

Mayor Cowperthwaite called the regular meeting to order at 6:30 PM.; roll call was taken with Councilors Darrell Woods, Wendy Walter, Mark Privitt, and Charlene Phipps present. Pledge of Allegiance.

Motion to accept amended agenda-Councilor Phipps made a motion to accept the amended agenda, second by Councilor Walter, followed by a roll call vote with Councilors Woods, Walter, Privitt, and Phipps voting aye and none opposed. Motion carries.

#### **Executive Session - Idaho Code § 74-206(1)(f)(i)(j)**

Councilor Privitt motioned to go into executive session, second by Councilor Walter. Councilor Privitt motioned to go into executive session for Idaho Code 74-206(1)(f)(i)(j) to discuss litigation, risk management, and personnel matters, second by Councilor Walter with Councilors Woods, Walter, Privitt, and Phipps voting aye and none opposed. Motion carries. Entered into Executive Session at 6:31 PM.

Councilor Privitt motioned to come out of executive session, second by Councilor Walter, with Councilors Woods, Walter, Privitt, and Phipps voting aye and none opposed. Motion carries. Exited Executive Session at 7:06 PM.

#### **Citizen Award Presentation :**

Mayor Cowperthwaite presented a citizen appreciation award to Terry Moore for all of his hard work and dedication to the City of Spirit Lake.

#### **Department Reports:**

- a. Police – Lt. Reade presented the PD Report
- b. Public Works – The council reviewed the PW Report.
- c. Park & Recreation Department – Mitzi Michaud presented the P&R Report. Mitzi announced her June 27<sup>th</sup> retirement.

#### **Consent Calendar:**

- a. Minutes for January 14, 2025, Regular Council Meeting
- b. Minutes for January 14, 2025, Council Workshop
- c. Financial Statement for January 2025
- d. Account Payables

Councilor Phipps stated she had questions and concerns.

- One typo in minutes.
- PD Axon grant funds reimbursement – no update on when we will receive the funds.

- Questioned Target TVs and purchasing three TVs. Only one purchased.
- Innovate Invoice \$4157.00 - PD charged more than the other departments, it was explained that PD receives their own statement.
- Engineering fees for Spirit Shores lot exchange – Surveying for possible land swap for the PD. Like for like.

Councilor Privitt made a motion to accept the consent calendar, second by Councilor Walter, with Councilors Woods, Walter, Privitt, and Phipps voting aye and none opposed. Motion to accept carries.

#### **New Business:**

- a. Morgan Rezone – Findings and Conclusion Letter– Councilor Walter made a motion to reject the findings and conclusion letter from our council, table the item, schedule a public hearing to hear from the citizens, the applicant, and invite the Idaho Transportation Department district engineer to discuss their future planning for this area in consideration for the whole city. As we consider this again or continue to consider this. Second by Councilor Privitt. Discussion: Councilor Walter stated that one thing she found looking into this further, the access that is currently there is not permitted, so that is also something. She would like to see that when these come to council in the future, we need to set up some more criteria when we get a package, we get a package from the commission like we do and also a recommendation letter from the city staff with their recommendation, because they have to make sure all the I's are dotted and T's are crossed. In the future we would like to see that so we don't have to do this backtracking, and we do not have a lot of time between getting this stuff and getting to our meetings, maybe that would be more efficient. A roll call vote with Councilors Woods, Walter, Privitt, and Phipps voting aye and none opposed. Motion carries.
- b. FY 22/23 Audit – Toni Hackwith from Alpine Summitt CPAs presented the 2023 audited financials:
  - Answered Councilor Phipps questions about net pension liability, deferred inflows, and deferred outflows on page #4 – What it means if PERSI were to go defunct, that would be our portion of the net pension liability.
  - Page #1 Independent Auditor Report
  - Page #7 General Fund Statements – total assets and total liabilities. At the end on 09.30.2023 \$30,000 in fund balance. Recommendation is at least two months, which is \$246,000. Revenues have been less than expenditures. They review the council minutes in part of the audit and know what they have been seeing and read, as management has spoken of this. The expenditures need to be reviewed and needs to be reduced. Cannot continue to operate with expenses exceeding the revenue. The current year net loss the expenditures over revenues was \$140,000. Capital Outlay of \$336,000. Prior year had net income of \$116,000 and Capital Outlay of \$14,000.
  - Page #9 Shows Revenues and Expenses.
  - Water and Sewer Balance Sheet – End of 09.30.2023, water had a positive net position of \$5.7 million and sewer \$6.4 million. Net position available for spending, water is \$724,000 and sewer is \$480,000.

- Page #12 Profit and Loss or statement of Revenue and Expenses for Water and Sewer – Water Fund in the current year 09.30.2023 had net income of \$60,000 and prior year \$965,000, which \$500,000 from SLURA and \$490,000 in grants. Sewer Fund in the current year had a net income of \$22,000 and in 2021 had a net income of \$1.5 million, which was \$331,000 in grants and hook-up fees of \$1.2 million.
- Page #36 – Page #37 Since there are expenditures over revenue for the last couple of years, it had to be reported as a material weakness in the internal control and compliance report.

Mayor Cowperthwaite stated that he believes in this year (2023) there were multiple questions raised by members of council about mismanagement of funds. He further stated she (Toni) was looking very deeply into this and asked if she saw any evidence of that. Toni answered no. Councilor Walter stated that one of the recommendations of page #37 is policies and we are currently working on setting up a policy that shows separation of duties.

Councilor Woods made a motion to accept the 22/23 audit as presented, second by Councilor Privitt, followed by a roll call vote with Councilors Woods, Walter, Privitt, and Phipps voting aye. Motion carries.

- c. Reappointment of Becky DeMers to the Spirit Lake Historical Preservation Commission
- d. Reappointment of DB Thomas to the Spirit Lake Planning and Zoning Commission -
- e. Reappointment of Jill Shacklett to the Spirit Lake Planning and Zoning Commission -
- f. Reappointment of Terry Moore to the Spirit Lake Planning and Zoning Commission –

Councilor Phipps made a motion to accept Becky DeMers to the Spirit Lake Historical Preservation Commission, DB Thomas to the Spirit Lake Planning and Zoning Commission, Jill Shacklett to the Spirit Lake Planning and Zoning Commission, and Terry Moore to the Spirit Lake Planning and Zoning Commission, second by Councilor Walter, with Councilors Woods, Walter, Privitt, and Phipps voting aye and none opposed. Motion carries.

**Old Business:**

- a. Proposed Ordinance # 635 Ice and Snow Removal- **No Action**

Councilor Privitt motioned to adjourn, second by Councilor Walter. Adjourned at 7:44.

  
Jeremy Cowperthwaite, Mayor

Attest:

  
Michelle Wharton, City Clerk