

AUGUST 24, 2006

The City Council of the City of Idaho Falls met in Regular Council Meeting, Thursday, August 24, 2006, in the Council Chambers at 140 South Capital Avenue in Idaho Falls, Idaho.

There were present:

Mayor Jared D. Fuhriman
Councilmember Ida Hardcastle
Councilmember Michael Lehto
Councilmember Karen Cornwell
Councilmember Thomas Hally
Councilmember Larry Lyon
Councilmember Joe Groberg

Also present:

Shan Perry, Assistant City Attorney
Rosemarie Anderson, City Clerk
All available Division Directors

Mayor Fuhriman requested Boy Scout Eric Bass to come forward and lead those present in the Pledge of Allegiance.

CONSENT AGENDA ITEMS

The City Clerk requested approval of the Minutes from the August 10, 2006 Work Session, the August 10, 2006 Regular Council Meeting, and the August 22, 2006 Executive Session.

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

The City Clerk requested Council ratification for the publication of legal notices calling for public hearings on August 24, 2006.

The Idaho Falls Power Director submitted the following memos:

City of Idaho Falls
August 21, 2006

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: Jackie Flowers, Idaho Falls Power Director
SUBJECT: CONSENT AGENDA – AUTHORIZATION TO RECEIVE BIDS FOR TREE TRIMMING

Idaho Falls Power respectfully requests authorization to bid for the Fiscal Year 2007 Line Clearance Tree Trimming Project.

s/ Jackie Flowers

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City of Idaho Falls
August 21, 2006

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: Jackie Flowers, Idaho Falls Power Director
SUBJECT: CONSENT AGENDA – AUTHORIZATION TO SOLICIT
PROPOSALS FOR SYSTEM CAPACITY STUDY

Idaho Falls Power respectfully requests authorization to solicit proposals for professional services necessary to conduct a system capacity study. This plan would evaluate existing infrastructure, considering age and system growth, to determine how to maximize system reliability. The study will prioritize needed system improvements and be used to formalize a 5-year capital improvement plan.

s/ Jackie Flowers

City of Idaho Falls
August 21, 2006

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: Jackie Flowers, Idaho Falls Power Director
SUBJECT: CONSENT AGENDA – AUTHORIZATION TO SOLICIT
PROPOSALS FOR REPAIRS TO THE LOWER PLANT

Idaho Falls Power respectfully requests authorization to solicit proposals for professional services to design repairs below the radial gate apron at the Lower Plant, as well as repair of the South Tourist Park Boat Dock.

s/ Jackie Flowers

It was moved by Councilmember Hally, seconded by Councilmember Groberg, that the Consent Agenda be approved in accordance with the recommendations presented. Roll call as follows:

Aye: Councilmember Lehto
Councilmember Lyon
Councilmember Hardcastle
Councilmember Groberg
Councilmember Hally
Councilmember Cornwell

Nay: None

Motion Carried.

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REGULAR AGENDA ITEMS

The Idaho Falls Power Director submitted the following memos:

City of Idaho Falls
August 18, 2006

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: Jo Fikstad, Power Manager
SUBJECT: SETTLEMENT AGREEMENT TO THE PALISADES AGREEMENT

Attached for your consideration is a Settlement Agreement offered by the Bonneville Power Administration that provides for the termination of the Palisades Agreement dated September 1, 2000. The Agreement has been reviewed by the City Attorney.

Idaho Falls Power respectfully recommends approval of the Settlement Agreement and authorization for the Mayor to sign the document.

s/ Jo Fikstad

Councilmember Lehto gave a brief explanation of the terms of the Settlement Agreement offered by the Bonneville Power Administration. It was moved by Councilmember Lehto, seconded by Councilmember Hally, to approve the Settlement Agreement offered by the Bonneville Power Administration that provides for the termination of the Palisades Agreement dated September 1, 2000 and, further, give authorization for the Mayor to execute the necessary documents. Roll call as follows:

Aye: Councilmember Hally
Councilmember Groberg
Councilmember Lehto
Councilmember Cornwell
Councilmember Hardcastle
Councilmember Lyon

Nay: None

Motion Carried.

City of Idaho Falls
August 18, 2006

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: Jo Fikstad, Power Manager
SUBJECT: BULB TURBINE POWER PURCHASE AGREEMENT

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Attached for your consideration is a Power Purchase Agreement to continue the sale of the output of the Bulb Turbine Project to the Bonneville Power Administration. The Agreement has been reviewed by the City Attorney.

