

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

September 6, 2016

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 September 6, 2016 at 6:00 p.m., there being present upon roll call the following members:

Steve Widmyer, Mayor

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

Loren Ron Edinger) Member of Council Absent

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

INVOCATION: Pastor Paul Peabody with Grace Bible Church gave the invocation.

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

EAST SHERMAN UPDATE: Community Planning Director Hilary Anderson reviewed the history of the East Sherman Master Planning efforts and community involvement. She reviewed the current property usage and property analysis conducted which outlines the potential future redevelopment. Ms. Anderson announced the "Parking it on Sherman" community event that will be held on September 16-19 at the 1200 Block of Sherman Avenue. This event will include the pop-up town hall meeting and provide outreach opportunities to the neighborhood. They will continue to collect data and update the feasibility report. She reviewed the status and opportunity for funding of future signalized pedestrian crossings and requested the Council authorize funding from savings within this current fiscal year budget to purchase one pair of rectangular rapid flash beacons (RRFB).

MOTION: Motion by Evans, seconded by Miller to approve the expenditure of \$8,818 from Fiscal Year 2015-2016 for the purchase one pair of RRFB's for East Sherman Avenue.

DISCUSSION: Councilmember Gookin asked how many lights they would like to buy. Ms. Anderson said they would like to purchase three pairs; one funded this fiscal year; the second within the Street/Engineering budget, and the third from Crowd Funding. Councilmember McEvers asked for more information regarding how this makes changes on East Sherman. Ms. Anderson explained that the event helps energize the corridor and brings people to the area to see the need for redevelopment. Additionally, this builds "buy-in" from the neighborhood and

creates civic engagement. Councilmember Evans said that she thinks it is a great effort and believes the pedestrian lights will increase safety on East Sherman. She asked what the backup funding would be if not enough funds were raised through Civic Crowd Funding. Ms. Anderson explained that they are looking at all the options with the on-line funding mechanism, and will need to determine what occurs if you do not reach the goal and if you can keep it open until the goal is met. Otherwise, they will look for funding in another fiscal year. Councilmember English asked where the lights would be installed. Ms. Anderson noted that they have two school zone crossings identified and one in the commercial center. Councilmember Miller noted that CDA 2030 has been a partner in the East Sherman project and wondered if they had been approached to help fund a light. Ms. Anderson thought they should try this route first as she is unsure if this project would qualify and be competitive for this level of funding. Councilmember Gookin noted that he would not vote for this due to the forthcoming budget discussion and that not all lights would be brought forward for Council approval. Mayor Widmyer said that he would like to see the school crossings as placement priorities. Councilmember McEvers agreed with the school crossing priority and felt it was rare for a department to give up money for something like this and thanked Ms. Anderson for her support of the project. Councilmember English said that the Sorenson crossing should be the first priority.

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

CONSENT CALENDAR: **Motion** by Gookin, second by McEvers to remove item 8(a) the Reciprocal Access Agreement with the USDA Forest Service for nursery road easement granted to the Forest Service and a public parking lot easement granted to the City, together with separate easements from the United States to the City and from the City to the United States, with the exact location of the easements to be determined, to be added to the Agenda for the September 20, 2016 Council meeting for a full Council discussion.

DISCUSSION: Councilmember Gookin explained that he was concerned that this item could be an issue for the neighbors, as there was a lot of discussion during the annexation regarding the location of parking. He would like it to be discussed in open session rather than consent, as it is not routine and would like the public to be better informed. Councilmember English asked if there was a critical timeline on this item. Deputy City Administrator Sam Taylor confirmed that it was not on a critical timeline.

Motion Approved.

Motion by Evans, second by McEvers to approve the consent calendar.

