

AUGUST 25, 2005

The City Council of the City of Idaho Falls met in Regular Council Meeting, Thursday, August 25, 2005, in the Council Chambers at 140 South Capital Avenue in Idaho Falls, Idaho.

There were present:

Mayor Linda Milam
Councilmember Joe Groberg
Councilmember Thomas Hally
Councilmember Michael Lehto
Councilmember Larry Lyon
Councilmember Bill Shurtleff
Councilmember Ida Hardcastle

Also present:

Shan Perry, Assistant City Attorney
Rosemarie Anderson, City Clerk
All available Division Directors

CONSENT AGENDA ITEMS

The City Clerk requested approval of the Minutes from the August 11, 2005 Regular Council Meeting.

The City Clerk presented several license applications, including a BEER TO BE CONSUMED ON THE PREMISES License to Sneekers Sports Grill (Transfer Only), all carrying the required approvals, and requested authorization to issue these licenses.

The City Clerk requested Council ratification for the publication of legal notices calling for public hearings on August 25, 2005.

The Parks and Recreation Director submitted the following memo:

City of Idaho Falls
August 25, 2005

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: David J. Christiansen, Parks and Recreation Director
SUBJECT: AUTHORIZATION TO BID TAUTPHAUS PARK ZOO CAT DEN EXPANSION

The Division of Parks and Recreation respectfully requests authorization to seek bids for the renovation of the African Lion and Snow Leopard Dens at Tautphaus Park Zoo. All anticipated funding has been secured for said project. It is, therefore, submitted for your approval.

s/ David J. Christiansen

It was moved by Councilmember Lehto, seconded by Councilmember Groberg, that the Consent Agenda be approved, with a correction to the August 11, 2005 Regular Council Meeting Minutes as noted by Councilmember Lyon from "government to the people" to "people to the government" (under comments regarding the Misdemeanor Ordinance), in accordance with the recommendations presented. Roll call as follows:

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Aye: Councilmember Shurtleff
Councilmember Lyon
Councilmember Groberg
Councilmember Hardcastle
Councilmember Lehto
Councilmember Hally

Nay: None

Motion Carried.

REGULAR AGENDA ITEMS

Mayor Milam requested Councilmember Lehto to conduct a public hearing, as legally advertised, to consider fee increases greater than 105% for Fiscal Year 2005-2006. At the request of Councilmember Lehto, the City Clerk read the following memo from the Municipal Services Director:

City of Idaho Falls
August 22, 2005

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: S. Craig Lords, Municipal Services Director
SUBJECT: 2005-2006 PROPOSED FEE INCREASES

Municipal Services respectfully requests the Mayor and Council to approve the 2005-2006 proposed fee increases. The proposed increases were advertised August 14, 2005 and August 21, 2005 as required by Idaho Code.

s/ S. Craig Lords

PUBLIC NOTICE

NOTICE IS HEREBY GIVEN that the City of Idaho Falls proposes to increase existing fees by an amount that exceeds one hundred five percent (105%) of such fees collected in Fiscal Year 2004-2005. The fee increases are necessary to cover increased costs associated with these programs.

<u>SOURCE OF FEES</u>	<u>CURRENT FEES</u>	<u>PROPOSED NEW FEES</u>
Planning and Building:		
Planning		
Variance	\$ 50.00	\$150.00
Rezoning	\$175.00	\$350.00
Comprehensive Plan Amendment	--	\$100.00
Planned Transition Land Use Change	\$125.00	\$250.00
Conditional Use Permit (PC)	\$ 50.00	\$100.00
Conditional Use Permit (Council)	\$100.00	\$200.00

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Zoo		
Non-Resident – Individuals		
Children (4 years – 12 years)	\$ 2.00	\$ 2.25
Adults (13 years – 62 years)	\$ 4.00	\$ 4.50
Seniors (62 years and over)	\$ 2.50	\$ 3.00
Non-Resident – Groups		
Children (4 years – 12 years)	\$ 1.50	\$ 1.75
Adults (13 years – 61 years)	\$ 3.00	\$ 3.50
Seniors (62 years and over)	\$ 2.25	\$ 2.75
City Residents		
Children (4 years – 12 years)	\$ 1.25	\$ 1.50
Adults (13 years – 61 years)	\$ 2.50	\$ 3.00
Seniors (62 years and over)	\$ 2.00	\$ 2.50
Stroller/Wagon Rental	\$ 2.00	\$ 3.00
Educational Programs		
45-Minute Class	\$ 7.50	\$ 10.00
1.5 Hour Class	\$ 10.00	\$ 12.50
3 Hour Class	\$ 15.00	\$ 17.50
4 Hour Week Class	\$ 50.00	\$ 55.00
4 Hour Week Class TPZS Member Rate	\$ 35.00	\$ 40.00
6 Week Long Class TPZS Member Rate	\$ 75.00	\$ 80.00
Overnight Safari	\$ 30.00	\$ 35.00
Junior Zoo Crew	\$ 80.00	\$ 85.00
Cemeteries		
Burial Space Fees		
Infant Under One Year	\$165.00	\$200.00
Disinterment		
Adult or Child	\$600.00	\$800.00
Burial Fees		
Saturday Burial Fees	\$ 50.00	\$100.00
Recreation Programs		
Ice Skating Fees		
Ice Fees for Tournaments and Events	\$ 85.00	\$ 90.00

