Minutes of the Regular Meeting of the City Council of the City of Lava Hot Springs, Idaho held Thursday, August 19, 2010 at 5:30 p.m., Lava City Hall, 115 West Elm Street, Lava Hot Springs, Idaho

Present:
Marshall N. Burgin, Mayor
Canda L. Dimick, City Clerk
Rita Anderson, Councilperson
R.B. Scott, Code Enforcement/Animal Control
Phillip Beeson, Councilperson
Newton J. Lowe, Councilperson
Cathy Sher, Councilperson

Guests: Julie Neff (USDA), Victor Archibald, Roger Chermine (CHAT-TV), George Katsilometes, Evelee Hill, Scott Pearhill, Earl & Annastasia Swanson

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

Agenda
A motion was made by Councilperson Sher to amend the agenda to add USDA – Julie Neff under reviewing bills and Earl Swanson permit for sidewalk as building permit C. The motion was seconded by Councilperson Beeson. All voted aye, unanimous.

Approval of Minutes
Councilperson Anderson noted some typo’s in the July 8, 2010 minutes.

A motion was made by Councilperson Anderson and seconded by Councilperson Beeson to approve the minutes of the Regular meeting of July 8, 2010 with corrections and the minutes of the June 28, 2010, July 12, 2010 and July 20, 2010 Special Meetings. All voted aye, unanimous.

Reviewing of Bills
Councilperson Beeson question why there were two (2) Verizon bills. The city clerk explained that because of the late meeting this month, one bill was for July and one for August. Councilperson Beeson informed the council that the pump that went down at the sewer lagoons was a total rebuild which cost about five thousand dollars ($5,000).

A motion was made by Councilperson Beeson to pay the bills. The motion was seconded by Councilperson Sher. All voted aye, unanimous.

USDA Loan/Grant Conditions – Julie Neff
Julie Neff, USDA reported that Lava’s wastewater project was selected to move through the ARRA book. She gave the original package to the mayor and explained that even though it had not “cleared the book”, permission was given for the city to receive the letter of conditions for a loan of $3.4 million at 2.375% and a grant for $1,306,000. The USDA funding will be for Phase II of the project.
The mayor has the check list and obligation forms included in the letter of condition. They want USDA to have the signatures on the conditions within the next three (3) weeks so that when the book clears the loan and grant offer can be activated that day. Julie Neff asked that the council to read the list of conditions and sign the forms.

Julie reported that the current projected sewer equivalent user fee is $37.60. The city will have received over five million dollars in grants for the project. The interim financing will be $3.1 million. Julie Neff said that the banks will need to quote the full amount.

**Law Enforcement Monthly Report**

No officer in attendance.

**Helicopter Rides – Vic Archibald**

Vic Archibald reported that he is looking at purchasing the Aubrey’s Pancake House property and operate helicopter rides on site. The mayor asked what kind of noise concerns they would have in the business district. Mr. Archibald stated that he is willing to maintain reasonable hours to eliminate concerns. The helicopter has a two (2) blade system which is quieter but there will be some noise. The mayor suggested setting up a booth in town to sell tickets and locating the business out of town.

Mr. Archibald stated that the opportunity for the business is a spontaneous decision. The zip line is suffering from lack of exposure. Councilperson Beeson expressed concerns with impact and safety issues. Councilperson Sher stated that she loved the idea but has similar concerns. Visitors and residents appreciate the quietness of the town. Evelee Hill reported that her neighboring business, the Home Hotel, suffers enough from the noise of the highway and the railroad. She also expressed concerns of the impact on the hot baths. Hot bath patrons enjoy the quietness and relaxation of the hot pools.

Evelee Hill questioned if a heliport is an approved use in the commercial zone. She also questioned FAA regulations. Mr. Archibald said the FAA has few regulations on where a helicopter can land. Mr. Archibald stated that he has done helicopter rides in Orlando, Florida. He stated that he would have to control the area. In this area, one side is controlled by the river and the other side would have to be controlled by a fence.

