

August 8, 2022 Council Work Session

The City Council of the City of Idaho Falls met in Council Work Session, Monday, August 8, 2022, in the Council Chambers in the City Annex Building located at 680 Park Avenue in Idaho Falls 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 John Radford
Councilor Thomas Hally
Councilor Jim Freeman
Councilor Jim Francis
Councilor Lisa Burtenshaw

Also present:

Pamela Alexander, Municipal Services Director
Mark Hagedorn, Controller
Brad Cramer, Community Development Services Director
PJ Holm, Parks and Recreation Director
Bryce Johnson, Police Chief
Jeremy Galbreath, Police Captain
Randy Fife, City Attorney
Kathy Hampton, City Clerk

Mayor Casper called the meeting to order at 3:01 p.m. with the following items:

Acceptance and/or Receipt of Minutes:

It was moved by Councilor Francis, seconded by Council President Dingman, that council receive the recommendations from the August 2, 2022, meeting of the Planning and Zoning (P&Z) Commission pursuant to the Local Land Use Planning Act (LLUPA). The motion carried with the following vote: Aye – Councilors Freeman, Francis, Hally, Radford, Burtenshaw, Dingman. Nay – none.

Calendars, Announcements, Reports, Updates, and Discussion:

Mayor Casper distributed calendar items for August and September. She stated the War Bonnet Round Up Rodeo concluded August 6; there are 7 firefighters deployed to assist with other fires, noting 7-8 is the maximum number of firefighters that can be deployed to sustain local services; there will be a live burn on August 11 south of Home Depot; the August 22 Council Work Session will include a tour of potential city property, an additional tour may occur in September at the Event Center, and a tour may occur for the SMR (Small Modular Reactor) site; The Ferguson Group will be holding a webinar on August 24; the REDI (Regional Economic Development for Eastern Idaho) event will be held October 21; a Community Health Academy will be held in Boise on August 11; and UAMPS (Utah Associated Municipal Power Systems) begins August 14. She requested all travel expenses be submitted promptly.

Liaison Reports and Councilmember Concerns:

Council President Dingman stated the aha! inaugural flight has been scheduled for August 11.
Councilor Hally had no items to report.

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Councilor Radford indicated the city should look at the energy bill recently approved in Washington, stating this includes \$1B in transmission, with additional money for other generation. He believes this could be beneficial for the community. He also stated this bill includes some de-regulations. He noted there will be tax benefits for any clean energy. Councilor Radford expressed his appreciation to the Parks and Recreation (P&R) Department and all those involved with the rodeo. He suggested the council be aware of a proposed annexation in Ammon.

Councilor Francis stated, per Community Development Services, the Imagine IF, included on the website, includes completed action plans as well as plans that are in progress; he believes council must approve a resolution for the Connecting Our Communities pathway system; and a rezone hearing is scheduled for August 11. He also stated, per the Idaho Falls Police Department (IFPD), Captain Bill Squires retirement party as well as a new officer swearing-in will be held August 18. Councilor Francis stated the Behavioral Health Crisis Center (BHCC) expressed their appreciation for the Community Development Block Grant money, stating this money allows their medical staff to stay at full staff.

Councilor Freeman had no items to report.

Councilor Burtenshaw had no items to report.

Municipal Services/Quarterly Financial Presentation:

Director Alexander stated future Treasurer's Reports will include more information/data that will provide more detail on city finances. Mr. Hagedorn stated this additional information will be consistent with the industry standard. He displayed the City-wide Actual Cash and Investments by Fund report, stating there are funds in negative cash, including the Golf Fund, the Parks Capital Improvement Fund, and the Police Capital Improvement Fund (this is the building of the Idaho Falls Police Complex (IFPC) that is designed to be in the negative cash until the bond is completed). He emphasized the Ambulance Fund is now in the positive cash. He reviewed the overall cash investments for the current year (\$148M) and the previous year (\$143M). Director Alexander noted this includes the tax payment from Bonneville County, the State-shared revenues, and the second payment of APRA (American Rescue Plan Act of 2021) funds. Mr. Hagedorn displayed City-wide Anticipated Revenue to Actual by Fund report, noting funds may not be considered revenue, such as ARPA, until expended. Brief comments followed. Director Alexander reminded the council that monthly Investment Finance Committee Meetings are held. Mr. Hagedorn reviewed June 2022 Investments (currently, 23% of the city's portfolio is invested beyond 24 months), Types of Investments (the majority of the investments are in bonds), and the Treasurer's Report of cash management for the previous five years. He stated the General Fund has gone from \$4M to \$28M, noting this fund also includes ARPA and CARES (Coronavirus Aid, Relief, and Economic Security Act) money, and the Enterprise Funds have tapered due to IFP and fiber items.

