

**MINUTES**  
**REGULAR MEETING OF THE SANDPOINT CITY COUNCIL**  
**August 2, 2017**

**OPENING** Mayor Rognstad called the regular meeting of the City Council to order at 5:30 p.m. on Wednesday, August 2, 2017, in the Council chambers at City Hall, 1123 Lake Street.

**ROLL CALL** Council members Ruehle, Aitken, Snedden, Camp and Williamson were present. Councilman Eddy was absent.

**PLEDGE OF ALLEGIANCE** Mayor Rognstad led the Council and the public in the pledge of allegiance to the flag.

**ANNOUNCEMENTS**

City Administrator Jennifer Stapleton announced there will be an article in both the Bonner County Daily Bee and the Sandpoint Reader this week with information on a public open house scheduled on August 20 at the new grandstands at Memorial Field. A public open house will also be scheduled for qualified electors who are interested in filing their declaration of candidacy for City Council for this year's City election. City Council members will be attending to provide information on their roles and responsibilities and to review their strategic planning.

**Councilwoman Ruehle** suggested City staff follow up on signage visibility and weeds along Highway 95 near the visitor center north of town.

**CONSENT CALENDAR**

**Councilman Snedden** moved that items A-1 through B be approved. **Councilwoman Williamson** seconded the motion.

A roll call vote resulted as follows:

Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilman Snedden	Yes
Councilman Camp	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Absent

**The motion passed by a unanimous vote of Council present.**

**A MINUTES**

A-1 City Council regular minutes of July 19, 2017

A-2 Planning and Zoning Commission minutes of May 16, 2017

A-3 Arts Commission minutes of June 19, 2017

A-4 Historic Preservation Commission minutes of June 20, 2017 and July 12, 2017

A-5 Urban Renewal Agency minutes of June 6, 2017

**B Bills in the total amount of \$832,968.69 for regular payables.**

**OLD BUSINESS**

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**C. RESOLUTION NO. 17-47 RESOLUTION OF INTENTION TO DISESTABLISH THE BUSINESS IMPROVEMENT DISTRICT**

City Administrator Jennifer Stapleton noted that at the City Council workshop on July 19, 2017, Roger Woodworth provided a draft report recommending that City Council halt the Business Improvement District (BID) by either disestablishing the BID or retain the boundaries but reduce the assessment rates to zero. With either option, criteria would be developed for a new BID or any other districts within the current BID. City staff provided two proposed resolutions for City Council to adopt, a Resolution of Intention to Disestablish the Business Improvement District or a Resolution of Intention to Reset the Business Improvement District Assessment Rate to Zero. Idaho Code provides a process that after adoption of a resolution of intent, that a copy of the resolution will be mailed to all BID members, the resolution will be published in the newspaper and a public hearing will be held during the regularly scheduled City Council meeting on September 6, 2017.

**Councilman Camp moved** that City Council approve the proposed resolution, Resolution of Intention to Disestablish the Business Improvement District. **Councilwoman Williamson seconded the motion.**

**Councilman Camp** said his reasons for disestablishing the BID are referenced on Page 10 of the Engagement Project Report with a recommendation to terminate the current BID. In Mr. Woodworth's report, it states the City will save costs and puts an onus on businesses to either work together or establish a new BID for a specific purpose. **Councilman Camp** pointed out that the responses to the Boise State University survey and comments made during the workshops were clear that the businesses want to eliminate the BID. **Councilwoman Williamson** concurred. She said her decision is based on issues with arbitrary boundaries. There is an opportunity to reestablish a BID within a zone for those interested in creating and participating in a new BID. She agreed that either decision City Council makes this evening, that it's important for City Council to set strict standards. She didn't think keeping the current BID serves our businesses well.

