

July 6, 2021 Work Session

The City Council of the City of Idaho Falls met in Council Work Session, Tuesday, July 6, 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

Councilor Thomas Hally

Councilor Jim Freeman

Councilor Jim Francis

Councilor Lisa Burtenshaw

Councilor John Radford (arrived at 3:02 p.m.)

Also present:

Brad Cramer, Community Development Services Director

Catherine Smith, Idaho Falls Downtown Development Corporation (IFDDC) Executive Director

Michael Kirkham, Assistant City Attorney

Randy Fife, City Attorney

Pamela Alexander, Municipal Services Director

Mark Hagedorn, Controller

Kathy Hampton, City Clerk

Calendars, Announcements, Reports:

Mayor Casper stated Funland at the Zoo will be holding an informational event on August 21.

Liaison Reports and Councilmember Concerns:

Council President Dingman had no items to report.

Councilor Radford had no items to report.

Councilor Burtenshaw had no items to report.

Councilor Freeman stated there are several construction events occurring in the community.

Councilor Francis stated, per the Parks and Recreation (P&R) Department, the splashpad could be ready in the near future.

Councilor Hally stated the Idaho Falls Fire Department (IFFD) expenses for the July 4 activities/events amounted to approximately \$10,000, there were 80 ambulance calls of which 33 were firework related. He also stated the Fire District contract will be presented to the Council at the July 8 City Council Meeting.

Mayor Casper noted there were no major incidents related to the July 4 activities/events. She also noted the Idaho Falls Police Department (IFPD) contracted with a private security agency to assist with parking, which the IFPD believes was helpful. She believes this was a one-time contract price, in the amount of approximately \$6,000. She recognized the inter-agency cooperation for law enforcement during the July 4 activities/events.

Report: Business Improvement District (BID):

Director Cramer stated as part of the BID agreement with the IFDDC, an annual report is required to report spending of funds as well as sharing goals for the upcoming year. Ms. Smith stated the IFDDC is a non-profit corporation dedicated to establishing Historic Downtown Idaho Falls as the regional center for commercial, cultural, and leisure activities for residents and visitors alike. She noted the residents have increased over the course of the previous two (2) years. Ms. Smith reiterated the IFDDC manages the BID. She briefly reviewed the boundaries of the BID

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noting the properties within the BID receive the property assessment tax, .002, as set by the Council. She noted the total amount is approximately \$90,000 which is received three (3) times a fiscal year for the IFDDC operating budget. She also noted this will require approval again in 2027. Ms. Smith reviewed the State of Downtown Dashboard on the IFDDC website. She indicated this was a \$5,000 investment and is a live document that follows the census tracts. She reviewed the Dashboard with general comments throughout:

- Demographics – this will include important information.
- Year in Review – all downtown events were cancelled in 2020 due to Coronavirus (COVID-19). Ms. Smith reviewed upcoming downtown events and happenings for the 2021 year including Chalk Art with Artsy Aussie, Dogs of Downtown, Downtown in Bloom (sidewalk pots and downtown hanging baskets), Where Are We Wednesday, and Mural Monday. She stated local downtown businesses are featured, new businesses are recognized, and there is a presence on Instagram.
- Communications to Downtowners – quarterly updates, information from the Small Business Administration (SBA), Payroll Protection Program (PPP), information on the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and the American Rescue Plan Act (ARPA).
- Holidays Downtown – modified tree lighting with 19 decorated trees.
- Spring Brew occurred in June 2021, and Alive After Five began in June 2021.
- Planned Events for 2021 – Ladies' Shopping Days, Oktoberfest, Fall Brew (these events raise approximately \$65,000 for operations), Help Find Santa's Puppy, downtown trolley (November through January), and Shop for a Cause Autism Fundraiser (all proceeds go to School Districts 91 and 93).
- Parking by the numbers – earned \$31,048 since October 2020, wrote 2,932 parking citations through July 6 (versus 2,563 citations from October 1-June 2020), collected on 1,732 parking tickets, collection rate of 59% (versus 41% in the previous year), 169 citations were contested (85% of those were cleared as warnings), installed eight (8) parking A Frames on downtown corners, and distributed over 15,000 parking brochures which will continue. Ms. Smith stated the goal is to be on a decline of tickets and to provide education for the public. She also stated the goal is to have 1-2 available parking spaces on each downtown block.
- Goals – meet financial goals for all events, continue to execute robust marketing plan, public art projects, improve signage on the River Walk and downtown entry ways, continue to make positive efforts managing downtown parking, and explore grants for public art funding.