Mr. Hagedorn reviewed the following with general discussion throughout:

Third Quarter Ending June 30, 2022 - City-wide Revenue –

2021/2022 Budget = \$234,444,041

Actual (June 2022) = \$145,393,607

Percentage Received = 62.02%

Mr. Hagedorn stated Taxes and Franchises fees includes the IFPC bond; the Investment Revenue negative is due to GFOA (Government Finance Officers Association) standards; Government Charges for Services and Permits and Fees are above the expectation due to the growth in the real estate market; Other Financing Sources is PILOT (Payment in Lieu of Taxes) and transfers; and Miscellaneous is a catch-all/placeholder for Enterprise Funds (does not include ARPA).

Third Quarter Ending June 30, 2022 - City-wide Expenditures –

2021/2022 Budget = \$294,891,737

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Actual (June 2022) = \$132,610,070

Percentage Expended = 45.0%

Mr. Hagedorn stated Wages and Benefits is lower than expected due to turnover, vacant positions, and a lack of seasonal positions; Operating Expenses is where to be expected (includes encumbrances); Capital Outlay includes the IFPC and other capital projects; Debt Services Payments are due in September; and Transfers include work orders.

Third Quarter Ending June 30, 2022 - City-wide Comparative for 2018-2022 –

Mr. Hagedorn stated the city will be close to revenue projections, noting the Third Quarter % Budget to Actual is low due to the IFPC. He expects the overall revenue to be approximately 89%. He also stated the Third Quarter % Budget to Actual expenditures are slightly low as the city budgets capacity for capital projects. General comments followed.

Fiscal Year Ending June 30, 2022 - General Fund Revenue –

2021/2022 Budget = \$53,588,052

Actual (March 31) = \$37,954,305

Percentage Received = 70.83%

Mr. Hagedorn stated 60% of revenue comes from property tax, noting the city has currently collected \$20M through June, 2022. He also stated the city can no longer count on property taxes because the county valuation can be retroactive. Mr. Hagedorn stated Intergovernmental Revenue includes grants and services to other entities; and Permits and Fees are slightly higher.

Third Quarter Ending June 30, 2022 - General Fund Expenditures –

2021/2022 Budget = \$55,545,828

Actual (March 31) = \$35,335,494

Percentage Expended = 65.9%

Mr. Hagedorn stated Wage/Benefits is the highest expense and is where to be expected; and the increase in Capital Outlay is due to outside funded capital projects.

Fiscal Year Ending June 30, 2022 - General Fund Comparative for 2018-2022 –

Mr. Hagedorn stated CARES money was recently removed from revenue; and State-shared revenues have been received earlier than expected. He indicated revenues and expenditures are right where to be expected.

Mr. Hagedorn reviewed 2021-2022 Budgeted Requests Status, detailing which items are Completed and which items are In Process. Director Alexander stated it appears more than 90% of these projects are Completed or are In Process. Discussion followed regarding projects that may be in process but not completed, roll-over of funds, and re-allocation of funds. Director Alexander reviewed the APRA Requests Status, detailing which items are In Process, Ordered, Under Review, Outsourced, and In Design. Mr. Hagedorn stated overall the city is in a good financial position.

Municipal Services/Property Tax Levy and Homeowner Valuation Discussion:

Director Alexander displayed the FY 2022-2023 Preliminary Property Tax Calculation, stating these numbers are required to be final/certified and submitted by the first Monday in August. She explained how the property tax was calculated, noting the total Property Tax Revenue = \$42,697,263. She also displayed the Property Tax Allocation and Levy Rate for Allocation of Funds, Actual 2021-2022, Budget 2021-2022, Proposed Increase, and Rates, noting the current levy rate = 0.00764953 and the proposed levy rate = 0.00602239 which is a reduction of 21.27%. She stated

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the previous Taxable Market Value = \$5,317,114,014, stating \$7,089,749,247 was received for this year from the "Certification of Valuation" letter. Director Alexander displayed Idaho Falls Property Valuation and Property Levy Rate 2014-2023 with Base Valuation and percentage change, and Levy Rate and percentage change, stating the overall base valuation increase = 139% change, and the overall levy rate decrease = -33.3% change. Brief comments followed regarding the governor's Property Tax Relief Plan, supply chain issues, and economic growth (\$170M, most of which is inflation). Director Alexander stated there has been significant amount of growth since 2014.

