

MINUTES OF THE REGULAR COUNCIL MEETING

December 11, 2019

The meeting was called to order by Mayor Pro-Tem Terry Douglas at 6:00 p.m.

A roll call of the Council resulted as follows:

Sid Armstrong
Ron Mercado
Terry Douglas
Dennis Norris
Ron Delcamp
Anna Moody

Officers present were:

Building Official Mark Magnus
Chief of Police David Wuolle
City Clerk /Treasurer Nila Jurkovich
Planning Consultant Collin Coles
Project Manager Rod Plank

Absent: Mayor Mac Pooler

Fire Chief Mark Aamodt led the Pledge of Allegiance.

ORAL COMMUNICATIONS

Fire Chief Mark Aamodt approached the Council and expressed his appreciation for the City's assistance and support with the District's new building. A milestone has been reached, as the roof rafters have been set and the completion date is set for the middle of April 2020.

Traffic safety was discussed and Mark explained the distance from the Interstate 90 bridge and from the school. This topic can be discussed once again after the Fire District has settled into the new building.

STAFF REPORTS

All reports were submitted.

Building Official Mark Magnus

Three new houses are being built in Kellogg. Wished everyone a Merry Christmas.

Superintendent of Public Works Craig Lewis

Wished everyone a Merry Christmas.

Police Chief Dave Wuolle

Introduced his newest employee. Wished everyone a Merry Christmas.

Planning Consultant Collin Coles

The Planning & Zoning will hold a public hearing on proposed changes to the land use ordinance, these items are just housekeeping items that need to be completed. The Council will move forward with the impact fee hearing in February.

CONSENT CALENDAR

1. Approval or correction of the minutes of the November 13, 2019 regular council meeting.
2. Approval of payment of the bills for the month of November 2019 as presented (Proving documents on file in the City Clerk's office)
3. Treasurer's Reports of Income & Expenditure.

4. P&Z Commission minutes from November 18, 2019 Meeting
Recommendations: a) Accept the proposed changes to the Land Use Regulations and move forward with the public hearing. b) Accept the 2020 meeting dates, as amended.
5. Report of Commissions and Committees:
Traffic Safety minutes A) move forward with the child safety grant application and proceed with focusing on the two main corridors (Hill Street and Cedar Street). b) Request to the City Council for a commitment letter for a local match of 7.34% or \$17,836 for the child safety grant application.

It was moved by Councilmember Mercado and seconded by Councilmember Norris to approve the Consent Calendar.

Motion carried.

OLD BUSINESS

EPA Road Remediation Projects & Sewer Projects Update- Alta Science & Engineering

Mr. Ben Davis from Alta Science & Engineering advised the Council that Phase 2 and Phase 3 are mostly complete with some minor warranty work to be completed in the spring of 2020. The storm drain headwall work at the Italian Gulch site is mostly complete.

Alta is currently working on the Paved Roads Program for 2020 which includes Wild Cat Way, Bunker Hill Street from Kathleen north.

NEW BUSINESS

Appointment of Caitlin Kling of Hawley Troxell, City Attorney

Mayor Pooler had provided a memo to the Council, requesting the Council to consider his request to appoint Caitlin Kling from the law firm of Hawley Troxell as the City's attorney.

It was moved by Councilmember Delcamp and seconded by Councilmember Armstrong to appoint Caitlin Kling as the City's attorney per Mayor Pooler's memo request.

Motion carried.

Loan Resolution for USDA RD

The City is in receipt of the Loan Resolution from United States Department of Agriculture, Rural Development. Which will be a part of the bond closing packet. The loan resolution has been provided to each Councilmember.

It was moved by Councilmember Douglas and seconded by Councilmember Mercado to adopt the USDA RD Loan Resolution, number in the City books as Resolution in the amount of \$1,090,000. A roll call vote of the Council resulted as follows:

| | |
|-----------------------|---------------------|
| Council Douglas-Aye | Council Mercado-Aye |
| Council Armstrong-Aye | Council Norris-Aye |
| Council Delcamp- Aye | Council Moody-Aye |

Motion carried.

