

Mayor Anderson called the regularly scheduled meeting of December 2, 2014 to order at 7:00 p.m. Present for the meeting were Mayor Anderson, Council President Rick Alonzo, Council Members Ron Smith, Connie Wells, and Tom Mayo, Clerk Kris Larson, City Administrator Stephen Boorman, City Attorney Andrakay Pluid, Economic Development Coordinator David Sims, Police Chief Robert Boone, Fire Chief Pat Warkentin, Water/Sewer Superintendent Adrian Dice, and Electric Lineman Brian Kerins. Also present were Peach Baker, Marie Lozier, Bart Dinning, Loretta Hunsaker, Bob Spalding, Doug Ladely, Sr., Ruth Sutton, Richard and Elsie Hollenbeck, Carolyn Testa, Robert Hanover, Jerry Higgs, Aaron Bohachek from the Bonners Ferry Herald, and Dave Gray. John Cummings and Sarah Kerins joined the meeting late.

The first order of business was a fee increase hearing for water and sewer rates. Mayor Anderson opened the hearing at 7:01 p.m. taking public comment.

Ruth Sutton spoke about the poverty rate of percent in Bonners Ferry as quoted by Nancy Mabile at the last council meeting. She also spoke about the amount owed in the water fund. Ruth said people's income is not keeping up with the cost increases in the water and sewer funds and that they may have to choose between buying groceries, prescriptions, or paying utilities. Ruth questioned what the city has done to cut costs in the water and sewer departments and what new industries have come to town. She said the possibility exists that people may die when they cannot afford their prescriptions because they have to pay for their utilities. Ruth questioned the Cost of Service Study and whether it was valid.

Dave Gray spoke regarding the equivalent dwelling unit (EDU) being changed to 4,500 gallons rather than 6,000 gallons. He quoted the suggested rates as published in the paper. He thinks 15 percent may be high for the sewer rate increase. He suggested that council look at the percentages.

Loretta Hunsaker asked if there will be question and answer tonight. Mayor Anderson said this is for comments, not question and answer. She asked if the city had received a legal opinion from our bond attorney yet. The city had not. She said they would appreciate an answer to their question and they have two legal opinions that they would share. Loretta spoke about the improvement costs to the sewer system and the economy not being what we would like it to be in Bonners Ferry. She said in 2008 all State agencies had to cut back when the recession hit and gave examples of what the Department of Lands did. She would like to see the city bear some of the costs for this as she has not heard how the city will cut costs. She asked those present how much they will be affected by the rate increase. Loretta said many will be affected. She is hopeful as a city government that consideration of the sewer rates be taken in. Loretta asked who has cut back on water consumption. She asked that the council consider the statistics and thinks the increases are outrageous. Loretta asked how the city handles the collection process. The collection process was explained. Stephen Boorman said we have an exceptionally low write off amount in the utility systems. She wants the city to absorb some of the costs as she thinks the sewer increase of 15 percent per year for five years in a row is too much to ask the citizens to pay for.

Jerry Higgs would like to see a line item added to the city ordinance establishing rates recognizing the rate parity between the city and the members of the North and South Districts when the merger took place. He wants the line item to read that rate equivalency will be parity in perpetuity for the city and residents in the area of city impact.

There being no further comment Mayor Anderson recessed the public hearing at 7:13 p.m.

Dave Gray finds it dicey to see the ordinance on the agenda to raise salaries for council and mayor even though the raises do not take effect until January, 2016. He spoke of the cost of health insurance to the city. He wants people to think of the good insurance package the city offers to employees.

Ruth Sutton said what the council makes plus their insurance package is what she made in salary when she worked.

Peach Baker said she has lived in Bonners Ferry for most of her life. She has a small business in her home, a beauty shop, and the raise in rates will put her out of business. She said the town has changed and now it seems to be about money. Peach said she has paid for sewer in her shop since 1970 and questioned why. She thinks the city owes her quite a bit of money over the years due to being charged the sewer for her shop. She thinks the council and mayor positions used to be volunteer jobs and now they are salaried. Peach thinks it is a problem that answers cannot be given to questions asked. Mayor Anderson said he will give Peach his phone number.

Robert Hanover said a lady wrote a letter that is included in the council packet about the rates increasing. He wants council to look at the fee based on usage and thinks this would benefit fixed income people.

