MINUTES OF REGULAR MEETING
SUGAR CITY COUNCIL
THURSDAY, AUGUST 27, 2026, 6:30 P.M.

Presiding: Mayor Steven Adams
Meeting Via Internet and at City Hall Convened at 6:30 p.m.
Prayer: Councilman Dayley
Pledge of Allegiance: Mayor Adams

Present at City Hall and Online: Mayor Steven Adams; Councilors Catherine Nielsen, Joy Ball, Glenn Dayley and Carter Stanford; Clerk Treasurer Wendy McLaughlin; Public Works Director Arlynn Jacobson; City Attorney Chase Hendricks; Planning and Zoning Administrator Kurt Hibbert; Superintendent Sugar-Salem School District #322 Jared Jenks; Brad's Exxon Owner Brad Orme; Citizens Rebecca and Ricky Bush and Ryan Rasmussen and wife; and others who may have joined electronically or physically but not identified.

WELCOME: Mayor Adams conducted the meeting and welcomed everyone present. The meetings were held at City Hall and live over the internet and those who wished to be present were invited to attend.

PUBLIC HEARING (New Fee Schedule and Fee Increase) It was brought to the city's attention that the New Fee Schedule was not posted correctly. The city will reschedule a public hearing to be held on Thursday, September 24, 2026. The proposed Fee Schedule will raise utility rates at least 3.6%, the Cost-of-Living Adjustment; garbage and sewer base fee rates about 9%. Testimonies concerning the new Fee Schedule were allowed and summarized below:

Citizens for, against, or neutral were given the opportunity to submit written comments or testify at the hearing.

In Favor: None

Neutral: None

Against:

Jared Jenks: understood other fee increases but did not like the proposed 10% fee increase for Design Review. The school spent upwards of $55,000 in building fees in the past and feels like the city is gouging the customer.

Ryan Rasmussen: is grateful for public meetings where he can come and learn what is going on in the city and voice his opinions and concerns. He also does not like the proposed change in Design Review fees.

Brad Orem: is against the 10% Design Review fee increase or the proposed garbage fee increases. He feels the city is fee crazy and the building permit process is too stringent. He wants downtown Center Street to look better and plans to make improvements to his gas station.

Public hearing closed.

PUBLIC HEARING (Proposed 2026-2027 Budget):

Citizens for, against, or neutral were given the opportunity to submit written comments or testify at the hearing. There were no written comments submitted.

In Favor: None

Neutral: None

Against: None

Public hearing closed.

REGULAR COUNCIL MEETING CONVENED: 6:35 PM

CONSENT AGENDA:

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

2026-27 BUDGET ADOPTION:

RESOLUTION FOR NEW FEE SCHEDULE: Tabled until after the rescheduled public hearing on September 24 to post the Fee Schedule increase hearing correctly.

Design Review Fee:

MOTION: It was moved by Councilman Stanford to reduce the proposed Design Review fee from 10% of the building permit to 5%. Motion died for lack of a second.

The mayor assigned a committee (Public Works Director Arlynn Jacobson, Building Inspector Quinton Owens, Community Development Chairman Kurt Hibbert, and Councilor Carter Stanford) to review the Design Review fee structure and make a proposal.

L2 WORKSHEET: a tentative budget was approved at the last council meeting to take the 3% Property tax increase and use it to help pay office staff scheduled wage increases. Councilman Stanford objected to the adoption having been absent from the meeting.

APPROPRIATION ORDINANCE NO. 412_2026 (Fiscal Year 2026-2027):

Ordinance No. 412_2026 was introduced to the council and read by title only:

"AN ORDINANCE ENTITLED THE ANNUAL APPROPRIATION ORDINANCE OF THE CITY OF SUGAR CITY, IDAHO, FOR THE FISCAL YEAR OCTOBER 1, 2026, TO SEPTEMBER 30, 2027, AND APPROPRIATING TO THE SEVERAL DEPARTMENTS, OFFICES AND FUNDS OF THE SAID CITY GOVERNMENT FROM THE REVENUE DERIVED FROM TAXES LEVIED FOR SAID FISCAL YEAR, AND ALL OTHER SOURCES, SUCH SUMS AS MAY BE NECESSARY OR DEEMED NECESSARY BY THE MAYOR AND CITY COUNCIL TO DEFRAY THE EXPENSES AND LIABILITIES OF SAID CITY FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2027."

