



**A CONTINUED MEETING OF  
THE CITY COUNCIL  
*August 21, 2023, 12:00 Noon*  
Library Community Room - 702 E. Front Avenue**

**AGENDA**

**A. CALL TO ORDER**

**B. OVERVIEW OF THE 2023-2024 GENERAL FUND BUDGET**

**Presented by: Vonnie Jensen, Comptroller**

**1. Overview of Capital Projects for Fiscal Year 2023-2024**

- a. Police Department Building Expansion**

**Presented by: Chief White**

- b. Streets and Engineering Department Building Expansion**

**Presented by: Todd Feusier**

**C. COUNCIL DISCUSSION: ACTION ITEM**

**D. ADJOURNMENT:**

***NOTE: The City will make reasonable accommodations for anyone attending this meeting who require special assistance for hearing, physical or other impairments. Please contact the City Clerk at (208) 769-2231 at least 72 hours in advance of the meeting date and time.***

# FY 23-24 Budget Workshop



## **Reserves: What and Why**

Reserves are the liquid financial resources (typically cash and investments that can be turned into cash) that local governments do not include in the annual spending plan – resources that are held back from the budget and held “in reserve” for some other purpose. The most important purpose is to respond to significant, unplanned, and unavoidable costs or revenue losses such as a natural catastrophe or a recession. Another common purpose is as a sinking fund, or “piggy bank,” for a large, nonrecurring, planned future, like purchasing a capital asset. Reserves also support a strong bond rating by signaling to investors that the local government has resources to pay back debt even with potential disruptions to its financial position.

## **Why do local governments have reserves in the first place?**

To reduce volatility and uncertainty in public finances. In examining the key risks that reserves guard against, we will see that there are many possible risks, and it is difficult, if not impossible, to buy commercial insurance to protect against many of them.

Kavanagh, S. (2023, August) Should We Rethink Reserves?. Government Finance Review, 15-31

**Reserves as Insurance**

Addresses reserve’s role in guarding against risks like revenue instability, catastrophic events, and cashflow instability.

Provides a lens that encourages new and savvy ways to manage risk across the government.

**Reserves as Saving Account**

Addresses reserve’s role in accumulating cash to pay for future costs that would not be affordable within a single year’s revenue. A capital asset is an example of such a cost.

Provides a lens that encourages multiyear financing strategies for large costs.

Reserves help local governments manage risk by making resources available for unplanned, unavoidable expenditure and revenue interruptions. Local governments should make savvier financial decisions about how to manage risk and make their communities more prepared for a volatile and uncertain world.

Kavanagh, S. (2023, August) Should We Rethink Reserves?. Government Finance Review, 15-31

**City of Coeur d’Alene Property Tax History**

Fiscal Year	Property Tax Increase - \$	Property Tax Increase -%	Non-Exempt Levy Rate
2024- Proposed	\$767,514	3%	.002210611
2023	\$710,216	3%	.002140456
2022	\$-0-	0%	.003482982
2021	\$-0-	0%	.003926015
2020	\$655,361	3%	.004311454
2019	\$-0-	0%	.004796811
2018	\$-0-	0%	.005314476
2017	\$490,553	2.5%	.005691968
2016	\$-0-	0%	.005857486
2015	\$-0-	0%	.006087917
2014	\$-0-	0%	.006337419

## History of Assessed Value

Fiscal Year	Net Taxable Value
2023-24	\$11,848,573,744 (estimated)
2022-23	\$11,805,324,702
2021-22	\$6,727,430,884
2020-21	\$5,889,441,753
2019-20	\$5,258,074,767
2018-19	\$4,502,081,793
2017-18	\$3,972,167,331
2016-17	\$3,637,218,547
2015-16	\$3,309,289,866
2014-15	\$2,877,628,960

311.70% increase in assessed value in 9 years  
75.5% increase from 2021-22 to 2022-23

