

## January 25, 2021 Work Session

The City Council of the City of Idaho Falls met in Council Work Session, Monday, January 25, 2021, in the Council Chambers in the City Annex Building located at 680 Park Avenue in Idaho Falls, Idaho at 3:00 p.m.

### Call to Order and Roll Call:

There were present:

Mayor Rebecca L. Noah Casper  
Council President Michelle Ziel-Dingman (via WebEx)  
Councilor John Radford (via WebEx)  
Councilor Thomas Hally  
Councilor Jim Freeman (via WebEx)  
Councilor Jim Francis  
Councilor Shelly Smede

Also present:

Brad Cramer, Community Development Services Director  
Kerry Beutler, Community Development Services Planning Director  
Caitlin Long, Community Development Services Planner  
Chris Fredericksen, Public Works Director  
Pamela Alexander, Municipal Services Director  
Dana Briggs, Economic Development Coordinator  
Josh Roos, Treasurer  
Mark Hagedorn, Controller  
Loren Honeycutt, Information Technology  
Randy Fife, City Attorney  
Kathy Hampton, City Clerk

### Calendars, Announcements and Reports:

January 28, Idaho Falls Power (IFP) Board Meeting; and City Council Meeting  
February 8, City Council Work Session  
February 11, City Council Meeting  
February 15, Presidents' Day/City offices closed  
February 17, Bonneville Metropolitan Planning Organization (BMPO)  
February 22, City Council Work Session  
February 25, IFP Power Board Meeting; and City Council Meeting

Mayor Casper distributed City of Ammon Council assignments, and Bonneville County assignments and responsibilities. Mayor Casper strongly believes the City leaders should be engaged in the workings of the State legislative sessions (she will distribute information as able), specifically regarding Eastern Idaho Public Health (EIPH) and property taxes. She also believes the Chamber of Commerce and the Association of Idaho Cities (AIC) meetings are helpful. Brief discussion followed regarding the distribution of liquor sales, defunding of cities, growth, and internet sales tax.

### Liaison Reports and Council Concerns:

Council President Dingman had no items to report.

Councilor Radford had no items to report.

Councilor Freeman stated the memorial for former Councilmember Mel Erickson is anticipated to be located near the 10<sup>th</sup> tee at Pinecrest Golf Course.

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Councilor Francis stated (per Parks and Recreation (P&R)) the splash pad in-ground equipment will be here by the end of January; the outdoor ice rinks are doing well; and the changes to spectator events per the Governor's Order only applies to the school programs and events, the number of spectators allowed for P&R remains at one (1) spectator per person. He also stated the African American Alliance will be holding a blood drive in lieu of the annual Martin Luther King, Jr. banquet.

Councilor Hally stated the number of the State Coronavirus (COVID-19) cases are looking favorable.

Councilor Smede announced she received her COVID vaccine.

### COVID-19 Update:

Mayor Casper reiterated the COVID rates continue to be lower, although they are typically lower during the weekends. She noted EIPH had an emergency meeting earlier in the day. She stated the distribution of vaccines are continuing to occur, although there is a smaller amount being distributed to Idaho than anticipated. She also stated the Idaho Falls Fire Department (IFFD) has been administering doses. She noted guidelines for the priority of individuals to receive the vaccine has not completely been determined. Mayor Casper explained the mask wearing by City employees has been identified as an expectation although there was no formal policy. She requested Council input to move forward.

### Presentation: Northgate Mile/1st Street Plan:

Ms. Long was introduced as a new employee in the Community Development Services (CDS) Department. Director Cramer stated the Northgate Mile/1st Street corridor plan was paid through the Environmental Protection Agency (EPA) Brownfield grant. He also stated this area has needed rejuvenation/redevelopment for some time, and this plan will be reviewed and considered by the Planning and Zoning (P&Z) Commission in the near future with Council adoption anticipated in late February/early March 2021. Mr. Beutler stated much of the public outreach for the Northgate Mile/1st Street study occurred in March 2020 prior to the COVID shutdown. The plan is highlighting the area along the Pinecrest Golf Course north to Fred Meyer, south of Northgate Mile to the underpass, east along 1st Street where 1st Street and Lomax come together, and south of 1st Street next to the Post Office. Mr. Beutler stated CDS worked with Stantec on the overall planning process, and Agnew::Beck provided the marketing analysis. He indicated the focus area needs 41 acres to support future demand in the Commercial Market, and 197 new housing units in the Residential Market, although there is a land shortage of approximately 18 acres to accomplish these tasks. Therefore, redevelopment, re-investment, and re-use of buildings and structures will be looked at. Mr. Beutler noted the current zoning in the area is flexible and will allow residential or commercial development. He stated the plan also tried to create a community vision – celebrating the area's history, creating a positive identity, and enhancing the infrastructure. The Urban Design Plan (UDP) identifies five (5) strategies – District Identity, Circulation and Access, Catalyst Projects, Stewardship and Self Governance, and Policy and Funding – that will help develop and implement the plan. Mr. Beutler reviewed the overview of the area, with the potential of three (3) activity centers and an Urban Village area. He also reviewed the area plans stating the Fred Meyer shopping area could be consolidated/re-purposed with infill development and connected to the entire corridor; the civic corridor (the area around the new Law Enforcement Complex (LEC)) could include a mixed-use area and planned opportunities; the 1st Street corridor could be used as an entrance point/gateway while working with streetscape design and having more pedestrian connection to the neighborhoods; the Urban Village could see redevelopment with the potential of Freeman Avenue becoming a festival street that could periodically be closed for events; and the entire stretch of Lomax and 1st Street from Northgate Mile was reviewed for circulation, including one-way streets, two-way streets, or realignment. Mr. Beutler stated additional outreach with property owners will need to occur regarding the traffic pattern. He also stated the traffic pattern has been thoroughly discussed with Public Works and other departments. Director Cramer indicated any of the three (3) traffic options would work, although the traffic direction could affect any future project. Mr. Beutler reviewed the Implementation and Action Plan