It was moved by Councilman Dayley and seconded by Councilman Stanford to adopt this ordinance

without the 3% property tax increase. Thereupon, the clerk called roll upon the motion. Thereupon, the clerk called roll upon the motion.

Those voting aye: Councilors Dayley and Stanford
Those voting nay: Councilors Ball and Nielsen
The mayor broke the tie vote in favor of adopting the Appropriation Ordinance without the 3% property tax increase.

Ordinance No. 412_2026 was thereupon declared by the mayor to have been duly passed by not less than two-thirds of the council. The clerk will publish Ordinance No. 412_2026 in summary or full immediately in at least one issue of the *Standard Journal,* a newspaper published in the city of Rexburg, Madison County, Idaho.

PLANNING AND ZONING REPORT: Planning and Zoning Administrator Kurt Hibbert reported on the following items:

New Maverik: a new Development Agreement for the Maverik project has been reviewed and will be ready for the council by next month. The mayor asked that the proposed Development Agreement for the new Maverik property be ready for the council packets by Friday so the council has time to review it thoroughly.

Old Sugar Factory: a preliminary plat is being reviewed for the Old Sugar Factory building. The plat proposes mixed use with multi-family and commercial units.

Red Spud Storage: wanting to expand. They are looking at buying a nearby lot that is not within the city limits and could be annexed.

Urban Renewal Cost Sharing: several public infrastructure projects near the new Maverik development could benefit from a cost share plan from the Urban Renewal District. Projects include bridges, roads, lights, water facilities, and etc.

6th North: the street is ready except for the railroad crossing. Mr. Hibbert will contact them.

PUBLIC COMMENT: no report

PUBLIC WORKS REPORT & GENERAL BUSINESS: Arlynn Jacobson reported on the following items:

Tennis Court Lights: the electronics are still not working. A timer on the light pole could be installed that would automatically turn off at around 10 p.m.

Rexburg Sewer Line Project: Dickinson has received funding for their portion of the sewer line upgrade to Rexburg. They want guaranteed capacity for their business and not a part of the city's capacity. Dickinson uses approximately 63.8% of the line and Teton uses approximately 10%. The new line upgrade to a 21" pipe size is expected to last 80 years.

Stillwater Project Update: the water sample finally passed. They are ready to go ahead with building and selling lots.

Teton Island Estates Project Update: the curb and gutter are installed. They are going forward with building. The 5th South bridge is in the Development Agreement for the next building phase.

Transportation Study: the transportation study is ready for its final review. It has come in under budget and so they are looking for additions. A draft for the council could be as soon as next month. A changing lane the full length of Highway 33 is proposed next to SunPro and the other businesses.

Speeding Traffic Complaints on 5th South: Mr. Jacobson suggest that a traffic study be done to

clock speeds. Citizens have suggested putting in stop signs to slow down traffic but 5th South is a main collector. A deputy has been asked to police the area and watch for speeders and those who aren't stopping at stop signs.

New City Hall: plans for a new city hall are still being discussed as the Maverik property development goes forward. Another city water tank is also being planned to accommodate the growth of the city.

Equipment Shed: Mr. Jacobson will check with the state about the property just off of Highway 20 to be used for possible city equipment sheds.

GENERAL BUSINESS:

Community Development Specialist Agreement: tabled until next council meeting.

MOTION: It was moved by Councilwoman Ball and seconded by Councilwoman Nielsen to approve the City Attorney and City Engineer Agreements. Thereupon, the Clerk called roll upon the motion.

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

Thereupon, Mayor Adams declared the motion passed.

Resolution for Independent Contractors:

Resolution No. 2026-5 was introduced to the council and read by title only:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR CITY, IDAHO ESTABLISHING A PROCEDURE FOR SETTING ANNUAL COMENSATION ADJUSTMENTS FOR INDEPENDENT-CONTRACT PROFESSIONAL SERVICES PROVIDERS AND OTHER CONTRACTUAL STAFF; APPROVING COMPENSATION CHANGES FOR THE FISCAL YEAR IDENTIFIED IN EXHIBIT A; AUTHORIZING THE MAYOR AND CLERK-TREASURER TO IMPLEMENT THE APPROVED CHANGES CONSISTENT WITH EXISTING AGREEMENTS AND ANNUALLY APPROPRIATED FUNDS; PROVIDING THAT FUTURE COST-OF-LIVING OR OTHER COMPENSATION ADJUSTMENTS MUST BE APPROVED BY RESOLUTION UNLESS OTHERWISE EXPESSLY APPROVED BY THE CITY COUNCIL; AND ESTABLISHING AN EFFECTIVE DATE."

