

April 8, 2019

The City Council of the City of Idaho Falls met in Special Meeting (Council Work Session), Monday, April 8, 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:

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 Radford (arrived at 3:03 p.m.)

Also present:

Pamela Alexander, Municipal Services Director
Josh Roos, Treasurer
Mark Hagedorn, Controller
Julie Desimone, Moss Adams
Keith Simovic, Moss Adams
Brad Cramer, Community Development Services Director
Kerry Beutler, Community Development Services Assistant Director
Rick Cloutier, Airport Director
Greg Weitzel, Parks and Recreation Director
PJ Holm, Parks and Recreation Assistant Director
Ronnie Campbell, Parks and Recreation Superintendent
Michael Kirkham, Assistant City Attorney
Randy Fife, City Attorney
Kathy Hampton, City Clerk

Mayor Casper called the meeting to order at 3:02 p.m. with the following items:

Calendars, Announcements and Reports:

April 9, School District 91 Master Plan Community Meeting
April 11, Civitan Awareness Proclamation Reading; and, City Council Meeting
April 12, Idaho Falls Power (IFP) Fiber Launch Party
April 15, City Council Work Session, Special Meeting
April 22, City Council Work Session
April 23, Association of Idaho Cities (AIC) Spring District Workshop; and, Public Reception, Fire Chief Dave Hanneman retirement
April 25, IFP Board Meeting; MK Simpson Boulevard Reception; and, City Council Meeting
April 26, Arbor Day; and, Idaho Humanities Council (IHC) Distinguished Humanities Lecture
April 27, Worker's Memorial Day Proclamation Reading; and, Earth Day Events and Proclamation Reading

Mayor Casper stated a doodle poll has been sent regarding rescheduling the May IFP Board Meeting. She requested Councilmembers availability on July 9 for a Westside Water and Soil Conservation tour. Mayor Casper distributed guidelines for future Council memos and agendas, she noted this information has been distributed to Department Directors.

Liaison Reports and Concerns:

Councilmember Hally reminded the Councilmembers to update their Drivers Licenses as necessary for any travel beginning October 2020.

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Councilmember Smede stated April 9 is Idaho State testing day for Idaho Standards Achievement Test (ISAT). She also stated several items will be forthcoming in the Community Development Services (CDS) Department.

Councilmember Freeman stated Bonneville County has increased the landfill fees, it may be necessary to adjust City fees as well. He also stated the Idaho Falls Police Department (IFPD) has completed their first testing, which went well. He indicated after further review of the vehicle lease program for the IFPD, the leasing costs were higher than anticipated. Councilmember Freeman stated Parks and Recreation (P&R) agreements will be forthcoming. He also stated the RECreateIF survey has been distributed.

Councilmember Francis had no items to report.

Councilmember Radford stated the new marquee has been installed at The Civic Center for the Performing Arts facility, new signs have also been installed at City entrances. Councilmember Radford reiterated the IFP Fiber Launch Party regarding the fiber pilot project.

Councilmember Dingman had no items to report.

Acceptance and/or Receipt of Minutes:

It was moved by Councilmember Smede, seconded by Councilmember Dingman, to receive recommendations from the Planning and Zoning Commission pursuant to the Local Land Use Planning Act (LLUPA). Roll call as follows: Aye - Councilmembers Freeman, Radford, Smede, Francis, Dingman, Hally. Nay - none. Motion carried.

2017/18 Annual Audit Report and Presentation:

Councilmember Radford expressed his appreciation for the collaboration between Moss Adams and the Municipal Services staff to ensure the City's fiduciary responsibility occurs. Director Alexander then introduced Ms. Desimone and Mr. Simovic for overview of the external audit.

Mr. Simovic stated the 2018 financial statement audit has been completed as of April 5, 2019. He stated an audit of the City entails: independent verification of transactions and balances; evaluation of the effectiveness of internal controls; testing compliance with Federal laws; technical review of the financial statements; and, reporting of audit results to City Council.

Mr. Simovic reviewed Moss Adams audit procedures, results, and audit comments for financial statements as a fair representation of transactions and ending balances for the year. This includes performing risk assessment to identify significant risk areas, performing substantive test procedures, and, performing technical review of financial statements.

