

MINUTES OF A CONTINUED MEETING OF THE CITY  
COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO,  
HELD IN THE OLD COUNCIL CHAMBERS, CITY HALL  
July 13, 2016

The Mayor and Council of the City of Coeur d'Alene met in a continued session of said Council at the Coeur d'Alene City Library Community Room July 13, 2016 at 8:00 a.m., there being present upon roll call the following members:

Steve Widmyer, Mayor

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

**Members of Executive Team Present:** Jim Hammond, City Administrator; Sam Taylor, Deputy City Administrator; Troy Tymesen, Finance Director; Kenny Gabriel, Fire Chief; Gordon Dobler, Engineering Services Director; Mike Gridley, City Attorney; Bette Ammon, Library Director; Renata McLeod, Municipal Services Director/City Clerk; Lee White, Police Chief; Bill Greenwood, Parks & Recreation Director; Kyle Marine, Assistant Water Superintendent; Sid Fredrickson, Wastewater Superintendent; Melissa Tosi, Human Resources Director; Hilary Anderson, Community Planning Director; Tim Martin, Street Superintendent; Ed Wagner, Building Services Director.

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

**PUBLIC HEARING: Approval of the First Amendment to the Second Amended and Restated Midtown-Northwest Boulevard Downtown Urban Renewal Plan now referred to as the Lake District Urban Renewal Project Plan of the Urban Renewal Agency of the City of Coeur d'Alene, doing business as Ignite CDA.**

**STAFF REPORT:** Jim Hammond, City Administrator said that under the direction of the mayor and council, staff has been working with Ignite CDA to remove properties within both of the city's URDs in order to direct some of the tax revenue generated within the two districts to the affected taxing districts. This will enable the use by the City of some of the enhanced revenue prior to closure of the districts. Staff has worked with Ignite CDA, the County Assessor and the State Tax Commission to ensure that all necessary tasks have been completed in order to proceed with the de-annexation.

Mr. Hammond said that this is the final step for the deannexation of the property in the two urban renewal districts and upon approval, the ordinances will be published in the newspaper and then overnighted to the Tax Commission. The Tax Commission's approval will complete the process for deannexation.

Councilmember Gookin commented that he is concerned that this public hearing is being held at 8:00 a.m. and would hope in the future that meetings will be held in a venue and time that would be more accommodating. Councilmember Edinger commented that he also doesn't care for the early meetings.

Mayor Widmyer opened the meeting for public testimony. There was none.

Mr. Gridley said that since there are two deannexation ordinances presented to council, each motion should be made and voted on separately.

**ORDINANCE NO. 3542**  
**COUNCIL BILL NO. 16-1014**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO, APPROVING THE FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED MIDTOWN-NORTHWEST BOULEVARD DOWNTOWN URBAN RENEWAL PLAN (NOW REFERRED TO AS THE LAKE DISTRICT URBAN RENEWAL PROJECT PLAN), WHICH FIRST AMENDMENT SEEKS TO DEANNEX CERTAIN PARCELS FROM THE EXISTING LAKE DISTRICT PROJECT AREA; WHICH FIRST AMENDMENT AMENDS A PLAN THAT INCLUDES REVENUE ALLOCATION FINANCING PROVISIONS; AUTHORIZING THE CITY CLERK TO TRANSMIT A COPY OF THIS ORDINANCE AND OTHER REQUIRED INFORMATION TO COUNTY AND STATE OFFICIALS; APPROVING THE SUMMARY OF THE ORDINANCE; AND PROVIDING AN EFFECTIVE DATE.

Motion by Gookin seconded by English, to pass the first reading of Council Bill No. 16-1014.

**ROLL CALL:** Edinger, Aye; Miller, Aye, McEvers, Aye; Gookin, Aye; Evans, Aye; English, Aye. **Motion carried.**

Motion by Edinger, seconded by McEvers, to suspend the rules and to adopt Council Bill 16-1014 by its having had one reading by title only.

**ROLL CALL:** Edinger, Aye; Miller, Aye, McEvers, Aye; Gookin, Aye; Evans, Aye; English, Aye. **Motion carried.**

**PUBLIC HEARING: Approval of the First Amendment to the River District Redevelopment Plan of the Coeur d'Alene Urban Renewal Agency, doing business as Ignite CDA.**

The mayor opened the meeting for public testimony. There was none.

