

*CITY OF ST. ANTHONY
REGULAR COUNCIL MEETING MINUTES
MAY 23, 2013, 7:00 p.m.
420 NORTH BRIDGE, SUITE A, ST. ANTHONY, ID, CITY STAFF ROOM*

PRESENT: Mayor Neils Thueson, Council Members Suzanne Bagley, Tom Erickson, Lisa Haeberle, Rick Hill, Russ Rubert and Rod Willmore.

ALSO PRESENT: Public Work Superintendent Scott Butigan, City Attorney Bill Forsberg, City Clerk-Treasurer Patty Parkinson, Police Officer Terry Harris and approximately 10 citizens.

Mayor Neils Thueson called the meeting to order.

PLEDGE OF ALLEGIENCE was led by Attorney Forsberg.

GENERAL BUSINESS

Pottersville, LLC lease at Roxy/Benjamin Clark – Benjamin Clark, Partner of Pottersville, LLC, said Councilmember Erickson asked him and Josh Norman to come and speak to city council. Josh Norman, Partner of Pottersville, LLC, said they never agreed to a lease. Clark said the pylons behind the Roxy were placed there after the city dump truck broke the gas main off the wall and the gas company wouldn't put it back on until it was protected. Mayor Thueson said it is not necessary to protect it with pylons. Clark said the city already agreed to close the alley. Thueson said there was no agreement to close the alley behind the Roxy. Thueson said the alley could be leased to them if that is what they would like. Norman requested the minutes from the meeting be read from the time of the lease agreement request made last year. Attorney Forsberg said closing an alley requires an ordinance. Clark said to hold on a second. Thueson said Forsberg has the floor and can speak. Forsberg said there has been no alley closure. He continued by saying he didn't know what was represented by who at what meeting, but it's a matter of law and no alley has been closed. Thueson said that is why there is a lease agreement with Ace Hardware for \$100 a year so the alley can be used, however, if at any time the city needs to get into the alley then any improvements made will be moved in order to get to any water or sewer lines. Thueson said Ace Hardware did pay \$100 due on the last year's requested lease. Thueson said if the pylons are being requested to be left there, along with the chain across the alley, a request from the owners of the Roxy property for a lease is needed and up to Clark and Norman to do that if they want. Erickson said he remembers Dan Moldenhauer attending a council meeting and making the request to lease behind the hardware store. Forsberg said it was Moldenhauer at the meeting and they discussed mainly what was going to happen behind the hardware store. He said someone said the Roxy would like that, too. However, no one, at that time, mentioned the hardware store property wasn't owned by Moldenhauer. It was only during the process of writing up the lease did it come to Forsberg's attention the property owner was Pottersville, LLC. No one from Pottersville ever come to the city to say they wanted to lease "the back end" of the theater. Erickson said this is why he called and asked them to come in and clarify this. Thueson said when the hardware store was putting in the pylons it was mentioned the theater also wanted to do the same. Thueson said the city would be fine with it, but it is still city owned

