

MINUTES OF REGULAR MEETING
SUGAR CITY COUNCIL
THURSDAY, AUGUST 14, 2008

Presiding: Mayor Glenn W. Dalling
Meeting Convened at 6:30 p.m.
Prayer: Mayor Dalling
Pledge of Allegiance

Present: Mayor Dalling; Sharon L. Bell, Clerk; Marcie A. Smith, Treasurer; Councilmembers Harold Harris, Bruce King, Brad Orme and Lamont Merrill; Josh Garner, City Attorney; Attorney Aaron Davis; Vaun Waddell, acting chairman of Planning & Zoning; and Dwayne Seiter.

PUBLIC HEARING (Increasing the sewer hookup fee and increasing sewer rates): The mayor welcomed everyone and brought the public hearing to order. He presented a brief review of the procedure for the public hearing and asked Treasurer Marcie Smith to introduce the subject of tonight's hearing. Marcie reported that the sewer hookup fee is being raised to cover increased costs of purchasing capacity in the Rexburg Regional Treatment Plant. Also, the trunk line fee is being raised to accommodate increased maintenance costs. The sewer treatment rate is being raised to meet increasing costs Rexburg is charging for sewer treatment. City Clerk Sharon Bell reported there was no prior written testimony submitted. With the sign-up sheet of the public hearing in hand, Mayor Dalling called first for those in favor of increasing the sewer hookup fee and the water rates. No one testified in favor.

The mayor then called for those neutral to the proposal to testify. No one testified.

Mayor Dalling called for those against the proposal to testify. No one testified.

6:35 p.m. The public hearing ended, and the council convened its regular meeting.

Present: Mayor Dalling; Sharon L. Bell, Clerk; Marcie A. Smith, Treasurer; Councilmembers Harold Harris, Bruce King, Brad Orme and Lamont Merrill; Josh Garner, City Attorney; Attorney Aaron Davis; Vaun Waddell, acting chairman of Planning & Zoning; and Dwayne Seiter. The following were present during parts of the meeting: Joseph Law, Standard Journal; Greg Stoddard; Jeramie Jenkins; Eddie Pincock; Brent "Husk" Crowther, Forsgren Associates; Sharee Palmer; Jan Gallup; Terry Mortensen; and Verla Moss.

The Mayor asked if there were any corrections to the minutes of the regular meeting held on July 24, 2008. Each councilmember had a copy of said minutes prior to the meeting. It was

moved by Councilmember Orme and seconded by Councilmember Harris to accept said minutes with three minor corrections; motion carried.

Marcie presented the July reconciliation reports for the General Fund. It was moved by Councilmember Orme and seconded by Councilmember Merrill to accept the July reconciliation reports for the General fund; motion carried. Marcie presented the July reconciliation reports for the Utility Fund. It was moved by Councilmember Orme and seconded by Councilmember King to accept the July reconciliation reports for the Utility Fund; motion carried.

Marcie presented the current bills in the amount of \$395,053.60. It was moved by Councilmember Orme and seconded by Councilmember Harris to pay the current bills, together with all regular August bills that have not yet been received; motion carried.

RESOLUTION NO. 2008-5 (Sewer Hookup Fee): Councilmember Orme read Resolution No. 2008-5 pertaining to increasing the sewer hookup fee. It was moved by Councilmember Merrill and seconded by Councilmember Harris to approve Resolution No. 2008-5; motion carried. A copy of said resolution is attached hereto marked "Attachment 1."

RESOLUTION NO. 2008-6 (Sewer Rates): Councilmember Orme read Resolution No. 2008-6 pertaining to increasing the sewer rates. It was moved by Councilmember Orme and seconded by Councilmember Merrill to approve Resolution No. 2008-6; motion carried. A copy of said resolution is attached hereto marked "Attachment 2."

PLANNING & ZONING REPORT: In the absence of P&Z Chair Brian Hawkes, Commissioner Vaun Waddell addressed the council.

Recommendation on Toscano Phase 1B Final Plat (Resort Area): Vaun presented a letter from P&Z recommending that the council approve the final plat of Toscano's Phase 1B. The commission feels it adheres to the city code and has met the design review requirements.

