

July 16, 2020 Budget Session

The City Council of the City of Idaho Falls met in Council Budget Session, Thursday, July 16, 2020, at the City Council Chambers in the City Annex Building located at 680 Park Avenue in Idaho Falls, Idaho at 8:30 a.m.

There were present:

Mayor Rebecca L. Noah Casper
Councilmember Michelle Ziel-Dingman
Councilmember John Radford (by WebEx)
Councilmember Thomas Hally
Councilmember Jim Freeman (departed at 11:00 a.m.)
Councilmember Jim Francis
Councilmember Shelly Smede

Also present:

Ryan Tew, Human Resources Director
Pamela Alexander, Municipal Services Director
Mark Hagedorn, Controller
Carla Bruington, Executive Assistant to the Mayor
Dana Briggs, Economic Development Coordinator
Jojo Kruize, Economic Development Coordinator Intern
Bud Cranor, Public Information Officer
Brad Cramer, Community Development Services Director
Catherine Smith, Idaho Falls Downtown Development Corporation Executive Director
Ed Morgan, Civic Center for the Performing Arts Manager
Randy Fife, City Attorney
Kathy Hampton, City Clerk

Mayor Casper called the meeting to order at 8:32 a.m. with the following:

Opening Remarks, Announcements:

Mayor Casper stated 727 Coronavirus (COVID) cases were reported for the State for July 15 (16 of those cases were in Bonneville County). She encouraged individuals to pay attention. Mayor Casper distributed items to the Councilmembers including a memorandum from the Idaho Falls Downtown Development Corporation (IFDDC) and pandemic information.

Introductory Remarks as Needed:

Director Alexander stated per the Councilmembers' request, Municipal Services further explored the governor's program regarding the Property Tax Relief Program. Following a conversation with the Association of Idaho Cities (AIC), a memo has been drafted for the Mayor, the Councilmembers, and Mr. Fife to review. Mr. Hagedorn stated the City can opt out of this program although there is no formal procedure at this time. He also stated AIC was unsure of the formal calculation. He noted the Ambulance Fund is not supported by City property taxes, therefore, it would not be considered in the City's estimate of payroll. The counties could opt in for the Ambulance Fund. Mr. Hagedorn clarified the City's payroll from March-December, after discounting other payroll sources, would amount to \$9,762,572 for Police Officers and \$6,818,004 for Firefighters for a total amount of \$16,580,576. Director Alexander read the draft letter followed by minor edits requested by Mayor Casper. To the response of Councilmember Francis, Mr. Hagedorn stated the \$4.2M would not change as the method (the number of participating entities) is driving the calculation, not the payroll. This amount is based on twice the amount of the Coronavirus Aid, Relief, and Economic Security (CARES) Act allocation. To the response of Councilmember Radford, Mr. Hagedorn stated the County performs a 5-year rolling assessment on property values. He clarified a flat rate could occur each year, a physical assessment should be performed every five (5) years. There was consensus of the Council to submit the letter.

Department Budget Review:

Human Resources (HR) –

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Director Tew reviewed the following with general discussion throughout:
 Department Structure: Director, two (2) HR Managers, and, one (1) HR Assistant.

Major areas of responsibility: Compensation and Benefits, Employee Relations, Labor Relations, HR-related Training, Staffing, Employee Discipline and Investigations, and, Workers Compensation

Department Budget Overview

Department	2019/20 Expenditure Budget	2019/20 Revenue Budget	2020/21 Proposed Expenditure Budget	2020/21 Proposed Revenue Budget	\$ Change Expenditure	% Change Expenditure	2020/21 Proposed Position Count
Human Resources	\$447,896	-	\$365,837	-	(\$82,059)	(22%)	4

Director Tew stated the Proposed Expenditure Budget takes into account the inter-fund transfers.

Ten-Year Review of Expenditure Categories – Director Tew stated the salaries and wages increase is due to the hiring of an additional staff and changing positions to managers. Operating Expense increase is due to the training budget. Mr. Hagedorn stated inter-fund transfers were moved from estimate to cost driver. To the response of Councilmember Hally, Mr. Hagedorn stated inter-fund transfers are based on employee count – full-time and seasonal.