Any person who desires to provide comments regarding such fee increases may appear at 7:30 p.m. on Thursday, August 25, 2005, at the City of Idaho Falls Council Chamber, Second Floor at the Idaho Falls Power Building, 140 South Capital Avenue, Idaho Falls, Idaho.

s/ Rosemarie Anderson
Rosemarie Anderson
City Clerk

Publish: August 14 and August 21, 2005

The Planning and Building Director submitted the following information with regard to the fee increases for the Planning and Building Division:

City of Idaho Falls
August 23, 2005

MEMORANDUM

TO: Mayor and City Council
FROM: Renée R. Magee, Planning and Building Director
SUBJECT: FEES FOR ZONING APPLICATIONS

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The fees for zoning applications were set by Ordinance No. 1941 on June 22, 1989. At that time, fees were set at \$175.00 for a rezoning request, \$50.00 for a variance request, \$50.00 for a conditional use permit before the Planning Commission, and \$100.00 for a conditional use permit before City Council. The fee of \$125.00 was set for a Planned Transition application by ordinance in 1987.

A review of July's advertising costs for applications before the Planning Commission and City Council provides an average cost of \$54.00 per legal notice or advertisement. Under state statute, rezoning applications and conditional use permits before City Council are placed in a legal notice four times. In addition, the City places two block ads to notify residents of matters before the Commission and Council. Therefore, the average advertising cost for a rezoning is \$324.00. A conditional use permit going before City Council also costs, on average, \$324.00 for advertising. A variance on average costs \$54.00 in advertising. A conditional use permit before Planning Commission only costs \$162.00 on average.

The minimum cost for staff time for any application is \$156.00. This includes preparing the GIS map, identifying the property owners to receive written notice under state law, preparing address labels, preparing and mailing the notices, meeting with applicant in person and on the phone, posting the property as required by state law, and preparing the staff report. This does not include any time before the Commission or Council.

At this point in the fiscal year, the advertising costs for Planning and Building have been \$21,904.00. If we assume the fees we received in July are average for every month (a very conservative assumption), we will receive \$10,500 in fees annually.

Attached is a summary of this information and a table of the proposed fees and fees from other jurisdictions.

s/ Renée R. Magee

ESTIMATED COSTS FOR LAND USE APPLICATIONS
August, 2005
Idaho Falls Planning and Building

TYPE OF LAND USE APPLICATION	
Variance	\$ 54.00 Legal Notice \$156.00 Minimum Staff Time \$210.00 Estimated Total Cost
Rezoning	\$216.00 Legal Notice \$108.00 Block Advertisement \$156.00 Staff Time \$480.00 Estimated Total Cost
Conditional Use Permit: Planning Commission Only	\$108.00 Legal Notice \$ 54.00 Block Advertisement \$318.00 Estimated Total Cost
Conditional Use Permit Council Approval Required	\$216.00 Legal Notice \$108.00 Block Advertisement \$480.00 Estimated Total Cost

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LOCAL GOVERNMENT	REZONE	VARIANCE	PUD	CUP
Idaho Falls	\$175.00/\$350.00	\$50.00/\$150.00	\$100.00/\$250.00	\$100.00 ¹ /\$200.00
Ammon	Average Cost: \$300.00 to \$500.00 each ²			
Bonneville County	Average Cost: \$300.00 to \$500.00 each ³			
Twin Falls	\$180.00	\$110.00	\$215.00	\$50.00 ⁴
Pocatello	\$822.00	\$325.00	\$580.00	\$415.00 ⁵
Boise	\$599.00	\$318.00	\$420.00	\$420.00 ⁶
Meridian	\$550.00	\$310.00	\$480.00	\$325.00 ⁷
Rexburg	\$500.00	\$300.00	\$250.00	\$450.00 ⁸

¹\$50.00 are present charges for CUP's before Planning Commission; \$100.00 before City Council.

²Ammon charges \$150.00 administration fee, \$2.00 per letter, and publication costs.

³Bonneville County follows procedure similar to Ammon

⁴Fees will increase in next three to four months

⁵Pocatello charges additional fee of \$1.50 per address for notices.

⁶Lowest fees given. Fees increase to \$4,000 plus, depending on size of development.

⁷Lowest fees given. Depends on size of development.

⁸Lowest fees given. Depends on size of development.

When several owners want to change zone, fee is not assessed per owner.