Idaho Falls Power respectfully recommends approval of the Power Purchase Agreement and authorization for the Mayor to sign the document.

s/ Jo Fikstad

It was moved by Councilmember Lehto, seconded by Councilmember Hally, to approve the Power Purchase Agreement to continue the sale of the output of the Bulb Turbine Project to the Bonneville Power Administration and, further, give authorization for the Mayor to execute the necessary documents. Roll call as follows:

Aye: Councilmember Groberg
Councilmember Hally
Councilmember Lyon
Councilmember Lehto
Councilmember Cornwell
Councilmember Hardcastle

Nay: None

Motion Carried.

The Planning and Building Director submitted the following memo:

City of Idaho Falls
August 4, 2006

MEMORANDUM

TO: Mayor and City Council
FROM: Renée R. Magee, Planning and Building Director
SUBJECT: DEVELOPMENT AGREEMENT AND FINAL PLAT – ROLLANDET PLACE, DIVISION NO. 1

Attached are the Development Agreement and Final Plat for Rollandet Place, Division No. 1. This one lot plat is located east and contiguous to Rollandet Avenue, south of Rose Hill Cemetery, and north of Tautphaus Park. The Planning Commission, at its July 11, 2006 Meeting, recommended approval of this Final Plat. The matter is being submitted to the Mayor and Council for consideration.

s/ Renée R. Magee

The Assistant Planning and Building Director located the subject area on a map and further explained the request. Following is a list of exhibits used in connection with this request:

Slide 1 Vicinity Map showing surrounding zoning
Slide 2 Aerial Photo
Slide 3 Final Plat under consideration

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- Exhibit 1 Planning Commission Minutes dated July 11, 2006
- Exhibit 2 Staff Report dated July 11, 2006
- Exhibit 3 Copy of Final Plat

It was moved by Councilmember Groberg, seconded by Councilmember Hardcastle, to approve the Development Agreement and accept the Final Plat for Rollandet Place, Division No. 1 and, further, give authorization for the Mayor, City Engineer, and City Clerk to execute the necessary documents. Roll call as follows:

Aye: Councilmember Hardcastle
Councilmember Lehto
Councilmember Cornwell
Councilmember Hally
Councilmember Lyon
Councilmember Groberg

Nay: None

Motion Carried.

Mayor Fuhriman requested Councilmember Hally to conduct a public hearing, as legally advertised, for consideration of the imposition of new fees and fee increases greater than 105% for Fiscal Year 2006-2007. At the request of Councilmember Hally, the City Clerk read the following memo from the Municipal Services Director:

City of Idaho Falls
August 21, 2006

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: S. Craig Lords, Municipal Services Director
SUBJECT: 2006-2007 PROPOSED FEE INCREASES

Municipal Services respectfully requests the Mayor and Council to approve the 2006-2007 proposed fee increases. The proposed increases were advertised August 13, 2006 and August 20, 2006 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 by an amount that exceeds one hundred five percent (105%) of such fees collected in Fiscal Year 2005-2006. The fee increases are necessary to cover increased costs associated with these programs.

<u>SOURCE OF FEES</u>	<u>CURRENT FEES</u>	<u>PROPOSED NEW FEES</u>
Public Safety:		
Parking Permit		
Downtown Resident Parking Permit	--	\$ 15.00

