

CITY COUNCIL MEETING
July 26, 2016

MAYOR & COUNCIL

Mark W. Beckstead
Todd D. Thomas
Terry D. Larson
Bradley J. Wall
Allyson Wadsworth

STAFF

Linda Acock, City Clerk
Kelly Mickelsen, City Treasurer
Tyler Olson, City Attorney
Mark T. Owens, City Engineer
John Balls, Public Works Director
Ken Geddes, Chief of Police

OTHERS PRESENT:

Chuck Chesney, Patty Chesney, Susan Lorenz, F. Lee Hendrickson, Saundra Hubbard, Bailey Beckstead, Lana Duke, Craig Harris, Janet Harris, T. Mark Owen, Lyle H. Owen, Jerry Larsen, Marie Larsen, Nate Burnett, Jonathan Ascona

Council Meeting was called to order at 5:00 P.M. by Mayor Beckstead.

Consent
Calendar

The consent calendar includes items which require formal Council action, but which are typically routine or not of great controversy. Individual Council members may ask that any specific item be removed from the consent calendar in order that it be discussed in greater detail. Explanatory information is included in the City Council's agenda packet regarding these items.

- A. Council Minutes (July 11, 2016)
- B. Bills (July 26, 2016)

It was moved by Councilmember Wall and seconded by Councilmember Wadsworth to approve the Council Minutes of July 11, 2016 as written. Motion passed by unanimous vote.

It was moved by Councilmember Larson and seconded by Councilmember Wall to approve the bills of July 26, 2016, as presented. Motion passed by unanimous vote.

Business
Licenses

The following business licenses were presented:

<u>Chad Dunn</u>	144 N. 2 nd E.	(D&D Landscaping)
<u>David Larsen</u>	122 N. State	(Auralcare Hearing Centers)
<u>Johannes Veiram</u>	341 Boulevard Logan UT	(Johannes Education Books)

It was moved by Councilmember Wall and seconded by Councilmember Wadsworth to approve the above business licenses. This received unanimous approval.

Appoint
Recreation
Board
Members

It was moved by Councilmember Thomas and seconded by Councilmember Wadsworth to appoint Jason Keller and Jer Barnard as Recreation Board members, effective August 1, 2016 for a three (3) year term. This received unanimous approval.

Board members being released are Nathan Winward and Reed Carlson.

Improvement
Bond Refund
M. Murray
32 S. 6th E.

It was moved by Councilmember Wall and seconded by Councilmember Thomas to refund \$4,650. of the improvement bond to Mark and Taia Murray. This received unanimous approval.

The \$4,650. was the remaining portion of Murray's \$10,600. Improvement Bond. The entire bond has been refunded to Mark and Taia Murray.

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Public
Hearing To
Consider
Fee
Increase
City Water
Rates

Mayor Beckstead called for the following public hearing for the purpose of giving consideration to a fee increase in the city water rates.

NOTICE OF PUBLIC HEARING FOR FEE INCREASE

NOTICE IS HEREBY GIVEN that a public hearing shall be held before the Mayor and City Council of the City of Preston, Idaho, on the 22nd day of August, 2016 at the hour of 5:15 P.M., or as soon thereafter as can be heard, at the City Hall located at 70 West Oneida Street, Preston, Idaho, for the purpose of receiving and hearing public comments on proposed fee increase for water, all of which fees shall be increased by more than five percent (5%) of the amount of the fee last collected for the reasons that said increase is necessary to continue adequate maintenance, repair, and improvements to the water system. Base rates will be increased by \$10 per month for water.

Further explanations of reasons for the increase in fees will be provided at said public hearing.

All persons present will be given the opportunity to be heard. Written comments or objections may be submitted to the office of the City Clerk, 70 West Oneida Street, Preston, Idaho, 83263.

Dated this 27th day of July, 2016

s/Linda Acock, Preston City Clerk

Publish: The Preston Citizen August 10, 2016 & August 17, 2016

Mayor Beckstead asked Councilmember Larson to give a brief synopsis as to what has brought Preston City to public hearing, and the need for a fee increase.

Councilmember Larson explained the conditions of the water lines. He further explained that the schedule of replacement would be, the City replacing the remaining 1/3 of the 16" line this fall. In the spring, the city will shut down the 20" line to let the ground dry, so crews can get to the line to replace it. The increase in fees are necessary to replace the water lines that come from the tanks to town, then the 18 miles of water line from Bergquist Springs to the tanks, for maintenance and repair of lines, and to rebuild the water fund reserves. As well, the city is looking into funding for the water line replacement, and the fee increase will go toward repaying that debt.

Mayor Beckstead gave public hearing guidelines, then opened the public hearing.

Lyle Owen asked when the \$10. Fee increase would be removed from the bill.

It was explained to Mr. Owen that there is high probability it would not be removed from the bill, and the bill will not decrease in the future. It is an increase in the water fees.

Saundra Hubbard stated that she understands that the increase has been coming for a while, and that it's got to happen, but asked the Council to consider the small businesses, and that Preston wants to be proactive towards business, but the fee increase will hurt them. She also asked for clarification that the increase would be effective October 1, 2016.

It was confirmed that the increase would take effect October 1, 2016.

Jerry Larsen stated that he had prepared comments from Mayor Mark Beckstead's Facebook post, and read his comments into the minutes. He further commented that he understands the increase, though he does not want another increase if the bond is passed with the election in November, and advised the Council to be cautious when using Facebook as a public forum. (comments follow minutes)

Mayor Beckstead stated, for the record, that aside from his initial post on Facebook, no other comments were made by him on the Facebook Forum.

