

MINUTES OF A CONTINUED MEETING OF THE
COEUR D'ALENE CITY COUNCIL
HELD IN THE LIBRARY COMMUNITY ROOM
ON JUNE 30, 2021 AT 12:00 NOON

The City Council of the City of Coeur d'Alene met in continued session in the Library Community Room held at 12:00 NOON on June 30, 2021, there being present upon roll call a quorum.

Steve Widmyer, Mayor

Dan Gookin) Members of Council Present
Dan English)
Kiki Miller)
Christie Wood)

Amy Evans) Members of Council Absent
Woody McEvers)

STAFF PRESENT: Troy Tymesen, City Administrator; Mike Gridley, City Attorney; Renata McLeod, Municipal Services Director/City Clerk; Vonnie Jensen, Comptroller; Kenny Gabriel, Fire Chief; Melissa Tosi, Human Resource Director; Michael Priest, Library Director; Bill Greenwood, Parks & Recreation Director; Hilary Anderson, Community Planning Director; Lee White, Police Chief; Todd Feusier, Streets & Engineering Director; Mike Anderson, Wastewater Superintendent; Terry Pickel, Water Superintendent; Sherrie Badertscher, Executive Assistant; Stephanie Padilla, Accountant.

CALL TO ORDER: Mayor Widmyer called the meeting to order and noted that the purpose of the meeting was to discuss the 2022 Fiscal Year draft budget.

BUDGET DISCUSSION: Mr. Tymesen, City Administrator, thanked staff for their work on the budget. He noted that they do not have the actual revenue numbers for growth and the proposed budget shows an estimated \$2.2 Million coming from the Fund Balance. He noted that, as with any service organization, it was about the personnel costs. He noted that the intent was to confirm with Council what they wish to do in regards to property taxes. Mr. Tymesen said that a 2% property tax increase would equal roughly \$467,000 in revenue. In the proposed 2022 Fiscal Year budget, expenses exceed revenues, and includes increases in staffing, with very few capital expenditures in the General Fund for the upcoming budget year. Services and supplies were proposed to be close to where they were in the current year. Mr. Tymesen explained that he and Ms. Jensen have whittled and moved things around, but remain \$2.2 Million short. They have some solid numbers regarding medical cost increases that indicate a 2.7% increase, which was very low in comparison to other medical plans. He stated the new state rules place a cap of 8% on Urban Renewal District (URD) closure, and the example shown on the PowerPoint presentation demonstrates that the amount would previously be capped at \$1.4 Million, but under the new rules the amount would be limited to \$1 Million. Mr. Tymesen stated another change

was the 1% forgone tax limitation, and mentioned the City has a large balance in the forgone account.

Councilmember Gookin asked if the City could get its money by claiming it as forgone, with Mr. Tymesen stating they could. Councilmember Gookin then asked if current property tax payers would be paying more, with Mr. Tymesen responding that they would not. Councilmember English stated the URD concept was designed as a short-term pain for long-term gain in order to renovate the neighborhoods and felt it was wrong for the state to end the program before the City could accomplish all of the benefits of the URD. Councilmember Gookin asked about the Human Rights Education Institute (HREI) lease and asked why there were City funds allotted for capital expense, with Mr. Tymesen stating the building was in need of major roofing repairs, and HREI was currently applying for a grant which would help fund the repairs. Councilmember Miller asked about the City dipping into the Fund Balance during this fiscal year and if they were proposing to use forgone, with Mr. Tymesen responding the revenues the City took in during the year and the CARES Act funding prevented having to use the forgone funds in Fiscal Year 2021.

Mayor Widmyer said that the State of Idaho, House of Representative's (House) bill that recently passed placed an 8% cap on property tax. He mentioned the City had never gone that high, yet the URD closures would have an impact. City Attorney Mike Gridley explained that the House believes they have the authority to implement the bill. Mayor Widmyer stated the new House bill would not impact the City this year.

