

Mayor David Anderson called the regularly scheduled council meeting of February 15, 2011 to order at 7:07 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, Economic Development Coordinator Mike Sloan, Police Chief Rick Alonzo, Street Department Supervisor John Youngwirth, Fire Chief Pat Warkentin, and City Attorney Tim Wilson. Also present were Dave Gray, Marcia Cossette, Derrick Blumenshine, Carolyn Testa, Julie Golder, and Barbara Hansen.

Barbara Hansen spoke to council regarding the Farmers Market. She respectfully requested that signs warning people that the market would be happening the next day be approved. She said this would also make the market safer. In the future she said banners are also proposed for the season and there are pictures in the handout submitted to council. They would like to put the banners up two weeks before the market season and take them down after the season ends. Derrick Blumenshine said the market could have people put them up and take them down if the city would allow this. Stephen said he looked at the light poles and the signs would have to be installed higher than the proposal that was submitted. He said the banners would be over 20 feet high.

Rick Alonzo gave the police report. There was a phone harassment charge, hit and run accident, reported rape, two possessions of marijuana and paraphernalia, three truants, malicious injury to property, grand theft, house fire, possession of stolen property, and two agency assists. The clearance rate for 2010 was at 84 percent. Rick said the police department is at half strength due to injuries.

Pat Warkentin gave the fire report. He said there was a house fire on Dakota Street and it extended to the house adjacent to it. The fire department was on the scene for a minimum of six hours to get it knocked down and it was monitored after that to knock down small flare ups. The first residence was not savable but the second house was saved. Pat described the materials used to build the house that burned. There was one injury to a male in the home where the fire originated. The fire was initiated by a four year old child according to the fire chief. There were 20 firemen that responded.

Stephen Boorman gave the Administrator's Report. He said the developers involved in the urban renewal district have been contacted but no commitment has been made yet. There were four call outs for the electric department last weekend and only one was due to the wind. This means the electric crew is doing a good job with the trees. The power plant is going back together on unit one without any surprises. He spoke regarding setbacks of ten feet and said previously they were five feet and said this is a problem when there is a fire like we had on Dakota Street. The steel water tank roof structure is failing due to snow loading and it will need a significant amount of work this year.

Mike Sloan gave a handout to the council regarding the broadband project. He said there are agreements to be considered by council between the City and US Metronets and US Metronets and Panhandle Area Council. Both documents are being reviewed by City Attorney Tim Wilson. Mike is quite excited about the project and said it is still moving forward. Mike Klaus asked about the City of Sandpoint and what the feasibility study showed. Sandpoint signed the service agreement and did not wait to contract with US Metronets until the Panhandle Area Council agreement was executed. Mike Sloan said the fiber comes through Moyie from the east and it is in place from Moyie to Sandpoint to Priest River. Chris Clark and Dave Sims said there is a dark line that ended at Moyie Springs. Stephen Boorman said the service provider being looked at is 360 Networks but Verizon and Frontier have fiber that goes to the state line and meets up with the phone company in Montana. Mike Klaus asked if the study will show that it makes sense to show a hub to serve a number of customers in our area. Mike Sloan agreed this is what the study will show. The density within the city limits is not a problem.

Connie Wells moved to approve the consent agenda. Tom Mayo 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 the Treasurer’s report; and approval of the February 1, 2011 council meeting minutes.

The contract with Panhandle Area Council for the urban renewal district was briefly discussed. Stephen said there is one correction to be made. Connie Wells moved to approve the contract with Panhandle Area Council with the assurance that the funds will be paid by other than the City of Bonners Ferry. Chris Clark seconded the motion. The motion passed – Mike Klaus “yes”, Chris Clark “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Chris Clark moved to authorize the Mayor to sign the memorandum of understanding with Boundary County for use of space on the communications tower. Connie Wells seconded the motion. The motion passed – Mike Klaus “yes”, Chris Clark “yes”, Connie Wells “yes”, Tom Mayo “yes”.

David Sims said the Alderson Lane rebuild project is scheduled to start on April 1 and the gas company needs to move the gas line. Chris Clark moved to authorize the Mayor to sign the estimate voucher for Welch Comer for the Alderson Lane project. Mike Klaus seconded the motion. The motion passed – Mike Klaus “yes”, Chris Clark “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Mike Klaus spoke regarding employee compensation and proposed a strategy. He said he would like to first discuss the change in standby time from four hours to two hours on the weekends but wants to make sure that the employee’s compensation is made whole for this change. He also would like to propose adjustment of wages for several employees and then discuss a cost of living raise. Mike asked council and the Mayor if this was okay with them.