Fee Schedules

I. Idaho Falls

- a. Rezone - \$175.00
- b. Variance - \$50.00
- c. PUD - \$100.00
- d. CUP - \$50.00 with one meeting, \$100.00 with two meetings

II. Twin Falls

- a. Rezone - \$180.00
 - b. Variance - \$110.00
 - c. PUD - \$215.00
 - d. CUP (special use permit) - \$50.00
- *NOTE: Fees will be increased in next 3-4 months

III. Pocatello

- a. Rezone - \$822.00 + \$1.50 per required notice to community
- b. Variance - \$325.00 + \$1.50 per address
- c. PUD - \$580.00 + \$1.50 per address
- d. CUP - \$415.00 + \$1.50 per address

IV. Ammon

- a. Ammon does not charge a separate fee per rezone, variance, PUD, or CUP. They charge for public hearings, including the following:
 - \$150.00 Administration Fee
 - \$2.00 per letter sent to 500 feet radius
 - Varied Publication Fee
 - Average Total Cost: \$300.00 - \$500.00 for rezone, variance, PUD, or CUP.

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V. Meridian

- a. Rezone - \$550.00 up to one acre + \$15.00 per additional acre + \$50.00 Fire Department Review
- b. Variance - \$310.00
- c. PUD - \$480.00 + \$1.00 per commercial unit + \$11.00 per residential unit + \$250.00 Fire Review
- d. CUP - \$325.00 up to one acre + \$15.00 per additional acre + \$50.00 Fire Review

VI. Boise

- a. Rezone
 - i. < 1 acre - \$599.00
 - ii. 1 – 5 acres - \$785.00
 - iii. 5 – 10 acres - \$1,155.00
 - iv. > 10 acres - \$1,811.00
- b. Variance - \$318.00
- c. PUD
 - i. \$420.00 residential + \$11.00 per unit, \$4,003.00 max
 - ii. Other:
 - 1. < 1 acre - \$533.00
 - 2. 1 – 5 acres - \$908.00
 - 3. 5 – 10 acres - \$1,129.00
 - 4. 10 – 20 acres - \$1,785.00
 - 5. > 20 acres - \$2,959.00
- d. CUP – same as acreage for PUD, except for residential max of \$4,029.00

VII. Rexburg

- a. Rezone
 - i. < 1 acre - \$500.00
 - ii. 1 – 5 acres - \$850.00
 - iii. 5 – 10 acres - \$900.00
 - iv. 10 – 20 acres - \$1,500.00
 - v. > 20 acres - \$2,500.00
 - vi. Total = acreage fee + \$25.00 verification letter + \$250.00 public hearing publication
- b. Variance - \$300.00
- c. PUD – Pay for preliminary and final plats, based on acreage, number of lots, and safety; fire review - \$50.00; Example – 9 lots on 10 acres - \$250.00 + \$50.00 Fire + Platting Process
- d. CUP - \$250.00 + \$200.00 public hearing = \$450.00 total

VIII. Bonneville County

- a. Rezone - \$70.00 + \$10.98 per Certified Notice + \$10.20 per 6” of publishing.
- b. Variance - \$70.00 + \$5.49 per Certified Notice + \$10.20 per 6” of publishing
- c. PUD - \$70.00 + \$10.98 per Certified Notice + \$10.20 per 6” of publishing
- d. CUP - \$70.00 + \$10.98 per Certified Notice + 10.20 per 6” of publishing

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IX. Coeur d'Alene

- a. Rezone - \$600.00
- b. Variance - \$400.00
- c. PUD - \$600.00
- d. CUP - \$400.00

X. Ketchum

- a. Rezone - \$750.00 + cost of notices and postage
 - b. Variance - \$400.00 + cost of notices and postage
 - c. PUD - Not available at this time
 - d. CUP - \$400.00 + cost of notices and postage
-

COSTS FOR LAND USE APPLICATIONS

1.	Variance:	\$54.00	Legal Notice (Average Cost)
		\$156.00	Staff time (GIS and property owner identification, notices, site visit, staff report, meeting with applicant)
		\$210.00	Estimated total cost
2.	Rezoning:	\$216.00	Legal Notice (Average Cost)
		\$108.00	Block advertisement cost
		\$156.00	Staff time (property owner identification, notices, site visit, staff report, meeting with applicants)
		\$480.00	Total costs
3.	Conditional Use Permit Planning Commission only:	\$108.00	Legal Notice
		\$54.00	Block advertisement
		\$256.00	Staff time
		\$318.00	Estimated total costs
4.	Conditional Use Permit City Council:	\$216.00	Legal Notice
		\$108.00	Block advertisement
		\$156.00	Staff time
		\$480.00	Estimated minimum total costs

There being no further discussion either in favor of or in opposition to the proposed fee increases greater than 105% for Fiscal Year 2005-2006, Mayor Milam closed the public hearing.

Councilmember Hally said that when he first saw the increases requested by the Planning and Building Division, he was a little shocked because of the percentage of increase being asked for. He then realized that these fees had not been increased for a long time. The City's fees have been lower than other jurisdictions. Councilmember Hally stated that in looking at the comparisons, the fee increases are justified given the costs involved with each of the activities. In the future, the City Council should look at these more frequently so that fees can be increased more gradually, rather than in such a large sum.

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Councilmember Lyon stated that the fee increases in the Planning and Building Division struck him by how large the fee increases were. He stated that he saw a comparison with other fees from other municipalities. In the future, he would like to see an analysis that shows what the City's costs are.

