

# **MINUTES**

**August 26, 2024**

**Public Hearing for Proposed City Budget FY 2024/2025 & Proposed Changes to City Utility Fees**

**@ 6:00 p.m.,**

**followed by The City of Arco Regular Council Meeting @ 7:00 p.m.**

**@ Butte County Business Center**

**159 N. Idaho Street**

**Arco, Idaho 83213**

The City of Arco opened a Public Hearing and invited the public to make comments on the proposed changes for city utility fees and on the proposed City budget FY 2024/2025, on Monday, August 26, at 6:00 p.m. In attendance for the hearing were Mayor Grady Parsons, Council President Ben Tessmer, City Council members Bobbie Reese, Danny McCurdy, Amanda Darland, City Clerk Maribel Cahalan, and Deputy Clerk Dana Jensen. Guests included Tom Cammack, Donna Murray, Rebecca Lange, Christy McCurdy, Rosanne Smith, and Teri Cheyney. Tim Snyder and wife Lindsey attended the Budget part of the meeting

Mayor Grady Parsons lead the Pledge of Allegiance and provided a summary of the proposed hearing. The City plans to increase the residential and commercial water rate per equivalent dwelling unit (EDU) by \$2.00 per month. Also, commercial garbage rates for multiple pickups and for dumpsters to increase as posted in the Notice of Public Hearing advertised in the local newspaper and posted at the City Office. The City will now take comments on the proposed 2024/2025 City Budget. City President Ben Tessmer opened the floor to comments or questions on the proposed utility fee changes. Rosanne Smith had questions about how the water billing is applied. Ms. Smith asked whether individual apartments pay the same rate as a single residential dwelling, and why there is a commercial rate for water. Mr. Tessmer stated that single residences and individual apartments are considered on equivalent dwelling unit (EDU) and that commercial property water rates are calculated on volumetrics. That is a multiplier of an EDU based on the volume of water that is used for their business. Also, there is an EDU multiplier for water connections outside of, but adjacent to the City.

Arco resident Donna Murray asked whether the City has any plans to start using the water meters that were installed many years ago. Mr. Tessmer said that there is no plan to use watering meters at this time. Ms. Murray also inquired about how one would report overwatering or overnight watering. Reports or inquiries regarding overwatering may be reported to the City Office. Council member Bobbie Reese said that under the City Ordinance, Chapter 13.20 automatic water systems may be set to run from midnight to 11:00 a.m. and from 5:00 p.m. to midnight of the designated water day.

Next, the budget part of the hearing, Rosanne Smith asked about the amounts of money paid for the contract with the Sheriff's Office, the Arco Volunteer Fire Department, Animal Control, wage shown under Garbage seems to be low, the increase in total revenue under Utilities, a zero expense for sewer treatment chemicals, and doubled employee insurance cost. Ms. Smith thinks that more is needed to be allocated to the Sheriff's Office, less to the Fire Volunteer Department, and consider giving to contracting Animal Control.

Mr. Tessmer's response to questions about allocating funds to the Arco Volunteer Fire Department. These funds mainly go to the equipment for Fire Fighters. The City would allocate even more funds if there were funds available to do so. Regarding the other questions, Mr. Tessmer said that the City has been tracking hours more closely for each department over the past year and has allocated funds based on more detailed information. With regards to the employee insurance cost, half of those costs in the past were covered by reverse funds. The City will not be doing that for 2024/2025. And regarding the other funding changes, the City has applied the more detailed tracking information collected in 2024 to more accurately reflect cost and revenue for each department.

Next, Donna Murray stated that the budget for Streets seems larger for the little amount of street repair that is being done. Mr. Tessmer agreed that there is much more to do for street repair and maintenance, and a backlog of

work that did not get completed on a regular basis. Going forward, Mr. Tessmer stated that the City plans again to coordinate with the Butte County Road and Bridge Department to make available the most of City street funds by having the County purchase materials with their bulk purchases. The City plans on returning to a program of paying the County costs and wages from available City funds to put chip sealing on City streets how it has been done in the past. Additionally, the City plans on looking into contracting street repair work. Ms. Murray and Tom Cammack both asked if the City will have City staff will participate in road maintenance training such as the Idaho Department of Transportation “Road Scholar” training modules? Mr. Tessmer said this is a goal of the City, but that the training for sewer treatment facility is the highest priority.

There were no written comments received about either the utility rate changes nor the proposed 2024/2025 City budget.

At 6:35 p.m., as there being no addition comments or questions from the floor of Council members, Council President Ben Tessmer made a motion to adjourn the Utility Rate and Annual Budget Hearing. The motion was seconded and passed.