Mike spoke regarding standby time and making a change from four hours to two hours per day on the weekends for the departments involved and making those departments whole for this change in policy. Mike said the standby time issue has held up the adoption of the personnel policy. Connie Wells said she would like to change the policy to two hours and make an adjustment to the wages to make the employees whole for this change. Mayor Anderson said we would have to work off an average to get these figures. Connie said Tom Mayo proposed not having standby time for additional days given to the employees by the council for days other than holidays. Stephen cautioned council to look at the overtime issue for those employees working on the off day. The group briefly discussed employees having to work taking another day off in lieu of the day off. Rick said the police have banked the hours and taken time off at another time. Tom's suggestion would be to change the standby time from four hours per day to two hours per day for recognized holidays but not for additional paid days off granted by City Council. Stephen said this will be foreseen as a pay cut to some departments. Connie asked how this could be a pay cut if the employees are being paid as though they were at work when they are not at work. Stephen said the departments will make a sacrifice for the city that they will not be paid for on the additional days off. He said it is a cultural issue and if the departments are asked to be on standby then they should be compensated. Tom said these are days off granted that they would not normally get off. Mike Klaus said we need to get this resolved. Mike moved to change the personnel policy to two hours per day rather than four hours per day for standby time on weekends and holidays and increase the lineman's wage by \$1.50 per hour and the street department wage by \$.50 per hour. The motion died due to a lack of a second. Connie Wells moved to change the personnel policy to two hours rather than four hours for standby time and change the wages to compensate employees for the amount they would lose for this change. Mike Klaus seconded the motion. Mayor Anderson asked for clarification on the standby time. Connie said this is for the recognized holidays and weekends and if additional days off are granted it will be determined at that time whether standby compensation will be paid. Connie included in her motion to raise the electric department wages \$1.22 per hour and the street department \$.37, \$.32 and \$.27 per hour depending on the employee's hourly rate. Mike Klaus seconded the adjustment to the motion. Chris Clark expressed concern about the accuracy of this and wants to make the employees whole. The motion passed – Mike Klaus “yes”, Chris Clark “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Mike Klaus spoke regarding the payroll and billing clerk positions. He said since we do our billing in house it is much better than it was when Avista did the billing. Operations are much better than previous and he thinks Jean Diel and Christine McNair are underpaid. He would like to move these positions to \$12.50 per hour. He also recommended changing the mechanic wages by \$1.00 per hour increase due to the knowledge that he has, bringing his tools and experience to the city, and his ability to work for other departments. He said if we had to go outside the city for mechanic work we would really see and increase. Mike gave the approximate cost per year and he gave the breakdown by department. Mike moved to make the wage adjustments for Christine McNair, Jean Diel, and Keith Fairchild. The motion died due to lack of a second.

Mayor Anderson commented that he agrees with the office staff adjustments and thinks there may be other adjustments warranted but is unsure of the mechanic wage. Tom Mayo agrees with the adjustments to the office staff and has only heard good comments about the mechanic but is concerned about the economy. He knows these are good positions and thinks we should adjust this at the new budget year. Tom spoke regarding the county advertising for a mechanic position and it is advertised at a little bit over \$14.00 per hour. Connie said she thinks the office staff projected increase may be too high. Connie said all the employees do a good job. Mike moved to adjust the office clerk's positions to \$12.50 per hour. The motion died for lack of a second.

Chris Clark said he is totally committed to the employees and is totally committed to increases in the next year but is not in favor of mid-year on spot decisions. He is concerned about the budget timing and wants to have the budget discussions reviewed by the public. Chris said in reality the wage increases are ongoing from year to year. He said the office girls do deserve more but he has not studied the mechanic wage increase. He also agrees that the employees are due for an increase.

Mike said the wage committee came to an impasse with their discussions so he would like to go forward. Mike is disappointed that the wage committee did not come up with a recommendation by budget time. He said six weeks ago the city spent \$30,000 for unbudgeted purchases of vehicles but he is willing to give the raises. He is concerned that the employees will see that the council will spend unbudgeted dollars for equipment but not wages. Connie said the vehicle expenditures are a one-time expenditure and their costs are not ongoing and they were on the capital list. Mike is not worried about the vehicle purchases but is concerned about the employee's perception of buying the vehicles but denying raises. Mayor Anderson suggested prioritizing the capital item list. Connie said things change so this priority may change. Mayor Anderson agreed that we need flexibility. Mayor Anderson said we should have these discussions when we set the budget but when we set the budget last year we said we would review a cost of living increase so this is not outside the budget. Connie suggested giving a set hourly amount to the employees rather than a percentage cost of living increase. She would rather see a set amount given to help the employees on the lower end of the pay scale. Mike asked if we would take the amount of the cost of a one percent wage increase, approximately \$14,000, and divide it up among the employees. Connie said she had a lesser amount in mind but wanted to give everyone a raise but not take such a large amount out of the budget and said our insurance rates increased more than five percent and this was a benefit to the employees.

Chris Clark said the recession is not over and he is concerned about the tough times. Chris said the City is its employees and we want them happy and paid respectfully with a compensation package that is good. Tom agreed with Chris and said these are tough times and he would rather have the employees upset now than to face layoffs in the future. Some of the city jobs are some of the best in our community. Tom expressed concern about the taxpayers and how they would feel about giving the employee's raises. Mike said the council has to watch out for the taxpayers but they are also bosses of the employees. Mike said the departments have made do with less

since the budgets were cut a few years ago and this affects the employees and it has been done at a sacrifice. Mike said with the unanticipated increase in the general fund balance of \$21,467 or this amount being higher than what was anticipated at budget time, that the cost of living increase should be considered. He said a lot of the one percent increase would not be general fund cost but is within reason. Connie said we have to watch the utility funds also as we don't want more rate increases. Chris Clark said if the wages are raised then there will be less money for materials in the budgets. Mike understands that they all have differing opinions and thanked council for the opportunity to speak but said he will not make a motion for a cost of living increase tonight since it would be futile.

Chris Clark said he is dead serious about pay increases in the next year's budget and he does not mean only a one percent increase. Mayor Anderson said he would like to make the increase as high as we can and he would have supported an increase at this time. He said we have great employees despite the fact that if there is an opening we get a lot of applicants but we would be hard pressed to replace them with competent people. The employees are working with less since the budget cuts. He said no cost of living was given in 2010 and only a nominal raise was given in 2009. Mike said he is hearing there is nothing available from council at this time. Chris Clark does not want to think about employees leaving and is asking the employees for patience and forbearance until the action on increases is taken.

The joint meeting with Boundary County is set for March 3, 2011 at 6:00 p.m. Mike Klaus said he will not be available for that meeting. Mayor Anderson suggested requesting the start time be at 5:00 p.m.

There being no further business, the meeting adjourned at 8:25 p.m.