Councilmember Hardcastle told Councilmember Lyon that an analysis was placed in his mailbox a couple of days ago.

Mayor Milam stated that the costs are principally the costs of placing the required advertisements in the newspaper. The print media has a pretty good lobby. The legislature allows for basically the highest price for legal advertisements. Fees for the legal advertisements have increased over the years and the City has not increased these fees for many years. As a result, the General Fund has picked up a goodly share of the cost for those that are requesting changes.

Councilmember Hardcastle expressed her concern that the City is still not increasing the fees to what it costs the City to publish the legal advertisements.

Councilmember Shurtleff stated that the Planning and Building Director did a good job in compiling the comparison information. He stated that her figures are estimates; for example, one variance might cost \$20.00, while another one might cost \$400.00.

Councilmember Groberg stated that he questioned these fee increases in the beginning of this process. He stated that the City wants to recover, to the extent possible, the City's costs for these activities that are not the normal "doing business with the City". If the City did not go further to recovering costs for those particular hearings, the costs would be passed to the people who want to just annex or zone to start with, because there would be an imbalance. A person requesting a rezoning, variance, or conditional use permit would normally expect these types of fees. There is one area that might be explored by the City Council in the future. Churches and schools require conditional use permits. Usually these are voluntary requests. The City Council might want to consider a reduced cost for schools and churches because they have no choice. They have to request a conditional use permit. The Planning and Building Director has been analyzing this. Neither of these groups have expressed a concern for this, but the City Council needs to be sure that they treat people fairly.

Councilmember Hardcastle commented that someone has to pay for these requests. Councilmember Groberg agreed.

Councilmember Lyon stated that he was glad to see that the analysis has been done. He said that he wished it would have appeared in his mailbox more than two days before he was going to vote on it. He stated that it looks like the proposed new fees are in line with the costs associated with doing the work.

Councilmember Lehto stated that it was his understanding that the Planning and Building Council Committee had discussed the fee increases at length and it was not formalized in writing. Based on some comments at the last City Council Meeting, the Planning and Building Director formalized the analysis and put it in writing for Council review. The Planning and Building Council Committee has wrestled with these fee increases and wanted to come more in line with the cost of doing business.

It was moved by Councilmember Lehto, seconded by Councilmember Groberg, to approve the proposed fee increases greater than 105% for Fiscal Year 2005-2006. Roll call as follows:

Aye: Councilmember Shurtleff
 Councilmember Lyon
 Councilmember Groberg
 Councilmember Hardcastle
 Councilmember Lehto
 Councilmember Hally

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Nay: None

Motion Carried.

Mayor Milam requested Councilmember Lehto to conduct a public hearing, as legally advertised, to consider the adoption of the 2005-2006 Fiscal Year Budget. At the request of Councilmember Lehto, the City Clerk read the following memo from the Municipal Services Director:

City of Idaho Falls
August 16, 2005

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: S. Craig Lords, Municipal Services Director
SUBJECT: ADOPTION OF 2005-2006 FISCAL YEAR BUDGET

Attached for your consideration is a copy of the proposed annual 2005-2006 Fiscal Year Budget that was tentatively approved on August 11, 2005 by the Mayor and City Council and has been advertised as required by Idaho Code.

Municipal Services respectfully requests the adoption of the 2005-2006 Fiscal Year Budget in the amount of \$147,077,988.00 and the attached Appropriation Ordinance, appropriating the monies to and among the various funds.

s/ S. Craig Lords

NOTICE OF PUBLIC HEARING
PROPOSED BUDGET FOR FISCAL YEAR 2005-2006
CITY OF IDAHO FALLS, IDAHO

A public hearing pursuant to Idaho Code 50-1002, will be held for consideration of the proposed budget for the fiscal year from October 1, 2005 to September 30, 2006. The hearing will be held at the City of Idaho Falls Council Chambers, located on the second floor of the Idaho Falls Power Building, 140 South Capital Avenue, Idaho Falls, Idaho at 7:30 p.m., Thursday, August 25, 2005. All interested persons are invited to appear and provide comments regarding the proposed budget. Copies of the proposed budget are available at the Idaho Falls City Controller's Office during regular office hours (8:00 a.m. to 5:00 p.m., weekdays). City Hall is accessible to persons with disabilities. Anyone desiring accommodations for disabilities in order to allow access to the budget documents or to the hearing should contact the City Controller's Office at 612-8230 at least 48 hours prior to the public hearing. The proposed FY 2006 budget is shown below as FY 2006 proposed expenditures and revenues.