DEPARTMENT BUDGETS:

FINANCE - Vonnie Jensen, Comptroller, stated the Finance Department was requesting funds for a new software program which would allow for employee's to complete many self-service tasks such as accessing W-2's, viewing paystubs, and in the future the ability to make changes to W-4's and direct deposits. She noted that this software would also be a benefit to the Human Resources Department and they are in support of this request.

Councilmember Miller asked if they had done job costing analysis, with Ms. Jensen explaining the need for the software was to limit the handling of confidential documents from being accessed by those other than intended staff.

MUNICIPAL SERVICES - Renata McLeod, Municipal Services Director stated that her budget request increases included several IT related projects. She mentioned the dues and subscriptions account had an increase, which includes many city-wide memberships such as PAC and AIC, as well as the postage machine used for all city mail. She stated software licensing was increasing from 5-7%. A Windows upgrade would be completed this year, as well as the Barracuda backup system upgrade. She mentioned the City-wide automation project was the largest increase and was planned to be completed using CARES Act funds. She stated all computer system costs were increasing and additionally there were limited supplies available. Her Department has one (1) capital project request for a vehicle replacement for IT.

Mayor Widmyer asked if the \$225,000 of grant money would come off of the \$410,000 increase in line items, and Ms. McLeod responded it would, yet it had been accounted for in the revenue

part of her Department's budget. Councilmember Gookin inquired if the Library reimburses the City for internet services, with Ms. McLeod stating they did not. Ms. Jensen stated the Library was funded by property taxes in the same way as the City so it would be the same revenue stream.

Councilmember Wood stated the 5-year plan for IT had intended to use URD funds, and asked if more items could be identified for use of the federal funds, with Mr. Tymesen stating they felt comfortable with the current funding amount, and they would continue to search the federal rules for where the money may be spent. Ms. Jensen stated the challenge was identifying upgrades that could be done within 3 years as the federal funds would expire in that timeframe. Councilmember Miller asked if they were still operating the Open Gov program, with Ms. McLeod responding they were not.

LEGAL - Mike Gridley, City Attorney, stated his Department's big need was personnel. He stated the Prosecution Division was a key part of law enforcement and they were requesting one (1) prosecutor and one (1) legal assistant for the prosecutor's office. He stated the need was due to increased demand for services due to the increase in law enforcement activity. He said the increase in criminal conduct has placed increased demands on staff.

Councilmember Wood stated it would be helpful to have the previous 3 years of stats for the Department, with Mr. Gridley responding he would provide them. Councilmember Miller asked if the legal assistant position would be tied to the prosecutor position, with Mr. Gridley stating they were, but the position would also provide backup to other staff. Mayor Widmyer asked if the numbers would be difficult to calculate with the court being closed for three months, with Mr. Gridley responding the closure of the courts resulted in a backlog of cases and now that the courts were open, the volume has increased exponentially. Mayor Widmyer inquired if the plan was to have everyone return back to the office, with Mr. Gridley responding at this time, everyone had returned to the office.

PARKS AND RECREATION DEPARTMENT - Bill Greenwood, Parks & Recreation Director, stated the Building Maintenance Division would like to eliminate a parttime janitorial position and use the resources to fund a fulltime building maintenance worker position to assist with building maintenance requests. They have two (2) capital requests which were for vehicles. He stated the Parks Department has a vacant maintenance position they would like to convert to a mechanic position to assist with small tools maintenance. He stated this would divert some of the maintenance duties from the Streets Department.

Councilmember Gookin stated he was in support of this conversion as he felt Streets Department staff should spend their time working on streets. Councilmember Wood stated she was not sure how they could spare the maintenance position, with Mr. Greenwood stating these changes would actually create time for other staff to work on parks. He mentioned they were unable to fill the part-time seasonal positions.

