

## July 10, 2018 Budget Session

The City Council of the City of Idaho Falls met in Special Council Meeting (Council Budget Session), Tuesday, July 10, 2018, at the City Council Chambers in the City Annex Building located at 680 Park Avenue in Idaho Falls, Idaho at 1:00 p.m.

There were present:

Mayor Rebecca L. Noah Casper  
Councilmember Thomas Hally  
Councilmember Jim Francis  
Councilmember Michelle Ziel-Dingman  
Councilmember Shelly Smede  
Councilmember Jim Freeman  
Councilmember John B. Radford (arrived at 1:04 p.m.)

Also present:

Pamela Alexander, Municipal Services Director  
Bruce Young, Accountant  
Meredith Mattingly, Controller's Office Intern  
Greg Weitzel, Parks and Recreation Director  
PJ Holm, Parks and Recreation Superintendent  
Ronnie Campbell, Parks and Recreation Superintendent  
Chris Fredericksen, Public Works Director  
Bear Prairie, Idaho Falls Power Assistant Manager  
David Smith, Accountant  
Kathy Hampton, City Clerk

Mayor Casper called the meeting to order at 1:03 p.m. with the following:

### Opening Remarks:

Mayor Casper indicated during previous budget meetings the City Attorney has been excused as there has not generally been a concern for legal presence. There was consensus of the Council to continue this practice, noting the City Attorney could be notified at any time if needed.

Mayor Casper stated the upcoming series of public Council budget sessions may include at least 24 hours of anticipated deliberation. She indicated all budget sessions will be live-streamed and archived on the City website to allow citizens to observe the meetings for possible additional questions for the Councilmembers. The budget process began on April 14, followed by Directors meetings, Budget Watch (a community event), and, multiple Work Sessions regarding wages and benefits. The upcoming budget presentations will be followed by several opportunities for Council deliberation, public input phase, and, the final adoption. Mayor Casper stated the budget is a policy document for upcoming priorities within the City. Each year the administration tries to improve the budget process for the Council. For the current year, there was consensus of the Directors to prepare a complete administration budget as a package to the Council. The budget team, consisting of Mayor Casper, Director Alexander, Controller Mark Hagedorn, and, Mr. Young, considers the budget to be director-driven. Mayor Casper stated this past year operations came in greater than projected revenues. This was due to the effect of covering employees inflation, an open budget to directors (not requesting a flat or reduced budget), an aging workforce, and, the needs of the Police Department. Director presentations this year will include income and expenses only. Councilmember Radford, as liaison of Municipal Services, could lead budget discussions. Mayor Casper stated as the Liaison role, it is important to be objective while making budgeting decisions. She encouraged the Councilmembers to recognize and rely on each other for expertise.

### Parks and Recreation:

Director Weitzel expressed his appreciation to the other departments for their assistance as well as Councilmembers Dingman and Radford as Parks and Recreation (P&R) liaisons. Director Weitzel stated the P&R Department consists

**July 10, 2018 Budget Session**

of five (5) divisions: Administration, Parks and Cemeteries, Recreation Services, Municipal Golf, and, Idaho Falls Zoo. P&R also consists of 72 full-time employees (FTE) and 280+ part-time and seasonal employees. He stated in 2017, P&R welcomed more than 2,400 volunteers which amounted to more than \$1.1m in savings of services. P&R revenues are based on user fees and charges for services, dedicated property tax levy, grants, donations, and other miscellaneous revenue. It was noted the levy amount is reduced from the previous year. Director Alexander indicated levy amounts are allocated as allowable per the Association of Idaho Cities (AIC) Budget Manual. Director Weitzel stated the Aquatic Center, included in the Recreation Fund levy, has lacked the funds for improvements. There are no recommendations in the current budget for the Aquatic Center. The proposed P&R budget represents 7.4% of the City's total budget and 18% of the General Fund budget. The department is forecasting a total cost recovery rate of 52%, the typical P&R Department recovers 29% of operating expenditures through revenue generation.

Director Weitzel presented the following:

Funding Sources	2017/18 Budget	2018/19 Proposed Budget	Increase or Decrease
Total	\$7,738,515	\$8,387,492	+\$648,977

Increase amounts to 8%. The Property and Franchise Taxes amount is a projection only, Director Weitzel is hopeful this amount will increase. Grants have been awarded, with matching funds, for Capital projects. It was noted if a grant is not received, a project may not be completed.

Expenditures	2017/18 Budget	2018/19 Proposed Budget	Increase or Decrease
Total	\$16,150,245	\$14,989,296	(\$1,160,949)

Decrease amounts to 7%. The majority of the decrease is in Capital Outlay.

Director Weitzel stated the Golf Division is requesting 50 new carts, amounting to approximately \$170,000, from the Golf Capital Improvement Fund. The Golf Division is also requesting minimal fee increases. He indicated P&R have worked very hard on a five-year business plan for the Golf Division, which is now running in the black. Mayor Casper noted the water amounts are not included as an expense in the Golf Division. Councilmember Radford indicated Director Weitzel is pursuing grants for the Pinecrest irrigation system. Director Weitzel stated the Recreation Division is requesting \$20,000 for mobile bleachers, fee increases and price corrections. He also stated the Zoo Division has applied for upgrades for Association of Zoos and Aquariums (AZA) Accreditation. Fee increases include rental fees for the Maeck Education Center. Director Weitzel stated the Parks Division is proposing a reduction in expenses, which are mostly capital project related. There are no fee increases proposed for the Parks Division. Director Weitzel realizes there are several priorities within the P&R Department although he is supportive of the Police Department needs. Brief comments followed regarding wages and benefits. It was noted the P&R has several seasonal employees. Councilmember Francis questioned any requests for the Tautphaus Park Master Plan. Director Weitzel stated he is hopeful for roadway and parking improvements.

