

MINUTES
SPECIAL MEETING OF THE KENDRICK CITY COUNCIL
JUNE 20, 2016

At 6:03 PM Mayor Mark Lapinskas opened the special meeting and led in the Pledge of Allegiance. Present were council members Matt Kathanimane, Dale Lisher, Sarah Miles, and Paul Rush, public works director Steve Howerton, new public works director Jake Lustig, and city clerk Barb Wilson. Guests present were city attorney, Will Herrington and assistant Field Herrington, Dan Banner and Danielle Russell from RCAC and citizens Dean King and Lisa Kathanimane.

The minutes from the May 17, regular meeting were reviewed. Dale pointed out that at the May council meeting that the mayor broke the tie to enter into executive session. To enter into executive session it requires 3 of the 4 council members to agree. Will Herrington said that is correct but to leave the minutes as written since that is what occurred. Sarah made a motion with Dale seconding to approve the minutes. All were in favor.

Disbursements were reviewed. Matt made a motion with Dale seconding to approve the disbursements totaling \$39,618.49. All were in favor.

CORRESPONDENCE/ANNOUNCEMENTS/PUBLIC COMMENTS: No public comments.

Mark read a letter from Frank Dammarell that he sent to the Idaho Tax Commission regarding the JK Recreation District. Frank feels that the records for the JK Recreation District should be stored at one of the city halls and not in a private home. He also feels the meetings should be held in a public place and Frank recommended that the JK Recreation District be audited. Will said that the City of Potlatch keeps their Recreation District records at city hall. Attorney Will Herrington met with the Potlatch Recreation District to show them how to handle expenditures. He said the City of Troy Recreation District was chastised by the Attorney General for not properly allocating funds. Sarah said there was a lot of community support for the pool at the Go Fund Me pool meeting, but it appears that the JK Recreation District's focus is now on the trail (rather than the pool).

The council would like a letter sent to the City of Juliaetta asking them for more money for the pool. Mark will send a letter. Mark said the decision about the JK Recreation District is in the hands of the State Tax Commission. Will said the JK Recreation District should be audited every two years. Mark said we need to keep a positive relationship with the JK Recreation District. The council asked Paul to let Frank know that the Kendrick City Council supports him.

Mark read a letter from CEDA (Clearwater Economic Development Association) about updating our comprehensive plan. Steve said the original comprehensive plan was done by the JK Association and that it is very old. Will said there are 12 elements that are required to be in the comprehensive plan. Sarah said she is willing to take the old plan and see what needs to be updated. Will said the council should review the plan every 5 years. Steve thought the current plan is 12 – 15 years old. Will said that Idaho Code Title 67 Chapter 65 states that a comprehensive plan is required. The council decided not to proceed with the offer from CEDA to update the comprehensive plan at this time.

NEW BUSINESS:

The Fire Dept. cancelled prior to council meeting. Val will come to the next council meeting with his budget needs for FY2017. The supplies for the bathroom and cleaning supplies should be moved to a

different line item than the operating supplies line so the Fire Department will know how much money they have to spend.

Mark said that employees must be paid for all time worked, including travel time to meetings. This includes the pool manager working on schedules, etc. before the pool opens.

There will be a budget workshop at Tuesday, July 26, at 6:00 PM at City Hall.

