

**DECEMBER 19, 2002**

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The City Council of the City of Idaho Falls met in Special Council Meeting, Thursday, December 19, 2002, in the Council Chambers at 140 South Capital Avenue in Idaho Falls, Idaho.

There were present:

Mayor Linda Milam  
Councilmember Joe Groberg  
Councilmember Robert Barnes  
Councilmember Bill Shurtleff  
Councilmember Ida Hardcastle  
Councilmember Brad Eldredge  
Councilmember Mike Lehto

Also present:

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

The City Clerk read a summary of the minutes for the December 12, 2002 Regular Council Meeting. It was moved by Councilmember Eldredge, seconded by Councilmember Groberg, to approve the minutes as printed. Roll call as follows:

Aye:            Councilmember Hardcastle  
                  Councilmember Shurtleff  
                  Councilmember Eldredge  
                  Councilmember Lehto  
                  Councilmember Groberg  
                  Councilmember Barnes

Nay:            None

Motion Carried.

**CONSENT AGENDA ITEMS**

Mayor Milam requested Council confirmation of the Re-Appointment of Kris Stanger to serve on the Civil Service Commission (Term to expire on January 1, 2009); the Re-Appointment of Alex Creek to serve on the Board of Adjustment (Term to expire on December 31, 2007); the Re-Appointment of Steve Davies to serve on the Board of Adjustment (Term to expire on December 31, 2007); the Re-Appointment of Richard Hanks to serve on the Building Code Board of Appeals (Term to expire on December 31, 2005); the Appointment of Scott Nielsen to serve on the Building Code Board of Appeals (Term to expire on December 31, 2005); and, the Re-Appointment of Teresa Nelson Simmons to serve on the Idaho Falls Historic Preservation Commission (Term to expire on December 31, 2005).

The City Clerk presented several license applications, including BEER LICENSES to Barbecue Pit, Beer Billie's, Best Restaurants/Garcia's Mexican Restaurant, Blue Bell Gas, Blue Wave, Brownstone Companies, Inc., China Super Buffet, Choices Restaurant, Company Club, D D Mudd (Park Avenue), D D Mudd (Hitt Road), DeMartino's

Idahoagie, Diamond Concessions, Fanatics Sports Grill, Flying J Convenience Store, Funland/LDML, LLC, Golden Crown Lounge, Gott Texaco Services, Great Wall Restaurant, Hattricks, Jakers of Idaho Falls, Jiffy Mart (Elm Street), Karen's Park Avenue Club, Kwik

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Shop II, Kwik Shops, Inc., La Ramada, Las Vegas Sports Bar and Grill, Littletree Inn, Made in Idaho, Maverick Country Store (Broadway), On The Go, Outlaw, Papa Tom's Pizza (Woodruff Avenue), Plum Loco, Sage Lakes Café, Sand Creek Café, Sato's Oriental Market, LLC, Skipper's Fish and Chips (17<sup>th</sup> Street), Snake Bite, Taco Mexico Restaurant, Tom's Gyro and Burgers, Tom's, Inc., Will's No. 3, and 19<sup>th</sup> Hole Cafe; BARTENDER PERMITS to Crystal A. Camper, Eva M. Harris, and Anna M. White, 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 December 19, 2002.

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

Aye: Councilmember Groberg  
Councilmember Barnes  
Councilmember Shurtleff  
Councilmember Hardcastle  
Councilmember Eldredge  
Councilmember Lehto

Nay: None

Motion Carried.

**REGULAR AGENDA ITEMS**

Mayor Milam announced that the Annexation Proceedings for McNeil Business Park, Division No. 4 were withdrawn by the Developer.

Mayor Milam requested Councilmember Barnes to conduct a public hearing for consideration of a rezoning from PB (Professional Business) with PUD Overlay to R-3 (Apartments) with PUD Overlay on property located generally south of Fountain Bleu Lane, west of Potomac Way, and north of Summer Way, and legally described as Lot 6, Block 11, St. Clair Estates Addition, Division No. 8. At the request of Councilmember Barnes, the City Clerk read the following memo from the Planning and Building Director:

City of Idaho Falls  
December 19, 2002

MEMORANDUM

TO: Mayor and City Council  
FROM: Renée R. Magee, Planning and Building Director  
SUBJECT: REZONING FROM PB TO R-3 (PUD OVERLAY), LOT 6, BLOCK 11, ST. CLAIR ESTATES ADDITION, DIVISION NO. 8

Attached is the rezoning request from Bart and Anna Larsen to rezone Lot 6, Block 11, St. Clair Estates Addition, Division No. 8, from PB to R-3 (PUD Overlay). The purpose of this rezoning request is to construct an assisted living center. The lot is 0.82 acres and is located adjacent to and west of Potomac

Way south of Martha Avenue. The Planning Commission recommended approval for an R-3 Zone at its November 19, 2002 Meeting. The staff concurs