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stating an action plan matrix has been created for each of the five (5) strategies with target years identified, lead entity and partners listed, necessary resources to complete the action, and detail of implementation tasks. Director Cramer noted plans have currently been submitted for housing units in the study area. Per Councilor Hally, Director Cramer confirmed the Idaho Falls Redevelopment Agency (IFRdA) is looking at these areas. Director Cramer believes partnerships are needed within the area, and there is a need to have the right codes in the area to preserve the character/look and feel of the area. Per Mayor Casper, Director Cramer stated an urban renewal district may potentially be used although the goal in this area is to create small districts. Director Cramer noted the funding from the EPA grant is also paying for redevelopment site analysis which will include a proforma to show those things that are profitable as this area is a concern for developers.

### Discussion: Acceptance of property transfer from the Idaho Transportation Department (ITD):

Director Fredericksen stated this item has been discussed with ITD for the previous two (2) years. This property is just north of 65<sup>th</sup> South, also known as York Road, and includes approximately 35 acres on the west side of the Snake River. ITD would retain the property immediately north of the area although a berm would be required. Director Fredericksen stated this would be a no-cost transfer to the City. He believes there is tremendous value for several recreational opportunities. He noted this property is a depleted gravel pit and would allow for groundwater recharge. The property is approximately 9,000 feet south of the Wastewater Treatment Plant (WWTP) and internal wastewater flows could be used for this potential site. Director Fredericksen noted if the property is no longer used for public service the property would be returned to ITD. Per Mayor Casper, Director Fredericksen stated Public Works is hopeful to use the City's water rights to divert the water, however, piping would be used if necessary. Brief general comments followed. This item will be included on the January 28 Council Meeting agenda.

### Discussion: Meppen Pond Property:

Director Alexander described the area which is located north of College of Eastern Idaho (CEI) and west of South 25<sup>th</sup> East (Hitt Road). The property includes 11.72 acres; contains two (2) parcels; is currently zoned as Parks and Open Space; is a City lift station for storm pond drainage; houses the Community Gardens; needs 30' easements for IFP; and was appraised at \$1.1M. Mayor Casper stated this property could allow expansion for CEI, it's located next to prime commercial uses for development, it could be used for housing development, or it could be retained by the City. Ms. Briggs requested Council's general thoughts/preference for this property as CEI has shown interest in the area and has a proposal ready for the Council. She indicated private developers have also shown interest with the area. She noted CEI is a tax-exempt organization. Director Holm stated the Community Gardens has been located in this area for approximately 20 years. He noted this could also be a good location for a neighborhood park as there is no neighborhood park in close proximity. Per Councilor Freeman, Director Holm stated P&R currently maintains this area (mowing, etc.). Also per Councilor Freeman, Director Fredericksen stated the storm pond takes the storm water from Hitt Road as well as some of the surrounding subdivisions. Ms. Briggs stated the City acquired this parcel in 1977. She noted there could be variations in any proposal, such as splitting the parcels. Councilor Hally briefly reviewed the possible property taxes, he believes this is an indirect cause. Per Mayor Casper, Director Fredericksen stated the City had previously paid to have the storm pond constructed as part of the Hitt Road widening. He indicated this area could be re-modified or re-worked and he has no concerns with re-routing the storm water although Mayor Casper believes those costs should not be with the City again. Per Councilor Francis, Ms. Briggs believes CEI is open to several variations. Councilor Francis is willing to see a proposal from CEI. Per Mayor Casper, Director Alexander stated State Statute allows a transfer or exchange of property with another governmental entity (such as CEI), the property would have to go through a public surplus bidding process for a private developer to acquire. Councilor Freeman stated he would lean toward CEI versus a private developer. Council President Dingman reiterated this conversation has previously occurred with CEI. She supports a presentation from CEI although she believes all options should be weighed.