**ORDINANCE NO. 3543**  
**COUNCIL BILL NO. 16-1015**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO, APPROVING THE FIRST AMENDMENT TO THE RIVER DISTRICT REDEVELOPMENT PLAN WHICH FIRST AMENDMENT SEEKS TO DEANNEX CERTAIN PARCELS FROM THE EXISTING RIVER DISTRICT PROJECT AREA; WHICH FIRST AMENDMENT AMENDS A PLAN THAT INCLUDES REVENUE ALLOCATION FINANCING PROVISIONS; AUTHORIZING THE CITY CLERK TO TRANSMIT A COPY OF THIS ORDINANCE AND OTHER REQUIRED INFORMATION TO COUNTY AND STATE OFFICIALS; APPROVING THE SUMMARY OF THE ORDINANCE; AND PROVIDING AN EFFECTIVE DATE.

Motion by Gookin seconded by McEvers, to pass the first reading of Council Bill No. 16-1015.

**ROLL CALL:** Miller, Aye; McEvers, Aye; Gookin, Aye; Evans, Aye; English, Aye; Edinger, Aye. **Motion carried.**

Motion by McEvers, seconded by Edinger, to suspend the rules and to adopt Council Bill 16-1015 by its having had one reading by title only.

**ROLL CALL:** Miller, Aye; McEvers, Aye; Gookin, Aye; Evans, Aye; English, Aye; Edinger, Aye. **Motion carried.**

Mr. Hammond explained that today's meeting time and location were selected because it is mainly a workshop with council.

**WORKSHOP: 2016-17 Fiscal Year Budget**

Mr. Tymesen said that the preliminary budget figure is \$95,720,474, and the current income figures are at less than \$86,000,000. Staff has worked on the preliminary budget for about six weeks and has gone through every department and every line item. He noted that the city is a service business and people are its biggest asset and a large portion of the expenses. He anticipates that the city will be picking up 7.5% of the increase in medical insurance premiums pursuant to contract. The quote right now from the current medical insurance vendor is an increase of 22%. The insurance committee is looking at other vendors. A 2% cost of living increase has also been calculated into the budget. Additionally the budget includes nine additional firefighters, additional positions in the police department, and increases in police and fire for overtime and constant manning. The ICRMP premium dollars in the self-insurance fund have been moved into the Finance Department budget. Mr. Tymesen confirmed that the self-insurance fund is funded by property taxes, and that the 2% cost of living increases and merit increases are taken from the General Fund.

Mr. Tymesen reviewed each individual department budget, noting significant increases and reductions.

In regard to the Mayor/Council budget, Councilmember Gookin asked about the AIC Conference increases. Ms. McLeod responded that they have had quite a large number of participants for the AIC Conferences and if the entire group that was scheduled to go went to the conference, they would have been over budget. The budget for this year is based on past interest.

Mr. Tymesen explained that the Administration budget includes the new Deputy City Administrator, and a slight increase in official representation and travel and training.

The Finance budget includes an increase in health insurance, merit increases, the 2% cost of living adjustment, and an increase in office supplies and postage. The ICRMP premium from self insurance was moved to the Finance budget to increase the downtown parking enforcement contract. They are not doing the actuarial study. Mayor Widmyer asked about the interfund transfers of \$20,000 this year and \$20,000 next year. Mr. Tymesen said that the goal is to get it done this year. If that happens, they could move the \$20,000 from next year's plan.

The Municipal Services budget includes health insurance, health reimbursement accounts, merit increases, cost of living adjustment, an increase in the phones line item, and completion of the Springbrook software upgrade pursuant to the agreement that was signed two years ago. Mr. Tymesen noted that Springbrook has been acquired by another company and it has not been an ideal situation. There are also increases in other services and supplies. There is also a new lease agreement for Fire Station 4 dark fiber that will be coming to council as soon as the legal department finishes working on the agreement. The cost will be \$525/mo, or \$6300 a year. They will also be trying to replace some aging phones that were installed in 2007, which are starting to fail.

Mayor Widmyer asked what things are covered by the citywide automation line item. Mr. Johnson said that citywide automation is the computer workshop upgrade plan. That pot of money keeps the 600 work stations, 100 servers and 50 switches updated. They try to have a rolling upgrade plan that keeps the equipment updated so that it is newer than 5 years old.