Scott Pearhill stated that the helicopters would be devastating to the Home Hotel business. Lava’s down town is not large. He said that helicopter rides would be good for Lava, but having them in the downtown area would be bad for businesses in the area. Alternative locations were discussed.

Evelee Hill questioned the proposed flight plan. Mr. Archibald stated that he would like to take them towards Chesterfield. The helicopter is a 4 person, 3 riders and the pilot. This smaller helicopter will not be as noisy as a large helicopter, such as Life Flight. Possible year round operation was discussed.

The council encouraged Mr. Archibald to stick with the idea but find a location that is less intrusive.
Request for Sewer Charge Reimbursement (Home Hotel Roof Drain) – Evelee Hill

Evelee Hill addressed request for reimbursement for roof drain charges. She didn’t understand how the charges were calculated. After the equivalent user fee increased she spoke to the city clerk to find out how the charges were figured, at which time she was informed that the Home Hotel is billed for a roof drain. She stated that the roof drain had been removed before she purchased the hotel; therefor she is requesting reimbursement for the roof drain charges. She also said that there have been several kitchenettes removed. She suggested that the city show on every bill how the charges are figured.

The mayor questioned why she had not questioned the charges before now. She has owned the property since 2007. Evelee stated that she questioned how the charges were being figures when her monthly sewer charges nearly doubled. Councilperson Beeson stated that it is the property owner’s responsibility to research and ask about the charges. It is also the property owner’s responsibility to report changes made to their service to the city so that charges can be recalculated at that time.

Evelee Hill stated that it is the city’s responsibility to fully disclose how bills are calculated. Councilperson Beeson state that the city will need to consult legal council to see if the city has to itemize billing charges and print on each statement. It was mentioned that the charges were transferred to Evelee’s account as they were being charged to the previous owner of the Home Hotel. The previous owners were responsible to report the changes which were made and the buyer’s responsibility to check into charges before purchasing the property.

Evelee Hill asked that the city do an inspection of the Home Hotel to reevaluate the sewer charges. Councilperson Beeson stated that the whole town is going to be inspected to set the new equivalent user fees.

Councilperson Beeson recommended that the council deny the refund request up to this date, to inspect the property and adjust the billing thence forth.

Evelee Hill stated that she will go to small claims court. Councilperson Lowe stated that the city should correct the billing at this point but he could not see how the city could go back and pay for what had happened. Evelee Hill asked if the city has a form that could be given to a new purchaser of the property so the new owner is aware of how their charges are calculated. Councilperson Beeson stated that the doors are open to City Hall and anyone can come to the city and find out how they are being billed.

A motion was made by Councilperson Beeson to deny the refund request up to this date and adjust the billing thence forth. The motion was seconded by Councilperson Sher. All voted aye.

1% Tourism Promotion/Development Project Requests

A) July 4th Fireworks
B) Outdoor Billboard by Tremonton, Utah
Councilperson Sher stated that she had not seen all the addendums for the proposals.

A motion was made by Councilperson Sher to table any decision on the 1% tourism promotion requests until all information is reviewed. The motion died for a lack of a second.

The council reviewed the fireworks request for a total of $7,000. Councilperson Lowe stated that this is a chamber responsibility. The mayor stated that the city might help with this project but didn’t feel the city should pay the whole $7,000. Councilperson Anderson and Sher stated they agree. Councilperson Beeson stated that the price of the fireworks has gone up and the council had discussed at an earlier meeting that the city might help out some.

Councilperson Beeson stated that the Lion’s Club does do a lot for the community. However, the Lion’s Club moved the Bingo out of town which took the 2% revenue out of the city. He would agree to help out some. The council discussed paying a portion.

The council has received letters from some of the lodging owners who collect the 1% tourism tax objecting to any of the money going towards the fireworks. Councilperson Anderson stated that the 4th of July and the fireworks bring a lot of people to town that all spend money. She would agree to do a partial payment toward the fireworks.