Peach complimented the police force and said they have done excellent work since the new police chief was hired.

Police Chief Robert Boone gave the police report. During the last two week period there have been five arrests including one for felony controlled substance, possession of cocaine and methamphetamine, one marapara arrest in the school with a young man with a hunting rifle at school, one domestic violence call, one battery, one warrant arrest, one child abuse, one home burglary, two auto burglaries, one theft investigation, one trespassing, two vehicle accidents, and one failure to purchase insurance. Additionally nine speeding tickets were written.

Fire Chief Pat Warkentin gave the fire report. There is a fire investigation task force being developed in the county. He said the proposal is being reviewed by the Sheriff's Office and council should know that two members are city firemen – Pat Warkentin and Dave Winey. Dave McClellan is the Sheriff's Office fire investigator. Pat will get the protocol to the council for their review and there will be no cost to the city. Pat said BNSF Railroad Hazmat Team was here and gave a class to emergency responders, and BNSF plans to erect a three bay facility to house a jet boat and two boom trailers so they can respond if there should be a Bakken crude oil spill in the river. Pat said there are many chemicals that this oil produces. He said the gases from these chemicals will probably come down the river as the gas is lighter than water.

Emergency services are trying to plan for spills of the Bakken crude. Pat said Bonners Ferry is unprepared and we will be looking at evacuation.

Stephen Boorman gave the administrator report. He said we will be looking for another mechanic as Mr. Fairchild is looking at leaving. He thanked Keith for his good work at the city and said he is appreciated. We got a letter from Idaho Transportation Department (ITD) in response to the letter we sent regarding cutting some of the trees at the golf course on the highway right of way, so the issue is being looked at. He said there is an email from Ralph about a used rough mower for the golf course that has 2000 hours and it costs \$18,000. It is a Toro 4500. Stephen thanked the crews for the Christmas decorations that were put up as it is a significant job and it is done in cold weather. Ron Smith asked if there was anything that the city could have done to prevent Keith from leaving as he has heard very good things about him. Stephen said he is purchasing a business and we wish him well.

David Sims said the library is working on the Fab Lab. Patty Shea from Avista has given the library \$2,000 for their furnace and Idaho Forest Group has donated \$1,000 for the furnace. David said there has been an issue between ITD and the federal transit folks on our Community Choices Grant for Augusta Street. He said they are working out the issue and we should know in a month or so. The ITD south hill meetings are continuing and there is one tomorrow. He encouraged people to attend. David said this is a good way for ITD to hear the community's wants and needs and invited all to attend.

Connie Wells moved to add a late agenda item to approve advertisement for a city mechanic. Tom Mayo seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Connie Wells moved to approve the consent agenda. Tom Mayo 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 18, 2014 council meeting minutes and November 21, 2014 special council meeting minutes.

Ron Smith asked what the purpose of the master agreement with Welch Comer is. Stephen said it is a standard nationwide engineering document that lays out the processes and conditions between engineers and clients. He said the dollar amounts are in task orders for specific pieces of work. He said the master agreement is a boiler plate contract. Stephen said we chose Welch Comer many years ago and they know our system. Ron asked if we looked at bidding this. Stephen said the process was competitive when we hired them. The contract does not guarantee them work. Connie Wells moved to authorize the mayor to sign agreement the master agreement with Welch Comer. Rick Alonzo seconded the motion and it passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Rick Alonzo moved to authorize the Mayor to sign Amendment No. 1 to the Owner Engineer Agreement with Welch Comer for new water tank engineering. Ron Smith seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Ron Smith said the council voted at a previous meeting to make all customers one residential class for water and sewer. Stephen agreed. Ron asked what else the rates we currently have take care of other than operation costs. Stephen said the rate study looks at the operational costs, the capital improvements, debt service, and what our reserves should be. Ron said our current rates go for operations, debt payments, and anything else we have. He said a new rate would look at new projects down the road for water and sewer. Stephen agreed. Ron said he is having problems when he read the letter that was submitted for the hearing this evening. Ron said he would be opposed to any salary increase and he takes home \$23. He thinks the rates seem high and is limiting the amount of water that is used and said his lawn will not be watered as much. Ron would like to see the city look at other ways to cut costs and said he is not in favor of these increases at this time.

