

MINUTES

**McCall City Council
Regular Meeting
McCall City Hall -- Legion Hall
May 12, 2016**

Call to Order and Roll Call
Pledge of Allegiance
Approve the Agenda
Department Reports
Committee Minutes
Public Comment
Consent Agenda
Proclamations
Business Agenda
Executive Session
Return to Open Session
Adjournment

CALL TO ORDER AND ROLL CALL

Mayor Aymon called the regular meeting of the McCall City Council to order at 5:30 p.m. Mayor Aymon, Council Member Giles, Council Member Scott, Council Member Swanson, and Council Member Witte all answered roll call. Council Member Scott entered the meeting at 5:45 p.m.

City staff members present were Nate Coyle, City Manager; Bill Nichols, City Attorney; Linda Stokes, City Treasurer; Dennis Coyle, Parks and Recreation Director; Eric McCormick, Golf Course Superintendent; Meg Lojek, Library Director; Traci Malvich, Human Resources Manager; Peter Borner, Public Works Director; Stacy LaFay, Wastewater Treatment Plant Manager; Nathan Stewart, City Engineer; and Lisa Kundrick, Deputy City Clerk.

Mayor Aymon led the audience in the Pledge of Allegiance.

APPROVE THE AGENDA

Council Member Swanson moved to approve the agenda as submitted. Council Member Giles seconded the motion. In a voice vote all members voted aye and the motion carried.

DEPARTMENT REPORTS

Council reviewed department reports. Some items of note:

City Manager:

- City Manager Coyle reported that he had discussed with Communications Manager Erin Greaves about extending the Fourth of July radio campaign to Lewiston or Weiser, and that he will email the planned media campaign to Mayor Aymon.

Parks and Recreation:

Trailer Parking

- Parks and Recreation Director Coyle gave an update on the trailer parking and stated that it is not too late to get in place for this summer. Director Coyle plans to attend the IDPR Board Meeting on May 26, 2016 in Challis.
- The informational kiosk is almost ready.
- Council Member Witte suggested 4 hour limits instead of 2 hours in the community commercial zoning areas. City Manager Coyle stated that as a result of a previous discussion parking would not be signed but monitored to see how the traffic flow would be affected. He stated that if Council upon further discussion decides that they wanted parking signed the 4 hour limit would be considered.

General

- Grant Coordinator Coyle is now serving on the Valley County Centennial Committee.
- Parks Supervisor Wolf has been working with MOSS students at Wildhorse Park on cleaning up debris and slash piles.
- Signs will be installed for Firewise.
- Two trees on Campus Street and two trees next to the Library were removed.
- Drainage is functional and fields are ready to use tonight for kids baseball at Gold Glove Park. Trees are being ordered from the donation funds.
- Final updates are in Capital Improvement Plan.
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Community Development:

- Mayor Aymon would like know the venue for the SW Idaho GIS conference.
- A draft agreement has been given to Terri Lindenburg for her discussion with the Treasure Valley Transit Board. Nothing has been reported back at this time.

Golf:

- Superintendent McCormick reported that all 27 holes will be open on 5/13. Not fully staffed for the clubhouse at this time but plan on being open full time by 5/18.
- The clubhouse carpet is in and bathroom flooring is almost done.

Library:

- Library Director Lojek reported that the immunization workshop had 15-20 recipients.

Public Works:

- Public Works Director Borner stated that the monitoring wells are not yet installed.
- Snow removal damage to personal property by the equipment included trees, shrubs, and fences. Lingering complaints are being investigated and monitored. All equipment came through the season in good condition.
- 2016 is the last year for the majority of the leased equipment. Seeking new bids for additional equipment next year.
- Mayor Aymon asked about VFD failure and replacement.

- Council inquired about the use of sump pumps and the legalities of their usage. Director Borner stated that sump pumps contribute to I & I, and is seeking for different ways, such as night cameras, to detect homes who are using them. Ideally the sumps should be redirected to a ditch and eventually the river or the lake instead of the Waste Water Treatment Plant (WWTP). City Manager Coyle suggested an educational media campaign to homeowners might be helpful and will discuss it further with Communications Manager Greaves.
- The Local Highway Technical Assistance Council (LHTAC) grant for Commerce Street has been received. Preliminary design and survey work has been started. The pipeline inspection of the sewer main has been completed and appears to be new and in good shape.