Sarah Miles said she would like to purchase some of the property that belongs to the city, next to her house, so she can build a shop. Mark said the city does not have any surplus property. Sarah asked to be allowed to make her presentation to the council. Sarah feels there is enough land for the both city needs and for her to build a shop. She handed out an aerial photo that shows the property. She would like to build a new deck and shop. She said she would like to build a shop and then sell it to the city at a depreciated value when she sells her property in about 10 years. She said she is willing to pay market value for the land and give the city first right of refusal. Citizen Dean King asked if other citizens would be allowed to bid on the property. The answer to that is yes. If the property was declared surplus, anyone would have the ability to bid on the property. She said she would not block the alley. She would like to build a 40 foot shop with a fence from the alley to Railroad Street, facing 9th Street. She would pay for all expenses including platting, the appraisal, attorney's time, etc. Will said the city would have to follow Idaho Title 50 Chapter 14. The sale of the property would require a public hearing, taking bids and selling to the highest bidder. Sarah would also be interesting in just leasing the land. Sarah asked the council members to drive by and look at the property. She would also consider leasing the land. If the city couldn't or didn't want to purchase the shop when she sells the property, the shop would stay with the house. Matt said that Jake might have a dream of having a city shop on the property someday. The monetary value of the property now isn't worth the future potential value to the city. Once the land is gone, it is gone. The council would like Steve and Jake to look at the property and come to the next council meeting with their recommendation.

Latah County Sheriff approached the city about a portable speed sign that they would be willing to loan to the City of Kendrick. The city would have to sign a contract and be responsible for damage, maintenance, etc. The Sheriff would want the sign chained to a pole and for it to be stored inside at night. This would add more work for the public works director. Sarah thinks the city should take it. The council would like to see the particulars of the contract before they make a decision. Mark said he would like to have a pole mounted speed sign that is battery (or solar) operated. He would like to purchase at least one speed sign in the next budget. The council would like to sell the police car that was given to the city by Latah County Sheriff.

Cindy Stockard, the swim team manager, asked the council to reconsider charging the swim team for the lifeguard wages when they are practicing Mondays, Tuesdays and Thursdays from 11:00 – 12:00. She said that the swim team has to pay \$315 each year for liability insurance. They currently charge the members \$25 and would have to charge an additional \$31 (or more) per member to cover lifeguard wages. She said there was not enough time to fund raise for this year. Barb suggested applying to the JK Recreation District for a grant to cover the lifeguard wages. Dale asked if the swim coach needs to be a certified lifeguard. The council agreed with Dale that they thought she should be certified. Mark will look into this to see if this is a requirement. He also said he would like to waive the lifeguard fees this year and not charge the swim team, unless they can get a grant from JK Recreation District.

Dan Banner from RCAC (Rural Community Assistance Corporation) gave a presentation on water rates. RCAC is a non-profit organization. John Lynn with USDA RD asked Dan to come to the council meeting because we are a loan recipient. USDA RD has a letter of conditions that states the

city must collect enough money to service the debt, and pay for the water system, as well as having a reserve. Dan said to make sure the rates are fair and equitable. The rates should be easy to understand and rates need to be established in an ordinance or resolution. The water itself may be “free” but there are costs associated with pumping, treating and getting it to the household taps. The city has fiduciary duties to ensure that revenues cover the true cost of the water delivered as well as sewer collection and treatment. The city needs to know how to arrive at the system development costs (SDCs). The rates should be looked at annually. The city needs to make sure we have enough money in the budget to cover current costs, future costs and unexpected repairs. Some cities are using water revenue to subsidize sewer and vice versa. The enterprise funds need to support themselves. The RCAC will do a rate study for no charge if the City of Kendrick creates an advisory committee to do an analysis of the system. The advisory committee should consist of two council members, the public works director, the city clerk, a citizen, a business owner and possibly a high school representative. The committee should meet on a set schedule. At the end the group will come up with a recommendation from the committee and then the council will make a decision on rates. The city needs to keep 12.5% of the water operating budget in a reserve or at least 45 days. The city should also have 1/10 of 1% of the ten year average of the most critical equipment set aside for emergencies. The rates need to cover the fixed expenses. The base rate should cover most of our fixed costs and the variable expenses can come from actual water usage. The city needs to treat the enterprise systems as a business. Matt asked how long the study would take to complete. Dan said at least four months, maybe six. The advisory committee will consist of Sarah, Dale, Barb and Jake. Sarah will ask Doug Lohman if he is interested in representing the businesses. The city also needs to identify a citizen and ask the high school.

