

Mayor Darrell Kerby called the regularly scheduled meeting of December 18, 2007 to order at 7:00 p.m. Present for the meeting were Mayor Kerby, Council President Russ Docherty, Council Members John Langs, Mick Mellett, and Dave Gray, Clerk Kris Larson, City Administrator Stephen Boorman, Police Chief Dave Kramer, Fire Chief Larry Owsley, Economic Development Coordinator Mike Sloan, Fireman Roy Marquis, Street Department Supervisor John Youngwirth, and Attorney Tim Wilson. Also present were Mirror Lake Golf Course Manager Ralph Lotspeisch and Julie Lotspeisch, Sandy Ashworth, Connie Wells, David Sims, and Dave Anderson.

The first order of business was a fee increase hearing for golf fees. Stephen Boorman said the fee increases were recommended by the Golf Committee after a study was done by the course manager. The hearing was recessed at 7:02 p.m.

Sandy Ashworth spoke regarding Head Start and requested waiving the connect and deposit fees for the Head Start project. She said construction is beginning and the county has donated the property and fill materials and such for the project. Head Start is asking for the fees to be waived because this would take the extra funding they have set aside for contingencies or else they would have to start fund raising. Sandy understands that the city does not have a lot of extra funding either.

Dave Gray asked what other entities have asked to have the utility fees waived. Stephen said Habitat for Humanity is a group that has requested the fees be waived and they were denied. Stephen could not recall waiving the fees for any group. He said exception to city policies must be made by the council. Stephen said the property in question had services previously that were retired by the county. Mick Mellett asked if the sewer saddle and transformer are still in place. Stephen said they are. Dave asked what hard costs would be to the city. Stephen said it would be about \$2,300. Mayor Kerby asked who owned the land. Sandy said North Idaho College was donated the land by the county and North Idaho College has signed an agreement with Friends of Head Start for use of the land. The building will be owned by Friends of Head Start and they have agreed to use it for a learning facility and early childhood development. Federal grant funds are involved and they are managed by the college. Mayor Kerby said there is the difficulty to determine whose charity is worthy to have the utility fees waived and it is problematic from the fairness standpoint. Sandy said there is no money available from North Idaho College. John Langs moved to waive the connect and deposit fees in the amount of \$4,381 for Head Start. Dave Gray seconded the motion. Mayor Kerby asked if amortizing the utility hook up costs over a long period of time would help. Sandy could not say for sure. Mick asked if this would be extending credit. Mayor Kerby did not think so because we would set it out in a contract. Mick would like to see the city recover the hard costs. He also suggested bringing the monthly utility costs up to date rather than having to charge connect fees again since the services were retired. Mayor Kerby gave the history of the property and how the city incurred costs in the past to clean it up since it was a public nuisance and put a lien on the property that has not been paid.

Attorney Tim Wilson thinks the lien went away. The motion passed – John Langs “yes”, Russ Docherty “yes”, Mick Mellett “no”, Dave Gray “yes”.

Dave Kramer said Jeannette Woodard will be sworn in on January 4, 2008. There have been two DUI arrests, three misdemeanor theft arrests, two warrant arrests, one drug arrest, and responded to the fatal fire incident in the Curley Creek area because the county was tied up on accidents near McArthur. Dave thanked the Mayor and Council for the Christmas dinner for the employees.

Larry Owsley said there was a handout on the fire at Alderson Lane and he commended the work of Pat Warkington who prepared the report. The fire was caused by improper installation of a wood stove in the home. The chimney has now been rebuilt according to Larry. Larry said on the east side of the Riley Creek property there was a sprinkler system that had frozen up and flooded the building. He and Doug Ladely worked on the flood and tried to shut off the water. Larry contacted Riley Creek about the flood. Riley Creek will shut off the water in that building even though they previously said they could not shut it off for fire reasons. Larry assisted ISP on a vehicle accident also on Sunday evening. The fire department has also been assisting on a truck accident on the north hill this evening. The grant application for the new fire truck has been denied.