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PROPOSED EXPENDITURES			
Fund Name	FY 2004 Actual Expenditures	FY 2005 Budget Expenditures	FY 2006 Proposed Expenditures
General Fund			
Mayor and Council	\$ 131,099	\$ 144,109	\$ 134,798
Legal	139,407	198,206	209,767
Municipal Services	3,720,893	7,438,598	7,564,048
Planning and Building	1,147,281	1,743,379	2,527,813
Police	8,712,506	9,485,976	9,851,692
Fire	7,133,146	7,612,525	8,171,539
Parks	5,878,610	9,952,657	10,573,733
Public Works	<u>1,074,832</u>	<u>1,221,091</u>	<u>2,146,293</u>
General Fund Total	<u>\$ 27,937,774</u>	<u>\$ 37,796,541</u>	<u>\$ 41,179,683</u>
Special Revenue Funds			
Street Fund	\$ 3,542,552	\$ 3,418,272	\$ 3,199,335
Recreation Fund	861,834	982,860	957,841
Library Fund	1,734,970	1,885,654	2,348,776
Passenger Facility Fund	448,885	425,000	455,000
Municipal Equipment Replacement Fund	1,103,810	2,812,300	3,788,200
Electric Light Public Purpose Fund	512,723	750,000	750,000
Business Improvement District Fund	<u>132,725</u>	<u>60,000</u>	<u>60,000</u>
Special Revenue Funds Total	<u>\$ 8,337,499</u>	<u>\$ 10,334,086</u>	<u>\$ 11,559,152</u>
Capital Projects Funds			
Sanitary Sewer Capital Improvement Fund	\$ 584,929	\$ 2,850,000	\$ 3,350,000
Municipal Capital Improvement Fund	233,946	1,570,000	2,500,000
Street Capital Improvement Fund	625,835	6,485,000	5,000,000
Bridge and Arterial Street Fund	110,741	200,000	900,000
Water Capital Improvement Fund	1,323,751	350,000	950,000
Surface Drainage Fund	40,160	30,000	55,000
Traffic Light Capital Improvement Fund	<u>89,060</u>	<u>610,000</u>	<u>1,000,000</u>
Capital Projects Funds Total	<u>\$ 3,008,422</u>	<u>\$ 12,095,000</u>	<u>\$ 13,755,000</u>
Enterprise Funds			
Airport Fund	\$ 5,797,108	\$ 7,085,666	\$ 5,562,948
Water and Sewer Fund	11,885,388	10,660,841	10,732,942
Sanitation Fund	2,284,923	2,950,922	2,973,625
Ambulance Fund	2,209,469	2,302,139	2,600,675
Electric Fund	<u>52,104,058</u>	<u>57,666,394</u>	<u>58,713,963</u>
Enterprise Funds Total	<u>\$ 74,838,946</u>	<u>\$ 80,665,962</u>	<u>\$ 80,584,153</u>
Total Expenditures - All Funds	<u>\$114,122,641</u>	<u>\$140,891,589</u>	<u>\$147,077,988</u>
PROJECTED REVENUES			
Fund Name	FY 2004 Actual Revenues	FY 2005 Budget Revenues	FY 2006 Projected Revenues
Property Tax Levy			
General Fund	\$ 15,252,677	\$ 15,410,270	\$ 16,454,395
Recreation Fund	332,051	342,290	366,407
Library Fund	1,213,278	1,227,310	1,313,783

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Property Tax Levy, continued:			
Municipal Capital Improvement Fund	487,621	491,819	526,472
Fire Retirement	739,992	750,000	843,287
Liability Insurance	558,000	667,054	670,000
Property Tax Levy Total	<u>\$ 18,583,619</u>	<u>\$ 18,888,743</u>	<u>\$ 20,174,344</u>
Revenue Sources Other Than Property Tax			
General Fund	\$ 12,610,432	\$ 14,105,560	\$ 16,654,192
Street Fund	2,576,098	3,018,000	3,199,531
Recreation Fund	568,268	611,150	607,200
Library Fund	678,500	660,000	1,004,090
Passenger Facility Fund	448,885	425,000	455,000
Municipal Equipment Replacement Fund	127,761	150,000	150,000
Electric Light Public Purpose Fund	569,164	650,000	750,000
Business Improvement District Fund	149,308	60,000	60,000
Electric Rate Stabilization Fund	131,118	75,000	150,000
Sanitary Sewer Capital Improvement Fund	251,093	188,750	193,750
Municipal Capital Improvement Fund	16,424	15,000	20,000
Street Capital Improvement Fund	512,810	35,000	2,000,000
Bridge and Arterial Street Fund	155,055	177,000	178,000
Water Capital Improvement Fund	204,891	238,750	238,750
Surface Drainage Fund	45,427	40,000	40,000
Traffic Light Capital Improvement Fund	519,292	521,000	540,789
Airport Fund	5,433,664	4,869,924	5,452,184
Water and Sewer Fund	10,211,942	9,037,800	11,364,000
Sanitation Fund	2,385,313	2,321,200	2,512,500
Ambulance Fund	2,085,883	2,183,924	2,477,686
Electric Fund	58,546,385	55,254,798	54,356,281
Fund Transfers	1,671,035	1,528,200	1,805,600
Fund Balance Carryover	<u>16,817,613</u>	<u>25,836,790</u>	<u>22,694,091</u>
Other Revenue Sources Total	<u>\$116,816,361</u>	<u>\$122,002,846</u>	<u>\$126,903,644</u>
Total Revenues - All Funds	<u>\$135,399,980</u>	<u>\$140,891,589</u>	<u>\$147,077,988</u>

I, Rosemarie Anderson, City Clerk of the City of Idaho Falls, Idaho certify that the above is a true and correct statement of the proposed expenditures by fund and the entire estimated revenues and other sources of the City of Idaho Falls, Idaho for the Fiscal Year 2005-2006; all of which have been tentatively approved by the City Council on August 11, 2005 and entered at length in the Journal of Proceedings.

