

Mayor Anderson called the regularly scheduled council meeting of January 18, 2011 to order at 7:00 p.m. Present for the meeting were Mayor Anderson, Council President Chris Clark, Council Members Mike Klaus, Connie Wells, and Tom Mayo, Clerk Kris Larson, City Administrator Stephen Boorman, Assistant City Administrator David Sims, Police Chief Rick Alonzo, Economic Development Coordinator Mike Sloan, and Fire Chief Pat Warkentin. Also present were Dave Gray, Carolyn Testa, Tony Villelli, Pat and Jerry Lewis, Mike Winger, Mike Ziegwied, Charlie Rice, Brandon Lucas, Jordan and Jade Parker, Emily and Rob Fredricks, Kiley Ziegwied, Kaylee Palmer, Johanna Schneider, Gabe and Gabrielle Palmer, and Paula Rice. Arriving late for the meeting were Michael and Lisa Palmer and Bob Graham.

Carolyn Testa told Council that she will be meeting with Planning and Zoning on January 20, 2011 for a change of use application from residential to commercial for a performing arts venue at the church on Ash Street and there is a city ordinance that dictates there must be parking spaces of 30. She requested parking from the School District at Riverside High School and they approved use for evenings and weekends. She said she did not want council to be blind-sided when the issue comes before them so she was hopeful that they could talk to people before the issue comes before them. Mayor Anderson told her that the council is not allowed to take testimony because planning and zoning is a quasi judicial board acting for the city. He told her that council is not allowed to take testimony regarding the issue. He said once planning and zoning makes a decision and recommendation to the council that the council cannot take other input unless there is another hearing.

Mike Klaus explained to the 4-H group that the city has a planning and zoning commission to provide recommendations to council for land use decisions.

Police Chief Rick Alonzo gave the police report. He said there have been four warrant arrests, one grand theft, three domestic disturbances, one medical assist, two driving without privileges, one accident, a hit and run, one burglary, one vandalism, shot two injured deer in the city limits, one possession of methamphetamine arrest, one possession of marijuana with intent to deliver, and one felony possession of marijuana with intent to deliver.

Pat Warkentin said there was one false alarm fire call since the first of the year. He gave council a copy of cascade system for filling high pressure breathing apparatus that is available to the city from Hudson, Colorado. Chief Jock Johnson gave the information to Fire Chief Pat Warkentin and said we could get the system for a donation of \$500. We will need to pick up the system.

City Administrator Stephen Boorman said Sam Fodge will be discussing his biomass plant on the 24th of January with Boundary County Commissioners and invited the council to attend this meeting.

Mike Sloan, Economic Development Coordinator, gave an update on the fiber optic broadband project. A contract is being worked on but no money has been spent yet. A letter of intent from 360 Network has been received and is working with four service providers to see which one will

work best on the project for the best price. He is hopeful to have a contract for council consideration at the next meeting.

Jerry Lewis from Pend Oreille Veterinary Service said he bought the property where the former Lantern was. He said an urban renewal district would help with the infrastructure in the area and is hopeful that the city will consider an urban renewal district. He introduced Tony Villelli as his partner, and also introduced his wife, Pat Lewis, and Mike Winger from URM. He thinks an urban renewal district would be beneficial to both the community and business. Mr. Lewis met with Clay Larkin, Mayor of Post Falls, who has used urban renewal districts to develop his business community and gave the examples of Buck Knives, Wal Mart, Cabellas, and a furniture store. When the districts are completed and the improvements paid off, the taxes go to the community rather than the urban renewal district. Mr. Larkin will come to Bonners Ferry to speak on behalf of urban renewal at a later date. Mike Winger from URM said they have a grocer that is interested in the property being spoken of this evening. He said it is a strong grocer and has local ties and will add price competition. The job creation would be 80 to 90 employees. Mr. Winger cannot add more facts at this time but is hopeful that when it gets closer he will bring the grocer in. He spoke of TIF (tax increment financing) districts.

Connie Wells moved to add agenda item, discussion of agreement between Boundary County and the City of Bonners Ferry for a Homeland Security antenna on the city's tower. Tom Mayo seconded the motion. The motion passed – Mike Klaus “yes”, Chris Clark “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Mike Klaus moved to approve the consent agenda. Chris Clark seconded the motion. The motion passed – Mike Klaus “yes”, Chris Clark “yes”, Connie Wells “yes”, Tom Mayo “yes”. The consent agenda contained the following: roll call; approval of accounts payable and payroll; approval of January 4, 2011 council meeting minutes; and approval for Doug Ladely and John Delaney to attend American Waterworks Pacific Northwest Section Annual Spring Conference in Boise from May 4-6, 2011.

Council reviewed the map that was in their packet for an urban renewal district. Chris Clark moved to request staff to present a full urban renewal proposal. Connie Wells seconded the motion. The motion passed, all in favor.

