

July 18, 2023

This regular meeting of the Jerome City Council was called to order by Mayor Davis at 5:30 p.m. While council chambers were open to the public, the meeting was also held by teleconference and the public was encouraged to continue with social distancing. The video conference was conducted via Zoom and was made available to all members of the public in a format that allowed all participants to hear the meeting, including all deliberations by members of the Council and other speakers addressing the council, whether in person or via virtual connection, and to comment if so desired, all of which was noted in the agenda, email, and notices at council chambers and on the city's website.

Present: Mayor David M. Davis, Councilman Chris Barber, Councilman Jason Peterson, Councilman Brent "Oop" Johnson, and Councilman Bryan Craig.

Also present were staff members: City Clerk Bernadette Coderniz, Legal Counsel B.J. Hess, City Administrator Mike Williams, City Engineer Tyson Carpenter, Water Supervisor Dan Bowman, Library Director Linda Mecham, Building Official Dave Richey, Wastewater Superintendent Gilbert Sanchez, IT Technician Andy Newbry, Finance Director Ross Hyatt, Human Resources and Planning Services Director Esmeralda Chavez, Fire Chief Mike Harrison, and Police Chief Duane Rubink.

PLEDGE OF ALLEGIANCE:

Mayor Davis led the audience in recitation of the pledge of allegiance.

CONSENT CALENDAR:

Those items contained in the consent calendar are as follows:

1. Approve the minutes of the July 5, 2023 special meeting
2. Approve payment to the City of Pocatello for the Water Rights Lease for \$14,153.48
3. Approve payment to Lombard-Conrad Architects and Starr Corp for Police Station Project
4. Approve payment to EnviroClean for the streets sweeper purchase
5. Approve payment to Burk's Excavation for Jerome Southside Park Project
6. Approve payment to Peterson Brothers for the 10th Street Tank Project
7. Approve application of Magic Valley Youth & Adult Services for their "Lemonade Stand for Foster Care" event
8. Monthly Department Reports
9. Approve Claims

All Wireless Communications \$2,265.57, Amazon Capital Services \$66.73, American Backflow Products Co \$248.26, American Legal Publishing Corp. \$371.65, Andrew S. Newbry \$157.20, Ardurra Group Inc \$27,193.10, Associated Business Forms LLC \$702.83, Association of Idaho Cities \$235.00, Auto Zone \$33.38, B & R Bearing \$17.11, Badger Meter \$943.40, Blue Beacon Truckwash #55 \$68.70, Boise Office Equipment \$33.28, Boot Barn \$150.00, Brenntag Pacific Inc \$12,892.50, Brodart Co. \$28.09, Burks Excavation Corp of Idaho \$385,313.68, Burks Tractor Co. Inc. \$21,235.93, C.H. Spencer LLC \$3,113.86, Callen Refrigeration LLC \$3,149.00, Center Point Large Print \$94.08, Century Link \$1,709.11, Centurylink Business Services \$47.65, Chuck Yocum \$6.99, Cintas Corporation \$229.23, City of Jerome \$565,146.43, City of Pocatello-Wpc \$14,153.48, City of Twin Falls \$2,500.00, Clark & Sons Inc. \$260.00, Clifton Hunt \$175.00, Con Paulos Inc. \$290.41, Consolidated Electrical Dist. \$412.94, Crozier