## Commercial Properties History & 2023-24 Projection using Preliminary Levy Rate

Commercial Property 1					Commercial Property 2				
Year	Net Taxable Value	Percentage Increase in Valuation	Taxes Paid	Percentage Increase in Taxes Paid	Year	Net Taxable Value	Percentage Increase in Valuation	Taxes Paid	Percentage Increase in Taxes Paid
2024 Estimated	1,864,446	40.77%	4,121.57	45.39%	2024 Estimated	12,792,867	30.57%	28,280.05	34.9%
2023	1,324,451	25.58%	2,834.93	-22.82%	2023	9,797,375	28.89%	20,970.85	-20.8%
2022	1,054,630	1.46%	3,673.26	18.70%	2022	7,601,590	0.17%	26,476.20	17.2%
2021	1,039,475	-0.78%	3,094.54	-31.49%	2021	7,588,837	0.80%	22,592.17	-30.4%
2020	1,047,692	8.34%	4,517.08	-2.62%	2020	7,528,345	9.72%	32,458.11	-1.4%
2019	967,030	10.54%	4,638.66	-0.23%	2019	6,861,554	7.22%	32,913.58	-3.2%
2018	874,851	3.10%	4,649.37		2018	6,399,643	0.10%	34,010.75	
2017	848,573				2017	6,393,467			

Commercial Property 3				
Year	Net Taxable Value	Percentage Increase in Valuation	Taxes Paid	Percentage Increase in Taxes Paid
2024 Estimated	21,420,363	24.72%	47,352.09	28.8%
2023	17,174,459	33.24%	36,761.17	-18.1%
2022	12,890,071	0.10%	44,895.89	17.1%
2021	12,877,062	-0.19%	38,335.35	-31.1%
2020	12,901,242	15.41%	55,623.11	3.7%
2019	11,178,734	6.95%	53,622.27	-3.5%
2018	10,452,378	10.51%	55,548.91	
2017	9,458,481			

**Residential Properties History & 2023-24  
Projection using Preliminary Levy Rate**

Residential Property 1						Residential Property 2 - Rental					
Value	Homeowner's	Net Taxable	Percentage	Taxes	Percentage	Value	Homeowner's	Net Taxable	Percentage	Taxes	Percentage
History	Exemption	Value	Increase in Valuation	Paid	Increase in Taxes Paid	History	Exemption	Value	Increase in Valuation	Paid	Increase in Taxes Paid
413,720	(125,000)	288,720	-6.54%	638.25	-3.47%	395,861		395,861	-10.80%	875.10	-7.87%
433,908	(125,000)	308,908	99.00%	661.20	22.30%	443,781		443,781	54.50%	949.89	-5.06%
280,227	(125,000)	155,227	21.50%	540.65	42.15%	287,246		287,246	22.65%	1,000.47	43.50%
227,760	(100,000)	127,760	20.56%	380.34	-16.76%	234,194		234,194	6.32%	697.20	-26.59%
205,973	(100,000)	105,973	15.84%	456.90	4.12%	220,270		220,270	15.23%	949.68	3.57%
182,960	(91,480)	91,480	13.38%	438.81	2.33%	191,150		191,150	14.63%	916.91	3.46%
161,370	(80,685)	80,685	9.13%	428.80		166,760		166,760	3.67%	886.24	
147,870	(73,935)	73,935				160,860		160,860			

Residential Property 3					
Value	Homeowner's	Net Taxable	Percentage	Taxes	Percentage
History	Exemption	Value	Increase in Valuation	Paid	Increase in Taxes Paid
1,147,123	(125,000)	1,022,123	0.00%	2,259.52	3.28%
1,147,123	(125,000)	1,022,123	50.25%	2,187.81	-7.66%
805,260	(125,000)	680,260	22.19%	2,369.33	42.96%
656,701	(100,000)	556,701	-2.80%	1,657.31	-32.88%
672,715	(100,000)	572,715	28.51%	2,469.23	15.51%
545,642	(100,000)	445,642	10.86%	2,137.66	0.06%
501,993	(100,000)	401,993	5.41%	2,136.38	
481,358	(100,000)	381,358			

**Tax Increase with No Valuation Change Compared to  
with Valuation Change**

3% Tax Increase generates	\$767,514
City's Total Valuation	\$11,848,573,744
Levy Rate for increase	.00006478

Property	Valuation	Increase in Taxes if Valuation didn't Change – Yearly/Monthly	Percentage Increase	Increase (Decrease) in Taxes w/ Valuation Change – Yearly/Monthly	Percentage Increase
Commercial 1	\$1,864,446	\$85.80 / \$7.15	3%	\$1,286.64 / \$107.22	45.4%
Commercial 2	\$12,792,867	\$634.67 / \$52.89	3%	\$7,309.20 / \$609.10	34.9%
Commercial 3	\$21,420,363	\$1,112.56 / \$92.71	3%	\$10,590.92 / \$882.58	28.8%
Residential 1	\$288,720	\$20.01 / \$1.67	3%	(\$22.95) / (\$1.91)	(3.5%)
Residential 2	\$395,861	\$28.75 / \$2.40	3%	(\$74.79) / (\$6.23)	(7.9%)
Residential 3	\$1,022,123	\$66.21 / \$5.52	3%	\$71.71 / \$5.98	3.3%

