

**AUGUST 28, 2008**

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The City Council of the City of Idaho Falls met in Regular Council Meeting, Thursday, August 28, 2008, in the Council Chambers in the City Annex Building located at 680 Park Avenue in Idaho Falls, Idaho at 7:30 p.m.

There were present:

Mayor Jared D. Fuhriman  
Councilmember Ida Hardcastle  
Councilmember Michael Lehto  
Councilmember Karen Cornwell  
Councilmember Thomas Hally  
Councilmember Sharon D. Parry  
Councilmember Ken Taylor

Also present:

Dale Storer, City Attorney  
Rosemarie Anderson, City Clerk  
All available Division Directors

Mayor Fuhriman requested Councilmember Thomas Hally to lead those present in the Pledge of Allegiance.

**CONSENT AGENDA ITEMS**

The City Clerk requested approval of the Minutes from the August 14, 2008 Regular Council Meeting, the August 20, 2008 Special Council Meeting and Executive Session, and the August 25, 2008 Council Work Session.

The City Clerk presented several license applications, all carrying the required approvals, and requested authorization to issue those licenses.

The City Clerk requested Council ratification for the publication of legal notices calling for public hearings on August 28, 2008.

It was moved by Councilmember Taylor, seconded by Councilmember Hardcastle, to approve the Consent Agenda in accordance with the recommendations presented. Roll call as follows:

Aye:            Councilmember Lehto  
                  Councilmember Parry  
                  Councilmember Hardcastle  
                  Councilmember Taylor  
                  Councilmember Hally  
                  Councilmember Cornwell

Nay:            None

Motion Carried.

**REGULAR AGENDA**

Larry Smith, 915 7<sup>th</sup> Street, appeared to commend the City Clerk for having an Idaho Falls Power employee report to his home to fix a power line that was sparking. He stated that he had tried several times to get someone to report to his home, but was unable to get the job done. He thanked the City Clerk for helping him to get the line fixed.

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The Airport Director submitted the following memos:

City of Idaho Falls  
August 15, 2008

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: Len Nelson, Airport Director  
SUBJECT: CONSENT TO ASSIGNMENT – AIRPORT LEASE AGREEMENT

Attached for City Council approval is the Consent to Assignment and Airport Lease Agreement for the transfers of an Aircraft Hangar between the City of Idaho Falls and Erik Gullikson dba Airlink, and James Kupferschmid dba Omniflight LLC, located at 2549 Foote Drive. All other terms and conditions of the lease remain the same.

The Airport Division recommends approval and requests the Mayor be authorized to execute the contract documents.

s/ Len Nelson

It was moved by Councilmember Cornwell, seconded by Councilmember Parry, to approve the Consent to Assignment of Hangar Lease Agreement between the City of Idaho Falls and Erik Gullikson dba Airlink, and James Kupferschmid dba Omniflight LLC located at 2549 Foote Drive and, further, give authorization for the Mayor and City Clerk to execute the necessary documents. Roll call as follows:

Aye: Councilmember Hally  
Councilmember Taylor  
Councilmember Lehto  
Councilmember Cornwell  
Councilmember Hardcastle  
Councilmember Parry

Nay: None

Motion Carried.

City of Idaho Falls  
August 20, 2008

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: Len Nelson, Airport Director  
SUBJECT: CONSENT TO ASSIGNMENT – AIRPORT LEASE AGREEMENT

Attached for City Council approval is the Consent to Assignment and Airport Lease Agreement for the transfers of an Aircraft Hangar between the City of Idaho Falls and Partners LLC, and John Mulberry and Mark Ulschmid dba Centennial Investments LLC, located at 2543 Foote Drive. All other terms and conditions of the lease remain the same.

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The Airport Division recommends approval and requests the Mayor be authorized to execute the contract documents.

s/ Len Nelson

It was moved by Councilmember Cornwell, seconded by Councilmember Parry, to approve the Consent to Assignment of Hangar Lease Agreement between the City of Idaho Falls and Partners LLC, and John Mulberry and Mark Ulschmid dba Centennial Investments LLC located at 2543 Foote Drive and, further, give authorization for the Mayor and City Clerk to execute the necessary documents. Roll call as follows:

Aye: Councilmember Taylor  
Councilmember Hally  
Councilmember Parry  
Councilmember Lehto  
Councilmember Cornwell  
Councilmember Hardcastle

Nay: None

Motion Carried.

City of Idaho Falls  
August 20, 2008

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: Len Nelson, Airport Director  
SUBJECT: GRANT – 4<sup>TH</sup> QUARTER 2008, RUNWAY PROJECT

The Council may wish to authorize the Mayor to sign documents associated with the 4<sup>th</sup> Quarter Fiscal Year – 2008 from the Federal Aviation Administration Airport Improvement Program. The grant in the amount of \$631,961.00 will complete the funding for the Runway Project 03-16-0018-030 currently underway.

s/ Len Nelson

It was moved by Councilmember Cornwell, seconded by Councilmember Parry, to accept the 4<sup>th</sup> Quarter Fiscal Year 2008 Grant in the amount of \$631,961.00 which completes funding for the Runway Project No. 03-16-0018-030 and, further, give authorization for the Mayor and City Clerk to execute the necessary documents. Roll call as follows:

Aye: Councilmember Hardcastle  
Councilmember Lehto  
Councilmember Cornwell  
Councilmember Hally  
Councilmember Parry  
Councilmember Taylor

Nay: None

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Motion Carried.

The Municipal Services Director submitted the following memos:

City of Idaho Falls  
August 15, 2008

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: S. Craig Lords, Municipal Services Director  
SUBJECT: BID IF-08-30, ONE (1) NEW 2008 ARTICULATED OVER-CENTER  
AERIAL DEVICE - 55' WITH TWO-MAN SINGLE-BUCKET  
MOUNTED ON A 2008 OR NEWER CAB AND CHASSIS

Attached for your consideration is the tabulation for the above subject bid.

It is the recommendation of Municipal Services to accept the low bid of Schow's Truck Center to furnish a New 2009 Sterling Cab and Chassis to be mounted with a New 2008 Terex Telect for an amount of \$152,423.00 with trade-in Unit No. 379.

s/ S. Craig Lords

It was moved by Councilmember Taylor, seconded by Councilmember Hardcastle, to accept the low bid from Schow's Truck Center to furnish a New 2009 Sterling Cab and Chassis to be mounted with a New 2008 Terex Telect for an amount of \$152,423.00 with trade-in Unit No. 379. Roll call as follows:

Aye: Councilmember Cornwell  
Councilmember Hardcastle  
Councilmember Hally  
Councilmember Parry  
Councilmember Taylor  
Councilmember Lehto

Nay: None

Motion Carried.

