



## NORTH BONNEVILLE CITY COUNCIL

Mayor Brian Sabo  
Councilmember Terry Norris  
Councilmember Margie Lee

Councilmember Travis Randall  
Councilmember Judie Whitcomb  
Councilmember John Acton

### North Bonneville Workshop Agenda October 23, 2018 6:30 p.m.

#### Council Workshop

#### Workshop Meeting Call to Order 6:35pm

**Roll Call** : Present; Mayor B. Sabo, Councilmembers J. Acton, J. Whitcomb, M. Lee, T. Norris. Absent; Councilmember T. Randall

#### Unfinished Business:

- 2019 Budget Funding Sources.

We don't have a lot of revenue other than utilities, retail excise tax and sales tax. Places like Silver Star, Volcanic Bikes, and NB Rock Quarry provide some of that sales tax and we appreciate your business. Most of the previous budgets displayed grant funds in the final numbers but this year we are not including those numbers. Only actual value of true revenue. J. Acton- can you explain the utility tax? B. Sabo- B&O taxes come in monthly and quarterly from cell phone usage tax, electric tax, waste service, etc. The planning department did very well this year on revenue so far- about 25k each in new sewer and water hookups and other permits. This money is dedicated to Water/Sewer capital outlay for things like lift station and other infrastructure repair. We are on the list with EDC for a complete lift station replacement. We were 7<sup>th</sup> until Deanna started attending meetings and we've now been moved to 3<sup>rd</sup> priority on the list. We get about 220k in property tax yearly. J. Whitcomb- isn't some of our sales tax coming from the marijuana revenue? B. Sabo- yes, from their actual sales. We will be losing some of that because of their move to Stevenson, but we will still get 1.5 percent of gross revenues per the new contract. Our City Attorney and Planner both came out under budget for expenses this year. There was some overspending in some expenditures this year, due to loose ends and payments that should have gone out last year. We will be having two public hearings next meeting regarding the Ad Valorem Tax as well as the 2019 Budget. The Ad Valorem Tax is a 1% total of estimated receivables that small cities are allowed to take yearly. Tom J- if we don't take it, the county will, and we prefer to keep it within the city. B. Sabo- this goes into our general fund through the property/real estate taxes. This tax will only bring in around 2k total from all sources. On the budget sheet, there are main headings for revenue and expenditures, but we can drill down further to show more detail. We have some things to redistribute because of previous errors in receipting of funds in order to see the ACTUAL budget to actual. One example was the check from the PDA for \$3000. It had been received, but was receipted to the wrong location, therefore the bta doesn't reflect the real current state of funds. Deanna and I have been fixing some of these misappropriated funds, but still have a long way to go. T. Norris- has that been the problem? B. Sabo/Deanna- yes.

**New Business:** none

**Adjournment:** 7pm



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### City Council Meeting Agenda October 23, 2018 7:00 p.m.

**Meeting Call to Order:** 7:05pm

**Roll Call:** Present; Mayor B. Sabo, Councilmembers J. Acton, J. Whitcomb, M. Lee, T. Norris. Absent; Councilmember T. Randall

**Pledge of Allegiance**

**Agenda Changes & Additions:** Excuse T. Randall. Stop Sign on E. Cascade

**Public Hearings:** n/a

**Consent Agenda:**

- Approval of October 9, 2018 meeting minutes. Approval October 2018 2nd half Vouchers Motion by J. Acton, second by T. Norris Discussion: B. Sabo- 54,218 dollars was the total, but 34k was already given to us in the form of a grant by TIB, that money just went back out. Passed 4-0

**Guest Presentations:** n/a

**Public Comment:** Adam Schaffer of North Bonneville- just a housekeeping issue. Noticed the website had expired council terms as well as showing the meeting starting at 6. D. Adams- there is a lady redoing our website, so it is in the process of an overhaul and the new site will have all of the updated information. We have had a struggle obtaining codes to release the old domain with our previous IT company, but it is in the works now. Apologies for the long delays in that.

**Councilmember Comments:** T. Norris- I work PT for the Quarry. There is a lot of traffic going through that road by Travis. Ted Salka has asked if he could provide people/equipment to help trim up the low hanging trees there. The next day, public works was out taking care of these trees. Kudos. Ted also mentioned that he goes to large equipment auctions and could get us an excellent deal on replacing the public works boom trucks.

