

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

September 5, 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 September 5, 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)	Member of Council Absent

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

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

PRESENTATIONS:

PROCLAMATION – PROCLAIMING SEPTEMBER AS NATIONAL RECOVERY MONTH: Mayor Hammond read the proclamation and proclaimed September 2023 as “National Recovery Month” within the City of Coeur d’Alene. The proclamation was accepted by Derek Rice on behalf of Kootenai Recovery Center. Mr. Rice thanked the Mayor and Council for the proclamation, and noted there were few treatment facilities in or near the City of Coeur d’Alene. Mayor Hammond mentioned the North Idaho Crisis Center provided help to those in need.

PROCLAMATION – PROCLAIMING SEPTEMBER 3-9 AS NATIONAL SERVICE DOG WEEK: Mayor Hammond read the proclamation and proclaimed the week of September 3-9 as “National Service Dog Week” within the City of Coeur d’Alene. He noted that service dogs served a very special purpose in the community. Kara Carleton of Canine Companions accepted the proclamation, thanked the Mayor and Council for the recognition, and said Canine Companions had been the main service dog training program since 1975. She said they had placed over 3,000 service dogs to those in need and it was done free of charge. She said they were currently recruiting puppy trainers.

PUBLIC COMMENTS:

E. Roy Jepsen, Coeur d'Alene, said the additional property taxes which were proposed in the budget made it difficult for those on a fixed income and would like the City to instead initiate an overall sales tax to fund the City's budget needs.

Janice Dailey, Coeur d'Alene, said she was concerned with car exhaust and noise which could be heard at her downtown Coeur d'Alene home. She requested laws be enacted to reduce the traffic noise similar to codes Boise recently adopted

Justin O'Connell, Coeur d'Alene, made comments on various issues.

Diana Sheridan, Coeur d'Alene, thanked the Council for reordering public comment on the agenda to before the Consent Calendar and requested the discontinuance of using the City's Fund Balance to balance the annual budget.

ANNOUNCEMENTS: Councilmember Gookin said there was a water conservation guide available on the City's website, or one may be picked up at City Hall. He asked the City's Water Department to develop a xeriscape guide as well. Mayor Hammond said there were openings available for student representatives on various city boards/committees/commissions and applications were available on the City's website at www.cdaid.org/volunteer.

CONSENT CALENDAR:

1. Approval of Council Minutes for the August 15, and August 21, 2023, Council Meetings.
2. Setting of General Services/Public Works meeting for September 11, 2023.
3. Approval of Bills as Submitted.
4. Approval of SS-23-05c – Fourteenth Street CDA Condominiums, Final Plat
5. Setting of Public Hearing for September 19, 2023: V-23-01: Vacation of a Portion of 4th Street Right-of-way Adjoining the Westerly Boundary of Lots 15 & 16, Block 4, Amended Plat of Simms Addition to the City of Coeur d'Alene
6. Setting of Public Hearing for October 3, 2023: Appeal Hearing: Appeal of the Denial of a 2.3-acre PUD Known as "Kaufman Estates PUD" and a Proposed 18-lot Preliminary Plat Known as "Kaufman Estates," Appeal by Todd Kaufman

MOTION: Motion by McEvers, seconded by Evans, to approve the Consent Calendar as presented.

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

RESOLUTION NO. 23-068

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, AUTHORIZING FIVE (5) ART DISPLAY AGREEMENTS, EACH FOR A TERM OF ONE-YEAR WITH THE OPTION TO EXTEND FOR AN ADDITIONAL ONE YEAR, FOR THE DISPLAY OF NEW ART PIECES IN THE CITY AS RECOMMENDED BY THE CITY ARTS COMMISSION PURSUANT TO THE 2023 ARTCURRENTS PROGRAM.