property and, as a result, there are leases created all over town for these sorts of purposes. Thueson said it is the "people's" property and they deserve to get some sort of return on their property. Norman said he would like to hear the minutes. Clerk Parkinson read the section of business from the minutes of May 24, 2012 entitled "Request from Daniel Moldenhauer regarding old JCPenny Building and changes to the back parking lot." Norman asked if council remembers him being there. He then said it must have been the meeting before this he attended. Thueson asked Norman what he was wanting or looking for from council. Councilmember Willmore said there was no motion made about any lease at any prior meeting. This was the meeting in which the council approved the lease. Norman said he had no knowledge there was a lease. He said later on "when someone" mentioned a lease to him he said it was not what was agreed on. Norman said the lease was a surprise. Forsberg said Norman didn't have to sign the lease. Norman asked if Moldenhauer signed the lease. The lease was signed by Clark and Norman. Moldenhauer did pay the lease amount. Norman asked if "we are fighting about \$100 or fighting about \$200." Forsberg said he didn't think anyone was fighting. Norman said he feels they were "strong-armed" into \$100 and then the city wrote a bad article about them in the newspaper. Norman said it makes the whole town look bad. Erickson said there is the option to back out of the lease, should they like to, at any time. Norman then said he proposes a 100 year lease for \$1, as there was no agreement for payment terms. Forsberg said they did agree to a lease, the one they signed and is currently in effect. Norman said he's put \$100,000 into the Roxy and he has taken zero dollars out of it. Norman said he feels like he is trying to give back to the community in positive ways and is currently skipping out of a baseball game to "get reprimanded" by council. Norman said he feels like a pretty good guy and he feels cheated after the city put it in the paper. Forsberg said the city doesn't put anything into the paper and has no control over what a reporter writes about in the paper. Erickson said he asked them to come here to straighten this all out. He continued by saying everything should be legal and done in "black and white" and done right. Clark said there are a couple of things in play here. Moldenhauer rents a building from Pottersville. If Pottersville or Moldenhauer negotiated a lease on behalf of Pottersville then he should have negotiated a lease for the entire alley behind the Ace Building and the Roxy Building. Clark said they (Clark and Norman) would have rejected the idea of separate leases. Clark said the pylons were placed behind the Roxy under a different set of circumstances. There was no intention of blocking or closing the alley. Clark said they never would have negotiated two leases for one continuous stretch of property. Thueson asked if they wanted to lease the property behind the Roxy for another \$100. Clark said that is too much for an alley the city doesn't use. Thueson said it is the going rate and in fact is less than other leases the city has for similar property leases. Clark said the repair of the gas main cost Pottersville about \$800. Clark continued by saying they would submit that, since the city truck hit the gas main and broke it, as payment towards a lease for the Roxy for the next five years. PWS Butigan asked who saw the city truck hit it. Clark said Intermountain Gas reported it that way. Butigan said his trucks didn't hit any gas meter. Erickson said he was told earlier it was someone driving under the influence. Forsberg said if someone has a claim against the city, there is a process, as the city is insured, and the city's insurance company will review the claim. With or without a lease, this is the process for damage to their property. Forsberg said these are separate issues. Thueson said in reference to the lease behind the Roxy what would Clark and Norman like to pursue? Clark asked if Moldenhauer didn't ask for a lease behind the Roxy. Forsberg said the lease signed by Pottersville was only for the property

behind the hardware store. Norman, Clark and Forsberg asked for who signed the lease. Parkinson provided a copy of the signed lease, signed by Clark and Norman. The copy was handed to Clark for his review. Thueson again said the only thing for discussion is if they would like to have a lease behind the Roxy and if they want to continue to use that portion of the alley as they have been (by placing the pylons and the chain impeding the alley-way). Thueson said this is what the city does for everyone else and it's up to them to decide. Councilmember Hill asked why Norman didn't respond to any of the city's correspondence. Hill said there were billings sent and they were scheduled to appear before council and no one showed up. Clark said they called and canceled. Hill said the newspaper reports whatever they want to report. Erickson asked Parkinson how many notices were sent. Parkinson said there were more than one and front office personnel phoned both Clark and Norman for a response. Parkinson left messages with Clark's secretary at his office and never received any response. Clark said he and Norman will come to a resolution and notify council of their decision.

Clark said he would like to move on to another subject if council would allow. Thueson said to go ahead. Clark said there is a piece of property behind where his office is now which is platted out to have a road. Clark said he and Norman have a stake in that property and plans to develop it into a large retail/office complex. Clark said this would provide jobs for people in the city and then introduced Bryce and Courtney Hershey as current employees. Courtney works doing accounting and bookkeeping and Bryce works at the Roxy. Clark said they give \$10,000 worth of theater tickets to the elementary school. Clark said what they plan to do with the two and a half acres behind his office is to build more jobs in our town. Clark proposes the city look into a TIF, Tax Incremental Financing, to develop the road. This is paid by the property owners at zero percent, according to Clark. Clark spent some time talking about obtaining commercial properties for growth and jobs in the city and getting funding and grants. Clark said he would like to see a formal mechanism in the city to bring growth and jobs to the city. Clark said he doesn't have the time or energy to get these things to pass. Clark said he would present a formal plan should the city like it. Thueson said Clark should do just that, by providing something black and white for the council to look at and consider. Thueson said no one wants jobs more than council and they would like to see the city grow. What they have done with Ace Hardware and Roxy are admirable and the city wants to work with them.

