

MAY 11, 2000

The City Council of the City of Idaho Falls met in Regular Council Meeting, Thursday, May 11, 2000, in the Council Chambers at 140 South Capital Avenue in Idaho Falls, Idaho.

There were present:

Mayor Linda Milam
Councilmember Bruce Rose
Councilmember Mike Lehto
Councilmember Ida Hardcastle
Councilmember Joe Groberg

Absent was:

Councilmember Brad Eldredge

Also present:

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

Mayor Milam and Councilmembers honored the late Councilmember Beverly Branson by presenting her photograph, Council portfolio, and nameplate to her family who were in attendance.

The City Clerk read a summary of the minutes for the April 27, 2000 Regular Council Meeting. It was moved by Councilmember Lehto, seconded by Councilmember Rose, that the minutes be approved as printed. Roll call as follows:

Aye: Councilmember Hardcastle
Councilmember Lehto
Councilmember Groberg
Councilmember Rose

Nay: None

Motion Carried.

CONSENT AGENDA ITEMS

Mayor Milam requested Council confirmation of the appointment of Val Carpenter to serve on the Planning Commission (Term to expire on December 31, 2003) and the re-appointment of Gerry Merrill to serve on the Fire Appeals Board (Term to expire on April 30, 2005).

The City Clerk presented monthly reports from various Division and Department Heads and requested that they be accepted and placed on file in the City Clerk's Office.

The City Clerk presented several license applications, including BEER TO BE CONSUMED ON THE PREMISES LICENSE to Los Mexicano's Mexican Food; BARTENDER PERMITS to Brandy L. Allen, S. Camille Faust, Shere R. Hill, Sonny J. Porter, Danny L.

Raschke, and Alan G. Wagner, all carrying the required approvals, and requested authorization to issue these licenses.

MAY 11, 2000

The City Clerk requested Council ratification for the publication of legal notices calling for public hearings on May 11, 2000.

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

Aye: Councilmember Groberg
Councilmember Rose
Councilmember Hardcastle
Councilmember Lehto

Nay: None

Motion Carried.

REGULAR AGENDA ITEMS

The City Clerk presented the following Expenditure Summary dated April 1, 2000 through April 30, 2000, after having been audited by the Fiscal Committee and paid by the Controller:

<u>FUND</u>	<u>SERVICE AND MATERIALS</u>	<u>GROSS PAYROLL</u>	<u>TOTAL EXPENDITURE</u>
General Fund	\$1,401,269.25	\$1,092,568.05	\$2,493,837.30
Street Fund	39,585.25	55,633.49	95,218.74
Airport Fund	52,317.94	28,736.32	81,054.26
Water and Sewer Fund	490,633.66	131,038.89	621,672.55
Electric Light Fund	2,107,395.18	232,727.42	2,340,122.60
Sanitation Fund	38,116.81	59,956.14	98,072.95
Recreation Fund	21,243.63	29,278.73	50,522.36
Municipal Capital Improvement Fund	63,910.66	.00	63,910.66
Library Fund	64,767.12	53,816.00	118,583.12
Street Capital Improvement Fund	3,630.00	.00	3,630.00
Ambulance Fund	50,473.48	63,833.52	114,307.00
Municipal Equipment Replacement Fund	1,525.00	.00	1,525.00
Electric Light Public Purpose Fund	41,307.42	.00	41,307.42
TOTALS	\$4,376,175.40	\$1,747,588.56	\$6,123,763.96

It was moved by Councilmember Lehto, seconded by Councilmember Hardcastle, to ratify the payment of Check No. 20455 in the amount of \$1,412.07 made payable to the American Red Cross. Roll call as follows:

Aye: Councilmember Lehto
Councilmember Groberg
Councilmember Hardcastle

Nay: None

Abstain: Councilmember Rose (As he is Director for the Red Cross)

Motion Carried.