**Andrew Fingel**, non-Sandpoint resident and owner of a Sandpoint business, noted that a majority of the respondents want to terminate the BID. There was low participation in the BSU survey and the workshop sessions with Mr. Woodworth. He said the BID needs to be dissolved. Businesses have an opportunity to reestablish a BID and set new boundaries. The current BID boundaries are not working for businesses.

Jennifer Stapleton replied to **Councilman Camp** that the balance on hand and anticipated revenues for the BID are included in the 2017/2018 budget. City Council can provide direction to City staff during the budget process. **Councilmen Aitken** and **Snedden disclosed** they own businesses downtown and are members of the BID but this does not influence their decision on this issue. **Councilwoman Williamson** also disclosed that she operates a non-profit organization downtown, but this does not influence her decision. **Councilwoman Ruehle** said she does not support disbanding the BID because business owners have communicated to her that they want to retain it.

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A roll call vote of Council resulted as follows:

Councilman Aitken	Yes
Councilman Camp	Yes
Councilman Snedden	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Absent
Councilwoman Ruehle	No

**The motion passed by a majority of Council present with Councilwoman Ruehle dissenting.**

**D. RESOLUTION NO. 17-48 CONSTRUCTION ENGINEERING SERVICES AGREEMENT AMENDMENT WITH CENTURY WEST ENGINEERING CORPORATION FOR DOWNTOWN STREETS REVITALIZATION SEWER REPLACEMENT PROJECT**

Public Works Director Ryan Luttmann said he is requesting approval to enter into an agreement with Century West Engineering to provide engineering services for the next agenda item, First Avenue Sewer Replacement Project. The sewer replacement work was originally bid with Phase 1 of downtown revitalization project but separated the sewer replacement project and rebid this portion of the project. Construction of the sewer main will be on First Avenue between Church Street and Lake Street that will not exceed 85 days. If the bid is awarded this evening, there will be a notice to proceed issued to the contract on August 21<sup>st</sup> with a completion date by the end of October. The dates of construction have to coincide with the contractor's schedule.

**Councilman Aitken moved** that City Council approve the proposed resolution, Construction Engineering Services Agreement Amendment with Century West Engineering Corporation for Downtown Streets Revitalization Sewer Replacement Project.

**Councilman Snedden seconded the motion.**

A roll call vote of Council resulted as follows:

Councilman Camp	Yes
Councilman Snedden	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Absent
Councilwoman Ruehle	Yes
Councilman Aitken	Yes

**The motion passed unanimously by Council present.**

**E. RESOLUTION NO. 17-49 FIRST AVENUE SEWER REPLACEMENT PHASE I CONSTRUCTION BID AND CONTRACT AWARD TO EARTHWORKS NORTHWEST, INC.**

Public Works Director Ryan Luttmann noted bids submitted were from Earthworks Northwest, Inc., in the amount of \$515,804 and Lippert Excavation & Pipeline, Inc. in the amount of \$645,831.85. Based on the bid received in May 2017 and the City's decision to

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rebid this project, there will be a significant savings for the City of approximately \$325,000 with the new bid. Staff will rebid the project next spring for Cedar Street from Second Avenue to Fifth Avenue. Next fall, there will be another sewer replacement project with the extension of the project on First Avenue and Church Street that will involve Second Avenue to Cedar Street.

**Councilwoman Ruehle moved** that City Council approve the proposed resolution, Construction Engineering Services Agreement Amendment with Century West Engineering Corporation for Downtown Streets Revitalization Sewer Replacement Project. **Councilwoman Williamson seconded the motion.**

A roll call vote of Council resulted as follows:

Councilman Snedden	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Absent
Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilman Camp	Yes

**The motion passed unanimously by Council present.**

**NEW BUSINESS**

**F. RESOLUTION NO. 17-50 PURCHASE OF 2017 FORD F-250 CREW CAB PICKUP TRUCK WITH KNAPHEIDE BOX**

**Councilwoman Ruehle moved** that City Council approve the proposed resolution, Purchase of 2017 Ford F-250 Crew Cab Pickup Truck with Knapheide Box. **Councilman Snedden seconded the motion.**

**Councilman Camp** asked if staff has conducted an inventory of City vehicles as to their use and need. City Administrator Jennifer Stapleton replied that City staff will conduct a comprehensive review of the list of City vehicles later this fall. Mr. Luttmann responded to **Councilwoman Ruehle** that the roundabout for the Schweitzer Cutoff Road project is scheduled to open on Labor Day or prior to when school starts. The bridge project is still on schedule to open the end of October.