Coachworks \$1,500.00, Culligan Soft Water Service \$489.75, D & B Supply \$2,014.30, Dell \$20,299.44, Desert Real Estate LLC \$35.00, Deyanira Escalona Trochez \$720.00, Dig Line Inc \$209.44, Dlt Solutions \$6,544.20, Ednetics Inc \$87.58, Enviro-Clean Intermountain LLC \$248,426.00, Esmeralda Chavez \$1,003.43, Eso Solutions Inc. \$4,908.05, Farmore of Idaho \$1,085.74, Ferguson Enterprises Inc. \$1,401.04, Freedom Electric Inc. \$2,157.50, Freedom Mailing Services Inc \$2,364.07, Gem State Welder's Supply \$83.70, Goble Sampson Associates Inc. \$1,115.00, Go-Fer It Express \$396.00, Greatamerica Financial Services \$165.00, Greg Dodson \$300.00, Grove Hotel \$582.00, H.D.Fowler \$860.28, Hach Company \$497.77, Hanson Janitorial Supply Inc. \$161.94, Harvey's Office Plus \$279.96, Heath Clark \$175.00, Heglar Creek Electric LLC \$24,052.60, High Desert Bobcat \$637.81, Home Depot Credit Services \$463.85, Hydro Specialties Company \$8,230.74, Id State Tax Commission \$203.12, Idaho Construction Supply \$219.55, Idaho Department of Enviro Quality \$7,562.04, Idaho Fire Extinguisher Company \$45.00, Idaho Power Co. \$94,196.27, Ingram Book Company \$992.78, Integrity Pump Solutions Inc \$123.81, Intermountain Fabrication LLC \$80.00, Intermountain Gas Company \$1,546.87, Interstate Battery System Id \$571.80, Jerome Printshop \$432.00, Jimenez Auto Repair LLC \$4,860.91, Jose Garcia \$200.00, J-U-B Engineers Inc. \$8,555.42, Kids Reference Co. \$112.78, Les Schwab Tire Centers Inc \$273.97, Lexisnexis Risk Solutions \$32.50, Lifeloc Technologies \$84.54, Lombard-Conrad Architects P.C. \$8,134.72, Lori Mccrae \$220.08, Magic Valley Hydraulics & Repair LLC \$71.34, Magic Valley Labs \$9,190.66, Marcos Noriega \$100.00, Matthew Bender & Co Inc. \$558.99, McHugh Bromley PLLC \$19,746.02, Michael John Ehrmantraut \$1,799.00, Michael L. Boeker \$600.00, Mountain View Spraying Inc \$72.00, Mower Office Systems \$89.99, Munimetrix Systems Corp. \$159.96, MWI Veterinary Supply \$117.72, Napa Auto Parts \$1,348.21, New Tech Security Inc. \$656.00, O'reilly Auto Parts \$23.99, Overdrive \$2,000.00, Pacificsource Administrators \$1,669.27, Petersen Brothers Construction Inc \$107,772.46, Pipeco \$636.74, Premium LLC \$990.00, Pro-Flame Inc \$315.84, Project Mutual Telephone \$396.85, Psi Environmental Services Inc \$24,960.09, Quadiant Leasing USA Inc \$899.58, Randy Or Tami Pawson \$64.80, Renew Churches LLC \$120.00, Rexel USA Inc \$137.33, Ridley's Food & Drug \$633.70, Sawtooth Veterinary Services \$400.00, Signed Sealed & Delivered \$44.94, Silversky Inc - Dept 106071 \$2,424.59, Skaggs Companies Inc. \$276.34, Skm Inc. \$1,395.00, Something More \$183.90, Southern Idaho Solid Waste \$8,675.82, Starr Corp \$311,531.60, Stotz Equipment \$120.85, Tacoma Screw Products Inc \$88.04, Tfd Enterprises LLC \$17,901.36, Thatcher Company \$8,056.34, Times News \$357.83, TLC Rental \$1,544.15, T-Mobile \$633.67, Tore Up \$50.00, Treasure Valley Coffee Inc. \$224.34, U.S. Bank Equipment Finance \$1,851.75, Underwood Recycling \$391.23, Unified Office Services \$524.40, Urgent Care of Jerome - Billing Dept \$120.00, US Bank Credit Card \$9,025.84, USA Bluebook \$9,954.76, Valley Office Systems \$120.62, Valley Wide Cooperative \$36,075.33, Valli Robirts \$200.00, Verizon Wireless \$3,632.99, Watts Hydraulic and Steam Store \$365.20, Western States Equipment \$2,706.45, Western Waste Services \$2,923.44, White Cloud Communications \$24.00, Wickel Tire Inc \$847.44, Williams Meservy & Larsen LLP \$12,856.42, Window Welder LLC \$303.65.

Councilman Barber made the motion to approve the consent calendar as presented.. Second to the motion was made by Councilman Craig. After consideration, the motion passed unanimously by the following vote: **AYES:** Councilman Barber, Councilman Johnson, Councilman Peterson, and Councilman Craig. **NAYS:** None.

OATH OF OFFICE – PATROL OFFICER:

Mayor Davis administered the Oath of Office to new Patrol Officer Sadie Germaine. Chief Rubink stated Officer Germaine came from Twin Falls County and staff is excited to have her on staff.

