

**NOTUS CITY COUNCIL SPECIAL MEETING MINUTES**  
Special Session: **MONDAY JULY 22, 2019**  
@ 7:00PM at Notus City Hall

**1. Meeting Called to Order**

Meeting was called to order at 7:02 pm by Mayor David Porterfield.

**2. Roll Call**

Roll call was taken with the following results: Council woman Michelle DeGiorgio, present and Bonnie Emly; Councilmen Clint Berends, present. Mayor, David Porterfield and City Attorney Todd Lakey also present.

**3. Pledge of Allegiance**

**4. Amendment of Agenda**

Mayor explained the necessity of amending the agenda was to include the disbursement list for the meeting. Clint Berends moved to approve the amendment to the agenda. Bonnie Emly seconded. Roll Call was taken with the following result: Berends, yes; Emly, yes; DeGiorgio, yes. Motion carried.

**5. Disbursement List**

Questions were asked regarding the billing from Woody's Outdoor Sports for repair of the lawn mower. Mayor Porterfield explained that the machine was taken in for repair of a solenoid and the mechanic found 2 of the pulleys were worn. They called Mayor and got permission to take care of that while the machine was at the shop. Mayor reported that the billing request from Cascade Pipe included a change order that raised cost an additional \$6,221.00. Emly moved to approve payment of invoices presented. DeGiorgio seconded. Roll call was taken with the following results: Emly, yes; DeGiorgio, stopped the vote to comment on the IRWA billing that has Stacy Kester's name on it. She stated there it is not a good name to have on a bill coming to us. Marie Eilers explained what the bill is for and that there were attempts to get the name changed. DeGiorgio asked if Vision could not make that change and Eilers stated that it is not the Vision software and that it is the vendor's issue. DeGiorgio stated that if we were to tell them that the bill would not get paid until the name is taken off, it would be correct. Eilers stated that she would take care of it the following day. Eilers asked to continue with the roll call voting and asked DeGiorgio for her vote and it was yes; Berends, yes. Motion carried.

**6. Action Items**

**6.1 Appointment of new Council member**

Mayor presented the name of Steven Ahlborn to the council as a replacement for the seat of Richard Wallace, Jr. Mr. Ahlborn gave a short biography of himself to the group. Mayor stated that he would like to nominate Steve to become a member of the Council. DeGiorgio asked if Council could ask questions and the Mayor gave permission to do so. DeGiorgio asked Ahlborn what his finances were like. Ahlborn stated that his family is sound. DeGiorgio moved to approve Ahlborn to be seated on the Council. Berends seconded. Roll call was taken with the following results: DeGiorgio, yes; Berends, yes; Emly, yes. The motion carried. The Mayor seated Steve Ahlborn by having him to receive the Oath of Office and attest to the certification.

**6.2 Tentative Budget for 2020**

General Fund was presented first with questions and comments regarding the different line items. DeGiorgio asked if we were going to go through the budget or are we being asked to approve what is being presented. Mayor stated that we will be going through the budget with as much explanations as needed. Mayor explained the budget process and would like to start with Revenue for General Fund. Mayor told the group that there was an additional sheet given to all councilmembers regarding budget modifications which would be for the additional items regarding the library and community center costs. Mayor began going through the budget items

asking for questions and comments as he went. He explained the increases that we have received from the County and State levies.

Questions asked:

DeGiorgio asked how the State Liquor fee can go up since Mr. Lewis's bar was not open any longer. Porterfield explained that this money comes for the State as a shared revenue from all the liquor sales throughout the year.

Question regarding the General Fund Miscellaneous line was where did the \$3,000+ funds come from. Mayor told her that the biggest share of that was from ICRMP for a claim. She asked what claim and was told it was for a past employee. Comment was made that the Council should have known about that at the time. Response was, the council did know about the issues, but may not have been told when the claim payment had come in.

Community Center rent; DeGiorgio asked was the \$2,200 half of the gross since we are to pay the landlord 50% of the income? Mayor answered that it would be the gross income we anticipate receiving.

Once the revenue categories were discussed we moved on to the Expense list. Mayor explained the expenses for the current year and the proposed amounts for the upcoming year.