AUGUST 24, 2006

<u>SOURCE OF FEES</u>	<u>CURRENT FEES</u>	<u>PROPOSED NEW FEES</u>
Zoo		
Rental Fees		
Tent Rental	\$ 25.00	\$ 35.00
Additional hour(s)	\$ 10.00	\$ 15.00
After hours fee (per hour)	--	\$ 75.00
Animal Encounter Show (unscheduled)	--	\$ 15.00
Animal interaction (1 person, 2 animals, 30 minutes)	--	\$ 25.00
10' X 10' tent	--	\$ 25.00
20' X 40' tent	--	\$ 100.00
Additional tables (each)	--	\$ 10.00
Cemeteries		
Burial Fees		
After 4:30 p.m. burial fee	--	\$ 100.00
Aquatic Center		
Admission Fees		
Child/Senior Admission	\$ 2.78	\$ 3.00
Adult Punch Card	\$ 56.70	\$ 60.00
Child/Senior Punch Card	\$ 44.10	\$ 48.00
Rental Fees		
Birthday Parties	\$ 50.25	\$ 55.00
Recreation Programs		
Activity Center Rental Fees		
Room rental for east and west rooms	\$ 15.00	\$ 20.00
Room rental for south room	\$ 25.00	\$ 30.00
Water Fees		
Non-Metered Rates (Inside City)		
Single-family dwellings and mobile homes (excluding separate apartment units within such dwelling), per dwelling or unit	\$ 13.00	\$ 15.00
Apartment unit - per unit	\$ 9.80	\$ 11.27
Apartment unit occupied by landlord or manager	\$ 13.00	\$ 15.00
Office buildings, banks, bowling alleys, lodges, markets Per 1,000 square feet of area	\$ 3.90	\$ 4.49
Laundromat - per machine	\$ 6.50	\$ 7.48
Travel trailer court	\$ 13.00	\$ 15.00
Plus per occupied space	\$ 9.80	\$ 11.27
Barber or beauty shop, each bowl	\$ 2.21	\$ 2.54
Hotel, motor hotel, motel or rooming house - per room	\$ 4.15	\$ 4.77
Restaurant and fast-food establishment	\$ 34.66	\$ 39.86
Elementary Schools (Grades 1-6) - Per 50 students or fraction thereof	\$ 5.45	\$ 6.27
Secondary Schools (Grades 7-12) - Per 50 students or fraction thereof	\$ 6.88	\$ 7.91
All other non-metered customers - per premises or Building	\$ 13.00	\$ 15.00
Irrigation Service		
Each customer, landlord, tenant or agent	\$ 10.84	\$ 12.47
Each non-metered, non-residential property with lawn or cultivated area measuring more than 1/20 th of an acre - per acre or fraction thereof	\$ 60.62	\$ 69.71
Metered Rates (Inside City)		
5/8" meter	\$ 13.00	\$ 15.00
3/4" meter	\$ 13.00	\$ 15.00
1" meter	\$ 13.00	\$ 15.00
1-1/4" meter	\$ 17.73	\$ 19.93

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SOURCE OF FEES	CURRENT FEES	PROPOSED NEW FEES
Water Fees, Metered Rates (Inside City), continued:		
1-1/2" meter	\$ 21.68	\$ 24.93
2" meter	\$ 25.96	\$ 29.85
3" meter	\$ 30.31	\$ 34.86
4" meter	\$ 43.29	\$ 49.78
6" meter	\$ 86.58	\$ 99.57
8" meter	\$ 129.80	\$ 149.27
Sanitation Fees		
Residential Service		
Pickups per week		
1	\$ 5.50	\$ 7.50
Commercial Service		
Hand-load Containers		
Pickups per week		
1	\$ 5.50	\$ 7.50
2	\$ 11.00	\$ 15.00
3	\$ 16.50	\$ 22.50
4	\$ 22.00	\$ 30.00
5	\$ 27.50	\$ 37.50
6	\$ 33.00	\$ 45.00
Small Containers		
Pickups per week - 1-1/2 C. Y.		
1	\$ 23.75	\$ 32.30
2	\$ 29.75	\$ 40.30
3	\$ 35.75	\$ 48.30
4	\$ 41.50	\$ 56.30
5	\$ 47.50	\$ 64.30
6	\$ 53.50	\$ 72.30
Pickups per week - 3 C. Y.		
1	\$ 29.00	\$ 39.40
2	\$ 40.50	\$ 50.40
3	\$ 51.50	\$ 61.50
4	\$ 63.00	\$ 72.40
5	\$ 74.25	\$ 83.40
6	\$ 85.50	\$ 94.40
Pickups per week - 4 C. Y.		
1	\$ 32.75	\$ 44.50
2	\$ 47.50	\$ 58.50
3	\$ 62.50	\$ 72.50
4	\$ 77.25	\$ 86.50
5	\$ 92.00	\$ 100.50
6	\$ 107.00	\$ 114.50
Large Containers		
Pickups per month - Uncompacted 30 C. Y.		
1	\$ 104.00	\$ 141.00
2	\$ 187.00	\$ 253.00
3	\$ 271.00	\$ 365.00
4	\$ 354.00	\$ 477.00
5	\$ 437.00	\$ 589.00
6	\$ 520.00	\$ 701.00
7	\$ 604.00	\$ 813.00
8	\$ 687.00	\$ 925.00
9	\$ 770.00	\$1,037.00
10	\$ 853.00	\$1,149.00
11	\$ 937.00	\$1,261.00
12	\$1,020.00	\$1,373.00
13	\$1,103.00	\$1,485.00
14	\$1,186.00	\$1,597.00