George Katsilometes questioned what the Lion’s Club does to bring visitors to town. The mayor stated that the Lion’s Club sponsors events such as the fireworks, the blue grass festival, and bulls only which bring people to town that stay in the motels and spend money in town.

Evelee Hill pleaded with council to postpone a decision until a marketing plan is in place. The marketing proposals are due on August 31, 2010 to market the off season. She stated that the 4th of July is the busiest day of the year and it is the day of the year that the city can’t handle any more people. Marketing the city in the off season is a much higher use of the funds.

Evelee Hill stated that the Lion’s Club is a wealthy organization which does a lot of good for the community. She doesn’t feel that the billboard is bringing anyone to town. She reported that the chamber is giving $500 every year to the Lion’s Club for the fireworks. The marketing plan will be presented to the council next month.

Evelee Hill asked if the city would consider allocating some of the 2% tax funds to the Lion’s Club projects. The 2% tax does allow for funds to be used for
recreation. The businesses employ people and the Lion’s Club does not employ anyone.

A motion was made by Councilperson Sher to table the two (2) requests until council can do more research and bring it up at another meeting. The motion was seconded by Councilperson Beeson. All voted aye, unanimous.

**Business License(s)/ Temporary Vendors License(s)/Non-Property Tax Permit(s)**

A) An Array of Artistry – Janet Gioffre-Harrington, Owner/Applicant
B) Gate City Real Estate – Gordon Wilks, Owner/Applicant
C) Hanson Janitorial Supply, Inc.
D) Holy Smoke BBQ – Jeff Ray, Owner/Applicant
E) Phat Max Designs – Christine Burnes, Owner/Applicant
F) Phil Beeson General Contractor
G) Out Riders Apparel - Sherry Losee, Owner/Applicant
H) Scentsy, Inc. – Richard O. Thompson

The mayor read the list of business licenses as listed above.

A motion was made by Councilperson Anderson approving the applications for business licenses A-H. The motion was seconded by Councilperson Sher. All voted aye, unanimous.

**Building Permit(s)**

A) Vicky Lyon – Commercial Addition – 187 South 2nd West (Formal Approval)

A motion was made by Councilperson Sher approving Vicky Lyon’s building permit application for commercial addition to the Grey Stone Manor at 187 South 2nd West. The motion was seconded by Councilperson Beeson. All voted aye, unanimous.

B) Sharon Martin – Residential Remodel – 415 West Booth Street

A motion was made by Councilperson Anderson approving Sharon Martin’s building permit application. The motion was seconded by Councilperson Sher. All voted aye, unanimous.

C) Earl Swanson – sidewalk

Earl Swanson requested an extension on the deadline date to build the sidewalk to August 30, 2011. The mayor explained that the council had agreed to purchase the concrete and the Swanson’s would do the labor to install sidewalk in front of their homes at 89 & 83 East Elm. This agreement was made due to the city lowering the street and making their garage inaccessible.

A motion was made by Councilperson Beeson to grant the extension to Earl Swanson. The motion was seconded by Councilperson Lowe. All voted aye, unanimous.
Liquor Catering Permit(s)

A) Wagon Wheel Lounge – September 11, 2010 - Lava Palooza
B) Blue Moon Bar – September 11, 2010

The mayor read the list of Liquor Catering Permit applications.

The city clerk reported that the Blue Moon Bar would like to block off the street on September 11, 2010.

A motion was made by Councilperson Beeson to approve the catering permits as read and allow the Blue Moon to block off the street that day. The motion was seconded by Councilperson Sher. All voted aye, unanimous.

City’s Mission Statement – Council Person Sher

Councilperson Sher would like to condense the city mission statement for grant writing purposes. She read the statement that was written for the playground improvement grant as follows: “Through pride and through cooperative consistent effort of all the citizens, Lava Hot Springs will be a united progressive year round destination resort community with an expanded stable economic base.” Councilperson Sher suggested that she take the Comprehensive Plan Vision Statement and condense it into a city mission statement for grant writing purposes and present it at the next meeting.