A roll call vote of Council resulted as follows:

Councilwoman Williamson	Yes
Councilman Eddy	Absent
Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilman Camp	Yes
Councilman Snedden	Yes

**The motion passed unanimously by Council present.**

**G. CITY COUNCIL BUDGET WORKSHOP – STAFFING LEVELS, WAGES AND**

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**OTHER BENEFITS, CAPITAL PROJECTS AND DEPARTMENTAL OPERATIONS BUDGETS**

*Councilman Eddy arrived at 5:57 p.m.*

City Administrator Jennifer Stapleton stated that a revised proposed expenditure budget was distributed to City Council prior to this evening's meeting. In the 2017 budget, the downtown revitalization fiber project was moved from the fiber budget to Public Works. The revisions will be posted on the City's website tomorrow. She said she met with each Council member to review and answer questions they had on the budget. The proposed 2017/2018 budget is balanced at \$40,136,717 for both revenues and expenditures.

City Treasurer Shannon Syth explained that State legislators passed a law a few years ago to exempt personal property taxes for businesses on the first \$100,000. The State is still paying cities and counties those dollars so when calculating the 3%, those dollars are added back in using 3% from the highest from the past three years but when levying, those dollars have to be subtracted back out. The total property tax replacement monies not to be levied in the amount of \$91,847 represents the personal property tax, the \$2,408 per year for agriculture exemption and those recovered homeowner's exemptions collected by Bonner County during the year for property located in Sandpoint. The resort city tax approved by the voters provides that any excess revenues received beyond what was budgeted will be placed in a designated property tax relief fund. The revenues received in fiscal year 2016 exceeded the budgeted revenues by \$111,849 which will go to the property tax relief fund. These property tax relief funds will reduce the 3% property tax increase from \$119,549 to \$7,700. Jennifer Stapleton added one of the largest source of revenues for the City are the property taxes in the amount of \$4,075,991 which reflects approximately 10% of the total revenues. She reviewed other revenue sources such as charge for services representing 21.3% of the revenues. Beginning cash is \$7,362,667. Property taxes, fees and other income total \$4.7 million. The anticipated beginning cash is \$7.4 million. Shannon Syth explained to **Councilman Camp** there is a \$10.42 difference between the calculated property tax bill per \$100,000 of taxable value from last year's actual and this year's proposed, which includes the \$100,000 homeowner's exemption.

Jennifer Stapleton stated that Phase I and II of the downtown revitalization project are in the budget with Phase II to be budgeted in the subsequent year. The reason for 90.13 full time employees in the budget is adding two Community Resource Officers and a Human Resource/Risk Manager position. We currently have a full time City Treasurer/Finance Director and full time Deputy Treasurer/Finance Director but will eliminate the Deputy Treasurer/Finance Director position during the first quarter of 2018 when Ms. Syth retires and Ms. Lynds is appointed as the City's Treasurer/Finance Director.