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<u>SOURCE OF FEES</u>	<u>CURRENT FEES</u>	<u>PROPOSED NEW FEES</u>
Sanitation Fees, Large Containers, continued:		
15	\$1,270.00	\$1,709.00
16	\$1,353.00	\$1,821.00
17	\$1,436.00	\$1,933.00
18	\$1,519.00	\$2,045.00
19	\$1,603.00	\$2,157.00
20	\$1,686.00	\$2,269.00
21	\$1,769.00	\$2,381.00
22	\$1,852.00	\$2,493.00
23	\$1,936.00	\$2,605.00
24	\$2,019.00	\$2,717.00
Pickups per month – Compacted 30 C. Y.		
1	\$ 76.00	\$ 103.00
2	\$ 153.00	\$ 206.00
3	\$ 230.00	\$ 309.00
4	\$ 306.00	\$ 412.00
5	\$ 383.00	\$ 515.00
6	\$ 460.00	\$ 618.00
7	\$ 536.00	\$ 721.00
8	\$ 613.00	\$ 824.00
9	\$ 690.00	\$ 927.00
10	\$ 766.00	\$1,030.00
11	\$ 843.00	\$1,133.00
12	\$ 920.00	\$1,236.00
13	\$ 996.00	\$1,339.00
14	\$1,073.00	\$1,442.00
15	\$1,150.00	\$1,545.00
16	\$1,226.00	\$1,648.00
17	\$1,303.00	\$1,751.00
18	\$1,380.00	\$1,854.00
19	\$1,456.00	\$1,957.00
20	\$1,533.00	\$2,060.00
21	\$1,610.00	\$2,163.00
22	\$1,686.00	\$2,266.00
23	\$1,763.00	\$2,369.00
24	\$1,840.00	\$2,472.00

Any person who desires to provide comments regarding such fee increases may appear at 7:30 p.m. on Thursday, August 24, 2006, at the City of Idaho Falls Council Chamber, Second Floor at the Idaho Falls Power Building, 140 South Capital Avenue, Idaho Falls, Idaho.

s/ Rosemarie Anderson
Rosemarie Anderson
City Clerk

Publish: August 13 and August 20, 2006

There being no further discussion either in favor of or in opposition to the new fees and fee increases for the 2006-2007 Fiscal Year, Mayor Fuhrman closed the public hearing.

It was moved by Councilmember Hally, seconded by Councilmember Groberg, to approve the new fees and fee increases greater than 105% for Fiscal Year 2006-2007. Roll call as follows:

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Aye: Councilmember Lehto
Councilmember Lyon
Councilmember Hardcastle
Councilmember Groberg
Councilmember Hally
Councilmember Cornwell

Nay: None

Motion Carried.

Mayor Fuhriman requested Councilmember Hally to conduct a public hearing, as legally advertised, for consideration of the adoption of the 2006-2007 Fiscal Year Budget. At the request of Councilmember Hally, the City Clerk read the following memo from the Municipal Services Director:

City of Idaho Falls
August 21, 2006

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: S. Craig Lords, Municipal Services Director
SUBJECT: ADOPTION OF 2006-2007 FISCAL YEAR BUDGET

Attached for your consideration is a copy of the proposed annual 2006-2007 Fiscal Year Budget that was tentatively approved on August 10, 2006 by the Mayor and City Council and has been advertised as required by Idaho Code.

Municipal Services respectfully requests the adoption of the 2006-2007 Fiscal Year Budget in the amount of \$144,249,465.00 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 2006-2007
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, 2006 to September 30, 2007. The hearing will be held at the City of Idaho Falls Council Chambers, located on the second floor of the Idaho Falls Power Building, 140 South Capital Avenue, Idaho Falls, Idaho at 7:30 p.m., Thursday, August 24, 2006. 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

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contact the City Controller's Office at 612-8230 at least 48 hours prior to the public hearing. The proposed FY 2007 budget is shown below as FY 2007 proposed expenditures and revenues.