MOTION: It was moved by Councilman Dayley and seconded by Councilwoman Nielsen to approve Resolution No 2026-5. Thereupon, the Clerk called roll upon the motion.

Those voting aye: Councilors Ball, Dayley, and Nielsen
Those voting nay: Councilman Stanford

Thereupon, Mayor Adams declared the motion passed. A copy of said resolution is attached hereto marked "Attachment 1".

CALANDARED ITEMS:

First Reading: Fire Prevention Ordinance – the council felt some of the language in the proposed Burn Ordinance or Fire Prevention Ordinance was too restrictive. The mayor asked the council to bring in their suggestions for the next reading.

Third Reading: Conditional Use Permits and Land Use Schedule Revisions

ORDINANCE NO. 413_2026 (Conditional Use Permit and Land Use Revisions):

Ordinance No. 413_2026 was introduced to the council and read by title only:

"NEW CONDITIONAL USE PERMIT AND LAND USE SCHEDULE REVISIONS."

It was moved by Councilman Dayley and seconded by Councilwoman Ball to adopt this ordinance. Thereupon, the clerk called roll upon the motion. Thereupon, the clerk called roll upon the motion.

Those voting aye: Councilors Ball, Dayley, Nielsen, and Stanford
Those voting nay: none

Ordinance No. 413_2026 was thereupon declared by the mayor to have been duly passed by not less than two-thirds of the council. The clerk will publish Ordinance No. 413_2026 in summary or full immediately in at least one issue of the *Standard Journal,* a newspaper published in the city of Rexburg, Madison County, Idaho.

MAYOR AND COUNCIL REPORTS:

Tree and Beautification:

City Benches: the committee would like to paint the city hall outside benches.

Sugar City Area Historical Society:

Railroad Car: the railroad car is in need of some paint and upkeep. The Sugar City Area Historical Society is still looking for a place to rent. The city approved a lease agreement with the Society for the land that the railroad car sits on several months ago.

GIS Meeting with County: mayor reported that a meeting was held with the County GIS to resolve some issues. The city's information is not being made available on the County GIS system. The mayor asked for a link on the County site to direct the public to Sugar City's GIS. While the mayor is also open to paying more besides what is collected from tax payers, he does not agree with the suggested 1/3 of $200,000 split three ways with the County, Rexburg and Sugar City. A discussion of a more proper amount is being considered. Tax payers are billed for GIS services. GIS Mapping Hands Eric Smith updates Sugar City's information on our own GIS system but the information could also be available on the County GIS System.

Meeting adjourned 9:05 p.m..

Signed: _____ Attested: _____

Steven Adams, Mayor

Wendy McLaughlin, Clerk-Treasurer

Attachment #1

CITY OF SUGAR CITY, IDAHO
RESOLUTION NO. 2026-5

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR CITY, IDAHO, ESTABLISHING A PROCEDURE FOR SETTING ANNUAL COMPENSATION ADJUSTMENTS FOR INDEPENDENT-CONTRACT PROFESSIONAL SERVICES PROVIDERS AND OTHER CONTRACTUAL STAFF; APPROVING COMPENSATION CHANGES FOR THE FISCAL YEAR IDENTIFIED IN EXHIBIT A; AUTHORIZING THE MAYOR AND CLERK-TREASURER TO IMPLEMENT THE APPROVED CHANGES CONSISTENT WITH EXISTING AGREEMENTS AND ANNUALLY APPROPRIATED FUNDS; PROVIDING THAT FUTURE COST-OF-LIVING OR OTHER COMPENSATION ADJUSTMENTS MUST BE APPROVED BY RESOLUTION UNLESS OTHERWISE EXPRESSLY APPROVED BY THE CITY COUNCIL; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Sugar City, Idaho (the "City"), is an Idaho municipal corporation with authority under Idaho Code section 50-302 to adopt resolutions not inconsistent with Idaho law as may be expedient to maintain the good government and welfare of the City; and

WHEREAS, Idaho Code section 50-204 provides, in relevant part, that the mayor, with the consent of the council, shall appoint a city attorney and such other officers as may be deemed necessary for the efficient operation of the City; and

WHEREAS, the City from time to time enters into written professional services agreements, independent contractor agreements, consulting agreements, and similar agreements for legal, community development, planning, administrative, technical, and other services necessary or beneficial to City operations; and