Ordinance Authorizing Bond Closing

City's Bond Counsel Danielle Quade discussed the ordinance that was before the Council for their consideration. Mrs. Quade reminded the Council on the time line of this sewer project to get us where we are at this evening. At the November 2014 election the voters approved the City to bond up to \$8.08 million. In 2016 the City authorized the first bond closing for \$4,410,000 in April 2019 the second bond closing in the amount of \$2,580,000 and this evening the City is authorizing the closing of the bond in the amount

of \$1,090,000 at an interest rate of 1.75%, which is a significant savings to the taxpayers of Kellogg and for the length of forty years.

Mrs. Quade congratulated the City with their achievement, and reminded the Council of their fiduciary responsibilities. Sewer fees need to be high enough to take care of business and keep close tabs on the collections and delinquencies.

It was moved by Councilmember Delcamp and seconded by Councilmember Mercado to have the proposed ordinance read by title only. Motion carried.

Mrs. Danielle Quade then read the title of proposed Ordinance #606.

SUMMARY OF ORDINANCE NO. 606

AN ORDINANCE OF THE CITY OF KELLOGG, SHOSHONE COUNTY, IDAHO, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF WASTEWATER REVENUE BOND, SERIES 2019B, IN THE PRINCIPAL AMOUNT OF \$1,090,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION OF CERTAIN IMPROVEMENTS TO THE WASTEWATER COLLECTION SYSTEM AND FACILITIES OF THE CITY (THE "SYSTEM"); DESCRIBING THE BOND AND TERMS THEREOF; PROVIDING FOR THE SALE OF THE BOND TO THE UNITED STATES DEPARTMENT OF AGRICULTURE, RURAL UTILITIES SERVICE; RATIFYING ESTABLISHMENT OF RATES AND CHARGES FOR SYSTEM SERVICE AND PROVIDING FOR THE COLLECTION AND DISPOSITION OF REVENUES THEREOF; PROVIDING FOR THE PLEDGE OF NET REVENUES OF THE SYSTEM TO PAY THE PRINCIPAL OF AND INTEREST ON THE BOND; ESTABLISHING FUNDS AND ACCOUNTS; PROVIDING COVENANTS RELATING TO THE BOND; AND PROVIDING FOR OTHER MATTERS RELATING THERETO

A summary of the principal provisions of Ordinance No. 606 of the City of Kellogg, Shoshone County, Idaho (the "City"), adopted on December 11, 2019, is as follows:

Sets out findings and declarations of the City.

Defines the terms and phrases used in said Ordinance.

Describes the System improvement project to be constructed with the proceeds of the Bond authorized by said Ordinance, and states that \$1,090,000 of the cost thereof is to be paid from the sale of the Bond of the City described therein and authorized at a special election held on November 4, 2014, and the balance of which is to be paid from grant funds and other legally available funds.

Describes the City of Kellogg Wastewater Revenue Bond, Series 2019B (the "Bond"), provides for the sale of the Bond to the United States Department of Agriculture, Rural Utilities Service, and provides for the terms of payment and the maturity of the Bond which are as follows:

| | |
|-------------------|---|
| Principal Amount: | \$1,090,000 |
| Interest Rate: | 1.75% per annum |
| Maturity: | 40 years from date of delivery |
| Payments: | Annual payments of principal and interest in the amount of \$38,129 |

Provides for the manner and method of execution of the Bond.

Provides for the place and manner of payment of the Bonds.

Appoints the City Treasurer as Bond Registrar.

Provides for the prepayment of the Bond.

Provides for System rates and charges.

Pledges the Net Revenues of the System for the payment of the Bond on parity with the City's Prior Parity Bonds.

Establishes the "City of Kellogg 2019 Wastewater Project Improvement Fund."

Ratifies and continues the "City of Kellogg Wastewater Revenue Fund."

Ratifies and continues the "City of Kellogg Wastewater Revenue Bond Fund."

Establishes "City of Kellogg 2019 Wastewater Revenue Project Debt Service Reserve Account" within the Bond Fund.