City of Idaho Falls  
August 15, 2008

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: S. Craig Lords, Municipal Services Director  
SUBJECT: BID IF-08-32, ONE (1) NEW SMALL BACKHOE LOADER, FOUR  
WHEEL DRIVE, RUBBER TIRE TYPE

Attached for your consideration is the tabulation for Bid IF-08-32, One (1) New Backhoe Loader, Four Wheel Drive, Rubber Tire Type for use by the Cemetery.

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It is the recommendation of Municipal Services to accept the bid of Greenline Equipment to furnish a new JCB Model 2CX for an amount of \$71,165.00 without trade-in. It is also recommended to purchase Option No. 1 for a pallet fork in the amount of \$2,356.00.

s/ S. Craig Lords

It was moved by Councilmember Taylor, seconded by Councilmember Hardcastle, to accept the bid from Greenline Equipment to furnish a new JCB Model 2CX for an amount of \$71,165.00 without trade-in, along with the purchase listed in Option No. 1 for a pallet fork in the amount of \$2,356.00. Roll call as follows:

Aye: Councilmember Lehto  
Councilmember Parry  
Councilmember Hardcastle  
Councilmember Taylor  
Councilmember Hally  
Councilmember Cornwell

Nay: None

Motion Carried.

The Planning and Building Director submitted the following memo:

City of Idaho Falls  
August 25, 2008

MEMORANDUM

TO: Mayor and Council  
FROM: Renee R. Magee, Planning and Building Director  
SUBJECT: FINAL PLAT – BELLEVUE HEIGHTS ADDITION, DIVISION NO. 1

Attached is the Final Plat entitled Bellevue Heights Addition, Division No. 1. This one-lot plat is located on the block bordered by Fanning and Wabash Avenues and Cleveland and Lomax Streets. The parcel is zoned R-2A. The Planning Commission considered this Final Plat at its July 1, 2008 Meeting and recommended approval. The Board of Adjustment granted a variance for the width of the lot on Fanning Avenue. Staff recommends approval of this Final Plat. It is now being submitted to Mayor and Council for approval.

s/ Renee R. Magee

It was moved by Councilmember Parry, seconded by Councilmember Hally, to accept the Final Plat entitled Bellevue Heights Addition, Division No. 1 and, further, give authorization for the Mayor, City Engineer, and City Clerk to sign said Final Plat. Roll call as follows:

Aye: Councilmember Parry  
Councilmember Cornwell  
Councilmember Taylor  
Councilmember Hardcastle

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Councilmember Lehto  
Councilmember Hally

Nay: None

Motion Carried.

The Police Chief submitted the following memos:

City of Idaho Falls  
August 26, 2008

MEMORANDUM

TO: Mayor and Council  
FROM: Steve Roos, Chief of Police  
SUBJECT: COUNCIL AGENDA ITEM

I respectfully request approval of the attached Ordinance repealing Section 9-7-10 of the Idaho Falls City Code, relating to riding bicycles on the sidewalks.

This Ordinance will be presented for your approval at the City Council Meeting of Thursday, August 28, 2008.

Thank you for your consideration.

s/ Steve Roos

Councilmember Hardcastle gave a further explanation for this Ordinance Amendment. She requested Chief Roos to come forward and explain the Ordinance.

The Police Chief explained that at the present time, those over the age of 15 were not allowed to ride bicycles on the sidewalks. Those under the age of 15 were able to ride bicycles on the sidewalks. He stated that bikes should be on the road most of the time as it is safer. As a bicyclist approaches a pedestrian on the sidewalk, the bicyclist should make an audible signal that they are approaching. The pedestrian still has primary control of the sidewalk.

Eric Beckett, 307 E Street, appeared to state that he was in favor of the Ordinance Amendment to provide safety for children.

John McGimpsey, 2122 Calkins, appeared as a representative for the Idaho Falls Community Pathways group. He stated that the majority of their group was not opposed to this Ordinance Amendment. He stated that he was concerned that this Ordinance Amendment was sending a mixed message, in that it was better to ride on the sidewalks. Riding on sidewalks has been shown to be two to nine times more dangerous than riding on the roads. The Idaho Falls Community Pathways group is strongly in favor of education and enforcement for vehicles and bicyclists. On a personal level, Mr. McGimpsey stated that he was not necessarily in favor of this Ordinance Amendment. He was concerned that pedestrians would not be able to get out of the way of bicyclists. He stated that even though there are areas where there is a bike lane, vehicles are parked in that lane.

Councilmember Cornwell handed two brochures, "Bicycle Commuting" and "Idaho Bicycling Street Smarts" to John McGimpsey for his information.

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Councilmember Hally agreed with John McGimpsey. There are instances where a bicyclist is better off on the sidewalk, if care is taken.

At the request of Councilmember Hardcastle, the City Attorney read the following Ordinance by title only:

**ORDINANCE NO. 2776**

AN ORDINANCE OF THE CITY OF IDAHO FALLS, IDAHO; REPEALING SECTION 9-7-10 OF THE IDAHO FALLS CITY CODE, RELATING TO RIDING BICYCLES ON THE SIDEWALKS; PROVIDING FOR SEVERABILITY; AND ESTABLISHING EFFECTIVE DATE.

The foregoing Ordinance was presented by title only. Councilmember Hardcastle moved, and Councilmember Taylor seconded, that the provisions of Idaho Code Section 50-902 requiring all Ordinances to be read by title, and once in full, on three separate dates be dispensed with, the Ordinance be passed on all three readings, and, further, give authorization for the Mayor and City Clerk to execute the necessary documents. Roll call as follows:

Aye: Councilmember Taylor  
Councilmember Hally  
Councilmember Parry  
Councilmember Lehto  
Councilmember Cornwell  
Councilmember Hardcastle

Nay: None

Motion Carried.

City of Idaho Falls  
August 27, 2008

MEMORANDUM

TO: Mayor and Council  
FROM: Steve Roos, Chief of Police  
SUBJECT: COUNCIL AGENDA ITEM

I respectfully request approval of the attached Ordinance amending Section 6-3-3 of the City Code of Idaho Falls, Idaho; providing for State of Idaho approved language for background checks.

This Ordinance will be presented for your approval at the City Council Meeting of Thursday, August 28, 2008.

Thank you for your consideration.

s/ Steve Roos

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The Police Chief appeared to give a further explanation of this Ordinance Amendment.

At the request of Councilmember Hardcastle, the City Attorney read the following Ordinance by title only:

**ORDINANCE NO. 2777**

AN ORDINANCE AMENDING SECTION 6-3-3 OF THE CITY CODE OF IDAHO FALLS, IDAHO; PROVIDING FOR STATE OF IDAHO APPROVED LANGUAGE FOR BACKGROUND CHECKS; PRESERVING PRIOR ORDINANCE; PROVIDING FOR SEVERABILITY; AND ESTABLISHING EFFECTIVE DATE.