1. Approval of Council Minutes for the August 16, 2016 Council Meeting.
2. Approval of Bills as Submitted.
3. Approval of Minutes for the General Services and Public Works Committee Meetings held August 22, 2016.
4. Setting of General Services and Public Works Committees meetings for September 12, 2016 at 12:00 noon and 4:00 p.m. respectively.
5. Approval of a Cemetery lot repurchase from Jakob and Jackie Ruchti for Lots 325, 324, Block J , Section Riv in Forest Cemetery Annex (Riverview)

6. Approval of a Cemetery lot transfer from James and Gail Hawkins to Nancy Chadderdon for Lots 13 and 14, Block 36 , Section A in Forest Cemetery
7. Approval of a Cemetery lot repurchase from Joseph and Susan Gerards for Niche 25, Block J, Section Niche in Forest Cemetery
8. **Resolution No. 16-043 - ~~APPROVING A RECIPROCAL ACCESS AGREEMENT WITH THE USDA FOREST SERVICE FOR NURSERY ROAD EASEMENT GRANTED TO THE FOREST SERVICE AND A PUBLIC PARKING LOT EASEMENT GRANTED TO THE CITY, TOGETHER WITH SEPARATE EASEMENTS FROM THE UNITED STATES TO THE CITY AND FROM THE CITY TO THE UNITED STATES, WITH THE EXACT LOCATION OF THE EASEMENTS TO BE DETERMINED;~~** APPROVING AN AGREEMENT WITH THE COEUR D'ALENE SCHOOL DISTRICT 271 FOR THE PROVISION OF SCHOOL RESOURCE OFFICERS TO THE DISTRICT, AT DESIGNATED SCHOOLS AND EVENTS, IN THE DISTRICT'S FISCAL YEAR 2016-17; APPROVING A FIBER OPTIC CABLE INSTALLATION AND LEASE AGREEMENT WITH FATBEAM, LLC, INC.; APPROVING A LEASE AGREEMENT WITH THE ELEVENTH STREET DOCKOWNERS ASSOCIATION, INC.; AND APPROVING AN AGREEMENT WITH WELCH-COMER & ASSOCIATES, INC. FOR CITY OF COEUR D'ALENE 2016 CITY ENGINEERING SERVICES.

ROLL CALL: Evans Aye; English Aye; Miller Aye; McEvers Aye; Gookin Aye. **Motion Carried.**

PUBLIC COMMENTS

David Lyons, Coeur d'Alene, noted that he lives in mid-town and thanked the Council for de-annexing some of the property within the Lake District as it provided tax relief to the public. He has since reviewed the financial condition of the urban renewal agency and provided the Council with a memo summarizing his findings. He reviewed the tax increment financing for each district and the cash on hand which has increased annually since 2013. He noted that Ignite CDA's proposed budget demonstrates \$12 million with only \$9.5 Million in debt. He noted that the debt has no prepayment penalty and questioned why the agency would not just pay off the debt. He believes the money should go to the City to help pay for city services. He encouraged the Council to vote for more de-annexation from the URA next year and seriously consider early closure of the Lake District.

RESOLUTION NO. 16-044

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, AUTHORIZING A CONTRACT AMENDMENT WITH LONGWELL + TRAPP FOR THE CITY HALL ADA REMODEL PROJECT AND FOR DESIGN SERVICES WITH LONGWELL + TRAPP FOR THE BID ALTERNATE OF STAIRS AND/OR A RAMP BETWEEN CITY HALL AND THE LIBRARY.

STAFF REPORT: Municipal Services Director Renata McLeod noted that the Council approved a Contract with Longwell + Trapp for the City Hall ADA Enhancement/Remodel

Project on March 16, 2016. At that time, the estimated project construction cost was \$1.3 Million. Since the Council approved the final design and an increase in project scope, construction costs are now estimated at \$1.6 Million, which is what the architect fees are based upon. Therefore, additional architectural services are required in the amount of \$20,000. Additionally, Council directed staff to include a bid alternate for the stairs/ramp access between City Hall and the Library. A specification/design for that will need to be included in the bid documents. Mr. Trapp estimates that conceptual design work will cost between \$2,000 and \$3,500. Discussions with staff are taking place to determine what level of code will apply to this portion of the project. She noted that the costs are within the \$1.9 Million budget authorized by Council on July 19, 2016.

