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The City Council of the City of Idaho Falls met in Special Meeting (Council Work Session), Monday, March 25, 2019, 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:

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:

Dana Kirkham, Regional Economic Development for Eastern Idaho Executive Director
Dana Briggs, Economic Development Coordinator
Bryce Johnson, Police Chief
Irene Brown, Animal Control Services Supervisor
Danyelle Harker, Animal Control Officer
Gayle Contreras, Animal Control Officer
Jeremy Galbreath, Police Lieutenant
Pamela Alexander, Municipal Services Director
Eric Keck, resource X
Randy Fife, City Attorney
Kathy Hampton, City Clerk

Acceptance and/or Receipt of Minutes:

There were no minutes to accept.

Calendars, Announcements, and Reports:

March 27, Eastern Idaho Regional Medical Center (EIRMC) Burn Center Open House; Bonneville Metropolitan Planning Organization (BMPO) Policy Board Meeting; and, Mayor Scholarship Fund (MSF) Award Ceremony
March 28, Idaho Falls Power (IFP) Board Meeting; City Club; and, City Council Meeting
March 30, Council and Director Budget Kick-Off
April 4, Idaho Falls Downtown Development Corporation (IFDDC) State of Downtown Annual Meeting
April 8, City Council Work Session
April 9, School District 91 Master Plan Community Meeting
April 11, City Council Meeting
April 15, City Council Work Session, Special Meeting

Mayor Casper distributed information regarding Regional Training for Urban Renewal. She, along with Community Development Services Director Brad Cramer, recommended Council attendance. Mayor Casper read a letter of appreciation from a citizen regarding the audible light at 25th Street and Holmes Avenue. Mayor Casper stated she will be attending a Nuclear Research and Development summit in the near future as a panelist.

Liaison Reports and Concerns:

Councilmember Hally briefly reviewed the legislative issue regarding the pending initiative bill. He also stated a new Kidney Center is forthcoming.
Councilmember Smede stated the Library has an 'over-drive' program for Library items.
Councilmember Freeman stated the Parks and Recreation (P&R) Department is working on a new five-year plan which includes sprinkler rehabilitation at the golf courses, a presentation regarding funding will be forthcoming. He noted two (2) of the golf courses are open. He also stated Heritage Park is slowly moving forward.

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Councilmember Francis stated the Broadway Streetscape project is moving forward with collaboration from IFDDC, Idaho Falls Redevelopment Agency, Public Works, and P&R; he believes the Leadership Academy sponsored by Human Resources has been beneficial; and, the Senior Citizen Center is in need of drivers.

Councilmember Radford stated the Library also offers language learning free of charge. He also stated the fiber pilot project with IFP is moving forward.

Councilmember Dingman stated the Targhee Regional Public Transportation Authority (TRPTA) Board has met following the Council presentation. Board discussion included delinquency of PERSI payments, acceptance of TRPTA's legal counsel resignation, and, the Federal Transit Administration (FTA) deadline.

Regional Economic Development for Eastern Idaho (REDI) Discussion:

Ms. Kirkham presented the following with general discussion throughout:

Mission of REDI: Protect/Advocate – create an environment where business and industry will remain in Eastern Idaho; Expand – help foster a culture where business and industry meet their needs allowing growth and expansion; and, Attract – create a stable ecosystem that attracts talent, jobs, and industry. Ms. Kirkham believes the strategy for attraction has been missing in Eastern Idaho.

Economic indicators include: five (5) federal programs (all are in the process of expansion); education (including three (3) major universities); healthcare (vital in all 14 counties); and, key industry players.

Regional demographics for all counties 1990-2017 – positive growth has occurred in 12 of the 14 counties.

MSA population growth 1990-2017 – Idaho Falls is the fastest growing region by population.

Five (5) key industries – agriculture, healthcare, energy, advanced manufacturing, and, technology.

Location quotients for Bannock, Bonneville, Madison, and, Bingham counties – quotients include natural resources and mining; construction; manufacturing; trade, transportation and utilities; information; financial activities; professional and business services; education and health services; leisure and hospitality; and, other services.

Real Gross Domestic Product (GDP) by County – Ms. Kirkham noted \$13B of the GDP for the State of Idaho is contributed from Eastern Idaho, Bonneville County has the largest contribution to the GDP.

Nonfarm payroll jobs by County – this indicates diversity of jobs/industry/production.

Median income (averaged across 14 counties) – approximately \$48,000/year. This is lower than the State and National averages. Competition will increase the median income.

Median household income by County – Caribou County is the largest, Clark County is the smallest. Ms. Kirkham compared Eastern Idaho, as an innovation corridor, with additional innovation corridors (Silicon Valley, The Triangle of North Carolina, and, Salt Lake County) by population, median household income, and, median home price. She noted Eastern Idaho is #3 for the lowest cost of living and #5 for the lowest cost of doing business in the Nation. These assets want to be protected.