Dated this 12th day of August, 2005.

s/ Rosemarie Anderson
Rosemarie Anderson
City Clerk

Publish: August 14 and August 21, 2005

Councilmember Lehto stated that the City Council has worked on this budget for approximately three months. He commended the Mayor for conducting Budget Open Houses for public input early in the budget process. Committee Meetings were conducted in June and July regarding budget requests. Councilmember Lehto expressed his appreciation for Craig Lords, Municipal Services Director, and Robert Holm, City Controller, for their hard work on this budget. He also thanked all Division Directors and their staffs for their forthright attempt at developing fair and reasonable budgets. In this budget, the

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City continues to fund and plan for the construction on Sunnyside Road (lights, sewer, traffic, power upgrades), the remodel effort at McDermott Field should that go forward, and a fire ladder truck for the Fire Department. The City Council has been able to fund most needs and requests and still managed to decrease the tax levy rate by approximately 4.5%.

John McGimpsey, 2122 Calkins Drive, appeared to question whether the \$22,000,000.00 carryover was a one time carryover, or whether that was a common item.

Mayor Milam stated that oftentimes, vehicles and equipment need to be replaced. There are large capital projects, for which the funds have been accumulated for years. During the year when these items are required, those funds are drawn from the "savings account".

There being no further discussion either in favor of or in opposition to proposed 2005-2006 Fiscal Year Budget, Mayor Milam closed the public hearing.

Councilmember Groberg stated that he would vote in favor of this budget. The budget is not prepared as to how any one Councilmember would like it. It is a compromise between all six Councilmembers. In balance, the budget is close to where the City should be. It includes the reduction in the levy. There are two components in property taxes. One is the levy rate that the City sets and the other is the valuation from the Bonneville County Assessor. Only if a person has the same assessed valuation from one year to the next, will the tax levy reduction be noticed. Over the last three years, the cumulative decrease has been approximately 10%, which is an effort on the part of the City Council to return back to the taxpayer the value in large part of several large industrial-type buildings that the City has had come into the City. This has increased the City's assessed valuation. The City Council wanted to return as much of that as possible to the taxpayer. It is remarkable that the City is able budget what is hoped to be sufficient reserves for the completion of Sunnyside Road, and at the same time have a significant reduction in the levy.

Councilmember Hally stated that the City Council would like to keep the mill levy as low as possible. To have another reduction this significant represents a lot of give and take by Department Heads and members of the City Council. He expressed his concern that to go any lower could create a danger because the Council is not allowed to increase in an emergency situation as much as it might need to. The Public Works Division, under the street and sewer systems, has some real needs. This budget is a lean budget, which represents a budget that is about as tight as the City Council should go at this time. The members of the City Council and the Department Heads are to be commended for the cuts that they were willing to take in certain areas. This is a good solid budget.

Councilmember Lyon stated that he appreciated the work that Councilmember Lehto and Councilmember Groberg have done on this budget. He also expressed his appreciation for the work that Councilmember Groberg did on last year's budget. There is no big secret to reducing the levy and reducing the size and cost of government. It simply takes fiscal discipline. An example of that is at the national level, when we had presidents that were committed to the principles of limited government and lower taxes, the citizens received tax cuts. When we had presidents that were not, there were no tax cuts. Thankfully, the City Council is currently configured with enough people on it who believe in the principles of limited government and lower taxes, that the City Council was able to accomplish this. If you look at the levy rate in years past, and you look at the configuration of the City Council, you will see that the levy rate did not go down much. In fact, it went up a lot of times. That was a function of the people on the City Council and their philosophies. Councilmember Lyon stated that he was grateful to be working with a City Council that feels like he does, in that it is time to cut. Councilmember Lyon stated that he supported the budget.

Councilmember Shurtleff stated that he was happy to vote for this budget – and it is the second year in a row.

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Councilmember Hardcastle stated that in the twelve years that she has been on the City Council, the City Council has lowered the levy minutely every year with one exception. It feels good to do that. It is because of the growth and the way the valuations came in. She expressed that she hopes that next year the tax levy could be lowered a little more. Councilmember Hardcastle stated that she did not see the growth on the horizon that the City has experienced in the last couple of years. She stated that it is important to be fiscally responsible and to do all that can be done for the taxpayers. Councilmember Hardcastle stated that she is delighted to vote for this year's budget.