MAY 11, 2000

It was moved by Councilmember Lehto, seconded by Councilmember Hardcastle, to approve Check No. 52885 in the amount of \$697.85 made payable to the University of Idaho. Roll call as follows:

Aye: Councilmember Hardcastle
Councilmember Lehto
Councilmember Groberg
Councilmember Rose

Nay: None

Motion Carried.

It was moved by Councilmember Lehto, seconded by Councilmember Hardcastle, to ratify the payment of the remainder of the expenditures for the month of April, 2000. Roll call as follows:

Aye: Councilmember Hardcastle
Councilmember Rose
Councilmember Lehto
Councilmember Groberg

Nay: None

Motion Carried.

The memo from the Planning and Building Director regarding the Annexation Proceedings for Southpoint Addition, Division No. 1 was withdrawn by the Division Director.

The memo from the Planning and Building Director regarding the Annexation Proceedings for Stonebrook Addition, Division No. 16 was withdrawn by the Division Director.

The Idaho Falls Power Director submitted the following memo:

City of Idaho Falls
May 8, 2000

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: Mark Gendron, Idaho Falls Power Director
SUBJECT: IDAHO ENERGY AUTHORITY AGREEMENTS

Attached for your consideration is a Resolution authorizing execution of a Member Services Agreement, Service Schedule No. 1 – Transmission Services, Service Schedule No. 2 – Joint Operating Entity Legislation, and approving amendments to the Articles of Incorporation. The related documents are attached and the City Attorney has reviewed such.

Idaho Falls Power recommends adoption of the Resolution and requests authorization for the Mayor to execute the documents.

s/ Mark Gendron

MAY 11, 2000

RESOLUTION

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A MEMBER SERVICES AGREEMENT AND CERTAIN SERVICE SCHEDULES THERETO WITH THE IDAHO ENERGY AUTHORITY, INC.; APPROVING AN AMENDMENT TO THE ARTICLES OF INCORPORATION OF IDEA; AND RELATED MATTERS.

WHEREAS, Idaho Falls Power a division of the City of Idaho Falls, (the “*Member*”) is a member of the Idaho Energy Authority, Inc., an Idaho nonprofit membership corporation (“*IDEA*”) pursuant to the provisions of the Articles of Incorporation and Bylaws of IDEA;

WHEREAS, the Board of Directors of IDEA has recommended that the members of IDEA approve an amendment to the Articles of Incorporation of IDEA;

WHEREAS, the Bylaws of IDEA provide that each member of IDEA will enter into a Member Services Agreement with IDEA and the form of the Member Services Agreement between the Member and IDEA, together with Service Schedules Nos. 1 and 2, setting forth the terms of IDEA to provide services to the Member have been presented to the governing body of the Member; and,

WHEREAS, the Member now desires to authorize the execution and delivery of the Member Services Agreement and Services Schedules Nos. 1 and 2 and the taking of all other necessary actions in connection therewith;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Idaho Falls as follows:

Section 1. Amendment of Articles of Incorporation. (a) The Member hereby consents to and approves an amendment to Article VII of the Articles of Incorporation so that Article reads as follows:

ARTICLE VII. MEMBERS

The Corporation shall have Members who shall have such rights as are provided in the Act. Membership in the Corporation shall be limited to cooperative associations, cooperative corporations, municipal corporations and other political subdivisions that own and operate local utility systems for the distribution of electric energy to consumers located within their service areas and wholesale cooperatives and joint action agencies that provide services to

cooperatives and political subdivisions. Any entity with these qualifications may become a member of

MAY 11, 2000

the Corporation upon compliance with the membership requirements set forth in the Bylaws.

Section 2. Execution and Delivery of Member Services Agreement. (a) Each of the Member Services Agreement, Service Schedule No. 1 and Service Schedule No. 2 is hereby authorized and approved, and the Mayor is hereby authorized, empowered and directed to execute and deliver the Member Services Agreement and such Service Schedules on behalf of the Member, and the City Clerk is hereby authorized, empowered and directed to attest, countersign and affix the corporate seal of the Member to the Member Services Agreement.