Questions: DeGiorgio asked why the Personnel expense dropped from the last year's budget amount. Eilers explained that this line item was intended for recruitment, cost of hiring, background checks, uniforms, etc. and that the City didn't do any recruiting for the year and so we dropped it down. It was increased the year that we had to hire more people to get street jobs completed. DeGiorgio commented that there was talk at one time of getting background checks on all Councilmen as well as staff. Mayor stated there had not been anything brought up again, so he encouraged her to bring it back to the Council at a later date.

Question regarding the amount of fuel increase from last year. Eilers stated that was because of the increase in fuel costs. A calculation is made with the amount spend for x number of months and multiply that out for the rest of the year, which makes our anticipated annual expenditure.

Next question was from DeGiorgio regarding the audit cost. She was concerned with the increase. Mayor explained that there will be more involved in the next audit due to the USDA and Army Corp funds we received. DeGiorgio stated that she feel like the council and Treasurer need to understand the audit and that the auditor is responsible to make sure that we all do.

Question on the phone, cell phone, and internet costs. Concerns addressed by DeGiorgio regarding the \$3400 for the communications for the City. She stated that Safelink had contracted to give free internet service. Eilers stated that Safelink has not given free service for the last 5 years. Berends comments that the tower rent comes from Safelink and Digis and Eilers agreed to that. Eilers gave the monthly amount for each service that was discussed.

Question regarding the propane not going up and Eilers explained that the cost has not gone up since we are only using propane in the City Hall, but not the shop as in the past. DeGiorgio asked about the difference between last year's budget for Computer system maintenance and the 2020 budget proposal. Eilers explained that there was additional cost considered for the last budget that did not happen. The actual cost for the software support and the technical support is more in the line of the \$2500.00. Ahlborn asked for clarification that we have spent \$2553 and anticipate the annual cost at \$2500. Eilers said that is correct and that we have contracts with the companies in place.

DeGiorgio asked why the liability insurance has gone up. Eilers explained that we have had an increase the last 2 years because there have been claims from residents.

Mayor Porterfield spoke to the group about the plans to get some Code Enforcement established for the next year. DeGiorgio asked why the 3 line items would not be added together; that she thought it would be better to do that. Mayor answered that it would not be better at this time because he had worked with some agencies that will not do all of them; however he stated that the

Nuisance Code Enforcement and the Zoning could be together. Mayor stated that he had conversations with Kate Dahl regarding how to get further along with law enforcement through county agencies.

Questions regarding the difference in the budgeted amounts for the Operating Contingency line. Mayor explained that this line item is the place that we could use for unanticipated costs that might arise. It can be used to take care of some of the areas that are over budget. An additional question was that is it not true that the budget has to be re-opened if a line items is over \$5000. Mayor explained that the only time a budget has to be re-opened is if the bottom line is over the amount that was budgeted.

The Library budget was the next item that was discussed regarding how the grants are acquired and spent out. The library board is responsible to maintain their budget. There is some differences which include the rent for the year that has been discussed, but will be part of a discussion further down the agenda. The rest of the budget includes the Community Center, Museum, and Parks.

Question from DeGiorgio regarding the equipment maintenance and repair totals – why is it \$200.00 less than last year? Mayor explained the anticipated amount due to the fact that we have not spent as much as projected for last year.

DeGiorgio asked if Paul Leavitt was a full time employee and what does full-time and part-time mean for the budget. Eilers explained both employees are part-time, but when Clucas was hired, he was only doing lawn mowing so his time was only charged to Parks. Since then he does more throughout the town so his time is now split between all funds. Eilers asked the Mayor to allow her to ask Ann Misner, Librarian to explain how the phone and internet discounts work. He agreed and Misner told the group that there are forms that are required which tell the different vendors that have services. Once that is finished and sent in the state issues a discount to the vendors, which in turn give the Library a discount on the accounts.

DeGiorgio asked if we get franchise fees from Century Link and Eilers stated that we do not. We only get them from Cable One. DeGiorgio asked if we should ask about franchise fees from Century Link.

