

April 14, 2018

The City Council of the City of Idaho Falls met in Special Meeting (Budget Workshop/Discussion), Saturday, April 14, 2018, in the Council Chambers in the City Annex Building located at 680 Park Avenue in Idaho Falls, Idaho at 8:00 a.m.

Call to Order and Roll Call:

There were present:

Mayor Rebecca L. Noah Casper
Councilmember Thomas Hally
Councilmember John Radford
Councilmember Jim Francis
Councilmember Michelle Ziel-Dingman
Councilmember Shelly Smede
Councilmember Jim Freeman

Also present:

Pamela Alexander, Municipal Services Director
Mark Hagedorn, Controller
Michael Kirkham, Assistant City Attorney
Kathy Hampton, City Clerk

Mayor Casper called the meeting to order at 8:03 a.m. There were no announcements.

It was then moved by Councilmember Freeman, seconded by Councilmember Hally, to move into Executive Session. The Executive Session is being called pursuant to the provisions of Idaho Code Section 74-206(1)(b) to consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student. The City Council will return and reconvene at the conclusion of the Executive Session. The Executive Session will be held in the City Annex Conference Room. Roll call as follows: Aye – Councilmember Hally, Francis, Radford, Dingman, Smede, Freeman. Nay – none. Motion carried.

The City Council of the City of Idaho Falls met in Special Meeting (Executive Session), Saturday, April 14, 2018, in the City Annex Conference Room in the City Annex Building located at 680 Park Avenue in Idaho Falls, Idaho at 8:04 a.m.

There were present:

Mayor Rebecca L. Noah Casper
Councilmember Michelle Ziel-Dingman
Councilmember John B. Radford
Councilmember Jim Francis
Councilmember Shelly Smede
Councilmember Jim Freeman
Councilmember Thomas Hally

Also present:

Michael Kirkham, Assistant City Attorney
Pamela Alexander, Municipal Services Director

The Executive Session was called pursuant to the provisions of Idaho Code Section 74-206(1)(b) to consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student.

There being no further business, the Executive Session adjourned at 8:52 a.m. and the Council reconvened into Budget Workshop/Discussion.

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Opening Remarks:

Mayor Casper stated this particular budget discussion is intended to identify the range of priority needs by Councilmembers as liaison to their departments. Next steps will include public feedback, conversations with department directors, and, a final decision made by the Council.

Councilmember Radford briefly reviewed the role as an elected official vs the administrative role. He reiterated the priority needs discussion including any potential donations for projects. He believes strategic planning will require additional discussion.

Budget Basics Workshop:

Director Alexander reviewed State Statute 50-208: identifies the treasurer to be the custodian of all moneys (the Treasurer's Report is posted on the Council Meeting agenda on a monthly basis); Government Finance Officers Association (GFOA) recommends, at a minimum, no less than two (2) months of the general fund balance be maintained; (average general fund expenditure = \$3.6m, minimum recommended = \$8m). Brief discussion followed regarding the recent low balance of the general fund. It was noted Bonneville County property taxes are received in January and June. Director Alexander stated the Investment and Finance Committee has been established to review City funds. She briefly reviewed City investments. Mr. Hagedorn stated City government is not designed for asset growth. General discussion followed regarding utility collection, Wildland Fire reimbursement, the Ambulance Fund (including Medicare/Medicaid payments and receivables), utility and ambulance write-offs, and the monthly Treasurer's Report.

Director Alexander stated a budget should be a blue print of a future plan, realizing there are changes on a yearly basis. She believes the budget should be transparent. She indicated a contingency fund has been created. Mr. Hagedorn stated Association of Idaho Cities (AIC) recently released the City Budgeting Manual for FY2018 for reference. Discussion followed regarding unused funds at the end of a budget year. There is preference to utilize current funds for current expenditures. Mr. Hagedorn reviewed budget and cash basis (static versus pro forma methodologies) and level of budget controls. He stated each level will be documented to outline the change of budget within the year. Brief discussion followed regarding anticipated grants and the spending authority. In the event a grant is not received Council should approve the expenditure of said funds. Director Alexander indicated there is preference for departmental short-term, mid-term, and long-term costs. This would include staff (as an ongoing cost) and/or projects. Mayor Casper briefly reviewed the 2018-2019 Budget Calendar including the schedule for Council, Departments, and the public. She indicated additional meetings could be scheduled if needed. General discussion and comments followed including the timeframe, tentative approval, and public input. Due to Idaho Consumer Owned Utilities Association (ICUA) meetings being held July 24-26, Council Meeting will be held the evening of Monday, July 30. This meeting will include the tentative approval of the budget and fees.

