

**CITY OF SHELLEY
COUNCIL MEETING
MINUTES**

January 14, 2026

PRESENT: **Mayor: Kim Westergard**
 Council Members: Don West (Absent), Sean Kress, Louise Street, Leif Watson
 Public Work Director: Justin Johnson
 Police Chief: Chad Purser
 City Building Inspector/Planner: Jordon Johnson
 Recreation Director: Mikel Anderson
 Attorney: B.J. Driscoll
 City Clerk/Treasurer: Lisa Ybarra (Absent)
 Deputy City Clerk/ Treasurer: Tori Pacheco

Pledge of Allegiance: Justin Johnson

Prayer: Bj Driscoll

The meeting was opened at 7:32 p.m.

Bj was not aware that Don would be absent. He checked to make sure there was a quorum. Sean found the state statute 50-705; per this statute, a quorum existed. The council meeting continued.

Jeff moved; Sean seconded to approve the consent calendar:

- a. Approval of Minutes – December 10, 2025
- b. Approval of November Expenditures
- c. Approval of November Overall Budget & Treasurer's Report
- d. Approval of Building Permits

FEN25138	Devan Dye	485 Zion St	Fence
FEN25139	Devan Dye	492 Zion St	Fence
FEN25140	Devan Dye	542 Zion St	Fence
FEN25141	Devan Dye	552 Zion St	Fence
FEN25142	Devan Dye	642 Zion St	Fence
FEN25143	Devan Dye	652 Zion St	Fence
REM25146	Chris Wood	590 Cardinal Dr	Remodel
FEN25145	Ashton Dotson	382 Kelton Way	Fence
SF25134	JJ Builders	660 Death Valley	Single Family
FEN25148	Dalon Parker	410 Kelton Cir	Fence
			Accessory
AB25149	Joshua Scott	238 E Fir St	Building
		396 Wind River	
FEN26001	Dalon Parker	Cir	Fence

A roll call vote was taken: Sean – aye, Jeff – aye, two in favor, one absent, approved unanimously.

Present Plaques to Jeff Kelly and former Mayor Stacy Pascoe, presented to Candy Pascoe

Mayor Westergard presented a plaque to Candy Pascoe in honor of Mayor Stacy Pascoe for his years of service as a council member and dedicated Mayor. She then presented a plaque to Jeff Kelly in honor of his years of dedication to the city of Shelley as a council member. The mayor also announced that she has created an Urban Economic Renewal Board and appointed Jeff Kelly as its director. This is a voluntary position.

Elected Council Members take Oath of Office

Louise Street took the oath of office, swearing to support the Constitution of the United States and the State of Idaho and that she will faithfully discharge the duties of Council Member and the City of Shelley to the best of her ability.

Leif Watson took the oath of office, swearing to support the Constitution of the United States and the State of Idaho and that he will faithfully discharge the duties of Council Member and the City of Shelley to the best of his ability.

Sean Kress took the oath of office, swearing to support the Constitution of the United States and the State of Idaho and that he will faithfully discharge the duties of Council Member and the City of Shelley to the best of his ability.

Mayor Westergard – Council Assignments and assign a Council member to Council President

Council assignments are as follows:

Don West – City Hall, City Attorney, and P&Z Leason

Sean Kress – Public Works, Building Inspector, and Engineer

Louise Street – Parks and Recreation, Mayor's Youth Council, Tree Committee, and Recreation District Leason

Leif Watson – Police Department, Senior Center Leason, and School Leason

Mayor Westergard – SICOG, Economic Development, and Urban Renewal

Council President is not an appointed position. It is up to the Council to nominate and vote in a Council President. Bj explained what the role of the Council President is in the absence of the Mayor. Louise stated that it needs to be someone who is available regularly. Leif is willing if no one else volunteers. Sean said that Leif is often around town.

Sean moved, and Louise seconded to elect Leif Watson as Council President. Three in favor, one absent. Approved Unanimously.

