

**MINUTES OF THE
City Council Meeting for the City of Menan held May 12, 2016**

Presiding: Chauncey T. Haight, Mayor

Present: Chauncey T. Haight, Ron Jones, Noel Raymond, Keith Nelson, Allyson Pettingill, Kris Meek, Matt Walker, Lan Smith, Roy Storer, Dana Izatt, Dan Brown, Becky Nelson, Victor Cammans, Jason Watson, Shirley Hess, and Mrs. Anderson.

INCOME May 12 thru June 9, 2016:

Sewer Payroll	4937.95
Garbage Payroll	124.76
Idaho State Highway Revenue	8820.29
Idaho State Revenue Sharing	5783.08
Town Hall Rentals	120.00
Park Shelter Rentals	40.00
Dog tags	20.00
Jefferson County- March Property Tax	788.62
General Fund Money Market Interest	4.03
General Fund Collateralized Money Market Interest	16.14
Sewer Fund Money Market Interest	5.33
Sewer Fund Collateralized Money Market Interest	2.86
Garbage Fund Money Market Interest	.38
LGIP State Pool (Sewer)-	17.13
	TOTAL
	20680.57

Income from Sewer Account May:	\$ 12700.46
Income from Garbage Account May:	\$ 2008.00

City Council Meeting called to order at 7:04 pm.

Mayor Chauncey T. Haight starts the meeting.

Pledge of Allegiance

Police Report: The Sheriff's office had no representation present, so the Police report was tabled.

LHTAC Presentation: Lan Smith begins his presentation to the Mayor and Council. He begins by explaining that LHTAC was created to help small jurisdictions find the funding and resources available for their roads. The primary focus of LHTAC is to help small areas find the funding for roads. He then explains that they are funded through the Roadway Allocation Fund, but they only receive about 1/3 of 1%. They administer all grants throughout the state. He does inform the Mayor and Council that a local match of funds is required with a grant, but they are currently working to bring the costs down. They are presently trying to find ways to bring in engineers and overhead administration to lower the costs to small jurisdictions. He explains that if a grant is awarded there are no strings attached to the LHTAC. On planning grants, you can reapply after 10 years. Each jurisdiction earns points that help decide the likelihood of receiving the grants. If the City updates its road and transportation plan every three years then that qualifies the City to earn more points. He advises every two years look over plan, take out outdated items and replace with new items. This would keep the City's plan updated and earn points with LHTAC. If there are questions about how to update the plan, the LHTAC website has step by step help and instructions. He then points out that the ITD is finishing about 60% of their projects while LHTAC is finishing 100%. Lan then goes over the brochures he brought. He then tells the Mayor and Council that

LHTAC looks at every application submitted. He suggests that the City look over their applications they have made. He states that the City can apply for a grant every year and that credit or points are given if your application is not granted. He states again that the grant money is LHTAC funds and no strings are attached. He does say that any application must be in by Oct. 1. There is discussion on the brochures. Lan then goes on to say that the main purpose of the LHTAC is to advocate, support, and train. HE talks about the increased gas tax that they helped to legislate. He says that should help to bring in more money to the City. He says that big and small communities have equal representation. There are classes offered all over the state all the time. If a class was requested at our location there must be at least 8 people attending. He then refers back to the LHTAC website for any information needed, it has great resources. He then makes the point that maintaining the existing roads is much better than waiting until the road is in bad shape. He advises to put money toward maintaining the good roads, not trying to fix the bad roads. Lan then tells the Mayor and Council about the Pavement Asset Management program. This program is in place to help jurisdictions keep up on their road maintenance. He then talks about a chart that the LHTAC has that you can input your information and it will help you know what to budget for your roads. The Mayor asks if it is the engineer's job to grade the roads. Lan replies that the individual jurisdictions Road Departments can grade their own roads, but it is better for a 3rd party to give an unbiased opinion. Matt tells the Mayor and Council that the City had an engineer grade our roads last year. Lan then tells Matt to show the results of the 3rd party report and show how the suggestions given are being implemented so that the City can earn more points for grants. Mayor Haight asks Matt if we are actively trying to increase our point value. Matt responds yes, we applied for the grant but weren't awarded anything. He then states we will reapply. We use the system Lan talked about. The City would like to have an advocate to help with the road planning. Someone to help Matt as an advocate to find all options available. Mayor Haight thanks Lan for coming in to inform the Council on all of the options LHTAC has available. Brian volunteers to be the pavement advocate to help Matt. The Mayor agrees, Brian will get together with Matt and start finding ways to fund the road projects needed. The Council thanks Lan for his presentation.