Mayor Milam stated that this has been a fascinating process. She has been pleased over the years to see the involvement of the City Council in the preparation of the budget. That has not always been the case. Mayor Milam explained how the money was arrived at to purchase the Fire Department's ladder truck. A portion of that purchase includes a \$300,000.00 federal grant through Homeland Security Funding. A total of \$450,000.00 comes out of savings or the Municipal Equipment Replacement Fund. The City saves over a period of years so that when large ticket items come along, the City is not faced with how they are going to come up with that much money all at once. Through discipline, money has been placed into the Municipal Equipment Replacement Fund to allow for those purchases. Two things have been moved to General Fund expenditures, which used to be covered by the Gas Tax or by electrical rates. Traffic lights have been moved into a General Fund Account. Often, the City is reimbursed by a developer if they are causing the need for the traffic light, but sometimes that does not happen. There will be General Fund monies that will be available for traffic signals. Snow removal has been moved off of the Gas Tax because there is such pressure on the Street Fund to do the work that needs to be done. Mayor Milam recognized the Fire District because the Ambulance District provided funding for two additional fire fighters. The Fire District agreed to join with the City to provide one additional fire fighters to cover one shift. Mayor Milam echoed Councilmember Lehto's comments regarding appreciation for Craig Lords, Municipal Services Director, and Robert Holm, City Controller. She stated that the City Council has worked hard at achieving this budget and she expressed her appreciation for that.

It was moved by Councilmember Lehto, seconded by Councilmember Groberg, to approve the 2005-2006 Fiscal Year Budget in the amount of \$147,077,988.00 as presented. Roll call as follows:

Aye: Councilmember Shurtleff
 Councilmember Lyon
 Councilmember Groberg
 Councilmember Hardcastle
 Councilmember Lehto
 Councilmember Hally

Nay: None

Motion Carried.

At the request of Councilmember Lehto, the Assistant City Attorney read the following Ordinance by title only:

ORDINANCE NO. 2615

THE ANNUAL APPROPRIATION ORDINANCE OF
THE CITY OF IDAHO FALLS, IDAHO, FOR THE
PERIOD COMMENCING OCTOBER 1, 2005 AND

AUGUST 25, 2005

ENDING SEPTEMBER 30, 2006, APPROPRIATING AND APPORTIONING THE MONIES OF SAID CITY TO AND AMONG THE SEVERAL FUNDS OF SAID CITY AND DESIGNATING THE PURPOSE FOR WHICH SAID MONIES MAY BE EXPENDED; SPECIFYING THE AMOUNT OF MONEY PAID BY PROPERTY TAX TO BE APPROPRIATED TO SAID FUNDS; PROVIDING WHEN THE ORDINANCE SHALL BECOME EFFECTIVE.

The foregoing Ordinance was presented by title only. Councilmember Lehto moved, and Councilmember Groberg seconded, and that the provisions of Idaho Code Section 50-902 requiring all Ordinances to be read by title, and once in full, on three separate dates be dispensed with, the Ordinance be passed on all three readings, and, further, give authorization for the Mayor and City Clerk to sign the necessary documents. Roll call as follows:

Aye: Councilmember Lyon
Councilmember Shurtleff
Councilmember Hally
Councilmember Groberg
Councilmember Hardcastle
Councilmember Lehto

Nay: None

Motion Carried.

Idaho Falls Power submitted the following memo:

City of Idaho Falls
August 22, 2005

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: Jo Elg Fikstad, Power Manager
SUBJECT: CUSTOMER ALLOCATION AGREEMENT WITH PACIFICORP

Attached for your consideration is the Idaho Falls Allocation Agreement with PacifiCorp. The Idaho Public Utilities Commission recommended clarification regarding duplication of facilities. The City Attorney has reviewed the agreement.

Idaho Falls Power requests approval of this agreement and authorization for the Mayor to execute the document.

s/ Jo Elg Fikstad

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Following a brief discussion regarding the necessity of this agreement, it was moved by Councilmember Lehto, seconded by Councilmember Shurtleff, to approve the Idaho Falls Allocation Agreement with PacifiCorp and, further, give authorization for the Mayor to execute the necessary documents. Roll call as follows:

Aye: Councilmember Lehto
Councilmember Groberg
Councilmember Hardcastle
Councilmember Shurtleff
Councilmember Hally
Councilmember Lyon

Nay: None

Motion Carried.

The Library Director submitted the following memo:

City of Idaho Falls
August 20, 2005

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: Robert Wright, Library Director
SUBJECT: DISPOSAL OF SURPLUS LIBRARY MATERIALS

It is respectfully requested that the Mayor and Council adopt the attached Resolution allowing the Library Board to dispose of surplus library materials and authorize the Mayor to sign the document.

s/ Robert Wright

RESOLUTION NO. 2005-9

WHEREAS, the Idaho Falls Public Library has accumulated one thousand one hundred and thirty-four (1,134) children's books and seven hundred thirty-one (731) adult books which are surplus, worn out, of little or no utility, or which are otherwise unneeded for public purposes;

WHEREAS, the Board of Trustees for the Library has recommended that such books be donated to the Friends of the Idaho Falls Public Library to be sold in their public book sale or disposed of in such other manner as may be determined by the Board of Trustees;

WHEREAS, it appears that such donation is appropriate under the circumstances.

NOW, THEREFORE, be it hereby resolved that the Idaho Falls Public Library Board of Trustees be and hereby is authorized to donate, convey or dispose of said books in such manner as the Board shall deem appropriate.