STAFF REPORT: City Accountant Stephanie Padilla said the City of Coeur d'Alene's Public Art Program Policy designates the Coeur d'Alene Arts Commission (Commission) as the standing committee charged by the City Council to oversee the Public Art program. She said the oversight responsibilities of the Commission included selection of art for the ArtCurrents program which was art on display for public viewing around the City. The Commission established an ArtCurrents subcommittee in 2023, and a "Call to Artists" was published through CaFÉ which was open to artists residing in the states of Idaho, Montana, Utah, Wyoming, Washington, Oregon, and the Canadian Province of British Columbia. The criteria required that the submitted art piece be a minimum of 36" high, the artist provide a photo of the front and back of the art piece, and that the application include a brief explanation of, and inspiration for the piece. The call closed on July 3, 2023, and a total of twelve (12) art pieces from eight (8) artists were submitted. The ArtCurrents subcommittee selected five (5) pieces. Two (2) of the art pieces, which are entitled "Pinecone" and "Dragonfly," have a relatively low purchase price and the artist agreed that if the artwork is not sold to a third-party by the end of the display period, the artist will transfer ownership of the artwork to the City without additional consideration. The newly selected ArtCurrents pieces will be displayed for a two-year period beginning in October 2023, and concluding in September 2025. The artists will receive \$1,000.00 per art piece for each year the art is on display. She said funding for the ArtCurrents program comes from ignite cda, and the total budget for the ArtCurrents program was \$20,000, over a two--fiscal-year period (\$10,000 for each fiscal year). She requested Council authorize entering into five (5) art display agreements for the five (5) art pieces as recommended by the Arts Commission.

DISCUSSION: Councilmember Gookin asked if funding originated from ignite cda and could the funding be moved to the City's General Fund, with Ms. Padilla responding ignite cda provided funding and the Arts Commission budget had funds remaining in the Lake District account. Mr. Adams said there were limitations on how the funds could be spent once dedicated to Art Funds. Councilmember Gookin mentioned performing arts programming should be supported too.

MOTION: Motion by Evans, seconded by English, to approve **Resolution No. 23-068** - Approving of Selected Art Pieces for the 2023 ArtCurrents Program.

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

LEGISLATIVE PUBLIC HEARING – ANNUAL APPROPRIATIONS FOR FISCAL YEAR 2023-2024

STAFF REPORT: City Administrator Troy Tymesen said the Financial Plan required a 3% increase in budgeted funds. He requested Council approve Council Bill No 23-1008, the Annual Appropriation for the fiscal year beginning October 1, 2023, in the amount of \$130,510,617. He said Idaho Code required the City Council to approve an appropriations ordinance each year. He noted the purpose of the ordinance was to establish a ceiling for expenditures and disclose the potential property tax revenue necessary to balance the budget. Mr. Tymesen said the Financial Plan, or budget, was the guide and detailed report for establishing the numbers and explained the financial plan was an estimate of revenues and expenditures for the upcoming year, expenditures were classified by department as well as by fund or service, and revenues were classified by source. He noted that included in the budget document, as per Idaho Code 50-1002, were actual revenues and expenditures from the prior two (2) fiscal years, budgeted revenues and expenditures for the current fiscal year, and proposed revenues and expenditures for the upcoming fiscal year. Revenue included new growth from property taxes in the amount of \$224,239, and a 3% increase to the property taxes received by the City in fiscal year 2022-23 in the amount of \$767,514. The increase of \$767,514 would be spread across the entire valuation of the City which was currently estimated at \$11,848,573,744. He mentioned that most homeowners would see a decrease in taxes paid to the City due to slight decreases in property valuations, and commercial properties would see an increase due to the large increases in taxable valuations for commercial properties. He noted there was a 76% increase in residential valuations last year and 300% over the past 9 years. He said over the years, Council had done their best to not take the 3%, yet due to the levy rate dropping to \$2.11 per \$1,000 of valuation in year 2023, it was a necessity. He noted the levy rate in 2014 equaled \$6.33 per \$1,000 of valuation. He said new growth was no longer paying for itself as \$120 million valuation of new growth now equaled \$224,000 to the City. He said due to the valuations growing so fast and levy rates dropping so low during the same period, it had created a perfect storm. He mentioned that 85% of the City budget was in personnel and only two (2) public safety positions were being added which were being paid for by Kootenai County Emergency Medical Services System (KCEMSS). Mr. Tymesen further explained that the State Legislature had made changes to how levy rates were calculated and that only 90% of new growth values could be levied. He noted the City had expected to receive much more revenue from the Urban Renewal Lake District closure, yet lowered levy rates contributed to the bulk of the funds being returned to the tax payers. He said Fund Balance was being used to balance the budget, which was a concern, and cost of living increases (COLAs) had contributed to Fund Balance use. He said a revenue increase was critical in order to fund ongoing operations. He explained that the City had \$120 million of new growth which generated only \$220,000 in revenue to the City. He said the Financial Plan was solid and contained no contingency. He mentioned the Police Department was the largest City department, historically had staff turnover on a regular basis, and that had contributed to the City not having to use as much of Fund Balance as projected in prior years.

