

Mayor David Anderson called the August 7, 2012 budget workshop to order at 5:40 p.m. Present for the meeting were Mayor Anderson, Council President Mike Klaus, Council Members Rick Alonzo, Connie Wells, and Tom Mayo, Clerk Kris Larson, City Administrator Stephen Boorman, Assistant City Administrator David Sims, Water/Sewer Department Superintendent Jim Fritzsche, Police Chief Steve Benkula, and Water/Sewer Department Laborer John Delaney. Also present were Ruth Sutton and Doug Ladely, Sr.

The group went over the enterprise funds budget for 2013. Paying off the electric fund bond was briefly discussed. Jim Fritzsche asked why if the electric fund is robust there are not raises budgeted for the employees. He also asked if there is an electric rate increase from Bonneville scheduled. Kris Larson told the group there is no percentage raises in the budget but there are raises for Steve Neumeyer and Heiko Arshat. New positions are water/sewer laborer and water/sewer department superintendent. There is a lot of debt in the water fund. Stephen Boorman said we are short labor in the water/sewer funds because we have difficulty getting the sewer lines filmed with the sewer camera. David said grit goes into the sewer lagoons and a head works system would help the substances that should not enter the sewer ponds. The group discussed the shortage in the general fund. Connie Wells asked Steve Benkula if there is a possibility of buying a used police vehicle rather than a new one. Stephen said it is costly to transfer equipment from one police vehicle to another. Steve agreed. David said most of the equipment has been cannibalized off the non working vehicles. Council took a break.

Mayor Anderson called the regularly scheduled meeting of August 7, 2012 to order at 7:00 p.m. Present for the meeting were Mayor Anderson, Council President Mike Klaus, Council Members Rick Alonzo, Connie Wells, and Tom Mayo, Clerk Kris Larson, City Administrator Stephen Boorman, Assistant City Administrator David Sims, Police Chief Steve Benkula, Fire Chief Pat Warkentin, Economic Development Coordinator Mike Sloan, Water/Sewer Department Superintendent Jim Fritzsche, and City Attorney Tim Wilson. Also present were Doug Ladely, Sr., Ruth Sutton, Jessica Tingley, Adam Arthur, Dave Gray, Carolyn Testa, Terri Maine, and Jerry Higgs.

Police Chief Steve Benkula said there is no change in the Homeland Security project. He said at 6845 Monroe Street there were about 50 feral cats that had been living in an abandoned home at this address. The police department is working closely with Caring People for Animals, Second Chance, and Bonners Ferry Veterinary Clinic to care for these cats. It has been taxing on the resources due to housing and medical costs. Caring People for Animals and Second Chance are looking for monetary donations for fixing these cats and finding homes for them. There have been 25 reports taken since the last meeting. One child was taken into shelter due to abuse allegations and the parents being absent. There have been 15 arrests including warrant arrests, two domestics, one driving without privileges, one reckless, one minor in possession, two possession of controlled substance charges, and two DUIs. The department also served three search warrants looking for weapons.

Fire Chief Pat Warkentin said there were seven calls in July. Department of Lands gave the fire department a grant for \$2,500 for wild land fire equipment. There were seven fire calls in July. The fire department celebrated former Fire Chief Cliff Kroeger's 90th birthday last week with about 150 people.

Stephen Boorman said there was an article on the Road Scholar Program and there was also an article on a prepay plan for Bonneville Power Administration (BPA) in the council mail boxes. BPA is a power marketing agency and there is a limit as to how much they can borrow from the federal government and they are approaching that limit. Bonneville is asking customers if they are interested in loaning money to them. He is not recommending this but wanted council to be aware of this. Moyie Substation needs to have the relays replaced. We have generation on this system and we never want to feed the hydro back to the system. The devices in the transformer bushings that sense the failures need to be replaced and there is work to be done. The new lineman is on staff. David said the water/sewer department put barley straw in pond three and it is supposed to help. Jim said the straw is in a construction fence and six weeks is the life of the straw. David said this may help with the algae treatment.