Stephen Boorman said at the power plant they are rebuilding unit four. There may be the need for a special council meeting for change orders for the power plant unit four rebuild according to Stephen. The bearings are worn and they are starting to complete the rebuild. The drive mechanism needs replaced but the unit looks good for 25 years of service. Phase 1A water project is going well. It is on Lincoln Street to El Paso and will continue up to Buffalo Street. The completion date of this project is estimated to be May, 2008 according to Stephen. Pipe is being replaced on Lincoln and El Paso. There was a leak in front of Howard Kent’s home and it took the crew into the evening yesterday to get it fixed.

Dave Gray moved to approve the consent agenda. Russ Docherty seconded the motion. The motion passed, all in favor. The consent agenda contained the following: roll call; approval of December 18, 2007 accounts payable and payroll of December 7, 2007; approval for Dan Rice to attend NWPPA Engineering and Operations Conference in Reno, Nevada from April 7 to April 11, 2008; and approval for Dan Rice to attend Arc Flash Hazards and OSHA 1910-269 Electrical Worker Rules from February 6-7, 2008 in Richland, Washington.

Tim Wilson said the taxi cab license issue has been reviewed and it meets city ordinance. John Langs moved to approve the taxi cab license for Bonner Taxi, Inc. Mick Mellett seconded the motion. The motion passed, all in favor.

Ralph Lotspeisch spoke to council regarding the golf manager’s contract. He said the idea of a five year contract and more compensation were suggested by the Golf Committee. Ralph said he

does different techniques at the course to make it better such as aerating the course in the fall and top dressing in the fall. He said there are no medical benefits included in his contract. Ralph said he is a golf pro so Mirror Lake gets quite a bit of attention from the PGA with the training he does. Ralph suggested increasing the percentage of the green fees. He said the golf committee suggested the possibility of increasing the size of the kitchen so he can make more money on the food sales. Another option spoken to by Ralph was the waiver of the rent he pays the city each year. Dave Gray read from the minutes of the last meeting. Mayor Kerby said the contract can be renewed for more than one year with an exit clause and our contract has that. He said the contract is kind of a hybrid contract because Ralph is a greens keeper and also a business manager. Mayor Kerby said the costs of maintaining the course have gone up with the cost of fuel and fertilizer for example. Mick asked when the last time the contract was increased. Stephen said the city does pay for the fuel and fertilizer, equipment, and supplies for maintaining the course but Ralph pays for all the labor needed. Mick said he recalls the city maintaining the equipment because it is purchased by the city. Ralph said the city does the major maintenance but he does the routine maintenance. Mick suggested having Stephen and Ralph get together and look at the fixed portion of the contract and review when the last increase was given. Mick said there is no way for the city to give retirement and health insurance unless Ralph was to become an employee. Ralph was in favor of working with Stephen and Kris on the contract. Mayor Kerby said the fees of the golf course have not been set based on the operation of the contract as much as they have been in relation to other courses in the area. Ralph said the number of holes needs to be documented in the contract also. John Langs would like to see a summary of the past several years.

Julie Lotspeisch said they appreciate the opportunity to cater the Christmas party.

Dave Gray read from the minutes of the previous meeting regarding the Esrey subdivision. Tim Wilson said he has not heard from Ms. Esrey regarding a legal review.

Stephen Boorman said there is a list of capital items for council to review. Dave Gray said he would like to wait until the new council is in place because he does not know anything about the capital items. Stephen said the holder would need to go out for bid because it is a large dollar item. He also said the patrol car and the pickups were approved previously. John Langs moved to table items #11 and #12 and to wait until the next meeting. Dave Gray seconded the motion. John Langs would like to see justification for capital purchases and more information. Mick asked if it would be the intent of the motion to include item #24 the holder vehicle. The motion was modified. Dave Gray said he would like to see pictures of the items so he could have a visual on items such as the holder. The motion passed, all in favor.