The group moved on to the Sewer Budget revenue at this point. Late fees are down because the city didn't have as many this past year.

Questions asked were: DeGiorgio asked why there was such a large amount in hook-up fees. Eilers stated that is for 1 hook-up and that we had not had any last year, but felt we need to have something in the budget. Plus the Mayor reminded the group that whatever we put as revenue has to be spent out in expense budget.

DeGiorgio asked about the \$20,605 in the unassigned fund balance which is a drop from last year. Eilers reported that the line item is where the carryover from previous year is held. Once the year has been audited then funds are deposited into the LGIP account.

There have been some changes in regards to the sewer project in that the Conway Gulch has too much water in it for the contractor to go under it with equipment so that part of the project will have to wait until later in the fall. DeGiorgio commented that there are concerns with the work being done and the issues at the Cooper property. She commended the Mayor and City staff in helping with the issues as soon as they did. DeGiorgio asked Attorney Lakey to comment on the fact that the contract has not been worked appropriately and that is what has caused issues throughout the project. Lakey spoke to that concern and stated he didn't think that statement is correct. However, because of change orders and government shut down, contractor got behind. Changes orders have been presented and discussed in meetings so the issues were addressed as time went on. Mayor explained that USDA has given us an estimated remaining dollar amount of \$273,000.00 that will take us out to the end of the project. That will increase our proposed budget to \$434,075.00 for the year.

Continuing on with the Sewer Expense Mayor spoke to the line items that will raise will be the water treatment supplies and the power,

Questions from DeGiorgio, why is the payroll taxes lower in 2020 than in 2019. Mayor explained that when the revenue side was reviewed it was determined that we could place

more in the tax area as a buffer in the last year's budget, but since that wasn't needed we have dropped it back down. DeGiorgio said "and the same way with the retirement?" Mayor, Yes. Eilers also reminded the Council that retirement percentage paid has increased for the new year.

DeGiorgio asked why the clerical salaries and maintenance salaries have gone up. She was confused by the "maintenance salaries" vs the "part-time salaries." Mayor explained that the difference is the full time person and the part-time people. Mayor plans to keep the starting wage. DeGiorgio asked if it would not make more sense to hire a full time maintenance person that actually has experience in maintaining equipment and paying them a higher wage and letting one of the part-time go and keeping the most valued part-time person on.

Mayor asked to move on to finish the Sewer portion of the budget.

DeGiorgio asked about the Jetting and pipe repair, why we would have any budget included because with new system there would be no need. Mayor explained that there were parts of town that were not done so there is potential to have issues. The jetting is part of normal maintenance each year. That way we are taking care of the system.

Steven Ahlborn asked if there could be a break at this point from the budget, so that the people in the room that are present for other issues didn't have to sit through the line by line discussion of the budget. Mayor agreed but wanted to finish the Sewer budget. Pipe repair is the same way as a possible need during the year.

DeGiorgio asked about the amount listed for engineer. It is more and she wanted to know why. Mayor stated that there could be more engineer expenses outside of the project.

Mayor explained the rest of the budget items.

DeGiorgio asked about equipment maintenance and repair increase. The vehicle maintenance is taken care of staff and sometimes outside. Mike Black can be taking care of some of the equipment maintenance.

### **6.3. Library Housing Options**

Mayor reviewed the discussion from last meeting, but asked the Council to consider the purchase of land in order to build a library building and not have to pay rent. He asked for approval of the council to look into the possibility since there is land that has the possibility of sale in the near future. Mayor explained that the property across from the Whitmore building will be up for sale soon. The council was in favor of this. A suggestion was made by resident Phil Ryan that the Baptist Church has unused property that might be for sale as well. Cleve Clucas spoke to that with the explanation that the Church property is being used and is not for sale. DeGiorgio spoke to the fact that JoEllen Ringer a former librarian had brought to the council's attention that there are grants from Rural Community Development Grants that can be used for buildings. Tina spoke to that issue and explained that the one that DeGiorgio talked about was specifically for the Indian Tribes. Mayor asked if it is better to have the property first before looking at grants and Tina said that you can begin to look at the possible grants that are available and she would be glad to do that. Eilers spoke to the fact that she had spoken to Mr. Porter of Department of Commerce with funds regarding building and was told that we qualify and that there is a match. Mayor spoke that there seems to be a consent from the Council to proceed to look for a piece of property. He also spoke to the issue of figuring out where the money will come from to make a purchase. The most likely place to get the funds would be the Local Government Investment Pool. DeGiorgio spoke again about the other property that the City owns that could be available if the property purchase isn't an option. Mayor explained that he had research into the tower park issue and that doesn't seem to be something that we could do according to the professionals.