Recommendation on DiFresco Zone Change: Vaun reported that P&Z recommends denial of the zone change requested by DiFresco Imports. DiFresco's request was for a change to C3. The property in question was zoned M2 under the now obsolete zoning ordinance (title 9 chapter 6). Under the recently enacted title 9 chapter 6, the M2 classification will not be appropriate since M2 is now for heavy manufacturing. The recommendation by P&Z to deny the zone change to C3 is based on land use classifications in the comprehensive plan, descriptions of zoning districts in title 9 chapter 6, and the land use schedule in title 9 chapter 6.

Three public hearings held August 7, 2008: (1) DiFresco zone change. (2) Draft land use map, which is Appendix A to the comprehensive plan. The map had errors on it, so P&Z had an informational meeting rather than a public hearing. Vaun reported three people wished to testify and presented their comments in that context. P&Z returned later to the land use map and made corrections and rescheduled a public hearing on the map on Thursday, September 4, 2008 at 7 p.m.

(3) Draft transportation map. There were a large number of people who wanted to testify, and P&Z did hold the public hearing. The transportation map also had errors, but another public hearing has not been rescheduled.

Revisions in Title 9, Chapter 13 (Zoning): In response to Councilmember King's suggestion to P&Z Chairman Brian Hawkes awhile back that P&Z make changes to title 9, chapter 13, which is on amendments, reclassification, and annexation, Vaun reported that P&Z

set priorities and they decided to give a high priority to items in Title 9.

TOSCANO PHASE 1B FINAL PLAT (RESORT AREA): Dwayne Seiter addressed the council. He feels there might not be enough communication between P&Z and city council. He reported that Phase 1 of the project has been split into Phase 1A and Phase 1B.

Phase 1A will consist of 66 townhomes and 8 single-family residences.

Phase 1B is the resort area consisting of 54 units in 8 buildings. In the resort area, they came up with 150 units to be leased on a one-month basis (or maybe two-week leases instead). They will be allowed to have 24 leases per unit. The resort and townhomes are private, the 8 single-family homes are public, and the commercial area is public. Toscano will pay for the maintenance of streets, yards, snow, lights, and a water system. They would like to offer the city a contract to maintain both the public and private areas, which could be a source of income to the city. If the city is not interested, they will form a unit to do that. He would like the city to consider it.

Well and water facility: Toscano has agreed to drill its own well and install water facilities at its expense. Upon completion, the developer will turn the water system over to the city. Toscano will design the system to cover 150 percent of its and Calaway's needs, which total the equivalent of 500 homes. They have applied for a water right, and the well is expected to be online by next summer. Mr. Seiter said this Toscano well could feed all of Sugar City. The mayor expressed concern about having just one well for so large a development and discussion was had. Mr. Seiter said Toscano will stock extra parts for the well's pump in the pump building to ensure minimal down time, should a problem with the well develop. Toscano's well will be Sugar City's fourth and deepest well, with the pump capable of bringing to the surface 1,200 gallons of water per minute. Also, the developer will build a 200,000 to 400,000-gallon holding tank on Toscano's or Callaway's property for storing water. Sugar City's existing holding tank stores about 400,000 gallons of water. The mayor requests that the council consider requiring Toscano to drill a backup well or to construct additional storage capacity. He is concerned about having enough water to cover Toscano and Calaway as well as the rest of the city in the event of an emergency.

Toscano Development Agreement: Discussion was had on the Toscano development agreement, which Attorney Garner said P&Z has reviewed. Copies of said draft development agreement were provided to the mayor and council. The mayor feels it is important that the council provides input on the development agreement, which topic will be placed on the agenda of the council's regular meeting scheduled for August 28. Attorney Garner said he has reviewed the development agreement. Vaun Waddell reported P&Z reviewed the agreement but did not recommend any changes to the council. Attorney Garner asked the council to give any suggestions or corrections to him and he will work with Mr. Seiter.

Bond: Toscano has taken out a performance bond.