### City of Coeur d'Alene COLA History

Fiscal Year	COLA Increase - \$	COLA Increase -% Fire Police LCEA
2024	\$1,440,999	3% - 4.5% - 5%
2023	\$2,476,852	6% - 8% - 5%
2022	\$798,550	3.5% -3.5% -2.5%
2021	\$845,506	3.5% -3.5% -2.5%
2020	\$801,955	3.5% -3.5% -2.5%
2019	\$658,839	2.5% - 2.5% -2.5%
2018	\$549,432	2.5% - 2% - 2%
2017	\$463,732	2.5% - 2% - 2%
2016	\$457,072	2.5% - 2% - 2%
2015	\$420,171	2.5% - 2% - 2%
2014	\$418,831	2.6% - 2.1% - 2.1%

### What if: 0% Property Tax Increase in FY 23-24

#### FY 2023-24 Budget Projections

<b>Expense (Increases) Decreases:</b>		
Increase in Wages and Benefits	(\$2,725,820)	
Decrease to Services & Supplies	\$166,931	
Decrease to Capital Outlay	\$3,264,584	
Increase Transfers Out	(\$1,392,267)	\$686,572
<b>Revenue Increases (Decreases):</b>		
Increase in Annexation Fees	\$645,000	
New Growth (FY 23-24)	\$224,000	
Decrease in Grant Funding	(\$4,041,819)	
Increase in KCEMSS	\$292,363	
Increase in Franchise Fees	\$464,000	
Increase in Interest	\$383,283	
Increase in Other Revenues	\$43,872	
<b>Increase in Use of Fund Balance</b>	<b>\$2,675,873</b>	<b>\$686,572</b>

### FY 2024-25 Budget Projections

<b>Expense Increases:</b>	
Negotiated wage increases	(\$1,017,000)
Increase to Health Insurance	??
Increase to Services & Supplies	??
Decrease in Capital Outlay – police cars only	\$406,026
<b>Revenue Increases (Decreases):</b>	
Annexation Fees	(\$1,000,000)
New Growth (FY 24-25)	\$224,000
3% Tax Increase (FY 24-25)	\$774,242
Decrease in Building Permits	(\$400,000)
Increase in Franchise Fees	\$500,000
Increase in State Funding	\$300,000
Deficit	(\$212,732)

Assuming no tax increase in FY 23-24 and a 3% increase in FY 24-25

### FY 2024-25 Change Projections - Continued

Deficit from previous slide	(\$212,732)
Plus previous year use of Fund Balance from undesignated fund balance	(\$2,359,016)
Total Fund Balance needed to Balance FY 24-25 Budget	(\$2,571,748)

Assuming no tax increase in FY 23-24 – 3% increase in FY 24-25

**City of Coeur d'Alene's Unassigned Fund Balance History  
and Projections  
General Fund**

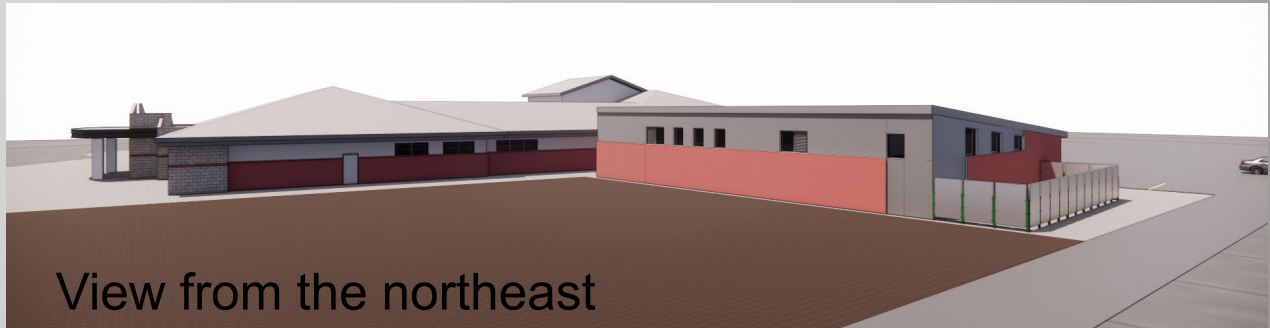
DATE:	FUND BALANCE		
September 30, 2025	\$6,949,328	11.9%*	% of Budgeted Expenses
September 30, 2024	\$9,521,076	16.5%	% of Budgeted Expenses
September 30, 2023	\$11,880,092	20.8%	% of Budgeted Expenses (assuming fund balance doesn't change)
September 30, 2022	\$11,880,092	26%	% of Actual Expenses
September 30, 2021	\$12,407,062	28.5%	% of Actual Expenses
September 30, 2020	\$9,183,668	20%	% of Actual Expenses
September 30, 2019	\$9,057,245	22.1%	% of Actual Expenses
September 30, 2018	\$9,799,963	24.4%	% of Actual Expenses

