

Mayor Darrell Kerby called the regularly scheduled council meeting of September 5, 2006 to order at 7:00 p.m. Present for the meeting were Mayor Kerby, Council President Russ Docherty, Council Members Leslie Falcon, John Langs, and Dave Gray, Clerk Kris Larson, City Administrator Stephen Boorman, Water/Sewer Department Supervisor Chuck Lycans, and Attorney Tim Wilson. Also present were Dorothy Rach and Lisa Hall from AFLAC, Joe Ryan and Jillian Anderson from Bonners Ferry High School, and Roy Day.

The first order of business was a public hearing on the fiscal year 2007 budget. Roy Day commented on the large portion of the city budget attributed to law enforcement. He is not complaining about law enforcement but said he is concerned about the appropriation of taxpayer dollars. He made the comparison of the power plant employees to the police department and the 24-hour coverage. The power plant operates with four people and the police department operates with eight people. Mr. Day made the dollar comparison of the two departments for wages. He said that if four people were dropped from the police department it would save the city over \$132,000 per year. He added that he has been in Bonners Ferry too long and he remembered Wes Deitz who was the fire chief, police chief and operated the street department. He is concerned about the number of people and the overspending of funds. Mayor Kerby and Council thanked Roy for coming to the hearing. He said he would have liked to have had more notice for public comment. Mayor Kerby explained the budgeting process and how the budget can be cut back but not increased after it is published. Roy asked that Council take his comments into consideration.

John and Viviana Finney joined the meeting at 7:10 p.m.

Police Chief Dave Kramer joined the meeting at 7:18 p.m.

The budget hearing recessed at 7:18 p.m.

Joe Ryan, ASB President, and Jillian Anderson, ASB Representative, addressed the Council regarding the homecoming events. The homecoming parade is scheduled for September 29, 2006 at 3:00 p.m. The curfew extension request was made for the homecoming dance to be held on September 30, 2006 until 1:00 a.m. Dave Gray moved to authorize the homecoming events and extend the curfew for the homecoming dance. Leslie Falcon seconded the motion. The motion passed, all in favor.

Dorothy Rach addressed Council concerning AFLAC. She said most surrounding cities have AFLAC. Dorothy said she lives in Libby now. Lisa Hall from Hayden AFLAC Insurance spoke to Council. She said State employees also have AFLAC as well as PERSI. She said AFLAC helps people survive financially when they have been injured. Cash is paid directly to employees when they have been injured to use as they choose. Employees are allowed a wide range of plans that are offered. AFLAC is eligible for pretax programs. She said cafeteria plan administration is offered at no charge through AFLAC. A flexible spending plan is also offered. Lisa commented on the cancer plan available. Travel and lodging for medical is also paid through AFLAC. Choice and

claims paying ability are the best facets of the program. She said three people are the minimum required to sign up for AFLAC. Dorothy and Lisa left the meeting at 7:30 p.m.

Dave Kramer gave the police report. He said all is status quo so no report was given.

Russ Docherty moved to approve the consent agenda. Leslie Falcon seconded the motion. The motion passed, all in favor. The consent agenda contained the following: roll call; Treasurer's Report; approval of September 5, 2006 accounts payable; approval of August 15, 2006 council meeting minutes; approval of August 22, 2006 special council meeting minutes; approval for Kris Larson to attend ICCTFOA Conference in Donnelley, Idaho from September 19-23, 2006; approval for Jason Schraufnagel to attend Transformers training in Spokane, Washington from October 24-26, 2006; approval for Dave Kramer to take part in the 911 Event in Sandpoint on September 11, 2006; approval for Dave Kramer to attend FBI National Academy Trainin in Coeur d'Alene from September 24-27, 2006 and for Rick Alonzo to attend this training on September 26, 2006.

No action on the annexation of property at this time according to Stephen Boorman.

The Chamber of Commerce request for funding was discussed. Leslie Falcon inquired about whether the Chamber of Commerce would be provided space in the new visitors center. Mayor Kerby said the city will always be in charge of the visitors center as we will own it. John Langs commented that a Chamber of Commerce Representative will come to another meeting and speak to us. John Langs moved to table this issue. Leslie Falcon seconded the motion. The motion passed, all in favor.

Mayor Kerby said long time employee, Steve Guthrie is choosing to resign and retire to the happy fishing grounds of Lake Koocanusa. Leslie Falcon moved with regret to accept Steve Guthrie's resignation as of November 17, 2006. John Langs seconded the motion. The motion passed, all in favor.

Stephen spoke to Council regarding the Bonneville Power Administration (BPA) contract amendment. A conservation program is what the amendment is dealing with. He said there will be programs that will be funded and if the City did not amend the contract we would pay about a half mil more in our rates. Stephen told council about conservation programs the city has participated in the past. John Langs moved to authorize the Mayor to sign the BPA contract amendment. Russ Docherty seconded the motion. The motion passed – John Langs “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Dave Gray “yes”.

Leslie Falcon moved to approve Resolution 2006-11 Approving Loan with USDA Rural Development. John Langs seconded the motion. Mayor Kerby said there is no obligation for using this additional \$500,000 funding but it is there for us if needed. The motion passed – John Langs “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Dave Gray “yes”.

Mayor Kerby commented that there are three individuals that work with North and South Water and Sewer Districts and once consolidation occurs these people will be used by the City for their knowledge of their respective systems. Consolidation will occur October 1, 2006 but the official merging will not take place until the Judge signs the paperwork. The City will manage the Districts until this takes place. The first metered billing for the City customers will be October. Stephen said the merging of the billing systems will be quite a task. The City meters are radio read and the district's meters will be read manually by our meter reader. John Langs moved to temporarily hire Stan Mastre, Glen Patterson, and George Schernitzki as City employees at \$20 per hour. They will not receive PERSI or health insurance. Russ Docherty seconded the motion. The motion passed, all in favor.

