

MINUTES OF A REGULAR MEETING OF THE CITY
COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO,
HELD AT THE LIBRARY COMMUNITY ROOM

August 1, 2023

The Mayor and Council of the City of Coeur d'Alene met in a regular session of said Council at the Coeur d'Alene City Library Community Room on August 1, 2023, at 6:00 p.m., there being present the following members:

James Hammond, Mayor

Dan Gookin) Members of Council Present
Dan English)
Woody McEvers)
Amy Evans)
Christie Wood)
Kiki Miller)

CALL TO ORDER: Mayor Hammond called the meeting to order.

PLEDGE OF ALLEGIANCE: Councilmember McEvers led the pledge of allegiance.

PRESENTATIONS:

UPDATE FROM PANHANDLE AREA COUNCIL: Wally Jacobson, Executive Director, presented an update on the Panhandle Area Council (PAC). He noted they were a 501(c) non-profit corporation and a designated Economic Development District for North Idaho. He said the PAC's mission was regional economic development which included business, community, and economic development planning as well as business loans, grants, financing, and an e-Hub. He said they had completed work on the Comprehensive Economic Development Strategy (CEDs). He noted new for FY22/23 the Statewide Revolving Loan Fund would allocate \$6.67 million for Region 1 (five northern counties) and Region 3 (ten southwest counties) this year. He gave an overview of PAC's operations revenues and expenses for the period of 2019-2022.

DISCUSSION: Councilmember McEvers asked how long start-ups lasted at the incubator, with Mr. Jacobson responding approximately 6-8 years. Councilmember Wood thanked Mr. Jacobson for the presentation and said she appreciated what they brought to the community. Mayor Hammond said he appreciated PAC's work and the economic stability and small business support they provided.

UPDATE FROM CDA AREA ECONOMIC DEVELOPMENT CORPORATION (CDA EDC/Jobs Plus): Gynii Gilliam, Executive Director, gave an overview of CDA EDC's vision, mission, and guiding principles. She noted their objectives were to foster industry diversification, strengthen existing industries, advance growth sectors, advance the workforce, and engage in the

current community challenges. She said they were currently focusing on housing affordability and availability as well as a talent shortage. She noted the average wage had increased by over 50% since 2015, and that the median household income had increased by 39% which was partly due to their objective to bring higher wage jobs to the region. She noted the gross regional product (GRP) growth had kept pace with the gross state product. She said from 2015-2022 they had helped 67 companies add capital investment to the region which included 3,500 direct jobs. She said economic development was a long-term, ongoing activity, what they did now affected what happened in 3-10 years, and it had taken them 35+ years to grow the industry sections and diversify the economy. She noted that economic development helped with job and business retention, increased tax revenues, and improved the quality of life.

DISCUSSION: Councilmember McEvers asked what the relationship was between CDA-EDC and PAC, with Ms. Gilliam responding they worked in conjunction as PAC had funds available for businesses. Councilmember Miller said she appreciated their work on the Regional Housing and Growth Issues Partnership survey and asked if they were working with any other groups at this time, with Ms. Gilliam answering the Board was continuing to support work on housing issues and were currently updating the Housing Availability and Affordability Study for Kootenai County. Councilmember Gookin said he appreciated her presentation and asked if there was any recent data available for the past year, with Ms. Gilliam responding they had brought in four (4) companies last year. Councilmember Gookin asked if the focus was on companies who were already in the area, with Ms. Gilliam responding the focus was on housing issues for the existing companies' workforce. She said the jobs were here and continued growth was necessary for the area to continue to prosper. Councilmember Gookin mentioned he looked at return on investment (ROI) when determining benefit and felt CDA EDC's ROI showed the value of their work. Mr. Tymesen mentioned the City's investment in Jobs Plus was \$25,000 each year. Councilmember Wood thanked Ms. Gilliam for work well done and the positive impacts for the community.

ANNOUNCEMENTS: Councilmember Gookin reminded everyone that KMPO was holding their Open House on the proposed Transportation Management Center on Thursday, August 3, at 5:30 p.m. in the Library Community Room. Councilmember English thanked CDA-TV for the new dais monitors and said they were a great improvement. Councilmember Miller said she had a great experience participating as a juror for the ArtCurrents program, would be representing the City at the upcoming Aerospace Conference, and mentioned her son would be performing in the "Escape to Margaritaville" musical in Spokane Valley Summer Theater.