\* Assuming no increase to services and supplies and health insurance and the only capital outlay is for police cars

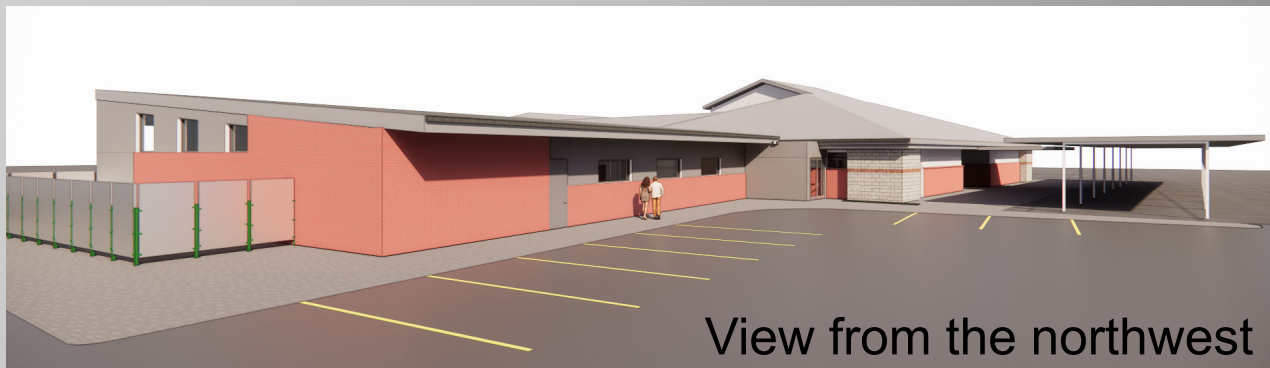
Questions?



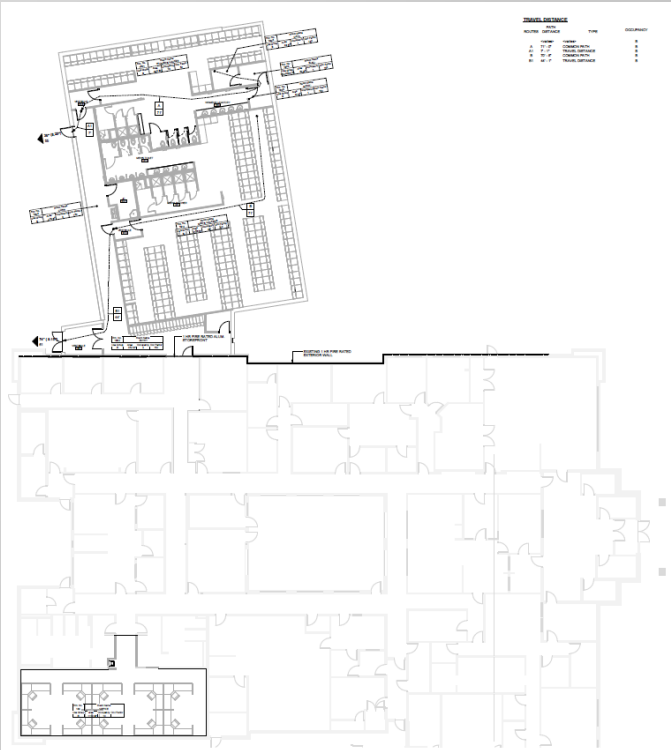
# CDA Police Headquarters Building Remodel and Expansion Update



View from the northeast



View from the northwest



Schematic design  
of the  
new building

Schematic design  
reconfigured old  
locker area





## Streets & Engineering Remodel

- ADA Compliance
- Upgrades to HVAC ,Plumbing and Electrical
- Combining Staff
- Conference Area
- Training Area