Clark said the old Targhee Trailer Court is also theirs under Key Properties. Pottersville controls, owns and operates the trailer court. There is 2.5 acres attached to the trailer court which can be expanded under current city codes. However, to place curb and gutter there makes it financially unfeasible, although it would provide for an additional 30 houses for the community. They have approached the Planning & Zoning Commission (P&Z) and will be meeting with them to apply for a variance. Clark said he has had a couple of discussions with city officials and he is "dismayed the city rejects things out of hand" and that the "comments are so anti-growth." Thueson said the city wants to see things happen in a proper order and done in a correct way. Thueson said the city has ordinances which need to be followed. Clark said he is concerned with the comments reported back to him from their "designee" and "why bother". Jim Hobbs, member of the P&Z said he has been on P&Z for 12 years and Pottersville has not approached the P&Z with any requests. Hobbs said he didn't want any innuendoes that the P&Z is "dropping the ball." Hobbs said P&Z would never treat anyone the

way he is insinuating. Thueson told Clark to make a proposal and follow the rules we all have to follow and council will definitely consider any proposal they provide. Clark said he would come back with something formal. Clark thanked council for their time. Councilmember Erickson asked if Pottersville wants to lease the property behind the Roxy. Clark said he would prepare a written response delivered to the city offices tomorrow. Thueson said he likes that idea. Norman said "as someone who is trying to do business in your town, I expect the Mayor and the City Council to stick up for us and not drag us through the dirt." Councilmember Willmore said the council has nothing to do with the newspaper. Norman said "we got drug through the dirt a little bit over \$100 and made us look stupid, which I don't appreciate." Hill said there was no intent for that. Thueson said notice was sent to them on more than one occasion. Clark said before they are on the agenda next time, they would like notification they are on the agenda. Erickson said he tried calling and there was no response. Erickson said "we appreciate you guys and think the Roxy is a phenomenal place and bringing that business in and we want to work with you." Clark and Norman, along with a few others in the audience then exited.

Request from Dan's ACE Hardware to place Greenhouse in city parking lot – Mayor Thueson asked if a representative was present. Clerk Parkinson said she spoke to Jed Clark and asked him to attend the meeting and provide a written request. The written request presented to council tonight was the only thing provided. Attorney Forsberg said Daniel Moldenhauer contacted the city and asked about putting up a temporary structure for putting his greenhouse plants in for the season. If he wants to put it in the parking lot, which is city property, then this is the same sort of situation as any other private for profit use of city property. It is within the city council's domain to say yeah or nah to the proposition and to request any compensation should they allow it. Thueson asked if the alley would be blocked. PWS Butigan thought it would be blocking the "new alley". Butigan thought a good place would be on the side of the Roxy, as it is already fenced off. Councilmember Willmore said the greenhouse should be placed further out in the parking lot. This would accommodate for fire safety reasons. Councilmember Bagley said since there seems to be some uncertainty about what they exactly want and where they want it then council should table this until a representative from Ace Hardware is in attendance. A motion to table the request for a greenhouse in the city parking lot by Dan's ACE Hardware until the next meeting was made by Councilmember Willmore and seconded by Councilmember Rubert. All council members were in favor. Motion passed 6-0.

Draft of Bench Regulations – Attorney Forsberg said he has presented council with a draft for an ordinance allowing individuals to donate benches to the city which could then be used as an advertisement means by the donating party. The ordinance is here for council's consideration. All council members liked the presented draft. A motion to suspend the rules and read Ordinance Number 2013-01 by title only was made by Councilmember Willmore and seconded by Councilmember Rubert. All council members were in favor. Motion passed 6-0. Willmore read Ordinance Number 2013-01 An Ordinance Providing for Advertising Signs on City Owned Benches by title only. This item of business will be on the next agenda. A public hearing will be scheduled and held for the proposed fees.