Mayor Hammond opened the public testimony portion of the hearing.

Justin O'Connell, City of Coeur d'Alene, said the City's recorded workshops were no longer available on YouTube. He said the previous lockdown had not been good for the public or commerce and was supportive of staff COLAs and the one-time bonus.

Susan Snedaker, Coeur d'Alene, said she had reviewed the City's budget for the previous 23 years. She said there were impact fee account inconsistencies in years 2021-2023. She said the Jobs Plus presentation at a previous Council meeting did not include implemental wages in their report and that non-profits had a responsibility to appear before Council and explain what funding would be used for. She asked what the Employee Assistance Program was, and where the Arts Maintenance funding came from as there was no source indicated in the preliminary budget documents. She requested the sunset of the Arts Funds. She also had concerns with the Downtown Association agreement approved by Council in May 2023.

Mayor Hammond closed the public testimony portion of the hearing.

DISCUSSION: Councilmember Gookin said he had reminded the Council when they accepted the American Rescue Plan Act (ARPA) funds that it would lead to inflation. He agreed the City's employees earned the COLAs and that they did a phenomenal job. He stated there were items in the preliminary budget which could be cut. Councilmember English explained the Employee Assistance Program (EAP) was a common low-cost benefit which provided counseling and/or support for employees and their families. Councilmember McEvers said he had calculated his taxes and divided the levies by the number of days in the year and it equaled \$3.09 a day for all the services the City provided such as police, fire, streets, parks, sewer, leaf pickup, and water. He felt the community received a lot of services for the small amount and was in support of the Annual Appropriation for Fiscal Year 2023-24. Councilmember Wood said Council had been diligent in not taking the 3% property tax and it wasn't something they wished to do. She said if cuts were to be made, it would be to personnel, and she did not wish to see Police Department positions go unfilled as they had reduced crime by over 60%. She said if not taking the 3% led to cutting positions, she was not in support of that option. Councilmember Evans mentioned it had been the most difficult budget season, with a lack of options, of her time on Council. She thanked Mr. Tymesen and Comptroller Vonnie Jensen along with their staff for their efforts in preparing and bringing the budget forward. Councilmember Gookin said he had reviewed the budget and felt it was the Council's most important job. He said there were items which could be cut such as the support to non-profit organizations, reducing the EAP expenses, and removing the Public Art Fund. Mr. Tymesen said the Public Art Fund was a dedicated fund with no General Fund contributions and received its funding from ignite cda and from above ground City improvement projects. Councilmember Gookin noted the transfer from the Sanitation Budget to the General Fund for street wear could be higher. Mayor Hammond noted costs had increased dramatically, yet equipment purchases were warranted in order to keep the City maintained and the employees safe.

COUNCIL BILL NO. 23-1008

AN ORDINANCE ENTITLED "THE ANNUAL APPROPRIATION ORDINANCE FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2023" APPROPRIATING THE SUM OF \$130,510,617 TO DEFRAY THE EXPENSES AND LIABILITIES OF THE CITY OF COEUR D'ALENE FOR SAID YEAR; LEVYING A SUFFICIENT TAX UPON THE TAXABLE PROPERTY WITHIN SAID CITY FOR GENERAL REVENUE PURPOSES FOR WHICH SUCH APPROPRIATION IS MADE; LEVYING SPECIAL TAXES UPON THE TAXABLE PROPERTY WITH SAID CITY FOR SPECIAL REVENUE PURPOSES WITHIN THE LIMITS OF SAID CITY OF COEUR D'ALENE, IDAHO; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE HEREOF.

BE IT ORDAINED, by the Mayor and City Council of the City of Coeur d'Alene, Kootenai County, Idaho:

Section 1

That the sum of \$130,510,617 be and the same is hereby appropriated to defray the necessary expenses and liabilities of the City of Coeur d'Alene, Kootenai County, Idaho, for the fiscal year beginning October 1, 2023.