**Regular City of Arco Council Meeting** – At 7:02 p.m. Mayor Grady Parsons called the regular Council meeting to order and lead the Pledge of Allegiance. In attendance were Mayor Parsons, Council President Ben Tessmer, Council members Bobbie Reese, Danny McCurdy, Amanda Darland, City Clerk Maribel Cahalan, Deputy Clerk Dana Jensen, Maintenance Lead Tim Snyder, and City P&Z Chair Rebecca Lange. The guests in attendance were Christy McCurdy, Tom Cammack, Donna Murray, Lindsey Snyder, Rosanne Smith, and Makayla Calister. Mayor Parsons asked that the Agenda be amended to add discussion for the recommendation from the City P&Z to consider Ordinance 17.04 revisions. Council President Ben Tessmer made a motion to include recommendations to the agenda. The motion was seconded and passed.

Minutes from August 12 Council meeting were reviewed. Mayor Parsons stated that the due date reported for the DEQ Drinking Water Lead Service Line inventory loan is September 1, not October 1. Mr. Tessmer made a motion to approve the minutes with correction stated by Mayor Parsons. Motion was seconded and passed.

**Public Comments** – Makayla Calister, with the School District bus transportation went before the Council to report that the School District has moved the after school loading zone for the buses from the back of the High School to Grand Avenue, which is opposite the Courthouse and the City Office. Ms. Calister explained the reason for the change. They moved the bus loading zone from between the High School and the Football Field where the students were crossing the loading zone to access the Football Field. The School District feels that the new loading zone will be much safer for students loading the buses and eliminate hazards for foot traffic between the High School and the Football Field. Also, Ms. Calister said that the Idaho Department of Transportation has been contacted about the change but has not responded yet. Council President Tessmer said that the School District might want to consider posting a NO PARKING ZONE, after 3:30 p.m., along the curb at the loading zone, and let the City know how they can help.

**Consider Resolution for Utility Rate Changes** – Mayor Parsons read Resolution 2024-02 to authorize the utility rate structure changes that were heard at the Public Hearing conducted earlier this evening. Residential and Commercial water rate per EDU to increase by \$2.00 more per month. Commercial garbage rates to be increased as posted in the Notice of Public Hearing that was advertised in the local newspaper as was posted and discussed at the public hearing earlier this evening. Council President Tessmer made a motion to approve Resolution No. 2024-02. The motion was seconded and passed. Rate changes to go into effect on October 1, 2024.

**Consider Resolution for FY2024/2025 Budget** – Mayor Parsons read Resolution 2024-03 for 2024/2025 City Budget Ordinance 2024-A. The budget hearing was held earlier this evening for an annual allotment of \$1,384,385 for the fiscal beginning October 1, 2024. The budget particulars were posted in two issues of the local newspaper before the hearing was held earlier this evening. Council President Tessmer made a motion to suspend the rules and conduct a roll call. All the Council members replied with ayes. The motion was passed.

**Fire Chief Dan Koste to Update on Fire Department** – Mr. Koste reported that there have been 26 incident calls so far this year, 2024. Seven of them were in August. There were two out of district calls; one in Pocatello, a mutual aid request; and the other to Stanley, another mutual aid request for two days support. The Arco Volunteer Fire crew was asked to assist for an additional two days at Stanley, but did not stay. Mr. Koste stated later that the Arco Fire Department does not participate in long term deployments under the Idaho Cooperative Mobilization Agreement (ICMA “Ickmah”). Mr. Koste is working on a grant request for funds to purchase new radios. Also, the air bottles that the City helped pay for just arrived. Last week Mr. Koste received a call from the Insurance Rating Bureau to request information about some properties along the outer part of Yvonne Drive that shows up on some maps as not within the City of Arco. Mr. Koste assured the Bureau that the properties on the north and northeast sides of Yvonne Street are in fact within the City and receive fire protection. Mr. Koste shared details of the contract from the Insurance Rating Bureau with the Butte County Commissioners and County Attorney about this contract from Insurance Rating Bureau and will carry the issue to the Legislature if need be.

**Consider applying for 2025 Drinking Water Lead Service Line (30 yr) Loan** – Mayor Parsons spoke in depts regarding the application due dates and the loan amount. The loan would have a 1 percent interest rate. Mayor Parsons stated that approximately 2/3’s of the loan may be forgiven if the City makes regular payments and progresses over the next five years to locate and replace any lead water service lines. Council President Tessmer recommends that the City apply for the loan and made a motion. The motion was seconded and approved.

**Authorize Mayor to complete and submit application paperwork for the Drinking Water Lead Service Line Loan to DEQ by September 1, 2024** – Council President Ben Tessmer made a motion to authorize the Mayor to complete the loan paperwork including the documents due March 21, 2025. The motion was seconded and passed.

