

*CITY OF ST. ANTHONY
REGULAR COUNCIL MEETING MINUTES
JANUARY 10, 2013, 7:00 p.m.
420 NORTH BRIDGE, SUITE A, ST. ANTHONY, ID, CITY COUNCIL CHAMBERS*

PRESENT: Mayor Neils Thueson, Council Members Suzanne Bagley, Tom Erickson, Lisa Haeberle, Russ Rubert and Rod Willmore (arrived at 7:50).

ABSENT: Council Member Rick Hill

ALSO PRESENT: Public Works Superintendent Scott Butigan, City Attorney Bill Forsberg, City Clerk-Treasurer Patty Parkinson, Police Chief Jim Smith and approximately three citizens.

Mayor Thueson called the meeting to order.

PLEDGE OF ALLEGIENCE was led by Chief Smith.

GENERAL BUSINESS

Bond Bank Report on City's Refinanced Bonds/Cameron Arial/Zion's Bank – Cameron Arial, Financial Advisor, joined the meeting by phone. Arial had planned on attending the meeting in person; however, the weather made it difficult for him to attend in person. Mayor Thueson turned the meeting over to Arial to go over the refinancing of the city's bonds. Arial reviewed with council the original loans the city had. The city had three, one was a water loan through Department of Environmental Quality (DEQ) done in 1997 and two were wastewater loans, one a DEQ in 2006 and the other was through the USDA (United States Department of Agriculture), also in 2006. The city's portion of the overall Idaho Bond Bank deal was roughly four million dollars. This included nine different participants with 17 different loan transactions for a total of about 67 million dollars in bond principal. The city was a part of one of the largest bond bank transactions in the Idaho Bond Bank history. The water loan had a 4.75% interest rate and it was refinanced at 2.05%. This created a net present value of savings for the city of roughly \$175,000, a 20% savings. This was the largest percent savings of any of the 17 transactions taken on by the Bond Bank, therefore a great benefit to the city. Arial then reviewed the wastewater loans. With the two loans combined the city was able to refinance from a range of interest rates of 3.25% and 4.25% down to 2.4%. This created a net present value of savings for the city of roughly \$487,000, a 12% savings. This is net of all of the costs and is the true savings for the city. Arial said the rates were at a historical low for bond interest rates. Rates have even gone up since then of about .3%. Arial also provided council with a pricing comparison showing in a month's time the interest rates going up .3%. Additionally, Arial provided an article from "The Bond Buyer" providing a summary of the transaction. Arial thanked Mayor Thueson and Clerk Parkinson for all the work required to complete the transaction and the opportunity to help the city through this refinance. Arial said he was very pleased with the results. Arial then asked council for any questions. Council had no questions. Thueson said the savings to the city was a total of a little over \$660,000. Thueson said in addition to lowering the interest rate the city was also able to free up the required reserves. Arial said this really speaks well of the city and how the water and wastewater systems are ran. The city's revenues are strong for both systems. They are generating sufficient revenues to pay the debt service. Therefore, the Bond Bank

was willing to waive the reserve requirements on both the loans. The money held in reserves was then able to be contributed towards the refinancing and buy down the principal of the bonds, saving the city additional monies in interest. This is very prudent and a benefit to the rate payers. Ariel then thanked the city again, saying it was a pleasure working with everyone.

Audit Report for Fiscal Year 2011-2012/Scott Bond of Rudd & Company – Scott Bond, Auditor from Rudd & Company, introduced himself. Bond said it was interesting information given to the city from Ariel and explained he has already been working with Clerk Parkinson in booking the new bonds and paying off the old ones and getting rid of the reserves. Bond said this is great news for the city. Bond explained doing the annual audit for fiscal year 2011/2012 for the city. Bond provided council with the city's Annual Financial Statement and a smaller letter to council regarding the oversight, explaining the audit process and their responsibilities and the city's responsibilities. Bond said during their audit they encountered no significant difficulties or problems to report. Bond reviewed with council the financial report of the city and the auditor's opinion. The auditor's letter showed an unqualified or a clean opinion of the city's financial statements. Bond then reviewed in detail the financial statements going over the General Fund first. Bond said the city started the year with \$373,000 and ended the year with a positive balance of \$573,000. This is approximately 9 to 10 months of a reserve for the city and is a good reserve. This allows the city to carry this over and provide for emergencies or to allow the city to show they are able to provide matches for any applied grants. Bond also reviewed the Road and Street Fund which had an ending balance of a deficit of \$40,000. This was not a surprise, as the city purchased some equipment this year and it is understood the city will be transferring the money needed from the General Fund to cover this deficit. Bond then reviewed the utility funds, water, wastewater and sanitation. The city is in a good position with their fee structure to cover all debt repayment and capital replacement. Bond explained with the conclusion of the Phase III Wastewater project there is an entry to show the accounting of the capital from the project in about 1.3 million dollars. Bond then reviewed the footnotes with council. One of the footnotes is disclosing the bond refinancing showing the savings. This will be considered in next year's financial statements. Bond also reviewed the other funds the city has, i.e. the Airport, the Playground Equipment Fund, etc. Bond said it is a good clean opinion on the city's financial statements. Bond said he appreciates Clerk Parkinson and said she is on top of things, doing a great job for the city.