REXROAT, HARBER & ASSOCIATES LETTER OF ENGAGEMENT:

Mr. Hyatt presented the Letter of Engagement with Rexroat, Harberd & Associates and recommended approval for the audit of the FY2023 financial statements as required by statute. In prior years a 3-year engagement was agreed upon, however, the auditor will now be providing annual engagement letters. Mr. Hyatt stated the fee for this year's audit will be \$18,200 which includes \$6,400 for the single audit the City is subjected to due to the federal funds expended in excess of \$750,000. The fee will be an increase of 5% and staff found this to be reasonable for the professional services. Upon inquiry by Councilman Peterson, Mr. Hyatt confirmed the City received American Rescue Plan Act (ARPA) funds in FY2023.1

Councilman Barber made the motion to approve the Letter of Engagement with Rexroat, Harberd, and Associates, P.A. to perform the audit for the year ended September 30, 2023. Second to the motion was made by Councilman Johnson. After consideration, the motion passed unanimously by the following vote: **AYES:** Councilman Barber, Councilman Johnson, Councilman Peterson, and Councilman Craig. **NAYS:** None.

ALCOHOL BEVERAGE LICENSE RENEWALS 2022-2023:

Ms. Coderniz stated that the City has two new alcohol licenses for approval plus thirty alcohol licenses which are up for renewal. Those licensees listed have submitted renewal applications although some are pending the payment of fees, submittal of state and/or county licenses and passing building and fire inspections. Final documents will be signed by the Building Official and Fire Chief or Deputy Fire Chief. New license applications are: Albino Ortega dba JEC Events for a new license of liquor, wine and beer at 133 W. Main, and Tiger Zone LLC dba Tiger Zone for a new license of beer and wine at 159 W Avenue A. Alcohol licenses up for renewal are: Cheverria's LLC dba Cheverria's, China Village LLC dba China Village, Claudia Lopez dba La Ideal Bakery, Emilio R Silva dba El Parralito Salon, Rosalinda H & Daniel S Paiz dba El Sombrero Restaurant, Zednuga, LLC dba Fat Clarence's Pub & Grub, Family Dollar LLC dba Family Dollar #26776, Garibaldi's of Jerome dba Garibaldi's, Honker's Inc. dba Honker's Mini Mart, Eric Fermin Luna Anaya dba La Costa Colima, Jerome County dba Jerome County Fair & Rodeo, JEC Events, LLC dba JEC Events, Maverik Inc. dba Maverik Store #252 and Maverik #652, Mi Pueblo LLC dba Mi Pueblo Mexican Bakery, NS Club LLC dba Northside Club, Northwest Land and Cattle Co. dba Kwik Serve Sinclair, Oasis Stop N Go LLC dba Oasis Stop N Go #5, Oasis Stop N Go #11 and Oasis Stop N Go #22, Ridley's Family Markets Inc dba Ridley's Family Markets, Stinker Stores Inc. dba Stinker Store #62 and Stinker Store #87, Tacos Azteca LLC dba Tacos Azteca, The 208 Bar & Grill, LLC dba The 208 Bar & Grill, Jackson Bevco Inc. dba Tobacco Connection #28, Valley Wide Cooperative Inc. dba Valley Country Store, Video Mexico Inc. dba La Campesina Meat Market, Walmart Inc. dba Walmart #2831, and Warren Resort Hotels of Jerome Inc. dba Sawtooth Inn. Ms. Coderniz noted that two existing licenses, Gemini's Beauty Salon and Tacos Sonora, have not yet submitted their applications for renewal.

Councilman Barber made the motion to approve the Alcoholic Beverage License new and renewal applications as presented contingent upon completion of paperwork, payment of fees, proof of obtaining state and county licenses, and passing building and fire inspections. Second to the motion was made by Councilman Peterson. After consideration, the motion passed unanimously by the following vote: **AYES:** Councilman Barber, Councilman Johnson, Councilman Peterson, and Councilman Craig. **NAYS:** None.

FISCAL YEAR 2024 PRELIMINARY BUDGET PRESENTATION:

Mr. Williams and Mr. Hyatt appeared before Council to review the FY2023-2024 preliminary budget; budget books will be provided once they are available, and the preliminary budget will be available on the City's website for the public to view. Mr. Williams stated the tentative budget will be adopted on August 1st; after this date the budget will no longer be increased although the budget can be decreased. A public hearing will be held on August 15th and Council will have the option to adopt the final budget that evening or call for a special meeting to consider and adopt the final budget before the September 4th deadline.

The budget is driven by the City's strategic plan and the mission statement "to provide public health and safety for all citizens, businesses and visitors." Staff addressed the major focus areas and priorities of the Council, and Mr. Williams briefly reviewed the key priorities from the strategic plan. He spoke of property assessments and the assumed 30% increase in value for the budget. Upon inquiry by Councilman Barber, Mr. Williams stated the County is not obligated to provide the final taxable value for the City until August 1st. He further stated the increase in taxable values has shifted from commercial to residential. The budget is balanced and staff has recommended taking the statutory 3% plus new construction value to allow the City to continue funding projects, capital, and increases in other areas. Various property tax scenarios were reviewed with Council, and Mr. Williams explained the credit to homeowners on their property taxes from the passing of House Bill 292 in the legislature; tax bills will be reduced by 25%. Upon inquiry by Councilman Peterson, Mr. Williams explained the increase in values will be offset by the decrease in the tax bill, and that those municipalities that did not have large increases to their assessments will see little difference in their tax bills. He further stated there have been some increases in industrial and commercial properties based upon values estimated in the urban renewal areas. Net levy rate comparisons to surrounding municipalities were show to Council.