(b) The Mayor, the City Clerk, and other officers and employees of the Member shall take all actions necessary or reasonably required to carry out, give effect to, the execution and delivery of the Member Services Agreement and the Service Schedules thereto and the performance thereof.

Section 3. Miscellaneous; Effective Date. (a) All previous acts and resolutions in conflict with this Resolution or any part hereof are hereby repealed to the extent of such conflict.

(b) In case any provision in this resolution shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(c) This resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this 12th day of May, 2000.

s/ Linda Milam
Mayor

ATTEST AND COUNTERSIGN:

s/ Rosemarie Anderson
City Clerk

(SEAL)

It was moved by Councilmember Hardcastle, seconded by Councilmember Groberg, to adopt the Resolution authorizing execution of a Member Services Agreement, Service Schedule No. 1 – Transmission Services, Service Schedule No. 2 – Joint Operating Entity Legislation, and approving amendments to the Articles of Incorporation with the Idaho Energy Authority and, further, give authorization for the Mayor and City Clerk to execute the necessary documents. Roll call as follows:

Aye: Councilmember Groberg

Councilmember Rose
Councilmember Hardcastle
Councilmember Lehto

MAY 11, 2000

Nay: None

Motion Carried.

The Planning and Building Director submitted the following memos:

City of Idaho Falls
May 5, 2000

MEMORANDUM

TO: Mayor and City Council
FROM: Renée R. Magee, Planning and Building Director
SUBJECT: NAME CHANGE – SONOMA DRIVE

Attached is the Ordinance to change the name of Sonoma Drive, Waterford Addition, Division No. 1 and No. 3, to Tuscany Drive. The name change will eliminate conflict with Senoma Circle in Ammon. This Department respectfully requests this Ordinance be passed by the Council and approved by the Mayor.

s/ Renée R. Magee

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

ORDINANCE NO. 2367

AN ORDINANCE CHANGING THE NAME OF SONOMA DRIVE, A STREET LOCATED WITHIN THE CITY OF IDAHO FALLS, TO TUSCANY DRIVE; PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE.

The foregoing Ordinance was presented by title only. Councilmember Rose 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 and the Ordinance be passed on all three readings. Roll call as follows:

Aye: Councilmember Hardcastle
Councilmember Rose
Councilmember Lehto
Councilmember Groberg

Nay: None

Motion Carried.

City of Idaho Falls
May 5, 2000

MEMORANDUM

TO: Mayor and City Council
FROM: Renée R. Magee, Planning and Building Director
SUBJECT: FIRST AMENDED PLAT OF L. D. S. TEMPLE ADDITION

MAY 11, 2000

Attached is the First Amended Plat of the L. D. S. Temple Addition. The property under consideration is within the City of Idaho Falls and is zoned R-3A. This plat will divide two existing lots into three. The Planning Commission considered this Final Plat at its April 11, 2000 Meeting and recommended approval. The Department concurs. The Final Plat is now being submitted to the Mayor and Council for consideration.

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 Final Plat request:

Slide 1 Aerial Photo
Slide 2 Final Plat

It was moved by Councilmember Rose, seconded by Councilmember Hardcastle, to accept the First Amended Plat of the L. D. S. Temple Addition and, further, give authorization for the Mayor, City Engineer, and City Clerk to sign said Final Plat. Roll call as follows:

Aye: Councilmember Rose
 Councilmember Lehto
 Councilmember Hardcastle
 Councilmember Groberg

Nay: None

Motion Carried.

The Police Chief submitted the following memo:

City of Idaho Falls
May 1, 2000

MEMORANDUM

TO: Honorable Mayor Linda Milam and City Councilmembers
FROM: J. K. Livsey, Chief of Police
SUBJECT: DENIAL OF BARTENDER PERMIT

The application for a Bartender Permit for Karen L. Ingelstrom is hereby submitted with the recommendation it be denied. She was recently arrested and the incident involves alcohol use.