Review Regular Bill List for Approval/Parkinson – Clerk Parkinson reviewed what the regular bill list is, allowing for Accounts Payable to be paid in a more timely fashion by allowing staff to pay those bills under \$100 and those regular monthly bills, including payroll, insurance, utilities and some professional services to avoid late fees or interest. Parkinson reviewed the changes in vendors and also the change in the per mile rate paid to employees. This went from 55.5 cents per mile to 56.5 cents per mile. A motion to accept the Regular Bill List as described by Parkinson was made by Councilmember Rubert and seconded by Councilmember Bagley. All councilmembers present were in favor. Motion passed 4-0.

PUBLIC COMMENT

Mayor Thueson opened the floor for public comment.

Jim Hobbs, 625 Park Street, thanked the street department for the really good job clearing

up the roads and he said he is happy about the airport work being done. Hobbs said he had a water emergency and he contacted the city and employees were there very quickly to shut off the main water providing all the assistance he needed. Mayor Thueson said the public work crew does a real good job.

Councilmember Willmore arrived.

INVOICES & CLAIMS - Payment Approval Reports were presented to Council. Following some questions, which were satisfactorily answered by staff, a motion to pay the invoices and claims was made by Councilmember Erickson and seconded by Councilmember Rubert. All council members present were in favor. Motion passed 5-0.

MINUTES – Regular Council Meeting Minutes of December 13, 2012 were presented to council. A motion to accept the Regular Council Meeting Minutes of December 13, 2012 was made by Councilmember Bagley and seconded by Councilmember Erickson. All council members present were in favor. Motion passed 5-0.

DEPARTMENT, COUNCIL & MAYOR REPORTS

Police Chief Jim Smith reported an officer resigned and they are looking at other applicants for a replacement. The seat belt grant is coming up and the DUI grant is completed. Officer Packer is in the schools working on a program to educate the students on predators. Wal-Mart is assisting with this through a grant. The program is called the Body Safety Program. There was a house fire where a chimney started on fire. No one was in the house at the time and the dogs were saved as well as the house. There was damage to the home. The police summary reports are in council's packets. Mayor Thueson asked council to review the summaries, saying the police department works hard.

PWS Butigan reported the stucco work is done on the outside of the shop building. Crews have been cleaning up the inside, reorganizing everything and painting. Mayor Thueson encourages everyone to go over to the shop to take a look around and see the improvements. Butigan said he has ordered crack sealing material which will be used to preserve some of the roads. He is still waiting for pricing on changing out the lights in the city building. The city has to hire certified electricians to change out the ballast because we are public building. Butigan did order new windows for the city building, but is still waiting on the installer to work us into the installation when it is a bit warmer. Mayor Thueson said the city engineer, Schiess & Associates, is working on a grant for the bridge over the Egin Canal by the city shop and the fire station. The grant will be submitted January 25, 2013. This bridge is only one of two bridges crossing the canal, making this an important project.

Attorney Forsberg encourages all the council members to consider attending the meetings put on by the Association of Idaho Cities. At the end of January they have their annual legislative meeting, which Mayor Thueson will be attending. Thueson said he has invited two legislatures to lunch, Paul Romrell and Jeff Siddoway while in Boise attending the meeting. He has invited them so he can talk to him about legislation eliminating the personal property tax. If this is eliminated it will short the city \$42,000 in tax revenue, unless it's supplemented with something else. Forsberg said they also have a three day long conference and meeting in June and it is one of the best educational opportunities there is. Forsberg said if you can go he guarantees it will make one a better council member. The city

pays for the meetings and per diem for them to attend. Forsberg said he always attends at the end of January for a municipal attorney's meeting and he always finds it a valuable meeting

Clerk Parkinson provided council with past minutes from the Planning & Zoning Commission. Planning & Zoning is slowly going through the zoning ordinances and are back to meeting twice a month. Parkinson also provided council with the Fourth Quarter or Year End Financial Report which will be published in the paper. This is required right after the completion of the annual audit. Parkinson reported she and Mayor Thueson have discussed providing another report in the newsletter for citizen's review. Parkinson also provided the Fund Summary for the month ending December 2012. Parkinson provided council with their year-end W-2s and reported all year-end processes have been completed, including 1099s.

Councilmember Rubert had nothing to report.

Councilmember Bagley reported on some of the things happening with the Mayor's Youth Advisory Council. Bagley said she and the Mayor went to the Junior High and High School and asked for participants. About 24 to 25 registered to become a part The Youth Advisory Council. The students participated in The Shop With A Cop program and they had over 350 gifts to provide for people who would not have otherwise received a gift. The kids really came through and did an amazing job. Both faculty and staff all want to do it again next year. The Thanksgiving Dinner was also successful. The kids want to also help with the Annual Winter Festival by getting together with Parks & Recreation. The Chamber has a benefit dinner where they'll need some help. The kids are getting the message with announcements through school and it really seems to be working well.

Councilmember Erickson reported meeting with Paul Scoresby of Schiess and Associates on the 12th West project to the south. The city has a grant worth \$100,000 and the bids are coming back around \$121,000 with one as high as \$231,000. One included much more expensive curb and gutter and the city decided to go with something cheaper. The city will try to stay as close to the \$100,000 grant amount as possible. PWS Butigan thought the project can get started as soon as the grant money is received from the Local Highway Assistance Council. Parkinson thought their first meeting was mid-March and so it's possible the city could have the money sometime after then.

Councilmember Haeberle had nothing to report

Councilmember Willmore had nothing to report. Willmore apologized for being late.

Mayor Thueson had nothing to report.

There being no further business to come before the Council the meeting was adjourned at approximately 8:25 p.m. by Mayor Thueson.


Neils Thueson, Mayor

Attest:

Patty Unruh Parkinson
Patty Unruh Parkinson, City Clerk-Treasurer