Stephen said he would like to advertise for request for qualifications for the sewer master plan project. He said the master plan is a study that looks at our sewer facility to determine what needs to be done to update the system and it prioritizes the needs. Mayor Kerby said it is a

precursor to proceed for any grant funding. Mick Mellett moved to proceed with the advertisement for request for qualifications for the sewer master plan. Dave Gray seconded the motion. Stephen said a master plan looks at the system in its entirety and helps determine the order of the repairs that need to be made. The motion passed – John Langs “yes”, Russ Docherty “yes”, Mick Mellett “yes”, Dave Gray “yes”.

Mayor Kerby said he received a call from Susan Martin Regional Director of USFWS today regarding the effluent discharge from the city’s sewer lagoon. They have been approved for funding for studies of the point source discharge at the sewer lagoon and the backwash of the city and the effects that this has on the aquatic life in the river. He told the officials that the city is in violation of the discharge at this point but is working on the issue. They were glad to hear the city is working on the project.

Stephen stated that he would like to postpone the hire of the water/sewer department supervisor at this time until interviews are done. Dave Gray stated that he wants to know who will be on the interview committee. Stephen said it is generally he, Kris Larson, and the department head. Dave wants to see at least three people on the committee. (Clerk’s Note: At the 1-8-08 council meeting the minutes were supplemented to read that the acting department head for the water/sewer department is Jim Fritzsche.)

Stephen said historically the daily monitoring reports have been signed by Mike Woodward, Stephen, and Mike Klaus but EPA has requested that the city send a letter stating who is authorized to sign the reports. Mick Mellett moved to authorize Mike Klaus to sign the daily monitoring reports. Dave Gray seconded the motion. John Langs asked if the new supervisor will sign the reports when he comes on board. Stephen said Mike will still sign the reports because the department head prepares the report and Mike reviews the department head’s report before he signs it. The motion passed – John Langs “yes”, Russ Docherty “yes”, Mick Mellett “yes”, Dave Gray “yes”.

John Langs moved to authorize Mayor Kerby to sign change orders number eight and nine and pay requests ten and eleven on Phase 1 of the water project. This paperwork was discussed at the last meeting. Mick Mellett seconded the motion. The motion passed – John Langs “yes”, Russ Docherty “yes”, Mick Mellett “yes”, Dave Gray “yes”.

Dave Gray moved to authorize the mayor to sign pay request #1 on the Phase 1A water project based on the review and recommendation of the city engineer and also authorize the mayor to sign the DEQ loan paperwork. Mick Mellett seconded the motion. Mayor Kerby said the motion should include that DEQ provide interim funding for Phase 1A of the water project. Dave Gray amended his motion to include the interim funding by DEQ. The motion passed – John Langs “yes”, Russ Docherty “yes”, Mick Mellett “yes”, Dave Gray “yes”.

Stephen said we have been awarded a grant for a study of impact fees and development fees from the Department of Commerce and Labor and we need to advertise for request for

qualifications so we can select a firm to conduct the study. Mick Mellett moved to authorize advertising for request for proposals for selecting a firm to assist the city with a traffic study and impact fees analysis. Russ Docherty seconded the motion. Mayor Kerby gave a description of why impact fees may be needed. The motion passed, all in favor.