The foregoing Ordinance was presented by title only. Councilmember Hardcastle moved, and Councilmember Taylor seconded, that the provisions of Idaho Code Section 50-902 requiring all Ordinances to be read by title, and once in full, on three separate dates be dispensed with, the Ordinance be passed on all three readings, and, further, give authorization for the Mayor and City Clerk to execute the necessary documents. Roll call as follows:

Aye: Councilmember Taylor  
Councilmember Hally  
Councilmember Parry  
Councilmember Lehto  
Councilmember Cornwell  
Councilmember Hardcastle

Nay: None

Motion Carried.

The Public Works Director submitted the following memos:

City of Idaho Falls  
August 25, 2008

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: Chad Stanger, Public Works Director  
SUBJECT: SEWER SERVICE CONTRACTS (OUTSIDE THE CITY LIMITS) - CUTLER, POTTORFF, OLOFF

Attached are Outside City Limits Sewer Service Contracts in the names of William and June Cutler, Steve and Charlotte Pottorff, and James and Betty Oloff. The premises proposed to benefit from these contracts are 3591, 3539, and 3625 South Koester Road, respectively. These premises have been served for a number of years and changed in ownership without benefit of a service contract.

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Public Works recommends approval of these Sewer Service Contracts; and, authorization for the Mayor and City Clerk to sign the documents.

s/ Chad Stanger

It was moved by Councilmember Lehto, seconded by Councilmember Parry, to approve the Outside the City Sewer Service Contracts with William and June Cutler, Steve and Charlotte Pottorff, and James and Betty Oloff serving 3591, 3539, and 3625 South Koester Road respectively and, further, give authorization for the Mayor and City Clerk to execute the necessary documents. Roll call as follows:

Aye: Councilmember Hardcastle  
Councilmember Lehto  
Councilmember Cornwell  
Councilmember Hally  
Councilmember Parry  
Councilmember Taylor

Nay: None

Motion Carried.

City of Idaho Falls  
August 25, 2008

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: Chad Stanger, Public Works Director  
SUBJECT: BID REJECTION – WELL NO. 18 BOX CULVERT/GERMAN CANAL

On July 22, 2008, bids were received and opened for Well No. 18 Box Culvert/German Canal. A tabulation of the bid results is attached.

Subsequent to the bid opening, conditions related to construction of the well changed and the box culvert is not needed at this time. Public Works recommends rejection of all bids.

s/ Chad Stanger

It was moved by Councilmember Lehto, seconded by Councilmember Parry, to reject all bids for the Well No. 18 Box Culvert over German Canal. Roll call as follows:

Aye: Councilmember Cornwell  
Councilmember Hardcastle  
Councilmember Hally  
Councilmember Parry  
Councilmember Taylor  
Councilmember Lehto

Nay: None

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Motion Carried.

City of Idaho Falls  
August 25, 2008

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: Chad Stanger, Public Works Director  
SUBJECT: STREET RIGHT-OF-WAY AND EASEMENT VACATIONS –  
BEL-AIRE ADDITION, DIVISION NO. 3, PORTIONS OF  
ROWLAND AND WAID STREETS AND A UTILITY EASEMENT

As previously authorized, the City Attorney has prepared documents needed to vacate portions of Rowland and Waid Streets and a utility easement located in Bel-Aire Addition, Division No. 3.

Public Works recommends approval of these vacations; and, authorization for the Mayor and City Clerk to sign the documents.

s/ Chad Stanger

At the request of Councilmember Lehto, the City Attorney read the following Ordinance by title only:

**ORDINANCE NO. 2778**

AN ORDINANCE VACATING A RIGHT-OF-WAY EASEMENT WITHIN THE CITY OF IDAHO FALLS, IDAHO; PARTICULARLY DESCRIBING THE SAID RIGHT-OF-WAY; AUTHORIZING AND DIRECTING THE MAYOR AND CITY CLERK TO EXECUTE AND DELIVER ON BEHALF OF THE CITY A QUITCLAIM DEED CONVEYING THE VACATED RIGHT-OF-WAY TO THE OWNER OF THE ADJACENT LAND, AND NAMING IT; PROVIDING FOR THE EFFECTIVE DATE OF ORDINANCE.

The foregoing Ordinance was presented by title only. Councilmember Lehto moved, and Councilmember Parry seconded, that the provisions of Idaho Code Section 50-902 requiring all Ordinances to be read by title, and once in full, on three separate dates be dispensed with, the Ordinance be passed on all three readings, and, further, give authorization for the Mayor and City Clerk to execute the necessary documents. Roll call as follows:

Aye: Councilmember Lehto  
Councilmember Parry  
Councilmember Hardcastle  
Councilmember Taylor  
Councilmember Hally  
Councilmember Cornwell

Nay: None

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Motion Carried.

City of Idaho Falls  
August 25, 2008

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: Chad Stanger, Public Works Director  
SUBJECT: MISKIN SCRAPER WORKS

Attached is a Stipulation for Judgment and Decree of Condemnation in the case of Bonneville County and City of Idaho Falls v. Miskin Scrapper Works, Inc., involving an action with respect to real property needed for the Sunnyside Road Improvement Project. Bonneville County initiated action in District Court to resolve the issues and arrive at an amount of compensation for the property. The compensation amount is \$27,862.32. In addition, Bonneville County and City of Idaho Falls agree to allow access to the property; and, resolve annexation and utility issues in accordance with applicable Ordinances.

Public Works recommends approval of this agreement; and, authorization for Blake Hall, representing Bonneville County and the City of Idaho Falls, to sign the agreement.

s/ Chad Stanger

Councilmember Parry stated that she would abstain from any discussion or decision regarding this issue.

It was moved by Councilmember Lehto, seconded by Councilmember Cornwell, to approve the Stipulation for Judgment and Decree of Condemnation in the case of Bonneville County and City of Idaho Falls vs. Miskin Scrapper Works and, further, give authorization for Blake Hall, representing Bonneville County and the City of Idaho Falls, to execute the necessary documents. Roll call as follows:

Aye: Councilmember Cornwell  
Councilmember Taylor  
Councilmember Hardcastle  
Councilmember Lehto  
Councilmember Hally

Nay: None

Abstain: Councilmember Parry

Motion Carried.

City of Idaho Falls  
August 25, 2008

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: Chad Stanger, Public Works Director  
SUBJECT: SEWER RATE RESOLUTION – INDUSTRIAL USERS

**AUGUST 28, 2008**

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Attached is a proposed Resolution establishing industrial rates for users of sanitary sewer facilities inside the City of Idaho Falls. These rates have been established by a sewer service analysis and rate study prepared for the City by CH2M Hill.