Mike Sloan said there was a meeting today with attorneys for Panhandle Area Council (PAC), City of Sandpoint, and City of Kootenai to discuss the bonding paperwork for the fiber to the home project. Stephen and David attended the meeting with Mike today. Within the next two to three weeks there will be a meeting to discuss how the bonding will work. A workshop will be held for the entities involved to discuss how the project will be structured. By the end of the week there should be contracts to forward to city council for their review. David said he was pleased with some of the risk comments discussed today. Stephen said Idaho's laws for this type of paperwork are strict and protect the citizens. David said the revenues over and above operating the system will go to PAC. Mike said it will help build up reserves and it was also discussed to use these reserves for economic development. David said they want the approval from the cities by the 1st of September. Mike Klaus asked for a list of risks and benefits.

Mike Klaus said the urban renewal district (URD) met last night for a preliminary budget meeting and it was discussed whether to keep using PAC for administration. The income next year will be about \$20,000. Mike said URD may struggle paying the entire balance back to the city in 2013 so they would like to do it over a two year period. Mayor Anderson said he did not think this would be a problem.

Connie Wells moved to approve the consent agenda. Tom Mayo seconded the motion. The motion passed – Mike Klaus “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 July 17, 2012 council meeting minutes.

Mayor Anderson said the city is working on the annexation calendar.

Rick Alonzo moved to reject the additional terrorism risk insurance through ICRMP. Connie Wells seconded the motion. The motion passed – Mike Klaus “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Connie Wells moved to approve the special event permit for the Bonners Ferry Herald downtown block party on August 31, 2012 pending the police chief’s approval. Mike Klaus seconded the motion. The motion passed – Mike Klaus “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Pond dredging at the golf course was discussed. This has been needed for quite a long time and Stephen Boorman said this will help with water storage near the pump. The goal is to do the work when the ground is frozen so it will not damage the course. Tom Mayo asked about drainage near the railroad tracks. Stephen said we will probably do the work near the railroad ourselves. Mayor Anderson asked about the need. Stephen said we need to use this water for pumping to water the course. Tom Mayo moved to authorize the Mayor to sign a contract with Poulton development for pond dredging. Rick Alonzo seconded the motion. The motion passed – Mike Klaus “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Stephen said Craig Ripplinger from Ripplinger Engineering Laboratories can do the specking for the new relay system at the Moyie substation. Rick Alonzo moved to authorize the Mayor to sign a contract with Ripplinger Engineering Laboratories for substation work. Connie Wells seconded the motion. The motion passed – Mike Klaus “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Elevator inspection services were discussed for the visitor center. Connie Wells moved to hire Northwest Elevator Inspection to do the needed inspection on the elevator. Rick Alonzo seconded the motion and it passed – Mike Klaus “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Mike Klaus moved to authorize the Mayor to sign the fiber optic lease agreement with Education Networks of America, Inc. for a fiber optic line for School District 101. Tom Mayo seconded the motion. The motion passed – Mike Klaus “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

The contract for fencing the hill near the power plant for rock slides was discussed. The contractor came in quite a bit short of his labor bid for the work that was done and Stephen said this was a difficult job due to the steep hillside and the method of tying the fencing down. Rick Alonzo moved to pay the additional \$1,000 for this labor. Mike Klaus seconded the motion. The motion passed – Mike Klaus “yes”, Rick Alonzo “yes”, Connie Wells “no”, Tom Mayo “yes”.

