

Mayor Kerby called the regularly scheduled council meeting of March 15, 2005 to order at 7:03 p.m. Present for the meeting were Mayor Darrell Kerby, Council President Mick Mellett, Council Members Russ Docherty, Leslie Falcon, and Jim Burkholder, Clerk Kris Larson, Police Chief Dave Kramer, Fire Chief Larry Owsley, and City Attorney Tim Wilson. Also present were Attorney Mike Ormsby, Eric Heringer from Seattle Northwest, Dave Gray, and Don Bartling from School District 101.

Don Bartling from Boundary County School District 101 spoke to Council regarding the M&O Supplemental Levy. There is a restructuring committee that has been working on the issue and has made their recommendation to the School Board to run a levy for \$799,700. The restructuring committee will mail a brochure to the residents of the county. Jack Tice was the president of the committee. Mr. Bartling listed the names of the people on the committee and read some of their recommendations. Mr. Bartling thinks the committee has done a wonderful job. The election will be on March 29, 2005. Mayor Kerby commended Mr. Bartling for engaging the citizens to help find a solution to recommend to the community. Mr. Bartling said the School District is willing to tighten their belts to make things work and the schools appreciate the amount that has been paid out by the community the past few years especially with the new high school. The school board is looking at selling some of its property to clear up the \$302,000 deficit that it has.

Jim Burkholder moved that City Council endorse the Boundary County School District maintenance and operation supplemental levy for \$799,700. Leslie Falcon seconded the motion. The motion passed, all in favor.

Dave Kramer gave the police report. The speed sign has been returned and will thank the City of Coeur d'Alene. For the next meeting Dave would like to present the statistics of activities of the police department. Council will meet at 6:30 p.m. on April 5, 2005 for the presentation. Dave will also present information on the narcotic task force.

Fire Chief Larry Owsley gave the fire report. There have been 12 fire calls since the last meeting. He listed the calls in detail for Council. The brush truck is being repaired and fire engine 56 is being repaired also. The ladders were tested and inspected and they all passed inspection.

Jim Burkholder moved to approve the consent agenda with the exception of item five. Leslie Falcon seconded the motion. The motion passed, all in favor. The consent agenda contained the following: roll call; approval of March 15, 2005 accounts payable; approval of March 1, 2005 council meeting minutes and March 10, 2005 special council meeting minutes.

Attorney Tim Wilson said the issue of planning and zoning near the hospital will be addressed in the new planning and zoning ordinance that is being circulated for review.

Jim Burkholder moved to have the first reading by title only of Ordinance 492 Authorizing the Issuance and Sale of the City's Hydroelectric Revenue and Refunding Bonds, 2005, in the Aggregate Principal Amount of \$2,070,000 to Provide a Portion of

the Funds Necessary to Refund Certain Outstanding Hydroelectric Revenue Bonds of the City and to Make Certain Capital Improvements to the City's Hydroelectric Facilities. Russ Docherty seconded the motion. The motion passed, all in favor.

Eric Heringer from Seattle Northwest spoke to the group about the electric bond issue. He explained that he first spoke to the City concerning the bond bank and then it was determined that a revenue bond does not qualify for the bond bank. He gave a handout to Council. The new amount of money borrowed will be \$1,500,000 plus about \$600,000 to pay off the current 1981 bonds. He said now is a good time to borrow money because interest rates are low. The par amount being sold is \$2,070,000. The final price of the bonds today came in at 4.59 percent true interest cost. The old loans will be paid off under the same term as they had previously. This is based on the projections made by the City and it got the city lower interest rates. The fact that the city has healthy reserves and pays cash for capital improvements plus the fact that the city generates a portion of power sold to its consumers are factors that helped keep the rates down. The bonds are federal and state tax exempt. Idaho residents purchased most of the bonds. There is an optional redemption in 2015 for an early payoff. The City has pledged to keep revenues at rates of 1.25 percent of bond payments. Of the \$2,070,000 the project fund deposit will be \$1,429,526.98 and the loan payoffs are \$340,280.41 plus \$240,488.52 and the reserve fund for debt service will be \$190,403.24 plus interest of \$3298.08. Cost of issuance is \$10,550 and underwriters discount is \$31,050.

Mick Mellett inquired how the rates compare to a bond with a taxable return. Eric said the U. S. Treasury bond is paying about 4.5 percent and our bonds are yielding about 4.21 percent. He said a taxable bond would have to earn about six percent to compare with the tax-free bond.

Eric said the local investor Edward Jones has bonds to sell locally.

Mayor Kerby thanked Eric for his efforts.

Mike Ormsby addressed council summarizing Ordinance 492. He said the bond election authorized the city to go out for \$1,500,000 and it made sense to pay off the old 1981 bond issue currently held by GMAC. Adoption of the ordinance has five basic commitments listed as follow: 1) maintain rates to make bond payments and maintain the debt service of 1.25 percent; 2) does not restrict the issue of future bond issues if necessary; 3) makes a set of operational and financial commitments to the bond holders; 4) contains the covenants for the city to make to be exempt under federal and state income taxes; 5) approval of the ordinance gives the Mayor authority to sign the bond purchase agreement then the bonds will be issued and sold according to the bond purchase agreement. The bonds will be delivered on March 29, 2005 and the city will receive a wire transfer for the bond issue amount. The old bonds from 1981 will be paid off on April 23 and May 1. Mike recommended approval of the ordinance.