### **6.4 Library Building Lease**

Mayor referred the council to the latest draft lease that he and Mr. Lakey had provided to Mr. Watson. DeGiorgio asked a question, or a comment, to Mr. Lakey stating that she feels that it is the attorney that should be dealing with the lease rather than the Council or the Mayor because

since Lakey is the one that keeps the Council protected in legal matters. Mr. Lakey responded with the statement that it is his job to take direction from the Council and it is always up to the Council to decide if they want to take his direction or not. Lakey has participated in the discussions with the landlord and the City. He has taken a stand on some of the issues that have been addressed in the previous conversations. Steve Ahlborn addressed his concern with the section that states that the City would be sharing the cost of the HVAC and he is wondering what would happen if once the City paid their share to have that installed the landlord decides to evict the city from the property. Lakey stated that there are provisions in the agreement to allow for discussion between landlord and City to amend agreement as needed. Ahlborn also stated that he didn't like the landlord asking for the City to market the Community Center. He didn't feel that was our responsibility. A comment was made by Mr. Randall Taylor that he would suggest renting the Library portion and also agreed with Ahlborn regarding the marketing portion. A further discussion was held regarding the same information that has been discussed before. A suggestion was made regarding using the old school gymnasium. Roni Krakowski stated that the School is using that building for an after school program and it is set up for that and would be too difficult to move everything out. Tom Krakowski spoke to the Council and urged them to sign an agreement soon so that there is not a break in service for the library. Taylor stated that he was feeling like the landlord is wanting someone else to take the hit for upgrading the building. Berends suggested that maybe it would be better to raise our monthly rent rather than having to come up with the \$9000 to replace the HVAC. We could pay extra each month to cover the cost of the HVAC throughout the year. Discussion regarding the rental of the community center was held. The rent should be raised as discussed earlier. The safety issues need to be addressed regarding the electrical part of the lease. DeGiorgio asked Mr. Lakey how much he would charge the City to draw up a contract that protects the City and makes the deal go through. A review of previous discussions continued. Berends stated again that he would agree to pay extra each month to cover the HVAC. Additional comments were made from the Library Board members that were in attendance and asking for support from the Council. Mayor commented that the cost of the purchasing land could take most of our LGIP funds. If we could take 50% out of LGIP and could help with obtaining a grant. The Mayor asked the attorney if this meeting can remain open in order to continue at another time to make final decisions. Lakey stated it is possible. Lakey suggest that the most important part of the agreement is #5 in order to get the lease finished. Lakey suggested that a phone call be made the next day to Watson so see if he is willing to take the payment on a monthly basis with an increase of rent. Cleanest way is to say that we are willing to pay more per month and he is responsible to pay for larger items. Another item that Lakey spoke to was to still be in charge of the event calendar so that we know who and when people are renting community center.

The meeting will re-open on July 23, 2019 at 6:00 p.m.

More discussion regarding the time of the meeting was held. Ahlborn moved to continue the meeting at 4:00 p.m. rather than 6:00 p.m. DeGiorgio seconded. Motion carried with verbal response directed by Mayor.

Continuation of July 22, 2019 meeting was called to order at 4:00 p.m. with Michelle DeGiorgio, Steven Ahlborn, and Bonnie Emly present.

#### **6.6 Well House Building, Site Prep**

Mayor Porterfield explained the reasons for project for new member Ahlborn.