Mr. Simovic reviewed completed audit adjustments to Wastewater, Airport, and, Electric Funds. He also reviewed passed adjustments for Government Activities, Business-type Activities, and, Wastewater Fund.

Ms. Desimone noted there is a materiality spread on adjustment amounts.

Ms. Desimone reviewed applicable federal laws and regulations including risk assessment and, procedures to identify fraud (there were no instances of fraud).

Ms. Desimone reviewed Internal Control Recommendations/Internal Control Findings. She noted substantial changes/improvements were made over the course of the previous year regarding cash and investments. Financial Close and Reporting remains as a Significant Deficiency due to the timeliness of reconciliation. Other control deficiencies were noted, none of which rose to the level of a significant deficiency or material weakness.

Ms. Desimone expressed her appreciation to the Mayor, Councilmembers, and, Municipal Services Department staff. General discussion followed including the improved efficiencies, transparency, and continued opportunity for improvement.

Director Alexander reviewed the audit preparation process stating the audit process began in October 2018. This included cross-training of staff; developing a roadmap of defined assignments and methodologies; and, transitioning the City Controller from preparer to reviewer. Director Alexander reviewed the cash and investment management process including the importance of internal controls; monthly bank and investment reconciliations; and, use of the Investment and Finance Committee. Response to audit recommendations include timely bank and investment reconciliations within 30 days; interim plan - training and monthly meetings to ensure all capital asset documentation is reviewed and reconciled; and, long-term plan to transition to one system for reporting and tracking assets. Director Alexander expressed her appreciation to the Mayor, City Councilmembers, Moss Adams, the professional finance team, and, the Investment and Finance Committee members. Mayor Casper questioned the appropriate amount of

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time to utilize a specific external auditor. Director Alexander stated the timeframe is generally 3-5 years to prevent audit shopping. She indicated this is the third year for Moss Adams, the previous auditor had been utilized for 12 years. Brief discussion followed including the use of one (1) of external auditor for the Electric and General Government Funds.

Community Development Block Grant (CDBG) Applicant and Annual Action Plan (AAP) Review:

Director Cramer stated the CDBG public hearing for the AAP will be held at the April 11 City Council Meeting. He indicated there are approximately \$100,000 more in requests than anticipated funding. He also indicated the Consolidated Annual Performance and Evaluation Report (CAPER) public hearing and discussions will occur throughout the months of April and May.

Area of Impact (AOI) Review:

Director Cramer stated future AOI discussions have been put on hold pending the decision of the State legislators. He indicated a bill was passed prohibiting cities from annexing five (5) acres or more that has an active ag use. This change will affect the pending west side annexation. Following review of the Annexation Principles, applying to Category A, B, and C annexations, suggested changes include: 'rare and unusual circumstances', the purpose/vision statement of the Annexation Principles; and, reformatting the Annexation Principles from a paragraph format to a bullet-type format. Director Cramer believes there is concern of annexation related to utilities. He also believes this document could assist with identifying potential annexation properties. He prefers to present this document to the Bonneville County Commissioners prior to a future additional joint meeting. Brief discussion followed regarding the general statement of the document. Director Cramer indicated citizens may have believed the annexation process included properties that have City utilities, although properties that are enclaved that may not have utilities have also been included in annexation. This document would explain the process and determine which properties should or should not be included in annexation. Mayor Casper believes, referencing language in the document regarding City services besides utilities, there is value in being a City resident. Director Cramer stated preamble language has also been included with the Utility Extension Pilot Project Parameters (A Plan to Protect Tax Payers and Rate Payers). The preamble is intended not to create development on the urban fringe as the City will encourage development in the core. This document references extending City utilities, there is not preference to extend utilities on an anytime-requested basis. The compromise would be to develop a pilot project under limited circumstances and strict requirements. Mayor Casper stated if approved, the costs could be shared with potential developers. Following brief comments, Director Cramer stated the pilot project needs to be emphasized. There were no concerns with the AOI agreement. Mayor Casper stated an additional AOI meeting with the Bonneville County Commissioners will be forthcoming.