Sewer: Toscano has been working with Rexburg and Sugar City to develop a new trunk line. Williams Engineering was hired to do a sewer study. Rexburg's engineers came up with a better route than Williams recommended, and Rexburg will participate in those costs. Toscano will pay Sugar City's costs now, but would like to be reimbursed later in hookup fees for the part of the line not used by Toscano. They will hold their sewage and pump it to Rexburg during off hours until the new trunk line is completed in a year or two. Mr. Seiter would like to have a meeting within the next 10 days with members of Sugar City, Rexburg and himself and will arrange it. Mr. Seiter said, "Sugar City will negotiate in these meetings, but Toscano will pay." All power and gas will be installed in phase 1 in the next 60 days.

MOTION ON TOSCANO PHASE 1B FINAL PLAT: It was moved by Councilmember Orme and seconded by Councilmember Merrill to approve Phase 1B Final Plat for the Toscano development. The mayor called for a roll call vote:

Those voting aye: Councilmembers Harris, Orme and Merrill

Those voting nay: None

Abstained: Councilmember King

Thereupon, the mayor declared the motion passed.

BUDGET REVIEW AND DISCUSSION; ADOPT TENTATIVE BUDGET: Marcie presented a preliminary annual budget for the year 2008-2009. A discussion was had on said budget items. **MOTION:** It was moved by Councilmember Orme and seconded by Councilmember King to accept the tentative budget as presented and discussed; motion carried.

OLD FARM ESTATES – DEVELOPMENT AGREEMENT: Attorney Garner presented copies of the Old Farm Estates Development Agreement. He said he doesn't expect the council to take any action tonight. He has reviewed the development agreement and Dick Dyer has also reviewed it. We will have this matter on the agenda for P&Z next week and on the City Council agenda in two weeks. He said Attorney Adam Dunn will be at both meetings. Attorney Garner said he is comfortable with the development agreement and encouraged the council to review it. He asked councilmembers to submit any suggestions or corrections to him and he will work with Mr. Dunn. This development agreement encompasses the entire development, but there are provisions to allow us to amend it. It is anticipated that there will be addendums to the agreement.

FORSGREN ASSOCIATES – BUSINESS PARK CONSTRUCTION: Brent "Husk" Crowther reported that the sewer line is not level enough. In some places, there is one-quarter inch of water in swales (bellies) of the line. According to the specs in the contract, where there is a quarter-inch of standing water or more, this segment of line must be replaced. There are two segments that need to be replaced. Husk reported that hydrogen sulfide gas forms in these bellies, creating sulfuric acid that corrodes manholes. They've instructed the contractor to fix these bellies. The contractor asked that the city write a change order to extend the contract time to August 29, since the current contract period expires this week. Mr. Crowther recommended that the city authorize the change order to extend the completion date.

DEPARTMENT REPORTS:

COUNCILMEMBER HARRIS: Harold reported that the sprinklers at Neibaur Park need to be moved because they are filling the lights of the monument with water.

COUNCILMEMBER ORME: Brad asked if the mayor and council would like to tour Agritech, which is Bruce Nyborg's facility. The company now employs more than 30 people. It was the consensus of the council for Brad to make arrangements for a tour.

COUNCILMEMBER KING:

Comprehensive Plan Text: Bruce said that in response to input during the council's public hearing on the comprehensive plan text on July 24, he modified the plan slightly and forwarded it via e-mail to the council for consideration. He recommended that the council forward those suggestions to P&Z commissioners for their consideration whenever they update the comprehensive plan.

Water Tower Revenue Source Clarification: Bruce requested clarification on the amount of money generated from renting the city water tower to Internet service providers to host their broadcasting equipment. Marcie reported that Edge Wireless pays \$217.42 per month, and Syringa has offered to pay \$500 per month. There is no room for Syringa's apparatus inside the pump house, so the company wants to place it on a cement slab on the north side of the water tower building.

Syringa Wireless: Attorney Garner will review the contract proposed by Syringa Wireless. **MOTION:** It was moved by Councilmember King and seconded by Councilmember Harris to authorize Mayor Dalling to negotiate a contract with Syringa Wireless on installing its Internet broadcasting equipment on the water tower at a minimal rental fee of \$500 per month, if the city finds that amount to be fair; motion carried. The mayor asked Marcie to check with Rexburg on what they charge for Internet equipment installed on their water tower and to report her findings.