Industrial Park Covenants Discussion/Judy Hobbs – Realtor Judy Hobbs said she has

visited council a couple of times about the Industrial Park. Hobbs didn't think changes in the covenants to the park would have made a difference in sales. She said she felt should changes be considered it may make the park a little more marketable and now is a good time for the city to look at it. Hobbs provided copies of the Protective Covenants and a copy of the Hanger Facility Development Agreement. The park is quite restrictive. The current restrictive covenants are abbreviated from some the City of Rexburg created for their park next to Rexburg. The Rexburg Park is full, all lots have sold. Another park next to Valley Wide is about 80% full and the Henry's Fork Plaza is 25% built out (this is the one next to the old Hard Hat restaurant). Hobbs questioned whether or not St. Anthony's park can compete. Sugar City has a park with two lots sold. Their timing was about the same as St. Anthony's. Hobbs said Travis Eva wanted to build a hangar and after review of the covenants he changed his mind. Hobbs said Eva is interested in placing a compressed natural gas station in at the airport. Hobbs reviewed some of the covenants and their restrictions, highlighting a number of items. Hobbs questioned whether this is too restrictive for "industrial" uses. The first eight lots are created for hangar use if wanted. Hobbs asked council if they have the patience to wait to see if this comes to us or to change the covenants to be less restrictive. Ted Hendricks of the Development Company said Hobbs has some valid points and he trusts anything council wants to do and will support any efforts to change the restrictive covenants.

Hendricks said he really came to the meeting to weigh in on the parking lot issue behind the theater. He said there is about a quarter million dollars into the parking lot behind the hardware store and the theater. This is a pretty big investment by the city. Hendricks said the theater and hardware store are great businesses. If the alley is going to be shifted then create an LID (Local Improvement District) and have everyone participate. It will then be done professionally and will look nice. The parking lot needs to be resealed and striped again and Hendricks said he (as a manager of The Development Company who is a property owner) would be willing to participate and help raise the money to get it done and help to do the LID.

Hendricks said the Industrial Park has a lot of property there and there is a lot that can be done, maybe zoning it as something like a heavier industrial. Jim Hobbs, Planning & Zoning (P&Z) member, said P&Z is working on these right now and it can be very easy to incorporate some of these suggestions into the Industrial Park. Jim Hobbs said a light industrial may be something attractive to a buyer. Mayor Thueson said he didn't want to water down the restrictive covenants too much. It's a nice area out there. PWS Butigan said Jaron Ball and another potential hangar buyer/builder said the covenants were too restrictive. Attorney Forsberg said the goal is to create business. It's a policy discussion and should be done by P&Z and Council. Judy Hobbs said there was a meat processing plant interested in coming in to town; however, there isn't anything in the county ordinances to allow such a plant anywhere in the county. Mayor Thueson said this should go back to P&Z for their recommendation to council. Judy Hobbs said she would be happy to meet with P&Z as well.

Funding Request Consideration for the Idaho Art Lab – Dan Hidalgo from the Idaho Art Lab said the request is for \$500 a month or \$3500 which would get the Art Lab through the year. Councilmember Haeberle said she loves the lab. She said she brings her kids there. She said it's such a wonderful place to be creative and get away from electronics and if we can help them it would be a wonderful thing. Councilmember Rubert said what they are doing is a

marvelous thing and he would fully support their request to help them out. Councilmember Erickson agreed, saying it's a worthy cause and a real benefit to the community and a good place for our kids to go. Councilmember Bagley said it was discussed in the budget at the Finance Committee and the committee felt it was something the budget could provide for. Councilmember Hill said it is a great opportunity for our youth and it's a great thing. Hill said he doesn't think we do enough for the youth and this is something council can do. Councilmember Willmore said he was impressed tonight and he wants to see them succeed. Willmore asked if the city could provide this sort of funding, legally. Attorney Forsberg said the city buys playground equipment and provides payment to people for summer programs and this would be something similar the city could provide revenue to. This organization is non-profit and services and benefits the entire city. The city would be supporting the entire community by supporting this organization. Thueson said he would entertain a motion. Hidalgo said with growth in the community and tourist dollars he is a real believer a dollar introduced into the community will recirculate five to seven times within the community. The free services benefit the community. The paid services are all coming from Idaho Falls, Rigby and Island Park. Communities with culture are far more attractive to business parks and tourists. A motion to fund the requested \$3,500, for the rest of their year, to the Idaho Art Lab was made by Haeberle and seconded by Rubert. All council members were in favor. Motion passed 6-0. Willmore asked if Hidalgo is requesting anything from the County. Hidalgo said he is working on the best way to approach them.