Mr. Hagedorn reviewed the following with general discussion throughout:

Funding Sources and Types:

- Taxes
 - Property – general fund revenue = 70% of property taxes (\$31m). There are a variety of taxes received and multiple sources of funding.
 - Franchise – exchange of utilities for Right-of-Way usage. The City currently has two (2) franchise agreements, with revenues allocated to the Street Fund.
- Intergovernmental – between government entities, most funding comes from State. 56.4% of taxes received are through State distribution, 43.6% of taxes received are through County distribution.

Mr. Hagedorn briefly reviewed contracts, grants, charges for services and fees, payment in lieu of taxes (PILOT), and contributions.

Property Taxes:

- Growth – added to the following year
- Annexation – added to the following year
- Statutory allowable – must be adopted by Council
- Foregone – savings created from not taking maximum 3% levy increase, current balance is ~\$6m
- Property tax collection – can take five (5) years to collect

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Mr. Hagedorn reviewed the calculation exercise related to any levy increase. The Certificate of Valuation, which determines the levy rate, is received from Bonneville County on an annual basis.

Expenditure Types:

- Expenditures – includes wages, benefits, operational costs, and capital costs (capital costs must be approved by Council)
- Municipal Equipment Replacement Fund (MERF) contributions
- Debt Service – repayment of debt incurred
- Transfers – elected by Council
- Inter-fund transfers – transfers between City departments. This includes reciprocal and non-reciprocal transfers with allocation, agreements, and cooperatives.

Director Alexander reviewed Priority Based Budgeting (PBB) overview of process with general discussion throughout:

- Development of community-oriented and governance results
- Program inventory
- Score to basic program attributes and community-oriented results (quartiles 1-4)
- Position, operating and revenue budget allocation to programs
- Peer review
- Quartile assignment based on scoring
- Review results and discussion

Community-oriented results include: safe and secure community; access to a variety of life-long learning opportunities; livable community; environmental sustainability; reliable public infrastructure and transportation; well-planned growth and development; economic growth and vibrancy; and, good governance (internal).

Director Alexander demonstrated the PBB platform. She believes the PBB will demonstrate to the public which services, with the allocated funds, are being provided. PBB has been developed over the course of the previous 2-3 years with an annual cost of ~\$20,000. Mayor Casper believes PBB will help guide the budget discussion and would set the goals for City strategic planning, which would then authorize spending. She also believes the community-oriented results may need reviewed/updated. Councilmember Hally believes PBB is a guide, not a decision-maker. Councilmember Radford believes there are both concerns and opportunities related to PBB.

Department and Liaison 2018-19 Budget Priorities:

Councilmember Radford believes revenues rely on a number of things, including changes to State law. He also believes operating budgets focus on short-term planning although the Council needs to consider long-term planning, including infrastructure and buildings. He indicated the Council is able to increase control and accountability of expenditures. There is also a need of strategic planning for future years and revenues should be saved for future Council, the MERF is good example. Councilmember Radford believes the Council needs to decide what's important to citizens and the related services which should all be related to comprehensive planning. He indicated AIC recommends the budget be used as a management tool and policy should be translated into the budget decisions regarding which services, or level of service, should be cut. He believes the conversation should include policy priorities including how to handle non-recurring revenue or to ensure recurring revenue is at top dollar. There should also be awareness of foregone. Councilmember Radford believes strategic planning should be discussed, with a possible consultant, as strategic planning helps make tough budget choices. He believes citizens need to be involved. He questioned if leftover revenues at the end of each fiscal year could be used. Mayor Casper stated previous administration advised against using the general fund. Mr. Hagedorn indicated leftover funds could be forecasted/anticipated. Councilmember Radford believes estimates need to be reviewed. Councilmember Hally indicated leftover money could be due to a number of reasons, such as un-received grants.

Airport, presented by Councilmember Dingman:

- Taxiway B relocation
- Runway 1735 safety improvement
- Purchase of snow/ice removal vehicle

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Councilmember Dingman stated the previous Airport Director preferred to wait for the new director to set the budget amount.

Community Development Services, presented by Councilmember Smede:

- Software upgrade of TRAKiT = \$25,000

Fire Department, presented by Councilmember Francis:

- Fleet - 5 vehicles out of date and replaced, not in MERF = \$265,000 (could be on a 2-3 year schedule)
- Add to MERF = \$40,000 (ongoing cost)
- Electrical generators for Station #4 and Station #5 = \$220,000
- Heated storage facility for trucks and trailers currently parked outside; for equipment inadequately stored inside; equipment stored outside of City limits; and, antique fire trucks = \$320,000 - \$350,000
- New administrative position to support business licensing = \$60,000 (ongoing cost)
- Turnout replacement, two (2) sets per firefighter = \$162,000, begin MERF at \$45,000 (ongoing cost)
- Continued training = \$87,000 (Idaho Falls Power no longer participating)
- Accident on Duty and Sick Leave Analysis placeholder

Human Resources, presented by Councilmember Francis:

- Training for supervisors and managers consultant = \$75,000

Legal Department, presented by Councilmember Francis – there were no requests.

