

Minutes of the Regular Meeting of the City Council of the City of Lava Hot Springs, Idaho held Thursday, June 9, 2011 at 5:30 p.m., Lava City Hall, 115 West Elm Street, Lava Hot Springs, Idaho.

Present: Marshall Burgin, Mayor  
Rita Anderson, Councilperson  
Phil Beeson, Councilperson  
Newt Lowe, Councilperson

Canda Dimick, City Clerk

Guests: Raymond Ware, Vicky Lyon, Mark Lowe, Steve Jones, Pamela Slaughter, Ted Booth

The mayor called the meeting to order at 5:30 p.m.

### **Approval of Minutes**

Councilperson Anderson mentioned a few typographical errors and the city clerk noted the corrections.

A motion was made by Councilperson Beeson to accept the minutes of the May 12, 2011 regular council meeting with the stated corrections. The motion was seconded by Councilperson Anderson. All voted aye, unanimous.

### **Reviewing of Bills**

Councilperson Beeson questioned the B & B Sprinkler bill. The Mayor explained that the sprinkler system was torn up to put in the park improvements. The sprinkler system repairs will all be paid through the park improvement grants.

Councilperson Beeson questioned the L.N. Cutis & Sons bill for fire department equipment. The city clerk pulled out the bill. The mayor read the bill. The council had questions regarding what the items on the bill were.

A motion was made by Councilperson Anderson to approve the paying of the bills with the exception of the fire department bill (L.N. Curtis & Sons) until we get more information. The motion was seconded by Councilperson Lowe. All voted aye, unanimous.

### **Law Enforcement**

#### **A) Monthly Report**

No law enforcement was present.

#### **B) Animal Control/Code Enforcement Position**

The mayor reported on his meeting with Sergeant Argyle, the Bannock County Sheriff's office. The department has given the city a list of ordinances that they will enforce. The mayor was told that the department would not enforce the city ordinances not listed. The city would have to hire a code enforcement officer to enforce their ordinances. The mayor asked the council how they would like to handle code enforcement. Councilperson Beeson suggested waiting a couple of months and see how it goes, then reconsider. The mayor stated that he had to deal

with some dogs over the Memorial Day weekend. The council decided to let the code enforcement/animal control position ride for now.

### **FY2009-2010 Audit Reports – Raymond Ware, Ware Associates**

Raymond Ware, Ware Associates, presented the FY2009-2010 Audit Report to the council. Ware Associates gave the city an A report on the audit. This means that they looked at the internal controls, procedures, and policies and found that if an irregularity were to occur it would be detected in a minimum amount of time. He stressed the importance of the council carefully reviewing the bills each month.

Mr. Ware stated that the General Fund should have a 2 to 3 month carry over, which means the General Fund should have \$30,000 to \$50,000 carry over. Currently the General Fund does not have adequate carry over. The council may want to consider transferring monies from another fund to the general fund. He stated that a few years ago the city had transferred monies from the sanitation fund to the general fund. The city clerk questioned if the funds from the Local Option tax could be transferred. Mr. Ware stated that there was \$50,000 to \$70,000 in the Local Option Tax fund which could be transferred into the General Fund.

The city clerk reported that the property taxes have not increased due to the economy. There are foregone amounts with the taxes that could be taken and suggested that the council discuss this during the budget workshops. Mr. Ware stated that 25% of the city's revenue comes from property taxes; he stated that in a normal city of this size it would be above 50%. He stated that 32% of the city's revenue comes from Local Option Taxes which is a real benefit to the city.

Mr. Ware reported that the expenses of the general government fund looks very normal, the city is very efficient in what they have to work with. Delinquent Property Taxes is about 10%, Mr. Ware recommended that the council anticipate the delay on delinquent taxes collections.

Mr. Ware reviewed the budget and stated that the city had no violation in the budgeting compared to actual expenses. The city clerk stated that the council had shifted some of the monies from the general fund to the street fund and may want to consider shifting these funds back.

Mr. Ware responded to the internal control weaknesses. One of these weaknesses is that the city does not have a CPA on staff. He stated that this exception shifts the responsibility back to his office as the auditor if something is out of whack. This exception is probably in 95% of the cities in the United States. The cost is not worth the benefit. He stated that the office staff is very good to work with and very efficient.