Provides for the disposition of surplus funds.

Establishes the condition of and limitations on the issuance of additional bonds or other obligations.

Provides for the investment of surplus funds.

Provides certain general covenants of the City with the Registered Owner of the Bond.

Provides certain special covenants of the City with respect to the exclusion of interest on the Bond from income taxation.

Provides for method of amending the Ordinance and adopting supplemental ordinances.

Recites that the Bond is issued pursuant to the Idaho Revenue Bond Act.

Provides for remedies of the Registered Owner of the Bond.

States that the Ordinance constitutes a contract with the Registered Owner of the Bond.

Provides for severability.

Repeals prior inconsistent ordinances, to the extent of any inconsistency.

Provides for issuance of the City Loan, and payment thereof from proceeds of the Bond.

Authorizes the Mayor, Mayor Pro Tem, City Clerk and City Treasurer to execute any additional documents necessary to sell and deliver the Bond.

Provides for the publication of the Ordinance or a summary thereof and the effective date of the Ordinance.

The full text of Ordinance No. 606 is available at City Hall and will be provided to any citizen upon personal request during normal office hours.

DATED this 19th day of December, 2019.

CITY OF KELLOGG, SHOSHONE
COUNTY, IDAHO

Terry Douglas, Mayor Pro Tem

ATTEST:

Nila Jurkovich, City Clerk

It was moved by Councilmember Mercado and seconded by Councilmember Delcamp to pass Ordinance #606 under suspension of the rules. A roll call vote of the Council resulted as follows:

| | |
|-----------------------|---------------------|
| Council Douglas-Aye | Council Mercado-Aye |
| Council Armstrong-Aye | Council Norris-Aye |
| Council Delcamp- Aye | Council Moody-Aye |

Motion carried.

It was moved by Councilmember Delcamp and seconded by Councilmember Moody to publish Ordinance #606 by Summary prepared by City's Bond Counsel. A roll call vote of the Council resulted as follows:

| | |
|-----------------------|---------------------|
| Council Douglas-Aye | Council Mercado-Aye |
| Council Armstrong-Aye | Council Norris-Aye |
| Council Delcamp- Aye | Council Moody-Aye |

Motion carried.

2019 Wine License for Back Country Café

It was moved by Councilmember Moody and seconded by Councilmember Delcamp to approve 2019 wine by the drink license for Back Country Café upon proof of proper state and county licenses and payment of fees to the City.

Motion carried.

2020 Beer, Wine & Alcohol License

The 2020 applications for liquor, beer and wine licenses were presented to the Council for consideration at the November 14, 2019 Council meeting, and have been reviewed by the Police Department.

| <u>Business Name</u> | <u>LIQ</u> | <u>WINE</u> | <u>BEER</u> |
|----------------------|------------------------|-------------|-------------|
| Best Shots | X | X | A |
| Back Country Café | | X | B |
| Broken Wheel | X | | B |
| Cameron Conoco | | X | A |
| Casa De Oro | | X | B |
| Dirty Dog Saloon | X | | C |
| Eddie Joes | X | | C |
| F&B LLC | X | | C |
| Galena Ridge | | X | B |
| Hill St. Depot | X | | C |
| Inland Lounge | X | | C |
| Kellogg Elks | X | | C |
| Kellogg Superstop | | X | A |
| Longshot Saloon | Continual Operating LL | | A |
| Moose Creek Grill | | X | C |
| Mountain Café | | | B |
| Radio Brewery | | X | C |
| Zanys Sunshine LLC | X | | C |
| The Gondolier | | X | A |
| Village Management | | | |
| Wildcat Pizza | | X | B |
| Yokes | | X | A |

It was moved by Councilmember Norris and seconded by Councilmember Moody to approve the above listed applications for 2020 liquor, beer and wine licenses upon proof of proper state and county licenses and payment of fees to the City.

Motion carried.

Panhandle Area Council 2020 Annual Dues

It was moved by Councilmember Armstrong and seconded by Councilmember Delcamp to approve the annual dues for Panhandle Area Council in the amount of \$261.90.