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with the Commission's recommendation. This rezoning request is being submitted for consideration of the Mayor and Council.

s/ Renée R. Magee

The 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 rezoning request:

Slide 1	Vicinity Map showing surrounding zoning
Slide 2	Aerial Photo
Slide 3	Site Photo looking east across site towards Senior Citizen Apartment Building
Exhibit 1	Planning Commission Minutes dated November 19, 2002
Exhibit 2	Staff Report dated November 19, 2002
Exhibit 3	Application with letter dated October 14, 2002

The Planning Commission has found this to be in accordance with the Comprehensive Plan, and the Comprehensive Plan designates this area as a medical services center. When the Planning Commission previously discussed the medical services center, they felt that housing for the elderly or assisted living centers are in accordance with the medical services center designation.

Bart Larsen, 3908 East 500 North, Rigby, Idaho, appeared as the applicant for this rezoning request. He stated that he currently owns and manages a home care business in Idaho Falls. He believed this to be a good location for a 16-bed assisted living facility.

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

It was moved by Councilmember Barnes, seconded by Councilmember Hardcastle, to approve the zone change from PB with a PUD Overlay to R-3 with a PUD Overlay as requested and that the City Planner be instructed to reflect said zoning change on the official zoning map located in the Planning Office. Roll call as follows:

Aye: Councilmember Eldredge  
Councilmember Lehto  
Councilmember Barnes  
Councilmember Groberg  
Councilmember Shurtleff  
Councilmember Hardcastle

Nay: None

Motion Carried.

The Airport Director submitted the following memo:

City of Idaho Falls  
December 17, 2002

MEMORANDUM

TO: Honorable Mayor and City Council

FROM: Mike Humberd, Director of Aviation  
SUBJECT: CHANGE ORDER NO. 5 TO THE TERMINAL RENOVATION  
PROJECT

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Attached for City Council approval is Change Order No. 5 to the Ormond Builders Contract for the Terminal Renovation. The Change Order consists of 32 charges and credits totaling \$43,116.00. There are funds available for this Change Order.

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

s/ Mike Humberd

It was moved by Councilmember Hardcastle, seconded by Councilmember Eldredge, to approve Change Order No. 5 to Ormond Builders, Inc. for the Airport Terminal Renovation Project and, further, give authorization for the Mayor to execute the necessary documents. Roll call as follows:

Aye: Councilmember Eldredge  
Councilmember Lehto  
Councilmember Barnes  
Councilmember Groberg  
Councilmember Shurtleff  
Councilmember Hardcastle

Nay: None

Motion Carried.

The Fire Chief submitted the following memo:

City of Idaho Falls  
December 17, 2002

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: Dean Ellis, Fire Chief  
SUBJECT: ADOPTION OF 2002 EDITION OF THE INTERNATIONAL FIRE CODE

Attached for your review is a copy of the Ordinance adopting the 2002 Edition of the International Fire Code (IFC). Adopting this ordinance will allow us to update to the latest edition of the IFC. The State of Idaho adopted it in July of this year, and other jurisdictions either have adopted it already, or will be adopting it over the next few months.

The Fire Department respectfully requests approval of the Ordinance and authorization for the Mayor and City Clerk to sign the documents.

s/ Dean Ellis

Councilmember Groberg questioned the Fire Chief as to how the adoption of this International Fire Code relates to the mandated adoption of the International Building Code by January 1, 2003. The Fire Chief stated that the adoption is part of the mandated adoption of the International Building Code. Councilmember Groberg stated that with the

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adoption of the International Fire Code, a certification would be required for people who install and maintain in service fire suppression devices. A licensing fee would be required for this certification. In addition, there will be plan review fees.

Councilmember Eldredge stated that those fees would be set up after publication and adoption of the Ordinance imposing them.

The City Attorney stated that since these are new fees, it would require that a Notice be published for a public hearing on these fees, in addition to the publication of the Ordinance.

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

**ORDINANCE NO. 2472**

AN ORDINANCE REPEALING AND RE-ENACTING SECTIONS 7-10-1 THROUGH 7-10-12 OF THE CITY CODE OF IDAHO FALLS, IDAHO; PROVIDING FOR THE ADOPTION OF THE INTERNATIONAL FIRE CODE, 2000 EDITION; MAKING CERTAIN AMENDMENTS THERETO; PROVIDING FOR SEVERABILITY; AND ESTABLISHING EFFECTIVE DATE.

The foregoing Ordinance was presented by title only. Councilmember Groberg moved, and Councilmember Lehto 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:

Aye: Councilmember Hardcastle  
Councilmember Shurtleff  
Councilmember Eldredge  
Councilmember Lehto  
Councilmember Groberg  
Councilmember Barnes

Nay: None

Motion Carried.

The Idaho Falls Power Director submitted the following memo:

City of Idaho Falls  
December 16, 2002

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: Mark Gendron, Idaho Falls Power Director  
SUBJECT: SLICE CUSTOMERS COST SHARING AGREEMENT

Attached for your consideration is the Slice Customers Cost Sharing Agreement.  
The City Attorney has reviewed the Agreement.