Attorney Andrakay Fluid said council is just addressing this year's rate increase and is only setting the rate for this year. Mayor Anderson said we cannot obligate future council's. Ron said we cannot do the improvements we are looking at with a five percent increase. Tom Mayo said we have put off rate increases for too long and he is concerned about the future for our children if we don't take care of this now. Tom said things have changed and spoke regarding the high school student that had a hunting rifle. He said we need to step up and start the process of an increase. Rick Alonzo said he has looked at this for years and we limp along and then all of a sudden there is a large raise rather than doing a small increase every year. Rick said the sewer bridge will cost over \$300,000 alone. He likes looking at this annually rather than adopting the rates for five years out. Rick said he is on a fixed income but we have to keep up or else we get behind and cannot keep up. Connie said she agrees with Rick and Tom and said we have put off rate increases for years but there are improvements that are needed. She said reserves have to be built up to take care of some of the problems that come up. She spoke of the sewer bridge and the capacity at the sewer lagoons. She said there are many costs that are necessary to meet the requirements for discharge in the river. She said there are many things that need to be fixed or repaired and there is not enough money for this. She said the only way to get the money to pay for this is through raising the rates. Tom said the city is mandated as to what must go into the water and there are large costs that we cannot avoid. Rick said he was police chief when the recession hit and one officer was cut back as well as the budget was cut 25 percent. Connie said we are applying for grants. Stephen spoke regarding grant funding that we garnered after the Myrtle Creek fire. Loretta asked if the rate increase will be 100 percent to the utility funds. Stephen told her that there is a general fund transfer of five percent from the electric, water, and sewer funds similar to a franchise fee but the revenue for each fund is specific to that fund. Ron smith asked what happens to the rates if we do not get a grant for the water tank. Stephen said it will affect the rates down the road. Ron asked what that means. Mayor Anderson said the tank must be built and if we don't have the grant funding we will have to figure out a way to pay for it.

Stephen explained the change in equivalent dwelling unit (EDU) for our customers. He said the EDU does not affect the residential customer but it does affect the commercial customer. Stephen said due to conservation efforts that EDU definition has changed.

Tom Mayo moved to approve the water and sewer rates as published. The group looked at the rates. Tom amended his motion to read that we raise the rates the first billing period in January at a five percent increase for residential water customers, increase commercial water rates six percent to the base and excess, increase the sewer base charge by 15 percent, change the EDU definition from 6,000 gallons to 4,500 gallons, assess each multi-dwelling unit with a water base charge, and change the base rate usage for small commercial water customers from 1,000 cubic feet to 200 cubic feet. Connie Wells seconded the motion. Ron asked if a 15 percent increase is necessary to meet our costs. Stephen explained that the rate study showed this. He said it will take up to ten years to build up the reserve to cover the capital improvement costs and meet our operational costs. Mayor Anderson said the EDU change may make a difference to the residential customer as the commercial customer will be paying a larger portion for sewer. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Connie Wells moved to approve the catering permit for Shelly Yount dba Under the Sun for the catering permit for the Art Exhibit at Soul Shine on December 5, 2014. Tom Mayo seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Mayor Anderson said Chris Rawlings is a solid member of the community and he is young and it would be good to bring him in. Rick Alonzo moved to affirm the Mayor’s recommendation to appoint Chris Rawlings to the Planning and Zoning Committee with the term expiring December 31, 2015. Ron Smith seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Mayor Anderson thanked the current Planning and Zoning Committee for their past service and would love to have them back on the board. Tom Mayo moved to reappoint Brad Hanson, Glenda Poston, Dave Gray, and Andy Howe to the Planning and Zoning Committee for the term January 1, 2013 through December 31, 2017. Rick Alonzo seconded the motion. The motion passed - Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Connie Wells moved to reappoint Sue Larson and Wally Cossairt to the Planning and Zoning Committee for the term January 1, 2011 through December 31, 2015. Tom Mayo seconded the motion. The motion passed - Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Tom Mayo moved to have the first reading by title only for the ordinance to increase council and mayor salaries. The motion died for lack of a second. Mayor Anderson said the work of the Joint Powers Agreement that includes himself has brought 12.5 million dollars of work to Boundary County Ranger District in the next ten years. He said 80 percent of this year’s sales in the Panhandle are in Boundary County. There is a 22 million board foot sale up Twenty Mile and a seven million board foot sale on the West Side. He said this is a return to logging and mill jobs. He said we have managed to keep store fronts open and bring many businesses into our community and not all of them are seen each day. He congratulated David Sims for his efforts. He said the Mayor and Fire Chief attend many meetings for learning how to keep the Bakken crude oil from harming our community as it is traveling through our town at 55 miles per hour on