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### Quarterly Finance Presentation:

Mr. Roos reminded the Council that in March 2020, the Federal Open Market Committee dropped the federal funds rate to 0.00-0.25%, the increase of this rate is not expected to occur until 2023-2024. He reviewed the government benchmarks versus the City benchmarks; Investment Portfolio for December 2019 (\$96.8M) and December 2020 (\$114M); Investment Cash Flow (indicates when investments will mature, no more than 25% of the portfolio may be invested beyond 24 months) for December 2019 and December 2020; the 2020 Treasurer's Report for December 2019 (\$109,282,685.23) and December 2020 (\$123,088,816.96), noting there was a difference of \$13.8M (Recreation, Golf, Emergency Medical Services (EMS), and Wildland Funds were specifically briefly reviewed); and Treasurer's Report Cash Flow for FY2019 (\$407,000) and FY2020 (\$4.3M), Mr. Roos noted the substantial increase of Cash Flow in FY2020 is mainly due to COVID. He commended the City directors. Mr. Roos stated COVID-19 State reimbursements received = \$2,118,600; Governor Brad Little's Public Safety Initiative Update, January 2021 received = \$7,032,257; and property tax, January 2021 received = \$17,845,104. Brief comments followed regarding delinquency in property taxes. Per Mayor Casper, Director Alexander stated budget reductions were identified due to the known lack of revenue. She also commended the City directors. Mr. Hagedorn stated the effects of COVID won't be seen until 2021 although the cash reserve is getting better. Director Alexander reviewed the Negative Cash Balance Policy update, stating the Council-approved repayment process will begin October 1, 2021. Mr. Roos stated the Negative Cash Balances include Recreation, Golf, and Ambulance.

Director Alexander reviewed the following with general comments:

City-wide Budget to Actual Revenue:

2020/2021 Budget = \$215,994,921

First Quarter (December 2020) = \$39,139,773

Percentage Received = 18.1%

Director Alexander stated the Taxes and Franchise Fees do not include the \$17.8M (as previously referenced by Mr. Roos); the \$2.1M COVID-19 reimbursements were placed in Intergovernmental Revenue; and revenue is anticipated to increase per events.

City-wide Budget to Actual Expenditure

2020/2021 Budget = \$282,323,233

First Quarter (December 2020) = \$37,226,414

Percentage Expended = 13.2%

Director Alexander noted Salaries and Wages is below the 25% indicator, and benefits have decreased as individuals have left the City. Mr. Hagedorn stated the WWTP payment, included in Debt Service Payment, was made earlier than anticipated due to the lower interest rate. This repayment is approximately 2½ years ahead of schedule.

Mr. Hagedorn reviewed the following with general comments:

General Fund Budget to Actual Revenue

2020/2021 Budget = \$49,287,797

First Quarter (December 2020) = \$6,711,374

Percentage Received = 13.6%

Mr. Hagedorn stated Other Financing Sources were Council-approved transfers to other funds. These transfers have not occurred yet due to the funds not being needed at this time.

General Fund Budget to Actual Overview:

2020/2021 Budget = \$50,322,082

First Quarter (December 2020) = \$10,817,862

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Percentage Expended = 21.5%

Mr. Hagedorn stated Salaries and Wages is slightly higher due to overtime in the IFFD which was predicted for COVID expenses and wildland fires in the previous year. Director Alexander stated salaries and wages continues to be monitored although there was uncertainty with COVID and the public safety departments. Per Councilor Hally, Mr. Hagedorn believes all funds from the redevelopment closure have been received.

Director Alexander reviewed the following:

Recommendations for 2020/2021:

- General Fund savings moved to a reserve account

Mayor Casper stated this is a discussion item with the State legislation. Director Alexander stated a reserve account is about freedom and being able to make (more) choices. She also stated a Building Infrastructure Fund has previously been discussed. Mr. Hagedorn believes cities are incurring debt if the reserve fund is taken away.

- No re-budgeting of general fund salary savings
- Material changes to government funds budget should be approved by Mayor and City Council
- No one-time project carryover funds for 2021/2022 (barring no issues with COVID)

Ongoing Projects for 2020/2021

Current Projects –

- Cash receipting and miscellaneous accounts receivable module
- Electronic time keeping software
- Fleet focus
- Point of sale systems for Zoo and Animal Control
- Credit card merchant integration (invoice Cloud)

Mr. Hagedorn reviewed the following:

Future Priorities/Projects for 2020/2021 –

- Work order module process upgrade and training

Mr. Hagedorn believes this is the highest need in the City.

- Assets integration and tracking
- Cash handling policy and process improvement

Director Alexander stated the finance team is also working on internal controls. She also stated it is common for other municipalities to have similar issues. Per Mayor Casper, Mr. Hagedorn explained that a work order is an alternate reporting mechanism on a project or service. He stated a work order is the most complicated piece of accounting; these are director-driven; and are direct charges. Mr. Roos gave a brief explanation of a work order, stating this can give a rough estimate of future similar projects. Brief discussion followed. Mayor Casper commended the Finance Team. Council President Dingman concurred. Mayor Casper also commended Mr. Honeycutt for his assistance with the WebEx platform.

There being no further business, the meeting adjourned at 5:49 p.m.

s/ Kathy Hampton  
Kathy Hampton, City Clerk

s/ Rebecca L. Noah Casper  
Rebecca L. Noah Casper, Mayor