COMMITTEE MINUTES

Council was provided with the following meeting minutes:

1. Airport Advisory Committee – March 3, 2016
2. Environmental Advisory Committee – February 16 and March 15, 2016
3. Library Building Committee – March 16 and 30; April 13, 2016
4. Library Board of Trustees – March 15, 2016
5. McCall Improvement Committee – March 10, 2016
6. McCall Planning and Zoning Commission – April 5, 2016

CONSENT AGENDA

Staff recommended approval of the following items:

1. AB 16-123 Request for Approval of the Renewal of the Digital Mailing System Contract with Pitney Bowes
2. AB 16-121 Request for Approval to Reallocate Remainder of FY16 Golf Course LOT Sprayer Funds to Purchase a Used Fairway Mower
3. AB 16-119 Request for Approval of an Addendum to the Agreement for Collection and Disposal of Solid Waste between The City of McCall and Lakeshore Disposal
4. City Council Special Minutes – March 17, 2016
5. City Council Special Minutes – March 31, 2016
6. Payroll Report for Period ending April 22, 2016
7. Clerk's License Report

Council Member Witte moved to approve the Consent Agenda as submitted. Council Member Scott seconded the motion. In a roll call vote Council Member Witte, Council Member Scott, Mayor Aymon, Council Member Giles, and Council Member Swanson all voted aye and the motion carried.

PUBLIC COMMENT

Mayor Aymon called for public comment at 5:58 p.m.

Hearing no comments, Mayor Aymon closed the comment period at 5:58 p.m.

PROCLAMATIONS

AB 16-124 Proclaim May 16, 2016 as a Very Special Celebration of Grace Turek's 100th Birthday

Lisa Kundrick, Deputy City Clerk, presented the proclamation to celebrate Grace Turek's 100th birthday to Council. A McCall Citizen, Shirley Overton, requested a proclamation to recognize Grace Turek's 100th birthday. Grace Turek has been a member of the community for over 5 years. Her daughter and son in-law have been members of the community for more than 15 years and have previously been employed by the City of McCall.

Council Member Witte moved to proclaim May 16, 2016, to be a very special celebration of Grace Turek's 100th birthday in the City of McCall and authorize the Mayor to sign the proclamation. Council Member Swanson seconded the motion. In a roll call vote Council Member Witte, Council Member Swanson, Mayor Aymon, Council Member Giles, and Council Member Scott all voted aye and the motion carried.

Mayor Aymon read the proclamation.

BUSINESS AGENDA

AB 16-118 Presentation from Nick Miller – Bond Counsel

Nic Miller, Bond Counsel to the City of McCall, provided a presentation regarding options for financing of a continued land application system for disposal of effluent by the city and Payette Lakes Recreational Water and Sewer District (PLRWSD). The PLRWSD Board received this presentation at the end of April. Handouts were provided during the meeting to support the presentation.

City Manager Coyle gave some background history on the proposed consolidation of PLRWSD and the City. As funding was a major hurdle they are looking to the Bond Counsel to provide assistance with financing and annexation help. City Manager Coyle introduced Nic Miller from Hawley Troxell, and Jerry Vevig, and John Hucks from PLRWSD and then gave the floor over to Mr. Miller.

Mr. Miller explained what the Bond Counsel does. He discussed the need to finance the reconstruction of the Land App equipment and also that the existing debt needs to be restructured upon consolidation. He explained that the Bond Counsel is in the "Red Book;" only listed agencies that can give bond opinions. Next, he discussed reasons for the necessary financing and the timeline on how long it would take to accomplish.

Council reviewed annexation chronology. There is need for an implementation plan, identify who has facilities and debt before and after consolidation. PLRWSD would take over collection facilities, Wastewater Treatment Plant (WWTP), and land application. PLRWSD would also assume the City's debt along with new debt from land application and WWTP improvements. PLRWSD will have to have an election for permission to issue bonds and pay off City's debt.

Mr. Miller explained that the creation of a subdistrict (current users of the McCall system) would be required to refinance the 2008 bonds and an election would be required to create that

subdistrict. A subdistrict would have to be created because the City cannot be annexed until its 2008 debt is paid off. Mr. Miller urged that although there is no action tonight, time will be short and there is some urgency to proceeding with the process fairly soon. Respective boards should be discussing this soon.

Council Member Swanson introduced Adam Christenson, City Financial Advisor, who talked about the two ways debt can be issued by an election or judicial confirmation. He stated that the focus is on holding an election. November 8, 2016 is the targeted election and the ballot is due 60 days prior to the election date. The bond could be funded in spring 2017.

