to approve the Special Use Permit with the conditions stated above. Storage type will be verified; motion carried.

VARIANCE APPLICATON: The Variance Application was approved for setbacks on Marc and Taunia Stewart's new home due to the layout and public access constraints of the property. A public hearing was held and the Planning and Zoning Commission recommended approval of the application

MOTION: It was moved by Councilwoman Nielsen and seconded by Councilwoman Ball to approve the Variance Application; motion carried.

PUBLIC COMMENTS: No Report.

PLANNING AND ZONING REPORT:

Planning and Zoning Administrator Kurt Hibbert reported on the following items:

Proposed Impact Area: The County is moving forward on adopting a new simplified Impact Area Agreement and will hold a public hearing soon. Once they have adopted the agreement, we will hold a public hearing as well. The new agreement will amend our zoning and development codes. It will also help Salem move forward in developing and resolve transportation issues.

Building Business Development: A development agreement for a new truss plant is currently being drafted. They will need access to Highway 33 via a new road which will be phased in.

Regional Commercial Property Interest: There is interest in a new gas station hub and other development within the new zone.

North Rexburg Interchange: Mr. Hibbert has contacted the District 6 Transportation Department to have the signage changed from the North Rexburg Interchange to something more applicable to include Salem and Sugar City.

2022 Transportation Plan Amendments: Madison County is taking a second look at the road problems on 2nd E in Rexburg and how to solve those issues through the Transportation Plan.

Commission Members: Two new commissioners are still needed in Planning and Zoning.

PUBLIC WORKS REPORT: Public Works Director Arlynn Jacobson reported on the following items.

Camera Interceptor Sewer Line from Mayor's Park to Moody: The city will clean and camera the sewer line between Mayor's Park and Moody interceptor line for a cost of about \$12,000. The line needs to be replaced at an estimated cost of \$2 million. If the camera results show minimal damage the city will hold off on replacement until grants can be procured. One possible grant is due September 1, 2023 which the city will apply for.

Dump Truck Repairs: The orange dump truck has new rims and hub for \$150 and a water pump has been found for the blue and white dump truck.

Sweeper Truck: The sweeper truck has been repaired for \$7,000 and is working well. The dust cloud has been reduced significantly and it is picking up rocks and debris.

Broom: Mr. Jacobson was able to find a new broom for half the cost for the Kubota tractor. It will have better snow removal capability.

Well #5: Water tests have come back clean. It is ready to go live as soon as we hear back from the Department of Environmental Quality (DEQ).

Slurry and Chip Seal: A list of streets will be made available for the chip and slurry seal projects this month.

Third South Walking Path: With the additional \$50,000 awarded to finish the sidewalk project it will only go to Idaho Avenue. An estimated \$30,000 more is needed to finish. The Contingency Fund could be used for the additional needed.

West 5th South: The road is expected to be paved next Tuesday. The 7th West connection is scheduled to be completed by the end of the following month. A power pole is obstructing progress. Until then, West 5th South will be barricaded until the intersection is completed.

GENERAL BUSINESS:

Public Hearings Date Set

8.7% Cost of Living Increases: An 8.7% Cost of Living Utility Rate increase is proposed for both base and user rates.

Forgone Resolution: The city proposes to forgo the 3% property tax increase and save it for a future need.

Tentative Budget: The council has reviewed the proposed budget for the 2023/2024 fiscal year over the last few months and is ready to adopt the tentative budget.

MOTION: It was moved by Councilwoman Nielsen and seconded by Councilwoman Ball to adopt the tentative budget and set the public hearings date for Thursday, August 24, 2023 at 6:30 pm; motion carried.

Sewer Line Replacement Funding: City Engineer Dick Dyer explained to the council that the city needs to replace two 50-year-old sewer lines costing a total of \$3.1 million and possible ways to fund them (see Attachment #1). Below is a summary:

Project 1 - Rexburg Lift Station and Moody Line Replacements (\$2 million) – sewer line will be upgraded to a larger pipe and a new lift station will be constructed. This project will begin next spring.