The professionals detected underground pipe that needs to be replaced with ductile pipe. Mayor told the group that there was a quote attached with the packets for \$6500. A question from DeGiorgio was is there a new drawing to show all the issues that has been recommended. Also, why not change location so that a new pipe doesn't have to be put in. Mayor provided a drawing for the council to see and stated that the wellhead is positioned in the middle of north side of the lot. It is 41 feet 8 inches from the middle of the property. It makes it difficult to work around.

DeGiorgio suggested that the building be moved back 4 – 5 feet so that it would not be over the water pipes. Mayor stated that it is because there is a vent fan on the existing building that is necessary and would be covered if building is moved as she suggests. DeGiorgio stated the vent can be put through the ceiling. Ahlborn asked if the builders can give us some idea of what has to be done. The drawings from the engineer will be reviewed again. The determination was to table the discussion and bring information back to the next meeting.

#### **6.5 Community Center Rental Fees**

The agenda numbers went out of order at the time and the discussion for the fees for the use of the Community Center were discussed next. Mayor referred to page that was given out the evening before to look at. Mayor explained the rental fees as they were set up several years ago. In the interest of getting more funds to help with the building costs a new fee chart has been provided for consideration. Mayor's suggestion is:

- 4 hours at \$50
- 4 – 8 hours at \$100
- 8 plus hours \$20 per hour over the 8 hours
- Use of kitchen \$20 (extra power)

Discussion ensued regarding the possible use of the Community Center if the landlord is responsible for all expenses and revenue. Ahlborn stated that it is his opinion that some of the ideas discussed in previous meetings could be doable, but the City is in a crunch time now and so we have to move forward with both the Library and Community Center. DeGiorgio shared a text with the group on the re-placement of the air conditioners. They gave her a quote for installation of \$5000 to \$10000 depending what is necessary. Mayor explained that he got the examples from a website on what the cost might be for HVAC units. Ahlborn asked about the existing HVAC in the library. Was there one that is not working? Mayor stated that is correct and that the units are old enough that it is possible they cannot be fixed. Ahlborn asked if the Council could get back on the subject of the community center fees. Discussion back to the center rental fees. Eilers told the group that the people have comment the most regarding the jump from 4 hours to all day is too much of a jump and most are amazed that we only charge \$30. Mayor also spoke about the need to update our chairs and tables. The Council was in agreement of the amounts presented. Ahlborn asked about charging extra for the kitchen use. A suggestion of \$20 if they use the kitchen if they are actually using the stove and/or warmers that use a lot of power. Mayor stated that he felt we should add to the agreement people sign regarding the right the City has to charge for breakage according to the cost to replace the items, which could be \$15 - \$20 per hours for the time it takes to replace items. Ahlborn talked about having something that tells the condition of the tables and chairs so that we know if there is damage. DeGiorgio moved to approve the new fee scale for the Community Center rent. Ahlborn seconded. Roll call was taken with the following results: DeGiorgio, yes; Ahlborn, yes; Emly, yes. Motion carried.

#### **6.4 Whitmre Building Lease**

A continuation from the previous evening discussion for the lease agreement. There was more discussion regarding the lease and what the landlord may want to accept. The council wanted the Mayor to discuss this more with the landlord to see if he is willing to accept our extra rent amount to help with the HVAC. Ahlborn moved to speak to Mr. Watson and offer an additional \$375 to the \$500 per month previously stated; leaving the 50% of rental fees; and a one year lease renewable each year. Emly seconded. Roll call was taken with the following results: Ahlborn, yes; Emly, yes; DeGiorgio, no. Motion carried. Mayor asked the Council if they are in agreement to accept the draft of July 23, 2019 with the exceptions of #2 and #5. Ahlborn moved to approve the draft of July 23, 2019 lease with the exceptions. Emly seconded. Roll call was taken with the following results: Ahlborn, yes; Emly, yes; DeGiorgio, no. Motion carried.

#### **6.7 Federal Surplus Membership**

The explanation was given regarding an application for the Idaho State Surplus membership. Mayor asked the Council the names they would like to have on the application for consideration

of purchasing items from surplus. DeGiorgio moved to send application into the State with the names of all councilmembers, staff, and Mayor on the list to purchase. Ahlborn seconded. Roll call was taken with the following results: DeGiorgio, yes; Ahlborn, yes; Emly, yes. Motion carried.