Library, presented by Councilmember Smede:

- Mae Nuber Foundation scanning/search project contribution = \$6,000 (ongoing cost)

Councilmember Smede stated discussion needs to occur regarding sales tax and property tax funding sources.

Municipal Services, presented by Councilmember Radford:

- Business Intelligence Analyst = \$92,000 (ongoing cost)
- Civic Center for the Performing Arts renovation donation match = \$350,000
- Cyber security appliance = \$80,000
- Technology Replacement Fund (placeholder)
- Americans with Disabilities Act (ADA) for City building upgrades = \$100,000 (ongoing cost)
- ADA all-access restroom = \$130,000
- Information Technology core storage upgrades = \$150,000
- Fleet maintenance mechanic = \$57,700 (ongoing cost)
- City infrastructure building funds = \$150,000 (ongoing cost)

Parks and Recreation (P&R), presented by Councilmember Dingman:

- Heritage Park power line burying = \$1.5m

Councilmember Dingman believes this is a convoluted conversation item, she does not believe this is priority item. She indicated there have been \$1m in donations, \$500,000 allocated from general fund, with possibility of additional \$250,000 from general fund. There was consensus for future discussion of the power line burial at Heritage Park.

- Tautphaus Park roadway repairs = \$100,000
- Idaho Canal Trail matching grants = \$35,000
- Playground replacement = \$50,000
- Sandy Downs renovations (electrical and lighting) = \$40,000
- Fence around the newly acquired 4-H property (P&R is anticipating to install the fence within the current budget)
- Funland purchase = \$100,000 (the current lease will expire January 2019)

Discussion followed regarding a splash pad in close proximity to the all-access playground as well as the Tautphaus Park Master Plan.

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- Furnishing for Zoo Education Center = \$60,000 (placeholder for potential grants)
- Heaters for primate building = \$20,000
- Weed Control Specialist = \$48,000 (ongoing cost) + \$30,000 vehicle

Councilmember Dingman indicated the canal maintenance may require additional equipment. Discussion will need to occur regarding Reinhart spray park and the Pinecrest Golf Course sprinkler system.

Police Department, presented by Councilmember Hally:

- 90 current officers, 4-year plan to hire 12 additional officers for total of 102
- 4 sworn officers, 1.5 animal control, 2 dispatch personnel, 1 records clerk = ~\$593,000 (ongoing cost), grants for requested staff = ~\$241,000 (ongoing cost)

Councilmember Hally indicated the staff request would be reduced if grants are not received. Discussion followed regarding vehicles for the additional staff request, including suggestion to lease vehicles. Mr. Kirkham indicated the Legal Department is not in favor of a lease option. Discussion followed regarding School Resource Officers.

- Training (includes new leadership) = \$190,000
- Equipment = \$48,000, \$55,000 MERF
- Specialty pay (hazard, bomb squad call out) = \$103,000
- Consultation and pre-design of law enforcement facility = \$100,000

Brief discussion followed regarding funding possibilities of a law enforcement facility.

Idaho Falls Power, presented by Councilmembers Hally and Radford:

- Bulb Turbine project = \$326,400 (2019)
- Gem State = \$348,500
- Transmission = \$6m, offset of \$5.5m
- Distribution = \$2.9m, offset of \$1.5m
- Customer Accounts (Metering) = \$620,000
- Operations Technology = \$510,000
- Traffic = \$690,000
- Administration & General = \$135,000
- Fiber = \$201,400

It was noted a Bonneville Power Administration (BPA) cost adjustment may occur.

Public Works (Enterprise Fund), presented by Councilmember Freeman:

No significant changes, similar to previous year.

- Engineering = \$10,000 laboratory remodel to office space
- Snow removal cap = \$1.25m, suggested by Public Works Director Chris Fredericksen
- Sanitation Division full-time employee = \$60,000 (ongoing cost)
- Sanitation Division Barrel Truck = \$165,000, \$29,000 MERF
- Building Design = \$50,000 Sanitation/\$50,000 Street
- Snow wing for loader = \$30,000 (grant)
- Water Division pickup = \$30,000
- Water Division forklift = \$50,000
- Wastewater full-time employee = \$60,000 (ongoing cost)

Bonneville Metropolitan Planning Organization (BMPO) – similar to previous year.

Targhee Regional Public Transportation Authority (TRPTA) – Councilmember Freeman recommended a 3% increase to the previous year of \$140,000. Brief discussion followed regarding public transportation.

There being no further business, the meeting adjourned at 4:18 p.m.

s/ Kathy Hampton
CITY CLERK

s/ Rebecca L. Noah Casper
MAYOR