CONSENT CALENDAR:

1. Approval of Council Minutes for the July 18, 2023, Council Meeting.
2. Approval of the General Services/Public Works Committee meeting held July 24, 2023
3. Setting of General Services/Public Works meeting for August 7, 2023.
4. Setting of a public hearing for August 15, 2023, to hear public comment regarding the Community Development Block Grant (CDBG) 5-Year Consolidated Plan.
5. Approval of Bills as Submitted.
6. **Resolution No. 23-058:**

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, FOR THE FOLLOWING: COEUR D'ALENE PLACE 36TH ADDITION FINAL PLAT APPROVAL, ACCEPTANCE OF INFRASTRUCTURE

IMPROVEMENTS, APPROVAL OF MAINTENANCE/WARRANTY AGREEMENT, APPROVAL OF LANDSCAPE WORK AGREEMENT, AND ACCEPTANCE OF SECURITY [S-1-18]; COEUR D'ALENE PLACE 37TH ADDITION FINAL PLAT APPROVAL, ACCEPTANCE OF INFRASTRUCTURE IMPROVEMENTS, APPROVAL OF MAINTENANCE/ WARRANTY AGREEMENT, APPROVAL OF LANDSCAPE WORK AGREEMENT, AND ACCEPTANCE OF SECURITY [S-1-20]; CONSENT TO THE TRANSFER OF THE FIVE-YEAR RENEWSABLE LEASE FOR THE SEASONAL ICE-SKATING RINK AT MCEUEN PARK FROM JMURRAY ENTERPRISES LLC TO VMC NORTHWEST LLC, D/B/A COEUR D'ALENE ON ICE; AMENDMENT TO THE CITY'S CLASSIFICATION AND COMPENSATION PLAN, CHANGING THE LEVELING OF THE WASTEWATER OPERATOR I FROM PAYGRADE 8 TO PAYGRADE 9, THE COLLECTIONS OPERATOR I FROM PAYGRADE 8 TO PAYGRADE 9, AND THE PAYROLL COORDINATOR FROM PAYGRADE 11 TO PAYGRADE 12 WITH A CHANGE IN TITLE TO PAYROLL SPECIALIST; AND ACCEPTANCE OF THE BID OF, AND AWARD OF A CONTRACT TO, ASPEN HOMES FOR THE RECONSTRUCTION OF THE JEWETT HOUSE GARAGE IN AN AMOUNT NOT TO EXCEED \$172,400.00.

DISCUSSION: Councilmember Gookin noted in the Final Plat agreements there was language which stated the city would be reimbursed for substantial staff time to prepare the agreement and asked if the \$25.00 fee could be increased as it seemed too low, with Mr. Adams responding it was in the City's Fee Schedule which could be adjusted.

MOTION: Motion by McEvers, seconded by Evans, to approve the Consent Calendar as presented, including **Resolution No. 23-058**.

ROLL CALL: Gookin Aye; English Aye; Wood Aye; Evans Aye; Miller Aye; McEvers Aye.
Motion carried.

PUBLIC COMMENTS:

Russell McLain, Hayden, made comments in regard to a recent CDA Press article relating to Ms. Eisen, a 3rd grade teacher who had helped his daughter with finding reading material which worked for her needs, and noted recognition was also needed for the Coeur d'Alene Library's Librarian who had helped his daughter find reading materials as well and contributed greatly to her success.

Mike Kennedy, Coeur d'Alene, said he was the volunteer Board Chair of CDA EDC and they had a diverse group of board members. He said he agreed that the Board needed to more engaged to keep municipalities and the community informed of the organization's work. He thanked the Mayor and Council for their continued work and support.

RESOLUTION NO. 23-059

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, AUTHORIZING THE EXPENDITURE OF FUNDS FROM THE GENERAL FUND FOR THE LIBRARY LIGHTING AND CITYWIDE ACCESS CONTROL UPGRADES IN AN AMOUNT NOT TO EXCEED \$34,189.00.