The city clerk stated Mr. Ware was not able to come to city council meeting to give a detailed report on the FY2009 audit and that she needed to look at the minutes to see if the FY2009 audit was approved. The council decided that the city clerk should check the

minutes and that both the FY2009 and the FY2010 audits would be approved at the next meeting.

### **Downtown Park/Public Parking Development Proposal – Steve Jones**

Ted Booth, Booth Architects, presented preliminary rendering for a public park/parking plan, property owned by Steve Jones and Evelee Hill. The preliminary plan showed 21 parking spaces around a park setting. The mayor explained that the concept idea came about when the city talked about purchasing the Berti's vacant lot next to the veteran's park on Main Street for a similar use.

The mayor also stated that the city is working on the Center Street resurfacing project. The city has received a \$100,000 grant for the project and any extra city funds will go to this project.

Mr. Jones explained that they had taken the issue up on their own and thought about proposing the offer to the city because of the talk around town about not having enough parking. Mr. Booth presented a second option of three town homes on Mr. Jones two lots. The mayor questioned the cost of the park plan. Mr. Jones stated that the park project would cost around \$450,000 depending on the amenities and that the city could rent the pavilion to recoup some of the expense.

The council thought that the town home project looks good. Mr. Jones stated that the town home project was their first plan of what to do with the property but when they heard the noise of the need for additional parking, they wanted to go on record as a team player if the city was interested.

Mark Lowe suggested if the city did have city owned parking it could be sold to Main Street frontage businesses. Also private property owners could sell parking rights to developers that do not have off street parking if they have additional parking spaces available.

The council decided that they would have to pass on this opportunity at this time and concentrate on the Center Street project.

### **Tourism Development & Promotion**

#### **A) Fourthgear & Web Impakt Contracts**

The city clerk reported that she has drafted an agreement which covers the concerns of the attorney. She has forwarded the draft to the chamber. Mark Lowe and Vicky Lyon, Chamber of Commerce, were concerned that with the chamber being the pass through agent on the contract, it would set precedence for future projects and could open up the city for problems.

The attorney has not reviewed the contract draft. It was stated that the legal expenses will come out of the 1% tourism promotion funds.

A motion was made by Councilperson Anderson to send the agreement to the attorney for review. After he has approved the agreement, the city clerk can execute the agreement and consult with the Chamber members present if needed. The motion was seconded by Councilperson Beeson. All voted aye, unanimous.

## **B) Banners**

Mark Lowe reported that the city needs to choose colors and designs for the Main Street banners for three (3) seasons, the Fire and Ice banners will be the fourth season. The city clerk reported that after some discussion it was thought that it would look nicer and give more variety if we chose more than one color/design per season. Going to three (3) designs per season increased the cost significantly. The consultant has suggested doing two (2) designs per season which will increase the price a little but will be close to the original price quote. The city clerk presented some possible ideas which had been sent. She suggested putting Lava Hot Springs on one design for each season. Councilperson Anderson volunteered to meet with Mark Lowe and decide on the banners. The council had no problem with the additional expense.

## **Business License(s) & Non-Property Tax Permit(s)**

- A) Brown Strauss Steel – Non-property tax permit**
- B) Busy Bee – Richard Flick, Owner/Applicant**
- C) Bybee Builders – Bryce Bybee, Owner/Applicant**
- D) CRC Construction, Inc. – Lee F. Boumann, Owner/Applicant**
- E) Global Rental Company, Inc. – Non-property tax permit**
- F) Qwest Corporation – Non-property tax permit**
- G) Reflexions – Sam & Leisha Netuschil, Owners/Applicants**
- H) Scotty's Handyman Services – Scott Hange, Owner/Applicant**
- I) The Frostdbite – Cory Unsworth, Owner/Applicant**

The mayor read the list of business licenses and Non-property Tax Permits.

A motion was made by Councilperson Anderson to approve the business licenses and non-property tax permits, A – I, as read. The motion was read by Councilperson Lowe. All vote aye, unanimous.

## **Building Permits**

- A) Residential addition/garage at 56 North 3rd West - Tyler Peterson, Owner; Bybee Builders, Contractor.**

The city clerk reported that we have been requiring a twenty (20) foot setback on the driveway approach. The owner did not have a problem with meeting this requirement.

A motion was made by Councilperson Beeson to approve the building permit for Tyler Peterson with a twenty (20) foot setback driveway approach. The motion was seconded by Councilperson Anderson. All voted aye, unanimous.

