

MINUTES OF A CONTINUED MEETING OF THE
COEUR D'ALENE, IDAHO,
CITY COUNCIL HELD IN THE LIBRARY COMMUNITY ROOM
June 26, 2023, AT 12:00 P.M.

The City Council of the City of Coeur d'Alene met in continued session of said Council in the Library Community Room held at 12:00 p.m. on June 26, 2023, there being present upon roll call a quorum.

James Hammond, Mayor

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

DEPARTMENT HEADS PRESENT: Troy Tymesen, City Administrator; Randy Adams, City Attorney; Renata McLeod, Municipal Services Director/City Clerk; Vonnie Jensen, Comptroller; Ted Lantzy, Building Official; Thomas Greif, Fire Chief; Melissa Tosi, Human Resource Director; Michael Priest, Library Director; Bill Greenwood, Parks & Recreation Director; Lee White, Police Chief; Todd Feusier, Streets & Engineering Director; Mike Anderson, Wastewater Superintendent; Terry Pickel, Water Superintendent; Kyle Marine, Assistant Water Superintendent.

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

OVERVIEW: City Administrator Troy Tymesen said 78% of the City's General Fund was in personnel costs as the City was a service business. He said a few great things included in the proposed financial plan (Plan) was a strong Health Benefits Trust (Trust) which was a \$6.7 million package and included medical, dental, employee assistant program, no-cost group life and long-term disability, and VEBA benefits. He said Trustees had done a great job managing the trust, and team members who had kept watch of their health had contributed to a lower exposure to the Trust. He mentioned that some numbers were still preliminary as the new growth data would be received from the County in late July. He said no action was necessary at this time. Additionally, he noted the proposed Plan included the 3% property tax option. He said the Plan contained no new positions, yet did include two (2) firefighter-paramedic positions which were previously approved and being paid by Kootenai County Emergency Medical Services System (KCEMSS). He noted last year's Plan had six (6) new positions that were not filled, and he had advised to remove them in this year's Plan. He said this year's Plan included a 3% increase to property taxes, and the levy rate proposed was the same as last year and although property values had increased, levy rates were going down and were not keeping pace. He said the Plan's year-over-year changes in capital expenses were reduced by \$3.2 million and it was normal for capital expenses to fluctuate from year to year. He noted the increased use of Fund Balance was concerning as much of the City's expenses were ongoing and not one-time expenses. He said a highlight in the Plan was \$2.8 million dedicated to road improvements. Mayor Hammond asked if taking the 3% property tax was influenced in regard to the lower levy rate and would the net effect

result in no real increase in taxes, with Mr. Tymesen responding the levy rate was mostly affected by new construction and the City wouldn't know the totals until the average assessed value was determined by the County Assessor. Mayor Hammond mentioned he had seen a 7% reduction in assessed value on his home and wondered if anyone else had seen the same. Councilmember English noted he lived in Coeur d'Alene Place, and properties had been assessed at a lower amount than the previous year and would likely see a small reduction in upcoming property taxes owed, and was supportive of the City taking the 3% property tax levy this year. Councilmember McEvers said the 3% property tax levy equaled \$765,000 and if that amount could be taken from Fund Balance, with Mr. Tymesen responding it wasn't advisable to use Fund Balance to pay for ongoing expenses.

STAFF PRESENTATION: Comptroller Vonnie Jensen's presentation included the following highlights:

- 2 Firefighter-Paramedic Positions Paid Through KCEMSS
- Removing Six (6) Positions (Which Were Added In Previous Budget) Resulting In A Decrease Of \$483,000 from the Current Year's Plan.
- 3% Property Tax Revenue Increase
- Total Increase to Revenues of \$209,000
- Increase to Wages/Benefits of \$2.2 Million
- \$2.1 Million Increase in Use of Fund Balance
- Reduction of \$3.2 in Capital Outlay
- 3% Health Insurance Premium Increase
- Cost of Living Adjustments (COLA) Fire 3%, Police 4.5%, LCEA/Exempt Estimated at 4%

Councilmember Gookin suggested the COLA for LCEA be overestimated, with Ms. Jensen mentioning that each 1% contract increase equaled \$100,000. Councilmember Wood mentioned that LCEA received an additional 2.5% over contract last year.

Ms. Jensen noted that \$1.6 million was budgeted using previously approved American Rescue Plan Act (ARPA) funds and the remaining \$450,000 of ARPA funds could be used for capital purchases listed as Undesignated instead of using Fund Balance. She said the large swing in this year's Plan was in using Fund Balance to balance the budget. Councilmember Gookin asked what the annexation transfer fund referenced, and could the \$1 million received for the Coeur Terre annexation be used to help balance the budget. Ms. Jensen said there was approximately \$1.3 million in the annexation fund and it was not advisable to use one-time monies to fund the budget. Councilmember English asked if the late property tax interest and penalties monies due from the County were included in the Plan, with Ms. Jensen responding the roughly \$70,000 was included and they were hopeful they would receive them. She noted Highway User Fees of \$3.2 million were included, and new House Bill 354 projections would add \$990,000 to the Streets Capital Projects Fund for a total of \$4 million and must be used on street projects and maintenance. She said HB 354 revenue would be directed to the Streets Capital Users Fund instead of going into the General Fund and being transferred at a later time. She said the increase of \$2.2 million in personnel expenses included COLA increases, public safety PERSI rate increases and general employee rate decreases. Councilmember Gookin asked if new positions or vacancies were estimated at the top tier wage rate, with Ms. Jensen responding they were not. Councilmember Miller asked if there had been any discussions on retirement buyouts, with

Mr. Tymesen and Human Resources Director Melissa Tosi responding there were not a significant number of employees who would be eligible and therefore wage savings would be minimal.