Thank you for your assistance.

s/ J. K. Livsey

It was noted that Karen Ingelstrom was not present. It was moved by Councilmember Hardcastle, seconded by Councilmember Lehto, to deny the Bartender Permit to Karen L. Ingelstrom. Roll call as follows:

MAY 11, 2000

Aye: Councilmember Lehto
Councilmember Hardcastle
Councilmember Groberg
Councilmember Rose

Nay: None

Motion Carried.

The Public Works Director submitted the following memos:

City of Idaho Falls
May 8, 2000

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: Chad Stanger, Public Works Director
SUBJECT: RIVER PARKWAY WATER LINE REPLACEMENT – CHANGE
ORDER NO. 1

Attached is proposed Change Order No. 1 to the River Parkway Water Line Replacement Project. After River Parkway was excavated, it became apparent that the existing sanitary sewer line was in poor condition and required replacement. If approved, this Change Order will increase the contract amount by \$74,439.00 with no adjustment to the completion date.

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

s/ Chad Stanger

It was moved by Councilmember Lehto, seconded by Councilmember Groberg, to approve Change Order No. 1 to HK Contractors, Inc. for the River Parkway Water Line Replacement Project and, further, give authorization for the Mayor to execute the necessary documents. Roll call as follows:

Aye: Councilmember Lehto
Councilmember Rose
Councilmember Groberg
Councilmember Hardcastle

Nay: None

Motion Carried.

City of Idaho Falls
May 8, 2000

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: Chad Stanger, Public Works Director
SUBJECT: BID AWARD – CURTIS AVENUE LIFT STATION

MAY 11, 2000

On April 25, 2000, bids were received and opened for replacing the Curtis Avenue Lift Station. A tabulation of the bid results is attached.

Public Works recommends award of this contract to the low bidder, TMC Contractors, Inc., in the amount of \$61,045.00; and, authorization for the Mayor and City Clerk to sign the necessary documents.

s/ Chad Stanger

It was moved by Councilmember Lehto, seconded by Councilmember Groberg, to accept the low bid from TMC Contractors, Inc. to complete the Curtis Avenue Lift Station and, further, give authorization for the Mayor and City Clerk to sign the necessary contract documents. Roll call as follows:

Aye: Councilmember Groberg
Councilmember Rose
Councilmember Hardcastle
Councilmember Lehto

Nay: None

Motion Carried.

City of Idaho Falls
May 8, 2000

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: Chad Stanger, Public Works Director
SUBJECT: BID AWARD – HITT ROAD IMPROVEMENTS, 25TH STREET TO DERALD AVENUE

On May 2, 2000, bids were received and opened for the Hitt Road Improvements, 25th Street to Derald Avenue. A tabulation of the bid results is attached.

Public Works recommends award of this Contract to the low bidder, HK Contractors, Inc., in the amount of \$294,390.80; and, authorization for the Mayor and City Clerk to sign the necessary documents.

s/ Chad Stanger

It was moved by Councilmember Lehto, seconded by Councilmember Groberg, to accept the low bid from HK Contractors, Inc. to complete the Hitt Road Improvements, 25th Street to Derald Avenue Project and, further, give authorization for the Mayor and City Clerk to sign the necessary contract documents. Roll call as follows:

Aye: Councilmember Lehto
Councilmember Rose

Councilmember Groberg
Councilmember Hardcastle

MAY 11, 2000

Nay: None

Motion Carried.

Mayor Milam indicated that this was the time for citizens to appear who had issues for the City Council that are not otherwise listed on the Agenda.