RV’s in Residential Zones – Council Person Sher

Councilperson Sher doesn’t want the conversation of RVs in the residential zone dropped. She understands that this is a complicated issue but feels that the residents deserve the the right to have family and friends visit in a RV and stay for a prescribed amount of time. Perhaps they should be required to register at City Hall. Sometimes there is a need for this to happen. She feels that it is a property right issue. She feels that this could be easily addressed in the ordinance with conditions and give the residents that right. Fees would need to be charged if they hook to city services. She would like to encourage more discussion on the issue.

Councilperson Lowe stated that this would be an enforcement issue. Councilperson Beeson asked how we could address the 30 or 40 second home owners. This is not their residence. As the ordinance is written RVs on developed residential lots are prohibited, the ordinance would have to be amended. The mayor and Councilperson Anderson agreed that some consideration should be made for the residents to have guests stay for a few days. Councilperson Sher will draft up conditions and run them by the attorney. The council will consider the draft at the next meeting.

Fire Insurance Rating

The city clerk reported that fire insurance inspection was done. The city maintained a Class 5 rating. This keeps the city in a good bracket for fire insurance.

Meetings/Announcements

A) 2010 ICCTFOA Institute
The training is for city clerks and treasurers and it is in Idaho Falls this year. The city clerk would like to attend. The registration is $190. The city clerk reported that Trish’s daughter’s baby is due that week so would need to work something out if Trish needs off.

A motion was made by Councilperson Beeson authorizing the city clerk to attend the ICCTFOA Institute. The motion was seconded by Councilperson Anderson. All voted aye, unanimous.

B) Miscellaneous - None

Projects

A) Wastewater Improvement Project
   The mayor reported that the Phase I excavation should be started by the end of August. They will shut the work down for the winter and start back up in the spring to do the lining. The City is negotiating with the property owners on the easement for the Phase II transmission line right-of-way. The city clerk asked for permission to start the title research on the easements. The council approved.

B) East Main Street Resurfacing Project
   The mayor reported that the East Main Street Resurfacing project will be done tomorrow evening except for the stripping.

C) Miscellaneous
   None

Discussion – Items from the audience.
   Earl Swanson voiced support for promoting off seasons. The July 4th takes care of itself. The city is almost to the point of being overwhelmed by tourists on the Fourth of July.

Discussion on the billboard advertizing followed. Evelee Hill stated that billboards are most effective when they are placed close to the lodging. Tremonton is too far away to be an effective billboard. Councilperson Beeson stated that people who drive by the billboard in Tremonton are already on their way to Lava Hot Springs. The Mayor stated that the billboards near Pocatello are all sold out. He stated that the billboards would not be sold out if they were not effective advertizing. The billboard contract is $5,700 annually, the contract terms are unknown.

FY2011 Budget Work Session
   The city clerk stated that the tentative budget is not complete. The mayor questioned why the revenues were short compared to 2008. 2008 revenues were $262,000 actual and 2010 so far the city has taken in $253,000. The city clerk reported that the city has been using some of the cash carry over reserves. The city clerk reported that she has plugged in the same property tax revenue as the appropriated for 2009. The city has the right to increase property taxes 3% every year without having to go for an override. The council
can choose to do a 3% increase. The projected franchise tax, business licenses, etc. were also left the same.

The city clerk read down through the revenue list and explained where each of the funds came from. She reported that the rural fire district is talking about adding additional job duties to R.B. Scott’s position (fire training coordinator or assistant fire chief). The Rural Fire District is willing to fund the extra responsibilities. The funds would be a pass through. There was some discussion on the job description for the position. The mayor stated that the fire department does need some local training.

The city clerk reported that her wages and the assistant clerk wages are divided equally between four different funds which are: general fund, water, sewer, and local option. She reported that she has not yet received the annual renewal for health insurance premiums. At the present time the city is paying 70% of the employee’s health insurance premium, the employee pays 30% of their premium, their dependants’ premium and the vision premium. The wages and benefit projections were left open until the council decides on wage increases. The city’s property and general liability insurance premium has gone up this year.