Public Works recommends adoption of this resolution; and, authorization for the Mayor and City Clerk to sign the documents.

s/ Chad Stanger

**RESOLUTION NO. 2008-15**

ESTABLISHING INDUSTRIAL RATES  
FOR CERTAIN USERS OF SANITARY  
SEWER FACILITIES INSIDE THE CITY  
OF IDAHO FALLS.

WHEREAS, the City of Idaho Falls owns, operates and maintains a publicly-operated waste water treatment and collection work (the "POTW"); and,

WHEREAS, the capital cost and the cost of operation, maintenance and replacement of the POTW must be derived from user fees based upon their proportionate share of use; and,

WHEREAS, the City desires to establish an equitable method for apportioning such costs in a manner that is proportionate to the demand or impact each user has upon the public sewer and waste treatment facilities;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF IDAHO FALLS, IDAHO:

**1. Establishment of Rates.** The following rates are established for existing industrial customers of the City:

<b><u>Name of User</u></b>	<b><u>Rate</u></b>
Penford Products Company	Flow: \$0.5318 per 1,000 gallons BOD: \$0.4642 per lb. TSS: \$0.3123 per lb.
BARI and Grupo Modelo	Flow: \$0.3744 per 1,000 gallons BOD: \$0.4642 per lb. TSS: \$0.3123 per lb.

**2. Method of Billing.** Billings shall be rendered on a monthly basis and shall be due and payable within fifteen (15) days after conclusion of the monthly billing cycle and delivery of a billing statement to each industrial user.

**3. Effective Date.** The rates herein shall be effective with respect to the first full billing cycle after September 1, 2008.

**AUGUST 28, 2008**

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PASSED BY THE COUNCIL AND APPROVED BY THE MAYOR  
this 28<sup>th</sup> day of August, 2008.

s/ Jared D. Fuhriman  
Jared D. Fuhriman  
Mayor

ATTEST:

s/ Rosemarie Anderson  
Rosemarie Anderson  
City Clerk

(SEAL)

Councilmember Lehto further explained that this represents a five year plan for sewer rates. Councilmember Parry stated that the proposed rates are still at or below all cities in our region of the State.

It was moved by Councilmember Lehto, seconded by Councilmember Parry, to approve the Resolution Establishing Industrial Rates for Certain Users of Sanitary Sewer Facilities Inside the City of Idaho Falls and, further, give authorization for the Mayor and City Clerk to execute the necessary documents. Roll call as follows:

Aye: Councilmember Hally  
Councilmember Taylor  
Councilmember Lehto  
Councilmember Cornwell  
Councilmember Hardcastle  
Councilmember Parry

Nay: None

Motion Carried.

City of Idaho Falls  
August 25, 2008

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: Chad Stanger, Public Works Director  
SUBJECT: SEWER CONNECTION FEE ORDINANCE

Attached is a proposed Ordinance establishing sewer connection fees within the City of Idaho Falls. As proposed, this Ordinance increases the sewer connection fee from \$600.00 to \$1,023.00 per connection. This fee was established by a sewer service analysis and rate study prepared by CH2M Hill.

Public Works recommends approval of this Ordinance; and, authorization for the Mayor and City Clerk to sign the documents.

s/ Chad Stanger

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At the request of Councilmember Lehto, the City Attorney read the following Ordinance by title only:

**ORDINANCE NO. 2779**

AN ORDINANCE OF THE CITY OF IDAHO FALLS, IDAHO; AMENDING SECTION 8-1-23 OF THE IDAHO FALLS CITY CODE RELATING TO THE SEWER SERVICES CONNECTION FEES; PROVIDING FOR METHODOLOGY; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

The foregoing Ordinance was presented by title only. Councilmember Lehto moved, and Councilmember Parry seconded, that the provisions of Idaho Code Section 50-902 requiring all Ordinances to be read by title, and once in full, on three separate dates be dispensed with, the Ordinance be passed on all three readings, and, further, give authorization for the Mayor and City Clerk to execute the necessary documents. Roll call as follows:

Aye: Councilmember Taylor  
Councilmember Hally  
Councilmember Parry  
Councilmember Lehto  
Councilmember Cornwell  
Councilmember Hardcastle

Nay: None

Motion Carried.

City of Idaho Falls  
August 25, 2008

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: Chad Stanger, Public Works Director  
SUBJECT: SEWER RATE RESOLUTION – DOMESTIC AND COMMERCIAL USERS

Attached is a proposed Resolution Establishing Rates for Domestic and Commercial Users of Sanitary Sewer Facilities Inside the City of Idaho Falls. These rates have been established by a sewer service analysis and rate study prepared by CH2M Hill.

Public Works recommends adoption of this Resolution; and, authorization for the Mayor and City Clerk to sign the documents.

s/ Chad Stanger

**AUGUST 28, 2008**

**RESOLUTION NO. 2008-16**

ESTABLISHING DOMESTIC AND  
COMMERCIAL RATES FOR USE OF  
SANITARY SEWER FACILITIES  
INSIDE THE CITY OF IDAHO FALLS.

WHEREAS, the City of Idaho Falls owns, operates and maintains a publicly-operated waste water treatment and collection work (the "POTW"); and,

WHEREAS, the capital cost and the cost of operation, maintenance and replacement of the POTW must be derived from user fees based upon their proportionate share of use; and,

WHEREAS, the City desires to establish an equitable method of apportioning such costs in a manner that is proportionate to the demand or impact each user has upon the public sewer and waste treatment facilities;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF IDAHO FALLS, IDAHO:

**1. Establishment of Rates.** The following monthly use rates are established for use of the POTW.

<b>DOMESTIC RATES - INSIDE CITY</b>	
<b>Nature of Use</b>	<b>Rate</b>
Single family dwellings, including condominium units and mobile homes	\$18.95 plus \$14.25 for each functionally separate apartment located within such dwelling
Large multi-family dwelling units	\$14.25 for each functionally separate dwelling unit
Small multi-family dwelling units	\$18.95 for each functionally separate dwelling unit
Mobile home court	\$18.95 per mobile home court, plus \$14.25 per occupied space
Commercial buildings and professional Offices	\$5.68 per each 1,000 square feet of floor space
Laundromats	\$9.47 per washing machine upon the premises
Barber or beauty shops	\$3.03 for each sink
Hotels, motels, boarding houses	\$6.06 for each room
Restaurants and fast-food Establishments	\$50.39
Elementary Schools	\$7.88 per each 50 enrolled students or fraction thereof
Secondary Schools, colleges and Universities	\$10.00 per each 50 enrolled students or fraction thereof
All other non-metered customers	\$18.95 per each fully enclosed structure connected to the POTW

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<b>METERED COMMERCIAL RATES - INSIDE CITY</b>	
<b>Nature of Use</b>	<b>Rates</b>
Commercial user	\$2.89 per month base charge, plus \$1.83 per 1,000 gallons of metered water
All domestic and commercial Structures	110% of the domestic and commercial rates set forth above for City residents

**2. Definitions:** For the purposes of this Resolution, the following terms shall have the meanings ascribed below:

SINGLE FAMILY DWELLING: Any functionally separate dwelling used primarily for human habitation.