WHEREAS, the City Council desires to provide a transparent, uniform, and annually reviewable procedure by which cost-of-living adjustments, market adjustments, scope adjustments, fixed-dollar compensation changes, or other compensation changes for contractual staff may be approved, denied, modified, or deferred by City Council resolution; and

WHEREAS, the City Council further desires that no cost-of-living adjustment or other compensation adjustment for contractual staff be automatic unless expressly approved by the City Council, budgeted, appropriated, and implemented in accordance with the applicable written agreement; and

WHEREAS, the City Council has reviewed the proposed compensation adjustments for the fiscal year identified in Exhibit A, including the proposed [three and six-tenths percent (3.6%)] cost-of-living adjustment for the identified contractual service providers, and finds that the adjustments reflected in Exhibit A are reasonable, subject to available appropriations and lawful City payment procedures; and

WHEREAS, the City Council finds that adopting this Resolution will promote consistency, budget accountability, and transparency by allowing compensation changes for contractual staff to be set by resolution for the applicable fiscal year or contract term; and

WHEREAS, this Resolution was considered at a duly noticed public meeting of the City Council in compliance with the Idaho Open Meetings Law, including Idaho Code section 74-204, and the agenda identified the matter as an action item for City Council consideration.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sugar City, Idaho, as follows:

SECTION 1. PURPOSE; DEFINITIONS.

This Resolution establishes a template procedure for approving annual or periodic compensation changes for contractual staff and professional services providers whose compensation is paid under written agreement rather than through the City employee payroll system.

For purposes of this Resolution, "Contractual Staff" means an independent contractor, professional services provider, consultant, or other non-employee service provider who provides recurring or ongoing services to the City under a written agreement approved by the City Council or otherwise authorized by the City. The term does not include elected officials, City employees governed by the City personnel system, or volunteers, unless the City Council expressly states otherwise in a later resolution.

For purposes of this Resolution, "Adjustment" means any change to compensation, including a cost-of-living adjustment, market adjustment, fixed-dollar increase or decrease, change in monthly retainer, change in hourly rate, change in annual not-to-exceed amount, or other compensation-related change approved by the City Council.

SECTION 2. ANNUAL COMPENSATION ADJUSTMENTS TO BE SET BY RESOLUTION.

Unless a written agreement expressly provides a different procedure that has been approved by the City Council, any annual cost-of-living adjustment or other compensation adjustment for Contractual Staff shall be approved by City Council resolution before the adjustment becomes effective. The City Council may approve no adjustment, approve a uniform percentage adjustment, approve a contract-specific adjustment, approve a fixed-dollar adjustment, approve a rate change, or defer action to a later meeting.

The City Council may consider any lawful factor it deems relevant, including budget capacity, annual appropriations, comparable market rates, changes in the scope of services, performance, inflationary conditions, employee cost-of-living adjustments, revenue limitations, workload, and the City's operational needs. No Contractual Staff member has a vested or automatic right to receive an Adjustment by virtue of this Resolution, by virtue of a prior-year Adjustment, or by virtue of an Adjustment approved for another person or contract.

SECTION 3. CURRENT FISCAL YEAR ADJUSTMENTS.

For Fiscal Year [2026-2027], the compensation changes for the Contractual Staff identified in Exhibit A are hereby approved in the amounts, percentages, payment schedules, and effective dates set forth in Exhibit A. Exhibit A is attached hereto and incorporated herein by this reference.

The amounts shown in Exhibit A shall control over any inconsistent administrative worksheet, budget note, or informal calculation, except that the Clerk-Treasurer may correct obvious clerical or mathematical errors consistent with Section 8 of this Resolution. If the City Council intends the new annual compensation amounts shown in Exhibit A to include the approved Adjustment, those amounts shall be treated as the full annualized compensation for the fiscal year stated in Exhibit A.

SECTION 4. IMPLEMENTATION; CONTRACT AMENDMENTS.

The Mayor and Clerk-Treasurer are authorized to take those administrative actions reasonably necessary to implement the compensation changes approved in Exhibit A, including preparing payment schedules, updating internal accounting records, and presenting any required contract amendment, renewal, addendum, or compensation exhibit for execution.

Where a written agreement requires a written amendment before a compensation change is effective, this Resolution authorizes the Mayor, or other authorized City signatory, to execute a written amendment consistent with Exhibit A after approval as to form by the City Attorney. This Resolution does not amend any non-compensation term of an agreement unless expressly stated in Exhibit A or in a separately approved written amendment.