Presentation of City Audit for Fiscal Year 2014-2015: Dana Izatt from Searle Hart & Associates addresses the Council. He expresses his appreciation for working with the Mayor and Council. He explains that there is something different this year. PERSI is requiring each entity to report their share of funds for liability purposes. He then reports that Idaho has a good retirement system. He then proceeds to present the audit to the Mayor and Council. He proceeds to explain that pages 1-2 show the assets and liabilities, this shows Menan's share of the liability for the pension program. Pages 3-4 show the statement of Activities. This starts with expenses then shows the grants, etc. that offset the expenses. If you continue down the page it will show how it's paid. The negative number is depreciation. Kris then explains that depreciation doesn't matter because we don't pay taxes. On page 5 is the balance sheet, with the current assets and liabilities. Pages 6-7 is revenue, and profit & loss. Page 9-11 are sewer and garbage, actual profit if no depreciation. Page 22 is the PERSI/pension. Page 25 has the report of where PERSI puts the money and the rates of return. Pages 33-35 is PERSI new statements, Dana explains that the statements will grow, this has been shown to be the trend over a 10 year span. Pages 36-37 are the finding report. Dana asks if there are any questions from the Mayor and Council. Kris asks about the phrasing significant deficiency on page 36. Dana responds that is considered significant deficiency until more staff are hired in the City office, but for now it's not feasible financially. Dana does state that it is important to be IRS compliant, make sure to have updated W-4's and I-9's. He admonishes to have all personnel files up to date and compliant. Make sure to avoid any practices that would bring scrutiny. Dana then finishes the presentation by saying that he is always available if anyone has any questions. Mayor Haight makes the statement that the expenses are more than the revenue and that can't be sustained over time. He says he would like to stabilize the trend and stop the spending. Dana advises watching the budget to actual every month, which will help to know where the City is and were the spending is going. Dana expresses his thanks to Allyson for her willingness to provide all necessary documentation needed for the audit and her cooperation in completing the Audit. Mayor Haight thanks Dana for all of his hard work in completing the 2014-2015 Audit. Ron then takes a moment to thank Allyson for all of her hard work and also thanks Roy, Jason, and Victor for all of their hard work on the Planning and Zoning Committee. He also then acknowledges Dan Brown in attendance.

Noel Raymond makes a motion to accept the 2014-2015 Fiscal year Audit as presented by Dana Izatt of Searle, Hart & Assoc. Keith Nelson seconded the motion. Brian Storms-aye, Ron Jones-aye, Noel Raymond-aye, Keith Nelson-aye. Motion carries.

Sewer Billing issues and requests: Allyson relays the conversation she had with Donn from Valleywide. He had stated that Valleywide wasn't really seeking to put in a sewer dump site at the new Coop, they had a resident ask if they would put one in. As it is not a top priority for them, he was asking that the City share the cost of the sewer charges to have the dump site. The Council discusses the proposal. It is stated that there wouldn't be a lot of traffic. It is then stated that it wouldn't benefit the City to share the cost, it would be better to leave it as it is as it is not beneficial to the City to fund.

Mayor Haight then addresses the unpaid sewer bills. He passes out a letter he has written to the Council to receive their approval before sending it out to the delinquent account holders. He would like to start with a letter asking the customers to come into the City office so we can work with them to find a way to wattle their bill. Some people haven't paid their bill in years. This begins a discussion on how to collect on the delinquent accounts. It is discussed placing valves to block their sewer access. Noel asks what happens after the valves are placed. The Mayor then asks is the City has any liability if the clean out is blocked. Roy states that the delinquent party can fix the clean out if blocked and restore sewer to their property. The best way to go forward at present would be to ask the customer to come in to the City office, we will work with them so we can start the process of collecting. The Council ok's Matt to turn off the sewer to those accounts who will not comply with the letter sent. Keith says he likes the letter, he would just like to change the verbiage to say we will shut off the sewer at the location. It is then discussed that some of the delinquent accounts are rental properties, the renters have failed to pay the bill. The final responsibility is on the homeowner. Many of the accounts are investment companies. The Mayor then says he will send a letter to the property owners, whether they are homeowners or investors. Kris says whatever is done should be across the board, consistency for everyone. It is stated that the City Council does need to collect the funds for the City. Kris says he is happy to advise on how to collect the money. He further states that a letter will work, but if there is no response then a letter should be sent from his letter head. It is noted that in the letter the Mayor wrote, he stated that the city would waive the penalties and fees if the customer would come in to take care of their account. Ron asks why anyone should pay their bill if their penalties and fees are waived. Kris then asks why the City would be willing to waive the fees when they owe the fees. He then suggests that instead of forgiving all of the penalties and fees, offer a discount on the fees. The Mayor makes the comment that the investment companies have the money, so they should pay. It is stated that this has been an ongoing problem. Kris then comments that the Mayor and Council need to be prepared for whatever has to be done. It is also advised to not waste too much time to see problem resolved. The Mayor says he will fix the letter and work with Kris. He will then send the letter out. It is not fair to those paying their bills. He will work with Kris to collect the sewer funds.