Councilmember Miller asked how long the eliminated six (6) positions had been requested, with Streets and Engineering Superintendent Todd Feusier responding the previous Streets Director had been trying for additional heavy equipment operator positions for many years, and the electrician apprentice had been requested last year in order to help with utility locates for the IT staff. Mr. Tymesen said the Communications Specialist position was not supported by the previous Mayor, and Mayor Hammond said he and the current Council were in support. Municipal Services Director Renata McLeod said the Department Specialist position has been on the books for at least 34 years in her department, but was vacant this year, and was traded for the IT Technician position which was needed moving forward. She hoped that the Department Specialist position could be funded in the near future. Police Chief White said an IT liaison position was currently being done by a Ppolice Lieutenant and he was hoping to fill the position with an IT person which would be at a lower cost. City Attorney Randall Adams said the prosecutor position was very much needed as they were trying to keep up with over 2,000 cases each year. Parks Director Bill Greenwood said his department had reorganized and cross-trained and would not need to fill the Administrative Assistant position at this time.

Councilmember Gookin asked what the \$250,000 in overlay was being used for, with Mr. Feusier responding they were using the funds to improve additional roads. Councilmember Wood asked if \$500,000 from ARPA was used instead of Fund Balance could smaller capital expenses be paid out of the General Fund, with Ms. Jensen responding some of the capital expenses could be paid with the one-time ARPA funds. Councilmember Miller asked if more annexation funds could be used in the interim until the tax rolls increased from the development, with Mr. Tymesen responding the transfer had increased from previous years in order to balance this year's budget. He noted after the current annexation fund transfer, less than \$500,000 would be remaining. Ms. Jensen said using Fund Balance and Annexation Fund transfers were not sustainable. Mayor Hammond explained the reason for the budget workshop was to give Council an opportunity to contribute in the budget development and it would be difficult to bring new requests forward without making cuts to existing expenses.

Ms. Jensen said sales taxes were projecting at even levels. She said the sales tax numbers would come in next fiscal year and new growth data in early August. She said the State Legislature had moved some sales taxes into Highway User Revenue. Councilmember Gookin said he would like to know how property taxes would be impacted by the Sales Tax Relief Fund and would like the information before the City takes the 3% property tax levy. Councilmember English mentioned the State Legislature had been offering tax relief measures for the past few years and expected they would do something again this year since they continued to have a significant surplus in their budget. Mayor Hammond noted if they were projecting a flat sales tax, they may not have a surplus in the coming year.

Councilmember Miller asked if foregone taxes could be requested, with Ms. Jensen responding foregone could not be used unless the 3% was taken and then only an additional 1% was allowed for a total of 4%. She noted for capital expenses, the city could request taking a special 3% but a project would have to be identified.

Councilmember McEvers asked if Urban Renewal was included or was it now shown in the regular tax amounts. He asked if staff had been incentivized not to spend all funds in department budgets, with Ms. Jensen responding departments were good stewards of their budgeted funds.

Councilmember Miller said the City may need to look at justifying programs and eliminating outdated programs/functions that were no longer be needed. She requested using \$450,000 of the remaining ARPA funds as follows: \$275,000 be committed to the Health Care Tiny Home Campus program for health care professionals; \$125,000 for the Lake City Playhouse to help them fund their reopening; and \$50,000 for the Idaho Disaster Dogs program to be used to fund the purchase, training, transport and maintenance of two (2) search and rescue dogs to be used by the CDA Fire Department who has two dogs near retirement age. Mr. Tymesen said there was time to talk about the use ARPA funds and that housing had been previously earmarked as a possible use of the funds. He said the closed Lake District Urban Renewal taxes now were included in general property taxes and the funds received this fiscal year went towards street improvements. Councilmember Miller said that historically Police Department position requests had been fully funded and it may now be time to focus on other City departments which hadn't been approved at the same levels. She noted it would be important to look for potential revenue streams. Councilmember Gookin said he would like to keep the \$250,000 in the budget for the chipseal projects. Councilmember McEvers said the construction standards should be raised so that the roads would last longer. Mayor Hammond mentioned chipsealing the year following road installation would go a long way toward helping the roads last longer. Mr. Feusier said they had discussed installing a thicker mat at installation and chipsealing much sooner. Councilmember Gookin mentioned KMPO was proposing a multi-agency Traffic Management Center which would require the City to pay for a portion of ongoing staffing costs. Chief White said he had requested ITD adjust traffic signals many times and they always denied his request. He said ITD must be monitoring traffic already in order to make traffic flow decisions.

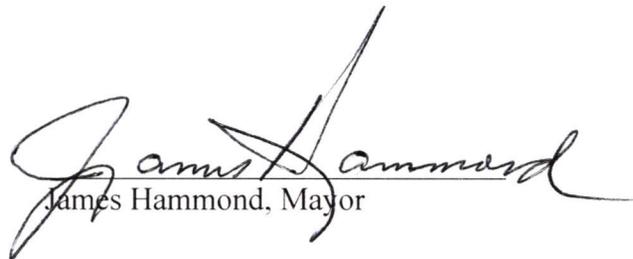
MOTION: Motion by Wood, seconded McEvers, by that there being no other business, this meeting be adjourned. **Motion carried.**

The meeting adjourned at: 1:33 p.m.

ATTEST:



Sherrie L. Badertscher
Executive Assistant



James Hammond, Mayor