Councilmember English asked about the Springbrook software. Mr. Johnson explained that it is the software package for utility billing and other departments.

Mr. Tymesen explained that the budget for the Human Resource Department includes a slight increase in part-time, advertising, the Employee Assistance Program, and the classification/compensation study scheduled for next year. Ms. Tosi explained that every few years they recommend doing a new classification/compensation study. The classification piece of the study is the job descriptions, and they will start fresh with new classifications on all of the positions in the city. The job descriptions are what the city uses when they advertise for openings. The classification study also handles internal equity making sure that all of the positions are correct, and it also includes all of the new positions that have been added. The compensation part of the study looks at external competitiveness, and looks at other cities and areas that would be competitive with the city. Ms. Tosi noted that the city's external competitiveness is pretty good. Having the study done before going into next year's negotiations would provide fresh wage information that would be current. They had previously discussed doing a comparison of contracts with other cities in Idaho, so they will also be going through

their contracts and comparing police, fire, and lake city employee association contracts with other comparables for benefits, wages, specialty pay, etc. It is an important study and good timing.

Mayor Widmyer asked when the study would commence. Ms. Tosi said that the whole process will take about six months. She would ideally like it to start as soon as possible.

Councilmember Gookin asked if the report would be made available to the public. Ms. Tosi explained that the way that the company calculates things is protected since it is a private company, but all of the information that comes out of the study including wages, etc., is public record. Mayor Widmyer explained that the company has all of the data and they don't want the data released because then no one will buy their report. If you want all of the information to be provided, the price of the study would be almost double. The company doesn't want to release their data because they sell it to other cities.

Councilmember Gookin asked about the increase to Cityfit in the Human Resources budget. Ms. Tosi explained that Cityfit incorporates a lot of the health and wellness programs for the city. It is an internal volunteer committee. The expenses are based on what they are able to provide employees in regard to flu shots, screenings, etc., and depends on participation.

Councilmember English asked if the vendor for the classification and compensation study is selected via a Request for Proposals. Ms. Tosi explained that the city used BDPA out of Boise for the last study that they did, and she also uses them as a consultant. If they were to go out for Requests for Proposals, it would be a lot more work. The actual study is about \$35,000, plus an additional \$4,900 for contract comparisons. Ms. Tosi said that the study update that was done in 2012 was just benchmark comparisons of a few positions and wasn't a citywide study.

Mr. Tymesen commented that the Legal Department budget reflects the decrease in staff. He also noted that on July 19<sup>th</sup> the council will review the City Hall remodel presentation and the goal would be for the rent/utilities costs to go away. He also explained that the increase in health insurance in the budget was probably the result of a retiree.

Councilmember Gookin asked about the cell phone budget in the Planning Department. Ms. Anderson explained that it was for her cell phone. Mr. Tymesen mentioned that the city has a citywide cell phone plan. Councilmember Miller asked about what is included in the professional services line item. Ms. Anderson said that they contract with Engineering for annexations, and there are also some funds included for East Sherman and other projects. Mr. Tymesen also noted that that line item also gets used the most for creative projects brought forward by the council.

The Building Maintenance budget shows a slight increase in part-time costs as the city continues to add square footage to buildings and preventative maintenance. It also includes an upgrade to the control system at the PD so that it can be controlled from a laptop. Mr. Tymesen explained that the technology needs to be upgraded and in the big picture their goal is to potentially pay for it with cash out of the fund balance, but it is a large increase.

Mr. Gould explained that the INET 7 system was installed in 1999 and controls the air conditioning as well as the security of the police station. That serviceability on the system has been reduced greatly and no longer offers support. The hardware is also no longer supported. Mr. Gould said that they need to upgrade to the ALC system, which is used throughout the city. The security system will be pulled from the HVAC system so it will be a standalone system. Mr. Gould noted that the upgrade is something that is really needed and it will give them longevity in support and hardware. The manufacturer offers upgrades, etc., and the software is also web based and Mr. Gould would be able to look at every building on his laptop and make changes and adjustments on his computer. The old INET 7 system is not web based.