Intermountain Gas – Consider approval of Franchise agreement

This agenda item was moved up due to a Zoom meeting with an hour time limit. Terri and Brandon (attending by Zoom) with Intermountain Gas presented changes to the Intermountain Gas franchise agreement. Intermountain Gas collects three percent from customers within the city limits and then pays that amount to the City. This allows Intermountain Gas to be in the streets, run lines, and provide services to City of Shelley residents. The mayor stated that this agreement is the same as the one the City has with other franchises in the City. Louise is familiar with franchise agreements. The ordinance is set to expire on February 13, 2026. The main changes are as follows: Section three, regarding street restoration and maintenance. In the original ordinance, Intermountain Gas is required to maintain for only one year. The new proposal extends that to three years. Section four: Term length and renewal. The council needs to determine the renewal term. The proposed term includes an evergreen clause that would automatically renew for 10 years at the end of each ordinance if no changes are needed and both parties agree. Leif clarified that if there is a change, such as a percent change, the evergreen would then continue from that change date into the ten-year period. Carrie confirmed that it is correct, but cautioned that the evergreen would not occur because of a rate change. It is a state-required number. It would likely not go down. Bj said that if there are changes to the terms, it would depend on what the changes are; the council could cancel the agreement. Implied in the cancellation would be negotiations. The evergreen is an automatic renewal. Sean asked whether the 3% is net or gross. It is gross, paid out annually. Terri said the payment schedule is one of the proposed changes. They would like to start payments quarterly. This is in section six. The current ordinance is a forty-year term. The council needs to determine the term length for this new ordinance. Bj inquired if Terri and Brandon were authorized to negotiate with the City on this. They confirmed they are. Section five regards permit fees and emergency work. Emergency repairs do not require permits. The new agreement states that the City may inspect records to verify franchise payments, that the grantee must provide maps, and that the City must maintain the confidentiality of proprietary information, including by executing a data-sharing agreement. This protects Intermountain Gas. Section Six, franchise fee payment and reporting. The prior agreement was three percent due by March 31st yearly. The new ordinance maintains the three percent, with payments due quarterly. Quarterly reports are due thirty days after the quarter ends. Section Eight, insurance requirements. The current agreement requires \$50,000 property damage, \$50,000 per person bodily injury, and \$500,000 for occurrence. The proposed draft would include \$500,000 for property damage, \$500,000 per person for bodily injury, and \$1,000,000 per occurrence. Limits automatically increase under Idaho law if City liability increases. The old ordinance does not have an automatic increase. Intermountain Gas will pay for the publication. Terri requested that the post register send her the proof to submit the payment. Finally, the council needs to determine the term. The last

agreement was forty years. Sean said the most common seems to be a 20-year term with a 10-year term and a 10-year automatic evergreen clause. Bj clarified that the renewal would be indefinite. Sean thought it was only a ten-year renewal with the evergreen. Louise said there isn't much difference between the automatic renewal and the manual renewal. Terri stated that there aren't many changes from the 1986 agreement. Leif confirmed Intermountain Gas is required to provide the insurance. Terri confirmed it would. The mayor asked if there was a new ordinance number or if it would be pending. Tori confirmed it would be pending. Sean's concern is the insurance increase. Louise stated that the contract includes an increase if the City requires it. Leif moved, and Louise seconded, to approve the franchise agreement with a 20-year term and a 10-year evergreen clause. Three in favor, one absent. Approved unanimously. Leif moved, and Sean seconded to make the pending ordinance effective February 14, 2026.

Three in favor, one absent. Approved unanimously

Louise moved, and Leif seconded the adoption of Ordinance number pending. An ordinance of the City of Shelley, Idaho, granting Intermountain Gas Company a twenty-year extension to its franchise to construct, maintain, and operate a gas transmission and distribution system provided for the use of streets and alleys and rules governing the same, subjecting to granting to all powers of the city, setting forth the rules of the franchise and grant providing for the right of inspection by the city of Granite's plans, accounts, and books. We pray and grant each certain maps, setting forth time, quarterly payment to the city, and the filing of annual reports with the city. Requiring the grantee to identify the city and file evidence of insurance, requiring compliance with safety regulations, and setting forth an agreement not to compete. Reserving power of eminent domain, providing for surrender or franchise, granting right to salvage, requiring written acceptance, providing for consent to sale, assignment, or lease, providing for payment of publication costs, setting forth penalties, and for pictures' separability and repeal. Three in favor, one absent. Approved unanimously.

Pauline Looslie – Consider approval of temporarily removing the sanitation can and the sanitation monthly charge

Mrs. Looslie asked to be removed from the agenda after it was posted.