Request for Land Annexation: Becky Nelson addresses the Mayor and Council. She has been to the P&Z and is here to officially ask that the property she is proposing be annexed in to the City of Menan. It is in the Impact area and already zoned as Traditional Residential. Roy states that it does comply with the City's comprehensive plan. After the land is annexed, she will come back to the P&Z and Council to ask that certain areas be rezoned and Traditional Residential 2. There is discussion of next step. Kris says he needs the legal description of the land so he can draw up the annexation ordinance. It is decided that a Special Meeting will be held on Wednesday, May 18, 2016 at 7:00 pm to approve and sign the annexation ordinance, if passed. Noel asks if any problems are foreseen that may hold up the annexation. No one can see any as Becky is the only property owner and she is the one asking for the annexation.

Pickle ball: There is a presentation made to the Council about what Pickle Ball is. It is like ping pong but using a tennis net. This Pickle Ball league has used the Town Hall in the winter to keep up with their exercise. They express their appreciation for the use of the Town Hall. They are proposing 2 more Pickle ball courts to be added on the basketball courts at the City Park. They do acknowledge the lines for Pickle ball are on the Tennis Courts, they would like to add more. Their argument is that the sport is growing in popularity and their league can't play if someone is using the tennis court. They have contacted the same company that painted the lines on the tennis courts. The cost would be \$300 for one court and \$550 for two courts, with a discount of \$50 for two. They are asking the City to pay to have the lines painted on the basketball courts. It is noted that their request was denied last year because of a concern that new lines on the basketball courts may confuse the teaching of the game of basketball. It is asked if the lines can be made different colors than the basketball lines. Yes, the lines can be different so as not to confuse the basketball players. Keith suggests lighter lines would be better and less confusing. Mayor Haight states he would like to optimize the use of the facilities. Noel asks where the money would come from to pay for the lines. A discussion of budget options ensues. It is decided that since the parks

budget is pretty depleted at this time, it isn't feasible for the City to pay for it. It is suggested that if the Pickle ball league would raise the funds, the City would revisit the issue.

Ron Jones makes a motion to amend the Agenda to move P&Z up on the agenda. Noel Raymond seconds the motion. Brian Storms-aye, Noel Raymond-aye, Ron Jones-aye, Keith Nelson-aye. Motion passed.

Planning and Zoning Update: Jason begins by stating that the P&Z approved the recommendation for the annexation of the property Becky Nelson proposed. He then informs the Council of the P&Z's intentions to revamp the City's sign ordinances so they make more sense. He states the P&Z will hold a Special Meeting on the 19th to start going over the ordinance. There is discussion of the new coop and what their zoning is. Jason invites any of the Council Members to the Special meeting the next week as they start to address the sign ordinance. He again states it is the 19th at 7:00.

4th of July Activities and Fund Raising: Keith reports that things are moving. The City website now has a donation tab. He states that there wasn't a feasible way to have people pay online for events or the breakfast. Victor will take care of the fee table at the breakfast and he will have the Square to take payment and donations. Keith also states that he is trying to make donations generic, not specifying what the donation is for so that the funds in the activities account can be used for whatever is needed. This starts a discussion of donations. Keith then presents some of the advertising he has been working on. There is then a discussion of volunteers. The discussion then turns to auctioning off the setting off of fireworks. Allyson reports that Craig Chandler with ICRMP stated that our insurance will cover the liability for others to set off the fireworks. So the fundraising can move forward regarding the auctioning of the chance to set off some of the fireworks. It is asked if the vendor fees were raised this year. Keith reports that they didn't raise them this year, he is going to let it run and see for next year. The subject of Grand Marshall is brought up. It is stated that the Council needs to choose one. Might be a good idea to get recommendations from the previous Councils, then have the Council decided. Keith makes the recommendation that he would like to have the Council consider previous Mayor Betty Day. He would also like to have the Councils permission to ask Gary Maples to be the one to present this to Betty. There is discussion on this topic. There is a unanimous decision to proceed with Keith's suggestion.