Mr. Tymesen explained that the Police Department budget includes grant funded officers, another 2 officers, an IT Analyst position, a half-time code enforcement person, and increases in overtime and operating supplies, software maintenance, and services and supplies. General Obligation Bond funds are also a one time source of money.

Mayor Widmyer asked for a description of the IT Analyst position. Chief White said that currently they have a patrol sergeant who acting as the supervisor of the IT department and not able to function as a regular sergeant in uniform. They would be bringing in a civilian for the IT Analyst position.

Councilmember McEvers asked why overtime is always increasing. Chief White said that over the past 8 week or so they have used overtime on about 70% of their shifts just to cover basic staffing needs. Staffing was already at a bare minimum, and during the summer calls for service tend to go up, and there are a lot more special events in the summer, vacations, etc. He also noted that they haven't filled all of the positions that were allocated, and that once they get their staffing level to where it should be they expect those overtime hours to reduce. They make adjustments where they can and Chief White noted that the July 4<sup>th</sup> staffing level was 14 less officers. Councilmember Miller asked Chief White if they have taken a real hard look at events, and using other vendors for flaggers, etc, rather than using officers. Chief White said that they have been working with the Street Department and they have been a great help.

Councilmember Miller asked about the drug task force line item. Chief White responded that it North Idaho Violent Crimes Task Force and they are used whenever they have a violent felony that has occurred. The primary focus is violent crimes and major drug houses.

Mayor Widmyer asked Chief White to talk about the process of recruiting and hiring new officers. Chief White said that out of the 70 people that tested for the last entry level recruitment, they were only able to use two. He noted that a number of people have entered the training program and were let go. They are trying to focus on lateral officers.

Councilmember Gookin asked how the event fees increase was coming along. Ms. McLeod said that they have had some meetings with the Downtown Association and they were amenable with a 20% increase in the fees. She noted that most events turn in their applications a year in advance, so the increased revenue would be delayed. In addition, it would not cover all of the costs for events like the 4<sup>th</sup> of July parade and the fireworks as it wasn't council's intent to break even.

Councilmember Gookin asked about the Police Department's volunteer coordinator position. Chief White said that the volunteers are the people that you see working part-time in the City Park area. Councilmember Gookin also noted that the SWAT equipment line item has increased, and asked if the county normally pays for that equipment. Chief White said that the costs for the equipment are split with the county. Some of the increase is for locking containers for the vehicles and facilities, and some is for an increase in training, leadership school, and a new sniper rifle.

Councilmember Evans left the meeting at 8:46 a.m.

Councilmember Gookin asked about software maintenance fees. Chief White said that software and maintenance fees are expensive. He described the different software programs that are used and noted that they have probably around 30 different computer software programs that they have to pay ongoing maintenance and update fees for.

Councilmember Gookin asked about the trailer that was included in the Police Department budget. Chief White confirmed that it was not the command center trailer, but is a trailer that they use for special events and for transporting equipment.

Councilmember Edinger asked about sick leave. Chief White said that a number of officers have had health issues, injuries, etc, and they make up with overtime when it is absolutely necessary. Councilmember Edinger also asked about the reason for the problems hiring new police officers. Chief White said that police departments across the nation are having difficulty finding qualified applicants.

Councilmember English asked what percentage of officers are former military veterans. Chief White said that in years past law enforcement had better success with hiring veterans than they currently have. They are trying to do some different things with their recruitment program and Chief White noted that larger military bases have an exit program and sometimes during those exit programs they offer job fairs. The department is going to try to do some more recruiting in that aspect.

Mr. Tymesen commented that the COPS grant of \$190,000 will be used to fund three officers for three years. Chief White explained that the officers will be funded by the grant for three years, and the city will have to keep the officers for a total of four years. Mr. Tymesen mentioned that, thanks to attrition, that has never been a problem.

Mr. Tymesen explained that the Fire Department budget shows an increase in constant manning and overtime, and that the Fire Department did a good job of attempting to keep other expenses in line. They continue to spend from the General Obligation bond and build the new fire station.

Mayor Widmyer commented that while the constant manning line item has jumped up, it looks like it may have been miscalculated previously because what is proposed in the 2016/17 budget is not much different than previous years. Chief Gabriel said that they do everything they can to minimize that cost and will continue to do their best. He explained that constant manning is a minimum staffing level, and if they drop below that 14 minimum staffing level for any reason,

they hire back to get to 14. If they go over, the line item is supplemented with funds from other line items.