Mr. Hyatt reviewed proposed salaries and benefits for City employees and stated the total budget for FY2024 is budgeted to be approximately \$9.3 million, an 8.35% increase compared to FY2023. An increase of 10% is projected for health insurance rates, and the salary table has shifted 5%. Mr. Hyatt explained that some positions fell below the minimum due to the table shift, and the impact to bring those positions to the minimum was \$34,675. Staff proposes a one-time supplement cost of living adjustment of \$2,000 to all full-time and a pro-rated amount to all part-time employees, and a 5% increase to employees who meet and/or exceed the criteria on their annual evaluations will also be proposed in the FY2024 budget. A summary of full-time staffing was shown to Council, and Mr. Hyatt explained the increase from 106.5 full-time employees (FTE's) to 107 based on various positions. Upon inquiry by Councilman Peterson regarding FTE's in 2014, Mr. Williams stated the number exceeded 110.

Governmental Funds were reviewed, and Mr. Hyatt spoke of the highlights in each fund. The total General Fund decreased by 51.8% compared to the FY2023 adopted budget with changes in capital, debt service and transfers. Highlights of the General Fund include a fire ladder truck lease and two police package utility vehicles. The total Street Fund budget is \$8.5 million with an increase in Maintenance and Operations due to engineering professional services budget for the N. Lincoln project. An increase in capital represents the S. Fillmore project and downtown improvements funded by the Urban Renewal Agency (URA). Upon inquiry by Councilman Craig, the phone system is being installed in the police department now. Highlights in the Street Fund include an asphalt reclaimer purchase, a brine maker purchase, and savings for sidewalk, curb and gutter (a savings account for sidewalk projects).

Mayor Davis commented on the balanced budget with taking the statutorily allowed 3% budget growth and asked if monies are earmarked for a specific purpose. Mr. Hyatt stated capital items may have been prioritized based on department budget requests, and the 3% was taken to assist with the General Fund and personnel costs.

Brief discussion ensued regarding the 3%, and topics of the discussion included: not taking the 3% the previous three years; a balance of approximately \$500,000 in reserved forgone; new rules and limitations for taking forgone dollars; the potential for other projects if taking forgone; the balanced budget as it stands without taking the forgone; potential changes in the legislature regarding the use of forgone dollars; reasons for capturing those dollars (i.e. funding the new police station); specific projects using forgone dollars that could not otherwise be funded; forgone dollars not used as an emergency fund; the increase in levy rates when forgone dollars are taken; the attempt to keep the budget balanced and being fiscally responsible; projects left behind due to lack of funding; and, how the citizens are affected by taking forgone dollars but also how they are affected by not taking them.

Mr. Hyatt continued with the Library Fund and highlighted \$37,000 for eBooks, eAudiobooks, and Books along with facility carpet replacement. The Parks Fund includes a substantial capital increase with the new park south of town; additional highlights include a new riding lawnmower, rubber mulch for Camozzi and Shepherd's Parks, and playground equipment savings. Mr. Hyatt provided an overview of the Governmental Funds and stated the difference in FY2023 to the new budget reflects a shift in reallocations based off of budget priorities for FY2024.

Mr. Williams reviewed the Proprietary Funds with Council, and noted the operations increases in the Wastewater Fund due to increased costs in utilities, chemicals and equipment. The capital budget includes the completion of the headworks replacement project, a turbo blower replacement, upgrading the SCADA system, and the installation of a gravity collection line system from the Jerome Cheese lift station to H Street. This project will be funded by the URA and managed by the City. Base rate increases are proposed within the new budget to cover inflationary items in operations and for future capital needs. Mr. Williams noted that the City of Jerome is very comparable to other similar-sized cities in terms of the monthly wastewater bill. He credited operational efficiencies and savings identified throughout the years plus adding significant industrial users to keeping rates stabilized. The Water Fund reflects a decrease of approximately 3.54% from FY2023 although certain costs continue to rise (materials, utilities, etc.). The small increase in the capital budget includes the remainder of the 10th Street well project, and highlights of the Water Fund include the purchase of a service truck, the water line replacement, and savings for the Water Master Plan projects. An increase of 6.3% in water base rates is recommended to address inflation and future capital needs. The City of Jerome falls in the middle of the average monthly water bill figures compared to surrounding cities. Councilman Barber commented on the disparity between most cities compared to Twin Falls; a variety of factors could be affecting water rates. The Irrigation Fund will also see a proposed 6.3% rate increase, and highlights include an East Main pipe liner purchase and vehicle replacement savings. In the Sanitation Fund, Mr. Williams explained the anticipated rate increase as per the existing agreement with PSI along with base rate increases. Internal Service Funds – Human Resources highlights include funds for training, background checks and consultation assistance, and a shift from administration to HR for Planning and Zoning budget items. Highlights in the Engineering include \$15,000 for