The City Council budget reflects a budget of \$119,893 in expenditures which includes an increase in compensation for City Council members. An increase in elected officials' compensation would be adopted by ordinance during the regularly scheduled Council meeting on August 16, 2017, when the budget public hearing is scheduled. The increase in

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City Council compensation would not be effective until January 1, 2018. The current compensation is \$400 per month with a proposed increase to \$666.94 per month. This increase is based on the average City Council compensation throughout the region. The City Clerk provided a comparison on other cities based on their total budget, how many meetings their Council attends including attendance for committee/commission meetings and benefits. Ms. Stapleton replied to **Councilman Eddy** that staff did not look into City Council budgets for other cities but staff can look at other examples on how to assess City Council compensation. The proposed increase in City Council compensation is consistent when benchmarking staff salaries. She said other cities have citizen advisory committees that meet once a year to review salaries. **Councilman Eddy** said he doesn't support increasing City Council salaries. **Councilwoman Ruehle** also did not support increasing Council compensation. **Councilman Snedden** said he was not in favor of increasing City Council wages. He doesn't feel there's any problem in recruiting candidates as there are benefits provided as an aspect of serving in office. An increase in compensation will not motivate people to run for City Council. Jennifer Stapleton said she could provide a comparison of what the proposed budget would be if City Council compensation remained the same as it currently is.

Jennifer Stapleton said the Mayor's budget also includes a proposed increase in compensation based on part-time mayor compensation throughout our region. When comparing with other cities, the average was calculated by eliminating the cities of Coeur d'Alene and Lewiston. The current Mayor salary is \$1,200 per month which was increased two years ago. When looking at the average compensation, the monthly salary would be \$1,537.25. The previous salary for Mayor was \$1,000 per month.

The Clerk's budget is \$213,474 which includes two full time employees. Rather than hiring an Administrative Assistant, the budget includes hiring a full time dedicated position for Human Resource and Risk Management. If approved, the expenditures for this position will move to the General Administration Services budget. The General Administration budget includes three full time employees which are the City Administrator, Grants and Project Administrator and a Records and Systems Manager. The reason for the significant change in this budget is because \$94,200 in grants are identified to order to have the opportunity to pursue grants. Also under the General Administration Services budget, are expenditures for the Business Improvement District. If the disestablishment of the BID occurs after the public hearing, there is an anticipation there will be a balance of funds. City Council can determine how those funds would be allocated in the future.

Jennifer Stapleton explained to **Councilman Camp** that the proposed expenditure under Public Transportation Contract of \$80,000 is for SPOT. This is anticipated as the City didn't receive a requested budget amount from SPOT this year. Their request of \$80,000 was received after the required deadline in order to be included in the budget adopted last year.

The total expenditures for the Finance Department are \$2,126,739. City Treasurer Shannon Syth explained to **Councilman Snedden** that the city-wide LID guarantee fund is for the City-wide LID for sewer laterals and sidewalks as a placeholder. The budget also

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includes an increase in garbage rates. Waste Management has the ability to increase their rates up to 5% each year through the Consumer Price Index (CPI). She noted that the City hasn't increased the garbage rates for some time which makes it necessary to be compatible with the garbage rates charged to the City.

The Legal Department has a total expenditure of \$590,179, reflecting a full time civil attorney, full time prosecutor, one full time legal assistant and one part time legal assistant. The Legal Department does use extern and intern support occasionally. There are dollars allocated for contract services and claims processing.

The Parks and Recreation Department's budget totals \$6,460,088. A breakdown of expenditures for each park was provided. The Parks Department is in charge of maintenance for the storm water basins within the downtown and the roundabouts. Included in the Parks Department budget is the new restroom structure at Great Northern Park, a new ADA compliant restroom structure at Travers Park, upgrades to the tennis courts, City Beach Master Plan and Memorial Field turf. Shannon Syth noted that the cost to replace the Great Northern Park restrooms is offset by insurance and budgeted within the Parks Capital Improvement Fund. The City will receive \$35,648 through insurance. Director Kim Woodruff noted construction costs have increased substantially this year. Capital projects for Memorial Field total \$3.6 million plus \$215,000 in improvements. Ms. Syth explained Memorial Field improvements are for potential grants. Kim Woodruff said the local option tax covers the cost to construct the grandstands, turf and other capital only. The Friends of Memorial Field have raised funds to pay for a new sound system and are fundraising to purchase a new scoreboard which are separate from the War Memorial local option tax budget line item. Jennifer Stapleton replied to **Councilman Snedden** that the cost for the proposed dog park in Lakeview Park is not within the budget. Kim Woodruff explained noise abatement at the shooting range is to replace the current abatement originally installed approximately 30 years ago.