LARGE MULTI-FAMILY DWELLING: Any dwelling structure in which three or more functionally separate dwelling units are used primarily for human habitation.

SMALL MULTI-FAMILY DWELLING UNIT: Any dwelling structure in which less than three functionally separate dwelling units are used primarily for human habitation.

**3. Determination of Metered Use:** For the purposes hereof, the City may at any time, in its sole discretion, require any user to meter his or her flow into the sewer system.

**4. Effective Date:** This Resolution shall be effective with respect to all customer accounts billed on or after September 1, 2008.

PASSED BY THE COUNCIL AND APPROVED BY THE MAYOR this 28<sup>th</sup> day of August, 2008.

s/ Jared D. Fuhriman  
Jared D. Fuhriman  
Mayor

ATTEST:

s/ Rosemarie Anderson  
Rosemarie Anderson  
City Clerk

(SEAL)

It was moved by Councilmember Lehto, seconded by Councilmember Parry, to approve the Resolution Establishing Domestic and Commercial Rates for Use of Sanitary Sewer Facilities Inside the City of Idaho Falls and, further, give authorization for the Mayor and City Clerk to execute the necessary documents. Roll call as follows:

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Aye: Councilmember Hardcastle  
Councilmember Lehto  
Councilmember Cornwell  
Councilmember Hally  
Councilmember Parry  
Councilmember Taylor

Nay: None

Motion Carried.

Mayor Fuhriman requested Councilmember Taylor to conduct a public hearing, as legally advertised, to consider fee increases greater than 105% for Fiscal Year 2008-2009. At the request of Councilmember Taylor, the City Clerk read the following memo from the Municipal Services Director:

City of Idaho Falls  
August 25, 2008

**MEMORANDUM**

TO: Honorable Mayor and City Council  
FROM: S. Craig Lords, Municipal Services Director  
SUBJECT: 2008-2009 PROPOSED FEE INCREASES

Municipal Services respectfully requests the Mayor and Council to approve the 2008-2009 proposed fee increases. The proposed increases were advertised August 17, 2008 and August 24, 2008 as required by Idaho Code.

s/ S. Craig Lords

**PUBLIC NOTICE**

NOTICE IS HEREBY GIVEN that the City of Idaho Falls proposes to increase existing fees beginning October 1, 2008, by amounts that exceed one hundred five percent (105%) of respective fees from the current fiscal year. The fee increases are necessary to cover increased costs associated with these programs.

<b><u>SOURCE OF FEES</u></b>	<b><u>CURRENT FEES</u></b>	<b><u>PROPOSED NEW FEES</u></b>
Planning Department:		
Variance	\$150.00	\$300.00
Rezoning	\$350.00	\$450.00
Comprehensive Plan Amendment	\$100.00	\$200.00
Conditional Use Permit (PC Only)	\$100.00	\$200.00
Conditional Use Permit (Council)	\$200.00	\$300.00
Building Department:		
Sign Permits	\$ 15.00	\$ 90.00
LED Signs (Electronic, Animated)	\$ 15.00	\$150.00
LED Billboards	\$ 15.00	\$150.00
Residential Plan Check Fees	10% of Permit Fee	25% of Permit Fee

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<b>SOURCE OF FEES</b>	<b><u>CURRENT FEES</u></b>	<b><u>PROPOSED NEW FEES</u></b>
Child Care Licensing:		
Family Child Care (1 - 5 Children)	\$ .00	\$ 50.00
Group Child Care (6 - 12 Children)	\$ .00	\$100.00
Child Care Center (13 or More Children)	\$ .00	\$150.00
Background Check - Fingerprints	\$ .00	\$ 50.00
Parks:		
Small Shelter Rental	\$ 40.00	\$ 50.00
Band Shell Rental	\$150.00	\$175.00
Multi-Purpose Shelter Rental	\$175.00	\$200.00
Bleacher Rental	\$ 5.00	\$ 25.00
Picnic Table Rental (6 Table Minimum)	\$ 25.00	\$ 50.00
Additional Picnic Tables (Each)	\$ 2.00	\$ 5.00
Banners (Set of 10)	\$125.00	\$150.00
Sandy Downs:		
Grandstand/Arena Rental	\$500.00	\$600.00
4H Arena Rental	\$115.00	\$125.00
North Arena Rental	\$115.00	\$125.00
Grandstand Cleaning Deposit	\$300.00	\$500.00

Any person who desires to provide comments regarding such fee increases may appear at 7:30 p.m. on Thursday, August 28, 2008, at the City of Idaho Falls Council Chamber, City Hall Annex, 680 Park Avenue, Idaho Falls, Idaho.

s/ Rosemarie Anderson  
Rosemarie Anderson  
City Clerk

Publish: August 17 and August 24, 2008

The Planning and Building Director appeared to explain the reasoning for the fee increases from the Planning and Building Department. The purpose of the fee increases being proposed assures that the Division is able to reflect the costs of administering the applications. The proposed fees are not out of line with neighboring jurisdictions. The Planning and Building Director reviewed the proposed sign permit fees. The proposed base fee would be \$60.00, \$30.00 additional if it is an electric sign, and \$30.00 additional if a structural plan review needs to be conducted. These fees are somewhat less than what was originally proposed.

Mayor Fuhriman requested to know when the fees were last increased. The Planning and Building Director stated that the sign permit fees were last increased in 1984. The remainder of her requested fee increases were increased approximately six years ago.

The Parks and Recreation Director appeared to state that most of the requested fee increases for Parks and Recreation Division are facility fees. These fees are directly tied to the operation and maintenance costs for those facilities. The banner program has expanded over the years. The fee increases for that program are directly related to that program.

There being no further discussion either in favor of or in opposition to the proposed fee increases, Mayor Fuhriman closed the public hearing.

It was moved by Councilmember Taylor, seconded by Councilmember Hardcastle, to approve the fee increases greater than 105% for Fiscal Year 2008-2009, including the amended sign permit fees as presented. Roll call as follows:

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Aye: Councilmember Cornwell  
Councilmember Hardcastle  
Councilmember Hally  
Councilmember Parry  
Councilmember Taylor  
Councilmember Lehto

Nay: None

Motion Carried.