PUBLIC COMMENT

Mayor Thueson opened the floor for public comment.

There being no comments from the audience Mayor Thueson closed the floor.

INVOICES & CLAIMS - Payment Approval Reports were presented to Council. Clerk Parkinson reported Harris Aircraft, the company which installed the lights in the city building, is also requesting payment. Their invoice came in too late for the council packet and is provided to council separately for their review. PWS Butigan said Rocky Mountain Power will come in for a final inspection on the lights and then a reimbursement check from them will come to the city for about half. Councilmember Willmore asked why the city is doing business with someone in Preston. Butigan said it was the best price. They came in at 50% less than what the other requested bids came in at. A motion to pay the invoices and claims, including the late invoice from Harris Aircraft, was made by Councilmember Willmore and seconded by Councilmember Bagley. All council members present were in favor. Motion passed 6-0.

MINUTES – Regular Council Meeting Minutes of May 9, 2013 were presented to council. A motion to accept the Regular Council Meeting Minutes of May 9, 2013 was made by Councilmember Erickson and seconded by Councilmember Rubert. All council members present were in favor. Motion passed 6-0.

DEPARTMENT REPORTS

PWS Butigan reported receiving a Sign Permit from Dr. Cheyne's office. They are requesting to place a sign in the front of the city building. Butigan said he would normally approve of such

a request, but since the sign will be placed on city property he is requesting council's approval. The sign will be 4' x 6'. The sign will be placed perpendicular to the road. The sign will need to be set back far enough to ensure proper view of the street. Dr. Cheyne's office does rent from the city a portion of the city building. Council sees nothing wrong with allowing a renter the ability to have a sign and to go through the same process as any other business. Butigan will approve like he normally would with any other business. The sewer ponds are being drained due to failure of the aeration socks. They need to be replaced. There are 110 socks needing replaced. The company which sold the city the original socks has gone out of business and Butigan said he has been working for over a month to get the person to call us back and he refuses to call back. They are looking at all options. However, it is looking as though they will have to go somewhere else to replace the aeration socks and tubing. The average life span on the socks is five years and the city has gotten 10 years out of them. If the socks aren't replaced soon, the city could fall out of compliance on the sewer lagoons. Crews continue to work on crack sealing when they can and patching the roads. Mayor Thueson said the Mayor of Ashton is interested in using our crack sealer. Thueson asked Butigan to get in contact with them and offer to let them use it. Thueson said if we can help another city to try and do so whenever we can.

Attorney Forsberg reported the county has sent a second letter regarding the taxing districts affected by the PacifiCorp Judgment. This is the same as the last letter from the last meeting only this time the total is \$1,231. The city has the option, should they choose to do so, to increase the next year's tax levy by \$1,231. There was no motion to do this.

Police Officer Harris reported the Seat Belt Safety Grant is currently underway. The newest police officer is set for P.O.S.T. and will be attending the first part of July. Harris said the new clerk is working out well. Mayor Thueson said he appreciates the police department. Saying it's what they do which sets the tone for the entire city. They are most visible to the public.