Patrick Duffin from Swafford Law Office, 525 Ninth Street, appeared to present the following information:

HERTZ RENT-A-CAR

I. Introduction

A. Handouts:

- Copies of Lease, Addenda, Drawings of the District.
- Hertz's contributions over the past ten years; Revenues by year; Payments to City of Idaho Falls.
- Deplanements; Building and Leasehold Improvements.
- Newspaper Article, appearing in *The Post Register* on Thursday, May 04, 2000.
- Selected Regulations relating to Airport Improvements Program ("AIP").

B. History of the Present Location.

- This property has been leased since the 1960's. City and Airport Director, Pete Hill, in charge during that time.
- Under the City direction and Pete Hill, the "Airport Industrial Park" was actively developed.
- Purpose was to make the airport a self-sustaining entity.
- The Airport Industrial Park was developed in what the Federal Aviation Administration ("FAA") calls the runway protection zone ("RPZ").
- It did produce a viable, self-sustaining airport, of which there are only two in Idaho, Boise and Idaho Falls.

C. Hertz's History in Present Location.

1. Hertz executed leases for the present location in the Airport Industrial Park in 1970. Though unusual, they were presumed to be indefinite.
 - a. Automatically renewable on two occasions, additional ten-year periods. Last one took place in 1992.
 - b. Presumed renewable on similar terms thereafter. Last lease was in 1992.
 - c. Hertz has made a substantial investment in the building, improvements thereon.
 - d. There is a limited market, minimal use, when consider Hertz's expenditures.
2. Upon leaving the facility, the City has a substantial asset. Even if it is not rented, which may or may not occur, it can use the building for storage or other uses which are consistent with permitted uses in the RPZ.

D. Ownership of Hertz.

1. Hertz is independently owned and operated as a franchise/licensee. It is not owned by the Hertz Corporation.
2. Owners based out of Ogden, Utah.

MAY 11, 2000

3. Not a large corporation that can absorb large losses in one area of the company and compensate in another area. Each unit must be financially viable, contributing to the success of the whole.

II. Financial Numbers and Use.

A. Hertz's Contributions for the Past Three Years

- 1997 - \$118,892.70
- 1998 - \$130,072.50
- 1999 - \$140,940.80
- 2000 Year To Date - \$45,000.00+

It projects that over the next ten years it will pay the City of Idaho Falls a commission between 1.5 million and 2.0 million dollars. During that time period, it also projects its profit margins steadily decreasing.

B. Profit Margins.

1. 1998 – 15.3%
2. 1999 – 7.9%

C. Problems.

1. Deplanements have steadily decreased.
 - a. More customers are flying to Salt Lake City, renting cars, and traveling directly to their destination.
 - b. Business travel down.
2. Loss of Major Airlines.
3. Cost of Business.
4. Cost of New Building on Airport Property
 - a. Building - \$100,000.00
 1. Increased cost because the Airport is dictating the materials.
 - b. Pavement, fencing, relocation, interruption of business, miscellaneous expenses – approximately \$50,000.00.
 - c. Incurring that cost in one year will result in Hertz running in the red.

III. Proposal.

A. Cooperative Relationship.

Need a cooperative relationship with the City and Hertz. Both are partners in the success of the Airport. An airport without Hertz does not provide the expected level of service to its customers without Hertz. Obviously, Hertz does not do business without the Airport. This is a relationship where both need the other and both will benefit from the other. The history of this relationship has been a cooperative one.

B. Apply for FAA Relocation Fees.

1. Clearance from RPZ/Relocation has a high priority.
 - a. Understand that competing for scarce dollars. However, also understand that if no relocation assistance, Hertz will be placed in a much worse situation than its competitors. For example, Hertz's competitors have only had to invest in a building once. At the time, the City

placed Avis, National, Budget on the Airport.
However, back in '70, it placed Hertz in the RPZ.
This was done to benefit the City. It needed money.