SECTION 5. INDEPENDENT CONTRACTOR STATUS; NO EMPLOYMENT BENEFITS.

Approval of an Adjustment under this Resolution shall not alter the independent contractor status of any Contractual Staff member, shall not create an employment relationship, and shall not entitle any Contractual

Staff member to employee benefits, paid leave, health insurance, retirement contributions, workers' compensation coverage, unemployment coverage, or any other benefit except as expressly required by law or expressly provided in a written agreement approved by the City Council.

SECTION 6. APPROPRIATION AND PUBLIC FUNDS LIMITATION.

All compensation changes approved by this Resolution are subject to lawful appropriation, availability of legally usable funds, City Council claims approval, and the City's ordinary payment procedures. Nothing in this Resolution shall be construed to create a debt, liability, or obligation of the City in excess of funds lawfully appropriated and available for the applicable fiscal year. If funds are not appropriated or cease to be legally available, the City may withhold, reduce, defer, or discontinue payments as allowed by law and by the applicable written agreement.

SECTION 7. FUTURE FISCAL YEARS.

For any fiscal year after the fiscal year identified in Exhibit A, the City Council may set compensation changes for Contractual Staff by later resolution. Unless a later resolution, adopted budget, or written agreement expressly states otherwise, the approval of an Adjustment for one fiscal year shall not obligate the City to approve the same Adjustment, or any Adjustment, in any later fiscal year.

SECTION 8. CLERICAL CORRECTIONS.

The Clerk-Treasurer, after consultation with the Mayor and City Attorney, may correct scrivener's errors, formatting errors, cross-reference errors, and obvious mathematical errors in Exhibit A, provided that no correction shall materially change the City Council's approved compensation amount, approved percentage adjustment, payment schedule, effective date, or policy decision without further City Council action.

SECTION 9. REPEALER; CONFLICTING PRIOR ACTIONS.

All prior resolutions, motions, or administrative directions are superseded to the extent they are inconsistent with this Resolution for the same fiscal year and the same contract or compensation item. All other portions of prior City action remain in full force and effect.

SECTION 10. SEVERABILITY.

If any provision of this Resolution or Exhibit A is held invalid, the remaining provisions shall remain in full force and effect to the fullest extent permitted by law.

SECTION 11. EFFECTIVE DATE.

This Resolution shall take effect immediately upon passage and approval, unless a different effective date is stated in Exhibit A. No compensation change shall be paid before the effective date stated in Exhibit A or before completion of any written amendment required by the applicable agreement.

PASSED AND APPROVED by the City Council of the City of Sugar City, Idaho, this 27th day of August, 2026.

ATTEST:

_____

Wendy McLaughlin, Clerk-Treasurer

CITY OF SUGAR CITY, IDAHO

_____

Steven Adams, Mayor

EXHIBIT A
CONTRACTUAL STAFF COMPENSATION ADJUSTMENT SCHEDULE

Fiscal Year: [2026-2027] Effective Date: [October 1, 2026] Approved Adjustment: [3.6% COLA / Other: _____]

No.	Contractual Staff / Provider	Service or Agreement	Prior Annual Amount	Approved Change	New Annual Amount / Payment Schedule	Effective Date / Notes
1	Chase Hendricks / City Attorney	City Attorney Professional Services Agreement	$36,000	3.6% COLA	$37,300.00 annually; $3,108 monthly unless agreement states otherwise.	[_____] Subject to approved agreement or amendment.
2	Kurt L. Hibbert, MPA / Community Development Services]	Community Development / Planning / Contractual Services Agreement	$32,500	3.6% COLA	$33,660.00 annually; $2,805 monthly unless agreement states otherwise.	[_____] Verify legal spelling before adoption.
3	Eric Smith / GIS Mapping	GIS Mapping	$3,708	3.6% COLA	$3,842 annually; $320 monthly not-to-exceed $4,000	[_____]
4	[_____]	[_____]	$[_____]	[_____]	$[_____] annually; $[_____] monthly / hourly / not-to-exceed.	[_____]

Certification of Clerk-Treasurer: I certify that Exhibit A reflects the compensation changes approved by Resolution No. 2026-5 and that the final adopted resolution is maintained in the official records of the City of Sugar City, Idaho.

Date: _____

_____
Wendy McLaughlin, Clerk-Treasurer