Federal programs and job protection for the next 18 months – 90% of Federal Bureau of Investigation (FBI), Idaho National Laboratory (INL), and Naval Reactors Facility (NRF) jobs will require a Bachelor's Degree or higher.

Higher education base as compared to the additional innovation corridors, including number of higher education facilities (Eastern Idaho = 4) and the percentage of population with Bachelor's Degree or higher (Eastern Idaho = 18%).

Graduation rates from high school by County – Bonneville County is approximately 77%.

Workforce with academic degrees – Regional Graduate or Professional Degree is lower than National and State; Regional Bachelor Degree is lower than National and higher than State; Regional Associates Degree is higher than National and State.

Education attainment (25 and older) by County – Bonneville County ranks third highest.

Average technical worker = 32 years old. Talented technical workers, between the ages of 25-44, as compared to the innovation corridors, Eastern Idaho = 21%.

Age distribution by County – all counties are significantly lacking in wage-earning years.

Impact of the Small Modular Reactor (SMR) – Ms. Kirkham stated REDI recently completed an economic impact study for the SMR specific to Eastern Idaho: total manufacture and construction costs = \$2.4B; expenditures sourced or originating within Idaho = \$1.27B; annual job increase during construction – total employment = 3,356; cumulative job increase during construction – total employment = 13,422; labor income of construction – total cumulative = \$644,181,821; job increase and labor income of operation – total labor income = \$47,888,424; annual fiscal impacts of construction – State and Local = \$9,223,243; Federal = \$35,744,690.

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Annual fiscal impacts of operations - State and Local = \$2,972,034 and Federal = \$10,861,303. Brief comments followed regarding the SMR.

Ms. Kirkham expressed her appreciation to Ms. Briggs for her teamwork with economic development. General discussion followed. Ms. Kirkham stated a key role of REDI is to be a convener for all those across the region to prevent duplication of services. Mayor Casper noted the MSF was conceived to help with Idaho's higher education rate. These scholarship funds are to be used within the State. She also noted Ms. Briggs will update the Council with the SMR site selection in the near future.

Animal Control Update:

Chief Johnson announced Idaho Falls Animal Control received a Meritorious Unit Citation at the recent 2019 Idaho Falls Police Department (IFPD) Awards Banquet. He stated the additional Animal Control staff has been assisting Code Enforcement with parking and abandoned vehicles. He then turned the presentation to Animal Control Services staff. Ms. Brown reviewed the shelter's numbers of dogs, cats, and other animals for the previous five (5) years including animals that were impounded, adopted, reclaimed, transferred, euthanized/died, or had another live outcome. She stated there is a continual decrease in dogs impounded, a steady number of adopted and reclaimed dogs, and the transferred number is dependent on adopted and reclaimed. She indicated the euthanized dogs were due to illness, injury, or were a risk to the community; no dogs have been euthanized for room at the shelter since 2015. Ms. Brown stated the number of cats impounded has been reduced considerably from the previous year. She also stated the number of cats impounded depends largely on the winter season. She believes the largest contributing factors to the reduction of cat impounds last year is closing the drop boxes and the impact of the spay and neuter programs. She briefly reviewed the numbers of adopted, reclaimed, transferred and euthanasia for other animals. Ms. Brown briefly described the process of transferring an animal. Brief general discussion followed including euthanasia of cats and squirrels. Ms. Brown reviewed the euthanasia rates of dogs and cats for the previous eleven years, stating the euthanasia rate has decreased. She presented a comparison of the Idaho Falls Animal Shelter (IFAS) to the Pocatello Animal Shelter. She believes the IFAS is providing more service with less employees and with a lower budget. Ms. Parker reviewed the Trap/Neuter/Return (TNR) Program – cats are trapped, spayed or neutered, vaccinated, chipped, ear tipped and released back to the community in the same area. She briefly reviewed the Shelter/Neuter/Release (SNR) Program stating it is somewhat similar to the TNR. The total number of cats spayed or neutered was 633. Ms. Parker stated the programs began in 2017 and have shown success and are now well received. She reviewed the TNR Program income, including grants and donations received, and expenditures. She stated the remaining TNR fund, in the amount of \$26,944, will be expended in spring. Additional grants are being explored for help in continuing the program. Ms. Contreras reviewed other spay/neuter programs for the previous three (3) years. The total number of cats spayed or neutered with these programs was 1,456. These programs have provided help and options for citizens. Ms. Brown believes the number of spayed and neutered cats has made a large impact to the number of cats the shelter is now receiving. She reviewed the hours and duties of the additional officers previously mentioned by Chief Johnson. She also reviewed the updated Animal Services Mission Statement: "To educate and encourage our community to treat animals humanely and with respect and kindness, while ensuring public safety."