Land Acquisition Update: Noel reports he spoke with Superintendent Sherrick. The School District had the property appraised for \$16,500. It is approximately .8 acres. They are interested in working out a trade. They are thinking of asking to trade the Menan Elementary School sewer bill as the trade. The District pays \$561.50 a month for their sewer bill. That would take approximately 28 months to pay off the land if traded. Leon Clark had the feeling from the meeting that the District doesn't want to develop the land, they would like to see it kept as an open area. If the land can be traded. If it is not developed it would go back to a farming price at \$5000 an acre. As a School District, they have an obligation to seek and find the best deal and price. They have to legally receive the best price they can find. It is suggested that maybe trading only half of the monthly sewer bill and taking 56 months to pay it off. There is a concern mentioned that the SD property doesn't have any water rights. Kris does state that the City can't finance out of the sewer fund for a general fund purchase. It is then asked if the City still wants the property if the property from the Church doesn't happen. Matt says yes, we could still put water system on that property. Matt mentions the contract between the Church and the guys taking care of the property is up in June. The Stake President says the new contract will include mowing this year and the irrigation will be paid. The report is that the LDS church is still pursuing the issue of the deposing the property to us, but no progress so far. Noel says he will stay on top of it.

Rhett Watson farm lease: It is reported that the lease on the farm expired on March 15, 2016. The price on the lease was \$162 per acre for 5 years. Kris will modify and have Rhett review. Matt stated that they traded 30 acres of flood irrigation for the pivot system. Kris asks the Council if the price of \$162 per acre is a good price. The Council says it is a fair price and probably higher than most right now. It is stated that Rhett is a good leasee, so there would be no reason to change the leasee. He is always quick to give all info needed when needed. Kris needs approval from Council to proceed.

Keith Nelson makes a motion to authorize Kris to continue with a deal with Rhett Watson. Brian Storms seconded the motion. Noel Raymond-aye, Ron Jones-aye, Keith Nelson-aye, Brian Storms-aye. Motion passed.

Maintenance Update: Matt informs the Council he bought a new tractor for \$1000, he can fix it up and then resale for \$10,000. He says he has hired 2 new employees for the summer. The Council states they would like to meet them. Braxton is 16 and works about 1.5 hours a night. Terry is retired and looking to do something during the day. He is working where Roy instructs him to work. Matt has put Roy in charge of the employees, giving Matt an opportunity to work mostly out at the sewer lagoons. There is discussion of maintenance. Matt says he has done a little maintenance on the Church property. He has adjusted some of the sprinklers and sprayed for weeds. He states it already looks better. Allyson asks about the County speed sign. Sheryl Hess is present at the meeting and had come into the office to complain about the speeding happening on 630 N. She has noticed cars speeding down her road, especially UPS trucks and FedEx trucks. Matt says he can't move the sign right now because there is no base to attach it to. Allyson says she will talk to the County and see if they can't have deputy patrolling that street more in the next couple of weeks to help bring the speeding down.

Bills:

Keith makes a motion to accept the bills. Ron Jones seconds the motion. Noel Raymond-aye, Brian Storms-aye, Keith Nelson-aye, Ron Jones-aye. Motion passes.

Treasurers Report: Allyson states the only thing she has to report is the date for the Budget Hearing. She had to submit a date to the County Clerk by April 30. She went off of last year's date and submitted August 11, 2016 as that is the Council meeting that month. If it needs to be changed, it can be. The Council states that date should be fine.

Minutes:

Ron Jones makes a motion to approve the Minutes from the Council Meeting on April 14, 2016. Noel Raymond seconded the motion. Keith Nelson-aye, Brian Storms-aye, Ron Jones-aye, Noel Raymond-aye. Motion carries.

Ron Jones made a motion to enter into Executive Session per Idaho Code 74-206 (1) (c). Brain Storms seconded the motion. Roll call vote: Keith Nelson-aye, Noel Raymond-aye, Ron Jones-aye, Brain Storms-aye. Motion carried.

**Enter Executive Session at 10:04 pm.
Acquisition of interest in real property.**

Ron Jones made a motion to come out of Executive Session. Brian Storms seconded the motion. Keith Nelson-aye, Noel Raymond-aye, Ron Jones-aye, Brian Storms-aye. Motion carried.

Out of Executive Session at 10:21 pm.

Ron Jones made a motion to adjourn the meeting. Noel Raymond seconded the motion. Motion passed.

Council meeting ends at 10:21 pm.

Allyson Pettingill, City Clerk/Treasurer