

**KUNA CITY COUNCIL MEETING**  
**MINUTES**  
**JANUARY 3, 2006**  
**KUNA CITY HALL COUNCIL CHAMBER, 763 W. AVALON**

**NOTE: These minutes are an unofficial record of this City Council meeting until reviewed; corrected if deemed appropriate and formally approved by the Kuna City Council at a subsequent Council meeting.**

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**1. CALL TO ORDER AND ROLL CALL**

Mayor Dean Obray called the Regular Meeting to order at 7:14 p.m.

Present: Mayor Dean Obray, Councilman Jeffery Lang,  
Councilwoman Zella Johnson, Councilman Scott Dowdy  
and Councilman David Szplett.

Also present were: City Attorney Randy Grove, City Engineer Keven  
Shreeve, City Clerk Lynda Burgess, City Treasurer  
Colleen Cook, Interim Planning & Zoning Director Diana  
Sanders and Public Works Director Jim Taylor.

**2. INVOCATION** The invocation was given by Pastor Bruce Wheeler of  
New Beginnings Christian Church.

**3. PLEDGE OF ALLEGIANCE** The Pledge of Allegiance was led by Mayor Obray.

**4. APPROVED MINUTES**

Special Meeting of December 5, 2005 - Moved by Councilwoman Johnson, seconded by Councilman Dowdy to approve as amended: Page 1, 2<sup>nd</sup> paragraph, under Present correct Councilmember Stroebel's first name to Trina; on Page 1, 4<sup>th</sup> paragraph, 3<sup>rd</sup> sentence, correct Councilmember Stroebel's first name to Trina." Motion carried 4-0.

Regular Meeting of December 6, 2005 - Moved by Councilman Lang, seconded by Councilwoman Johnson to approve as amended: Page 1, under Also Present Were, add Trina Stroebel and Richard Cardoza ; on Page 8, Item H, 2<sup>nd</sup> paragraph, 4<sup>th</sup> sentence "be amended to read: "Highway 69 in ITD's jurisdiction..." On Page 1, 8<sup>th</sup> paragraph, 2<sup>nd</sup> sentence, "Colleen Cook responded that the salaries should have been budgeted for 9 months at the new salary rate for the Mayor and Councilman, instead of 12 months." Page 5, 5<sup>th</sup> paragraph, "Councilwoman Johnson stated there are several complaints about fencing issues and wondered if they are being dealt with." Motion carried 4-0.

Regular Meeting of December 27, 2005 - Moved by Councilman Lang, seconded by Councilman Dowdy to approve City Council minutes, as amended by staff, for December 27, 2005. Motion carried 4-0.

**5. APPROVED ACCOUNTS PAYABLE**

Moved by Councilman Lang, seconded by Councilwoman Johnson to approve Accounts Payable dated January 3, 2006 in the amount of \$62,238.35. Motion carried 4-0.

**6. PRESENTED & REVIEWED FY 2004-2005 ANNUAL AUDIT**

Jared Zwycart of Bailey and Company, Nampa, Idaho, reviewed the 2005 Annual Audit Report. Mr. Zwycart explained the different reports in the audit and explained that each fund was in good financial condition with adequate carry over balances. His only recommendation to the Council concerning internal controls would be the segregation of job duties. The Treasurer last year was in charge of all internal control cycles, duties which should be segregated. All smaller cities receive this recommendation because they do not have the staff to adequately segregate. Kuna received a "clean audit" again this year.

Moved by Councilwoman Johnson, seconded by Councilman Lang to accept the 2005 Annual Audit and approve payment to Bailey and Company in the amount \$5,250.00. Motion carried 4-0.

**7. FIRE DISTRICT REPORT**

Chief Rosin reported that the city had 59 fire and medical calls for the month of December, 40 of which were medically related. The Fire Districts' total callouts for the year were 850 compared to 699 calls in 2004.

**8. ADA COUNTY HIGHWAY DISTRICT REPORT**

Errol Morgan reported that ACHD is in the process of putting up signage and crosswalks for the Falcon Ridge Charter School. They are working on a drainage problem on Deer Flat Road. Further, he stated that numbers are yet available on the traffic count for Linder Road.

**9. OLD BUSINESS:**

Moved by Councilman Dowdy, seconded by Councilman Lang to amend the agenda for by moving Items 16 A, B & C to Old Business. Motion carried 4-0.

**APPROVED FINDINGS OF FACTS & CONCLUSIONS OF LAW:****A. ANNEXATION WITH AGRICULTURE ZONE (A) – 8 PROPERTIES - WASTEWATER TREATMENT FACILITY.**

Moved by Councilwoman Johnson, seconded by Councilman Lang to approve the Findings of Fact and Conclusions of Law regarding the annexation with Agriculture Zone (A) for 8 properties for the wastewater treatment facility. Motion carried 3-1 (Councilman Szplett abstained).