Mayor Fuhriman requested Councilmember Taylor to conduct a public hearing as legally advertised, to consider the adoption of the 2008-2009 Fiscal Year Budget. At the request of Councilmember Taylor, the City Clerk read the following memo from the Municipal Services Director:

City of Idaho Falls  
August 22, 2008

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: S. Craig Lords, Municipal Services Director  
SUBJECT: ADOPTION OF 2008-2009 FISCAL YEAR BUDGET

Attached for your consideration is a copy of the proposed annual 2008-2009 Fiscal Year Budget that was tentatively approved on August 14, 2008 by the Mayor and City Council and has been advertised as required by Idaho Code.

Municipal Services respectfully requests the adoption of the 2008-2009 Fiscal Year Budget in the amount of \$171,747,702.00 and the attached Appropriation Ordinance, appropriating the monies to and among the various funds.

s/ S. Craig Lords

**NOTICE OF PUBLIC HEARING**  
**PROPOSED BUDGET FOR FISCAL YEAR 2008-2009**  
**CITY OF IDAHO FALLS, IDAHO**

A public hearing pursuant to Idaho Code 50-1002, will be held for consideration of the proposed budget for the fiscal year from October 1, 2008 to September 30, 2009. The hearing will be held at the City of Idaho Falls Council Chambers, in the City Annex Building, located at 680 Park Avenue, Idaho Falls, Idaho at 7:30 p.m., Thursday, August 28, 2008. All interested persons are invited to appear and provide comments regarding the proposed budget. Copies of the proposed budget are available at the Idaho Falls City Controller's Office during regular office hours (8:00 a.m. to 5:00 p.m., weekdays). City Hall is accessible to persons with disabilities. Anyone desiring accommodations for disabilities in order to allow access to the budget documents or to the hearing should contact the City Controller's Office at 612-8230 at least 48 hours prior to the public hearing. The proposed FY 2008 budget is shown below as FY 2009 proposed expenditures and revenues.

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<b>PROPOSED EXPENDITURES</b>			
<b>Fund Name</b>	<b>FY 2007 Actual Expenditures</b>	<b>FY 2008 Budget Expenditures</b>	<b>FY 2009 Proposed Expenditures</b>
<b>General Fund</b>			
Mayor and Council	\$ 152,564	\$ 173,517	\$ 190,000
Legal	141,935	212,091	216,651
Municipal Services	3,824,726	8,042,214	9,902,216
Planning and Building	1,999,468	2,274,010	2,347,878
Human Resources	-0-	-0-	111,769
Police	10,442,074	11,386,081	11,460,527
Fire	8,404,660	9,246,496	9,002,408
Parks	11,629,278	6,447,936	5,410,867
Public Works	1,518,331	1,975,542	2,042,232
General Fund Total	\$ 38,113,036	\$ 39,757,887	\$ 40,684,548
<b>Special Revenue Funds</b>			
Street Fund	\$ 2,774,655	\$ 3,557,478	\$ 4,116,594
Recreation Fund	1,008,338	1,113,326	1,237,747
Library Fund	1,840,403	2,886,947	2,958,571
Airport Passenger Facility Charge Fund	606,879	600,000	625,000
Municipal Equipment Replacement Fund	934,061	1,568,000	2,046,000
Electric Light Public Purpose Fund	448,396	550,000	550,000
Business Improvement District	45,600	60,000	57,400
Golf Fund	-0-	1,790,015	1,867,134
Special Revenue Funds Total	\$ 7,628,332	\$ 12,125,766	\$ 13,458,446
<b>Capital Projects Funds</b>			
Sanitary Sewer Capital Improvement Fund	\$ 269,581	\$ -0-	\$ -0-
Municipal Capital Improvement Fund	145,334	3,500,000	3,900,000
Street Capital Improvement Fund	5,316,414	-0-	-0-
Bridge and Arterial Street Fund	222,301	1,000,000	1,500,000
Water Capital Improvement Fund	203,266	500,000	500,000
Surface Drainage Fund	-0-	200,000	50,000
Traffic Light Capital Improvement Fund	216,993	1,000,000	1,100,000
Capital Projects Funds Total	\$ 6,373,889	\$ 6,200,000	\$ 7,050,000
<b>Enterprise Funds</b>			
Airport Fund	\$ 4,582,787	\$ 8,914,839	\$ 9,011,344
Water and Sewer Fund	12,380,416	12,536,549	22,243,799
Sanitation Fund	3,033,203	3,734,860	4,418,828
Ambulance Fund	2,703,998	2,787,893	3,030,082
Electric Fund	54,426,856	64,975,485	71,850,655
Enterprise Funds Total	\$ 77,127,250	\$ 92,949,626	\$110,554,708
<b>Total Expenditures - All Funds</b>	<b>\$129,242,507</b>	<b>\$151,033,279</b>	<b>\$171,747,702</b>
<b>PROJECTED REVENUES</b>			
<b>Fund Name</b>	<b>FY 2007 Actual Revenues</b>	<b>FY 2008 Budget Revenues</b>	<b>FY 2009 Projected Revenues</b>
<b>Property Tax Levy</b>			
General Fund	\$ 17,760,364	\$ 19,486,308	\$ 21,189,662
Recreation Fund	370,518	425,327	463,931
Library Fund	1,359,901	1,525,046	1,663,466

**AUGUST 28, 2008**

<b>Fund Name</b>	<b>FY 2007 Actual Revenues</b>	<b>FY 2008 Budget Revenues</b>	<b>FY 2009 Projected Revenues</b>
<b>Property Tax Levy, continued</b>			
Municipal Capital Improvement Fund	544,912	611,130	1,166,599
Fire Retirement	843,287	843,287	1,044,000
Liability Insurance	670,000	580,000	602,000
Property Tax Levy Total	<u>\$ 21,548,982</u>	<u>\$ 23,471,098</u>	<u>\$ 27,129,658</u>
<b>Revenue Sources Other Than Property Tax</b>			
General Fund	\$ 15,260,625	\$ 16,118,252	\$ 14,848,886
Street Fund	3,416,777	3,186,854	3,068,609
Recreation Fund	768,642	714,350	785,650
Library Fund	766,931	816,806	928,565
Passenger Facility Fund	606,879	600,000	625,000
Municipal Equipment Replacement Fund	362,322	200,000	200,000
Electric Light Public Purpose Fund	503,707	550,000	550,000
Business Improvement District Fund	53,469	60,000	58,700
Electric Rate Stabilization Fund	971,413	400,000	400,000
Golf Fund	-0-	1,782,700	1,850,600
Sanitary Sewer Capital Improvement Fund	330,886	216,750	243,750
Municipal Capital Improvement Fund	137,426	25,000	25,000
Street Capital Improvement Fund	4,898,706	1,000	1,000
Bridge and Arterial Street Fund	458,741	255,000	260,000
Water Capital Improvement Fund	400,282	283,750	288,750
Surface Drainage Fund	95,492	50,000	52,000
Traffic Light Capital Improvement Fund	402,578	281,900	369,768
Airport Fund	4,625,471	8,481,409	8,554,000
Water and Sewer Fund	13,576,633	12,478,000	16,075,400
Sanitation Fund	3,334,110	3,605,000	4,533,000
Ambulance Fund	1,733,292	2,661,239	2,916,194
Electric Fund	61,036,412	53,356,060	51,994,170
Fund Transfers	1,916,379	1,889,500	2,095,100
Fund Balance Carryover	17,162,365	19,548,611	34,393,902
Other Revenue Sources Total	<u>\$133,819,538</u>	<u>\$127,562,181</u>	<u>\$145,618,044</u>
<b>Total Revenues - All Funds</b>	<u>\$133,819,538</u>	<u>\$127,562,181</u>	<u>\$145,618,044</u>