Airport Code and Plan Changes Discussion:

Director Cramer reminded the Council of the Airport moratorium in effect until August 2019. The moratorium will allow for amendments of the Comprehensive Plan and the Zoning Ordinance in order to regulate land uses around the Airport and its critical areas. He stated a Code and Plan change has been drafted which has included public outreach meetings, stakeholder meetings, Planning and Zoning (P&Z) Commission Work Sessions, and, land owners meetings. The goal was to be in compliance with the Federal Aviation Administration (FAA) but not to inhibit development around the Airport. Director Cramer indicated several adjustments have been made to the Code and Plan due to these public comments. He expressed his appreciation to the P&Z. He stated amendments to the Comprehensive Plan Map, amendments to the Zoning Ordinance, rezoning of properties included in the ordinance changes, and, lifting of the moratorium are proposed for May 9. A final version of the Code and Plan will be included on the website for review. Director Cramer stated the FAA concerns include height restrictions, nuisance noise, and, land use that may be incompatible with Airport operations. He reviewed the Idaho Falls Regional Airport (IFRA) current noise contours areas, stating this nuisance noise level will influence which regulations apply to certain parcels of land for public and aircraft safety. He also reviewed the Airport Overlay Zone, stating there is concern for residential land uses in this area. Director Cramer stated areas within the Comprehensive Plan and Airport Land Use Plan Overlay had been planned for single-family residential land development, therefore requiring a critical change to the Comprehensive Plan. The proposed changes include removing the majority of residential areas, consideration of development along the river area, higher education/research centers, employment centers, and, changing higher

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education centers on the east side of US20 to industrial. He noted the current Bonneville County residential areas will transition to urbanized/City-type development and then transition into higher-density/industrial uses. Director Cramer stated control of land uses, height and protection of air space, and, owner notification of potential of uses needed to be addressed in the Zoning Ordinance. He stated an overlay zone could restrict what is currently allowed in the zone. This overlay zone would need to be coordinated with Bonneville County. A land use table will be included in the overlay zone which will restrict the incompatible land uses and residential areas, referred to as limited development approach surface. Director Cloutier stated residential area is not allowed within 1000 feet of the Airport runway edge. He noted the FAA rules have changed over the course of time. Director Cramer stated other protections in the code include avigation easement and real estate disclosure. He proposed a disclosure statement be included on the recorded plat within this area stating there is potential for nuisance noise due to Airport operations. Mr. Fife stated the map could be included with the title search for any potential buyer. General discussion followed regarding comments received at the public outreach meetings, lifting the moratorium, and, FAA involvement. Director Cloutier expressed his appreciation to Director Cramer and CDS staff.

Parks Maintenance Management Plan Review:

Mayor Casper stated this presentation includes management of public demand/public use as well as information provided for data-based decision making. Director Weitzel recognized Mr. Campbell's recent attendance at a Parks and Recreation (P&R) Maintenance Program Training. He noted Mr. Campbell has been the only attendee from the State of Idaho to attend this program.

Director Weitzel presented the number of properties, acres, and maintenance cost per year for the following with general discussion throughout:

- Storm water ponds (developed and undeveloped) – 37 properties, 84 acres, \$200,423 per year
- Snow dumps and others (Airport, Municipal Services, Electric, Police, and, Fire) – 25 properties, 137 acres, \$84,897 per year
- City Right-of-ways (developed, undeveloped, Idaho Transportation Department (ITD) properties, and, railroad) – 48 properties, 151 acres, \$235,641 per year
- Park properties (urban/community parks, neighborhood parks, civic parks, and other park properties) – 57 properties, 1,201 acres, \$3,800,000 per year
- Trails and canals (including future canal trails) – 45 miles of pathway, \$430,000 per year (Director Weitzel noted there is an ITD agreement for the canal trails maintenance, there is overall less maintenance for the canal trails)

Mayor Casper believes policy discussion may need to occur regarding the maintenance of the majority of these properties including reimbursement from Enterprise and/or General Funds. Brief comments followed. Director Weitzel stated the Park Maintenance Management Plan will be included in the RECreateIF Master Plan. Mr. Campbell briefly reviewed Levels of Service:

-Level One (1) Service – Maintenance applications associated with well-developed park areas with high visitation and use, such as the River Walkway, Tautphaus Park, and athletic fields. Mr. Campbell stated these areas are currently lacking attention due to P&R staff being spread out to other areas.