2020/21 Highlights, Strategies and Goals

- Nature of HR activities include on-going processes, most HR work is reactive, COVID-19 impact
- 2020/2021 Initiatives include maintaining a high level of service, leadership training, and, modernization of compensation structure

Director Tew briefly reviewed recent HR activities. Councilmember Radford believes not enough resources are given to HR. Mayor Casper noted a HR specialist is assigned to each department as a resource.

Legal Services –

Mr. Fife believes Municipal Services, HR, and Legal Services are reactive departments and are proactively reactive to concerns or problems and address them appropriately. He believes these three (3) support departments have a value to the City. He reviewed the following with general discussion throughout:

Department Structure: General Legal Services (supported in part with inter-fund transfers) and Prosecution Services (supported by the General Fund).

Department Budget Overview

Department – Parks/Zoo	2019/20 Expenditure Budget	2019/20 Revenue Budget	2020/21 Proposed Expenditure Budget	2020/21 Proposed Revenue Budget	\$ Change Expenditure	% Change Expenditure	2020/21 Proposed Position Count
General Legal	\$133,164	\$-	\$82,215	\$-	(\$50,949)	(62%)	3
Prosecution	687,176	250,000	476,769	220,000	(210,407)	(44%)	3
Total	\$820,340	\$250,000	\$558,984	\$220,000	(\$261,356)	(47%)	6

Ten-Year Review of Expenditure Categories – Mr. Fife stated the increase in miscellaneous expense in 2017 was due to court services costs. This cost is decreasing each year and will zero out in approximately two (2) years. Mayor Casper reviewed the history/compromise of these costs.

2020/21 Highlights, Strategies and Goals

Mr. Fife reiterated the City Attorney’s budget is a placeholder for the City’s share of Bonneville County Court services. For 2020/21, a payment of \$180,000 will be made from the City budget to the County, which is a reduction of \$90,000 from this budget year.

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Mr. Fife reviewed Idaho Falls Police Department (IFPD) Misdemeanor Citations Issued from 2006-2019. He stated the number of misdemeanor citations issued have a downward trend, each steps represents a new Police Chief. He stated in 2013, the prosecution changed from the County contract to the City and based on the volume at that time the City hired two (2) prosecutors. He indicated, per conversation with Chief Johnson, this downward trend will not increase. Due to the resignation of one (1) of the prosecuting attorney’s, this position will not be replaced, which is an approximate savings of \$101,649. Mr. Fife believes the reduced number of misdemeanors may partially be due to the reclassification of misdemeanors to infractions. Brief discussion followed additional reduction of misdemeanors, the elimination of false alarms within the IFPD (Councilmembers requested additional data for this topic), and, fees for citations.

Mr. Fife stated the City Attorney’s Office has been trying to standardize contracts. He believes this has resulted in less paperwork/work which has resulted in a reduction in the administrative assistant’s needs/hours. This administrative assistant now splits her time with the Community Development Services Department. The entire cost of this administrative assistant has been included in the budget to ensure funds are available if needed. Discussion followed regarding in-house activities. Mr. Hagedorn stated it’s difficult to use a cost driver for inter-fund transfers in Legal, a rolling-year average is used to determine this amount. To the response of Mayor Casper, Mr. Fife stated as much in-house service is used as possible, any outside services are paid by the department.

Municipal Services –

Director Alexander reviewed the following with general discussion throughout:

Department Structure: Administration, City Clerk, Information Technology (IT), Treasury, Finance, General Services Administration.

Funds: General Fund, Enterprise Funds, Health Insurance, Municipal Equipment Replacement Fund (MERF), Risk Management, and, Contingency.