the train many times per day. Mayor Anderson said if we do not look at an increase for the Mayor and Council salaries we may only be looking at people with means to be in elected positions. He spoke of the out of pocket costs he pays and he only receives \$98 every two weeks. Mayor Anderson said his predecessor probably spent three times the amount he does doing good things for this community, making hay with those in power to help us get grants and funding to make improvements needed for the city. He said raising the Mayor's salary to \$500 will not enrich any mayor. We are not raising the current council's wages but the job is about service even at \$98 every two weeks. He said it is a real job and takes a lot of time and phone time. Mayor Anderson said he will bring this issue up again and wants it to be considered. Connie said Rick looked up the last time a council raise was granted and it was in 1959, and if inflation was applied to \$150 it would be \$1,206. Loretta Hunsaker asked what the insurance cost is to the city. Kris Larson said it is \$400 per month for an individual. Tom asked what the commissioners made when he left office there. Ron said about \$28,000 or \$29,000 and the county had good insurance.

The mutual aid agreement between the Paradise Valley Fire Department and City of Bonners Ferry was discussed. Pat Warkentin said it is common to help other departments and the City has a fire station out in the area near the Paradise Valley Fire District. Paradise Valley Fire is a taxing district. Rick Alonzo moved to authorize the Mayor to sign the mutual aid agreement with Paradise Valley Fire Department. Ron Smith seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Pat Warkentin spoke about the proposed addition to fire station 2. He said the railroad gave us a donation to do the remodel of fire station 2. Pat said there are three bays being built in the addition to the fire station. Connie Wells moved to go out for bid for the fire station remodel. Tom Mayo seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Stephen said prices were solicited from three different companies that install overhead cranes for the overhead crane at power plant unit 2 and we got one response. Tom Mayo moved to award the bid for the overhead crane at power plant unit 2 to Cushman Welding and Machine. Rick Alonzo seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Chief Robert Boone spoke regarding the pay raises that were granted and the six month stipulation to those that did not get a raise. The Chief is not asking for an increase for himself and does not want one. He said the Lieutenant who is second in command has the same responsibility and risk as the chief when he is out of the office. He said by not raising the rate structure for the second in command causes rate compaction when others in the rank structure receive a raise. This can cause morale and retention problems. Bonner County pays \$32 an hour for a lieutenant. Bob said as we get our officers trained they will become very marketable. They are here because of their loyalty and he would like to keep it as such so they realize they are valued in the community and the department. Bob said his detective, the next in the chain of command under the lieutenant, has been nominated for the Idaho Medal of Honor based on the ongoing acts of heroism and the large drug arrests he has made. Bob said the increase for the

lieutenant will affect the budget by about \$4,400 per year. Tom asked what the detectives make in Bonner County. Chief did not know but thought it was quite a bit more than we pay. Rick corrected the amount of the increase and Kris said the five percent increase would be about \$2,250. Ron and Rick did not catch that those hired less than six months were exempted when the raises were granted. Rick thinks the position should pay what the position is and not a lesser amount. Ron thinks the salary should be kept going even for the chief. Mayor Anderson remembers doing this exception and remembers the lieutenant being one of the positions but thought the person was new and salary was set at a comparable amount. He remembers the salary increases being a morale booster as we had not granted a raise for five years. He would be in favor of the Chief's request.

Connie Wells moved to increase the police lieutenant salary five percent. Rick Alonzo seconded the motion. Tom Mayo expressed concern about the budget and this salary not being included. Connie moved to include the raise to begin with the next pay period. Rick agreed. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Rick Alonzo moved to authorize the advertisement for the city mechanic position. Connie Wells seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Connie Wells moved at 8:34 p.m. to go into executive session per Idaho Code 67-2345 (1) (a) (b). Tom Mayo seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”. Executive session ended at 9:03 p.m. No action was taken.

The meeting adjourned at 9:03 p.m.

David K. Anderson, Mayor

Attest:

Kris Larson, City Clerk