Clerk Parkinson reported Celeste Walker's last day was yesterday and her replacement is working out well. High Country RC&D is again requesting \$2,000 for the Cloud Seeding Project in the next fiscal year. The Finance Committee will review their request and at this time has provided for their request in the draft budget. Parkinson also provided council with the Idaho Water Users Association 2013 Legislative Scorecard. This allows council to review the way the First Regular Session of the 62nd Idaho Legislature votes on specific legislation. Parkinson also provided council with the April Month End Fund Summary. Parkinson said the Army Tank by Keefer Park needs to be painted. Attorney Forsberg said he will check to see if the National Guard will participate in the painting of the tank. A motion to allow Forsberg to check with the National Guard about painting the tank was made by Councilmember Willmore and seconded by Councilmember Bagley. All council members approved. Motion passed 6-0.

COUNCIL & MAYOR REPORTS

Councilmember Rubert had nothing to report.

Councilmember Erickson requested a status report on 12th Street. Mayor Thueson said it is going as fast as they can push it along. The contractor is getting the required bonds and as soon as that is done there will be a pre-construction meeting. Thueson said the foot bridge

request for permit has been completed by him and Clerk Parkinson and was delivered to the Army Corp of Engineers. Thueson said he spoke to the man by phone and sent the permit by email and requested him to approach it in a timely manner. There already is a signed agreement with the canal company and work can begin as soon as they hear back from the Army Corp of Engineers.

Councilmember Bagley reported she and Mayor Thueson gave away some scholarship money for two participants in the Mayor's Youth Council. It was a great surprise to the recipients and everyone is excited for next year. Because of this program, Vice Principal Chris Tucker said starting next year the student council will be required to be a part of the Mayor's Youth Council. So, not only will the city have those kids on board, but we will also have those kids who want to do it on their own. In the fall, Tucker will provide a brief presentation to the high school about the program. Bagley also thanked the police department for helping with the food drive. The High School and the Junior High had a contest and the Junior High won by collecting the most donations for the food bank. County Clerk Abbie Mace called and thanked them for all the collected donations. Mayor Thueson said he talked to the kids and was very impressed with such a good group of kids.

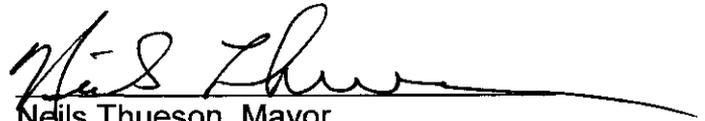
Councilmember Willmore reported the airport sign has fallen over. He requested PWS Butigan to put it back up but to maybe place it back a bit from the runway.

Councilmember Hill reported the Finance Committee has met several times to work on next year's budget. They met last Monday and have prepared and reviewed the final draft for the 2013-14 budget. The draft includes increasing revenues in sanitation five percent, a three percent increase in water and sewer revenues, an additional police officer for three months, October through January, for training as the current Chief of Police retires, a change of making a part time person in the office staff to a full time person, a three percent increase in wages to be administered by the Mayor at his discretion, a 35% increase if needed in health care benefits to the employees, \$120,000 for chip and sealing of city streets (an increase of \$20,000 from last year's budget), \$1,000 towards the Mayor's Youth Council Scholarship, \$3,500 for cultural advancements through the Idaho Art Lab, \$10,000 to the Park's Fund for asphalt maintenance of the Greenway trail, a \$90,000 generator to be shared with the water department and the city building, a new police vehicle of up to \$35,000, a \$5,000 snow pusher for the street department, a \$5,000 utility bed for the Parks Department and it also funds depreciation for the Sewer and the Water funds. In addition, the General Fund will see a contingency of \$119,891. This draft budget will be the Finance Committee's recommendation to council and the public hearing scheduled for Thursday, August 8, 2013 at 7 p.m. Clerk Parkinson asked council if they would like to review the proposed draft prior to the August 8th Public Meeting. Council said they would. Hill said they will meet again in July to work on the current budget to see if the budget needs to be opened to expend any unanticipated, additional revenue. Hill reported the city looks to be in good financial condition and prepared for most unanticipated emergencies.

Councilmember Haeberle had nothing to report.

Mayor Thueson had nothing to report.

There being no further business to come before the Council the meeting was adjourned at approximately 9:15 p.m. by Mayor Thueson.


Neils Thueson, Mayor

Attest:


Patty Unruh Parkinson, City Clerk-Treasurer