Mick Mellett moved to authorize the advertisement of an office clerk. Dave Gray seconded the motion for discussion. Dave Gray read from the minutes of the past meeting. The group discussed the need for another employee and the billing processes that may be coming up. Mick said the council is not being asked to hire a person this evening but the exploration should be done. John Langs said that he thinks the expectation is there if we advertise for another employee. Kris Larson told the group that the need for the new clerk is partially due to the additional clerical work load that Mike Klaus and Stephen Boorman are experiencing as well as the records management needs that should be addressed. Mayor Kerby said there is a lead time that needs to be looked at. He also said if there is the anticipation of exploring third party billing options that they need to let the city departments know at this time. John Langs asked what the incoming council people think. Connie said she thinks the billing should be done in house and another person will be needed. David Sims agrees that the in house billing should be looked at but other options could be looked at as well but with the time constraints we need to start looking. Dave Anderson said he supported Connie when she campaigned on the issue of doing the billing in house but he is not afraid to look at other options for billing. He also said he is concerned about adding another person to an already crowded office. The group discussed costs of the probability of billing in house. He also said we will have to have good, clean billing policies if we take the billing back. Mick said he would like to see the billing done again by the city. The group discussed the meter reading done by a contractor and also the outsourcing of bill printing and mailing. Mick said the motion is to explore hiring another clerk and that decision will be made by the new council. Mayor Kerby spoke about the records portion of the Clerk's Office and said that Kris has been busy since she started getting a handle on the projects at hand and now she would like to start working on the records. Kris gave a brief update on the records that are in the attic and in the basement and the need to get them inventoried and archived. Stephen spoke about the drawings that need to be maintained. Mayor Kerby said there is a need to get the records in order and the group discussed the scanning of records and availability to the public through the internet. Kris also told the council that Tim Wilson has been looking at developing a form for customers to sign so they authorize the city to lien their property if they don't pay their bill. Tim briefly spoke about the lien authority. John Langs asked what the new person's duties would be. Kris said the new person would be assisting in all facets of the office. Mayor Kerby said the new position will be receiving work from different departments and there can be problems in prioritizing the jobs. The motion passed - Dave Gray "yes", Mick Mellett "yes", Russ Docherty "yes", John Langs "no".

Russ Docherty moved to approve the beverage licenses pending receipt of proper documentation and receipt of fees. Dave Gray seconded the motion. The motion passed, all in favor. Beverage licenses approved are as follows: Alberto's, Boundary Trading Company, China Kitchen, F.O.E. Aerie 3522 (Eagles), Last Chance Saloon, Kootenai River Inn, Mugsy's Tavern & Grill, Pizza Factory, Round-up, Safeway Store #3286, Shell – RIPCO, South Hill Chevron, Sportsman Club, Under the Sun, and Zip Trip.

Mick Mellett moved to raise the mileage rate for the city to \$.505 per IRS effective January 1, 2008. Russ Docherty seconded the motion. The motion passed – John Langs “no”, Russ Docherty “yes”, Mick Mellett “yes”, Dave Gray “yes”.

John Langs moved to table the holder vehicle. Dave Gray seconded the motion. The motion passed, all in favor.

Growth management training classes have been offered by the Department of Commerce for the City of Bonners Ferry and the City of Sandpoint according to Stephen Boorman. Several dates have been suggested. The council thought February 11, 2008 was a good date for the training that is to be held in Bonners Ferry at the visitor center.

Russ Docherty moved to read Ordinance 504 the second time. Dave Gray seconded the motion. The motion passed, all in favor. Tim Wilson read Ordinance 504 by summary.

Dave Gray moved to read by title only Ordinance 504 the third time. Russ Docherty seconded the motion. Dave Gray rescinded his motion because Tim said it must be read on three separate occasions.

Mayor Kerby re-opened the golf fee hearing. There was no comment. Mick Mellett moved to close the hearing at 9:17 p.m. Russ Docherty seconded the motion. The motion passed, all in favor.

Mick Mellett moved to adopt the golf fees as outlined. Russ Docherty seconded the motion. Mick said this fee increase would give the city a bump in fees now due to Christmas passes sold. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, John Langs “yes”, Dave Gray “yes”.

Stephen said the Northwest Requirements Utilities contract for a power supply study was looked at previously and he recommended the contract be approved after legal review. Mick Mellett moved to authorize the mayor to sign the NRU contract subject to legal review. Russ Docherty seconded the motion. John Langs said he does not like late additions. Tim Wilson said the typing of the agenda had an oversight because the contract was reviewed several weeks ago. The motion passed – John Langs “yes”, Russ Docherty “yes”, Mick Mellett “yes”, Dave Gray “yes”.

Mick Mellett asked how the clarifier issue was coming. Stephen said we have the clarifiers but there are quite a few issues that need to be worked on.

The group briefly discussed the transition of information from Mayor Kerby to the new mayor.

There being no further business Dave Gray moved to adjourn the meeting at 9:29 p.m. Russ Docherty seconded the motion. The motion passed, all in favor.

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Darrell Kerby, Mayor

Attest:

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Kris Larson, City Clerk