Department Budget Overview

Department	2019/20 Expenditure Budget	2019/20 Revenue Budget	2020/21 Proposed Expenditure Budget	2020/21 Proposed Revenue Budget	\$ Change Expenditure	% Change Expenditure	2020/21 Proposed Position Count
Administration	\$226,275	\$ -	\$179,876	\$ -	\$(46,399)	-26%	2
City Clerk	180,736	40,250	162,336	40,250	(18,400)	-11%	2
Information Technology	851,752	-	1,285,989	-	434,237	34%	9
Treasurer	69,905	-	81,455	-	11,550	14%	6
Utility Billing	-	-	-	-	-	-	7
Finance	285,899	-	273,196	-	(12,703)	-5%	9
General Services Admin	109,284	-	80,685	-	(28,599)	-35%	2
Purchasing	57,320	-	67,629	-	10,309	15%	2
Equipment Maintenance	22,339	720,700	-	720,700	(22,339)	100%	15
Building Maintenance	1,555,129	-	1,279,996	-	(275,133)	-21%	14
Idaho Falls Civic Center	662,163	128,450	514,965	128,450	(147,198)	-29%	6
General Buildings	632,328	32,953	558,432	9,000	(73,896)	-13%	-
Property Coordination	14,423	-	30,963	-	16,540	53%	1
Total	\$4,667,553	\$922,353	\$4,515,522	\$898,400	\$(152,031)	-3%	75

Director Alexander stated most divisions were able to reduce their budgets due to COVID and the anticipation of less revenue. The budget includes inter-fund transfers.

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Ten-Year Review of Expenditure Categories - Director Alexander stated operating expense increase is due to IT, maintenance agreements, garage equipment, and, building maintenance. Director Alexander noted there has not been a large increase in salary and benefits and, the previous increase in Capital Outlay was due to the Civic Center for the Performing Arts facility.

Department Budget Overview – Internal Service Funds

Department	2019/20 Expenditure Budget	2019/20 Revenue Budget	2020/21 Proposed Expenditure Budget	2020/21 Proposed Revenue Budget	\$ Change Expenditure	% Change Expenditure	2020/21 Proposed Position Count
MERF	\$5,687,500	\$2,200,000	\$3,120,000	\$2,000,000	\$(2,567,500)	-82%	-
Risk Management	2,350,000	1,200,000	3,811,292	1,990,496	1,461,292	38%	-
Health Insurance	60,000	-	60,000	2,000,000	-	-	-
Total	\$8,097,500	\$3,400,000	\$6,991,292	\$5,990,496	\$(1,106,208)	-14%	-

Director Alexander noted the \$2M proposed Health Insurance is a placeholder for self-insurance pending future discussion.

Ten-Year Review of Expenditure Categories – Director Alexander stated the spike in Capital Outlay is due to replacements in the MERF.

Department Budget Overview – Contingency

Department	2019/20 Expenditure Budget	2019/20 Revenue Budget	2020/21 Proposed Expenditure Budget	2020/21 Proposed Revenue Budget	\$ Change Expenditure	% Change Expenditure	2020/21 Proposed Position Count
Contingency	\$6,000,000	\$ -	\$10,000,000	\$ -	\$4,000,000	40%	-

Director Alexander stated this is a placeholder to allow capacity to accept CARES funds.

2020/21 Highlights, Strategies and Goals

Budget Reductions

- Cancelled Priority Based Budgeting subscription
- Reduced one (1) customer service representative position
- Delayed hiring and re-evaluating the Accounts Payable position
- Delayed hiring Equipment Maintenance Mechanic position
- Reduced division travel and minor equipment budgets
- Reviewed all City contracts for savings, custodial, carpeting cleaning, etc.

Highlights

- Issuing Request for Proposal (RFP) for outsourcing utility billing
- Continue to participate, identify, and, plan for implementing accessible services with the Americans with Disabilities Act (ADA) committee
- Continue to explore and implement cost-effective services for internal and external customers
- Improve City agenda management processes
- Continue to report fuel management savings
- Equipment maintenance improvements for transparency of costs for services
- Continue improvements to annual audit performance
- Continue to analyze long-term agreements for cost savings
- Continue to review and improve the inter-fund transfer process

Fees – there are no new fees or fee increases proposed.