DISCUSSION: Councilmember McEvers requested clarity regarding the fees to the architect based on project costs and the design of the stair/ramp area. Councilmember Gookin asked if there would be additional costs if the design included the original glass entryway, as he liked that design better the smaller one currently proposed. Mr. Trapp noted it would be an increase of approximately \$50,000 and noted that the design was intended to create an iconic entry and lead people to the front door of City Hall. He clarified that window washing occurs once a year and is done through a contracted service, so maintenance should not be a concern. Councilmember English agrees that the tall entry is a nice design and that public buildings are only built every once in a while and he would support the taller entry design. Councilmember Miller, McEvers, and Evans said that they opposed to the tall design. Mr. Trapp clarified that the stair/ramp concept drawing costs are not bid documents, but concept drawings. Councilmember English said that he would like to see the design as a real staircase. Councilmember Gookin noted that he would like the bid docs brought back to Council.

MOTION: Motion by English, seconded by Evans to approve the **Resolution No. 16-044**, approving a Contract Amendment with Longwell + Trapp for the City Hall ADA Remodel Project and design services for bid alternate of stairs/ramp between City Hall and the Library.

ROLL CALL: English Aye; Miller Aye; McEvers Aye; Gookin Aye; Evans Aye. **Motion Carried.**

RESOLUTION NO. 16-045

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, ESTABLISHING A UNIFORM POLICY FOR THE PROCUREMENT OF PERSONAL PROPERTY AND SERVICES, AND A UNIFORM POLICY FOR PROCUREMENT OF PUBLIC WORKS CONSTRUCTION.

STAFF REPORT: City Attorney Mike Gridley explained that this is a housekeeping matter as the City follows Chapter 28 of Title 67, Idaho Code, entitled "Purchasing by Political Subdivision" and explained that the Chapter governs the purchase of services and personal property, and the procurement of public works construction. He noted that the first proposed policy relates to personal property purchasing and is broken into different levels of purchasing based on costs. The second policy regulates public works construction projects, which includes the requirements for quotes and requirements for contractors to provide proof of insurance.

These policies will clarify process and provide uniformity between the City's departments in regard to the application of state law to the purchase of services and personal property, and the procurement of public works construction. Levels of purchasing follow the state code requirements.

DISCUSSION: Councilmember Gookin noted that the policy states that procurements require quotes unless there is an emergency and wondered what would constitute an emergency. Mr. Gridley explained that an emergency purchase could occur if an item was needed right away to conduct the business of the City, for example, the toner running out. Councilmember Gookin asked how Council would be informed regarding purchases between \$1,000 to \$25,000. Mr. Gridley noted that those expenses would run through the bills to council process and clarified that these are purchases approved within the financial plan. Mr. Gridley clarified that this policy was not intended to make small purchases burdensome but would require purchases not within the financial plan to come before Council. Councilmember McEvers asked for clarification regarding the hiring of a firm to do a multiple phase project, such as with HDR for design services at the Wastewater Treatment Plant. Mr. Gridley explained that under Idaho Code for design professionals the City does not have to take low bid. He further explained that under the law the City could use people for affiliated contracts rather than going out to bid. Councilmember Gookin questioned the transparency of public works contracts between \$25,000 to \$100,000. Councilmember Miller noted open bids are available on the City website and accessible to contractors for review. Councilmember Gookin thanked staff for bringing this policy forward so there is clarity as to when items should come before the Council.

MOTION: Motion by McEvers, seconded by Gookin to approve the Resolution No. 16-045, approving policies for Procurement of Personal Property and Services and Procurement of Public Works Construction.

ROLL CALL: Miller Aye; McEvers Aye; Gookin Aye; Evans Aye; English Aye. **Motion Carried.**

RESOLUTION NO. 16-046

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH CHAPMAN FINANCIAL SERVICES FOR THE COLLECTION OF UNPAID PARKING TICKET INFRACTIONS.