PROPOSED EXPENDITURES			
Fund Name	FY 2005 Actual Expenditures	FY 2006 Budget Expenditures	FY 2007 Proposed Expenditures
General Fund			
Mayor and Council	\$ 122,277	\$ 134,798	\$ 155,513
Legal	154,986	209,767	204,013
Municipal Services	5,607,089	7,564,048	7,911,412
Planning and Building	1,249,667	2,527,813	2,093,484
Police	9,400,065	9,851,692	10,503,509
Fire	7,486,026	8,171,539	8,070,729
Parks	5,527,928	10,573,733	10,657,244
Public Works	<u>1,332,832</u>	<u>2,146,293</u>	<u>1,952,144</u>
General Fund Total	\$ 30,880,870	\$ 41,179,683	\$ 41,548,048
Special Revenue Funds			
Street Fund	\$ 2,979,617	\$ 3,199,335	\$ 3,433,948
Recreation Fund	952,316	957,841	1,130,931
Library Fund	1,736,200	2,348,776	2,184,059
Passenger Facility Fund	462,610	455,000	490,000
Municipal Equipment Replacement Fund	1,147,010	3,788,200	1,389,750
Electric Light Public Purpose Fund	431,040	750,000	550,000
Business Improvement District Fund	<u>46,908</u>	<u>60,000</u>	<u>60,000</u>
Special Revenue Funds Total	\$ 7,755,701	\$ 11,559,152	\$ 9,238,688
Capital Projects Funds			
Sanitary Sewer Capital Improvement Fund	\$ 251,999	\$ 3,350.00	\$ 100,000
Municipal Capital Improvement Fund	90,934	2,500,000	3,000,000
Street Capital Improvement Fund	4,282,019	5,000,000	4,300,000
Bridge and Arterial Street Fund	6,856	900,000	1,000,000
Water Capital Improvement Fund	808,964	950,000	550,000
Surface Drainage Fund	41,106	55,000	40,000
Traffic Light Capital Improvement Fund	<u>5,985</u>	<u>1,000,000</u>	<u>1,000,000</u>
Capital Projects Funds Total	\$ 5,487,863	\$ 13,755,000	\$ 9,990,000
Enterprise Funds			
Airport Fund	\$ 5,788,755	\$ 11,562,948	\$ 6,567,713
Water and Sewer Fund	9,717,256	10,732,942	11,821,471
Sanitation Fund	2,666,605	2,973,625	3,687,241
Ambulance Fund	2,484,685	2,600,675	2,618,034
Electric Fund	<u>55,577,688</u>	<u>58,713,963</u>	<u>58,778,270</u>
Enterprise Funds Total	\$ 76,234,989	\$ 86,584,153	\$ 83,472,729
Total Expenditures - All Funds	\$120,359,423	\$153,077,988	\$144,249,465

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PROJECTED REVENUES			
Fund Name	FY 2005 Actual Revenues	FY 2006 Budget Revenues	FY 2007 Projected Revenues
Property Tax Levy			
General Fund	\$ 15,509,624	\$ 16,454,395	\$ 17,556,006
Recreation Fund	335,648	366,407	391,851
Library Fund	1,236,608	1,313,783	1,405,017
Municipal Capital Improvement Fund	494,585	526,472	563,031
Fire Retirement	750,000	843,287	843,287
Liability Insurance	667,054	670,000	670,000
Property Tax Levy Total	<u>\$ 18,993,519</u>	<u>\$ 20,174,344</u>	<u>\$ 21,429,192</u>
Revenue Sources Other Than Property Tax			
General Fund	\$ 13,464,807	\$ 16,654,192	\$ 15,278,755
Street Fund	3,089,911	3,199,531	3,284,258
Recreation Fund	611,291	607,200	761,350
Library Fund	699,523	1,004,090	804,587
Passenger Facility Fund	462,609	455,000	490,000
Municipal Equipment Replacement Fund	196,323	150,000	150,000
Electric Light Public Purpose Fund	461,004	750,000	550,000
Business Improvement District Fund	55,918	60,000	60,000
Electric Rate Stabilization Fund	458,235	150,000	200,000
Sanitary Sewer Capital Improvement Fund	319,232	193,750	198,750
Municipal Capital Improvement Fund	40,571	20,000	25,000
Street Capital Improvement Fund	84,789	2,000,000	3,505,000
Bridge and Arterial Street Fund	156,352	178,000	180,000
Water Capital Improvement Fund	324,911	238,750	243,750
Surface Drainage Fund	54,113	40,000	45,000
Traffic Light Capital Improvement Fund	551,358	540,789	346,000
Airport Fund	5,601,991	11,452,184	6,389,309
Water and Sewer Fund	10,781,257	11,364,000	11,414,500
Sanitation Fund	2,426,441	2,512,500	2,538,500
Ambulance Fund	2,522,577	2,477,686	2,519,392
Electric Fund	59,559,290	54,356,281	54,663,257
Fund Transfers	2,297,548	1,805,600	2,010,500
Fund Balance Carryover	25,836,790	22,694,091	17,162,365
Other Revenue Sources Total	<u>\$130,056,841</u>	<u>\$132,903,644</u>	<u>\$122,820,273</u>
Total Revenues - All Funds	<u>\$149,050,360</u>	<u>\$153,077,988</u>	<u>\$144,249,465</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 2006-2007; all of which have been tentatively approved by the City Council on August 10, 2006 and entered at length in the Journal of Proceedings.

Dated this 11th day of August, 2006.

s/ Rosemarie Anderson
Rosemarie Anderson
City Clerk

Publish: August 13 and August 20, 2006

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There being no further discussion either in favor of or in opposition to this budget request, Mayor Fuhriman closed the public hearing.