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Councilmember Hally expressed his appreciation to Mr. Roos for the City’s investments and the return on those investments. Councilmember Smede commended Director Alexander’s assistance and availability regarding the budget. She believes any questions from Councilmembers or directors regarding the budget should be personally directed to Director Alexander. To the response of Mayor Casper regarding any deficiencies, Councilmember Smede believes savings should be allocated to a contingency fund for long-term. Councilmember Dingman believes the process for inter-fund transfers should continue to be refined. She expressed her appreciation for the synergy with the finance team. Councilmember Hally commended the Municipal Services Department for their IT capability and transparency of data in a timely manner. Councilmember Francis stated he agrees with the inter-fund transfer review, he would like to see a policy for the reserve fund, and, he expressed his concern for the reduction in custodian services based on COVID-19. Director Alexander stated she is comfortable with the cleaning schedule. Councilmember Francis commended Director Alexander as well. Councilmember Radford also commended the Municipal Services team. He concurred with setting funds aside for long-term goals. He believes the IT Division, due to future potential risks, may need to be a stand-alone department outside of the Municipal Service Department. Councilmember Freeman expressed his kudos to Director Alexander for the multiple tasks she manages.

Mayor/Council –

Mayor Casper stated Ms. Bruington has been a powerful addition to the Mayor’s Office over the course of the previous year.

Ms. Bruington reviewed the following with general discussion throughout:
 Department Structure: Mayor’s Office, Council, and, Community Support.

Department Budget Overview

Department	2019/20 Expenditure Budget	2019/20 Revenue Budget	2020/21 Proposed Expenditure Budget	2020/21 Proposed Revenue Budget	\$ Change Expenditure	% Change Expenditure	2020/21 Proposed Position Count
Mayor	\$256,331	\$ -	\$205,219	\$ -	\$(51,112)	-20%	4
Council	147,993	-	128,389	-	(19,604)	-13%	6
Community Support	391,000	-	356,000	-	(35,000)	-9%	-
Total	\$795,324	\$ -	\$689,608	\$ -	\$(105,716)	-13%	10

Ms. Bruington stated the Mayor decrease is due to holding an intern vacancy, wage adjustments, and, personnel benefits. The Council decrease is due to subscriptions.

Ten-Year Review of Expenditure Categories – Mr. Hagedorn stated the large spike in 2017 was contingency for encumbrances, wage-adjustments, and, a transition year that dissolved non-department funds. He noted the Mayor’s budget has been consistent every year.

2020/21 Highlights, Strategies and Goals

Mayor and Council

- Strategic Planning

Mayor Casper requested \$2,500 for this item.

- Connecting Us, Sustaining Progress (CUSP)

Mayor Casper stated this is an on-going effort. Reports and studies will be presented in the future.

- Intern Vacancy

Ms. Bruington stated an intern is anticipated for the 2021/22 Fiscal Year.

- Director Wage Adjustments

Mayor Casper stated directors do not get automatic increases in the step and grade. She believes there should be competitive wages for the directors based on the market, however, due to COVID issues there will be no adjustments in the current year.

- Defunct General Ledger (GL) Codes

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Community Support

- Regional Economic Development - \$60,000

Ms. Briggs stated the Regional Economic Development Inc. (REDI) dues were reviewed versus the true value received from REDI. This amount has been proposed as a placeholder and may decrease in the coming year. Mayor Casper stated REDI is no longer providing previous services. Brief discussion followed regarding the private/public funding of REDI.