Councilmember McEvers asked if, when the fire boat goes online, that will affect constant manning. Chief Gabriel said that Station 4 will make a huge difference so it will make it easier.

Councilmember Gookin asked when the new fire trucks will arrive. Chief Gabriel said they should be here in September and October, and will be in service when they open Fire Station 4.

Mr. Tymesen said the Street Department budget shows a slight increase in part-time costs. Councilmember Gookin asked about the drop in the leaf pickup line item from \$60,000 to \$5,000. Mr. Martin explained that for several years he has been challenged by Finance to find a sustainable way to process leaves. Last year they used the upper end of Cherry Hill park, and this year the airport will partner with them and take their leaves for their undeveloped acreage. The Street Department will till the leaves into the ground, and will be able to use some of the soil over the years in park development. Mr. Martin commented that the \$5,000 figure is probably not accurate and may be a little bit more to cover the cost of rental equipment to till the leaves into the ground.

Councilmember Miller asked about the part-time costs increase. Mr. Martin said that some of that is because the Street Department has morphed over the years to where they aren't really just street maintenance anymore. They have signs, paint, arrows, etc. and most of the part-time help is used to get things mounted. It takes two crews and four people all summer to get to all of the crosswalks, signs, etc. They have found that it is better to bring in part-time help to do most of that. They are also partnering with the Engineering Department to take on some of Engineering's overlay support and save citizens some tax dollars so the overlay funds will go much farther.

Mr. Tymesen discussed the change in personnel in the Engineering Department. Mr. Dobler said that the project manager is retiring and there is a chance to create efficiencies, so instead of refilling the position, they will contract out for management of the projects that are currently underway, at least for the next one or two years and then they will determine if they need to refill the position at that time. The savings is being put into the overlay line item.

Councilmember McEvers asked for an update on the overlay and chip seal. Mr. Dobler said that the first chip seal is in August. They have a joint contract with the City of Hayden and the City of Dalton Gardens. Mr. Dobler thinks that it will be a big boon to the overlay and they are always looking for a way to stretch that dollar. He also noted that the Streets Department does a lot of the prep work rather than paying a contractor. The chip seal will supplement some of their low volume roads. He noted that the overlay budget should be \$850,000 to \$900,000 with the streets they have. They haven't had an increase in overlay funding in about six years. Mr. Dobler noted that the roads are wearing out and the focus has been on arterials and collectors. Some of the older subdivisions are falling behind.

Mr. Tymesen said that the Parks & Recreation Department budget shows a slight increase in capital expenditures. He noted that the Parks & Recreation Departments have been combined through reorganization.

Mayor Widmyer asked Mr. Greenwood to talk about his experience this year in finding part-time help. Mr. Greenwood said that his experience has not been good and they probably did not get fully staffed until about 3 weeks ago. They have about 23 part-time workers. He noted that an employee was let go last week and another one will be let go this week. They are now hiring high school level workers because of the lack of applicants. Bill noted that during the recession they were able to find good quality people.

Councilmember Miller asked about the \$60,000 for equipment. Mr. Greenwood explained that it is for a new turf sweeper. The department has a turf sweeper that is 25 years old and they need to replace it.

Mayor Widmyer said that as he looks at capital improvements and at McEuen and the use that it gets, and commented that things will wear out. He asked if other cities have building maintenance or capital reserve funds that they create rather than a general fund. Mr. Tymesen said that they don't see it very often with government entities. Mr. Greenwood said that the surfacing material for the playground at McEuen will need to be replaced in about eight years, and it is a big ticket item. Mr. Tymesen explained that the capital replacement schedule helps them to keep looking into the future. He also noted that the Parks Department has been creative in that they took some part-time workers and moved them to full-time in an effort to get work done.

In regard to the Building Department, Councilmember Gookin asked about adding another person to help with the office. Mr. Wagner explained that there was no funding for it. He commented that they need another inspector and another staff person, but have no plans right now. He noted that the work load changes and they would not want to hire an inspector and have to lay them off. The department is strained right now and they have been receiving help from the Municipal Services department.