STAFF REPORT: Adam Korytko, Building Maintenance Superintendent, requested Council approve financing of the Library LED lighting and citywide access control upgrades in the amount of \$34,189.00. He explained the Library currently used a large variety of antiquated lighting technology throughout the building which was not considered energy efficient, and was costly to maintain and replace. He said the local utility, Avista, was offering rebates for the purchase and installation of common high-efficiency lighting equipment. He mentioned installation of LED fixtures and lamps would lower operational and maintenance costs, and improve aesthetics for patrons and staff. He said the current access control system, which operated all lock/unlock schedules and card access across all major City buildings and campuses, was supported by an on-premise server located at City Hall. He noted the server was no longer supported by the City's service provider as the company had switched their services to a cloud-based subscription and rendered the old server obsolete. He mentioned that in the event of server failure, the City's access control system would remain operational, but the ability to modify users and schedules would be lost. He said the cost of the library lighting upgrade was \$44,500, of which Avista offered a rebate of \$23,811, which brought the total cost to \$20,689. The Citywide access control upgrade had an installation cost of \$13,500 with an annual subscription fee of \$6,300 to operate and maintain the system. He said the access control company offered a buyback program for the obsolete hardware which incentivized existing customers to remain with the company by offering an equipment replacement at an approximate 80% discount. He noted the projects were not included in the current budget and requested Council approve the use of the General Fund to pay for both projects. He said the LED lighting retrofit at the Library would lower the building's energy demand by roughly 80,000 kWh, equating to an annual energy savings of about \$6,000, and the access control upgrade was necessary to maintain functionality of the City's security system.

DISCUSSION: Councilmember English asked if new door access cards would be necessary, with Mr. Korytko responding the current cards would still work after the upgrade. Councilmember Gookin mentioned he had just read that incandescent light bulbs were now banned and would no longer be available.

MOTION: Motion by Gookin, seconded by English, to approve **Resolution No. 23-059** - Approving the Financing for the Library Lighting and Citywide Access Control Upgrades, in the Amount of \$34,189.00.

ROLL CALL: English Aye; Wood Aye; Evans Aye; Miller Aye; McEvers Aye; Gookin Aye.
Motion carried.

RESOLUTION NO. 23-060

A RESOLUTION OF THE CITY OF COEUR D’ALENE, KOOTENAI COUNTY, IDAHO, ESTABLISHING A NOTICE OF TIME AND PLACE OF PUBLIC HEARING OF THE PROPOSED BUDGET FOR FISCAL YEAR 2022-2023, AND INCLUDING PROPOSED EXPENDITURES BY FUND AND/OR DEPARTMENT, A STATEMENT OF THE ESTIMATED REVENUE FROM PROPERTY TAXES AND THE TOTAL AMOUNT FROM SOURCES OTHER THAN PROPERTY TAXES OF THE CITY FOR THE ENSUING FISCAL YEAR, AND A LISTING OF EXPENDITURES AND REVENUES DURING EACH OF THE TWO (2) PREVIOUS FISCAL YEARS, AND PROVIDING FOR PUBLICATION OF THE SAME.

WHEREAS, it is necessary, pursuant to Idaho Code 50-1002, for the City Council of the City of Coeur d'Alene, prior to passing the Annual Appropriation Ordinance, to list expenditures and revenues during each of the two (2) previous fiscal years, prepare a Budget, tentatively approve the same, and enter such Budget at length in the journal of the proceedings and hold a public hearing; NOW, THEREFORE,

BE IT RESOLVED, by the Mayor and City Council of the City of Coeur d’Alene that the following be and the same is hereby adopted as an Estimate of Expenditures and Anticipated Revenue of the City of Coeur d'Alene for the fiscal year beginning October 1, 2023:

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
	ACTUAL	ACTUAL	BUDGET	PROPOSED
GENERAL FUND EXPENDITURES:				
Mayor and Council	\$249,875	\$254,747	\$259,163	\$276,433
Administration	215,458	222,015	320,486	243,758
Finance Department	1,242,197	1,275,275	1,398,397	1,561,709
Municipal Services	1,942,987	1,984,202	3,000,885	2,594,685
Human Resources	411,248	409,242	452,421	499,205
Legal Department	1,258,520	1,278,792	1,361,438	1,380,913
Planning Department	730,489	712,035	759,266	809,813
Building Maintenance	483,773	742,836	694,637	701,812
Police Department	15,810,518	16,902,585	22,027,527	21,839,291
Drug Task Force	1,868	125,308		
Police Department Grants	67,522	131,317	84,594	91,364
Fire Department	11,022,716	11,841,869	13,325,161	13,587,337
General Government	1,318,366	589,956	626,300	2,019,067
Streets/Garage	4,404,075	4,657,527	7,858,838	7,241,065
Parks Department	2,227,875	2,378,931	3,041,376	3,012,992
Recreation Department	644,878	710,867	815,215	829,325
Building Inspection	939,758	1,004,208	1,123,236	1,146,742
TOTAL GENERAL FUND EXPENDITURES:	\$42,972,123	\$45,221,712	\$57,148,940	\$57,835,511