POLICE - Lee White, Police Chief, stated they currently have the same number of sergeants as in 1988. He is requesting one (1) sergeant in this budget and the position would supervise the traffic division. He said there was one (1) police officer position, which was previously

approved last October and has already been funded. The addition of four (4) officers was due to the increase in call volume, and he currently has four (4) officers on overtime daily. The request for the application specialist would handle all IT needs including police vehicle needs. The Motorcycle Program increase would be to upgrade the 15-year-old equipment. He asked Council if they wish to continue to fund and upgrade the equipment, or eliminate the program. He mentioned there was an increase to the drug task force seizure funds, yet he hadn't identified an appropriate use for the funds and it was a placeholder in his budget for the time being. He stated they were also requesting funds for vehicle replacements.

Councilmember Gookin asked if the new vehicles were tied to the new officer request, with Chief White stating they were not. Councilmember Gookin also stated the City does not charge enough to cover the cost of actually providing services for events. Councilmember Wood asked if the increase represented one (1) or two (2) cars, with Chief White responding it was for four (4) patrol vehicles. Mayor Widmyer stated there were numbers on the fee levels and we could revisit them. Councilmember Wood stated the daily overtime costs (OT) would be helpful in determining the cost comparison between paying OT and hiring new officers. Councilmember Gookin concurred it would be helpful to see the OT amounts in comparison to the cost of new officers. Councilmember Miller asked the Chief to expand on the Motorcycle Program, with Chief White stating the motorcycles are leased for 6-months each year, and they were used as extra vehicles when needed as well (special events, OT officer, etc.). Councilmember Wood inquired about the air support fee decrease of \$5,000, with Chief White stating they did a cost benefit analysis and determined it was not cost efficient as it was not being utilized, and they decided not to continue to participate in the program.

FIRE - Kenny Gabriel, Fire Chief, stated their call volume was at an all-time high and he had one large request, which was the addition of three (3) firefighters. He stated his constant manning costs were over \$37,000 a month. He said they expect the constant manning cost to decrease each year as staffing numbers were increased. He mentioned another tool they would use includes rotating staff off of engines in order to give them a break from extreme incidents and allow for training, mandatory exercise time, annual physicals, etc. He stated adding the three (3) positions would be a step in the right direction.

Councilmember Wood stated the constant manning requirement was wearing down the staff and was not sustainable and she would be looking at ways to fund the additional positions.

STREETS AND ENGINEERING - Todd Feusier, Streets & Engineering Director, stated his Department was requesting one (1) assistant director position as his Department remains short staffed. He said the position would help him in the day-to-day operations of the Department and would be a resource for the supervisors as well. He stated they would also like to add one (1) additional supervisor position. He stated in addition to the normal supervisor duties, the position would also be able to assist with the operation of the heavy equipment when needed. He said they were requesting fund increases to supplies, and repair and maintenance funding as materials/supplies have gone up. He said the City's fleet was growing and they maintain over 500 large assets as well as the small equipment. He mentioned his budget request was nearly identical to his Department's 2019 budget. His capital outlay request included the purchase of a new dump truck.

Mr. Tymesen stated the Streets Department also has a revenue stream which would help offset their personnel costs. Councilmember Miller asked what the \$180,000 was for in capital outlay, with Ms. Jensen responding the increase was for future growth, with the total capital outlay \$315,000. Human Resources Director Melissa Tosi stated she spoke with AmeriBen, and they recommend an assistant director, and two (2) field supervisors in the staffing model based on the size of the Department. Water Department Director Terry Pickel, asked what the long-term goals were in regards to mechanics, and should departments have their own, with Mr. Feusier stating the number should be one (1) mechanic per 100 assets and they are close to meeting this number, but as the City grows additional mechanics would be needed.

BUILDING - Mr. Tymesen stated the Building Department was requesting one (1) additional vehicle to replace a 2005 Chevrolet Trailblazer.

LIBRARY - Mr. Tymesen said the Library had very little change over last year.

WATER - Terry Pickel, Water Department Director, stated he did a manpower analysis and it supported his Department request of two (2) additional employees. They would work on the locates program (which have doubled), Yardley services, and daily maintenance on wells.