Vehicle Lease Program Introduction:

Chief Johnson stated this discussion has included collaboration from the Municipal Services and Legal Departments. He indicated the Idaho Falls Police Department (IFPD) vehicles are currently in a 10-year replacement schedule. IFPD would prefer to reduce the replacement schedule to seven (7) years. The purchase for vehicles (in the 10-year replacement schedule) would amount to just under \$1M and would deplete the Municipal Equipment Replacement Fund (MERF) in the following year. He believes most lease programs are considered illegal as they would lock future Councils into an agreement. This specific lease program would include a master lease, including terms of opting out each year, and a contract for each vehicle. Conversion of a 10-year replacement schedule to a 5-year replacement schedule would use the same amount of money, however, future savings would include maintenance costs. Chief Johnson stated cost range is dependent on the vehicle and the up-fitted charge. Purchasing of 17 vehicles in this year's current budget amounts to approximately \$1M, the lease of 23 vehicles would amount to \$250,000-\$300,000. The remaining \$700,000 would be allocated for future years as the lease cost would increase each year until year five (5). At year six (6) the amount would level out to the approximate current cost. Chief Johnson reiterated the leased vehicles would be up-fitted and, the IFPD would receive the guaranteed residual value. Brief comments followed

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including vehicle warranty, insurance, maintenance, and mileage. Chief Johnson stated by converting to a lease program the MERF process would remain as is. Director Alexander stated preliminary research for the lease program is still being performed, all agreements would be presented to Council in the near future. To the response of Councilmember Francis, Lieutenant Galbreath stated other cities are using a lease program. Chief Johnson indicated this lease program would allow a variety of vehicle types. This would also assist with the rotation of vehicles for the undercover unit. He clarified the specialty vehicles (the bearcat, the investigation trailer, the Humvee, etc.) are owned by the IFPD. Councilmember Radford questioned the lease versus ownership. He believes this may be the first step to dismantling the MERF. Director Alexander reiterated the IFPD could opt out at any time. She believes this program will address immediate need and, will finance the MERF over time. Lieutenant Galbreath indicated there is more value from a lease return versus a sale. Chief Johnson stated there is a payment option at the end of the lease. Mr. Fife stated Legal staff would review the master lease and the individual vehicle contracts. Mayor Casper requested an impact statement from the MERF. Brief comments followed.

Priority-Based Budgeting (PBB) Refresher:

Mr. Keck stated he has implemented this budget methodology in other cities. He expressed his appreciation to Director Alexander. He indicated there are three (3) key success pillars: executive sponsorship, project management; and, change management. He indicated the change from line-form of budgeting can be difficult.

Mr. Keck then presented the following with general discussion throughout:

What is PBB – recommended best practice for operating a budget, there are more than 200 implementations of PBB in the U.S. and Canada.

Implementing PBB – Program Inventory (the ‘what’ question); Program Costing (personnel and non-personnel costs); Program Scoring (eight (8) community results, alignment to a program and five (5) basic program attributes); and, Budget Adoption.

Three questions of PBB:

- What do we do? Program Inventory
- What does it cost? Cost Allocation
- Why are we in business? Scoring and Prioritization

Mayor Casper recommended the Councilmembers review the programs within their liaison departments. She believes there may be a need for a program diet.

Mr. Keck reviewed Program Inventory – there are currently 1731 programs within the City of Idaho Falls. This tool is available online to review as needed.

Program Costing – data is only as good as the time and cost to run. This tool opens dialogue and conversation.

Every program, City-wide: scored by results, mandate level, cost recovery, population, served, demand, and, degree of reliance.

Program evaluation: measure influence on results, basic program attributes – degree of mandate; degree of reliance upon the City; degree of cost recovery; size of population served; and, change in demand.

Mr. Keck reviewed examples of data within the Community Results (note, the example was not City of Idaho Falls data).

Mr. Keck reviewed Resource Alignment in the four (4) Quartiles. This tool can be used for community/stakeholder engagement as well as community/stakeholder education.

PBB is a tool, a means to an end:

Two (2) basic levers – generate new revenue, free-up and re-allocate resources. This includes sourcing, efficiencies, service levels, fees and charges, in-sourcing grant funding, and, taxes and rates.

Four (4) levels of PPB Mastery – leverage all of community’s resources; fuel resources towards results of tomorrow (tackling massive goals); reallocate resources; and, rational tool to stabilize the budget.

Brief discussion followed regarding cost of services.

Alignment with Results and Strategic Plans – Idaho Falls’ strategic plans are your community results. Integration of PBB into the culture of embracing data and taking action on the results is your next step.

What’s in it for you?

1. Communicate in a shared language – with Council, citizens, and each other

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2. Get buy-in for your budget recommendations – use logical framework to make recommendations
3. High performing organization – connecting the dots
4. Ends zero sum budgeting game – departments no longer battle one another
5. Encourages interdepartmental collaboration – can help eliminate silos; encourages collaboration to meet common goals and achieve community results; and, take action to embrace data, basic program attributes and, other PBB considerations.

Mr. Keck briefly reviewed the online portal for the City. Director Alexander stated quartiles should be reviewed annually. Councilmember Radford believes the Councilmembers need to be more involved in the community priorities.

There being no further business, the meeting adjourned at 6:32 p.m.

s/ Kathy Hampton
CITY CLERK

s/ Rebecca L. Noah Casper
MAYOR