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T. Mark Owen commented that the rates are going up too fast, and that Preston City needs to learn to live with what we have.

Nate Burnett asked if the \$10. increase is the minimum that Preston City can get by with.

Bailey Beckstead asked the Council to consider a rate break for businesses.

Councilmember Larson explained that the fee increase is to cover the loan from the bond election in November, and that the fees should not increase in November. He further stated that the Council is being prudent with the taxpayer's money.

City Engineer, Mark Owens stated that to finish the 16" line, then the 20" line, 1.5 million may not be the cap. The city is trying to balance the amounts needed.

Councilmember Wall asked how many years were left on the current DEQ Loan.

It was stated that there are approximately twelve (12) years left on the current loan.

Councilmember Wall then explained that after the current DEQ loan is paid, the annual payment amounts can be used for maintenance and repair, and hopefully the next administration won't have to increase rates because of that.

Councilmember Wadsworth commented that the best intentions towards the city residences, as well as the need for water line repair and replacement, are being considered.

Councilmember Thomas stated that the bottom line is that repairs need to be made. As holes leak water out, the possibility of contaminates seeping in increases.

After deliberation and comments, it was moved by Councilmember Larson and seconded by Councilmember Thomas to continue the public hearing, for commercial rates only, to August 22, 2016. No action taken on said motion.

It was moved by Councilmember Larson and seconded by Councilmember Wadsworth to raise residential class, water base rate, by \$10. It was then moved by Councilmember Larson and seconded by Councilmember Wall to withdraw said motion.

It was moved by Councilmember Larson and seconded by Councilmember Thomas to continue the public hearing on all classifications to August 22, 2016 at 5:15 p.m. and have the public hearing notice re-published. This received unanimous approval.

20" & 18"
Main Water
Lines Susan Lorenz, of SICOG, and Lana Duke, of USDA, presented funding processes for loans and grants through USDA and/or CDBG, to fund the replacement of the remaining dilapidated water lines. It was moved by Councilmember Thomas and seconded by Councilmember Larson to apply for and receive funding from USDA and/or CDBG. The city will hire SICOG for the grant and loan preparation, application, and administration. This received unanimous approval.

Review
Proposed
City/County
Impact Area Attorney Tyler Olson advised council that the Planning and Zoning Commission has been working together with the Franklin County Planning and Zoning Commission, and are nearing completion of the City/County Impact Area.

Vicious
Dog
Ordinance Chief Ken Geddes advised that Preston City's Municipal Code 6.16 is in need of revision, in as much as the State of Idaho has changed Idaho Code relating to, "at risk" animals.

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Budget Council reviewed the tentative budget, and asked City Treasurer,
Workshop Kelly Mickelsen to publish the tentative budget in The Preston
Citizen.

Adjourn It was moved by Councilmember Larson and seconded by Councilmember
Wadsworth to adjourn the meeting at 8:28 P.M. This received
unanimous approval.

Linda Acock, Clerk

Mark W. Beckstead, Mayor

July 26, 2016

I am basing my comments on Mayor Mark Beckstead's public post of July 11th on his Facebook page.

It is interesting that the Mayor & Council is holding a public hearing and, according to Mayor Mark Beckstead's Facebook page, "We will not and cannot respond to questions or comments in this forum." The purpose of a public hearing is for the public to make comments and get answers to questions regarding that public hearing. These comments from the public, during the public hearing, is intended to help Councilmembers make decisions that are in the best interest of the majority of the residents of the City Of Preston.

Is having this public hearing on a different day than the scheduled day for City Council Meetings an effort to confuse residents because Councilmembers have already made a decision on the matter? If it is predetermined that there will be an increase in the water rates now and then there will be a bond placed on the ballot in November for an additional \$1,300,000 to \$1,500,000 it appears you are holding this public hearing just for formality purposes.

The proposed water rate increase will provide approximately \$276,000 annually to the City, then you will want another increase in a few months. What about the water funds that will be available when the current DEQ water loan payments, amounting to \$364,000 annually, is paid off? Will water rates be reduced?

What happened to the enormous amount of money that supposedly was in reserves just a few short months ago when the Mayor wanted to amend the budget so all funds could be depleted before this rate increase request?

In reference to, "take what reserves we have left from water and borrow from sewer to finish the remainder of the smaller line...This leaves us with no reserves in the water fund." What about this current Council's recently passed Resolution #89 that requires reserves in each fund for six months of fiscal year projected costs? Are you already not going to follow your own rules?

I personally am opposed to borrowing from the sewer fund to pay for water projects. Sewer funds are needed for sewer projects and have been paid by rate payers for repairing and maintaining sewers. If you use all the sewer funds, then you will raise sewer rates next!

I commend the councilmembers for opting out last week of not paying for their own water, sewer, and garbage bills in anticipation of this public hearing. Good move on their part!

I know very well the funding that it takes to operate the City and to make improvements, but the current proposed increase of 33.33% in water, coupled with not too distant planned increases, may present a financial burden to many City residents.

I'm not a farmer, but if I were, I would feed the cows, but wouldn't give them the full load of hay all at once. It will take time to make the improvements needed in the City and a five or ten year plan would be more appropriate than a "do everything now at any expense plan." Please be prudent with rate payers money!

Jerry C. Larsen
Preston, Idaho