STAFF REPORT: Deputy City Administrator Sam Taylor explained that the City of Coeur d'Alene has struggled to collect fines for parking infractions. Within the last 3.5 years there are approximately 30,000 parking unpaid tickets. Part of this issue is that Diamond Parking does not access the Idaho Department of Transportation's Division of Motor Vehicle's registration system to determine who owns a vehicle. Diamond collects license plates with each ticket but only government entities have free access to the state's DMV system. Even with City access, the general search is for a single plate at a time. With more than 30,000 tickets, it would take a staff member approximately 2.5 months to identify all of these people working non-stop eight hours per day for only Idaho registered vehicles. Of the 11,670 off-street parking lot tickets, 7,834 are

Idaho plates. Of the more than 18,000 on-street tickets, 16,439 are Idaho plates. He noted that the City already works with Chapman Financial Services (CFS) to collect funds based on Police Department activities. However, the City's contract with CFS is specific to that activity. In order to work with CFS to begin collecting on parking infractions, staff recommends approval of an agreement with CFS separate from the Police Department. The mode of collection by CFS is intended to keep the City "whole" in that they add on an administrative fee rather than taking a portion of the fine collected. This is important to ensuring the City can maximize the revenue from fines. This also prevents the City from having to pay any up-front cost for the work of the firm. Staff will also put out press releases on the initiative and place information on the City's website and social media feeds and CDATV. A potential \$350,000 is currently outstanding in parking infractions. CFS advises that through the collections process the City can expect approximately 25 percent of that amount to be paid (as they often collect between 10 percent and 60 percent when they work on these activities). Based on that, the City might expect about \$87,500 to be received once collections begin. The Parking Commission would like to institute a pay incentive system allowing tickets over \$40.00 paid before December 31, 2016 to receive a 25% discount. The commission also recommended that CFS have the latitude to negotiate for payment, which is within the proposed contract.

MOTION: Motion by English, seconded by McEvers to approve the **Resolution No. 16-046**, approving an Agreement with Chapman Financial Services for parking ticket collection and approving the inclusion in the notification letters that payments received by December 31st for fines of \$40.00 or more will receive a 25% discount.

DISCUSSION: Councilmember McEvers asked for clarification regarding the fees that CFS would collect. Mr. Taylor reiterated that the City would remain whole as the fees from CFS will be added above the fine amount and clarified that the statute of limitation is four years. Councilmember McEvers asked how tickets will be collected going forward. Mr. Taylor explained that the City will start a monthly review of unpaid tickets, send an initial letter, and then if still unpaid it will be sent to CFA for collection. Councilmember Miller requested that the letter include clarification that if unpaid it will affect their credit and asked if this will affect the warning tickets. Mr. Taylor clarified that the courtesy ticket will continue to be an option. Councilmember English said that he supports the use of CFS, as the City should be serious about the collection of fines, and this will set a new standard going forward. Councilmember McEvers asked if this will this apply to boats. Mr. Taylor confirmed that it would allow for collection on tickets issued to boats.

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

**ORDINANCE NO. 3547
COUNCIL BILL NO. 16-1018**

AN ORDINANCE AMENDING SECTION 2.84.020, ENTITLED "ESTABLISHED; COMPOSITION; TERMS," OF CHAPTER 2.84, ARTS COMMISSION, OF THE MUNICIPAL CODE OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, TO INCREASE THE NUMBER OF MEMBERS OF THE ARTS COMMISSIONERS TO

THIRTEEN (13) AND TO PROVIDE THAT ONE VOTING MEMBER SHALL BE A LIAISON FROM THE COEUR D'ALENE ARTS & CULTURE ALLIANCE; PROVIDING FOR THE REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR THE PUBLICATION OF A SUMMARY OF THE ORDINANCE; AND PROVIDING FOR AN EFFECTIVE DATE THEREOF.