Mr. Christenson discussed the annexation process and the timeline involved. A list of questions for the ballot, ordered by first priority was presented to Council. He stated that if all items on the ballot did not pass, then it will be disqualified. Judicial confirmation needs to be in an urgent and necessary condition (such as if any of the election ballot measures fail.) The process needs to be started by the end of June 2016 if the annexation is going to proceed according to the timeline stated. Judicial confirmation timing would be difficult because of the aim for it to be included in the election in November. This does not give enough time to schedule a court ruling. Mr. Christenson stated that this process can be confusing but there are not many options available. Something has to be done because “no action” is not a choice. The positive note is this process of annexation and elections gives the best rates on the debt.

Council Member Swanson pointed out that one downside is the difficulty to procure a bond buyer who understands pending annexation. The Idaho Bond Bank works closely with cities and has financed sewer district debt in the past. The Idaho Bond Bank has the possibility of seizing sales tax revenue (revenue sharing) if the City defaults.

AB 16-127 FY17 Budget Work Session

Linda Stokes, City Treasurer, presented information to Council regarding certain key assumptions that staff is currently working with to draft the FY17 budget regarding compensation (salaries and benefits), capital improvement planning, and property taxes including potential increases.

Council considered the following information that was provided in the packet:

Memo from Treasurer
CY / PY Budget Salary and Benefit Comparison
FY17 Capital Project Improvement (CIP) List
FY17 Operating Capital List
Levy Rates Compared to Taxable Market Valuations
L-2 Worksheet – Maximum Allowable Non-exempt Property Tax
Property Taxes Allocated by Fund
Property Taxes Allocated by Fund – Multi Year Comparison
Estimated Levy Rate Calculation
House Bill No. 474

Human Resource Manager Malvich discussed employee expenses, and the merit increases shown on the initial draft, 2% market and 1% merit pool (keep in line with market salaries.) The healthcare costs included a 20% increase in preparation for increased rates. Blue Cross thinks it will be 18-20% but they cannot commit to a solid renewal rate until 60 days prior to renewal. A partial self-funding option for some savings is being investigated. New e-health applications will

be coming up in June. Dental and vision insurance rates will not increase this year. These assumptions will be a starting point and can be refined as better data comes in.

Treasurer Stokes discussed funding capital needs. The Capital Asset Management Policy has been started as well as a 5-year Capital Improvement Plan (CIP). All of it is broken down into two categories; those above \$25K and those below. Treasurer Stokes presented a copy of the updated list. Next, City Manager Coyle discussed the process stating that a group of peers (City employees) will review the list and prioritize based on a certain criteria that can be presented to Council. Ideally, the desire is that this process be completed during a part of the year that is not dominated by the budget season and be ready by the following budget time. Also, alternate funding sources will be considered that could help cover part of the costs (matching grants, LOT revenue, etc.) and create a balanced list with the adjusted totals.

Next Treasurer Stokes covered property taxes. She is anticipating taking a 3% levy rate increase in FY17. That would bring in close to \$5M in property taxes. She is still holding onto foregone and it is allocated for the general fund currently. Treasurer Stokes showed a proposed allocation of FY17 property taxes, 64% in the general fund (includes foregone). The Homeowners Exemption will remain the same.

Treasurer Stokes then discussed HB474. This will require a public hearing and a resolution when there is intent to take foregone taxes (the intent is transparency). AIC will be hosting training on this, and she warned to expect to see requirements for further disclosure about using foregone in the future. She should be able to have better numbers by the next meeting on June 17. Departments will submit their budgets by 5/13.

AB 16-117 Contract Award for Bid Number PW16-08, 2016 Street Striping

Peter Borner, Public Works Director presented the contract award for Bid Number PW16-08, 2016 Street Striping. This project is for the annual striping of city streets and crosswalks. This year we again have 16 miles of road to be striped and only the crosswalks on State Hwy 55. Since the acquisition of a second street painting machine in FY13, the Streets Division of Public Works will be doing more street striping, crosswalks, and symbols this year. Because the cost of this project is less than \$50,000, informal bidding was conducted. Bids were received on May 3, 2016. Two bids were received, one from A.A. Striping for the amount of \$24,785 and the other from Curtis Clean Sweep for the amount of \$18,791.

Public Works recommends that the contract for Bid Number PW 16-08, 2016 Street Striping be awarded to Curtis Clean Sweep.

Council Member Giles moved to award the contract for Bid Number PW16-08, 2016 Street Striping, to Curtis Clean Sweep and authorize the Mayor to sign all necessary documents. Council Member Swanson seconded the motion. In a roll call vote Council Member Giles, Council Member Swanson, Mayor Aymon, Council Member Scott, and Council Member Witte all voted aye and the motion carried.