I, Rosemarie Anderson, City Clerk of the City of Idaho Falls, Idaho certify that the above is a true and correct statement of the proposed expenditures by fund and the entire estimated revenues and other sources of the City of Idaho Falls, Idaho for the Fiscal Year 2008-2009; all of which have been tentatively approved by the City Council on August 14, 2008 and entered at length in the Journal of Proceedings.

Dated this 14<sup>th</sup> day of August, 2008.

s/ Rosemarie Anderson  
Rosemarie Anderson  
City Clerk

Publish: August 17 and August 24, 2008

Councilmember Taylor explained that he was new to the process as he was appointed in January of this year to complete the remainder of Joe Groberg's term. He expressed his appreciation for the cooperation between the Mayor, City Council, and Division Directors in developing this budget. There was always mutual respect among

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members of the City Council and staff. The dialog, while not always in agreement, was civil. The budgeting process is ongoing throughout the year, but is most intense the four months prior to the fiscal year end. Councilmember Taylor stated that this year's budget proposal is for \$171,747,702.00, while last year's budget was \$151,133,279.00. This is a \$20,000,000.00 increase. That does not indicate that there will be an increase of \$20,000,000.00 in property taxes. The \$171,747,702.00 represents the amount of expenditures being considered for this fiscal year budget, which has been saved over the years for capital projects. Some of the major capital improvement projects to be considered under this budget are the Proposed Sewer Treatment Plant Upgrade Project and the Idaho Falls Power Westside Substation. There are some operating cost increases, such as fuel. The City of Idaho Falls does a marvelous job of living within its means. It does not borrow money. There is an emergency reserve for unexpected items. In 2003, there was enough emergency reserve in the General Fund to fund 3 months of operations. In the current year, that amount has shrunk to 1.5 months of operating costs. The General Fund is less sure than it was 4 years ago. In his opinion, the emergency reserve should be shored up and increased. The City of Idaho Falls has aging infrastructure. With time, water lines, sewer lines, and streets age. In addition to infrastructure needs, there are major projects that are required to accommodate growth. Those major projects need to be saved for. All of these items have been considered when establishing the proposed budget. A proposed property tax increase of \$2,650,560.00 is being considered. Most of that is covered by new construction, new annexations, and property valuations. This budget proposes a 1.59% increase in the property tax levy, which generates approximately \$408,000.00. This translates to a home valued at \$100,000.00 would see an increase of \$6.82 on an annual basis. On a \$150,000.00 home, the tax increase would be \$10.23 on an annual basis. The levy rate has been reduced 6 of the last 7 years. Last year, the reduction was 2.78%. The proposed increase of 1.59% does not bring the City to the levy rate from 2 years ago. Councilmember Taylor stated that he has investigated the levy rates for several cities and noted that Pocatello, Blackfoot, American Falls, Caldwell, and Lewiston have levy rates higher than the City of Idaho Falls. There is a good quality of life in Idaho Falls. The Fire Protection and Police Protection are second to none. There is plenty of water, the sewer system is good, and the quality of our streets is always being worked on. The Parks, Greenbelt, Civic Auditorium, Aquatic Center, Airport, and Library are all contributing to the quality of life in our community. As Councilmember Taylor has visited with citizens, they indicate that they are pleased with the quality of life that we have. He stated that with regard to the levy rate increase, it is better to keep up than it is to catch up. The proposed budget addresses each of the concerns expressed, and the City will continue to look for cost saving measures while not sacrificing the quality of service in our community. Councilmember Taylor thanked the Mayor, City Council, and Division Directors for their service to the community.

Larry Smith, 915 7<sup>th</sup> Street, appeared to request a clarification of where the carryover balance comes from.

The Municipal Services Director appeared to explain that the carryover amount is money that has been set aside over the past few years, particularly in the Enterprise Funds, to complete projects. He gave a further explanation for the major projects that the City is to complete in this year's budget. The Municipal Services Director then indicated where these balances were shown in the budget packet.

Councilmember Lehto questioned the Municipal Services Director as to which fund the realized savings from the insurance premium reductions would go.

The Municipal Services Director stated that the savings would be distributed to the General Fund and all Enterprise Funds.

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There being no further comments either in favor of or in opposition to the 2008-2009 Fiscal Year Budget, Mayor Fuhrman closed the public hearing.

Councilmember Hally stated that during the budgeting process, he was in favor of a flat levy increase. Property tax revenues are a small percentage of the overall budget. Several factors had him look at the increase a little more closely. The future in the infrastructure is lagging and inflation has far exceeded the CPI on the infrastructure. The City of Idaho Falls is the hub for 200,000 people. We are a hub for medical services, recreational services, and entertainment services for many more. The only way to maintain the infrastructure is to look ahead. As he looks ahead, the increased revenue to cover these areas is valuation increases and new construction. That is flat this year. The tool to keep up with the infrastructure during this next year is going to decrease even more. Funds need to be set aside for infrastructure or the City will pay dearly in the future. State law limits any levy increase per year to 3% increase. He experienced a change of heart and approved a slight increase in the levy for this fiscal year to address some infrastructure needs. Councilmember Hally stated that if a home is valued at \$200,000.00, there is actually a decrease in property taxes being assessed. He stated, further, that it would be irresponsible for government to pass on the debt of infrastructure needs to future generations. This should be taken care of now in a responsible manner.

Councilmember Hardcastle expressed her concern for employees. Employees are asked to work harder as they have more pathways, parks, etc. to maintain. One of the things lacking over the last several years is adding employees to the Building Maintenance Department. This year, two employees are being added to the Building Maintenance Department to try to catch up on a backlog of maintenance to City buildings. An Assistant Planner is being added to the Planning Division. The land for Ryder Park was obtained approximately fifteen years ago. Development of this park has been delayed from year to year. The Idaho State Department of Fish and Game approached the City of Idaho Falls a couple of years ago stating that they would put up \$100,000.00 to put in a fishing pond, if the City would contribute money to that project also. Councilmember Hardcastle stated that if the City does not step up to that project, it will lose the money from the Idaho Department of Fish and Game. The City made a promise to the Equal Access Playground to pave half of it a year ago, with the other half being paved this year. The City is putting aside \$75,000.00 this year to begin saving for a computerized irrigation system. As a result of that system, the City will save water and time. The whole irrigation system within the City of Idaho Falls can be operated from the small building in Community Park. Councilmember Hardcastle commended Councilmember Taylor for his good work in explaining the budget this evening. She, further, commended the staff for their hard work and cooperation in developing the budget.