Motion carried.

Ratify Decision of storm drain maintenance performed by AAA Sweeping

Public Works Superintendent Craig Lewis gave a detailed synopsis of the work performed by AAA Sweeping to date. The storm drain areas cleaned were the Italian Gulch both the 48" and the 30 " pipes, Chestnut at Mission and to Brown were all cleaned, Oregon down to Brown, and then Teddy off of McKinley. Some of the pipes were half full. The pipe off of Teddy near the Substation on McKinley was blocked and they could not get through. The line was broke and collapsed. Big Sky Construction has been working on the manhole and replaced it with cast.

Council President Douglas stated that this work was much needed, and has been needed for many decades. The City will need to continue with the work in the upcoming season.

It was moved by Councilmember Mercado and seconded by Councilmember Moody to ratify Mayor Pooler's decision to perform storm drain maintenance not to exceed \$49,000 by AAA Sweeping. A roll call vote of the Council resulted as follows:

| | |
|-----------------------|---------------------|
| Council Douglas-Aye | Council Mercado-Aye |
| Council Armstrong-Aye | Council Norris-Aye |
| Council Delcamp- Aye | Council Moody-Aye |

Motion carried

City of Wardner's Sewer Inflow through Kellogg's Sewer Collection System

In 2004 the City did not have a city sewer fee. Any maintenance on the system was paid by the General Fund or the Public Works Fund. When the City started charging a sewer fee it was fifty cents a month.

City of Wardner's system has traveled through Kelloggs system to get to the South Fork Sewer District's system. Kellogg has performed maintenance on this section of sewer line. Kellogg has had informal discussions between Kellogg and Wardner and between Kellogg and the South Fork Sewer District. Kellogg decided to wait until the City's sewer system had been replaced to discuss this topic of sewer flow through Kellogg's lines.

Kellogg may want to consider entering into a contract with Alta to perform a study on what flows are coming out of Wardner. Some type of dollar amount may need to be discussed for the operation and maintenance over the life of our sewer system for this section of line.

It is time to look at dollar figures, Wardner should not pay \$25 per month. The City has a fiduciary responsibility to the tax payers.

Council President asked for comments from each Council member.

Councilmember Mercado believes a charge to Wardner should be considered. There was discussion that Wardner residents pay South Fork Sewer District an additional two dollars per quarter as to what Kellogg residents are paying them. We need to see some data on the flow and volume.

Councilmember Delcamp stated Kellogg has a flow meter at the bottom of Wardner city limits and the data will be easy to get. There is an industry standard for operations and maintenance. It is well worth a study to be performed.

Councilmember Armstrong stated we are not being fair to our own citizens if we do not research this matter.

Councilmember Norris stated the City has the vessel and Wardner residents are using it.

Councilmember Moody inquired if the meter is working, and Craig Lewis advised her yes, it is working.

After a lengthy discussion, it was moved by Councilmember Delcamp and seconded by Councilmember Armstrong to have Alta Science and Engineering to start the Study on Wardner's sewer inflow through Kellogg's sewer collection System.

Motion carried.

ANNOUNCEMENTS AND REPORTS

Councilmember Douglas

The Administrative Committee will be meeting on December 19th to discuss the draft audit, for the Council's approval at the January Council meeting.

Councilmember Armstrong

Wished everyone a Merry Christmas.

Councilmember Mercado

Wished everyone a healthy and prosperous 2020.

Councilmember Moody

Wished everyone Happy Holidays and thanked everyone for their hard work.

Councilmember Norris

Wished everyone a Merry Christmas and was happy to see the great turnout at the Christmas dinner at the Kellogg Elks. It was a great time with great food.

Councilmember Delcamp

Wishing everyone a Happy Holiday.

There being no further business to come before the Council at this time, it was adjourned at 6:50 P.M. to meet at its regular time of January 8, 2020.

Terry Douglas, Mayor Pro-Tem

ATTEST:

Nila Jurkovich, City Clerk/Treasurer