STAFF REPORT: Mr. Taylor explained that the City created the Arts Commission in 1982 to increase appreciation and interest in the practice and enjoyment of the arts. The Municipal Code states that the Commission is to encourage the development of artistic and cultural life and to join with all persons and institutions concerned with the arts to ensure that the role of the arts in our community will grow and play an ever more significant part in the welfare and educational experience of the citizens of Coeur d'Alene. Staff and the Arts Commission believe it is appropriate to expand partnership with the Coeur d'Alene Arts & Culture Alliance in order to enhance the types of art promoted in the community. Providing a voting membership spot to the Arts & Culture Alliance on the Arts Commission will foster this partnership and provide an additional voice related to all forms of public art. The Arts & Culture Alliance originated as a committee of the Coeur d'Alene Chamber of Commerce in 2003. The organization became an independent 501c3 nonprofit in 2005. The Alliance's mission is "dedicated to promoting and establishing the Visual Arts, Performing Arts, Written Arts, Cultural Arts, and Education for the Arts in the Greater Coeur d'Alene Area, while providing valuable networking opportunities for those involved and seeking to be involved in the arts." The Alliance's mission directly addresses the goal of working to expand how the Arts Commission works to promote all forms of art in the community. Based on these considerations, the Arts Commission has unanimously recommended to the City Council the expansion of the commission to 13 members from 12 (a better number so as to avoid ties in voting, should they occur) and to provide for one member being a voting representative from the Arts & Culture Alliance.

DISCUSSION: Councilmember McEvers asked for clarification regarding where the funding comes from. Mr. Taylor explained that 1.33% of each capital project goes to the Art Fund, and the urban renewal district provides 2% of their funds toward art. Mr. Taylor noted that the Arts Commission would need to be ready to maintain the art before the districts close, which he will bring forward for discussion at a future commission meeting. Councilmember Gookin expressed a desire to increase art funding when a district closes or the City de-annexes so their funding is not cut.

MOTION: Motion by Gookin, seconded by Evans, to pass the first reading of **Council Bill No. 16-1018**.

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

MOTION: Motion by Gookin, seconded by Evans, to suspend the rules and to adopt **Council Bill 16-1018** by its having had one reading by title only.

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

RESOLUTION NO. 16-047

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, AUTHORIZING AN AGREEMENT WITH AVISTA TO PROVIDE A NATURAL GAS SERVICE EXTENSION TO THE CITY'S RAMSEY ROAD PROPERTY AT 3858 AND 3862 N. RAMSEY ROAD.

STAFF REPORT: Building Maintenance Superintendent Howard Gould explained that this Avista agreement is needed to bring natural gas to the City's property at 3858 and 3862 N. Ramsey Road.

MOTION: Motion by McEvers, seconded by Evans to approve the Resolution No. 16-047, approving an agreement with Avista to provide a natural gas service extension to the City's Ramsey Road property at 3858 and 3862 N. Ramsey Road.

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

(QUASI-JUDICIAL HEARING) A-3-16 - LAKE CITY ENGINEERING; 2650 & 2750 W. PRAIRIE AVENUE FOR ANNEXATION AND ZONING FROM COUNTY AG. TO CITY R-8

STAFF REPORT: Planner Tami Stroud noted that the applicant, Lake City Engineering, Inc. has requested the annexation of approximately 9.47 acres of land located at the northwest corner of the intersection of Prairie Avenue and Courcelles Parkway with the requested zoning of R-8 (Residential at 8 unites/acre). She reviewed the property history, location, area zoning, and area land uses. She noted that the Findings required for the annexation include the following: that this proposal is or is not in conformance with the Comprehensive Plan policies; that the public facilities and utilities are or are not available and adequate for the proposed use; that the physical characteristics of the site make or do not make it suitable for the request at this time; and that the proposal would or would not adversely affect the surrounding neighborhood with regard to traffic, neighborhood character, and/or existing land uses. Ms. Stroud noted several applicable Comprehensive Plan policies and characteristics of the site. She reviewed the allowable uses within an R-8 zone and noted that there are no proposed conditions as the Annexation Agreement will cover any concerns.

DISCUSSION: Councilmember Gookin asked if there was a PUD proposed for the property. Ms. Stroud noted that staff is reviewing the primary plat with a standard subdivision, no PUD.

Mayor Widmyer called for public comments.

APPLICANT: Drew Ditman stated that he is representing the property owner. He noted that this is a straightforward annexation request as it is surrounded on three sides by the city limits with abutting matching zoning.

There being no other public comments, public testimony was closed.

