

**A CONTINUED MEETING OF THE  
COEUR D’ALENE CITY COUNCIL  
July 10, 2019**

The Coeur d’Alene City Council met in a continued session in the Coeur d’Alene Public Library Community Room, 702 E. Front Avenue, Coeur d’Alene, ID, 83814, on July 10, 2019, at 4:00 p.m., there being present upon roll call a quorum.

Steve Widmyer Mayor

Woody McEvers	)	Members of Council Present
Kiki Miller	)	
Dan Gookin	)	
Dan English	)	
Loren Ron Edinger	)	
Amy Evans	)	

**CITY STAFF PRESENT:** Troy Tymesen, City Administrator; Renata McLeod, City Clerk; Ted Lantzy, Building Inspector; Kenny Gabriel, Fire Chief; Bill Greenwood, Parks & Recreation Director; Lee White, Police Chief; Hilary Anderson, Community Planning Director; Mike Gridley, City Attorney; Tim Martin, Streets & Engineering Director; Bette Ammon, Library Director; Terry Pickel, Water Superintendent; Mike Anderson, Wastewater Superintendent; Melissa Tosi, Human Resources Director; and Vonnie Jensen, Comptroller.

**CALL TO ORDER:** Mayor Widmyer called the meeting to order.

**BUDGET WORKSHOP:** Troy Tymesen, City Administrator, explained that the goal of the workshop was to share the preliminary Fiscal Year 2019/2020 financial plan. He noted that the plan will be revised through August and come before the Council the first meeting in September. Currently there is a 2.8% unemployment rate, which is an indicator of a good economy as well as having a good building season, which is a big piece of the City’s income. He noted that 83% of the City’s expenses are personnel costs as the City is a service industry. Additionally, he noted that staff has worked hard to take one-time expenses out of Fund Balance.

Vonnie Jensen, Comptroller, noted two corrections to the draft financial plan document to include a title change noted as a half time Legal Assistant to a Deputy City Attorney, and the addition of \$53,000 for police radios.

She reviewed the proposed General Fund revenue source increases as follows; New Growth at \$402,945; and a proposed 3% property tax increase would be \$655,361; highway user , sales tax and liquor tax equals \$477,068 (as estimated by the State); prior years property tax collection at \$250,000; transfer from other funds of \$121,110; and interest earned at \$110,000, and \$81,414 increase from the General Fund’s Fund Balance plus an additional \$53,000 for police radios. She noted that franchise fees were down

\$60,000 and Avista noted that less natural gas and electricity are being used due to energy efficiency standards.

Ms. Jensen reviewed the current tax levy and said that 3% would be \$655,361. She clarified that it would be a 3% increase to the City tax budget and not 3% on tax bills. The total amount they are proposing to levy is \$23,782,593. For the first time this year they added \$250,000 in collections of prior year property taxes which has been consistently collected, and does not affect the levy rate. She reviewed the history of the levied property tax amounts.

Ms. Jensen said that at the end of the last fiscal year the unassigned Fund Balance was \$9,799,963. The Government Finance Officers Association (GFOA) recommends at least 15%, and the City is at approximately 23%. The current fiscal year budget proposes to use \$3.7 Million for the payment of interest to the wastewater fund for the Atlas Mill purchase, the purchase of Sherman Avenue properties, use of Fund Balance for one time expenses and the movement to a Health Insurance Trust Fund. Therefore, the balance at the end of the year will be closer to \$6.7 Million, which would be 14%- 15%.

Ms. Jensen reviewed the personnel expenses compared to the increase in budgeted taxes, noting the total expenses are \$1,437,045 and the budgeted taxes are \$1,058,306 leaving a need of \$378,739. She outlined the expenses that will be budgeted through use of the Fund Balance equaling \$689,233, which are all one-time expenses. Councilmember McEvers asked if the cost of police technology can be spread over years. Chief White noted that request is a portion of what will be needed over many years and the police car radios need to be replaced as they are outdated. Councilmember McEvers asked if the Comprehensive Plan can be spread over two years. Ms. Anderson noted that they are using \$50,000 from the current year's budget and it makes more sense to fund up front the amount now due to the agreement with the Contractor, who can have uploaded expenses at the beginning of the project. Councilmember English noted that the Comprehensive plan is a priority project and he would not want it to be cut.

Ms. Jensen reviewed the staffing requests included in the budget including a part time position moving to full time and one wastewater collection operator and one school resource officer equaling 2.74 FTE.

Ms. Jensen noted that the 2020 taxable city valuation is estimated to be \$5,183,363,023 which is approximately \$681,000,000 over last year. The projected levy rate would be \$4.64/1,000. She reviewed several scenarios regarding property values and when they are valuation increase with and without a 3% property tax increase. She noted that a \$300,000 home with no increase in valuation with a \$4.97 levy rate would have a tax bill of \$994 annually and \$82.83/month. Versus the 2019 levy rate of \$4.51 would be an annual tax of \$902.00 and \$75.17/monthly.