The council would like to include \$1500 for tree trimming or removal and \$3600 for a speed sign in the FY2017 budget.

UNFINISHED BUSINESS:

Sarah passed out the updated tree ordinance. We gave a copy to Will and he will review it.

MAINTENANCE DEPARTMENT:

Steve borrowed a camera from the City of Troy to camera the pool gutter and jet piping. There is a lot of rock and gravel in the 12” gutter drain pipe. Cameras tend to exaggerate what’s there. They got around the first corner, but couldn’t get around the second corner. When the pool had the serious leak in 2008 they put in a new main drain line. A lot of the foam had rotted out. Water is still seeping through the wall. They lost 2” – 3” a day of water, about 3000 gallons a day. The initial fill was below the jets to they knew the leak was not in the jets. The majority of the leak was in the drains into the earth. They were losing about 7400 gallons a day on the original leak, but have managed to repair some of the leaks. Steve recommended that next year the focus be on the main drain and that the city gets a contractor to look at it. He said the city should start looking for a contractor by February. When the water gets up to the floor, the joint starts leaking.

Herco gave an estimate of \$9943 to repair 8 patches around town. The mix is \$8443 and the mobilization is \$1500. Herco tends to be the most affordable. Poe was booked out until November, which is too late. Paul asked about patching the holes ourselves. Steve said a bag of asphalt is \$20/bag for 1 cubic foot and it would take about 80 bags. Matt said when you patch on unstable ground it doesn’t last and gets worse as it breaks apart. Steve feels that all of the highway user and highway to city revenue tax money should go to paving, rather than general street expenses.

TREASURERS REPORT:

Barb reviewed the cash flow report. As of May 31, we have \$510,314.62 in all combined accounts. Barb reviewed the checks received for the month of May that are on the monthly Cash Flow Report. Revenue received was \$3043 from Community Block Grants, \$451.99 from Property Taxes, \$75.60 from Highway to City, \$2757.08 from Sales Tax Inventory Phase Out, \$236.25 from State Agricultural Replacement, \$706.71 from Building Permits, \$12,723.19 as a loan from Idaho Independent Bank for Avista Utility work at the sewer lagoons and \$2060 from RV Park Rent.

Barb said she needed council input on how to travel to the AIC ICCTFOA Conference in Idaho Falls in September. The options are flying roundtrip from Lewiston for \$543, driving 1060 miles for \$572, but could be split with another city, or flying from Lewiston to Boise and renting mini vans and driving to Idaho Falls. The partial fly/partial drive option would cost around \$360. Mark and Barb will decide the best way to get to the conference. Barb is driving to Boise tomorrow for the AIC Spring Conference. She is going to this because she is the 2nd Director for District 2 and has a board meeting.

No one made a motion to enter Executive Session for reason (a).

At 9:25 Dale made a motion to go into Executive Session in accordance with Idaho Code 74-206(1)(f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation or controversies not yet being litigated but imminently likely to be litigated. Sarah seconded the motion. A roll-call vote was taken. Dale - yes, Matt - yes, Paul - yes, Sarah - yes

At 9:55 Matt made a motion with Sarah seconding to adjourn the executive session and return to the regular session.

Will asked the council for permission for him and the mayor to negotiate a settlement with Ron Heinemann. Dale made a motion with Sarah seconding to approve this. All were in favor.

Will asked if the city could go ahead and reimburse him for the \$279 in fees that he paid for the Heinemann documents at Latah County. Dale made a motion with Matt seconding to allow the treasurer to disburse this check immediately. All were in favor.

Will said the council can propose a RFP (request for proposals) for legal services. Will said he could help the city write the RFP. The city could accept proposals from other attorneys. Will said he would also present a proposal. He said his son, Field, is a 2nd year law student and will eventually take over his practice. No action was taken on this by the council.

At 10:00 Sarah made a motion with Dale seconding to adjourn the meeting. All were in favor.

Mark Lapinkas, Mayor

ATTEST:

Clerk/Treasurer