	FY 2020-21 ACTUAL	FY 2021-22 ACTUAL	FY 2022-23 BUDGET	FY 2023-24 PROPOSED
SPECIAL REVENUE FUND EXPENDITURES:				
Library Fund	\$1,660,835	\$1,757,993	\$1,948,445	\$2,058,968
Community Development Block Grant	511,564	453,408	780,243	389,963
Impact Fee Fund	151,851	357,589	554,446	63,000
Parks Capital Improvements	669,336	431,361	463,614	710,060
Annexation Fee Fund	184,000	175,000	355,000	520,000
Cemetery Fund	325,591	443,429	363,711	365,309
Cemetery Perpetual Care Fund	165,035	164,631	86,000	4,500
Jewett House	16,004	17,807	139,700	28,615
Reforestation/Street Trees/Community Canopy	66,182	66,443	120,000	120,000
Public Art Funds	126,322	291,473	468,500	239,500
TOTAL SPECIAL FUNDS:	\$3,876,720	\$4,159,134	\$5,279,659	\$4,499,915
ENTERPRISE FUND EXPENDITURES:				
Street Lighting Fund	\$700,997	\$732,419	\$760,130	\$760,200
Water Fund	12,830,278	11,444,599	14,326,675	14,471,783
Wastewater Fund	18,335,519	18,241,300	23,738,871	27,832,627
Water Cap Fee Fund	2,953,446	1,764,709	3,850,000	3,000,000
WWTP Cap Fees Fund	1,890,784	2,925,259	2,777,660	3,499,100
Sanitation Fund	4,493,292	4,664,326	5,520,365	5,315,582
City Parking Fund	1,545,666	1,621,063	1,864,965	1,778,929
Drainage	1,039,657	1,517,034	2,504,858	2,594,890
TOTAL ENTERPRISE EXPENDITURES:	\$43,789,639	\$42,910,709	\$55,343,524	\$59,253,111
FIDUCIARY FUNDS:	\$3,156,336	\$3,208,444	\$3,492,454	\$3,447,200
STREET CAPITAL PROJECTS FUNDS:	330,476	1,406,293	1,707,964	4,598,573
DEBT SERVICE FUNDS:	876,281	878,407	880,083	876,307
GRAND TOTAL OF ALL EXPENDITURES:	\$95,001,575	\$97,784,699	\$123,852,624	\$130,510,617

	FY 2020-21 ACTUAL	FY 2021-22 ACTUAL	FY 2022-23 BUDGET	FY 2023-24 PROPOSED
ESTIMATED REVENUES:				
Property Taxes:				
General Levy	\$16,102,305	\$21,751,348	\$23,404,549	\$24,360,135
Library Levy	1,638,497	1,621,094	1,777,266	1,819,434
Fireman's Retirement Fund Levy	250,000	250,000	250,000	250,000
Policemen's Retirement Fund Levy			152,000	146,000
2015 G.O. Bond Levy	884,817	877,752	880,083	876,307
TOTAL REVENUE FROM PROPERTY TAXES:	\$18,875,619	\$24,500,194	\$26,463,898	\$27,451,876