Ms. Smith stated IFDDC has re-joined the Mainstream America program which is found in many downtowns. She indicated the problems in the City of Idaho Falls downtown are no different than many other downtowns across the U.S. Ms. Smith is hoping to work with Community Development Services on the downtown plan including vacant storefronts, hammocks in the parks (would need to work with P&R), murals and signage, lighting (on The Broadway and holidays), bike racks, and art works. Ms. Smith briefly reviewed financials – software costs for parking were higher than anticipated at \$19,240, the income shows a 'profit' due to the BID assessment (total for the year is \$85,000), the budget was reduced by \$45,000 but is slowly coming back as events return, management of watering downtown (total of \$22,570.37), and parking lot expenses (total of \$32,759). General discussion followed including scooters in the downtown area and the BID boundary and process. Ms. Smith noted the BID is voluntary.

Update: Block Face Parking Code Change:

Director Cramer stated the draft ordinance as previously discussed (at the May 24, 2021 Council Work Session) has been updated per Councilmembers' requests. He indicated changes clarified the distance of moving a vehicle and the timeframe was moved from three (3) hours to twelve hours. Director Cramer also stated Ms. Smith has been working on signage. Mr. Kirkham noted a street would be enforced per the sign posted on the block(s). Ms. Smith reminded the Council this ordinance would force the employees to move 500' (each block is approximately 389') to another block to re-start their two-hour timeframe of parking. She noted each block is considered a 'block face'.

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She displayed and explained potential signage. She also stated this code change would assist with potential parking meters in the future. Ms. Smith emphasized she does not want this to be perceived that being downtown is limited to two (2) hours. Per Council President Dingman, Ms. Smith believes a 3-hour timeframe for parking would compound the problem. Per Councilor Francis, Ms. Smith stated education would occur for 3-4 weeks prior to implementation. She indicated marketing is currently being developed. Also per Councilor Francis, Ms. Smith confirmed the goal is to get the employees to utilize other parking locations. She stated spaces are always available in the off-street parking lots. Director Cramer stated he will have discussion with Public Works as he believes there would be signage costs to implement this ordinance. Mr. Kirkham stated the language would allow the flexibility to change the blocks over time. Per Councilor Francis, Mr. Kirkham stated the City would decide which blocks would receive the signage. This item will tentatively be included on a future City Council Meeting agenda.

Discussion: Utilities Relocation Policy:

Mr. Fife stated the government does not have the right to take property without due compensation, or to impose new regulations (most of the time). He also stated the Local Land Use Planning Act (LLUPA) has given direct authority to cities who can require development standards to maintain the same level of service, taxpayers are not supposed to pay for development, development should pay for development within the City, although the City can assist, and cities can decide what level of service they can maintain per Idaho Code. Discussion followed regarding annexation and initial zoning, City streets, and City services. Mr. Fife stated the Bonneville Metropolitan Planning Organization (BMPO) reviews how streets and transportation systems work within the region and they help classify those streets as local, collector, arterial, and highways. He reviewed the process of annexing an arterial street. Mr. Fife stated the proposed resolution was reviewed internally by Idaho Falls Power (IFP), Idaho Falls Fiber (IFF), the Legal Department, Community Development Services, and Public Works. He also stated the resolution addresses public utility relocation and recovery of relocation costs from developers – where relocation is required by City regulation, where relocation is requested by a developer but not required by regulation, and where there is a question about who should bear relocation costs. Mr. Fife stated per the resolution, IFP/IFF and water/sewer would act like a utility. Discussion followed regarding the potential delay of development and the extent and cost of accommodation to the utility. Mr. Fife stated this resolution does not amend the sub-development code, development standards, or internal practices and shouldn't change any practices externally. The resolution establishes the City's view as a policy through the Council. It was noted the Exhibit attached to the resolution, describing the policy, cannot be changed without Council approval. Mayor Casper stated this resolution will be included on the July 8 City Council Meeting agenda.

Introduction and Overview: Proposed 2021/2022 Budget:

Director Alexander stated the Council budget package includes draft budget worksheets by department as of July 2, 2021, the budget calendar, salary and benefit calculations, health insurance benefit calculations, and full-time equivalent position count (position control).

Mr. Hagedorn reviewed a summary of the 2021/22 Proposed City-wide Budget:

Total By Fund	2020/21 Expenditure Budget	2020/21 Revenue Budget	2021/22 Proposed Expenditure Budget	2021/22 Proposed Revenue Budget	\$ Change Expenditure	2020/21 Position Count
General Fund	\$49,304,612	\$8,047,241	\$53,826,172	\$8,798,302	\$4,521,560	422
Government Funds	79,427,133	31,949,883	76,415,736	31,881,256	<3,011,397>	114
Capital Improvement Funds (CIF)	9,180,000	8,506,423	35,420,000	34,712,396	26,240,000	--
Enterprise Funds	142,818,729	126,267,690	147,151,070	114,095,237	4,332,341	175
Total All Funds	\$4,332,341	\$174,771,237	\$312,812,978	\$189,487,191	\$32,082,504	711

