

Council President Rick Alonzo convened the fee increase workshop of November 18, 2014 at 6:05 p.m. Present for the workshop were Council President Rick Alonzo, Council Members Ron Smith, Connie Wells, and Tom Mayo, Clerk Kris Larson, City Administrator Stephen Boorman, and City Attorney Andrakay Pluid. Also present were Doug Ladely, Sr., Dale Simpson, and Ruth Sutton.

The group discussed the proposed planning and zoning fees submitted by Lisa Ailport to the city. Connie asked Andrakay what she thinks of the proposal. Andrakay said these fees are quite a bit less than other cities charge. Rick said it is a start especially if you look at the low fees we have charged previously.

The group looked at the different fees suggested. They also briefly discussed Sterling Codifiers, the flood plain, and an ordinance that is being considered.

Tom suggested raising the dog tag fees from \$10 to \$12, and changing the swim lesson fees from \$25 to \$30 and \$30 to \$40, season passes from \$5 and \$10 to \$15 and \$25, and daily rate to be \$2 rather than \$1.

The group discussed changing the fire hall rental to be the same as the visitor center. The golf season passes have been recommended by the golf committee to be increased to \$400 for individual season passes and \$700 for couple season passes.

Ron Smith asked about handling fees and they were explained. The group discussed building permit fees and the other fees listed and attached to the fee resolution.

Council wants to see the updated listed fees that were discussed tonight as they will be presented at the public hearing for fee increases.

The group discussed planning and zoning fees and reviewed the billing from Ruen Yeager for the planning and zoning coordinator. There have been quite a few more planning and zoning issues coming forth.

Council would like to have the fee increase hearing on January 6, 2015.

Council took a break at 6:45 p.m.

Council President Rick Alonzo called the regular council meeting of November 18, 2014 to order at 7:00 p.m. Present for the meeting were Council President Rick Alonzo, Council Members Ron Smith, Connie Wells, and Tom Mayo, Clerk Kris Larson, City Administrator Stephen Boorman, City Attorney Andrakay Pluid, Police Chief Robert Boone, Fire Chief Pat Warkentin, and Economic Development Coordinator David Sims. Also present for the meeting were Mike Klaus, Necia Maiani, Adam Arthur, Jessica Tingley, Nancy Mabile, Doug Ladely, Sr., Dale Simpson, Ruth Sutton, Jerry Higgs, Bob Graham, Aaron Clark, and Carolyn Testa.

Rick Alonzo informed the group that the city is having problems with the website so he apologized for the agenda and packet not being on the website this week.

Rick opened the public hearing for the water tank grant. He introduced Nancy Mabile and turned the presentation over to her. Nancy said there are 63.97 percent of the survey participants

that are low and moderate income level and over 23 percent are at the poverty rate. The funding is federal so fair housing and anti-displacement rules must be followed.

Nancy showed a power point of the existing Northside rectangular tank and the proposed location of the new 350,000 gallon tank. She said the current tank is over 90 years old and is in poor condition. It is not protecting the water system from potential contamination. The project will replace the tank with a larger one and will also replace a portion of the waterline. The city will spend approximately \$551,900 and the total project will be \$913,686. Nancy presented the schedule for the project. It is anticipated that the project be completed by January, 2016.

Nancy said as far as the Department of Commerce is concerned we do not have violation issues but we are out of compliance with rules for public drinking water systems according to the Department of Environmental Quality and we don't have enough storage capacity for emergency standby and fire suppression.

There are 63.97 percent of the population of Bonners Ferry that are low to moderate income. The poverty rate in Bonners Ferry is 23.2 percent. Families with children under the age of 18 jumps to 41.8 percent and female householder with no husband present with children under the age of 18 are at 79.2 percent poverty rate.

The application must be postmarked by November 21, 2014 and will be reviewed by the Idaho Department of Commerce (IDC) in December and January. If the IDC has any questions they will invite the city to submit an addendum with the answers to their questions. The addendum is due by March 6, 2015. The notification of grant award is up to the Governor.

David Sims asked if Nancy is aware of other communities applying for block grant funding. Nancy said there are several that she is aware of.

There were no questions for Nancy.

Ron Smith asked how the funding will be derived for the tank project and what will happen if the block grant is not successful. Stephen Boorman answered by saying at the last council meeting council agreed to go forward with an interdepartmental loan pending receipt of the grant but if we don't receive the grant we will have to re-evaluate.