MOTION: Motion by McEvers, seconded by Evans to approve to approve the A-3-16 - Lake City Engineering; 2650 & 2750 W. Prairie Avenue for annexation and zoning from County Ag. to City R-8, to make the necessary Findings and Order, and to direct staff to negotiate an annexation agreement.

ROLL CALL: Evans Aye; English Aye; Miller Aye; McEvers Aye Gookin Aye. **Motion Carried.**

**ORDINANCE NO. 3546
COUNCIL BILL NO. 16-1019**

AN ORDINANCE ENTITLED "THE ANNUAL APPROPRIATION ORDINANCE FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2016" APPROPRIATING THE SUM OF \$95,216,976 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:

That the sum of \$95,216,976 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, 2016.

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

GENERAL FUND EXPENDITURES:

Mayor and Council	\$242,705
Administration	379,120
Finance Department	1,165,287
Municipal Services	1,660,299
Human Resources	326,657
Legal Department	1,207,341
Planning Department	584,648
Building Maintenance	521,186
Police Department	13,060,469
Drug Task Force	30,710
ADA Sidewalks	
COPS Grant	190,189
Fire Department	9,677,937
General Government	94,725

Engineering Services	1,262,561
Streets/Garage	3,054,113
Parks Department	2,003,987
Recreation Department	713,239
Building Inspection	907,093
TOTAL GENERAL FUND EXPENDITURES:	<u>\$37,082,266</u>

SPECIAL REVENUE FUND EXPENDITURES:

Library Fund	\$1,568,148
Community Development Block Grant	606,873
Impact Fee Fund	760,039
Parks Capital Improvements	146,500
Annexation Fee Fund	193,000
Cemetery Fund	316,735
Cemetery Perpetual Care Fund	157,500
Jewett House	25,855
Reforestation/Street Trees/Community Canopy	103,500
Public Art Funds	231,300
TOTAL SPECIAL FUNDS:	<u>\$4,109,450</u>

ENTERPRISE FUND EXPENDITURES:

Street Lighting Fund	\$622,000
Water Fund	9,553,006
Wastewater Fund	24,489,066
Water Cap Fee Fund	1,950,000
WWTP Cap Fees Fund	2,500,000
Sanitation Fund	3,359,286
City Parking Fund	374,546
Drainage Fund	1,147,510
TOTAL ENTERPRISE EXPENDITURES:	<u>\$43,995,414</u>

FIDUCIARY FUNDS:	\$2,888,400
STREET CAPITAL PROJECTS FUNDS:	6,204,039
DEBT SERVICE FUNDS:	937,407
GRAND TOTAL OF ALL EXPENDITURES:	<u><u>\$95,216,976</u></u>

That a General Levy of \$19,443,490 on all taxable property within the City of Coeur d'Alene be and the same is hereby levied for general revenue purposes for the fiscal year commencing October 1, 2016.

That a Special Levy upon all taxable property within the limits of the City of Coeur d'Alene in the amount of \$2,409,298 is hereby levied for special revenue purposes for the fiscal year commencing October 1, 2016.

STAFF REPORT: Finance Director Troy Tymesen noted that each year Idaho code requires that the City Council approve an appropriations ordinance. The purpose of the ordinance is to establish a ceiling for expenditures and disclose the potential property tax revenue necessary to balance the budget. The financial plan or budget is the guide and detailed report for establishing these numbers. The financial plan is an estimate of revenues and expenditures (including interest and principal payments on debt) for the upcoming year. The expenditures are classified by department, as well as, by fund or service and the revenues are classified by source. Included in the budget are actual revenues and expenditures from the prior two fiscal years, budgeted revenues and expenditures for the current fiscal year, and proposed revenues and expenditures for the upcoming fiscal year. The revenues include a 2.5% increase in property tax revenue, no foregone property taxes, \$325,934 in new growth property taxes and \$538,311 from the de-annexation of portions of the urban renewal district and only \$158,000 from the general fund. He noted that it is difficult to maintain a budget without taking property taxes. He reiterated that if a citizen's property value has not moved up, one should expect a levy to the City to go down. Items that were cut include the delay of the inter-fund transfer study, communications, police personnel expenses (based on not being able to fill all the positions within the fiscal year), repair and maintenance of recreation grounds, overlay, used equipment, vehicles, Police Department HVAC Controls, and constant manning in Fire. Mr. Taylor explained that with the combination of Streets/Engineering he believes there will be some efficiencies within the overlay program. The budget amendment will be presented at the next council meeting, so the final fund balance amount is unknown at this time. Included in this budget is the addition of 17 full-time equivalent positions. Increases within the budget are due to the Wastewater capital outlay, insurance increases, merit and COLA increases, as well as new position expenses. He reviewed the significant cash flow changes expected during next fiscal year. He explained that there is very little capital expense proposed within the General Fund and noted that no police vehicles are included. However, if there are changes in revenue staff can come back to Council with requests.