Clerk Kris Larson read Ordinance 492 by title only.

Mick Mellett inquired if it would be inappropriate for council members to purchase the bonds. Mike Ormsby said it would be alright for council members to purchase the bonds on the secondary market in a month or a year but not on the first day.

Mayor Kerby thanked Mike for the professionalism and assistance he has given to the City.

Mick Mellett moved to have the second and third readings by title only of Ordinance 492. Leslie Falcon seconded the motion. Clerk Kris Larson read the ordinance by title only twice.

Jim Burkholder moved to adopt Ordinance 492. Mick Mellett seconded the motion. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”. (Clerk’s note: Ordinance 42 is very lengthy. It is filed in the document files of City Hall.)

Mick Mellett moved to authorize the Mayor and Clerk/Treasurer to sign the bond related paperwork. Russ Docherty seconded the motion. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”.

Jim Burkholder moved to authorize Mayor Kerby to sign the request for reimbursement from the Forest Service Grant for engineering costs submitted by Welch Comer. Mick Mellett seconded the motion. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”.

Jim Burkholder moved that the City authorize the Farmers Market group to use the city parking lot as detailed by their February 20, 2005 letter. Russ Docherty seconded the motion. Mick Mellett expressed concern about the location of the Market this year due to the construction scheduled in the parking lot this summer. Jim Burkholder clarified that if the location requested by the Farmers Market group is available that it be used but otherwise it is up to the City Administrator to determine the location of where the Market is to be held due to the anticipated construction in the parking lot. The motion passed – Mick Mellett “no”, Russ Docherty “yes”, Leslie Falcon “no”, Jim Burkholder “yes”. Mayor Kerby voted “yes” to break the tie.

Jim Burkholder moved to approve and authorize Mayor Kerby to sign the Water Use and Purchase Agreements for 2005 for North Water and Sewer District and South Hill Water and Sewer District as attached. Russ Docherty seconded the motion and it passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”.

Mick Mellett moved to approve and authorize Mayor Kerby to sign the Sewer Use and Purchase Agreements for 2005 for North Water and Sewer District and South Hill Water and Sewer District. Leslie Falcon seconded the motion and it passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”.

Council discussed City of Moyie using the chipper belonging to the City of Bonners Ferry. The City of Bonners Ferry will charge for the use of the chipper and operator. Jim

Burkholder moved to authorize the use of the city's chipper at a rate of \$60 per hour including the operator with a minimum charge of one hour and time in excess of one hour to be charged to the nearest one-half hour and that the City of Moyie be billed monthly and pay by the 15th of the month after billing. Leslie Falcon seconded the motion. The motion passed – Mick Mellett “yes”, Leslie Falcon “yes”, Russ Docherty “yes”, Jim Burkholder “yes”.

Clerk Kris Larson explained the request to increase the handling fee from 10 percent to 20 percent on work orders and eliminate keeping track of inventory items costing less than \$10 per item. This request is being made to make the process more efficient and the increased handling fee should compensate for the expense incurred on these items. Mick Mellett moved to hold a hearing to increase the handling fee to 20 percent on work orders. Leslie Falcon seconded the motion. The motion passed, all in favor. The hearing will be at the next available Council meeting after the required publications are made.

Leslie Falcon moved to authorize the payment to Welch Comer by the State of Idaho for the Visitor's Center Parking Lot project. Jim Burkholder seconded the motion. The motion passed, all in favor.

Russ Docherty moved to authorize the Mayor to sign the documents for the Idaho Federal Surplus Property Program. Mick Mellett seconded the motion and it passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”.

Jim Burkholder moved to accept Martin Ryan's resignation and to authorize advertisement for a police officer. Leslie Falcon seconded the motion. Mayor Kerby thanked Marty for his service and wished him well. The motion passed, all in favor.

Russ Docherty moved to authorize Mayor Kerby to sign the paperwork for a Wastewater Planning Grant Letter of Interest with Idaho Department of Environmental Quality. Mick Mellett seconded the motion and it passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”.

Jim Burkholder said he had received disgruntled comments about building permits and in the investigation he found that Sewell and Associates are doing a fine job and are very helpful. Even the disgruntled party ended up being pleased.

The issue of attendance at the North Idaho Fire Academy was discussed. Russ Docherty moved to approve the firemen's training in Coeur d'Alene. Mick Mellett seconded the motion. The motion passed, all in favor.

Mick Mellett gave Dave Gray the AIC Youth Conference information to pass on to the Counselors at the High School. Mayor Kerby told Dave to have the Counselors contact Mick Mellett with the information. Mick gave a brief overview of the program.

Dave Kramer said the City and Sheriff's Office did a full day of active shooter training at the school. Jim Burkholder asked Dave to check on the break out doors at the high school because he had been told the doors were locked. Dave will check on it.

Mick Mellett moved to go into of executive session per Idaho Code 67-2345 at 8:15 to discuss legal issues, negotiations, and personnel. Leslie Falcon seconded the motion. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”. At 8:50 p.m. Russ Docherty moved to go out of executive session. Leslie Falcon seconded the motion. The motion passed, all in favor. No action was taken.

There being no further business, the meeting adjourned at 8:51 p.m.

Darrell Kerby, Mayor

Attest:

Kris Larson, City Clerk