The total expended budget for the Planning and Economic Development Department is \$707,217. The budget includes the Department Head, two full time employees in the Planning Department and a full-time employee to manage the City's GIS system, urban forestry and weed abatement. Included in this budget is a subarea update plan including the area of North Boyer, the University of Idaho property and the expense for a server upgrade for the GIS program. It also includes the High Five Grant in the amount of \$250,000. It is budgeted to purchase software subscription to identify and enforce vacation rentals to make sure they are compliant with City Code. Planning and Economic Development Director Aaron Qualls noted the City has approximately 150 vacation rentals with several not in compliance. Jennifer Stapleton informed **Councilwoman Williamson** that \$26,777 is budgeted for the City Beach aquatic weed abatement contract. Aaron Qualls explained to **Councilwoman Ruehle** that the software program and comprehensive plan consulting is budgeted under Purchased Professional and Technical Services.

The Police Department budget is budgeted at \$2,512,113 that includes capital projects of \$106,582. \$177,607 is budgeted for the Community Resource Officers and parking

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enforcement that includes the capital costs for the software. There is a proposal to discontinue the contract with Diamond Parking effective September 30<sup>th</sup>. The current contract with Diamond Parking is \$85,000 to be applied to municipal enforcement. Currently, parking enforcement through Diamond Parking only entails the downtown core. The Community Resource Officers can do parking enforcement throughout the City and will be dedicated to broader City enforcement. The Police Department has a benchmark goal with 20% dedicated to community outreach. \$10,000 is budgeted for NAMI training. The service has reduced officer time and expenses for security and transportation costs associated with mental holds and provides support for victims and their families. Police Chief Corey Coon explained to **Councilman Snedden** that his goal is to redefine the municipal enforcement program in order to alleviate calls for officers. The Community Resource Officers will work Monday through Saturday and will overlap each other although their shifts can change depending on events. He told **Councilman Aitken** that he kept one of the vehicles used by the previous Municipal Enforcement Officers.

Jennifer Stapleton said the BID vehicle could be used for parking enforcement. She pointed out the current parking enforcement is only from 9:00 a.m. to 5:00 p.m., Monday through Friday. Enforcement on Saturdays has not been consistent. The City currently is on a month to month contract with Diamond Parking. Chief Coon explained the mobile data project is to purchase laptops and cameras for patrol vehicles. Shannon Syth noted that the budget for these purchases have moved to the impact fee fund from the general fund. **Councilman Snedden** commended Chief Coon for his goal to have 20% of patrol time dedicated to public outreach. He stressed the importance of having more enforcement at our schools.

Jennifer Stapleton stated a 2% market increase for employees is included in the budget. There has been concern throughout the State that there has been a significant turnover in law enforcement with the City experiencing a turnover rate of 35%. Included in the budget, is a revised compensation scale for law enforcement based on regional benchmarking. The increase will be for lower level and mid-level positions in the Police Department. Chief Coon estimated it costs his department approximately \$150,000 to train officers the first year. **Councilman Camp** stressed the importance of bringing law enforcement wages to a competitive rate with other cities as we will see a savings benefit. The compensation increases for the Police Department will be effective October 1, 2017.

Jennifer Stapleton reviewed the Fire Department budget which totals \$1,378,720. The Sandpoint Fire Department continues to operate as one of the partners under Selkirk Fire Rescue and EMS along with the Sagle Fire District and the Westside Fire District. Chief Stocking's department's project this fall is to review business licenses and occupancy and inspection permit processes. **Councilwoman Ruehle** noted there was a significant increase in Purchased Professional and Technical Services. Chief Stocking replied this is cost sharing for the Deputy Fire Chief and the Administrative Assistant at one-third the cost. Jennifer Stapleton pointed out that negotiations with the Fire Fighters Union are currently on-going.