Mayor Anderson said there was a survey done regarding dams in the northwest and the support is waning. A group has been targeted for advertising support of the dams and it is a good

campaign. Connie Wells agreed. River Partners is the marketing organization that is heading up the campaign. Stephen said River Partners has been involved in the cases regarding fish and wildlife and currently over 30 percent of our hydro costs are due to the fish and wildlife costs. There is not much advertising for hydro and the cost to the city would be about \$1,370. Stephen said this is a million dollar campaign and the larger utility companies are on board. David said the payback to the City of Bonners Ferry will be maintaining the capacity of the federal base system and also reducing the increase in the fish and wildlife costs. Connie said this campaign is to help people understand hydro systems and the value of them. Connie Wells moved to approve paying Northwest River Partners \$1,370 for hydro advertisement. Rick Alonzo seconded the motion. The motion passed – Mike Klaus “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Police Chief Steve Benkula requested council approval to hire Chris Langan as the new officer. Rick Alonzo moved to hire Chris Langan as the new police officer. Mike Klaus seconded the motion. The motion passed – Mike Klaus “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Rick Alonzo asked how the Swift system is coming along. Steve Benkula said we are waiting for the Sheriff’s Office to get a fire wall.

David said there is a property owner requesting to remove a sidewalk at Monroe and Denver on private property. The sidewalk is off from the street. Tom Mayo asked if we need to define our policy better. Mike Klaus said the sidewalks are in our right of way and if there is a slip and fall he asked who is responsible. Tim Wilson said the homeowner and the city will both be named. David suggested looking at the policy and how to make an exception if someone wants to remove a sidewalk. Tom suggested coming up with a definition of a sidewalk. The group will think about the issue and review the ordinances.

Fiscal year 2013 budget was discussed. Tom Mayo asked if there is a time payment plan for police cars. Tim Wilson said we need a non-appropriation clause. Rick Alonzo said we need to get into a rotation of vehicles. He thought we could get seven to ten years out of a new vehicle. Steve Benkula said with an officer assigned to each vehicle, we should get better mileage. Tom asked about the pool heater. Jim Fritzsche said we may get another season out of the current heater but it is a gamble. He said there is also the handicapped lift that may be needed next year. Stephen said this will be scrutinized heavily within the next year and the price may come down in a few years. The law is written today that this ADA lift must be in compliance by January 1, 2013. Jim said the swimming pool looks really good and it does not leak at all so we should get quite a few years out of the pool. The pool temperature is kept between 80 and 85 degrees and this is driven by Red Cross rules. The group discussed travel reductions and donations for horticulture. Connie Wells thinks we should reduce some travel and if we can get donations then we could take the rest of the general fund shortage out of contingency. Also discussed was eliminating the sidewalk capital budget. Mayor Anderson said he understands the

council's concerns with a \$35,000 budget deficit. He said the capital wish list is long and it is the police department's turn. He said revenues may not come in as low as projected. Contingency will be fairly solid even if the numbers come out at the end of the year as projected. Rick said all departments have taken their cuts and it is hard to figure how much is needed during the year. He said training is important and it can hurt people if they are not trained. Rick would like to see the reduction in contingency. Mike Klaus said we cannot really know where we will spend the money so it is hard to determine the unknowns and we have to have cushion built in so the department heads know they can provide the necessary services. Mike is not afraid to go down to \$300,000 for contingency. Tom does not disagree with any of the comments made but he is worried about next year's contingency if we reduce it. He thinks the department heads have done a great job at making their reductions. Connie said the first conference they attended told them to set contingency first and then set the budget around it. Also, they told council to raise contingency each year. Mayor Anderson said we are not putting the citizens at risk. Tom Mayo moved to publish the budget as presented. Mike Klaus seconded the motion. The motion passed – Mike Klaus “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”.

Mike Klaus moved at 8:18 p.m. to go into executive session per Idaho Code 67-2345 (1) (b). Tom Mayo seconded the motion. The motion passed – Mike Klaus “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”. Executive session ended at 9:15 p.m. No action was taken.

There being no further business, the meeting adjourned at 9:15 p.m.

David K. Anderson, Mayor

Attest:

Kris Larson, City Clerk