**Mayor's Comments:** Eddie Coogan also fell a dangerous tree off of Garrison, city crews and volunteers have cleared it out. Please let us know about dangerous trees before the winter winds pick up. Next week we should be starting our LED conversion, saving an estimated 35% on electric costs per year, which will be put back into the community. These are supposed to be a better, more direct light, allowing more vision on the ground, but able to still see the stars at night.

**City Clerk Report-** see attachment

**City Attorney's Report-** Just got information about the 9<sup>th</sup> circuit Martin vs. Boise homeless no camping ordinance issue. The court has said to enforce no camping is wrong under the 8<sup>th</sup> amendment because it is cruel and unusual to deprive one of sleep. The problem in Boise was that there were no options in this case, aside from churches, which came with eventual requirements to attend services, which violates the 1<sup>st</sup> amendment. Bottom line is that if you are going to have a no camping ordinance, you must provide a shelter space. Cities are scrambling to figure out how to provide shelter space- work with the sherrif's office, look for grants. Must be adequate and communicated to the homeless. It doesn't have to be an enclosed space. Just adequate for the amount of homeless you are aware you have. If we

know we have around 40 homeless people generally in NB, you have to ensure that there is adequate room for 40 bodies in your designated space. T. Norris- So you have to provide shelter? Ken- it doesn't have to be a shelter, it just has to be a designated space. This is a new case, so there are still gray areas. Tom J- So it should be equal to what they have? If they sleep under an underpass, would an uncovered area be considered adequate? Ken- it's really hard to say what will come of this because what is considered "adequate"? This will likely come up again. You basically have to give them an alternative if you have a no camping ordinance. You can set up rules around the designated area, such as not leaving camp set up during daylight hours. Ken- there are some churches that have designated their parking lots as a space during certain hours, with restrictions, but it is something you'll really have to think about. B. Sabo- we can still have parking and camping ordinances, but only if we provide alternative. Ken W- this is a 9<sup>th</sup> circuit case, so it could proceed to Supreme Court so who knows where it could end up, but it is considered the law as of now.

**Unfinished Business:**

- **PDA Board Cannabis Store financial condition, Board members term confirmation.**

B. Sabo- The PDA had asked us to move due to issues and we've been more than gracious. The problem is that looking at the financials, they are down over 80g. our question was, how are you floating losing this kind of money with no more loans and no reserves. We've been asking the board to show us where the money is coming from, and we have been unable to get a straight answer.

Tunis W- Attorney for the PDA. We've put together a written response from the PDA. The board president has resigned, and the 2 remaining board members are in attendance. There has been question of the appointment terms of the remaining members. It is entirely up to the Mayor and council to reappoint, designate, or rid of board members. \*Hear recording for entire statement- the letter suggests regularly scheduled meetings 4 times a year to discuss financials with the council, the possibility of a new board president suggestion, reasonings for the inability to produce financial statements, restructuring and designation of responsibilities, loan details, reasoning for financial issues, industry-wide struggles, reasoning for not presenting timely financial statements. Fern Armstrong has stepped up again to assist financially and there is no rule preventing us from obtaining additional loans. In the move, we have decreased our rent by over 80%. The initial plans were not smart and we've faced many challenges due to that, especially in loan and rent terms. We are still working on negotiations with the previous landlord, Mr. Kackley. With regards to recent communications, it is our sense that the Mayor feels strongly that a balance sheet is an important document to show the viability of the business. This is not the case. The fundamental documents are the PnL's. We have met our financial obligations on a timely basis. The balance sheet will be negative- most American's have a negative balance sheet due to debts, this doesn't equal failure. We are making our payments, please give us time to reduce our debts and readjust. We really want to work with you but have been focused on the move. The city wants this financial information right now, and that's not feasible. Robyn is not here because of the issues surrounding the last meeting. It's not up to her to answer your questions, it's up to the board. We honestly want to be writing checks to the city and are still working to get there.