	FY 2020-21 ACTUAL	FY 2021-22 ACTUAL	FY 2022-23 BUDGET	FY 2023-24 PROPOSED
ESTIMATED OTHER REVENUES:				
Interfund Transfers	\$3,466,447	\$4,631,317	\$11,281,352	\$12,350,466
Beginning Balance	64,051,510	75,151,601	31,792,746	25,546,035
Other Revenue:				
General Fund	25,050,892	23,425,333	28,277,019	25,292,793
Library Fund	25,207	22,853	14,050	64,533
Community Development Block Grant	511,564	453,408	780,243	389,963
Parks Capital Improvement Fund	411,860	1,152,638	167,750	587,000
Cemetery	289,035	306,689	239,150	264,435
Annexation Fee Fund	88,988	569,545		
Impact Fee Fund	1,224,292	821,048	650,000	675,000
Cemetery Perpetual Care Fund	1,970	(71,867)	7,000	7,000
Jewett House	122,149	49,742	20,200	28,000
Reforestation	2,488	1,601		
Street Trees	56,732	50,494	57,200	52,000
Community Canopy	149	11	1,500	1,500
Public Art Funds	125,543	127,115	16,000	18,500
Street Lighting Fund	634,210	672,008	684,000	725,000
Water Fund	7,782,718	7,173,182	7,386,024	7,607,038
Wastewater Fund	13,357,740	15,446,961	13,248,000	15,957,210
Water Capitalization Fees	1,380,324	1,169,800	1,225,000	1,180,200
WWTP Capitalization Fees	2,931,071	2,107,045	2,000,000	1,999,100
Sanitation Fund	4,532,620	4,586,673	4,603,000	4,690,000
City Parking Fund	1,001,779	981,703	971,000	1,000,000
Drainage	1,079,824	1,091,914	1,763,200	1,990,890
Fiduciary Funds	3,067,347	3,113,010	3,238,900	3,247,200
Capital Projects Fund	176,737	385,882	560,000	2,565,306
Debt Service Fund	729	1,345		
TOTAL REVENUE OTHER THAN PROPERTY TAXES:	\$131,373,925	\$143,421,051	\$108,983,334	\$106,239,169
SUMMARY:				
	FY 2020-21 ACTUAL	FY 2021-22 ACTUAL	FY 2022-23 BUDGET	FY 2023-24 PROPOSED
PROPERTY TAXES	\$18,875,619	\$24,500,194	\$26,463,898	\$27,451,876
OTHER THAN PROPERTY TAXES	131,373,925	143,421,051	108,983,334	106,239,169
TOTAL ESTIMATED REVENUES	\$150,249,544	\$167,921,245	\$135,447,232	\$133,691,045

BE IT FURTHER RESOLVED, that the same be spread upon the Minutes of this meeting and published in two (2) issues of the Coeur d'Alene Press, seven (7) days apart, to be published on August 9, 2023 and August 16, 2023.

BE IT FURTHER RESOLVED, that a Public Hearing on the Budget be held on the 5th day September, 2023 at the hour of 6:00 o'clock p.m. on said day, at which time any interested person may appear and show cause, if any he has, why the proposed Budget should or should not be adopted.

STAFF REPORT: Vonnie Jensen, Comptroller, requested Council approve Resolution No. 23-060, which would set the public hearing date and high dollar amount of \$130,510,617 in expenditures for the 2023-2024 Fiscal Year Financial Plan. She explained that Idaho Code required the City Council to approve an appropriations ordinance each year with the purpose of establishing a ceiling for expenditures and the potential property tax revenue required to balance the budget. She said the financial plan was an estimate of revenues and expenditures for the upcoming year. She noted expenditures were classified by department as well as by fund or service, and revenues were classified by source. She said the prior two fiscal years' actual revenues and expenditures were included in the budget documents as required by Idaho Code 50-1002. She noted information was included for the budgeted revenues and expenditures for the current fiscal year, and proposed revenues and expenditures for the upcoming fiscal year. She said Fiscal Year 23-24 Budget Resolution highlights were: two (2) new Firefighter positions (paid for by KCEMSS), the elimination of six (6) positions, a 3% property tax increase, New Growth in the amount of \$224,239 (which was \$66,242 less than estimated), decrease to revenues of \$1,701,787, increase to personnel costs (wages and benefits) of \$2,725,820, increase to services and supplies of \$166,931, decrease to Capital Outlay of \$3,264,584, and an increase in the use of Fund Balance of \$2,388,359. Revised revenue changes from the preliminary budget equaled \$133,691,045, and revised expenditures equaled \$130,510,617 due to negotiated contract changes. She noted the large swing in the revenues and grant line items were due to American Rescue Plan Act (ARPA) funds shown in previous years. She gave an overview of the history of assessed property values and new growth amounts, and noted new legislation limited the amount of new growth that could generate tax dollars to 90% of valuation. She said \$2 million would come from Fund Balance in order to balance the FY23/24 budget, and the remaining Fund Balance at the end of September 2024, would be approximately 17% which was two-months of City revenues or expenditures. She said the recommended reserve amount was 16%.