Rick asked for written or verbal comments. Rick read the written comments submitted by Ruth Sutton regarding the last rate increase noted in the grant application. Another comment submitted by Jerry Higgs was read into the record concerning the price of the water tank replacement. Stephen said the project also includes a section of waterline that will be replaced and the tank size has increased over the original tank size. David Sims asked what the current tank size is and what we are looking at. The current tank size is 150,000 gallons and the new tank will be 350,000 gallons. Nancy Mabile said the Davis Bacon wages were not taken into account when the project was first looked to as well as the grant administration costs. Jerry Higgs asked if there will be any protection of cost overruns once the project gets started. Stephen said the schedule is related to dollars and the city has managed a lot of projects that have come in on budget. Jerry also asked about the performance clause. Stephen said there will be a performance bond and liquidated damage clause. Ron Smith said we are talking about \$913,000

and if we get the \$350,000 grant and the city pays the remainder there will not be a rate increase to pay for that. Stephen said there is a rate impact but it is not an immediate rate impact because we are planning to pay for the debt over a longer period. He said we currently have an interdepartmental loan that would be paid off in three years but this would extend that loan out another five years. He further stated that this will take funding that could be used on other projects so there is a rate impact. Rick said there will not be a rate increase specific to this. Rick closed the hearing at 7:26 p.m.

Jerry Higgs said there was a sewer issue at Jim Marx's home earlier this week. He said there was a manhole that was buried about eight inches in the street. Jerry said the homeowner hired a contractor to take care of the sewer issue and come to find out the problem was the city's. Jerry said the issue arose concerning the sewer system maintenance and the city accessing the manholes and the condition of the sewer system. He thinks there needs to be a clear policy determining who pays the costs. Jerry also brought up the fact that the city paid a customer a refund and how council was concerned about setting policy. He further stated that the city needs to set a clear policy of where the city responsibility begins and the homeowner's responsibility ends.

Police Chief Bob Boone gave the police report. He said over the last two week period officers have made 12 arrests including two felony warrants, two warrants, one criminal possession of a firearm, one unlawful carrying of a firearm without a permit, a prescription fraud, four petit thefts, and a vehicle prowling. Officers also investigated a bomb threat at the Middle School, failure to purchase a driver's license, one vehicle accident, one unattended death, and wrote nine speeding tickets. There was a bomb threat notation written on the wall of the detention room at the Middle School and there is student that has been suspended. Law Enforcement is looking at a zero tolerance policy on the bomb threat issue. Willie Cowell stopped a vehicle from Montana and the driver was arrested, vehicle impounded, and a search warrant was obtained. There were 24 grams of suspected heroine, two grams of marijuana, a gram of methamphetamine, scales and packaging materials, and three hideout containers seized. It is believed this person was transporting narcotics between Montana and the Seattle area.

Pat Warkentin gave the fire report. There have been six responses since the last meeting. One vehicle crash, a bomb threat, fire at a temporary shelter of a transient, a wild land fire near the old Northside School, a carbon monoxide call at the Restorium that ended up being a battery problem, and an elevator call at the visitor center caused by the elevator repairman. There is a meeting on BNSF Railroad hazmat mitigation at the fire hall on November 20, 2014 at 11:00 a.m. Pat said there was a fire at Panhandle Growers Nursery and the building burned as North Bench Fire Department was unable to contain it.

Stephen Boorman said the city yard paving will be next spring due to the weather. The janitor for city hall position is posted at the Job Service. The visitor center elevator maintenance person was quite surprised at how fast emergency services showed up when he pushed the button. Next week Christmas decorations will be put up. Ron Smith asked if the city has a policy as to where the city's responsibility begins and the homeowner's ends. Stephen said the city has a clear

policy and if the homeowner has been damaged by our infrastructure they file a tort claim against the city. Stephen said he will give Jim Marx a call.

David Sims said the New Mobility West grant is playing out and a written report will be coming shortly. There is a meeting of the BEDC Transportation Committee tomorrow. David said the group is looking at requesting a three lane road with snow storage and sidewalks on each side of the highway. Ron asked where that will be. David said it will be from the top of the bypass to the Forest Service. Ron asked about the Augusta Street grant. David said the grant has been awarded but the paperwork has not come through yet. David said the Fab Lab is being built by the Library. The Library got \$70,000 funding. He said the furnace system is also being replaced and funding from Avista and Idaho Forest Products has been received to help with this. David is excited about the Fab Lab and will be going to the Sandpoint area to get interested parties to use it. David said the new large retailer coming to town has been off and on over the past and it looks like it is on now.