Section 2

That the objects and purposes for which such appropriations are made are as follows:

GENERAL FUND EXPENDITURES:

Mayor and Council	\$276,433
Administration	243,758
Finance Department	1,561,709
Municipal Services	2,594,685
Human Resources	499,205
Legal Department	1,380,913
Planning Department	809,813
Building Maintenance	701,812
Police Department	21,930,655
Fire Department	13,587,337
General Government	2,019,067
Streets / Engineering	7,241,065
Parks Department	3,012,992
Recreation Department	829,325
Building Inspection	1,146,742
TOTAL GENERAL FUND EXPENDITURES:	<u>\$57,835,511</u>

SPECIAL REVENUE FUND EXPENDITURES:

Library Fund	\$2,058,968
Community Development Block Grant	389,963
Impact Fee Fund	63,000
Parks Capital Improvements	710,060
Annexation Fee Fund	520,000
Cemetery Fund	365,309
Cemetery Perpetual Care Fund	4,500
Jewett House	28,615
Reforestation/Street Trees/Community Canopy	120,000
Public Art Funds	239,500
TOTAL SPECIAL FUNDS:	<u>\$4,499,915</u>

ENTERPRISE FUND EXPENDITURES:

Street Lighting Fund	\$760,200
Water Fund	14,471,783
Wastewater Fund	27,832,627
Water Cap Fee Fund	3,000,000
WWTP Cap Fees Fund	3,499,100
Sanitation Fund	5,315,582
City Parking Fund	1,778,929
Drainage Fund	2,594,890
TOTAL ENTERPRISE EXPENDITURES:	<u>\$59,253,111</u>

FIDUCIARY FUNDS:	\$3,447,200
STREET CAPITAL PROJECTS FUNDS:	4,598,573
DEBT SERVICE FUNDS:	876,307
GRAND TOTAL OF ALL EXPENDITURES:	<u><u>\$130,510,617</u></u>

Section 3

That a General Levy of \$24,610,135 on all taxable property within the City of Coeur 'Alene be and the same is hereby levied for general revenue purposes for the fiscal year commencing October 1, 2023.

Section 4

That a Special Levy upon all taxable property within the limits of the City of Coeur d'Alene in the amount of \$2,841,741 is hereby levied for special revenue purposes for the fiscal year commencing October 1, 2023.

Section 5

The provisions of this ordinance are severable and if any provision, clause, sentence, subsection, word or part thereof is held illegal, invalid or unconstitutional or inapplicable to any person or circumstance, such illegality, invalidity or unconstitutionality or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, subsections, words or parts of this ordinance or their application to other persons or circumstances. It is hereby declared to be the legislative intent that this ordinance would have been adopted if such illegal, invalid or unconstitutional provision, clause, sentence, subsection, word or part had not been included therein, and if such person or circumstance to which the ordinance or part thereof is held inapplicable had been specifically exempt there from.

Section 6

This ordinance shall take effect and be in full force upon its passage, approval and publication in one (1) issue of the Coeur d'Alene Press, a newspaper of general circulation published within the City of Coeur d'Alene and the official newspaper thereof.

MOTION: Motion by Evans, seconded by McEvers, to dispense with the rule and read **Council Bill No. 23-1008** once by title only.

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

DISCUSSION: Councilmember Gookin said the problem was with property assessments. He said property tax relief, which had been passed by the State Legislature, had limited the City to taking only 90% of new growth and it was a burden on the remaining property owners to make up the remaining 10%. He noted this was caused by Legislature and had unintended consequences. He said Council would remain diligent and continue to work on the budget; however, he would not vote in favor of the budget. Councilmember Wood said the local option tax was not an option in Idaho and the State Legislative Committee should focus on creating one. Mayor Hammond noted he had previously said the budget was not sustainable long-term, and moving forward the three (3) employee groups, City Administration, and interested parties in the community would need to work together on possible solutions.

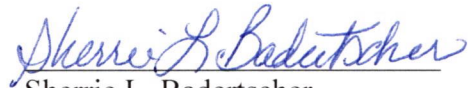
MOTION: Motion by Evans, seconded by McEvers, to adopt **Council Bill 23-1008**.

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

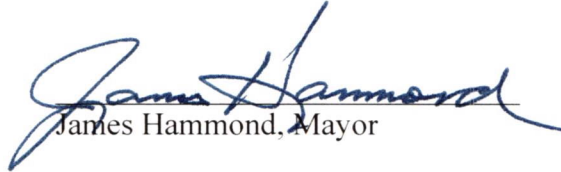
ADJOURN: Motion by McEvers, seconded by Gookin, that there being no further business the meeting be adjourned. **Motion carried.**

The meeting adjourned at 7:25 p.m.

ATTEST:



Sherrie L. Badertscher
Executive Assistant



James Hammond, Mayor