MAY 11, 2000

- Developed the Airport Industrial Park. Not until about eleven months ago was anything said.
- b. The City encouraged continued development in the RPZ. IF there would have been an inkling that the lease would be terminated and Hertz would have to move, Hertz would have sought to move sooner and would have sought to invest in buildings on Airport rather than at location where not doing any good.
- 2. Put Hertz on equal footing with the Avis, Budget, National.
 - a. If no assistance, then Hertz will not be able to compete. The already declining profit margins become non-existent.
 - b. Run in the red requiring immediate investment of capital that they have already put out-of-pocket once.
- 3. Hertz adds to the Idaho Falls Airport Service.
 - a. Largest rental car company name in the world.
 - b. Provides individual service, getting to know customers.
 - c. Has a tremendous corporate account base.
 - d. Significant source of revenue for the City.
 - e. Is an integral part of revitalizing the Airport.
- 4. Hertz needs the City to apply for FAA Funds.
- B. Apply for State CIP Funds.**
 - 1. Hertz doesn't have a great knowledge of this program. It was recommended by the FAA that Hertz apply for the funds. However, to do so, the City of Idaho Falls must apply for the funds. Hertz cannot do it on its own.
- C. City Funds.**
 - 1. The City has a vested interest in seeing that the businesses, including Hertz, succeed.
 - 2. If funds are not available from the FAA or CIP state program, ask that the City bear part of the costs to remedy the situation.
- D. Lease.**
 - 1. Seeking a one-year lease, with a renewal option for the second year.
 - 2. Want the potential for a second year.
 - 3. FAA has indicated that a month-to-month lease for a limited time, a year for example, would be acceptable. However, the FAA has not limited it to a one-year lease.
 - a. Need to do what makes sense, both in clearing the RPZ and financially for the businesses on which the Airport depends for its revenue.
 - 4. Hertz needs the security of having two years to complete a move. It can better absorb some costs, seeking funding from FAA.

The following items were also entered as Exhibits from Hertz Rent-A-Car:

Exhibit 1 Copy of original Lease Agreement dated May 7, 1970
Exhibit 2 Addendum to Lease Agreement dated February 24, 1977
Exhibit 3 Addendum to Lease Agreement dated June 24, 1980

MAY 11, 2000

- Exhibit 4 Lease Extension Agreement dated April 23, 1992
- Exhibit 5 Schedule of Deplanements for 1999 and 2000
- Exhibit 6 Building and Leasehold Improvements
- Exhibit 7 Revenue and Commissions Paid by Year
- Exhibit 8 Map indicating improvements
- Exhibit 9 Article from The Post Register entitled, "I. F. Airport Terminal Expansion Planned"
- Exhibit 10 Copy of Letter dated February 2, 2000 from Don M. Larson, Airport Planner with the Federal Aviation Administration to Mike Humberd, Director of Airport Division for City of Idaho Falls regarding Fanning Field/Idaho Falls Municipal Airport Runway Protection Zone (RPZ) Leases
- Exhibit 11 Copy of Letter dated January 25, 2000 from M. R. Humberd, Director of Airport Division for City of Idaho Falls to Donald M. Larson with the Federal Aviation Administration regarding Fanning Field/Idaho Falls Municipal Airport Runway Protection (RPZ) Leases
- Exhibit 12 Projected Airport Revenue
- Exhibit 13 Profit Margin Percentage of Revenue
- Exhibit 14 Copy of Letter dated May 5, 2000 from M. R. Humberd, Director of Airport Division for City of Idaho Falls to Jerry H. Petersen, President of Overland West, Inc. (Hertz Rent-A-Car) regarding relocation of the Hertz Service Center

Mayor Milam referred this issue to the Airport Council Committee and requested that this Committee inform the other Councilmembers when this issue will be considered.

Councilmember Groberg stated that the Airport Council Committee will make this an Agenda Item and the Airport Director will notify Mr. Duffin and Mr. Petersen of the time for the meeting on this issue.

There being no further business, it was moved by Councilmember Groberg, seconded by Councilmember Rose, that the meeting adjourn at 8:05 p.m.

CITY CLERK

MAYOR