AB 16-120 Septage & Septage Hauler Information Discussion

Peter Borner, Public Works Director, presented the septage & septage hauler information discussion to Council. At the City Council meeting held on April 28, 2016, Public Works presented revisions to the fees that are charged including those associated with the acceptance of septage waste. From the comments of City Council at that meeting and in a subsequent meeting,

a follow-up discussion on the acceptance of septage waste seemed appropriate. It appeared that questions centered on four items in general.

1. What Wastewater Treatment Plants receive septage?
2. What does IDEQ/Water Quality Division think?
3. Do we have the right equipment to process septage?
4. Do the existing or proposed fees pay for the equipment used?

In the McCall area there are four permitted septic tank pumpers. In addition, the Payette Lakes Recreational Water & Sewer District also disposes only domestic sewerage obtained from cleaning their collection system and lift stations. It should be noted that septage is a more highly potent form of regular domestic sewerage that is found going to the City's wastewater treatment plant via the collection system. Currently, there is also no way to monitor whether or not the septic tank pumpers are just transporting domestic waste or waste associated with industrial processes.

Public Works Director Borner asked Stacy LaFay, WWTP Operations Manager, to perform further review on other agencies and their practices. Council reviewed his evaluation that was provided in the agenda packet. Council discussed some of the issues in dealing with septage (sewage hauled to the plant from outside the collection system).

Council asked the following questions:

Does Cascade accept any porta potty waste?

How many gallons of grease trap waste does the WWTP accept?

- Trucks are not weighed so there is no way of knowing. The dumpee is charged by the truck full as if it were a tanker (per gallon). Right now it goes into an unlined pit and the liquid evaporates and the solid dries on the surface. Currently there is no way of disposing of what is left over.

What are the thoughts of DEQ regarding the grease trap pit?

- The question has not been asked because we are afraid of the possible answer. It may need to be lined.
- DEQ does not have a regulation discouraging septage, but they realize that it shocks a WWTP and would prefer that another way of handling septage be found. It is possible that they would recommend a pre-treatment facility before it is allowed into the WWTP.

Does the WWTP have the right equipment? No.

Do the current fees of \$0.04/gal cover the costs?

- Not certain but probably not.

Stacy LaFay, Wastewater Treatment Plant Manager explained that septage contains more solids, which is problematic for the WWTP because ideally liquid forms are more anaerobic. The Idaho Department of Environmental Quality (Steve Harris) and Idaho Rural Water Association did a sludge assessment recently and it is within range so the WWTP is functioning properly. They took sludge samples and a report will be available next month. This may help us determine a

septage policy. Council Member Giles suggested that a study is made to ascertain what it would take to satisfy the DEQ in the handling of the grease trap waste. It may be in the city's best interests to accept it (i.e. where else can it be taken in the area?).

Council Member Witte is concerned about the City's position since DEQ hasn't been approached regarding this issue. In response to her inquiry as to what was "raw sewage" as described, WWTP Manager LaFay explained that it is the grease residue that is gathered from cleanout operations and it gets dumped in the grease pit as well. Council Member Witte expressed her desire for the City Staff to talk to DEQ to see if acceptance of the waste is approved by them.

Public Works Director Borner stated it will be checked into and will report back to the Council when the report is ready.

AB 16-126 Proposed Public Works Fee Schedule Discussion

Peter Borner, Public Works Director, presented the proposed public works fee schedule discussion stating that Public Works has conducted an extensive review of the fees that are currently charged for associated activities and have determined that they are in need of revision. Current fees include driveway permits, right-of-way permits, water and sewer hookups, and septage disposal. There are other activities that occur that are not currently charged for such as use of city hydrants for construction activities and work conducted within City right of ways (specifically the trenching and boring of city streets) associated with Idaho Power, Cable One, and Frontier Communications. All of these activities are exclusively associated with some type of construction/development or, in some cases, businesses. Staff recommends that development and businesses pay their way for the services that are required and provided by Public Works.

Lastly, there are proposed adjustments to water and sewer connections charges and septage disposal fees in addition to the new fees for the use of city hydrants. As mentioned, these fees are for direct cost of service and are not determined through a rate study process (such as the ongoing sewer rate study). All of the proposed fees are based upon the estimated cost of service (time, material, and equipment) that is required from processing applications to the numerous inspections that are necessary to ensure that the city's infrastructure is protected.

Staff requests direction to move forward with the proposed fee changes. A summary of the current and proposed fees that Public Works is recommending was reviewed and discussed. There were follow up discussions on previous inquiries, and the revised proposed fee schedule was presented. There are new fees for building construction (inspection) and for utility inspections. There were also added fees for hydrant meter rental so water taken from hydrants would be paid for. Septage disposal fees were increased and some added.