professional services for surveying and testing, and the IS department highlights include new public library computers and new staff computers and laptops.

Mr. Williams provided an overview of the total budget of \$35.7 million and stated several capital projects are under construction and a majority of upcoming projects are funded by the URA (approximately \$8 million). The budget is balanced, and Mr. Williams advised the Council to contact him if any portions of the budget need further discussion. He spoke of the average cost of living increase in Jerome by approximately \$22 annually. The next meeting on August 1st will be the opportunity to adopt the tentative budget and set maximum expenditures; budget books are forthcoming, and the preliminary budget will be available to the public on the City's website. Mr. Williams expressed excitement for what can be done within the City, and the budget is a step forward in accomplishing Council and staff goals for the City.

Upon inquiry by Mayor Davis, Mr. Williams stated the URA funds received from the Area 2 closure will go towards the Streets fund for designated road projects as an annual revenue source. He further stated the one-time funds received from the close out of Area 2 were also allocated to Streets. Upon inquiry by Councilman Barber, the engineering work done for the S. Fillmore project was funded by the FY2023 budget. Mayor Davis inquired about the amount of revenue that could go towards a road project, and Mr. Hyatt stated URA funds plus an additional \$300,000 from the legislation will be for road projects annually. Councilman Craig inquired about the sidewalk project on Main Street and if additional portions of sidewalk could be repaired as well. Mr. Williams explained the existing contract for S. Fillmore and the ability to fund additional work. Councilman Barber confirmed the sidewalks on both sides of S. Fillmore will be completed in anticipation of the new school traffic coming in. Councilman Peterson commented on the projects that are completed with savings and not with loans, and Councilman Barber noted the average citizen may not know about the cost and funding sources of City projects. He further stated staff has done exceptionally well with the budget although some projects will be left behind.

COUNCIL REPORTS:

Councilman Barber question public works staff getting paid overtime for Chamber of Commerce events and if staff are required to stay throughout the duration of the events. Mr. Bowman stated staffing at these events will depend on the need but that the duty person is usually out there and/or available, and staff will set up and break down road closure signs and keep trash cans emptied.

Councilman Craig inquired about quotes for painting Council chambers and Mr. Richey stated the contractor has not provided an additional quote. Mayor Davis spoke of the colors chosen and brief discussion ensued regarding the coordination of colors for the buildings.

DEPARTMENT REPORTS:

Mr. Williams expressed appreciation to Mr. Carpenter and Mr. Hendricks in the Streets department for assisting with the grading work on 1st Avenue between Buchanan and Adams; the estimate to have a contractor grade the road was high, and staff efforts helped to alleviate the total cost of the project.

The new police station should be ready for move-in on August 14th, and Mr. Williams stated a public open house will be held once paving is completed and the public is notified. Councilman Barber noted the fair will be held during that week and Joe Mama's Car Show will be held soon after.

A capital improvement projects tour will be held on August 29th; the headworks facility and water tank on 10th Street are among the sites to be visited.

EXECUTIVE SESSION:

Councilman Barber made the motion to enter into executive session pursuant to Idaho Code 74-206(1)(a) to consider hiring a public officer, employee, staff member or individual agent, wherein the respective qualities of individuals are to be evaluated in order to fill a particular vacancy or need at 6:33 p.m. Second to the motion was made by Councilman Peterson. After consideration, the motion passed unanimously by the following vote: **AYES:** Councilman Barber, Councilman Johnson, Councilman Peterson, and Councilman Craig. **NAYS:** None.

ADJOURNMENT:

There being nothing further to discuss, Mayor Davis reconvened and adjourned this July 18, 2023 regular meeting of the Jerome City Council at 6:45 p.m.

By:

Mayor David M. Davis

Attest:

Bernadette Coderniz, City Clerk