**Public Works:**

Director Fredericksen indicated Public Works (PW) is “public facilities and improvements financed by the government for the public good”. He stated the PW budget consists of General Funds, intergovernmental funds, and rates/fees.

Director Fredericksen presented the following:

Funding Sources	2017/18 Budget	2018/19 Proposed Budget	Increase or Decrease
Total	\$32,692,400	\$34,043,700	\$1,351,300

Increase is due to anticipated fee increases.

Public Works General Budget Overview (includes PW Administration (split between the four (4) PW divisions), Geographic Information System (GIS) (half of GIS budget is paid by Idaho Falls Power), Engineering, and Snow)

Expenditures	2017/18 Budget	2018/19 Proposed Budget	Increase or Decrease
Total	\$1,788,412	\$1,828,939	\$40,527

There is cost sharing of the Public Information Officer (PIO) with the Fire Department.

**July 10, 2018 Budget Session**

Street Division Budget Overview

Expenditures	2017/18 Budget	2018/19 Proposed Budget	Increase or Decrease
Total	\$6,801,373	\$6,975,035	\$173,662

Overall increase is due to proposed purchases of snow removal items as well as architectural expenditure for evaluation of new buildings. Anticipated revenue for the Street Division is \$7.1m.

Special Fund Budget Overview

Expenditures	2017/18 Budget	2018/19 Proposed Budget	Increase or Decrease
Total	\$4,385,000	\$4,665,000	\$280,000

Proposed increase is largely due to the Traffic Light Capital Improvement Fund to assist with Fire Department vehicles.

Water Division Budget Overview

Expenditures	2017/18 Budget	2018/19 Proposed Budget	Increase or Decrease
Total	\$10,856,556	\$10,776,008	(\$80,548)

Decrease is due to the increase in the Water Capital Improvement Fund.

Sanitation Division Budget Overview

Expenditures	2017/18 Budget	2018/19 Proposed Budget	Increase or Decrease
Total	\$4,632,556	\$4,692,759	\$60,203

Increase in Wages and Benefits is due to request for one FTE. Operational Expenses increase is due to request for an additional truck.

Wastewater Division Budget Overview

Expenditures	2017/18 Budget	2018/19 Proposed Budget	Increase or Decrease
Total	\$19,115,443	\$12,940,255	(\$6,175,188)

Decrease is mainly due to the completion of the Wastewater Treatment Plant Facility project.

Budget Priorities –

Priority

1. Fund 2% wage inflation increase for employees
2. Sanitation Division - new employee
3. Wastewater Division - new employee
4. Water and Wastewater rate and connection fee increase
5. Snow removal fund - accruing unspent balance – \$510,000 was allocated this year, brief discussion followed regarding a cap amount.

Director Fredericksen believes all City departments previously only paid power costs, other utilities (water, sewer and sanitation) fees are now being incorporated into departmental budgets. Brief comments followed.

Director Fredericksen stated proposed fee increases are based on rates, there is no negative impact to the General Fund. All PW Payment in Lieu of Taxes (PILOT) to the General Fund is based on 5% of revenues.

Director Alexander recognized Bruce Young and Meredith Mattingly. She noted Mark Hagedorn, Controller, has been assigned to the Cayenta software system project.

Idaho Falls Power:

Mr. Prairie commended Mr. Smith for his assistance with the Idaho Falls Power (IFP) budget.

Mr. Prairie presented the following:

Funding Sources	2017/18 Budget	2018/19 Proposed Budget	Increase or Decrease
Total	\$54,166,247	\$59,080,770	\$4,914,524

**July 10, 2018 Budget Session**

Increase is due to demand, not rates. Increase is also for anticipated expenses.

Expenditures	2017/18 Budget	2018/19 Proposed Budget	Increase or Decrease
Total	\$63,040,297	\$75,498,304	\$12,458,007

Main expenditures is in Capital Outlay – North Loop and Fiber expansion projects. General comments followed.

Mr. Prairie reviewed residential, commercial, small industrial, large industrial, non-residential, utility charges, large power, and, high density proposed rates/fees increased with general discussion and comments. Mr. Prairie stated additional discussion will occur at a future Idaho Falls Power Board meeting regarding the inclusion of fees into policy.

Mayor Casper reminded the Councilmembers that once a tentative budget is approved, the total budget amount cannot increase. Future budget discussion will include weed control and water use, and snow removal fund cap. Councilmember Radford indicated he prefers a budget/project report part way through the year, not just during the budget season. Brief comments followed.

There being no further business, the meeting adjourned at 4:31 p.m.

s/ Kathy Hampton \_\_\_\_\_  
CITY CLERK

s/ Rebecca L. Noah Casper \_\_\_\_\_  
MAYOR