Dalton Dopp - Consider approval of P&Z Commission recommendation for special use permit at 154 E Center St, Shelley, ID, including parcel number RP2017500

Tori let the council know that this is a recommendation for approval from the planning and zoning committee, pending health and safety approval from Fire Chief Randy Adams. Jordon said it is the old Community Pioneer building. He is requesting to live in the building while working with the Fire Chief and Jordon on inspections until the project is complete. The end goal is to have 8 rooms in an extended-stay motel. Currently, he is working on fire suppression, two rooms at a time. One room is ready. Kim asked for thoughts and questions. Sean sees no issue. Sean moved, and Leif seconded the motion to accept the Planning and Zoning recommendation to approve living in the extended-stay motel while renovations are completed. Three in favor, one absent. Approved unanimously.

This agenda item did not need to go to council per city code 10-10-1. Planning and zoning can either approve, approve with conditions, or deny special use permits. It was sent back to Planning and Zoning for a final decision.

Wholesale Unlimited Inc – Consider approval of P&Z Commission recommendation for special use permit for Wholesale Unlimited Inc at 465 N State St – to expand the existing manufactured home community to parcel numbers RP2113424, RP2113408, RP2113407, and RP2113413

Tori updated the council on the proposed expansion of the earlier approved manufactured home community. Wholesale is proposing to install a bridge over the canal into Fox Crossing, eliminating access to East Oak St if Fox Crossing agrees. Jordon added that access to the mobile home park from Fox Crossing would be private. Fox Crossing traffic would not have access to the manufactured home community. Bj asked how they would intend to control traffic. Leif asked for minutes. They were not provided, but Tori offered to print them. Chief Purser asked if plans had been submitted and if speed bumps would be included to deter traffic. Jordon confirmed that the expansion plans have not been submitted. Bj mentioned that the council can hold another public hearing or send it back to planning and zoning to hold another hearing. Sean moved, and Leif seconded the motion to send the recommendation back to planning and zoning for clarification on access and traffic control. Three against one absent motion fails.

Leif moved, and Louise seconded to table agenda item six until the next scheduled council meeting. Three in favor, one absent. Approved unanimously.

This agenda item did not need to go to council per city code 10-10-1. Planning and zoning can either approve, approve with conditions, or deny special use permits. It was sent back to Planning and Zoning for a final decision.

Justin / Jordon Johnson -Consider approval of Copper Meadows II Division #1 – Maintenance agreement

Jordon said Copper Meadows II Division #1 is ready to break ground again. They have been working with the county, and the preliminary and final plats have been approved. The county is waiting for the City to reach an agreement before proceeding with its further review and allowing construction. The agreement covers street sweeping/cleaning, snow removal, storm drain pond maintenance, sprinklers, etc. Kim asked if this was the same agreement as the first development. There was no agreement with the first division. Jordon sent the rough draft to the county and has not yet heard back. Leif asked if the thirty-day invoice period is long enough. Tori said that is typically what has been done in the past. Sean moved, and Louise seconded to approve the MOU agreement for Copper Meadows II Division #1. Three in favor, one absent. Approved unanimously.

Jordon Johnson- Consider approval of Public Works employee acquiring certification in residential building inspection – approximately \$2000 in training costs

Jordon – with his workload, he thinks it is time to get another employee certified to inspect residential buildings. Jordon presented a list to show the number of building permits issued in 2024 and 2025. Currently, manufactured home inspections are done through the state. Jordon would like to bring that in-house and start doing those inspections within the City. The city would collect the fees on these inspections. Bj asked whether an agreement had been signed requiring the public works employee to stay for a certain number of years. Sean doesn't think one is necessary. Justin said that they use the agreement on CDL training, which costs about \$6,000. This training would cost about \$2,000, and Justin feels this employee will be very reliable, so the contract wouldn't be necessary. Leif moved, and Sean seconded the approval of the public works employee certification for residential building inspection. Three in favor, one absent. Approved unanimously.

Justin mentioned that, with the increase in development, he will likely be requesting another public works employee in the next budget year.

Forsgren Associates - Consider approval of final pay application #6 for West Fir St

Austin Watts – Forsgren Associates clarified that this is the final payment application for 2025, not for the project completion. They will tentatively return on April 1, 2026, to continue the West Fir St project. Mr. Watts reviewed the quantities with HK and determined they appear to be accurate per their reports and his calculations. This time, it is a larger payout because no payment has been received since October. There was a lot of work in that two-month timeframe. This is accurate to his knowledge. Kim asked Justin if he had reviewed the application. Justin does not review these. There have been no questions about the last five payouts. Mr. Watts broke down the application. The first page is a summary, the next is for pavement, and page three is the portable water LSLR and water meter project. The following pages are quantities submitted. Bj asked for clarification on the total amount being requested. Mr. Watts stated that the total is one million sixteen thousand one hundred forty-seven and forty-six cents, which is broken down into two payments. Sean moved, and Louise seconded the approval of the final pay application #6 of 2025 to Forsgren for the West Fir St project.