Councilmember Hally made the following statement regarding the 2006-2007 Fiscal Year Budget:

Proposed 2006-2007 Budget

- This year's proposed budget of \$144,249,465.00 is 9.4% less than last year's budget.
- New construction of \$82 million is growth of 3.4%. Acreage increased in 2005 from 12,670 to 13,100 acres by year's end for a growth of 3.4%.
- If there had been no homeowners exemption passed by the legislature the proposed budget would have reduced the mill levy to about .00812 from last year's levy of .00850.
- The law allows for a 3% budget increase and the proposed budget is only 2% which is conservative considering the lost revenue from the HE. The proposed budget would raise the levy from .00858 to .008827. On a home with a value of \$150,000 the increased tax would be about \$18.00.
- The assessed value with the HE was reduced by over \$211 mill. With a reduced revenue of about \$1,813,000.00

The City continues to grow in value and geographically and the citizens expect the quality of the parks and infrastructure to continue. I commend the Council for working hard with the Division Directors and the Mayor to arrive at this conservative budget. Remember we have many challenges facing us in the future and where we set the budget today limits our budget in future years.

Mayor Fuhriman stated that if the levy were kept flat, the City would have to absorb \$700,000.00. The City is unable to do that.

Councilmember Groberg stated that this budget is better than he expected, when he realized that the Homeowners' Exemption would result in an overall decrease of overall valuation. He stated, further, that the City Council could have done more. He expressed his appreciation for the efforts that have been made. He stated that he was grateful that there was enough increased valuation from annexations that the City Council could get relatively close to the existing levy rate. He stated that he appreciated that the City Council added \$195,000.00 to the foregone money that by State law was allowed. Councilmember Groberg stated that he was voting against the proposed budget, but was doing so symbolically. He believed that the City Council could have done more. He stated, further, that he was doing so without any animosity for the efforts that have been made.

Councilmember Cornwell stated that this was her first year in going through the budgeting process. This has been an eye-opening experience. She expressed her appreciation to the Division Directors and Department Heads for their efforts in helping her to understand the budgeting process.

Councilmember Lyon stated that the proposed budget is less this year than last year. Unfortunately, that reduction is not because of any decrease in property tax spending. If a person thinks that just because the overall City budget is less than last year's budget that your property taxes will be less, it probably will not be so. The growth that the City has seen is due to some very responsible fiscal policy, especially the last two years. With the previous two budgets, the levy was reduced significantly. He was told that the last two budgets produced the largest levy reduction in at least the last twenty-five

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years. Councilmember Lyon stated that he appreciated the work that the City Council has put into this budget. He stated, further, that he would be voting with Councilmember Groberg against this budget. When he thinks of how the budget is going to impact the City, he thinks of the struggling single parent and the small businessman who has put everything they have into their own American dream. That motivates him to do everything possible for that person in order to lighten the burden of government on them. He did not believe that this was done with this budget. In the last two years, the City Council had specific goals as a Council and worked hard to achieve those goals. He did not feel that with this budget. Councilmember Lyon stated that the campaign literature that he read from Mayor Fuhriman stated that there would be a real strong tax cut. He has not seen the follow-through on that promise. He stated that taxes are going up and the levy is going up. That is a slap to both sides of the face. He stated that he would be happy to vote no on the proposed budget.

Mayor Fuhriman stated that the State Legislature made it difficult for cities. He stated that he appreciated Councilmember Lyon for acknowledging the Mayor's stance on cutting taxes. He stated that he firmly stood behind his campaign promise. Mayor Fuhriman stated that it was duly noted that Councilmember Lyon was on record that he would raise the rates to .0088 and that the City employees would get a 3.5% increase. That was a large amount. Valuation increased following the submittal of the City's request. The rates would decrease to .0087. By Councilmember Lyon's proposal, there would be no other capital items included in this budget. Mayor Fuhriman wanted to let the public know what the City is getting for the additional .0001 increase. The Police Department would get four new part-time dispatchers to offset a great amount of overtime. The Fire Department is going to get a Fire Inspector. The City is behind in Fire Inspections and the City owes it to the businesses to have safe businesses. For the first time in ten years, the Parks and Recreation Division will be hiring two new employees. This should have been done years ago. The City is adding \$20,000.00 in networking equipment that is critical to keeping Information Technology infrastructure current. The Traffic Safety Class in the Police Department has raised approximately \$70,000.00 in revenues. The Police Department has requested that \$36,000.00 of that money go toward video cameras in Police cars to keep Police Officers safer. Animal Control will use \$17,000.00. Approximately \$70,000.00 will be spent on a storage facility for chemicals used for the Parks and Recreation Division.