-Level Two (2) Service – Maintenance applications associated primarily with neighborhood parks, cemeteries, right-of-ways.

-Level Three (3) Service – Maintenance applications associated with storm retention ponds, undeveloped sites, and natural areas of parks.

-Level Four (4) Service – these locations are similar to Level 3 service, with less frequent maintenance.

Mr. Campbell stated the routine schedule task, the preventative task, the scheduled improvements, and, identification of areas of responsibilities will be addressed through a task-based reporting system. Road, irrigation systems, electrical, facilities, safety and risk management plan for visitors and employees, a preventative maintenance plan for vehicles and equipment, and, integrated pest management plan will also be addressed in the Park Maintenance Management Plan. Director Weitzel stated P&R currently maintains 1,601 acres. National Standards for 1,601 acres is 22 acres per full-time employee (FTE), the City would require 73 FTE maintenance employees to meet these standards. Current City operations is 62 acres per FTE, the City currently employees 26 FTE. He briefly reviewed the eight (8) maintenance zones - Yellowstone East Zone, Yellowstone West Zone, South East Zone, South West Zone, North West Zone, North East Zone, West Zone, and, Idaho Falls Raceway.

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Director Weitzel reviewed:

Option #1: preferred staffing, 50 maintenance staff

- Hire an additional 24 full-time staff members (\$51,840 per employee)
- Purchase additional equipment needed (\$300,000)

Estimated cost = \$1,544,160

Option #2: phased staffing, 39 maintenance staff

- Hire an additional 13 full-time staff members (\$51,840 per employee)
- Purchase additional equipment needed (\$300,000)

Estimated cost = \$973,920

Option #3: reorganized staffing, 31 maintenance staff

- Hire additional 5 full-time staff members (\$51,840 per employee)
- Purchase additional equipment needed (\$300,000)
- All levels of service will be reduced by one (1) level

Estimated cost = \$559,200

General discussion followed including retention ponds maintenance, landscaping options, policy options, and, right-of-way annexations. Mr. Campbell stated software is currently being implemented to track maintenance work. Director Weitzel stated additional equipment would be needed although P&R is hopeful to share existing equipment with other departments and/or divisions. Brief discussion followed regarding fees.

There being no further business, it was moved by Councilmember Radford, seconded by Councilmember Smede, to adjourn at 6:00 p.m. and move into Executive Session. The Executive Session is being called pursuant to the provisions of Idaho Code Section 74-206(1)(j) to consider labor contract matters authorized under Idaho Code Section 74-206(1)(a) and (b). The Executive Session will be held in the City Annex Conference Room. At the conclusion of the Executive Session the Council will not reconvene into Council Work Session. Roll call as follows: Aye – Councilmembers Francis, Dingman, Freeman, Hally, Radford, Smede. Nay – none. Motion carried.

The City Council of the City of Idaho Falls met in Special Council Meeting (Executive Session), Monday, April 8, 2019, in the City Annex Conference Room in the City Annex Building located at 680 Park Avenue in Idaho Falls, Idaho at 6:07 p.m.

There were present:

Mayor Rebecca L. Noah Casper
Councilmember Shelly Smede
Councilmember Michelle Ziel-Dingman
Councilmember Jim Francis
Councilmember John Radford
Councilmember Thomas Hally
Councilmember Jim Freeman

Also present:

Pamela Alexander, Municipal Services Director
Michael Kirkham, Assistant City Attorney

The Executive Session was called pursuant to the provisions of Idaho Code Section 74-206(1)(j) to consider labor contract matters authorized under Idaho Code Section 74-206(1)(a) and (b).

There being no further business, the Executive Session concluded at 6:25 p.m.

s/ Kathy Hampton
CITY CLERK

s/ Rebecca L. Noah Casper
MAYOR