Mr. Tymesen reviewed the other miscellaneous funds, including the Street Light fund. He noted that the Street Light fund received a transfer to make it break even. Councilmember Gookin asked why the Street Light fund isn't self-sustaining and, if it is not, why doesn't the City raise the Street Light fees. Mr. Gridley said there is a question on whether the Street Light fee is an appropriate fee for service. He noted that there has been no court ruling that says it is not legal, so the council could increase it if they wanted to. The view is that it is either paid for as a fee for service or it is shifted to a general tax that everyone pays.

Councilmember Gookin also noted that the Cemetery fund is not breaking even. Mr. Tymesen noted that niches take up less space and have become more popular and there are less casket burials. That is good news for the longevity of the Cemetery fund. They have done their best to eliminate transfers from the General Fund, which has occurred in previous years. If the Cemetery Fund goes over, they transfer money from the Perpetual Care fund. Mr. Greenwood said they are proposing to install another niche wall this year, which would cost about \$30,000

for a \$120,000 return. Councilmember Edinger suggested that they don't "screw around" with the cemetery. Mr. Tymesen said that rates are being reviewed for a potential fee increase.

Councilmember Miller asked if the costs for the fence on Government Way came out of the Cemetery Fund. Mr. Greenwood confirmed that they did. He also discussed ideas and potential locations for additional niche walls.

Mayor Widmyer asked about recent legislations regarding unused cemetery plots and asked if there were any such lots in the city. Mr. Greenwood said not that he knows, but there are some that are delinquent in their payments, etc. He noted that there is a process to go through and if the City were to take those lots back, if someone were to show up later, it would not be a done deal. They would have to give them something in return or pay them for the value of the lot.

Mayor Widmyer asked Ms. Ammon how the Lake City library program was going. Ms. Ammon said that it is growing and steady. They are open 4 days a week, with increased hours this summer. There are three programs going on, and more and more people are getting used to returning books at that location. They are open two mornings, two afternoons, and one evening each week.

Mr. Tymesen thanked Vonnie for her assistance. He reviewed income and forecasts and noted that the stock market has not been ideal the last 12 months. The county will be supplying their best estimate of the new growth revenue on July 25<sup>th</sup>. Mr. Tymesen said that in order to balance the budget they are proposing a 3% property tax increase. He reviewed the past history of property tax increases. The proposed budget includes the \$500,000 revenue for the deannexation and the new growth money. They are also proposing that money that was going to the police retirement fund go to the General Fund. He discussed revenue changes.

Mayor Widmyer said that there will come a time with the cyclical economy when numbers will be down. In looking forward, the City has to be aware that the economy is cyclical and what measures it will take during those times. Mr. Tymesen commented that the first thing they would look at is capital expenditures. Then they would go back to employee groups for concessions, then merit increases, then the health insurance premium. After that is reorganization and not filling positions, etc. He noted that there are about 20 people considering retirement in the next fiscal year.

Mr. Tymesen reviewed what was removed from the initial proposal that came from the departments, which resulted in an almost \$2,000,000 reduction. He thanked the voters for the General Obligation bond which allows for major capital purchases.

Mr. Tymesen reviewed the fund balance, which will be \$6.8 million at the end of this year. He noted that the City has done a good job of maintaining the fund balance. He noted that right now the general fund, plus the library, is about a 19% general fund balance. He reviewed the levy rate history and an overview of the property tax rates.

Councilmember Gookin asked what is the minimum amount for a fund balance recommended by GASBI (Government Accounting Standards Board). Mr. Tymesen said that anything above 10

percent is conservative. Councilmember Gookin said that the county has a policy where they set a maximum for the fund balance which provides them with guidance on where the fund balance is and when they can access it. He noted that the council might want to do something like that for the City. Mr. Tymesen said that his belief is that when you are a good steward of the dollars, you should never hit that maximum amount because then you are bringing in more money than you need. He noted that having the cash has allowed them to take advantage of situations as they arise and also gives the City the edge when they need to borrow.

Mayor Widmyer asked if there was a recommended fund balance for other departments, including water and wastewater. Mr. Tymesen said that the question is whether they have 3 or 4 months cash flow on hand. He noted that the Water Department is coming forward to borrow some money to do some million dollar acquisitions and improvements. Mr. Marine said that they have CAP fees set aside for it, so either way they have the money to cover the new water tank. They have several capitalization projects over the next 10 to 15 years so they would like to borrow the money to make it a little easier. They will be working on the details and coming forward to council.