B. Sabo- It has been one month, not one day since we've requested this financial information. We were told to send a list of questions so the board would be prepared by this meeting to answer. This shouldn't be a scramble, we gave plenty of time. When I did submit these questions, Robyn's response was that the city would have to pay for the financials to be prepared and that you only get a balance sheet prepared annually. The form I was asking for was right on the website. The concerns I expressed to Robyn were that we've been asking for months for true financial statements and have never been given straight answers. The response was basically NO. We want to see this business moving forward and succeeding, but don't want to see it fail after we sent it to Stevenson. The problem is that the numbers we do see show a serious downhill trend, we have the right to ask for this information, I'm an ex-officio board member, and still not getting direct answers. We appreciate the board members, Fern's work, we

could have shut this down months ago, but we didn't. But we have been asking for clear answers for months and are due that per the charter. Robyn said there was no money in the bank, no reserves, so all we want to know is where is the money coming from?? We appreciate the board and realize that these are volunteer positions, but the business is failing and the council has oversight to determine if this business is going to make it or if we should throw in the towel. Our state auditors were asking questions about the state of the PDA and I asked why he was asking me and he said because we are the ones with the oversight of the PDA. You are behind on employment taxes, the numbers are consistently down, we've been asking for answers since January and are just frustrated with the dance around. M. Lee- is Robyn communicating numbers with the board? Tunis W- yes. B. Sabo – anyone at any time could have come in to discuss this with us, but the answer is always no. J. Acton- July, Aug, September financials are not posted online, why? You shouldn't be scrambling for your financials at any time, you should be very aware of them. We're not saying anything is happening behind the scenes, we just want answers. Tunis W- Our CPA is off on family leave, so we can't produce those right now. J. Acton- but the board should be able to access that, even when she's off. We've been asking since January.... B. Sabo- we want something tangible. Tunis- I understand fully. What do you think about setting up meetings? B. Sabo- we're all busy, we don't need more meetings, we just need actual answers when we get together. They're paying you for your time to be here and we still don't have any tangible information on paper. Ken W- The audit report from August stated the need to provide a financial plan to be compliant with the state. Please send copies of those to council. The council is requesting financial reporting from you and it is all about communication. Make sure the oversight committee has what they need. It has been a lengthy amount of time without solid information. I encourage you to encourage your board to provide this information readily. Tunis- Sorry you interpreted Robyn's answer for information as a solid no. Tunis- Regarding the board, what do you want to do? B. Sabo- It was changed per the PDA in April to include alternate board members. There should already be backup board members. Tunis- it doesn't say they have to, but they can. B. Sabo- The clause states that if they are resigning, they need to have a replacement. If they are staying, they need to be reconfirmed. All terms were expired in 2017. Tunis- both Mr. Smith and Mr. Schaffer need to be reappointed. M. Lee, J. Whitcomb- they should be. T. Norris- I have questions first. I want a board member to come up and speak for the board. I'm thankful I sit on a council with people who are experienced with facts and figures. I'm not going to approve anyone for the board at this time myself because of the lack of experience. If you can't tell me what your utility rates are in your new place, it shows a lack of concern for the business and finances. Dan Smith- I thought you were asking about NB's utility rates. I do have the figures for our utilities, not on me, but I can access those. What I'm hearing tonight is that you are all convinced that our financials show failure. That is not the case, and not the whole story. I want to encourage you to not focus so much on the numbers, but more on the positive things that occur. We provide jobs and doing the best we can. I can assure you with the dynamics of the industry, you will not find a single store that didn't see losses. We pay our debts, serve the community, and employ people. The board is dedicated to fulfilling the mandates in the charter and are doing the best we can. We will provide you with the information you requested. Just remember the balance sheet alone does not tell the whole story. If you are looking for a positive balance sheet, you're not going to find it, but this can change. The employees have stepped up and volunteered a lot of time during the move to save the company money. None of us on the board are financial wizards, which is why we hired a manager. I apologize if our manager is not providing you the information you've requested. The problem is that the idea that this business was going to be a cash cow is unreasonable. But we are sustaining in the unsustainable. Please continue allowing us the chance to proceed and succeed. B. Sabo- I have respect for you, but we've got nothing but lip service for three years. We keep hearing excuses and promises, but never tangible evidence. Everyone can stand here and say all sorts of things, but you say your going to make it and never give us anything tangible that shows that is a possibility. Everything we've been presented with shows a serious