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

s/ Mark Gendron

It was moved by Councilmember Lehto, seconded by Councilmember Shurtleff, to approve the Slice Customers Cost Sharing Agreement and, further, give authorization for the Mayor to sign the necessary documents. Roll call as follows:

Aye:            Councilmember Groberg  
                  Councilmember Barnes  
                  Councilmember Shurtleff  
                  Councilmember Hardcastle  
                  Councilmember Eldredge  
                  Councilmember Lehto

Nay:            None

Motion Carried.

The Municipal Services Director submitted the following memos:

City of Idaho Falls  
December 6, 2002

MEMORANDUM

TO:            Honorable Mayor and City Council  
FROM:        S. Craig Lords, Municipal Services Director  
SUBJECT:     BID IF-03-08, FIBER OPTIC CABLE

Attached for your consideration is the tabulation for Bid IF-03-08, Fiber Optic Cable.

It is the recommendation of Municipal Services to reject the low bid of General Pacific for Items 1 and 2. The second low bid for Item 2 of Graybar Electric also did not meet the required bid specifications as listed as per the attached memo.

It is further the recommendation of Municipal Services to accept the low evaluated bid meeting specifications of Pirelli Communications Cables and Systems to furnish the items. The description and cost breakdown is listed below.

<b>Item/Quantity</b>	<b>Description</b>	<b>Manufacturer</b>	<b>Item Total</b>
1. 95,851 feet	Fiber Optic Cable, Non-Armored, Single Mode 96	Pirelli-Flexlink™	\$ 93,425.97
2. 39,908 feet	Fiber Optic Cable, Non-armored, Single Mode 36	Pirelli-Flexlink™	\$ 16,142.78
	TOTAL PURCHASE AMOUNT		\$109,568.75

s/ S. Craig Lords

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It was moved by Councilmember Eldredge, seconded by Councilmember Groberg, to reject the bids of General Pacific and Graybar Electric as they did not meet the bid specifications and award the bid to Pirelli Communications Cables and Systems to furnish the required items. Roll call as follows:

Aye: Councilmember Shurtleff  
Councilmember Hardcastle  
Councilmember Barnes  
Councilmember Eldredge  
Councilmember Lehto  
Councilmember Groberg

Nay: None

Motion Carried.

City of Idaho Falls  
December 13, 2002

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: S. Craig Lords, Municipal Services Director  
SUBJECT: BID IF-03-05, MOTOR FUEL AND LUBRICANTS

Attached for your consideration is the tabulation for Bid IF-03-05, Motor Fuels, Lubricants, and Services and the Fuel obtained through a computerized fuel dispensing system beginning March 4, 2003.

It is the recommendation of Municipal Services that all low bids be accepted and awarded as follows:

SECTION I:

Group A	Fuel Picked Up By City Truck Unleaded Gas, Cold Weather Additive and Diesel No. 1 and No. 2	Wright Oil Company
Group C	Motor Oil/Re-refined (Alternate Bid)	Wright Oil Company

SECTION II:

Services and Fuel obtained through a Computerized Fuel Dispensing System Unleaded Gas, Cold Weather Additive and Diesel No. 1 and No. 2	Wright Oil Company
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s/ S. Craig Lords

It was moved by Councilmember Eldredge, seconded by Councilmember Groberg, to accept the low bid from Wright Oil Company to furnish Motor Fuels, Lubricants, and the Fuel

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obtained through a computerized fuel dispensing system beginning March 4, 2003. Roll call as follows:

Aye: Councilmember Barnes  
Councilmember Eldredge  
Councilmember Lehto  
Councilmember Shurtleff  
Councilmember Hardcastle  
Councilmember Groberg

Nay: None

Motion Carried.

City of Idaho Falls  
December 13, 2002

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: S. Craig Lords, Municipal Services Director  
SUBJECT: BID IF-03-07, ONE (1) NEW 2003 OR NEWER TYPE III  
AMBULANCE

Attached for your consideration is the tabulation for Bid IF-03-07, One (1) New 2003 or Newer Type III Ambulance.

The apparent low bid of Rocky Mountain Ambulance Sales and Service, Inc., did not meet the required specifications (Reference Attachment "A"). Therefore, it is the recommendation of Municipal Services to accept the low bid meeting specifications of Pacific Emergency Vehicles, Inc. to furnish One (1) New 2003 Type III Medtec Ambulance. The total purchase amount is \$103,777.00.

s/ S. Craig Lords

It was moved by Councilmember Eldredge, seconded by Councilmember Groberg, to reject the apparent low bid from Rocky Mountain Ambulance Sales and Service, Inc. as it did not meet bid specifications and accept the bid from Pacific Emergency Vehicles, Inc. to furnish One (1) New 2003 Type III Medtec Ambulance. Roll call as follows:

Aye: Councilmember Lehto  
Councilmember Eldredge  
Councilmember Hardcastle  
Councilmember Groberg  
Councilmember Barnes  
Councilmember Shurtleff

Nay: None

Motion Carried.