Mr. Fredrickson said that as part of the bond ordinance that they have to adopt in order to sell revenue bonds, they have to set their rates to generate a minimum of 125% of their net.

Mr. Tymesen said that they will be coming to council to set the high water mark, which is proposing what the maximum budget will be and filling in the details as they go forward. They will be looking at ways to lower the 3% increase that they proposed.

Councilmember Gookin said that last year there was some good news from the States for roads, sales taxes, etc. Mr. Tymesen said that they have captured most of that in their preliminary look at the revenue. Councilmember Gookin noted that a lot of citizens are on a fixed income and that the Social Security CPI is set at two-tenths of a percent, and it is something that council needs to consider.

Councilmember McEvers said that it is discouraging that the City can't seem to make ends meet without raising taxes. Mr. Tymesen said that the City has one of the highest foregone taxes than anyone in the state, and they continue to look at reorganization. He believes the City is providing a great value. He noted that his challenge is the fact that we have such a diverse city that the ongoing expenses just don't go away. Benefits are expensive. Equipment acquisition is as strong as it has been. EMS services are second to none in the State of Idaho. Councilmember McEvers commended the team on the work that they do. He noted that the 3% increase is hard but he does see what he is getting for the money.

Councilmember English said that the 3% increase appears to be a reasonable request.

Councilmember Miller asked Mr. Tymesen if he took a look going a little bit more to the general fund rather than going for a full 3%, knowing that in a short period of time the City might have a different picture when the urban renewal district sunsets. Mr. Tymesen said that when the district sunsets, new growth revenue will substantially increase and council can choose whether they will take the revenue at that time.

Councilmember Edinger commented that he has always been hesitant about using fund balance monies. He confirmed that the 3% tax increase is not set in stone. He also asked about when the City would start to receive the deannexation money and some of it go back to the taxpayers. Mr. Hammond said that the moneys goes to each of the taxing districts and would take place in the new budget year. The City would receive \$500,000 from the deannexation, which is included in the budget. Almost \$400,000 would go directly back to the taxpayers. He also confirmed that the \$500,000 is ongoing. Councilmember Gookin asked about the “math” on the \$400,000 that goes back to the taxpayers, and how it weighs in on the levy. Mr. Hammond said that there is really no cash going back to the taxpayers, but it is a reduction in the levy. If council took a 3% increase, in the end because of the reduction in levy rates for everybody, it would reduce the increase by a small amount.

Councilmember English said that there is a cost for new growth and it is fair that everyone share that cost. Mr. Hammond asked council to remember that the budget is a challenge and that unexpected things will come up that need to be done.

Councilmember Edinger said that in years when things were hard, they gave employees certain benefits because they couldn't increase salaries etc. He thinks that council should look at the 3% increase and let the department heads and Mr. Tymesen play with it and hopefully come back with a reduction. He said that he thinks the City in the long run has done a good job on the fund balance and tax increases.

Mr. Taylor said that he thinks it is important to point out that 3% doesn't translate to 3% in that it is actually 3% of the city's portion of the level rate and is not a direct 3% impact on citizens. He noted that the City could do a better job working on social media and the city's website to explain that. Councilmember Gookin disagreed that it would make a difference. He said that the big picture is are we being fiscally accountable and have the discipline to stay in budget. If they look at 3% as a ceiling, they will always hit it.

Mr. Tymesen said that council will be presented with the high water mark at the first council meeting in August. When he receives the new figures from the county on Monday, the 25<sup>th</sup>, he will get those numbers to the council.

### **WORKSHOP: Updated Impact Fee Development Plan**

Troy Tymesen, Finance Director, said that in 1993 the City authorized an impact fee report. In 1996, the City approved the implementation of impact fees, as specific legislation was approved. These fees are assessed to insure that growth pays for itself. There are four public facilities covered in the legislation: parks, police, fire and circulation (roads). The last update was completed in 2004 by Hofman Planning and Engineering. The Planning Commission acts as the Development Impact Fee Advisory Committee. A public hearing will be necessary to approve any changes. Updates to the study are done to accurately account for demographic and development projections. The significant changes in this report as compared to the current impact fees include the level of service for parks moving from 4 acres of park land to 6 acres per 1,000 population and a new category called waterfront properties.