The city clerk explained how she divided the fuel charges to the different funds. Councilperson Beeson would like to see a break down on how much fuel is run through the animal control/code enforcement truck; this would help to see what this position is costing.

The city clerk reviewed the fire department participation award payments. The fire department budget was discussed. Some suggested changes on how the participation awards were being distributed were discussed.

Solar project at the fire station was discussed. The original application said that the city would put in a website to be accessible as an educational tool. The city clerk questioned if the failure to set up the website could be hurting the city’s eligibility for a wind turbine grant. Councilperson Beeson stated that some funds were turned back. The city clerk stated that the idea was for the universities to use it as a study model. It was decide the solar project should be left as zero.

The city hall remodel fund will be changed for city hall general maintenance. The mayor stated that we may need to budget for an addition to the office/storage at city hall in the future.

The mayor questioned the city’s position for getting a grant for the Center Street Resurfacing Project. The city clerk stated that the funding agency is looking more toward multijurisdictional projects. There was discussion last year of forming a multijurisdictional group with Bancroft, Grace and Soda Springs to help the projects move up on the priority list faster. The cities are competing with highway districts. The city has been moving up on the funding list. The city clerk reported that if the
maintenance crew would attend some of the trainings that it would help to move the city up on the list faster.

The city clerk reported that she decreased the vacant lot mowing budget because the city is not doing as much mowing. The majority of the property owners are taking care of their lots.

The city clerk reported that the city has a large amount of cash carry over in the street maintenance budget. Twenty thousand ($20,000) dollars of the street maintenance budget is set aside for matching funds on the Center Street Project. The council discussed increasing the set aside matching funds an additional $15,000. Councilperson Beeson recommended paying off the street sweeper and setting aside matching funds from the 2% local option funds for the Center Street Project. The Center Street Project was originally projected to be a $125,000 project. The mayor stated that the council needs to review the transportation study and plan to do some chip and seal or crack patch to save the streets that we have.

The city clerk stated that she had increased the postage budget due to the cost of certified weed notices. Councilperson Anderson asked if it was necessary to send the weed notices certified. The city clerk said that the ordinance requires it; therefore the ordinance would have to be amended to send the weed notices regular mail. The council discussed changing the mailing requirement.

The city clerk reported that the maintenance supervisor would like to budget $4,673 out of vehicle maintenance for a thumb attachment for the backhoe, and $350 for a cutting edge and chains. Councilperson Anderson asked what the benefit of a thumb attachment would be. The mayor stated that it is helpful when tearing out concrete or loading large rocks. Councilperson Beeson stated that he didn’t feel that the city would use a thumb attachment often enough to justify it. The council decided not to budget for the backhoe thumb attachment.

The city clerk explained that the park maintenance is now coming out of the option tax fund.

The mayor questioned the condition of the Dixon lawn mower. The maintenance crew has recommended that the council start to plan towards replacing the Dixon mower but not necessarily this year. Last year $5,000 was set aside for the purchase of a new mower.

The city clerk reported that last year council had set aside $5,000 from the option tax fund and $5,000 from the streets funds toward replacing the sander. Councilperson Beeson suggested adding an additional $5,000 from each fund toward replacing the sander.

The city clerk reported that she has not heard of any increase from the garbage contractor. The garbage contract will be renewed April 2011. The council will amend the budget in the middle of the year if the contract goes up.
Water rates were discussed. It was felt that the water budget could remain the same.

The city clerk reported that she had increase the fuel and maintenance $1,000 because expenses have been pushing the limit every year.

The mayor questioned what the restricted cash fund was. The city clerk explained that fund is a requirement of the loan conditions with USDA. The city must maintain a certain amount of restricted cash in case the city defaults on a payment.

The Sensus maintenance fee for the water meter auto read system was discussed. The city clerk reported that the city had probably used it about 3 times since the meters have been installed. It was decided to leave it in the budget.

The capital improvement fund was discussed. The capital improvement fund is appropriated to fund the development of another well. The mayor stated that the city does need a well outside of the Fish Creek drainage area.