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City of Idaho Falls  
December 13, 2002

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: S. Craig Lords, Municipal Services Director  
SUBJECT: PURCHASE OF A COMBINATION SEWER CLEANING AND CATCH  
BASIN MACHINE MOUNTED ON CAB AND CHASSIS PER CITY OF  
BOISE BID

It is the recommendation of Municipal Services to accept the bid of Pacific Utility Equipment Company, Salt Lake City, Utah, to furnish the subject equipment per City of Boise's bid of May 29, 2002. They would furnish a Super Products Camel 200 mounted on a new 2002 Sterling LT7500 cab and chassis for an amount of \$194,854.00. The Supplier has agreed to allow us to piggyback City of Boise's bid and honor the amount bid.

s/ S. Craig Lords

It was moved by Councilmember Eldredge, seconded by Councilmember Groberg, to approve the purchase of a Combination Sewer Cleaning and Catch Basin Machine Mounted on a Cab and Chassis from Pacific Utility Equipment Company in Salt Lake City, Utah per City of Boise's bid. Roll call as follows:

Aye: Councilmember Eldredge  
Councilmember Lehto  
Councilmember Barnes  
Councilmember Groberg  
Councilmember Shurtleff  
Councilmember Hardcastle

Nay: None

Motion Carried.

City of Idaho Falls  
December 18, 2002

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: S. Craig Lords, Municipal Services Director  
SUBJECT: 457 Plan

Attached for your consideration is a Resolution directing the City Controller and City Treasurer to go forward with the formal adoption of Plan amendments necessary to bring the City's 457 Plan into compliance with Economic Growth Tax Relief and Reconciliation Act of 2001 (EGTRRA).

s/ S. Craig Lords

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**RESOLUTION NO. 2002-06**

**CITY OF IDAHO FALLS DEFERRED COMPENSATION PLAN (§ 457 Plan)**

WHEREAS, on March 9, 1993, the City adopted a § 457 Deferred Compensation Plan under the terms of which employees are allowed to make contributions thereto for the purpose of supplementing and augmenting their retirement plans;

WHEREAS, the Economic Growth Tax Relief and Reconciliation Act of 2001 ("EGTRRA") allows § 457 Plan sponsors to amend their eligible § 457 Deferred Compensation Plans to provide certain additional benefits to eligible participants in such plan;

WHEREAS, the City desires to amend its plan in order to allow eligible participants to take advantage of such additional benefits;

NOW, THEREFORE, BE IT HEREBY RESOLVED, that with respect to the above referenced § 457 Plan, each of the amendments attached hereto respectively as Exhibits "A" and "H" are adopted effective January 1, 2002; and,

BE IT FURTHER RESOLVED, that the City Controller and the City Treasurer be and hereby are authorized and directed to retain qualified consultants and/or attorneys to cause the Plan document to be formally amended to reflect such additional provisions.

DATED this 20<sup>th</sup> day of December, 2002.

s/ Linda M. Milam  
Linda M. Milam  
Mayor

ATTEST:

s/ Rosemarie Anderson  
Rosemarie Anderson  
City Clerk

AUTHORIZED AND APPROVED by the City Council on the 19<sup>th</sup> day of December, 2002.

**EXHIBIT "A"**

**Issue No. 1: Elective Deferral and Catch-Up Limits; Repeal of Coordination**

Name of Plan Sponsor: City of Idaho Falls

Name of Plan: City of Idaho Falls Deferred Compensation 457 Plan

I. Issue

EGTRRA permits the maximum regular deferral limit to be the lesser of 100% of includible compensation or \$11,000.00 in 2002, plus \$1,000.00 per year up to

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\$15,000.00 in 2006, then indexed in \$500.00 increments. Catch-up contributions during the three years prior to normal retirement age may be increased from \$15,000.00 to twice the regular elective deferral limit. Deferrals to other types of elective deferral plans, such as 401(k) and 403(b), are no longer required to reduce the amount that can be contributed to the 457 Plan.

II. Discussion

Adopting these provisions requires the plan to delete "\$7,500.00" each place it appears and insert "the applicable dollar amount" in Section 457(e)(15). Likewise, the catch-up limit would be amended to deleting the \$15,000.00 cap and inserting "twice the applicable limit set forth in Section 457(e)(15)." Delete all references to the "33-1/2" of includible compensation limit and insert "100%". Delete all language reducing deferrals to the 457 Plan by amounts contributed to other elective deferral plans.

III. Comments

These are favorable changes for participants, and allow for greater account growth.

IV. Staff Recommendation

Staff recommends these changes.