Net Communications antenna on water tower: It was the consensus of the council to send Dave Thompson a certified letter stating that the city will remove his equipment from the water tower when it is painted and will not allow the equipment to be reinstalled unless a payment contract is agreed to.

Web site: Bruce recommended the city proceed with the redesign of the city Web site, with the object of making it more serviceable and attractive. The city has already paid for this redesign of the Web site. He was given permission to proceed.

COUNCILMEMBER MERRILL:

Trees hanging low by intersections (site obstructions): Lamont wondered if city employees could trim trees hanging low in intersections. Discussion was had about sending letters to property owners notifying them that they have a tree out of compliance with city ordinances and to please trim it. We also have alleys where growth has taken up part of the alley. Attorney Garner said it is the same procedure for the trees hanging in the intersections. He recommended putting it in the September newsletter and on the city Web site. The mayor assigned Councilmember Harris to head up the project to identify sight obstructions.

MAYOR'S BUSINESS:

Fall Cleanup: The mayor recommended that fall cleanup be October 13-17.

Celebrate Youth: The mayor feels someone from the council should attend Celebrate Youth at Porter Park in Rexburg on August 19.

FURTHER DISCUSSION ON TOSCANO PHASE 1B FINAL PLAT (RESORT AREA):

Councilmember King expressed concern that the council approved the final plat of Phase 1B of the Toscano development before reviewing it. He believes responsible leadership calls for reviewing the plat before a final vote. Attorney Garner said that the preliminary plat is about the same as the final plat and shouldn't pose a problem.

Meeting adjourned at 10:20 p.m.

Signed: _____
Glenn W. Dalling, Mayor

Attested: _____
Sharon L. Bell, Clerk

RESOLUTION 2008-5

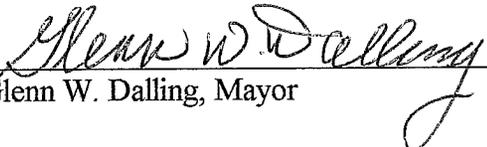
BE IT RESOLVED by the Mayor and Sugar City Council that effective October 1, 2008, the following changes in the sewer hookup fee in the applicable ordinances are made:

A. SEWER

1. The sewer hookup fee will be \$2,000.

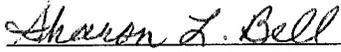
\$1,500 capacity
400 interceptor line upgrade
100 inspection fee

UNANIMOUSLY APPROVED AND PASSED BY THE CITY COUNCIL AND
MAYOR THIS 14th DAY OF AUGUST 2008.



Glenn W. Dalling, Mayor

ATTEST:



Sharon L. Bell, City Clerk

(SEAL)

RESOLUTION 2008-6

BE IT RESOLVED by the Mayor and Sugar City Council that effective October 1, 2008, the sewer and water rates for Sugar City residences and businesses shall be as follows:

A. SEWER

1. The base rate for sewer will be \$16.38 per month.
2. Usage rate of \$1.96 per one thousand gallons of sewage.

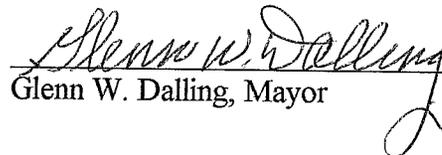
B. WATER

Water usage rate is as follows:

- | | | |
|-----------------|-----------|--|
| 1. 3/4" meter | base rate | \$13.24 per month |
| 2. 1" meter | base rate | \$23.57 per month |
| 3. 1-1/2" meter | base rate | \$52.97 per month |
| 4. 2" meter | base rate | \$94.15 per month |
| 5. 3" meter | base rate | \$211.86 per month |
| 6. Usage rate: | | 65c per one thousand gallons of water. |

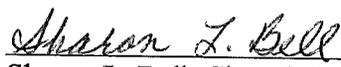
Any hookup to the city water system will pay the base rate for the size of the hookup line. Any additional units using that line will be charged the base rate of \$13.24.

UNANIMOUSLY APPROVED AND PASSED BY THE CITY COUNCIL AND
MAYOR THIS 14th DAY OF AUGUST 2008.



Glenn W. Dalling, Mayor

ATTEST:



Sharon L. Bell, City Clerk

(SEAL)