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He stated the General Fund is expected to receive more than \$8M in revenue, this amount is not included in this summary. He also stated this overall number will change as contingency funds from the ARPA are received. He noted the \$4.5M/9% change in the General Fund is higher than expected, although there are other increases in revenue. He indicated the accountants are reviewing this amount. Mr. Hagedorn stated contingency from the previous year was allocated into the CIF for the Law Enforcement Complex. He also stated directors were asked not to budget for ARPA. Mr. Hagedorn stated expenditures includes change in health insurance benefits (3% tentative increase) as well as the new compensation plan. It was noted the Proposed Position Count does not include any new employee(s) requests. Mr. Hagedorn stated Government Funds are funds that have a government/taxpayer purpose that are not considered a General Fund such as golf, recreation, and streets. He also stated the accounting groups are segregated into Government Funds, Business-type Funds, Fiduciary Funds, and Internal Service Funds.

Mr. Hagedorn reviewed the Property Tax Overview – new legislation effective January 1, 2021:

- Growth and annexations – currently calculating
- 3% Statutory increase – approximately \$1,165,949
- Maximum increase 8% – approximately \$3,109,198 (capped amount that includes growth, annexation, and 3%—this goes to the base)
- Forgone 1% - approximately \$388,649 (not part of 8%—this goes to the base in perpetuity)
- Forgone 3% - approximately (only for Capital \$1,165,949—this does not go to the base)

Mr. Hagedorn noted the third option would take Forgone (approximately \$6.5M) and not take growth, annexation, and 3%. He believes this is not a good option. Per Mayor Casper, Mr. Hagedorn believes the City could get to the 8%. He also noted property tax covers approximately 55% of General Fund revenue, the remaining revenue is from Charges for Services and State-shared revenues. Per Council Radford, Mr. Hagedorn stated revenues have been increasing approximately \$1.5M annually from Fiscal Year 2019. He noted wages have been the largest impact to the budget. He also stated the City is very controlled and limited on how to grow revenues and there must be control and limits how to spend ongoing resources. He noted not all departments submitted a flat operational budget. He also noted the \$4.5M includes \$1M for the Law Enforcement Complex (LEC) which the City has already committed to, therefore, operationally the budget has increased \$3.5M. Brief comments followed regarding budgeting of the Aquatic Center dehumidification (dehydes) system and the Law Enforcement Complex. Mr. Hagedorn stated property taxes covers General Fund, Rec Fund, and Library. He indicated this will be a stressful year for the budget due to items that have been committed to, pre-pandemic issues, and growth issues. He also indicated there are not enough financial resources to meet all the needs. He reminded the Council that \$460,000 has already been allocated to the airport. Director Alexander stated next steps include department budget presentations, General Fund summary review, employee benefits and balanced budget discussion, and Council-directed budget discussion. She reviewed 2021/22 budget dates including approval of the tentative budget, publication of public hearing notifications, public hearings for budget, fees, and forgone (if applicable), and final adoption of budget. Mayor Casper stated department presentations are a time for advocacy for the needs and pressures they face. She also stated the Council needs to listen for the City as a whole including what must happen and what can be postponed. She believes the liaisons have more insight to specific directors. She also believes the liaisons need to be an advocate as well as a team player. Director Alexander recommended the use of data for continued services and ongoing costs. Council President Dingman believes the Council needs to find the balance between needs versus wants, and any decisions that have already been made are fully funded prior to any new projects, expansion, and new services. General discussion followed including the new compensation structure, the Rec Levy, the airport agreement, overtime costs, contracted services, and grant/matching-fund opportunities. Councilor Hally believes growth is important although one must live within the budget. Councilor Radford believes the Councilmembers will need to listen critically as he does not believe there will be many choices about wants, he recommended Councilmembers listen to ongoing operations, he believes money should be set aside in the General Fund, he is hopeful to receive money from the state to help with benefits/health insurance, and he believes the

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liaison system can be emotionally dangerous during the budget time. Councilor Burtenshaw agrees the budget must be a data-driven decision. Councilor Freeman expressed his disappointment/frustration with the State legislators and the limitations on the amount of money that can be brought in, especially with the growth that is occurring. Councilor Francis believes a goal should be not to change the benefit package if possible. Mayor Casper believes commitments should not be made until Council has heard all presentations.

Announcements:

Mayor Casper announced IFP Board Meeting and City Council Meeting on July 8, and Budget Session on July 12. Council President Dingman expressed her appreciation to all those who participated with the Community Food Basket Interfaith drive during the July 4 parade. She indicated 1,900 pounds of food and \$17,000 in cash donations were received.

There being no further business, the meeting adjourned at 5:46 p.m.

s/ Kathy Hampton _____
Kathy Hampton, City Clerk

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