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Jennifer Stapleton reviewed the Public Works Department budget in the amount of \$21,358,790. Included in Capital Projects and Grants are the I & I project, sewer replacements, the Wastewater Treatment Plant Facility Study and Farmin's Landing bank stabilization as the bank continues to erode. Street projects include the Schweitzer Cutoff Road Bridge, Phases I and II of downtown revitalization, construction of the Oak Street bike path with grant and SURA funding, LED street light replacement and Baldy Mountain Road bike pathway project.

**Councilman Camp** noted that there is nothing budgeted for railroad quiet zones although \$30,000 was budgeted last year and \$60,000 for the previous year. He stressed the importance of going forward with this project as train traffic is increasing north of town. Ryan Luttmann responded that there are challenges with the crossings located at Great Northern and Boyer Avenue where the crossings were slated for quiet zones. These crossings are located near intersections with no funds to include all the improvements needed for appropriate turning radius and safety arms for pedestrians. Shannon Syth explained to **Councilwoman Ruehle** there is \$75,000 in the General Fund and \$25,000 in the Impact Fee Fund for the Boyer pathway project. Ryan Luttmann stated there are challenges in acquiring easements of rights of way for this project. Staff will rely on the master plan for priorities. The budget does not provide complete connection with what was requested. Jennifer Stapleton said there are budget surplus dollars for construction as approved by the State legislation that could be used for this project and how much connectivity there could be based on specific guidelines. There has been discussion regarding crossing arms at the railroad crossing along the pathway with another grant opportunity to pursue in conjunction with the pathway project. The surplus funding will be available this October and must be construction projects for 2018. There will also be other grant opportunities with pathways to schools.

Necessary improvements are budgeted in the amount of \$192,000 at the former Bonner Business Center located near the airport. The lease requires that improvements over \$5,000 fall onto the responsibility of the City. There are no anticipated building projects but there can be catastrophic maintenance costs. She reiterated that the budget will be available for review on the City's website and copies are available at City Hall. She explained to **Councilman Camp** that the reason for the increase in the budget is due to capital projects with a majority of the funding coming from outside sources such as grant funding and Sandpoint Urban Renewal Agency (SURA) funding. We have to budget for grants in order to have the opportunity to apply for grants.

**H. EXECUTIVE SESSION – IDAHO CODE §74-206(1)(c) – TO ACQUIRE AN INTEREST IN REAL PROPERTY WHICH IS NOT OWNED BY A PUBLIC AGENCY**

*Councilman Eddy left the meeting at 7:42 p.m.*

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**Councilman Snedden moved** to convene in an executive session, pursuant to Idaho Code 74-206(1)(c) to acquire an interest in real property which is not owned by a public agency. **Councilman Aitken seconded the motion.**

A roll call vote resulted as follows:

Councilman Aitken	Yes
Councilman Snedden	Yes
Councilman Camp	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Absent
Councilwoman Ruehle	Yes

**The motion passed unanimously by Council present.**

**Mayor Rognstad** called for a recess at 7:43 p.m. *Councilman Eddy returned at 7:45 p.m.*

**By a unanimous roll call vote of Council, the Council convened in an executive session at 7:50 p.m.**

Matters discussed pertained to an interest in acquiring real property which is not owned by a public agency. No action or decisions were made.

*Councilman Snedden left at 8:52 p.m. and Councilwoman Ruehle left at 9:00 p.m.*

**City Council came out of executive session at 9:02 p.m.**

**ADJOURNMENT** The meeting adjourned at 9:02 p.m.

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Shelby Rognstad, Mayor

**ATTEST:**

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Maree Peck, City Clerk