V. Board/Committee Decision

Adopt these provisions effective January 1, 2002

Do not adopt these provisions

**EXHIBIT "B"**

**Issue No. 2: Additional Contributions for Participants Age 50 and Over**

Name of Plan Sponsor: City of Idaho Falls

Name of Plan: City of Idaho Falls Deferred Compensation 457 Plan

I. Issue

EGTRRA permits employees who turn age 50 or over during the calendar year to contribute an additional amount into the plan for all plan years except during the three years prior to normal retirement age while they are utilizing the regular 457 catch-up provision. New Code Section 414(b) sets out the additional amount applicable to 457 Plans. The additional amount is \$1,000.00 in 2002, increasing \$1,000.00 each year up to \$5,000.00 in 2006. This additional amount is then indexed in \$500.00 increments based upon cost-of-living.



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II. Discussion

Adopting this provision requires an amendment to the plan document allowing employees age 50 and over to contribute additional amounts as allowed under New Code Section 414(v), subject to Section 414(v)(6)(C) which states that the age 50 catch-up is not available during the three years the participant is utilizing regular 457 catch-up.

III. Comments

This is a favorable change for participants, and allows for greater account growth.

IV. Staff Recommendation

Staff recommends this change.

V. Board/Committee Decision

X This provision is adopted effective January 1, 2002

\_\_\_ This provision is not adopted.

**EXHIBIT "C"**

**Issue No. 3: Flexible 457 Distributions; Required Minimum Distributions**

Name of Plan Sponsor: City of Idaho Falls

Name of Plan: City of Idaho Falls Deferred Compensation 457 Plan

I. Issue

EGTRRA permits 457 Plan assets to remain tax deferred until actually distributed from the plan. Under amended Section 457(a), the participants' account balances are no longer taxable when "made available". The special distribution rules under 457(d) are repealed such that payments are no longer required to be paid in substantially non-increasing amounts paid at least annually. Non-spouse beneficiaries may not take distributions over life expectancy, not just 15 years.

II. Discussion

Adopting these provisions requires deleting plan language taxing a participant's 457 account balance at separation from service prior to an amount being paid to the participant or other beneficiary. The provisions requiring an irrevocable election at separation from service and requiring annual payments in substantially non-increasing amounts paid at least annually must be deleted. All current irrevocable elections should be treated as null and void. Amend the plan to comply with the new minimum distribution regulations.



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III. Comments

While making this change will provide participants with greater flexibility, it will involve additional work by the plan sponsor and Great-West/BenefitsCorp when participants request changes to existing irrevocable election dates and/or payment amounts. Great-West will permit up to two changes in payout amounts per calendar year from each participant, free of charge. Subsequent changes in the same calendar year may involve an additional fee paid by the participant.

IV. Staff Recommendation

Staff recommends these changes.

These provisions are adopted effective January 1, 2002.

These provisions are not adopted.

**EXHIBIT "D"**

**Issue No. 4: In-Service Transfers for Purchase of DB Plan Service Credits**

Name of Plan Sponsor: City of Idaho Falls

Name of Plan: City of Idaho Falls Deferred Compensation 457 Plan

I. Issue

EGTRRA permits the plan to allow 457 Plan participants to request a trustee-to-trustee transfer of assets from their 457 account to a governmental defined benefit plan for the purchase of permissible service credit (as defined in Section 415(n)(3)(A)) under such plan or a repayment to which Section 415 does not apply by reason of subsection (k)(3) thereof.

II. Discussion

Adopting this provision requires the plan to be amended to include a provision allowing trustee-to-trustee transfers pursuant to New Code Section 457(e)(17).

III. Comments

This is a favorable change for participants, allowing them to transfer assets from their 457 Plan account to purchase permissible service credit as allowed under New Code Section 457(e)(17) with pre-tax dollars.

IV. Staff Recommendation

Staff recommends these changes.

V. Board Decision

Adopt this provision effective January 1, 2002.

Do not adopt this provision.

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**EXHIBIT "E"**

**Issue No. 5: Rollovers from Employer-Sponsored Plans and IRAs**

Name of Plan Sponsor: City of Idaho Falls

Name of Plan: City of Idaho Falls Deferred Compensation 457 Plan

I. Issue

EGTRRA permits the plan to accept rollover contributions from other types of employer-sponsored plans, including 401(a), 401(k), and 403(b) plans, and IRAs pursuant to new Code Section 457(e)(16) and revised Section 402(c)(8)(B) defining eligible retirement plan.

II. Discussion

Adopting this provision requires the plan to be amended to separately account for the dollars rolled into the plan and to determine when participants will be allowed to take distributions from their rollover accounts. Rollovers into the 457 Plan from a 401(a), 401(k), 403(b) or an IRA are subject to the 10% premature distribution penalty tax if distributed from the 457 Plan prior to age 59-1/2.

III. Comments

This change allows participants to consolidate assets from plans of previous employers and personal IRAs, and allows for greater account growth within the 457 Plan. While this is generally regarded as a favorable provision, there may be additional fees for record keeping services to accommodate rollovers from multiple sources other than IRC Section 457 Plans.