Metering of the City was discussed. All the residential meters are installed with the exception of two as of the week of September 3, 2006. The non-metered commercial customers are charged a flat rate. Chuck Lycans asked if Council wants these commercial businesses to be metered or to continue them as flat rated customers. John Langs recused himself from the discussion and vote due to his business being one that is not metered. Chuck said there are several city parks and interdepartments that are not metered also. Leslie Falcon said it is only fair for all to be metered. Dave Gray also agreed. Leslie inquired about the cemetery. She said everyone needs to be treated the same. She expressed concern about how the cemetery would pay their bills. Dave Gray commented that the alternative school is no longer at the General Feed and Grain building. Dave Gray moved that all commercial businesses including the city be metered with the exception of the cemetery. Leslie Falcon seconded the motion. Chuck asked who will pay for the installation of the meters. He said it averages about \$1,500 per meter. Stephen explained that the residential meters were installed under the Corps funding and the commercial meters were installed at the cost of the businesses in the past. Stephen said the funding left over from the metering project can be used on another water project according to the Corps of Engineers. The issue was tabled until after executive session on the advice of the City Attorney.

The proposed lease purchase of the hydro vacuum truck was discussed. John Langs asked about the time frame of the lease. It is a five year period at an interest rate of between 5.15 percent to 5.75 percent. Chuck commented that this is a needed piece of equipment. Stephen said when the rate study was done it was included in the rate projections. Chuck said a big use for this equipment is for safety if a person is caught in a trench. John Langs moved to go out for bid for the hydro vacuum truck. Leslie Falcon seconded the motion. The motion passed, all in favor.

Advertising in the Selkirk Loop Travel Guide was discussed. John Langs moved to spend up to \$300 for advertising in the Selkirk Loop Travel Guide. Dave Gray seconded the motion. The motion passed, all in favor.

The Vets Memorial Project was discussed. The Vets Memorial fund at the county will pay for the project. The City is doing the engineering for the project. Russ Docherty moved to approve the contract with Matt Bryan, Pointe Properties, for concrete work

subject to county approval. Leslie Falcon seconded the motion. The motion passed – John Langs “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Dave Gray “yes”.

Tim Wilson approached Council regarding a street party on September 21, 2006 on Kootenai Street. He said this was done in 2003 along with an open house for the title company. Boundary Abstract would be the sponsor of the event as an open house and Jo Jo Baker would provide music. He said it would be from 11:00 a.m. to 5:00 p.m. Dave Kramer does not have a problem and thinks it brings people to downtown. John Langs moved to approve the street party for Boundary Abstract on September 21, 2006. Dave Gray seconded the motion. The motion passed, all in favor.

Russ Docherty moved to approve the letter of support for the Myrtle Creek Watershed Roads Project. Leslie Falcon seconded the motion. The motion passed, all in favor.

Stephen spoke to Council regarding the visitors center being relocated to avoid realigning the storm sewer manhole. It would be an estimated cost savings of about \$17,500 to not have to move the manhole. The pedestrian tunnel grade and approach to the parking lot were also discussed. Stephen said the asphalt would be torn out and concrete is proposed as a replacement and heat mats are being considered for ease of maintenance. The swale location would be revised also. The storm sewer is twelve feet deep. A wider turning radius was also discussed. These changes would be authorized by change orders so no action is required by Council at this time.

Mayor Kerby reopened the fiscal year 2007 budget hearing at 8:15 p.m. There being no further comment Leslie Falcon moved to adjourn the public hearing. Dave Gray seconded the motion. The motion passed, all in favor.

John Langs asked questions regarding the budget and expenditure lines. Leslie Falcon inquired about health insurance quotes. Dave Gray asked about what the City rules are concerning something like the AFLAC program. Mayor Kerby explained that 50 percent of the employees must choose to take part before the city allows payroll deductions for such a program.

John Langs moved to adopt fiscal year 2007 budget by adopting Appropriation Ordinance 500. Leslie Falcon seconded the motion. Mayor Kerby said Council retains control of the budget throughout the year and it does not mean that it will all be spent. He said this year’s budget is approximately \$80,000 more in expense than revenue projected to come in. It is the Mayor’s intention to not spend more than the revenue that will come in. The budget is conservative both on the revenue side and expense side, such as high insurance premiums and fuel costs. He suggested that month to month budget review be done. The motion passed – John Langs “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Dave Gray “yes”.

Mayor Kerby said tomorrow at 9:00 a.m. there is a meeting with the Army Corps of Engineers and other entities to go over the flood event that occurred this summer. There

will also be entities attending from Canada. A follow-up meeting will also be scheduled after tomorrow's meeting.

The hearings scheduled for September 19, 2006 were briefly discussed. Mayor Kerby also commented on the Land Use Summit in Nampa on September 14-15, 2006 and said it looks like it will be extremely worthwhile.

At 8:35 p.m. John Langs moved to go into executive session per Idaho Code 67-2345 for legal and personnel issues. Leslie Falcon seconded the motion. The motion passed – John Langs “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Dave Gray “yes”. At 9:00 p.m. Russ Docherty moved to go out of executive session. Dave Gray seconded the motion. The motion passed, all in favor. No action was taken.

There being no further business, the meeting adjourned at 9:00 p.m.

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Darrell Kerby, Mayor

Attest:

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Kris Larson, City Clerk