DISCUSSION: Councilmember McEvers asked for confirmation that Community Development Block Grant is funded through HUD. Mr. Tymesen confirmed that it is, but within the budget it is reflected as an expense, that has a revenue source attached that will balance the expense. Councilmember English noted that the new construction figure from the County is lower than the past few years, but the housing industry is so busy and questioned why it dropped. Mr. Tymesen suggested that the size of the residential construction may have lowered it and noted that commercial construction lags behind residential. In addition, it may be taking longer to build so it does not hit the assessment rolls within the timeline to affect this year. Councilmember Miller noted that governmental accounting standards suggest a fund balance within the 12% range, and the City currently has a 20% range in fund balance, so she questioned why Fund Balance is not being used instead of a tax increase. Mr. Tymesen explained that Fund Balance owes the Wastewater Fund approximately \$1 Million, expenses related to the remodel are forthcoming, and it is not sustainable to pay for ongoing personnel expenses through the Fund Balance.

PUBLIC COMMENT:

Susie Snedaker, Coeur d'Alene, said she has reviewed the financial plan and noted that code enforcement is an indication of a vibrant community and believes that proactive enforcement is needed. She encouraged the Council to drive around and look around town for needed enforcement. Person Field does not have anything budgeted but she knows the Parks Department is working on it and hopes it will come back to Council. The art maintenance budget is \$68,000 and she requested Council consider "sun-setting" it for a year. She noted the condition of the permanent fixtures downtown as having faded or rusted poles and uneven bricks and encouraged the Council ensure they are maintained.

There being no other public comments, public testimony was closed.

DISCUSSION CONT.: Mr. Tymesen clarified that the Arts Maintenance fund is a dedicated fund with \$28,800 in anticipated expenses, and it is not a part of the General Fund. Mayor Widmyer stated he has received several comments that the grass at Person Field is in the best condition they have seen in a long time. Councilmember Miller questioned if it will be more expensive in the future to delay the police department HVAC item. Mr. Tymesen clarified that this is the software for the system so it can be controlled off site, so it is not likely to grow in costs in the future. Mayor Widmyer thanked Ms. Snedaker for her public comments, as the only citizen that spoke regarding the budget this evening. Councilmember Gookin noted that urban renewal does have an effect on the City's budget, and Ignite CDA does have a lot of money and they do not know what they are doing with it. Additionally, he loves the downtown events; however, the events cost the City due to public safety, which costs are not passed to the event sponsors like Ironman. Costs include overtime and constant staffing that should be paid for by the event sponsors. He requested that the Municipal Services Department bring something forward to increase special event fees. Mayor Widmyer thanked Mr. Tymesen and Vonnie Jensen for their time spent on the budget. Additionally, he thanked the City Administrator and Department Heads for working to get the budget to this point.

MOTION: Motion by McEvers, seconded by Evans, to pass the first reading of **Council Bill No. 16-1019**.

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

MOTION: Motion by McEvers, seconded by Gookin, to suspend the rules and to adopt **Council Bill 16-1019** by its having had one reading by title only.

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

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

The meeting adjourned at 8:11 p.m.

ATTEST:

Steve Widmyer, Mayor

Renata McLeod, CMC, City Clerk