Mr. Hagedorn displayed Property Valuation and Tax Analysis for a variety of current residential and business amounts, and proposed amounts with an average of 30% Market valuation, stating the medium home value from 2021-22 increased from \$350,000 to \$412,000 (per Zillow). He indicated there is a tax shift from commercial to residential, therefore, the lower-valued home has the highest increase of property tax value. He stated this is due to the Homeowners Exemption remaining flat as the valuation increases. He believes the Homeowners Exemption should be indexed. He also stated regardless of what happens property-tax wise for setting the levy, taxes will increase because the valuations have increased. He provided an example of the Statutory 3% for a \$250,000 residential property. Councilor Radford believed, per the State legislators, that if cities didn't take the 3% increase, then taxes wouldn't increase. Mr. Hagedorn emphasized this is absolutely not true, and it all goes back to the Homeowners Exemption. General comments and discussion followed, including the State surplus.

City Attorney, Community Development Services, Mayor's Office, Parks and Recreation, and Police Department/Follow-up Discussion: Policy Recommendations for Management of Public Spaces:

Mayor Casper stated this item was discussed at the July 11, 2022, Council Work Session, noting staff has had conversation since that time to discuss recommendations including 'not for intended use', reservations only, time limits, and a concept of curfews. She indicated public spaces could be closed to address health and safety issues. Chief Johnson believes the original catalyst was due to the problems in Sportsman Park. He stated the CIT (Crisis Intervention Team), along with health employees, contacted this specific group, as well as other individuals, regarding services. He also stated Patrol services and School Resource Officers made contact as well, noting the area was vacated a short time later. Chief Johnson stated over the previous year, the IFPD has responded to 852 homeless-related calls, noting these calls are busiest in the summer (approximately 80 calls per month were received from June through September). He explained the current laws that could be enforced, indicating several non-profit organizations are also trying to help with this issue. Chief Johnson stated two main ordinances (draft versions were distributed) have been discussed with staff. One ordinance would be a combination of parks hours and shelter use limitations. Chief Johnson indicated a parks hours ordinance would assist the IFPD with several issues. He briefly reviewed the shelter use limitations. He stated the other ordinance would be a camping ordinance which he believes is not quite as efficient and would be more difficult to enforce (related to shelters/transportation to shelters, etc.) but would be doable. He also believes there was a consensus for a park curfew but would request council considerations for a camping ordinance. Mr. Fife stated the camping ordinance is based primarily on a Boise case as he is fairly certain what the Ninth Circuit would allow. He provided a historical recap of homelessness/camping issues in Austin, Texas, including the litigation/lawsuits that followed. Mr. Fife believes sleeping in the downtown area could be limited to sidewalks and pathways. He stated he has yet to find a city that has solved this problem as this is a societal problem, which tends to result in litigation. He also believes individuals will go to those cities that offer housing. Mr. Fife emphasized the behavior must be regulated, not the status of an individual. Director Cramer stated there was a lot of misunderstanding regarding the recent proposal from a church for a private safe place. He also stated the zoning codes address living in a residence as well as living in a vehicle, such as an RV (Recreational Vehicle) Park. He indicated a religious ministry could choose to expand their use or guideline, stating a process must occur in order for this to happen. He emphasized the group would be heavily monitored and rules would apply. Per Mayor Casper, Director Cramer confirmed conditional uses by a private property owner

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would require approval by the Board of Adjustment with any appeal before the council. Per Councilor Francis, Director Cramer stated there is currently no application from the ministry. Per Councilor Freeman, Director Cramer stated the proposal of tents would be a different consideration. Comments followed regarding the Riverwalk and the pathways being included in the ordinance. Mr. Fife explained the proposed Park Hours/Shelters ordinance including Hours of Operation and Park Closure, Use of Park Shelters and Park Amenities, and Violations, emphasizing any violation would result in a misdemeanor. He also explained the proposed Camping ordinance, including the Enforcement Requirements. Per Councilor Freeman, Chief Johnson stated enforcement is possible although he questioned what problem the council wants to accomplish. Mayor Casper believes the proposed Parks Hours/Shelters may be a good starting point. Brief discussion followed regarding the indicia of camping, the proposed parks hours, the IFPD's ability to use discretion versus the requirement of issuing a misdemeanor, general enforcement, regulation of behavior, blocking sidewalks, a previously proposed camping ordinance, and reporting vandalism to Crimestoppers for a potential reward. Councilor Burtenshaw stated she's equally looking at the proposed ordinance to address vandalism, underage drinking, fighting, and people without shelter. Director Holm recapped recent vandalism of several parks. Councilor Francis believes the purpose of parks closures and shelter limitations is to serve the community at large, and vandalism and people using the parks incorrectly prevents this from occurring. Councilor Freeman believes the curfew ordinance may solve the problem. Councilor Hally agreed. Mr. Fife stated he would provide another draft ordinance with council requests included.

There being no further business, the meeting adjourned at 5:48 p.m.

s/ Kathy Hampton _____
Kathy Hampton, City Clerk

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