- Sugar City pays half (1 million) from existing funds
- Rural Development Grant .2 million
- Rural Development Loan .8 million (2.9%, 30 yrs)
- Increase sewer user rate about \$3/thousand gallons

Project 2 – Interceptor Line from Mayor’s Park to Moody (\$1.1 million using CIPP) – Line can be upgraded by using a method that cures new pipe lining in place using the existing structure (CIPP) at a cost savings.

- Sugar City pays half (.5 million)
- Rural Development Grant .12 million
- Rural Development Loan .48 million (2.9%, 30 yrs)
- Increase sewer user rate about \$1.80/thousand gallons

CALENDARED ITEMS:

Second Hearing Review:

Water and Sewer Connection Fees: Mr. Dyer is reviewing the ordinance and preparing to make any changes that are needed. He explained that ordinances are the laws, resolutions enact the laws, rates are set through resolutions. An analysis report should be done every five years for the water and sewer rates. Water rates are determined by the meter size. The base fees are set up to cover fixed costs i.e., bonds, insurance, and administration. Usage rates per thousand gallons covers variable costs i.e., labor, power, repairs, and maintenance. Sewer rates are determined by industry standards and usage type (see Attachment #2).

MAYOR AND COUNCIL REPORTS:

Tree and Beautification: August yard awards:

- Glade and Sarah Pinnock
- Jared Richards

Historic Preservations Commission: They meet again August 17. They will contact City Attorney Chase Hendricks on how to transfer funds.

EXECUTIVE SESSIONS:

9:25 P.M. It was moved by Councilwoman Nielsen and seconded by Councilwoman Ball to move into executive session pursuant to Idaho Code 74-206(b) "To consider evaluation, dismissal or disciplining of or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent." and Idaho Code 74-206(f) "Conferring with legal counsel for the public agency to discuss pending or imminently likely litigation, not merely when legal counsel is present." Motion carried. Thereupon, the clerk called roll upon the motion.

Those voting aye: Councilors Ball, Baird, Dayley, and Nielsen
Those voting nay: None

Thereupon, the mayor declared the motion passed.

9:45 P.M. The executive sessions ended for Idaho Code 74-206(b) and Idaho Code 74-206(f). No decisions were made and there was no deliberation.

Motion was made for adjournment. Meeting adjourned at 9:45 p.m.

Signed: _____
Mayor Steven Adams

Attested: _____
Wendy McLaughlin, Clerk-Treasurer



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SUGAR CITY WASTEWATER IMPROVEMENT PROJECTS

- Rexburg Upgrade ~\$2.0 million Sugar Share
- Sugar Interceptor Rehabilitation ~\$1.1 million Sugar Cost
- How to Fund?

Sugar Interceptor Rehabilitation Funding

- \$1.1 million total cost
- \$0.50 million local
- \$0.12 million Rural Development grant
- \$0.48 million Rural Development loan (2.9%, 30 yrs)
- Likely increase in monthly sewer user rate ~\$1.80/user/month

Rexburg Upgrade Funding

- \$2.0 million total cost
- \$1.0 million local
- \$0.2 million Rural Development grant
- \$0.8 million Rural Development loan (2.9%, 30 yrs)
- Likely increase in monthly sewer user rate ~\$3.00/user/month



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SUGAR CITY WATER AND SEWER RATES

- Ordinance establishes the mechanism (i.e., how rates are determined)
- Resolutions set and update actual fees (i.e., dollar amounts)
- Current ordinances are not clear in some cases in establishing the mechanism = need for updating
- Resolutions for fees done periodically for inflation adjustment
- Rates and connection fees examined every five years or so with detailed rate analysis to help assure revenue can cover expenses

Water User Fees

- Base rate based on meter size (= demand on capacity)
- Base rate is to cover fixed costs (bond, lease fees, administration, depreciation, etc.)
- Usage rate is per 1,000 gallons of water used as reported by the meter
- Usage rate is to cover variable costs of operation (labor, power, repairs and maintenance, sampling and testing, etc.)

Sewer User Fees

- Base rate based on equivalent user (amount of wastewater produced compared to single-family home, table in ordinance)
- Base rate is to cover fixed costs like for water
- Usage rate is per 1,000 gallons of water used in winter months (approx. = sewer use)
- Usage rate is to cover variable costs like for water