The sewer budget is based on the $26 current EQU (equivalent user fee). When the final sewer EQU is determined the budget will have to be amended to show the increased fee.

The city clerk asked if the council would like the cost for the maintenance crew cell phones budgeted between the street, water and sewer funds. She was instructed to divide the cell phone fees between the three funds.

Councilperson Beeson questioned why the 1% local option tax is down. The council reviewed the printout. The city clerk will check with the assistant city clerk on how the 1% was figured. Evelee Hill questioned how delinquent taxes are collected. The city clerk explained the process of collecting the delinquent taxes. She reported that the delinquent taxes shown in the budget are the delinquent taxes from previous years which have been collected this year.

There was discussion regarding extra law enforcement patrols for July 4th weekend. R.B. Scott reported that the county is considering including the extra fees into the contract so that the officers are covered under Bannock County if there were a shooting situation. This would give the officers more protection. There were 240 law enforcement calls over the 4th of July weekend this year. Evelee Hill suggested that the lodgers educate the guests about the extra officers patrolling the halls of the hotels.

Enforcement of the open container law was discussed. Councilperson Beeson reported that he had a photo of the open container law signs which are posted in Jackson. It was suggested that there may need to be some refinements in the ordinance to cover all open containers on or off the streets such as on sidewalks and in parks. The extra patrol budget will remain $2,500.
There was discussion of finishing the monument survey project. The council may check with the universities on finishing this project.

The council discussed the street sweeper payment and the interest savings for an early pay off. It was decided, to wait until the rest of the budget is set. If there are funds available, the city will pay the sweeper off early. The sander budget was increased $10,000.

Councilperson Anderson reported that the maintenance crew had talked to her earlier this year about the park being really rough and that the city may want to totally redo the grass. She stated that she had looked at it and thought it looked pretty good. She said that the city should continue to work with fertilizing and weed control. She said that she would like to put some trees in the park but she had not gotten a bid yet. She would like to plant some Canadian Cherries which are not too costly and will not get very large. She would like to put 6 or 8 on each side of the tennis court. She would like to budget $1600 for trees.

The council decided to budget another $5000 towards purchasing a new lawn mower.

The maintenance supervisor would like to put in a different type of paper towel dispenser. People are pulling a bunch out and using them as napkins. Different types of paper towels were discussed. The council decided that the paper towel dispensers will be changed out, council would prefer the mechanical type dispenser.

The city clerk would like to budget for the large garbage cans which are placed around town through the summer. She has been absorbing the expense out of other funds. She would like a line item for the expense along with painting the garbage cans on Main Street. $500 was budgeted for extra garbage cans and paint.

The maintenance supervisor would like to replace the electrical covers in the sidewalk for the decorative lighting and to replace the electric eyes on the poles for the Christmas decorations. Councilperson Beeson suggested that he meet with the maintenance crew, review the decorative lighting and the electric eye concerns before the budget is set.

The city clerk reviewed the balance of the budget list.

The employee wages were discussed. Last year the employees received no increase in wages. Last year the city changed the portion which the city pays toward the employee’s insurance to 70% of the premium. Current wages are as follows: Canda - $14.62, Billy - $15.30, Tony - $19.36, R.B. - $12.50, Trish - $10.51. Evelee Hill suggested a bonus program which is not committed on a long term basis. The fire chief is paid $335 per month. Councilperson Beeson suggested going on ouridaho.com to compare the state employee wages to see where the city compares. The council will discuss wages and the budget further at a special meeting to be held Tuesday, August 24, 2010.
Evelee asked if the city would consider purchasing the area behind the Home Hotel for a parking area and additional restrooms. Discussion on the idea followed.

**Adjournment**
A motion was made by Councilperson Lowe to adjourn. The motion was seconded by Councilperson Anderson. All voted aye, unanimous.

The meeting adjourned at 8:55 p.m.

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Trish Avery, Transcriber                                              Marshall N. Burgin, Mayor

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Canda L. Dimick, City Clerk (proof read)

Approved September 9, 2010