Connie Wells moved to add late agenda items to vote the ICRMP ballot and to discuss the water tank engineering. Tom Mayo seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Tom Mayo moved to approve the consent agenda. Connie Wells seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”. The consent agenda contained the following: roll call; approval of accounts payable and payroll; and approval of November 4, 2014 council meeting minutes.

Tom Mayo moved to submit the Idaho Community Development Block Grant application for the water tank and authorize the council president to sign the paperwork. Ron Smith seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

The Christmas celebration was discussed. Carolyn Testa said there is a group of business owners that will have Santa come to town the day after Thanksgiving. Many merchants will be participating. Carolyn is requesting the city council approve this as a city event and supply the insurance coverage. There will be Christmas carols sung and cookies and hot chocolate for the folks attending. Ron Smith moved to approve the Christmas celebration as a city event. Connie Wells seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”. Andrakay said the group will need to turn in a list of volunteers to the city.

Police Chief Robert Boone spoke regarding the bomb threat policy. He said this is an area of agreement between County Emergency Services, the Sheriff’s Office, Fire Chief, Bonners Ferry Police Department, and ICRMP. He said basically they are changing their response to one of evaluation. Chief Boone turned the discussion over to Bob Graham. Bob Graham said we have had about 18 bomb threats in the past two years. He said we initially had full response with bomb sniffing dogs out of Spokane. The kids were evacuated from school and it took an entire day for the search. After about half of the bomb threats the dogs were eliminated and the searches took over two hours for law enforcement and additional personnel to search for the

bomb. After the search was completed the scene was turned back over to the school district. This year the procedures were reviewed and a new policy has been developed. He said there was a second bomb threat last week and the modification was performed. When the second threat took place at the Middle School the School Superintendent and the Chairman of the School Board were in Boise at a meeting. The students were evacuated at 3:50 p.m. as that was when the call came in. It took about fifteen minutes to do the search under the modified protocol. Bob said if there is a more credible threat then the entire search will be done. Police Chief Boone said the investigations are continuing and prosecution will be done. Ron Smith clarified that the charges would be felony charges. Chief Boone agreed. He said if there is no threat the students will remain in class with no evacuation unless it is determined that there should be evacuation and then it will be done. Bob Graham said the School Board with the exception of one member agreed to the modified process. ICRMP and the school district attorney are in agreement with the modified procedure.

Connie Wells moved to table the first reading of the ordinance to amend council and mayor salaries. Tom Mayo seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

David Sims and Bob Graham left the meeting at 8:08 p.m.

Necia Maiani from Welch Comer spoke to council regarding the contract with Welch Comer for engineering. Necia explained that the master agreement is a standard form from Engineers Joint Contract Documents Committee (EJCDC). She said USDA likes engineering firms to use this contract. She said the new contract document contains some updated language that the 2005 contract does not have. The task order is just an amendment for the work specifically for the Northside tank. Stephen explained the engineering contract is a nationwide document. Ron Smith said there may be a potential conflict of interest because one of the individuals that may propose an engineering bid is related to his wife. Necia spoke to council concerning doing the tank engineering in-house versus hiring a contractor. She said there are different sites identified for the location of the new tank with unknowns and risks associated with those unknowns. The access to the site will also impact the costs of the contractors and the requirements of the grant will also enhance the cost of the project. There is more risk to the city on an hourly basis rather than the work being done on a lump sum basis. The construction phase will be more if there is not a reputable contractor on site so there is potential costs included for this. Necia said the city is considering Mike Klaus's services and she thinks he is a very good engineer. She said it makes sense to her to have a larger engineering firm working on the project as they have a staff working on the project. There will be more engineers looking at different aspects of the project and this is value added. There are quality controls in place to limit mistakes. Welch Comer would be a single point of contact for the subcontractors and Welch Comer is very familiar with the aspects of the grant. The complexity and liability of the project should be considered. She is happy to go through the detail of the scope of work if council wishes.