Councilmember Lehto stated that he would be voting against the Appropriation Ordinance. What is unfortunate about the Municipal Services presentation is that the whole story has not been presented with regard to the levy increase. The City Council goes through a significant amount of work and a significant time expenditure and emotional duress in developing the budget. During the last Council Work Session before tentatively approving this budget, the City Council determined that they needed to take care of the employees, the projected expenditures, and also provide additional funds for future projects that would be placed into a rainy day fund. In order to take care of those issues, it became necessary to take a tax levy increase. Since that time, the City was involved in the process of receiving bids from suppliers on the medical insurance package. The City Council reviewed those proposals and asked two of the companies if they would provide long-term quotes for service. Councilmember Lehto stated that he has determined that there would be a change in the insurance carrier, which will result in a cost savings to the City of about \$750,000.00 per year for the next two years. He stated, further, he would like to convince others on the City Council to reject the Appropriations Ordinance as presented.

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If this Appropriations Ordinance is rejected, a flat levy could be implemented. He could, further, request that all of the money be put towards tax relief and levy related reductions. He stated that it would be prudent to hold the levy flat. He requested that the other Councilmembers follow him and reject the Appropriations Ordinance as it is written.

Councilmember Parry stated that the keystone to this argument is that there is not a contract in hand with either of the insurance companies. It would not be prudent to reduce the levy at this time.

Councilmember Lehto requested the Municipal Services Director to come forward to speak to the insurance contract and whether it would be honored at this time.

The Municipal Services Director stated that he was comfortable that a contract will be provided. That contract is scheduled to be considered at the September 11, 2008 City Council Meeting. With that caveat, at the close of business today, he received an e-mail addressing some of the expressed concerns. There are some other concerns that have not been addressed. Some of those concerns have been discussed with the Insurance Committee as they raised issues regarding the \$775,000.00 insurance savings. Those are some issues that are still on the table that need to be reviewed and resolved by the City Council at a later date.

Councilmember Parry indicated that the Budget could be opened at a later date, once the issues have been resolved. She stated, further, that the General Fund should be built up to provide for at least a three month contingency, rather than the one and one-half month contingency that is now saved. Councilmember Parry stated that she agreed with Councilmember Taylor in that it is better to keep up than to catch up.

Councilmember Lehto stated that many of the items discussed have been calculated into the proposed budget. Now, there appears to be an argument that the money being saved from the insurance proposals could go to additional projects. That should be argued before getting to this stage of the budget development. During last year's budgeting process, when a savings was realized, the City Council identified that as the taxpayers' money and implemented a levy decrease.

Councilmember Cornwell stated that over the past two years, the levy has been lowered. She stated that she was opposed to that. Infrastructure needs attention. She expressed her concern that if the City goes with Blue Cross Insurance there might be a significant increase in insurance costs when the two year proposal comes to an end. Insurance companies are in the business to make money. It would be a good idea to put the savings aside, so that the burden does not fall to the employees when the insurance proposal ends.

Councilmember Lehto requested that each member of the City Council should state what they believe the \$1.5 Million Dollars should be earmarked for.

Councilmember Taylor stated that the City anticipates a savings on insurance premiums. This savings came before the City Council at a very late hour in the budget process. The decision and recommendation from the Insurance Committee to change to Blue Cross Insurance was not made until this morning. The two-year bid from Blue Cross was not received until yesterday. There are many different opinions about what to do with the savings. He stated that he did not believe that the City Council was united on what to do with the savings at this time. It may take some time to reach that decision. There are some employees of the City who think that the savings belongs to the employees. Maybe some of the savings could go back to the taxpayers in the City of Idaho Falls. There will be lengthy discussions regarding this money. Councilmember Taylor stated that from his point of view it is premature to make a knee-jerk reaction at the very last minute to lower the levy and not hold the discussions needed.

Councilmember Lehto expressed his concern that the City Council may start to think of the tax money as their own and not as the taxpayers' money.

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Mayor Fuhriman stated that he agreed that there will be a considerable amount of discussion as to how the money will be appropriated and spent. He stated that he could look the taxpayers' in the eye and state that the Mayor and Council have done their very best in balancing this budget. Everyone has worked long and hard on the proposed budget. There were significant requests during this budgeting process, but the Mayor and Council have kept it as lean as possible. He stated that this is the third budget that he has been involved with, and stated, further, that he was proud of the City Council for all of the hard work that has gone into developing this budget. He expressed his appreciation for all of the cooperation during this process. Mayor Fuhriman stated that he would have preferred a flat levy, but felt that the City is providing the very best in meeting the needs of the community.

At the request of Councilmember Taylor, the City Attorney read the following Ordinance by title only:

**ORDINANCE NO. 2780**

THE ANNUAL APPROPRIATION ORDINANCE OF THE CITY OF IDAHO FALLS, IDAHO, FOR THE PERIOD COMMENCING OCTOBER 1, 2008 AND ENDING SEPTEMBER 30, 2009, APPROPRIATING AND APPORTIONING THE MONIES OF SAID CITY TO AND AMONG THE SEVERAL FUNDS OF SAID CITY AND DESIGNATING THE PURPOSE FOR WHICH SAID MONIES MAY BE EXPENDED; SPECIFYING THE AMOUNT OF MONEY PAID BY PROPERTY TAX TO BE APPROPRIATED TO SAID FUNDS; PROVIDING WHEN THE ORDINANCE SHALL BECOME EFFECTIVE.

The foregoing Ordinance was presented by title only. Councilmember Taylor moved, and Councilmember Hardcastle seconded, to approve the adoption of the 2008-2009 Fiscal Year Budget in the amount of \$171,747,702.00 and that the provisions of Idaho Code Section 50-902 requiring all Ordinances to be read by title, and once in full, on three separate dates be dispensed with, the Ordinance be passed on all three readings, and, further, give authorization for the Mayor and City Clerk to sign the necessary documents. Roll call as follows:

Aye: Councilmember Hally  
Councilmember Taylor  
Councilmember Cornwell  
Councilmember Hardcastle  
Councilmember Parry

Nay: Councilmember Lehto

Motion Carried.

The City Attorney commended the City Council and stated that this has been a very good process this year.

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There being no further business, it was moved by Councilmember Hardcastle, seconded by Councilmember Parry, that the meeting adjourn at 9:10 p.m.

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CITY CLERK

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MAYOR

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