downtrend month after month. M. Lee- I run a 501C3- just had to run a PnL and a balance sheet on quickbooks. My balance sheets show a negative balance, you have to have that with the PnL to show the whole story, because those together will show that I actually have a positive balance by year end. PnL shows me down \$500, but you can see separately on paper that I have claims coming in, resulting in a positive net by the end. J. Acton- last time we talked, you said you weren't going to be able continue in the state you're in, we want to know how you are recovering your losses. M. Lee- We need to see things that show the whole picture. B. Sabo- when we were talking to Robyn, she said we need to talk to the board. Now that we have the board, we still don't have answers. Dan Smith- I have what we consider a balance sheet here. M. Lee- sort of. It is kind of a headache, but it's necessary per the above example. B. Sabo- going into November, you have 9 employees. How do you know you have enough to pay them. You should have something and know that you are able. How do you do this without financial information? Who is responsible for this? I don't want to ever hear again that we as a council aren't willing to work with the board or shut you down. We would have already done it if that were our intent. If you don't have someone who knows how this works and can show it, you need someone new. We don't want you to lose, we don't want the city to lose. With better financial management, maybe you wouldn't have had to move. We have been very transparent on what we are looking for, no more lip service, no more excuses. Tangible documentation and communication. We want to be done with this, we are all busy, just finally show us something! Tunis- please remember that is is not realistic to ask for a balance sheet in the black. B. Sabo- we're not asking for that, just asking for actual numbers reflecting where this really stands. We have not once gotten what we have asked for. If we had that, we wouldn't still be asking for it. Dan brought us something that is now in our hand and that's all we've been asking for. B. Sabo- you threw Robyn to the dogs, speaking to the board. We ask her and she says we need to talk to you, but you haven't been here. Tom J. A balance sheet is a picture of a moment in time, tells you your bottom line. This is something you should have more often. If I were in business, I would want to know every single day where I stand. Someone should have an idea of this at all times. T. Norris- I'm up to here with hearing reasons and never seeing proof of anything. Deanna- Bottom line is we are asking for something that will tell the whole story. T. Norris- that's what we asked you to have at this meeting. I ask for a number, you say "quite a bit", that is the kind of dodgy answer we've been getting. Dan Smith- If you are not getting what you need, I will make sure you do. B. Sabo- when you're choosing a new board member, I hope you'll consider someone with some financial background. That could do you a world of good. Robyn doesn't know and you don't know and you need someone who knows. Tunis- we have been attempting to recruit, but nobody is interested. B. Sabo- Many people say they would like to help. J. Whitcomb- one of the deterrents to that job is the full background check. B. Sabo- this was created to make money and do good for the city. Whatever happens, you at least need to break even. We don't want to keep kicking a dead horse. My mentor told me, "I don't pay you for effort, I pay you for results". Dan Smith- you don't pay me at all. Tunis- you are responsible for finding and appointing board members. B. Sabo. NO. I am here to work for the city and I've been very fair. The only reason I went after Robyn is because she told us to ask questions, but then wouldn't answer. I am here for the city, not for the PDA, but if it's not working for what it's designed for, what's the point. Give us answers and this will be much easier. A financial statement once a year is not going to do it. J. Whitcomb- I suggest we put a job description on the door for a board member? Or on the website? Ken W- I think it's reasonable for you to point to the board to present someone to fill the board spot. B. Sabo- I ate crow so you guys could move. Dan- I appreciate that and we will ensure that you get a report monthly. B. Sabo- Please stop misunderstanding that when we ask for something that we are trying to attack you. We are just asking for information. Ken W- if the council is prepared, it would be a good idea to reconfirm. Motion by M. Lee, second by J. Whitcomb Tie- 2 yes, 2 no, Ken W- up to the Mayor to break the tie. Tie broken by Mayor. Passed 3-2

## **New Business:**

- **Approval of Ordinance 1108 amending Chapter 5.04 Business License.**

Tom J- State mandated all cities come up with a new definition of what the definition of engaging in business is as well as develop thresholds. Mandating that cities cannot charge for a business license if the business does not reside within the city and grosses less than a minimum of \$2000 yearly. I've revised the wording of our business license ordinance to suit. Non-Profits are excluded and it is up to us to set the fees or opt for no fees. Motion by J. Acton, second by T. Norris. T. Norris- to Tom, example of the food cart, how much do they pay? Tom J- \$25. If the business says they make less than \$2000, we cannot question or ask for proof. Ken W- this is normally determined by looking at the business's sales tax. Tom J- we also have to be on one of two programs for tracking by the end of 2019. We are the first small city to revise and submit our new ordinance wording and fee changes. Passed 4-0

- **Radcomp contract extension through 12/31/18.**

Deanna A- Due to our ransomware attack, we need to amend the contract to add no more than \$2000 to the original contract to cover the costs of recovery. Motion by J. Acton, second by M. Lee. Passed 4-0