IV. Staff Recommendation

V. Board/Committee Decision

X Adopt this provision effective January 1, 2002 and allow participants to request distributions from their rollover account (1) at any time, or (2) upon separation from service. Rollovers into the 457 Plan from an IRA shall not be allowed.

\_\_\_ Do not adopt this provision.

**EXHIBIT "F"**

**Issue No. 6: Qualified Domestic Relations Orders (QDROs)**

Name of Plan Sponsor: City of Idaho Falls

Name of Plan: City of Idaho Falls Deferred Compensation 457 Plan

I. Issue

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EGTRRA permits the plan to accept qualified domestic relations orders pursuant to amended IRC Section 414(p)(11) to transfer all or a portion of a participant's account to an alternate payee pursuant to divorce. The plan may provide for immediate payments to alternate payees and tax report such distributions to former spouse alternate payees.

II. Discussion

Adopting this provision will require a plan that is currently accepting divorce orders pursuant to the conforming Equitable Distribution Order (CEDO) private letter rulings to delete the CEDO language and replace it with a QDRO provision meeting the requirements of 414(p)(11). Plans that have not previously accepted divorce orders must add the new provision to the plan.

III. Comments

This is a favorable change for participants and alternate payees, and greatly simplifies plan administration and tax reporting. It should also reduce the number of alternate payee accounts set up under the plan.

IV. Staff Recommendation

Staff recommends these changes.

V. Board/Committee Decision

Adopt this provision effective January 1, 2002 for all previous divorce decrees accepted by the Plan that meet (or are amended to meet) the new requirements, as well as all future qualified orders.

Do not adopt this provision.

**EXHIBIT "G"**

**Issue No. 7: Mandatory Cash-Out of Small Account Balances**

Name of Plan Sponsor: City of Idaho Falls

Name of Plan: City of Idaho Falls Deferred Compensation 457 Plan

I. Issue

Plans are allowed to cash out small account balances (typically \$5,000.00 or less) without the participant's consent upon separation from service. EGTRRA requires Treasury to issue regulations within three years of the date of enactment that will require all plans with a mandatory cash-out provision to designate an IRA provider to receive unclaimed small accounts. If the participant does not request the distribution in cash or direct it to another plan or IRA, the plan must send all amounts of \$1,000.00 or more to the designated

IRA provider and determine the default option for such amounts to be invested in.

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II. Discussion

Each plan sponsor must determine whether the plan will allow small accounts to remain in the 457 Plan when a participant separates from service until age 70-1/2. If the plan sponsor chooses to force immediate cash outs of small account balances at separation from service, the plan must provide that, upon issuance of Treasury regulations, such amount will be sent to a designated IRA provider and the default option to receive these amounts.

III. Comments

It will be up to three years before the Treasury issues regulations requiring plans to transfer mandated cash-out amounts to an IRA provider. The only accounts that will be transferred are those participants who refuse to take the cash or tell the plan where to send the money. Great-West/BenefitsCorp will make an IRA product available to our plan sponsors when the regulations are issued, and will advise of any fees applicable to the IRA product when it is available.

IV. Staff Recommendation

Staff recommends these changes.

V. Board/Committee Decision

X Adopt a mandatory cash-out provision for amounts of \$5,000.00 or less, taking the entire account balance, including rollovers, into consideration.

\_\_\_ Do not adopt this provision.

**EXHIBIT "H"**

**Issue No. 8: 457 Plan Loans**

Name of Plan Sponsor: City of Idaho Falls

Name of Plan: City of Idaho Falls Deferred Compensation 457 Plan

I. Issue

EGTRRA does not contain any provision allowing loans to participants from their 457 Plan accounts. The Treasury is expected to issue regulations in the near future that will either permit or prohibit such loans.

II. Discussion

Adopting a provision to allow participant loans from a 457 Plan would have to be contingent upon and consistent with Treasury regulations permitting such loans. Loans should be account reduction loans with repayments made via

payroll deduction. The number of outstanding loans per participant should be limited.

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III. Comments

Our experience with loans under 401(k) plans is that participants may damage their future retirement security if repayments are not made by payroll deduction and they default on the payments. If your plan has a fee structure that is sensitive to asset levels, the availability of loans may impact your plan administrative fees by reducing plan assets by 5%-10% in the first year if loan demand is high. The positive impact of 457 Plans may be a reduction in the number of unforeseeable emergency requests. Each plan sponsor will have to carefully weigh the benefits and drawbacks of offering a loan provision. If this provision is adopted, we suggest each participant be permitted no more than two outstanding loans at any one time. Great-West charges a fee to initiate the loan, and to service the loan each year. These fees vary from plan to plan depending on the type and number of investment options under your plan. A specific fee basis will be quoted for your plan before this provision is effective.

IV. Staff Recommendation

Staff does not recommend these changes.