**B. DURANGO SPRINGS SOUTH**

Diana Sanders, Interim Director Planning & Zoning, clarified that this item is a clean-up of an old file action. The finding and facts paperwork showing that the City Council denied the project were never stated or signed. Moved by Councilman Lang,

seconded by Councilman Dowdy to approve the Findings of Facts and Conclusions of Law for Durango Springs South. Motion carried 4-0.

**C. ORDINANCE #732 - DEFINITION OF KNUCKLE & IDENTIFY SET BACK FOR CUL-DE-SAC AND KNUCKLE SET BACKS**

Moved by Councilwoman Johnson, seconded by Councilman Lange to approve the Findings of Facts and Conclusions of Law for Ordinance #732, definition of knuckle and identification of set backs for cul-de-sacs and knuckle. Motion carried 4-0.

**10. SWEAR IN NEWLY-ELECTED OFFICIALS**

Lynda Burgess, City Clerk, administered the Oath of Office to Councilmembers-elect Trina Stroebel and Richard Cardoza.

**RECESS:** Mayor Obray recessed the meeting at 6:50 p.m.

**RECONVENE:** Mayor Obray reconvened the meeting at 7:05 p.m.

**11. ELECT COUNCIL PRESIDENT**

Moved by Councilman Dowdy, seconded by Trina Stroebel to nominate Councilman Lang as Kuna Council President. No other nominations were made. Motion carried by the following Roll Call vote:

AYES: Cardoza, Dowdy, Lang, Stroebel  
NOES: None  
ABSENT: None

**12. CITIZEN'S REPORTS OR REQUESTS:**

**13. LICENSES AND PERMITS:**

**14. NEW BUSINESS:**

**15. REPORTS:**

**P & Z - CODE ENFORCEMENT REPORT / INT. DIRECTOR DIANA SANDERS**

Diana Sanders stated that there was nothing to report for code enforcement. At the last Council meeting there were two items that she had asked for review: 1) Development Agreement for the Applewood Subdivision and 2) Ada County Highway District Joint Powers Agreement. Keven Shreeve explained that he is working with the developer to include language for an LID.

Ms. Sanders further stated the Kuna Melba News dated December 28, 2005 contained an article written by Councilmember Szplett relating to publication of legal notices

which read “Hiding announcements in another newspaper is clearly aimed at keeping you from knowing. I asked the staff where it was advertised and she wouldn’t (couldn’t?) tell me. I don’t know what they are hiding! I’ll find out.”

Ms. Sanders then played a tape recording of a message left by Mr. Szplett on her voice mail for the record: “I am calling to see when, I don’t care where, we advertised the annexation for the sewer plant property and the annexation for the ordinance. I don’t care where you did it. I check off that you actually did but I can’t check it because it’s not in the Kuna Melba News and I don’t give a rats butt, I just want to know when you did it. This is the second request. Thanks for your help, you have a good day.”

In response to Mayor Obray, Ms. Sanders stated that she had responded to Mr. Szplett’s questions three times – once in the morning in which she reported to Mr. Szplett that she would have to double-check the records for the correct date, but that the legal notices were published in the Idaho Statesman, as allowed by Kuna City Code and State Codes. The second and third contacts were voice mail messages on Mr. Szplett’s cell phone and work phone.

#### CITY ENGINEER / KEVEN SHREEVE

Keven Shreeve reported that new sewer pond blowers were being ordered to replace those that failed over the holidays.

He reported on a meeting held with the City of Meridian on December 30, 2005 to negotiate city boundaries. Kuna proposed boundaries along Lake Hazel to the north to Meridian Road, down to Columbia Road and to a point east ½ mile between Locust Grove and Eagle Road. Meridian and Kuna will draft an intergovernmental boundary agreement when both parties finish their negotiations.

#### CITY ATTORNEY / RANDY GROVE

Randy Grove reported on a meeting held with bond attorney Rick Skinner, Skinner & Fawcett of Boise, on Friday to discuss various methods for financing a potential sewer plant, along with other bonding issues. The tentative financing plan for a joint city/developer-funded plant being considered by the City was explained to Mr. Skinner. Mr. Grove indicated that the development community would like to see the City get its bonding in place first while the City would like to see the development community obligate their funds first before seeking a bond. The types of bonding scenarios discussed were: 1) General obligation bonds - backed by the taxing authority of the City, are general obligations of the City and require Judicial Confirmation or two-thirds voter approval; 2) Revenue bonds - because the sewer system is an enterprise which generates revenues from user and connection fees, the City could issue revenue bonds and pledge the revenues of the system to pay off the bonds. This type of bond is looked at by the investment community as a little more risky because it does not have the full taxing authority of the City behind it. It relies on the revenues generated by the system. And most bond underwriters would not consider connection fees in the revenue stream to repay these bonds because new construction can slow down. The City can pledge these revenues and

the bonds can be repaid more quickly, but underwriters would look at our user fees and user rates to set the interest rates on those bonds. Because they are revenue bonds and not general obligation bonds, they only require a simple majority vote at an election (50% + 1) or a Judicial Confirmation.