## **6.2 Tentative Budget Approval**

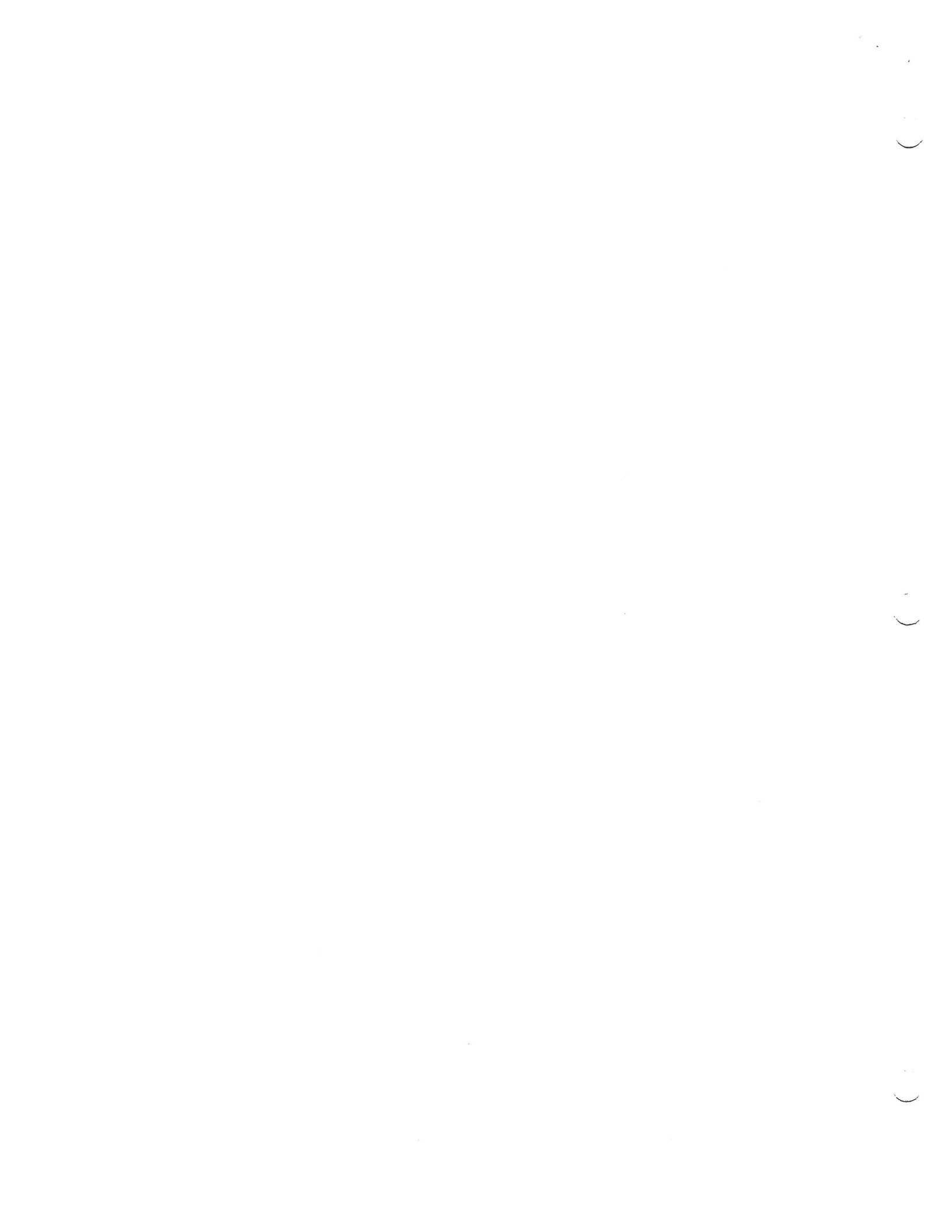
Ahlborn asked when the budget is approved. Mayor explained the process with tentative budget is approved by Council then is published for a public hearing on August 19, 2019. At that time it is approved by the Council after any comments made by the community. Ahlborn asked what would happen if we do not get approval by that time. It was explained to him that the state and county would not fund the City if that doesn't happen. The budget review continued going into the Water budget.