V. Board/Committee Decision

\_\_\_ Adopt a plan loan provision to become effective the later of the date specified in Treasury regulations or the date set forth in a plan loan policy adopted by this Board.

X Do not adopt this provision.

Councilmember Eldredge explained that this Resolution brings the City's Plan into conformance with Federal Legislation that was passed, allowing the employees to have a little more flexibility in their retirement plan.

The City Attorney commented that the City is now in the process of preparing formal amendments to the Plan that will provide more comprehensive detail in the language. That should be completed in February, 2003. The above Resolution is conceptual in nature and allows the City to comply with the deadlines in the Federal Legislation.

It was moved by Councilmember Eldredge, seconded by Councilmember Groberg, to adopt the Resolution regarding the City of Idaho Falls Deferred Comprehensive Plan and, further, give authorization for the Mayor and City Clerk to execute the necessary documents. Roll call as follows:

Aye: Councilmember Hardcastle  
Councilmember Shurtleff  
Councilmember Eldredge  
Councilmember Lehto  
Councilmember Groberg  
Councilmember Barnes

Nay: None

Motion Carried.

The Planning and Building Director submitted the following memo:

**DECEMBER 19, 2002**

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City of Idaho Falls  
December 10, 2002

MEMORANDUM

TO: Mayor and City Council  
FROM: Renée R. Magee, Planning and Building Director  
SUBJECT: ADOPTION OF BUILDING CODES

In accordance with State of House Bill 586a, the Division respectfully requests the adoption of the following Ordinances:

2000 International Building Code, including Appendices pertaining to accessibility  
2000 International Residential Code  
2000 International Energy Conservation Code  
2000 International Mechanical Code  
2000 International Fuel Gas Code  
2000 International Property Maintenance Code

The 1997 Uniform Code for Building Conservation was adopted in July, 2000, and will remain effective. With the adoption of these Codes, the City will be consistent with the State of Idaho and in compliance with Section 39-4116 of Idaho Statutes.

s/ Renée R. Magee

Councilmember Barnes stated that three of these Codes are mandated by the State of Idaho. They are the International Building Code, the International Residential Code, and the International Energy Conservation Code.

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

**ORDINANCE NO. 2473**

AN ORDINANCE OF THE CITY OF IDAHO FALLS, IDAHO, REPEALING AND RE-ENACTING SECTIONS 7-1-1 AND 7-1-2 OF THE CITY CODE OF IDAHO FALLS, IDAHO; PROVIDING FOR THE ADOPTION OF THE 2000 INTERNATIONAL BUILDING CODE; PROVIDING FOR SEVERABILITY; AND ESTABLISHING EFFECTIVE DATE.

The foregoing Ordinance was presented by title only. Councilmember Barnes 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:

Aye: Councilmember Hardcastle  
Councilmember Shurtleff  
Councilmember Eldredge

**DECEMBER 19, 2002**

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Councilmember Lehto  
Councilmember Groberg  
Councilmember Barnes

Nay:           None

Motion Carried.

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

**ORDINANCE NO. 2474**

AN ORDINANCE OF THE CITY OF IDAHO FALLS, IDAHO, REPEALING AND RE-ENACTING SECTIONS 7-6-1 AND 7-6-2 OF THE CITY CODE OF IDAHO FALLS, IDAHO; PROVIDING FOR THE ADOPTION OF THE INTERNATIONAL RESIDENTIAL CODE, 2000 EDITION, FOR ONE- AND TWO-FAMILY DWELLINGS; PROVIDING FOR SEVERABILITY; AND ESTABLISHING EFFECTIVE DATE.

The foregoing Ordinance was presented by title only. Councilmember Barnes 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:

Aye:           Councilmember Groberg  
                  Councilmember Barnes  
                  Councilmember Shurtleff  
                  Councilmember Hardcastle  
                  Councilmember Eldredge  
                  Councilmember Lehto

Nay:           None

Motion Carried.

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

**ORDINANCE NO. 2475**

AN ORDINANCE OF THE CITY OF IDAHO FALLS, IDAHO, REPEALING AND RE-ENACTING SECTIONS 7-11-1 AND 7-11-2 OF THE CITY CODE OF IDAHO FALLS, IDAHO; PROVIDING FOR THE ADOPTION OF THE 2000 INTERNATIONAL ENERGY

CONSERVATION CODE; PROVIDING FOR  
SEVERABILITY; AND ESTABLISHING EFFECTIVE  
DATE.

**DECEMBER 19, 2002**

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The foregoing Ordinance was presented by title only. Councilmember Barnes 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:

Aye: Councilmember Shurtleff  
Councilmember Hardcastle  
Councilmember Barnes  
Councilmember Eldredge  
Councilmember Lehto  
Councilmember Groberg

Nay: None

Motion Carried.