- Public Transportation (Targhee Regional Public Transportation Authority (TRPTA)) - \$140,000

Councilmember Dingman stated TRPTA is moving forward to provide service to the community. She acknowledged Lisa Farris for her assistance with TRPTA as the Vice-Chair and Treasurer. Councilmember Dingman stated the Community Transportation Association of America (CTAA) has continued to work with the TRPTA Board and the Idaho Transportation Department (ITD) to start a new service to the community, although there has been a slight delay due to COVID. She stated the by-laws have been modified to ensure that only the entities that financially invest in TRPTA receive services. Currently, the City of Idaho Falls is the only investor in public transit for this area. Councilmember Dingman believes it's vital to provide the local-match funding to qualify for federal funding. The Federal Transit Administration (FTA) grant opportunities have been crucial to continue service, and will provide up to 90% match if local funds are available. Utilizing CARES money is unknown. Councilmember Dingman noted a formal bankruptcy process is almost complete and a final offer of sale for the building has been accepted. She requested a continued investment from the City. Mayor Casper stated the current \$140,000 has not been transferred to TRPTA. She requested Councilmember approval to allocate these funds to TRPTA. To the response of Councilmember Hally, Councilmember Dingman confirmed any plan moving forward will require matching dollars. Councilmember Dingman stated tenants are currently occupying the property, therefore expenditures are still occurring. Funds from the City would not go to these expenditures, they would specifically go to the FTA match. Mayor Casper noted the City allocation amount has not changed for approximately 4-6 years. Councilmember Radford is in favor of transferring these funds although he does not want this money to be applied to bankruptcy proceedings. Councilmember Francis prefers a paper trail for these funds. Councilmember Dingman stated a presentation will occur once this can happen safely per COVID. To the response of Councilmember Francis, Mayor Casper stated the current \$140,000 must be expended in the current fiscal year. She noted the Council will not get to make any public transportation decisions, that would be the boards' duties. To the response of Councilmember Francis, Councilmember Dingman stated voting board members are those who contribute funding. There are currently two (2) City board members.

- Sister Cities - \$11,000

Ms. Bruington noted this requested amount has not changed from the previous year. Mr. Hagedorn expressed his concern for committees using the City's name for bank accounts, etc. Mayor Casper stated this will require future discussion.

- Community Partnership Grants - \$130,000

Ms. Briggs reminded the Councilmembers that the timeline for these grants was adjusted to follow the budget approval. Mayor Casper noted this amount has not changed from the previous year.

- Community Events - \$15,000

Mr. Hagedorn stated this is a savings program for future events, such as the Air Show.

Budget Management Issue

- Downtown Parking Enforcement - \$45,000

Ms. Bruington stated \$35,000 was previously allocated to the IFDDC. Director Cramer reminded the Council that the parking enforcement presentation from Ms. Smith occurred in the previous year. He indicated, per the Memorandum of Understanding (MOU), the City would allocate \$35,000 per year unless a termination is provided six (6) months in advance. He believes this requested funding fell through the cracks. Councilmember Francis believes the IFDDC has uncovered many parking issues; the City will lose tremendously if IFDDC is not supported; and, the additional \$10,000 request is reasonable. He strongly supports the \$45,000. Mayor Casper stated this contract needs more scrutiny moving forward. She believes this contract and funding should fall within a specific department, with possible recommendation in the Police Department. Councilmember Dingman stated she is fully supportive of this contract for the low cost and the services offered. Councilmember Francis believes these are parking ambassadors. He believes the contract should fall under the Community Development Services Department as part

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of Code Enforcement. Mr. Fife stated a MOU allows flexibility and re-negotiation. He believes this should not fall under the Police Department as a Police function. He also believes this should be a contract for services. Councilmember Hally believes the downtown area is important as a core and parking should be available. He is in support. Councilmember Radford agrees with previous comments although he believes the contract should be reviewed regularly. Councilmember Smede believes it's critical to give Director Cramer time to review to make sure he has an opportunity to express any concerns and that it will not affect his team. Councilmember Francis stated the downtown look is important for Comprehensive Planning. Director Cramer stated the previous discussion of The Downtown Plan included parking. He believes there are logical reasons for this contract to be in his department, he will provide follow-up discussion. He commended the IFDDC for their parking services.

There being no further business, the meeting adjourned at 12:05 p.m.

s/ Kathy Hampton
CITY CLERK

s/ Rebecca L. Noah Casper
MAYOR