Questions regarding the administration line within the Revenue budget. Eilers explains that the shut off and shut on fees is posted there. DeGiorgio asked why the water charges went down from last year. Eilers explained that the calculation from last year was not correct. We have change the connections to match from DEQ. DeGiorgio stated that we should know exactly how many connections we have. Eilers explained that part of the difference is the school with the different type pf connection and charge for service. Base rate is used plus usage, then the schools is different. Ahlborn assisted in the explanation of the water charge. DeGiorgio asked what the unassigned balance mean. Explanation was made by Mayor. It could be referred to as carryover. Ahlborn asked what the transfers in mean. Mayor told that this is funding from the LGIP to Water fund to cover purposes that we would not have. DeGiorgio asked why we would do that. Mayor stated that it would be talked about in the expense side. Mayor further explained that we over calculated last year.

Expenses budget was next to go through.

Question from DeGiorgio was knowing what the workers compensation was less than last year. Eilers explained that the amount went down due to the fact that we do not have a full time person in public works. Eilers explained the type of work being done for workers comp. Question regarding the medical insurance and Eilers reported that the amount is what was being used when the City had a full time person. Next question from DeGiorgio regarding the supplies line item. Each line item continued to have questions and answers to make sure everyone understands the proposed budget.

Once the Water budget was completed it was determined that the continuation of the meeting would be on Thursday July 25, 2019 at 6:00 p.m.





Continuation of July 22, 2019 meeting, being held on July 25, 2019

Meeting resumes at 6:02 pm. With Council women Michelle DeGiorgio and Bonnie Emly and Councilman, Steven Ahlborn all present.

Mayor comments on the building lease that Mr. Watson has been sent the last lease draft and he seems open to the idea of paying extra monthly rent to help cover the AC/Heating.

Mayor asks to revisit item #6.7. He states that Loretta (City Clerk) has brought to his attention that individual Council members can not bind the city financially so instead of listing them on the application as authorized purchaser, they will be listed on the "notification list" of items available from the Federal Surplus. Council agrees. Those changes will be made before sending in the application.

6.2 Council reviews budget line items. Budget totals agreed on are:

Sanitation fund	\$ 39,761.00
Streets fund	\$ 48,850.00
Sewer fund	\$434,075.00
General fund	<u>\$184,563.00</u>
TOTAL Budget	\$992,994.00

August 19, 2019 at 7:00 pm will be the public hearing on the proposed 2019-20 budget.

Emily motioned to approve the 2019-20 tentative budget of \$992,994.00. Ahlborn seconded. Roll call was taken with the following results: Emly; yes; Ahlborn; yes, DeGiorgio; no. Motion passed.

## 7. Mayor and Council Comments

DeGiorgio comments that Mr. and Mrs. Cooper are good people being treated horribly. Their fencing is not fixed yet and the cleaning/repair from their sewer back up in their home still has not been finished. Mayor commented that the contractor reported to him today that the fence was fixed but he has not looked at it yet. Mayor also commented that the City was not notified of a cleanup company being called (rumored that Cascade Pipeline contacted a cleanup company) and has no knowledge of Disaster Kleenup work being done.

DeGiorgio asks if anyone has driven over the street patches that have been done. Emly comments that they have done a great job on Hailey Ave. Resident Phil Ryan comments that 3<sup>rd</sup> street is pretty good. DeGiorgio stated that Jasper has areas where it is rough from the track hoe tracks and left hand side up toward the tower there is a massive, complete break off area that wasn't there before we started this project. She suggest "we" all walk it and not sign off until it's fixed.

Mayor commented that with the condition of our streets, it may be hard to tell if was caused by equipment of not.

## 8. Adjournment

DeGiorgio motioned to adjourn at 7:30 pm. Steve seconded. All in favor. Motion passed.


Respectfully submitted by Marie Eilers, City Treasurer



and

Loretta Vollmer City Clerk



Dave Porterfield, Mayor: 

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