Council Member Witte would like more descriptive definitions of exactly what the permits are for and who would be paying them such as the homeowner, utility company, contractor, etc.

There was general Council consensus that they would be willing to hold a public hearing on these fees if the definitions were better explained.

AB 16-122 Discussion of Continuation for Civil Legal Services

Nate Coyle, City Manager, presented the discussion of continuation for Civil Legal Services to Council. The existing agreement for civil legal services between the City of McCall and White Peterson will require renewal at the end of September 2016. The City of McCall has contracted

with White Peterson for these services since August of 2005. During last year's presentation for renewal of this agreement, the Council directed staff to bring back a discussion from the following year about potentially executing a Request for Proposals (RFP) process for these services. This discussion was simply driven by the fact that the City had not competitively sought submittals for this service since originally executing an agreement for services with White Peterson. If the Council would prefer that an RFP process be conducted, staff would need to commence work in the month of May to ensure that submittals could be considered prior to the end of September. If an RFP process is not desired by the Council then renewal of an agreement with White Peterson will be coordinated prior to September 30, 2016.

The existing agreement for these services was reviewed by Council. Discussion ensued regarding if there is any merit to conducting an RFP for legal services.

- Council Member Giles stated he was satisfied with just negotiating with White Peterson and bypassing a RFP. Council Member Swanson agree with Council Member Giles and felt that since the City has much on their plate right now that it would be in the City's best interest not to make a change at this time. Council Member Scott concurred.

Mr. Nichols thanked the Council for the vote of confidence and asked for any new issues be brought forward so as to prepare for them.

Council directed staff to negotiate renewal of an agreement with White Peterson for civil legal services.

Upcoming Meetings Schedule Discussion

Council discussed upcoming meetings.

Public Works is looking into adding fluoride to the water. The City used to add fluoride but no one knows why they stopped doing it. Mayor Aymon is trying to put together a work session with healthcare professionals in the area to provide input. . The Council tentatively looked at June 30th or July 1st for that work session. Public Works Director Borner wanted to make note that fluoride in its concentrated form it is very caustic and harmful. Council Member Giles was interested in what other cities do and why.

Warrant Registers

Staff presented the Warrant Registers for approval.

Council Member Swanson moved to approve the Warrant Registers as submitted. Council Member Scott seconded the motion. In a voice vote, all members voted aye and the motion carried.

EXECUTIVE SESSION

At 8:43 p.m. Council Member Scott moved to go into Executive Session for:

- **Land Acquisition -- 74-206 (1) (c) To acquire an interest in real property which is not owned by a public agency;**
- **Exempt Records -- 74-206 (1) (d) To consider records that are exempt from disclosure as provided in chapter 1, title 74, Idaho Code;**

- **Litigation -- 74-206 (1) (f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement;**

Council Member Swanson seconded the motion. In a roll call vote Council Member Scott, Council Member Swanson, Mayor Aymon, Council Member Giles, and Council Member Witte all voted aye and the motion carried.

Council discussed possible land acquisition.

RETURN TO OPEN SESSION

At 9:06 p.m. Council Member Scott moved to return to Open Session. Council Member Swanson seconded the motion. In a voice vote, all members voted aye and the motion carried.

AB 16-125 Airport Land Acquisition Resolution

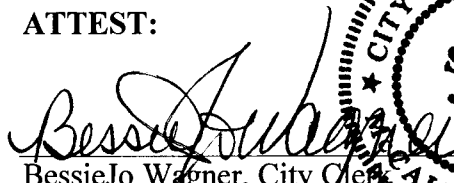
The proposed Resolution will give staff the authority to execute the direction that will be given by Council after the scheduled Executive Session.

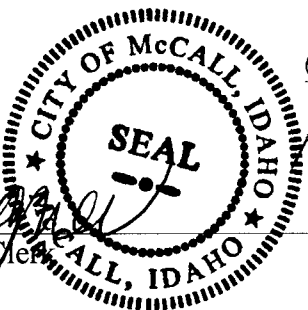
Council Member Swanson motioned to approve Resolution 16-13 and authorize the Mayor to sign all necessary documents. Council Member Giles seconded the motion. Council Member Swanson, Council Member Giles, Mayor Aymon, Council Member Scott, and Council Member Witte all voted aye and the motion carried.

ADJOURNMENT

Without further business, Mayor Aymon adjourned the meeting at 9:08 p.m.

ATTEST:


BessieJo Wagner, City Clerk




Jackie J. Aymon, Mayor