David Sims explained the LHTAC pay request grant paperwork for payment to Welch Comer for design modifications on the Alderson Lane project. Mike Klaus moved to authorize the Mayor to sign the LHTAC paperwork for payment to Welch Comer. Tom Mayo seconded the motion. The motion passed – Mike Klaus “yes”, Chris Clark “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Stephen Boorman explained the amended plat request for Maxwell Acres near Kennedy Street. He said the ownership does not match up with the lot lines a platted so the amended plat will reflect the proper ownership. Tony Villelli said there is a buyer interested in purchasing the two

buildings from Mr. Moore and both buildings are on lot 4 and lot 3 has been split. The request is to make each building on a separate lot according to Tony. Tony is the realtor for the potential buyer. Stephen said Kennedy Street is not well defined and the easement is for utilities. He thinks the residence behind the buildings is served by the road used for utility easement and should be prescriptive right by now. Chris Clark moved to allow the lot line adjustment for the Moore four plexes on Kennedy Street. Tom Mayo seconded the motion. The motion passed – Mike Klaus “yes”, Chris Clark “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Mike Klaus moved to authorize the Mayor to sign the cafeteria plan documents after legal review. Connie Wells seconded the motion. The motion passed – Mike Klaus “yes”, Chris Clark “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Dave Sims gave a copy of the comments submitted by the Idaho Conservation League (ICL) on the draft NPDES for the City of Bonners Ferry Wastewater permit to council. David said this comment, if considered by EPA, would be detrimental to the City of Bonners Ferry as well as other cities in the State of Idaho. Association of Idaho Cities is looking into the comments from ICL as this affects many cities. This essentially freezes the sewer discharge levels and ratchets it down each year. Stephen said the anti-degradation rule is what is being looked at in the State of Idaho and there is special focus there. David said the City of Post Falls is being faced with permit limits that are not possible to meet. We have treatment options but they all cost a lot of money. He said when we had the last conversation with EPA; they are intending to issue our permit. David said if ICL sues EPA for issuing our permit, then we will probably also be sued. The January sampling is above the BOD limit and David thinks it is due to the cold weather that we had in December. The aerators are here but are not installed yet. He is hopeful that we can get to it within the next week. Mayor Anderson explained the nutrient problems in the Kootenai River.

Water loan interest rates were discussed. Mayor Anderson said our utility funds can lend the city money at times. He said the interest rate set in the beginning was higher and now we are considering lowering the rate. Mike Klaus moved to change the interest rate for the water loans to three percent. Tom Mayo seconded the motion. The motion passed, all in favor.

The fixed asset policy changes were discussed. Stephen said the depreciation schedule was reviewed and the lives needed adjusted. The water and sewer lines lives were adjusted to a longer life due to the new pipe that has been used rather than the shorter life of the steel pipe. The drug dog life was also changed to five years. Mike Klaus moved to approve the change in the fixed asset policy effective fiscal year 2010. Tom Mayo seconded the motion. The motion passed – Mike Klaus “yes”, Chris Clark “yes”, Connie Wells “yes”, Tom Mayo “yes”. Chris Clark asked what this change would do to our financial statements. Clerk Larson told him the change in the depreciation schedule would lower the depreciation expense per year.

The 4-H group left the meeting at 7:48 p.m.

Stephen said the Idaho Bureau of Occupational Licensing Board has an open seat and he thinks David Sims or Mike Klaus would be good candidates for this position. He said there is an application process and Senator Shawn Keough will support us with our recommendation to the Board. David said to get a level three water certification in Idaho it takes eight years. Mayor Anderson said there would be a cost to the city but the benefit would outweigh this cost. David said we need to look at the open position. Stephen said there is an open position for water and another for wastewater but there is an incumbent in one of the positions and Stephen could not remember which one he sits on. There are quarterly meetings and David attended one of the meetings earlier. Bob Graham said the Governor will be making appointments soon so we need to get our application in soon. Council agrees that it would be good to have someone on the Board.

Council discussed the joint meeting date with Boundary County. February 8 was a good date for the city.

Chris Clark moved to confirm the reappointment of Louise Carter and Cal Russell to the Golf Committee with terms expiring December 31, 2013. Connie Wells seconded the motion and it passed, all in favor.

Tom Mayo moved to confirm the reappointment of Dick Hollenbeck and John Langs to the Traffic Safety Committee with terms expiring December 31, 2013. Mike Klaus seconded the motion and it passed, all in favor.

Bob Graham said there is money available from Homeland Security for installing an antenna on the city tower. Originally the equipment was to be at the waterways building to the extension office that would be the backup emergency operations center for Boundary County. The fiber optic bids were quite high for the connection from waterways to the extension office and the line of site link would not work. The technician from Homeland Security and Bob were looking around today and it looks like the tower at the city yard being built by Lederhos is the best bet. Eric Lederhos does not have a problem for using the tower. The tower has connection with Black Mountain also. The County Attorney will work on an agreement with the City and Eric Lederhos for using the city tower. The proposal must be finished including the cost of the project to Boise by the end of the month. This would be a secure network and could be used for law enforcement for mental holds and juvenile cases linking them to court services outside Boundary County alleviating the travel to Coeur d'Alene. Mike Klaus asked if Bob was looking for permission to hang something on the tower. Bob said he is asking council for permission for the city attorney to work with the county attorney and is asking for a zero cost also. Homeland Security will pay for the project but will not pay costs down the line. Stephen said there is a significant value to law enforcement for the video conferencing that we will see. Mike Klaus moved to allow Homeland Security the ability to attach to the tower without charge with review of the attorneys. Tom Mayo seconded the motion. The motion passed – Mike Klaus “yes”, Chris Clark “yes”, Connie Wells “yes”, Tom Mayo “yes”.

At 8:12 p.m. Connie Wells moved to go into executive session per Idaho Code 67-2345 (1) (c). Tom Mayo seconded the motion. The motion passed – Mike Klaus “yes”, Chris Clark “yes”, Tom Mayo “yes”, Connie Wells “yes”. Attorney Tim Wilson joined the meeting. Connie Wells moved to go into executive session per Idaho Code 67-2345 (1) (c) and (f). Tom Mayo seconded the motion. The motion passed – Mike Klaus “yes”, Chris Clark “yes”, Connie Wells “yes”, Tom Mayo “yes”. At 9:35 p.m. executive session ended. No action was taken.

There being no further business, the meeting adjourned at 9:35 p.m.

David K. Anderson, Mayor

Attest:

Kris Larson, City Clerk