Three in favor, one absent, approved unanimously.

Sean moved, and Louise seconded to correct his motion from Forsgren Associates to H-K Contractors for the final pay application #6 for the 2025 West Fir St Project. Three in favor, one absent, approved unanimously.

Ted Hendricks – Discuss Contracts for Full House Productions and Architectural Firm

Ted clarified that the pay request Austin submitted for the street has already been received from ITD, while the second amount requires a pay request to DEQ. Last month, contracts from Forsgren Associates, Full House Productions, and an architectural firm were presented for an innovative technology project that has been in the works for a couple of years with Ted. These contracts will help the city gather more information to potentially develop one or both facilities

in the future — either a business development center or a business park. One Forsgren Associates contract, costing \$15,000, includes assistance with land subdivision, schematic designs, cost estimates, and drawings, offering a glimpse of what a community business park could look like. Another contract with CSHQA, an experienced architectural firm Ted has previously worked with, also at \$15,000, will supply everything needed to present to funding agencies. Additionally, there is a focus on downtown revitalization, with efforts to secure \$650,000 for either business innovation or downtown revitalization, addressing needs such as ADA compliance and lighting improvements, possibly including City Hall. During the December meeting, the council approved the contracts with Full House Productions and Forsgren Associates, pending review by the Council and Bj. Ted's contract with Full House Productions has been finalized, and Bj is satisfied with the changes. However, the architect's contract has yet to be reviewed. Bj understood it was included in the Full House Productions agreement. Ted clarified that the architect's services are separate from his contract, which includes hiring a consultant funded by the \$45,000 allocation, and that these services are included within the overall \$75,000 for all contracts. He mentioned that if federal funding is secured, the city would need to hire an architect separately, an essential step for project eligibility. The mayor expressed Don's (absent) concern that funds might be lost if architectural plans are not pursued. Ted explained that submitting applications to federal agencies is merely a preliminary step, allowing the council to decide future actions. The \$75,000 budget is intended to gather information on a business park, downtown revitalization, and a business center. Ted mentioned the plans could be similar to Rexburg's multi-million-dollar investment to boost local business and jobs. Many other cities have similar projects, and Ted's presentation aims to update on contract status. Bj confirmed that contracts with Full House Productions and Forsgren Associates are ready for signing, but the architect's contract remains pending. The architect's plan appears to involve adapting an existing Rexburg structure for Shelley, with the value and scope of work to be reviewed for consistency. Ted agreed and said they will coordinate with the architect to ensure the project aligns with Shelley's needs and budget. He asked if ratification was necessary with the new council, but Bj clarified it is not. Once received, Ted and the mayor will review the architect's contract with Bj. Finally, Ted reported that approval has been obtained for the booster pump's funding through rural development.

New Council Business –

a. Consider approval of the hire of a new Police Department Officer – Dakota Bird

(ACTION ITEM)

Chief Purser asked the council to consider hiring Dakota Bird to fill the open position in the police department. The starting wage would be entry-level, with a level-one bump upon completion of post-certification training. Sean moved, and Leif seconded the approval of the hire of Officer Dakota Bird at entry-level pay, with a level one bump pending completion of post-certification. Three in favor, one absent, approved unanimously.

b. Consider approval of General Business Licenses (ACTION ITEM)

1st Choice Urgent Care/Physician and Surgeons of Shelley	275 W Locust St	Medical
Amonara Creations	148 S State St	Tattoo Studio
Cox Honey Farms	450 N State St	Retail
Idaho 6-Clark RSA Limited Partnership; DBA Verizon Wireless	SW 1/4 of SW 1/4 of Sec 34	Cellular Telephone Communications Carrier - Cell Tower
Idaho 6-Clark RSA Limited Partnership; DBA Verizon Wireless	513 N State St	Cellular Telephone Communications Carrier - Cell Tower
John Yearsley Hair Salon	169 W Pine St	Hair Salon
S&S Storage	401 Bluebird Ave	Mini Storage
T&R Freeze Dried Treats	145 Meadowlark Dr	Freeze Dried Candy and Fuit
NTHKT Inc. DBA Subway	532 N State St	Restaurant
Midnight Vape Pros	202 S State St	Nicotine Vape Sales
Snake River Prospectors	252 S Holmes Ave	Gold Prospecting Equip, Silver, Jewelry
Busy Bobby Cleaning Services	225 N Byron Ave	Upkeeping, Detailing Residential & Commercial Buildings
Basic American Foods	434 S Emerson Ave	Vegetable Dehydration