DISCUSSION: Councilmember McEvers asked if Fund Balance use would be ongoing to fund ongoing expenses, with Ms. Jensen responding Fund Balance was the City's savings account and the City would be using it to balance the upcoming FY 23/24 budget. Councilmember Gookin noted only \$165,000 more of annexation funds were being utilized this fiscal year and asked about the \$1 million fee the Coeur Terre project had provided. He requested it all be used this year to reduce the amount of property tax needed. Councilmember English said Governor Little had announced property tax relief and hoped it would offset the property tax bills for the community. Ms. Jensen noted the formula of the tax relief had not yet been released from the State. Councilmember Wood said she was okay with setting the high-water mark at this time and would like to discuss using the annexation funds, and noted even if Fund Balance was used to balance the upcoming budget, there were still sufficient funds left in the account which would be at 17%. Ms. Jensen did not recommend Fund Balance be used to balance the budget for ongoing expenses. She explained that since the value of existing homes had grown, the levy rate had been reduced and new growth amounts had been reduced considerably from prior years. She noted in 2014, \$105 million in valuation equaled \$670,000 in tax dollars and in year 2024, \$101 million generated just \$224,000 in tax dollars. Mayor Hammond said it could be possible for the City to take the 3% and the property taxes not increase. Ms. Jensen mentioned the total valuation was spread across the entire tax base and confirmed it was a possibility. Councilmember Gookin said the problem was with the assessment formula, the State Legislature had capped new growth at 90%, and when the Urban Renewal Lake District closed, they had greatly reduced the funds due to the City, and

asked if there would be another opportunity to discuss the budget. Mr. Tymesen said they could meet and discuss the proposed budget, yet ongoing expenses were tied up in employee contracts and they were looking for cash flow to make up the difference. He said there wasn't a lot to be done to help with cash flow issue. Councilmember Gookin requested the State tax number be shared as soon as the City received it and that Impact Fees would help as well. He noted Fund Balance had been used in prior year's budget calculations and most of the years it had been proposed, by the end of the fiscal year there had been a budget surplus. Mayor Hammond said it would be helpful to see how the State's property tax relief and County assessments played out. Councilmember Wood requested a 7-year history of the City taking a tax increase. Councilmember Miller asked if there would be an opportunity to get together to discuss creative ideas to balance the budget as the Financial Plan was using 3% property tax this year and in future years in order to catch up. Mr. Tymesen said an opportunity could be made for future discussions yet they were still looking for cash flow to cover personnel costs. Councilmember Miller said programs and positions may need to be cut in order to stay competitive with wages and balance the budget. Ms. Jensen said when looking at the upcoming budget they reviewed all positions, and in previous years, salary savings in vacant positions had assisted with balancing the budget. Mayor Hammond said he would work with staff on scheduling another budget workshop.

MOTION: Motion by Evans, seconded by English, to approve **Resolution No. 23-060** - setting a public hearing for September 5, 2023, and setting the high dollar amount of \$130,510,617 in expenditures for the 2023-2024 Fiscal Year Financial Plan (Annual Appropriation).

ROLL CALL: Wood Aye; Evans Aye; Miller Aye; McEvers Aye; Gookin No; English Aye.
Motion carried.

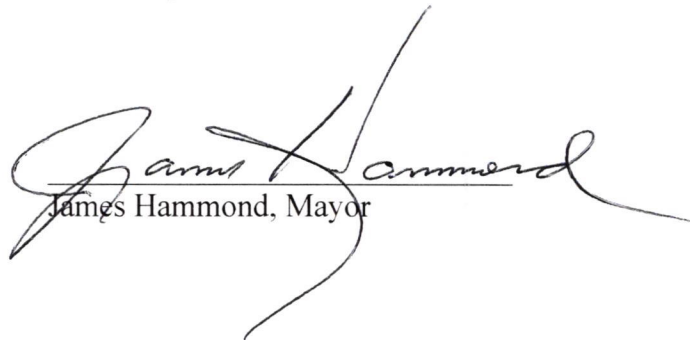
ADJOURNMENT: Motion by McEvers, seconded by Miller. **Motion carried.**

The meeting adjourned at 7:18 p.m.

ATTEST:



Sherrie L. Badertscher
Executive Assistant



James Hammond, Mayor