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

**ORDINANCE NO. 2476**

AN ORDINANCE OF THE CITY OF IDAHO FALLS, IDAHO, REPEALING AND RE-ENACTING SECTIONS 7-7-1 AND 7-7-2 OF THE CITY CODE OF IDAHO FALLS, IDAHO; PROVIDING FOR THE ADOPTION OF THE 2000 INTERNATIONAL MECHANICAL CODE; PROVIDING FOR SEVERABILITY; AND ESTABLISHING EFFECTIVE DATE.

The foregoing Ordinance was presented by title only. Councilmember Barnes 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:

Aye: Councilmember Barnes  
Councilmember Eldredge  
Councilmember Lehto  
Councilmember Shurtleff  
Councilmember Hardcastle  
Councilmember Groberg

Nay: None

Motion Carried.

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

**DECEMBER 19, 2002**

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**ORDINANCE NO. 2477**

AN ORDINANCE OF THE CITY OF IDAHO FALLS, IDAHO, REPEALING AND RE-ENACTING SECTIONS 7-4-1 AND 7-4-2 OF THE CITY CODE OF IDAHO FALLS, IDAHO; PROVIDING FOR THE ADOPTION OF THE 2000 INTERNATIONAL FUEL GAS CODE; PROVIDING FOR SEVERABILITY; AND ESTABLISHING EFFECTIVE DATE.

The foregoing Ordinance was presented by title only. Councilmember Barnes 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:

Aye: Councilmember Lehto  
Councilmember Eldredge  
Councilmember Hardcastle  
Councilmember Groberg  
Councilmember Barnes  
Councilmember Shurtleff

Nay: None

Motion Carried.

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

**ORDINANCE NO. 2478**

AN ORDINANCE OF THE CITY OF IDAHO FALLS, IDAHO, REPEALING AND RE-ENACTING SECTIONS 7-2-1 AND 7-2-2 OF THE CITY CODE OF IDAHO FALLS, IDAHO; PROVIDING FOR THE ADOPTION OF THE 2000 INTERNATIONAL PROPERTY MAINTENANCE CODE; PROVIDING FOR SEVERABILITY; AND ESTABLISHING EFFECTIVE DATE.

The foregoing Ordinance was presented by title only. Councilmember Barnes 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:

Aye: Councilmember Eldredge

Councilmember Lehto  
Councilmember Barnes  
Councilmember Groberg

**DECEMBER 19, 2002**

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Councilmember Shurtleff  
Councilmember Hardcastle

Nay: None

Motion Carried.

The Public Works Director submitted the following memos:

City of Idaho Falls  
December 16, 2002

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: Chad Stanger, Public Works Director  
SUBJECT: BID AWARD – BUTTE ARM CANAL BRIDGE AND GUSTAFSON  
LATERAL SIPHON, SUNNYSIDE ROAD

On December 10, 2002, bids were received and opened for the Butte Arm Canal Bridge and Gustafson Lateral Siphon, Sunnyside Road. A tabulation of the bid results is attached.

Public Works recommends award of this contract to the low bidder, Vern Clark and Sons Construction in the amount of \$325,282.75; and, authorization for the Mayor and City Clerk to sign the contract documents.

s/ Chad Stanger

It was moved by Councilmember Shurtleff, seconded by Councilmember Barnes, to accept the low bid from Vern Clark and Sons Construction Company, Inc. and, further, give authorization for the Mayor and City Clerk to sign the contract documents. Roll call as follows:

Aye: Councilmember Shurtleff  
Councilmember Hardcastle  
Councilmember Barnes  
Councilmember Eldredge  
Councilmember Lehto  
Councilmember Groberg

Nay: None

Motion Carried.

City of Idaho Falls  
December 16, 2002

MEMORANDUM

TO: Honorable Mayor and City Council

FROM: Chad Stanger, Public Works Director  
SUBJECT: ANNEXATION AGREEMENT AMENDMENT – SUNRISE ADDITION

**DECEMBER 19, 2002**

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Attached is a proposed Amendment to the Sunrise Addition Annexation Agreement. As proposed, the Amendment allows the developers to pay, in advance, the cost of constructing certain public improvements in the Holmes Avenue right-of-way along Sunrise Addition frontage. These improvements include curb, gutter, sidewalk and sewer line. Public Works has calculated the cost of these improvements to be \$38,600.00.

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

s/ Chad Stanger

It was moved by Councilmember Shurtleff, seconded by Councilmember Barnes, to approve the Amendment to the Annexation Agreement for Sunrise Addition and, further, give authorization for the Mayor and City Clerk to sign the necessary documents. Roll call as follows:

Aye:            Councilmember Lehto  
                  Councilmember Eldredge  
                  Councilmember Hardcastle  
                  Councilmember Groberg  
                  Councilmember Barnes  
                  Councilmember Shurtleff

Nay:            None

Motion Carried.

There being no further business, it was moved by Councilmember Eldredge, seconded by Councilmember Shurtleff, that the meeting adjourn at 8:20 p.m.

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CITY CLERK

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MAYOR

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