Mr. Tymesen said that the Impact Fee Development Plan is the document that says what the city will look like in the future. Council is being asked to add any input and give staff direction, and then let staff continue to work through the process.

Mr. Dobler explained that the circulation impact fees break down into citywide and quadrants. Citywide are elements that generally benefit the whole city. Quadrant elements are specific to quadrants. He noted that the last update combined quadrants 3 and 4. The draft updates construction costs and added some new intersections that were identified in the KMPO regional model, and make a solid shift from an interpretation of citywide. A new category, traffic calming, was also added to the citywide category, since a funding source for traffic calming has been elusive.

Mayor Widmyer commented that the City of Hayden said they were going to drastically lower their impact fees. Mr. Dobler said that he doesn't think that the proposed increases for the City of Coeur d'Alene are significant in the circulation element, and are justified by construction costs. They have been able to supplement their road programs with significant federal dollars, which will pretty much go away. He noted that the City is still below their neighbor rates, percentage-wise. Mayor Widmyer said that they will have to do a great job of communicating to the lay person exactly what they are doing since a lot of people are talking about what Hayden has done.

Councilmember Edinger asked if NIBCA was going to be notified about the proposed increase and if there were going to be public meetings. Mr. Hammond said that they would have to have public meetings and a public hearing. The building contractors are aware that the City is working on the update.

Mr. Greenwood said that they are asking to raise the standard up 1 acre of park land per 1,000 population, for a total of 5 acres of park land per 1,000 population. He noted that undeveloped land doesn't count in that figure and that impact fees are used to develop parks. The national standard is 5 acres of park land per 1,000 population. Mr. Greenwood said it would give them the ability to develop the existing land that they have.

Councilmember Gookin said that it seems strange to him that they aren't counting Tubbs Hill or Canfield as park acreage. Mr. Greenwood said that impact fees are used to build new parks, and Tubbs Hill is existing. He noted that the City has about 40 acres of parks now, including open space like Tubbs Hill. Mayor Widmyer asked what is the standard average for 50,000 people. Mr. Greenwood said that with the City's existing population they are 26.6 acres deficit if council approves 5 acres per 1,000 population. He indicated that they could add in a new category of open space, which would include Fernan, Canfield, and Tubbs Hill so that they have a list of what is in the inventory. Mayor Widmyer noted that they want to develop more parks and the public wants more waterfront parks.

Councilmember Gookin said that in the inventory of police facilities, it seems like they forgot a couple of facilities, including the substation on Sherman, and 4<sup>th</sup> & Foster. Chief White said that he has been trying to get ahold of the people at Hofman to speak about it since 2014. The underlying assumptions that they used in calculating the space are wrong so he can't trust the

numbers. He is waiting to get the answers to his questions. Mr. Tymesen confirmed that impact fees cannot be used for leased space.

Councilmember Edinger asked why the City of Hayden is reducing their impact fees. Mayor Widmyer responded that they want to promote more development, but noted that their numbers are significantly higher than the City of Coeur d'Alene, and the City of Hayden pulled their numbers back more in line with what the City of Coeur d'Alene's are. Mr. Hammond said that part of the reason the City of Hayden is reducing their fees is that they are using a different formula than the one they were using, as the old formula was found to be inappropriate.

**MOTION:** Motion by Miller, seconded by English to approve staff to proceed with the updated Impact Fee Report with 5 acres of park land per 1,000 population.

**DISCUSSION:** Councilmember Gookin asked if the 5 acres of park land per 1,000 population included undeveloped acres. Councilmember Miller confirmed that water front and open space was not included in her motion. Mr. Greenwood confirmed that if the current rate of 4 acres of park land per 1,000 population remained, it would not show that they had a need. Councilmember Gookin said that he thinks that open space should be counted.

**ROLL CALL:** Edinger, Aye; Gookin, No; Miller, Aye; English, Aye; McEvers, No. **Motion carried** with Councilmembers Gookin and McEvers voting No.

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

The meeting adjourned at 10:53 p.m.

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Steve Widmyer, Mayor

ATTEST:

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Amy C. Ferguson, Deputy City Clerk