**Discuss option regarding Motor Grader Lease** – Council President Tessmer said that the City could probably optimize the City budget by considering letting the Motor Grader go that has an annual lease cost of \$42,000. The money could be put towards other equipment for snow removal. Street grading could eventually be contracted out. Councilman Danny McCurdy and City Maintenance Lead Tim Snyder questioned if a pickup truck snowplow set-up would be able to break up and clear ice in the City gutters and whether it would be up to task to push three or four feet of snow in heavy snow years. Mr. Tessmer said he agreed that appropriate snow removal equipment would be needed to replace the motor grader, but for the price of the annual lease, Mr. Tessmer feels the right equipment could be purchased. Councilman McCurdy asked how soon a decision needs to be made. Councilwomen Reese asked when the next payment for the Motor Grader is due. Council President Tessmer suggested a decision by the end of the current fiscal year would give the City options for the 2024/2025 budget. The next lease payment on the motor grader is due on October 1, 2024. Councilwomen Amanda Darland said that the City may be “shooting ourselves in the foot” to get rid of the motor grader as it does provide flexibility in road work and in snow removal. Also, Ms. Darland asked what is the interest of outside contractors in doing work for the City? Councilman McCurdy agreed and recommended that more research for costs and options prior to making any decisions be made. Mr. Tessmer said the goal at this meeting is to have a discussion and get options on the table and thanked everyone for their thoughts and input on the subject.

**City PZ recommendation for Reading of revised Ordinance 17.04** – Mayor Parsons asked the City PZ Chair Rebecca Lange to present the recommendation from the City PZ on Ordinance 17.04. Chair Lange stated that the Hearing on the revision was conducted on July 24, 2024. No public comments were received, and no written comments were received by the City. The City PZ recommends that the City Council take up the three readings required by Idaho Statue for ordinance revisions. Council President Tessmer recommended that the Council make the first reading on the Ordinance. Mr. Tessmer read the revised ordinance out loud.

**Pay Bills** – Bills totaling \$28,33.49 were reviewed and a motion was made and passed to approve payment.

**Roundtable** – Deputy Clerk Jensen informed the Council that a quote for continued services from TotalCare IT has been requested. A quote for IT security and services is also requested from ATC for fiscal year 2024/2025. Council President Tessmer requested that the City also run an ad in the local paper to announce a request for bids. Mayor Parsons invited all Council members who are able to attend a roads seminar in Salmon, Idaho on September 19, 2024.

Mr. Tessmer said that now that the budget has been set for FY2024/2025, he would like to meet with County Clerk Shelly Blackner to request assistance in applying for Community Assistance grants which is potentially available from Congressional Directed Funds. Possible projects for the City, including roof work for the Rec Hall and for the City Office, work on streets and sidewalks, maintenance shed upgrade/repair, and storage shed for Mag Chlorine. Ms. Reese asked Tim Snyder to report on the City hay cutting. Mr. Snyder asked if the City wants to invest in tarps to cover the cut hay. He also requested time on the next agenda to set hay sale price.

Ms. Darland said that she has received numerous comments and requests about the need to repair the warped sidewalk in front of the Post Office. Maintenance lead Tim Snyder stated that plans to remove and replace the warped section are underway. Mr. Snyder said that new concrete is planned for delivery with a larger concrete order for the City projects to be completed this fall. Blacktop repair in front of the Post Office is also planned to prevent rain or melt water from pooling in front of the Post Office. Ms. Darland asked whether a meeting between the City Council and the County Road and Bridge supervisor is needed to firm up plans to set up County assistance with next year's street maintenance? Mr. Tessmer said that he spoke with County officials about assistance and plans to notify the County in writing of the amount of funds available for materials and labor for street work now that the 2024/2025 City budget has been approved.

Councilwoman Darland said that there is a phone number for claims from windshield damage from flying rock resulting from the road work on the section of the highway that passes through INL. Mr. Snyder mentioned that he has contacted IDT to ask for enforcement of truck weight and load limits for the Calcium Mine haul trucks passing through Arco. The City crew continues to clean up rock chunks thrown from these haul trucks.

Ms. Lange reported that work to negotiate and define an Arco Area of Impact boundary has taken priority over planning and zoning ordinance revisions for the time being. The City PZ, City Council, and County PZ met on August 22 to discuss the size and rationale for a draft Area of Impact boundary. The County Assessor agreed to draft the next version map using the County GIS system. So, another work meeting with the County PZ will need to be scheduled to discuss the map and discuss going out to public hearing a second time. The City PZ will hold another work meeting to continue work on planning and zoning ordinance revisions. The work meeting is scheduled for Wednesday, August 28, at 9:30 a.m. The next regular meeting for the City PZ is September 11, 2024, at 9:00 a.m.

A motion to adjourn the meeting was made at 8:14 p.m. The next Regular Council meeting is scheduled for September 9, 2024, at 7:00 p.m. at the City Office.

---

*Grady Parsons, Arco Mayor*

---

*Maribel Cahalan, City Clerk*