- **Excuse Councilor T. Randall-** B. Sabo- T. Randall is with the firefighters for a chimney training. Motion by T. Norris, second by J. Acton. Passed 4-0
- **Cascade Stop Sign-** B. Sabo- need a consensus. When the hotspots were open, we put in a stop sign. Now, there are just the business trucks passing by, but citizens are complaining that they are very loud when stopping there. Just suggesting that we recover the stop sign as we did before. Ken W- you can place a sign to not use air brakes, jake brakes, etc. B. Sabo- there is a sign there. When they stop there, it also lets in fumes to nearby homes. Tom J- you could always take the cover off. T. Norris- motion to cover the two stop signs on Cascade. Second by J. Whitcomb. Pass 4-0

**Closing Public Comment-** Mike Hamilton- tonight I heard PDA had 2 expired board members, the city trying to get info since January- 10 months later, finally got something that doesn't even seem adequate. I've also heard that the PDA board sends the CC Manager, who isn't even who council should be talking to. The board refers us to her, she refers to the board. The only one with skin in the game is Fern for putting her money at risk. Also heard it's up to the city to hire a manager or board members. Hate to see the government operating in business, but nobody is being responsible for the business. I would hope the mayor and council get a determination from the PDA for where the buck stops. Diane Hamilton- my observations. Tunis, you said most people wouldn't support cannabis, but over half the people present tonight would. When the council asks for accountability, they deserve accountability. I know at least three or four people in here who said this would not pencil out. I've asked if it would work before it was set up and most said no, because it's a government store. To Dan- volunteerism is alive and well. I'm pissed. People who planned and put 5 years of work into a natural grocery store and it didn't work, it didn't pencil out. My heart goes out to Fern for being the only one with skin in the game. We've not required that. WE started with 5 members and now down to two. Who would want to volunteer for a board for a company that's failing. In January, John Acton asked for figures, and there have been nothing but excuses since. Thank you to the council. When this started, there were many different feelings about supporting this. The PDA has not delivered what they promised. Julie Sabo- On behalf of the NBFD Auxiliary, I'd like to announce Turkey Bingo on the 15<sup>th</sup> of November. I'm very proud of them as well as the fire fighters and community members who work so hard to put this together. Jane Jackson- I have friends in the area who are Native Americans. Would like to consider them- they are long-time residents and they need representation in the government and workforces. Please consider how we might do that. Eric Kackley-landlord for Cannabis Corner. I have skin in the game and took on a lot of responsibility and hours and fight regarding this business. It's hard to swallow that I have to even be here to defend my name. I know what the council is asking for when they ask for a balance sheet. Everyone would like to see the business succeed, but I'm glad to almost be done with the hassle

of dealing with them to be over. I catch a lot of flak. I didn't set the rent or rates, John Spencer did. I donate a lot of money to this community and really cleaned up that building of things nobody in this room would touch. I'm just trying to run a small business. I said no to this building for you but was hassled until I said yes. I didn't set the terms. If this council is asking for a balance sheet, why don't you just give it to them. Tunis- I've been an attorney over 40 years, I know what a balance sheet is. B. Sabo- lets give Eric his time. Eric- There are more educated people than I in this room and they are probably crawling in their skin. I really think the only reason you are still open and not getting shut down is because nobody wants to see Fern lose. I've taken a lot of verbal abuse out of this even though I put work in here, too, and have a lot more to give. I think everyone will heal from this. Maybe not the PDA. But you need a better business plan and handle on things. I'm just really tired of being attacked over a deal I was begged for. Shelli Acton- easy way to handle this- dissolve the PDA. It's causing contention and the government has no business in business. B. Sabo- I have worked with Eric for months. He's a man of integrity who helps in the community and does what he says and we're glad to have him here.

**Closing Council Comments** – J. Acton- we have a problem with cats... if people are only allowed to have two dogs, why is it okay for people to have 17 cats? Literally. These people are also dumping their cat litter off of the city trail. I 100% agree that we should dissolve the PDA. Government doesn't have a place in business, even if you're running a lemonade stand. Nothing to do with my stance on cannabis. M. Lee- thanks for coming. To Dan- thank you for bringing what you've brought for us to look at. It was like getting blood from a turnip. Makes us fearful and aggressive when you don't come with answers because we are the overseers. J Whitcomb- I appreciate Tunis and the board coming tonight. WE have had several questions and some of them were answered tonight.

**Adjournment 9:30pm**