**B) Residential addition at 85 West Fife – Shane Beeson, Owner; Riley’s Construction, Contractor**

A motion was made by Councilperson Anderson to approve the building permit for Shane Beeson’s addition. The motion was seconded by Councilperson Lowe. All voted aye, unanimous.

**Meetings/Announcements**

**A) Association of Idaho Cities Conference – June 22-24, 2011**

No one interested.

**B) Cities Health Coverage Meeting – June 10th @ Ammon City Hall**

The mayor cannot attend; he requests two (2) week notice of meetings.

**C) 2009 International Building, Residential & Energy Code Adoption Status/Process**

The city clerk is working with the attorney on this ordinance which will require a public hearing. A thirty (30) days public notice is required.

**D) Water Source Protection Plan Update Process**

The city clerk reported that the city needs to form a committee and update the water source protection plan.

**E) Street Sweeper Sale – Consider Marsh Valley School District Offer**

The mayor has been in touch with Lionel Ware, Marsh Valley School District Maintenance Supervisor, regarding the street sweeper. The school board will meet on Tuesday and make an offer.

**F) Miscellaneous**

**Projects**

**A) Wastewater Improvement Project**

**1) Inflow/Infiltration Study – DEQ Approval Letter**

The mayor reported that the Inflow/Infiltration Study was complete. The city will have to do something to regulate excess inflow. Metering the inflow was discussed. Thirty (30%) percent of the excess flow comes from a two (2) block area. The Home Hotel is located in that two (2) block area. There was discussion of this business using an injection well to return hot water back into the aquifer.

**2) Phase I Start Up Schedule**

The mayor reported that the contractor was not able to start-up because of the weather. EPA will conduct an ARRA audit on June 24<sup>th</sup>.

The mayor reported on a letter from Bryan Phinney, Keller Associates, which states that Kilroy and the electrician are going to pay the \$628 for the power company problem.

### **3) Water Share Leases**

The city clerk has talked to some individuals that would like to lease their water shares from the canal. One would like to lease their 43 shares for \$1000; the other wants \$440 for 20 shares. The mayor stated that he didn't think that we were going to need the water this year. There was discussion of the need for more water in the future.

### **4) Wind Turbine**

The mayor reported that the city clerk has found a company that produces American made wind turbines. Due to the ARRA funding the wind turbine would need to be American made or we would need a waiver. The city clerk needs an energy cost savings to put in the letter to DEQ.

It was reported that \$260,000 grant funds will be turned back if it is not used in Phase I. The mayor will call engineers to try to get the energy cost savings data.

Councilperson Beeson questioned if the excess grant funds could be used towards purchasing the pipe for Phase II. The city clerk reported that we have received a definite answer that these funds could not be used on Phase II. She suggested that purchasing the pipe for Phase II be put in as an alternative to installing a wind turbine with the excess funds.

### **B) Wastewater Rate Study**

The mayor reported that the consultant is saying that the sewer rate should be \$39.81 per Equivalent User to cover bonds, operation, and maintenance. The city clerk reported that this is if we go to the full bond amount.

The city clerk reported that two men from Rural Water came in one day and gave a price. They also looked at the Equivalent User schedule and told her that it looked like a fair formula. The city clerk is not comfortable with what we got; she would like something in writing. There was discussion of breaking down the rate to an amount for the bond and an amount for O & M.

### **C) Park Playground Surface Project Report**

The city clerk reported that the Fibar will be here next Friday. Councilperson Sher has figured into the project the cost of a sign which will not be more than \$500.

The mayor stated that after all the bills for the playground project are in, we will see if we have funds for some sod. Councilperson Anderson stated that the blocks need to be curved back into the hill or sloped off. The mayor will talk with the maintenance crew about this. The city clerk reported that there is a little bit of money for sod if it is needed. The grant funds for this project are \$22,000 and we have spent \$21,119 so far.

**D) Miscellaneous**

The council reviewed the population statistics from the 2010 Census. It was stated that the population has dropped to 407 which is a drastic drop. The city clerk stated that the council has a time period which they can appeal the count. This drop will affect the state revues which the city receives.

**Discussion – Items from the audience.**

None

**Adjournment**

A motion was made by Councilperson Lowe to adjourn. The motion was seconded by Councilperson Beeson. All voted aye, unanimous. The meeting adjourned at 7:00 p.m.

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Trish Avery, Transcriber

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Marshall N. Burgin, Mayor

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Canda L. Dimick, City Clerk (proof read)

Approved July 14, 2011