Councilmember English asked if they were charging enough fees for the locates, with Mr. Pickel stating they are not allowed by federal law to charge for the locates. Councilmember Gookin asked how they charge for road repairs when damaged by companies working within the City, with Mr. Pickel stating they bill the contractor directly for the repairs.

WASTEWATER - Mike Anderson, Wastewater Director, stated his budget was close to last year's request. They had some increases in electricity, supplies, etc. They haven't spent all of their capital outlay funds and would roll over any remaining funds. In the next year they would be working on the Collections Building, Operations Building remodel, and the Centrifuge project. He stated next year they would be finalizing their Sewer Master Plan, and their Rate Study. He stated their O&M costs are in line with their study.

DISCUSSION - Mayor Widmyer asked what level of property tax increase did Council wish to pursue as staff needed direction on where Council would like to go. Councilmember Wood stated she would like to have proper funding for police and fire, and would propose 3%. Councilmember Gookin stated he would propose 0%. He said there are many people who work in the City that were unable to live here due the lack of affordable housing, and the City's portion of the affordable housing puzzle was the cost of government, and he wasn't comfortable raising taxes at this time. Councilmember Miller stated people who live here still require services; therefore, she would propose to offset the percentage (close to 0%) by looking at increased revenue from fees from programs such as the short-term rental program. She would also like to look at a new structure on event fees, and the out-of-state parking fee options. She noted she would like to explore the Communications position again. She said the Regional Housing and Growth Issues Partnership finished Phase 1 of their project, and a white paper would be available soon. Information was available on Kootenai Metropolitan Planning Organization's (KMPO) website at <https://www.kmpo.net/>. Mayor Widmyer stated the short-term rental program should be examined again. Community Planning Director Hilary Anderson

stated limits/restrictions could be placed on them. Councilmember Gookin stated he was in support of raising the short-term rental program permit fee. Councilmember English stated he would propose 3% for planning purposes and that other fees such as parking and/or the boat launch fee structure should be reviewed. The short-term rental fee structure should also be explored. He said the priorities should be public safety.

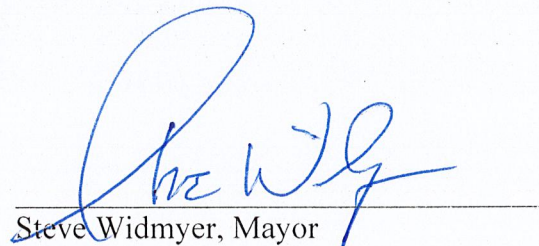
Mayor Widmyer stated there were two (2) councilmembers absent today and they would need to provide their input as well. He said staff would be returning in the future with additional budget deliberations. Mayor Widmyer stated the current proposed budget takes \$2.2 million out of fund balance. Councilmember Wood stated in her experience she has not seen pushback from the community on budget increase requests for fire or police services. It wasn't feasible to continue 0% year-to-year. Mayor Widmyer stated in previous years when the City took 0%, there was funding available from other sources. Ms. Jensen stated they were projecting the amount using the prior year's allocation of \$400,000, and Kootenai County would be providing actuals in the coming month.

Mayor Widmyer stated they would move forward with 2% for planning purposes, with public safety and street maintenance as the main priorities. He asked Council when they would like to meet again, with the consensus being a separate workshop at noon, in late July.

Mr. Tymesen thanked Council for their input and said staff would move forward with what was presented, and would continue to look for uses with American Recovery Act dollars .

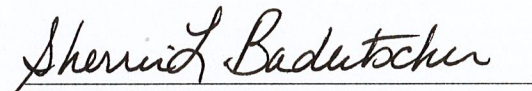
ADJOURN: Motion by Gookin, seconded by English, that there being no other business, this meeting be adjourned. **Motion carried.**

The meeting adjourned at 2:06 p.m.



Steve Widmyer, Mayor

ATTEST:



Sherrie L. Badertscher
Executive Assistant