Mr. Grove explained that most sewer facility financing is accomplished through revenue bonds because they are easier to approve and are not obligations of the general community since the system itself and growth ultimately does pay for it. The same would happen with a general obligation bond as connection fees and user fees can still be used to pay off those bonds and taxes may not need to be raised. The comfort for the bond underwriters is that the full taxing authorities of the city can be used to pay off those obligations. We also talked about local improvement districts (LID's) which can be used to finance a sewer system and construct a facility like this. With LIDs, the City would define the boundaries of the improvement district containing properties to be served by the facility and those people who wish to participate in this within the district would have an assessment levied against their property. It works very much like a tax, but is not an immediate tax. Once the City gets all the numbers worked out, we can arrange for interim financing for our local improvement district and then borrow funds from a bank. The bank understands that it is bonds generated from this local improvement district that are going to recoup their interim financing with bonds sold to investors. These are viewed as more risky than revenue bonds by the investment community and the interest rate is even higher still. When the exact costs for construction of the facility are determined, an assessment is made of the total amount against the properties in the local improvement district. Bonds are generated from that as is the assessment on the properties that pays off these bonds. It can be done in a lump sum or can be done in any number of different time frames such as five year, ten years or twenty years, whatever is appropriate. The great thing about this from a city's perspective is it would not require the lengthy process of notice, publication and election. The LID itself is somewhat process-intensive and the money is repaid by assessment against the properties in the LID. The good thing for the City is that it is one of the quicker ways to generate interim financing and make sure we have enough money to build the facility. The down side is that the City needs to convince people in the LID that they really should support the assessment because their property values are going to increase probably substantially.

Regarding funding for recreational facilities, Mr. Grove explained that staff had discussed the possibility of seeking a larger bond amount to pay for both the planned sewer improvements and for some significant recreational facilities for the community. This would require a general obligation bond instead of a revenue bond because there would not be enough revenue generated by the recreational facilities to pay for the bond. A tax increase would be required with a 2/3 voter approval or Judicial Confirmation. Judicial Confirmation would not be successful in that situation because recreational facilities, while valuable to the community, would not be considered ordinary and necessary expenses and would require strictly a vote. An election could be held for two different bonds--a general obligation bond for recreational facilities and a revenue bond for the sewer facilities.

Mr. Grove reported that staff is exploring other avenues for raising money from the development community to help finance the project.

Councilman Cardoza asked if the City would have to continue payments on the LID if there wasn't enough money generated by the LID participants. Mr. Grove believed that bond payments are secured by the assessment against the properties within the LID. If properties default, the City may have to pursue court action to make the owner pay the assessment. The City could be responsible for some of the payment if the assessment doesn't raise enough funds to entirely pay for the project.

Mayor Obray explained that since time is of the essence in getting the financing arrangements completed for the sewer plant, a Town Hall meeting is being scheduled for January 24, 2006 at 7 p.m. Notice will be sent to every household inviting them to attend and more meetings will probably be held. He stated that the City has been in contact with a media organization called the Gallatin Group, established by former Governor Andrus, for guidance on how to present the numbers and get the public involved.

CITY CLERK / LYNDA BURGESS

With regard to the official numbers assigned to ordinances and resolutions, Lynda Burgess suggested changing the current system from simply consecutive numbering to one which includes the year in which the document was adopted. She further recommended that numbers not be assigned to these documents before they are adopted.

**17. ORDINANCES & RESOLUTIONS:**

**ORDINANCE #2006-01 - AMENDING CHAPTER 1 OF TITLE 5, SECTION 5-1-7 OF THE KUNA CITY CODE TO ADD THE DEFINITION OF KNUCKLE, AMENDING CHAPTER 3 OF TITLE 5, SECTION 5-3-3 TO IDENTIFY SET BACK FOR CUL-DE-SAC AND KNUCKLE SET BACKS.**

Mayor Obray read the Ordinance by title only.

Moved by Councilman Lang, seconded by Councilman Dowdy to dispense with full reading and 3 consecutive readings of Ordinance No. 2006-01. Motion carried 4-0.

Moved by Councilman Dowdy, seconded by Councilman Lang to adopt Ordinance No. 2006-01. Motion carried by the following Roll Call vote:

AYES:	Dowdy, Lang, Stroebel
NOES:	None
ABSENT:	None
ABSTAIN:	Cardoza

**18. MAYOR / COUNCIL DISCUSSION:**

Mayor Obray asked Council for direction on what to do with “the farm”. City needs to find someone to allow us to control the watering while the land is share-cropped. Council directed the Mayor to advertise for someone to farm the land.

Councilwoman Stroebel asked if we could salvage some of the park playground equipment.

Councilman Cardoza suggested that the City of Kuna name should be placed on the marquee in front of the city hall building. Tim Gordon stated that the city has his permission to put up the sign.

**19. ANNOUNCEMENTS:**

**20. ADJOURNMENT**

There being no further business to conduct, Councilman Lang moved, seconded by Councilman Dowdy to adjourn the meeting at 9:10 p.m. Motion carried 4-0.

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O. Dean Obray, Mayor

ATTEST:

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Lynda Burgess, City Clerk