Tom Mayo asked about the costs. Necia said the first thing that will be done is a review of the city property boundaries and then a site visit will be made as to the best location. A geotech will then do a review and bores will be done to determine what will be hit when the material is

removed. Tom asked how big the bores are. Necia said they are six inches. Specifications for the work will be put together that tell the contractor what needs to be looked at as well as the construction instructions. Tom asked about demolition of the current tank. Necia said the lid will be removed off the existing tank and the tank will be filled in. Necia said other projects that have been done are looked at for answers to our problems. Rick said we are going to have the construction done in bad weather because we cannot have the tank offline during fire season. Connie asked if we have time to make an agreement with an engineer later on or if this will affect the grant application.

Mike Klaus said Necia has some great points and he understands council's concerns and the difficulty they have making a decision. Mike thinks the risk and complexity of this project is about a six. The trick parts are the geotechnical part and structural parts of the tank. He does not want the city to do anything that would jeopardize the chances for obtaining a grant. Mike thinks it may be a way for the city to save some funding but he understands the overhead costs that Welch Comer is subject to. He wants to help the city reduce costs if he can and wants to help the city do the best for the ratepayers. Mike said his proposal is not an apples to apples comparison because there are a lot of things that get lumped into the fees and there is more depth in an engineering firm like Welch Comer. Mike is just an hourly employee of the city so his cost is quite a bit less. He said if you take the construction cost of roughly \$700,000 for this project and reduce it by about 30 percent as the grant is subject to Davis Bacon wages, this is a savings of \$200,000. He said a grant costs the city something. Necia said they have seen projects with bidders close in their bids because of the bidding schedule and the contractors needing work. Tom said the cost of the project is not the problem but it is the cost of getting to the project. He understands that regulations dictate much of this.

Connie Wells moved to table the engineering matter until December 2, 2014 to give the council time to look over the quotes as long as it does not jeopardize the grant. Tom Mayo seconded the motion. Nancy Mabile said she will have to re-write some of the narrative and make some changes to the grant application. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Stephen spoke to council about the overhead crane for power plant unit two. He estimates the cost to be \$30,000 to \$50,000. Stephen said the costs are increased due to getting the materials to unit two. Ron Smith moved to go out for quotes for the overhead crane at the power plant. Tom Mayo seconded the motion and it passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Stephen spoke to council regarding the power pole purchase. He said it has been a while since we purchased poles. Connie Wells moved to approve purchase of a load of power poles from Bell Lumber and Pole. Tom Mayo seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Council reviewed the request for the purchase of pickups. One pickup will go to the line superintendent and his will go to the water department, one will be for the power plant and it will have a snow plow on it, and the other pickup will be for the city mechanic. The State bid is not

yet available for the 2015 vehicles and there are not 2014 vehicles available. Connie expressed concern about the pickups being purchased at the same time and then needed to be replaced at the same time. Stephen said he expects approximately \$100,000 per year to be spent on rolling stock. Rick said the pickup at the power plant is over 20 years old. Stephen said Keith's pickup was used when we got it and it has been here for over 14 years. Ron asked if Andrakay was okay with the bid process when it went out. Andrakay said all was okay. Connie is concerned about the large amount of money being spent at one time. Tom does not think it is extravagant to update the pickups after hearing the reasons we need to replace them. Connie asked about obtaining vehicles from the State auction. Stephen said we could look at them but it is good to start with the vehicle needed and then to up fit them to what is needed. Stephen said the prices tonight are only for the vehicles and it does not contain the price for up fitting. Ron Smith moved to purchase the pickups. Tom Mayo seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “no”, Tom Mayo “yes”.

Connie Wells moved to approve the catering permit for Kootenai View Golf Resources, Inc. for the Christmas party at the fairgrounds on December 6th. Tom Mayo seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Connie Wells moved to vote for Garrett Nancolas of the City of Caldwell for the ICMRP Board of Trustees. Tom Mayo seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Connie Wells moved to go into executive session per Idaho Code 67-2345 9(1) (c) at 8:56 p.m. Tom Mayo seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”. Executive session ended at 9:47 p.m. No action was taken.

Tom Mayo moved to authorize the City Administrator to look into purchasing and negotiating a purchase price for property adjacent to city property with the sale being contingent on council approval. Connie Wells seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

There being no further business the meeting adjourned at 9:55 p.m.

Rick Alonzo, Council President

Attest:

Kris Larson, City Clerk