Councilmember Groberg stated that his budget proposal, which would have reduced the tax levy by approximately 1.5% involved \$300,000.00. He included the 3.5% wage increase, one new employee for the Parks Department, four part-time dispatchers for the Police Department, capital improvements for the Parks Department to finish the roof and to provide parking for the handicapped access at the playground, include all requests from Municipal Services Division and Public Works Division, and the \$400,000.00 increase to fund the reconstruction of McDermott Field Stadium.

Councilmember Hardcastle stated that a key word in this discussion is "compromise". All Councilmembers would like to see the levy as low as possible. The City Council had to compromise. While Councilmember Groberg's proposal was a little lower than the rest of the City Council proposed--this is a compromise. That is the only way to operate a City Government. There are six Councilmembers. She stated that she felt very comfortable with the proposed budget.

Councilmember Lyon stated that it was about compromise. When Councilmember Groberg initially spoke to him, he stated that everything possible needed to be done to keep the levy flat. Councilmember Lyon stated that the only way to accomplish this was to live off of the "fat" in the City budget. Depending on the time of year, there is approximately \$70,000,000.00 to \$80,000,000.00 sitting in accounts. Much of that is encumbered. If 5% of that does not need to be in those accounts, then there is plenty of

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money for a City Council with the discipline and the business savvy to go out and find it. That money could be used to keep the levy flat. That was not one of the options. There were two proposals available to the City Council. One was the proposed budget being considered at this time and the other was the proposed budget offered by Councilmember Groberg. The first proposal was for a low levy increase and the second proposal was for a lower levy increase. Councilmember Lyon stated that he opted for the lower levy increase. He would like to have seen no levy increase. This could have been accomplished and essential services could have been maintained. With the current make up of the City Council, it was not an option.

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

ORDINANCE NO. 2661

THE ANNUAL APPROPRIATION ORDINANCE OF THE CITY OF IDAHO FALLS, IDAHO, FOR THE PERIOD COMMENCING OCTOBER 1, 2006 AND ENDING SEPTEMBER 30, 2007, 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 Hally moved, and Councilmember Hardcastle seconded, to approve the adoption of the 2006-2007 Fiscal Year Budget in the amount of \$144,249,465.00 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 Cornwell
Councilmember Hardcastle
Councilmember Hally
Councilmember Lehto

Nay: Councilmember Lyon
Councilmember Groberg

Motion Carried.

Mayor Fuhriman requested Councilmember Groberg, to conduct Annexation Proceedings Prior to Platting for Kingston-Bauchman/Heritage Hills. At the request of Councilmember Groberg, the City Clerk read the following memo from the Planning and Building Director:

AUGUST 24, 2006

City of Idaho Falls
August 6, 2006

MEMORANDUM

TO: Mayor and City Council
FROM: Renée R. Magee, Planning and Building Director
SUBJECT: ANNEXATION AND INITIAL ZONING OF R-1 AND M-1 – METES AND BOUNDS (HERITAGE HILLS AND KINGSTON-BAUCHMAN)

Attached are the Annexation Agreements and Annexation Ordinance for approximately 171 acres, west and contiguous to East River Road (North 5th West), north and containing Iona Road (33rd North) southwest of Fairway Estates, and east of the Snake River. The requested zoning is M-1 (Manufacturing) for the southern 26 acres and R-1 (Single-Family Residential) for the remaining acres. The Planning Commission recommended approval of this annexation request and initial zoning at its June 6, 2006 Meeting. This annexation request is now being submitted to the Mayor and Council for consideration.

s/ Renée R. Magee

The Assistant Planning and Building Director located the subject area on a map and further explained the request. Following is a list of exhibits used in connection with this Annexation request:

Slide 1	Vicinity Map showing surrounding zoning
Slide 2	Aerial Photo showing land uses
Slide 3	Comprehensive Plan dated December, 2000
Slide 4	Airport Master Plan for Year 2017
Slide 5	Comprehensive Plan showing decibel levels
Slide 6	Aerial Photo showing Preliminary Plat
Slide 7	Site Photo looking from Fairway Estates toward the Airport
Slide 8	Site Photo looking from the north property line of site
Slide 9	Site Photo of airplane flying over site
Slide 10	Airport Master Plan relating to sound showing where 65 decibel line is measured
Slide 11	Airport Master Plan relating to sound
Slide 12	Site Photo looking northeast towards the county development in center of annexation
Slide 13	Site Photo of southern homes in center of annexation
Slide 14	Site Photo looking at north end of county development at the center of the annexation
Exhibit 1	Planning Commission Minutes dated June 6, 2006
Exhibit 2	Staff Report dated June 6, 2006
Exhibit 3	Vicinity Map with proposed zoning

The Planning and Building Director submitted the following e-mail from Clint Tavenner:

AUGUST 24, 2006

August 7, 2006

TO: Renée R. Magee
FROM: Clint Tavenner
SUBJECT: PUBLIC HEARING KINGSTON-BAUCHMAN

Renée,

I cannot make the public hearing on Thursday Night, August 10, 2006; therefore, I am sending this email.