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DATED this 26th day of August, 2005.

s/ Linda M. Milam
Linda M. Milam
MAYOR

It was moved by Councilmember Hardcastle, seconded by Councilmember Groberg, to approve the Resolution allowing the Library Board to dispose of surplus library materials and, further, give authorization for the Mayor to sign said document. Roll call as follows:

Aye: Councilmember Shurtleff
Councilmember Lyon
Councilmember Groberg
Councilmember Hardcastle
Councilmember Lehto
Councilmember Hally

Nay: None

Motion Carried.

The Municipal Services Director submitted the following memo:

City of Idaho Falls
August 19, 2005

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: S. Craig Lords, Municipal Services Director
SUBJECT: ADOPTION OF ICMA-RC RETIREMENT HEALTH SAVINGS PROGRAM

It is respectfully requested that Mayor and Council adopt ICMA-RC's "Retirement Health Savings Program" by resolution and authorize the Mayor to sign all the documents.

It is intended the Plan will become effective October 1, 2005.

s/ S. Craig Lords

RESOLUTION NO. 2005-10

**SUGGESTED RESOLUTION FOR ADOPTION OF THE
VANTAGECARE RETIREMENT HEALTH SAVINGS (RHS) PROGRAM**

Plan Number: 801242

Name of Employer: City of Idaho Falls State: Idaho

Resolution of the above-named Employer (the "Employer"):

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WHEREAS, the Employer has employees rendering valuable services; and

WHEREAS, the establishment of a retiree health savings plan for such employees serves the interests of the Employer by enabling it to provide reasonable security regarding such employees' health needs during retirement, by providing increased flexibility in its personnel management system, and by assisting in the attraction and retention of competent personnel; and

WHEREAS, the Employer has determined that the establishment of the retiree health savings plan (the "Plan") serves the above objectives;

NOW, THEREFORE BE IT RESOLVED, that the Employer hereby adopts the Plan in the form of the ICMA Retirement Corporation's VantageCare Retirement Health Savings Program.

BE IT FURTHER RESOLVED that the assets of the Plan shall be held in trust, with the Employer serving as trustee, for the exclusive benefit of Plan participants and their beneficiaries, and the assets of the Plan shall not be diverted to any other purpose prior to the satisfaction of all liabilities of the Plan. The Employer has executed the Declaration of Trust of the City of Idaho Falls (name of Employer) Integral Part Trust in the form of: (Select one)

The model trust made available by the ICMA Retirement Corporation.

The trust provided by the Employer (executed copy attached hereto).

BE IT FURTHER RESOLVED, that the Controller (use title of Employer's official, not name) shall be the coordinator and contact for the Plan and shall receive necessary reports, notices, etc.

I, Rosemarie Anderson, City Clerk of the City of Idaho Falls, do hereby certify that the foregoing resolution, proposed by Councilmember Lehto, was duly passed and adopted in the Council Meeting of the City of Idaho Falls at a regular meeting thereof assembled this 25th day of August, 2005, by the following vote:

Ayes: 6
Nays: 0
Absent: 0

s/ Linda Milam
Mayor

(SEAL)

s/ Rosemarie Anderson
City Clerk of the City of Idaho Falls

Councilmember Lehto stated that the Municipal Services Council Committee has been considering this Agreement for approximately four months. It was moved by Councilmember Lehto, seconded by Councilmember Groberg, to approve the ICMA-RC's

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“Retirement Health Savings Program” and, further, give authorization for the Mayor, City Treasurer, City Controller, and City Clerk to execute the necessary documents. Roll call as follows:

Aye: Councilmember Lyon
Councilmember Shurtleff
Councilmember Hally
Councilmember Groberg
Councilmember Hardcastle
Councilmember Lehto

Nay: None

Motion Carried.

The Public Works Director submitted the following memo:

City of Idaho Falls
August 19, 2005

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: Chad Stanger, Public Works Director
SUBJECT: CHANGE ORDER NO. 34 – SUNNYSIDE INTERCHANGE TO I-15B (ITD PROJECT)

Attached is proposed Change Order No. 34 to the Idaho Transportation Department Project, Sunnyside Interchange to I-15B, involving City owned utilities. This change order is required to accommodate an alignment change and necessary rock boring for the City’s water line; increasing the contract cost by an amount of \$46,063.89.

Public Works recommends approval of this change order; and, authorization for the Mayor and City Clerk to sign the documents.

s/ Chad Stanger

It was moved by Councilmember Shurtleff, seconded by Councilmember Lyon, to approve Change Order No. 34 to the Idaho Transportation Department Project, Sunnyside Interchange to I-15B involving City-owned utilities and, further, give authorization for the Mayor to execute the necessary documents. Roll call as follows:

Aye: Councilmember Lehto
Councilmember Groberg
Councilmember Hardcastle
Councilmember Shurtleff
Councilmember Hally
Councilmember Lyon

Nay: None

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Motion Carried.

There being no further business, it was moved by Councilmember Shurtleff, seconded by Councilmember Lehto, that the meeting adjourn at 8:10 p.m.

CITY CLERK

MAYOR