Councilmember English noted that one of the factors affecting property taxes is that the homeowner's exemption has been capped at \$100,000 for many years and needs to get that to adjust upward.

Ms. Jensen reviewed the parking fund, including two transfers out ; one to the General Fund and the other to the Parks Capital Improvement Fund. She reviewed the capital costs requested to be paid out of these revenues. Fire Chief Gabriel noted that the Fire Department is working with the Tubbs Hill Foundation and will work on the hills' fire mitigation in the Spring. They can see the benefit of the burn incurred on the west side and agree that for the health of the hill the controlled burn will be most effective, and will take place over two days. The Department of Lands notes that the safest time to do burn will be early Spring after the Council reviews the plan. Councilmember McEvers asked about the septic tank item at the Harbor House. Mr. Greenwood noted that it is really a lift station, and it is just under capacity for the amount of use they are experiencing.

Mr. Tymesen noted that the high-water mark Resolution will be before the Council on Tuesday, July 16, 2019. Then at the first meeting in September the Council would set the final budget. He reiterated that this is the time to capture what the City is planning to spend and captured the revenue sources. Mayor Widmyer asked if the new growth number would change before the final budget. Ms. Jensen noted that the estimate comes from the County, and is likely to change before September.

**DISCUSSION:** Councilmember English noted that one item includes a decrease in the health costs is that due to the change to a Trust Fund system. Ms. Jensen noted that several people have opted out of the City's health plan, which lowers the cost and that there will be an approximately 1.5% increase in health costs. Councilmember Gookin noted the new narratives included within the budget and suggested more notes regarding the changes within the budget from the prior year would be helpful. Councilmember Gookin suggested an increase to impact fees and that street lights should not be underwritten by the general fund and that the fee should cover the costs for service. Mayor Widmyer noted that other cities have transferred the street light costs to property taxes and as the city moves into next year's budget the Council should discuss if it should remain a fee or not. Councilmember Gookin felt that the city should use Fund Balance to cover the \$370,000 need to purchase Police cars, drones, and needed equipment, as they are important public safety items. Chief White noted that they had originally made a budget request that included a drone and some patrol vehicles which they cut. They made the request so it didn't push needed items down the road as it will remain within their needs for the future years. Chief White explained that they have been allowed to use vacancy savings throughout the year to purchase vehicles, and could probably go one more year with that system. Councilmember McEvers noted that the Sheriff's Department is looking at leasing police cars, and wondered if the City was looking into that as well. Mr. Tymesen noted that he and Chief White talked about this open and there is no residual value at the end of its life, other than allowing you to keep payments going on and on, unlike loaders that have residual value. Councilmember English suggested using Fund Balance for the police cars. Mayor Widmyer noted that staff could add it in as an alternate for use of Fund Balance. Councilmember Gookin noted that the ignite Lake District will be closing and the City should plan for those funds so it lasts over time. Ms. Jensen noted that there are five-year capital plans behind each department's section of the financial plan. Mr. Tymesen clarified that they would need to raise the high water

mark no matter where the revenue comes from. Additionally, budget amendments can be made later such as in the case with police cars. Councilmember Miller questioned how solid the current five-year plans are. Mr. Greenwood noted that he has experienced changes mid-stream such as the planned Hawks Nest park being delayed as the developer still needs to sign the land over to City, which caused funds to be reallocated.

Councilmember Miller noted that the Library is seeking ways to moving programming around to pay for the Reference Clerk position that was removed. She also noted that she hopes that as community changes and grows that the City looks at its traditional services to determine if they can be sub-contracted. Councilmember Miller noted that she talked with Chief White about policies with growth and expansion of events around town and how to balance the department expenses. Councilmember Miller noted that she felt that the City needs a communication coordinator position, which can be contracted out.

Councilmember McEvers asked about sharing resources between wastewater, water and streets, as he notes departments end up renting backhoes, tractors, etc., and wondered if it would be practical to buy equipment to share amongst the departments. Mr. Martin noted that Water and Street Departments share equipment when they can; however, most of the time the other department is using their equipment daily. He also noted that it is very hard to keep a five-year plan, as most of his capital items cost \$250,000 or more and very easy to take out of the proposed budget, thus pushing it to the following year. Mr. Martin also noted that the used equipment funding works nicely and it does help to push expenditure to another year. Councilmember Gookin noted that it was obvious that staff did a lot of cutting and that he appreciates their hard work.

Mayor Widmyer encouraged the Council to continue their review and ask questions of staff before the September meeting.

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

The meeting adjourned at 5:02 p.m.

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Steve Widmyer, Mayor

ATTEST:

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Renata McLeod, City Clerk