Sean moved, and Louise seconded the approval of general business licenses as listed. Three in favor, one absent, approved unanimously.

c. Consider approval of Second-Hand Store Licenses (ACTION ITEM)

Hidden Treasures	238 S Emerson Ave	Retail
Hidden Treasures Hot Tub Store	201 W Pine St	Retail
Hidden Treasures Second Store	483 N State St	Retail
Siems Enterprises LLC	178 S Emerson Ave	New Trailer Parts and Used Surplus Goods

Sean moved, and Louise seconded the approval of Second-Hand Store Licenses as listed. Three in favor, one absent, approved unanimously.

d. Consider approval of Liquor License (ACTION ITEM)

Rockin Russet	225 Anderson Rd #C	Sports Bar
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Leif moved, and Sean seconded the approval of the liquor licenses listed. Three in favor, one absent; approved unanimously.

e. Ratify approval of Beer Business License (ACTION ITEM)

Louise moved, and Leif seconded to ratify the approval of beer licenses for Broulims Superstore, El Chuy Market, Family Dollar #26982, Good 2 Go Stores LLC, and Hard Times #2. Three in favor, one absent, approved unanimously.

f. Ratify approval of Wine Licenses (ACTION ITEM)

Leif moved, and Louise seconded to ratify the approval of wine licenses for Broulims Supermarket, Family Dollar #26982, Food Plaza, and Good 2 Go Stores LLC. Three in favor, one absent, approved unanimously.

g. Ratify approval of Liquor License (ACTION ITEM)

Sean moved, and Leif seconded to ratify the approval of liquor licenses for WZM LLC dba Idaho Mercantile Distillers. Three in favor, one absent, approved unanimously.

Department Head Reports

Bj – nothing to report.

Tori - Is excited for Lisa to come back from vacation.

Mikel – Basketball just started first game was last Saturday. There will be six games total. There are a lot of good coaches and refs. Almost 500 kids are signed up. MYAC is working to get funding to replace old playground equipment. They have a meeting with Rocky Mountain Power and Kiwanis. They will be touring the Idaho Falls power plant next Thursday.

Jordon – Congrats to the council on their appointments. Next week, he will be in Boise for a conference.

Justin – Hawk light parts were ordered back around December 1st. He was told it would take three to thirteen weeks for delivery. He made a call but has not heard back. The LSLR project is looking to start in April. Public Works has been working to get everything ready for that project. Christmas lights are cleaned up. He then congratulated the new council on their appointment.

Chief – Congrats to the new Council. Unfortunately, he has to report that one of the officers hit a deer while on duty. The officer was assisting the County on a call and hit a deer on the way back to town. The officer is okay. The claim has been submitted to the insurance company. Detective Hayman had the idea of bringing ICAC into the community to give presentations on internet crimes against children. They started working on the project and are working with a senior for their senior project. On January 16th, there is a meeting with the school board. Every day next week, there will be assemblies in the schools to educate the kids on internet safety. The Chief stated that there is sex trafficking and sextortion in the community. On January 20, 2026, there will be a community night. There will be a presentation on internet safety for parents. Louise commented that Officer Payne has given presentations at Heart to Hand, and they were fantastic. Chief encouraged everyone to come attend.

Council Reports

Sean – Congrats to Louise and Leif on their appointments. He looks forward to working with everyone. He had the chance to see public works at work on a normal day, and it was great to see everyone in their day-to-day jobs.

Louise – Excited for a new adventure and to work with everyone and Mikel.

Leif – Excited to be back and to work with the Police Department and everyone in the City. A lot has changed in four years. He received some education during his time on the County Planning and Zoning Committee.

Mayor – Over the last few weeks, she had the opportunity to meet with the department heads. She had each one set goals and is excited to help them work on those goals. This past weekend, she attended the Just Serve conference at Melaleuca. Idaho is reaching 250 years, and she signed the pledge for the City to be involved in service projects. She let the public know that big things are coming and will be announced soon. The mayor then read a letter about the Christmas display. The letter said that it is rare for a small city to have such beautiful light displays and thanked the public works crew for their hard work. She then thanked the department heads for their hard work and is excited for a great year.

Adjourned: 9:33 p.m.

APPROVE: Louise ATTEST: Leif