I am opposed to the proposed M-1 Zoning North of 33rd North (Iona Road) and west of East River Road. It is my opinion that everything north of 33rd North (Iona Road) should be zoned residential. As I recall, M-1 Zoning north of 33rd North is not in harmony with the long-term plan already approved by the City. Additionally, it does not make sense to create a residential island of a couple acres and surround it on three sides with M-1 Zoning.

I am in favor of R-1 Zoning for the parcel.

Thanks,

Clint Tavenner
655 Riverview Drive
Idaho Falls, ID 83401
523-0862

Daryl Kofoed, Mountain River Engineering, 1020 Lincoln Road, appeared to answer any questions from the Mayor and City Council. There were none.

There being no further discussion either in favor of or in opposition to this annexation request, Mayor Fuhrman closed the public hearing.

Councilmember Groberg stated that this development would be in the dominant flight pattern of take-offs and landings at the Idaho Falls Regional Airport. The City Council needs to be sensitive to this issue. At the same time, the Federal Aviation Administration has designated the 65 decibel level as safe for residential areas.

Councilmember Lehto stated that he expected there to be an abundance of people present to oppose this annexation. He requested to know what had changed in the development that satisfied those that were opposed to this annexation.

Councilmember Groberg explained that the owner and developer of this area have worked with the neighbors in this process.

Councilmember Hardcastle stated that she commended the engineer and developer of this area for meeting with the neighbors in resolving any issues with this new development. Aside from the Airport issue, the developer has addressed many of the concerns that the neighbors had regarding this development. Councilmember Hardcastle stated that she discussed purchasing this property by the Airport and the Airport Director informed her that the City could not afford to purchase this property at this time. That was not an option.

The Assistant Planning and Building Director stated that this annexation request was discussed at three public hearings before the Planning Commission. The original request was for R-2 Zoning on the southern portion of this land. The R-2 Zone allows for 4-plexes. The developer then met with the neighbors and determined that single-family attached homes would be built where the R-2 Zone was originally requested. With

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the R-1 Zone, the single-family attached homes would be considered under a Conditional Use Permit. Under the public hearing for the Conditional Use Permit, buffering and site layout could be discussed.

Councilmember Lyon expressed his concerns regarding this developing being in the flight path for the Airport. If the neighbors have no problem with this development at this time, then Councilmember Lyon expressed that he had no problem with it.

It was moved by Councilmember Groberg, seconded by Councilmember Hardcastle, to approve the Annexation Agreements for Heritage Hills and Kingston-Bauchman; to establish the initial zoning of Heritage Hills/Kingston-Bauchman as M-1 (Manufacturing) Zoning on the southern 26 acres and R-1 (Single-Family Residential) on the remainder of the acreage as presented; that the comprehensive plan be amended to include the area annexed herewith; that the City Planner be instructed to reflect said annexation, zoning and amendment to the comprehensive plan on the comprehensive plan and zoning maps located in the Planning Office; 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 Lyon
Councilmember Groberg

Nay: None

Motion Carried.

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

ORDINANCE NO. 2662

HERITAGE HILLS/KINGSTON-BAUCHMAN

AN ORDINANCE ANNEXING CERTAIN LANDS TO THE CITY OF IDAHO FALLS; DESCRIBING THESE LANDS; REQUIRING THE FILING OF THE ORDINANCE AND AMENDED CITY MAP AND AMENDED LEGAL DESCRIPTION OF THE CITY WITH THE APPROPRIATE COUNTY AND STATE AUTHORITIES; AND ESTABLISHING EFFECTIVE DATE.

The foregoing Ordinance was presented by title only. Councilmember Groberg moved, and Councilmember Hardcastle 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 sign the necessary documents. Roll call as follows:

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Aye: Councilmember Cornwell
Councilmember Hardcastle
Councilmember Hally
Councilmember Lyon
Councilmember Groberg
Councilmember Lehto

Nay: None

Motion Carried.

There being no further business, it was moved by Councilmember Lyon, seconded by Councilmember Lehto, that the meeting adjourn at 8:25 p.m.

CITY CLERK

MAYOR
