

July 15, 2021 Budget Session

The City Council of the City of Idaho Falls met in Council Budget Session, Monday, July 12, 2021, 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
Council President Michelle Ziel-Dingman
Councilor John Radford (departed at 3:35 p.m.)
Councilor Thomas Hally
Councilor Jim Freeman
Councilor Jim Francis
Councilor Lisa Burtenshaw

Also present:

Pamela Alexander, Municipal Services Director
Mark Hagedorn, Controller
Josh Roos, Treasurer
Chris Fredericksen, Public Works Director
Chris Canfield, Assistant Public Works Director
Carl Utter, Wastewater Superintendent
David Richards, Water Superintendent
Derek Bates, Geographic Information System (GIS) Coordinator
Jordan Rechenmacher, Sanitation Superintendent
Brian Cardon, Street Superintendent
Robert Wright, Library Director
Mary Lund, Library Board Chair
Rod Rapp, Library Board Trustee
Tyrone Dickerson, Information Technology (IT)
Kim Rafferty, Administrative Assistant
Alicia Stout, Children's Library Supervisor
Beth Swensen, Public Services Assistant Director
Bruce Young, Accountant
Joseph Nilsson, Chief IT Officer
Alan Muir, Building Maintenance Superintendent
Dave Nelson, Fleet Maintenance Superintendent
Carla Bruington, Executive Assistant to the Mayor
Bud Cranor, Public Information Officer
Dana Briggs, Economic Development Coordinator
Randy Fife, City Attorney
Kathy Hampton, City Clerk

Opening Remarks, Announcements:

Mayor Casper provided an update on Coronavirus (COVID-19) stating she has heard from officials and physicians that every single COVID hospitalization, every single death, and every single case is preventable. She indicated the national vaccination rate is 48-49%, Idaho vaccination rate is 38.79%, and Bonneville County vaccination rate is 37.08%. She stated there were six (6) new cases on July 14 and there are 31 active cases in Bonneville County. Mayor Casper believes this is not over for those who have not been vaccinated, and for those who have been vaccinated the rate of contracting COVID is in the less than ½% range. She recommended the public officials re-

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assert their influence for vaccinations. Mayor Casper requested any potential follow-up questions regarding the airport budget. Councilor Burtenshaw questioned a follow-up of potential fees. Mayor Casper noted the fee resolution will be addressed during an upcoming meeting. She also noted funding for Alaska Airlines is not an airport budget item. This is a segregated general ledger account.

Introductory Remarks as Needed:

There were no remarks.

Department Budget Review:

Public Works –

Director Frederickson expressed his appreciation to the finance team. He introduced staff members that were present. He then presented the following with general discussion throughout:

Department Structure: Public Works Administration (includes GIS, Greater Idaho Falls Transit (GIFT) (this is new), and Engineering), Street Division, Water Division, Sanitation Division, Wastewater Division, and Municipal Capital Funds.

Department Budget Overview:

Department – Public Works	2019/20 Expenditure Budget	2020/21 Expenditure Budget	2021/22 Proposed Expenditure Budget	\$ Change Expenditure	% Change Expenditure	2021/22 Proposed Position Count
Total	\$1,342,700	\$1,302,100	\$1,470,600	\$168,500	13%	20 (22)

Director Fredericksen stated the expenditures and revenue associated with Administration is a pass-thru from other divisions, the funds in Public Works are administered to the three (3) enterprise accounts (water, wastewater, and sanitation) as well as the street account, and GIS costs are equally split between Public Works and Idaho Falls Power (IFP). He noted \$1M from Snow Removal has been moved from the General Fund to the Street Division, GIFT will be coordinated through the Idaho Transportation Department (ITD) and the Federal Transit Administration (FTA), and the Engineering increase is due to a new Global Positioning System (GPS) request. He also noted the full-time employee (FTE) requests are for GIS as well as the new Transit Coordinator for GIFT that was previously approved by Council.

Department Budget Overview:

Department – Street Division	2019/20 Expenditure Budget	2020/21 Expenditure Budget	2021/22 Proposed Expenditure Budget	\$ Change Expenditure	% Change Expenditure	2021/22 Proposed Position Count
Total	\$7,478,000	\$7,477,800	\$8,561,800	\$1,084,000	14%	22

Director Fredericksen stated there are minimal increases in Administrative and Signing/Pavement Marking, the decrease in paved Street Maintenance is for the shared Street and Sanitation Building, and the increase in Snow and Ice Control is due to the movement of \$1M snow removal funds (remaining funds will remain in Streets). Discussion followed regarding snow removal including towing costs within the Idaho Falls Police Department (IFPD) as overtime costs, and two (2) lease/purchase requests for snow equipment. Per Mayor Casper, Mr. Hagedorn stated there are additional ways to track the snow towing. He also stated there is preference to track other overtime costs.

Department Budget Overview:

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Department – CIP Funds	2019/20 Expenditure Budget	2020/21 Expenditure Budget	2021/22 Proposed Expenditure Budget	\$ Change Expenditure	% Change Expenditure	2021/22 Proposed Position Count
Total	\$6,020,000	\$3,800,000	\$2,945,000	\$(855,000)	-23%	-

Director Fredericksen stated the majority of the decrease is in Street Capital due to federal aid projects.

Department Budget Overview:

Department – Water Division	2019/20 Expenditure Budget	2020/21 Expenditure Budget	2021/22 Proposed Expenditure Budget	\$ Change Expenditure	% Change Expenditure	2021/22 Proposed Position Count
Total	\$11,389,300	\$11,946,600	\$18,062,400	\$6,115,800	51%	19 (20)

Director Fredericksen stated the major Capital Improvement Projects (CIP) are estimated in the Water Division. He also stated the increase in Administrative is due to the water meter pilot project, the decrease in Well Operations and Maintenance (O&M) is due to decreases in professional services, the increase in Distribution System O&M is a request for a new FTE as well as a Municipal Equipment Replacement Fund (MERF) replacement item, and the increase in New Construction includes the water tower. Brief discussion followed regarding replacement of water lines (replacement is currently 1% annually) in conjunction with other street projects, and pipe break history.

Department Budget Overview:

Department – Sanitation Division	2019/20 Expenditure Budget	2020/21 Expenditure Budget	2021/22 Proposed Expenditure Budget	\$ Change Expenditure	% Change Expenditure	2021/22 Proposed Position Count
Total	\$5,657,500	\$5,765,700	\$6,451,100	\$685,400	12%	23(24)

Director Fredericksen stated the decrease in Construction and Maintenance is due to re-budgeting of the shared Street and Sanitation Building, the increase in Collection Handload includes MERF replacement as well as an additional new autoloader truck and replacement of carts, and the decrease of Tilt Frame is due to a container. He also stated the Sanitation Division is requesting a new FTE. Per Councilor Hally, Mr. Rechenmacher stated the number of daily collections of sanitation is substantial. Director Fredericksen believes one (1) vehicle can service approximately 800 collections per day.

Department Budget Overview:

Department – Wastewater Division	2019/20 Expenditure Budget	2020/21 Expenditure Budget	2021/22 Proposed Expenditure Budget	\$ Change Expenditure	% Change Expenditure	2021/22 Proposed Position Count
Total	\$12,145,600	\$13,941,700	\$21,301,700	\$7,360,000	53%	36

Director Fredericksen stated a large capital project is for the dewatering project, the increase in Administration is for professional services and the Department of Environmental Quality (DEQ), the increase in Collection O&M is for MERF replacement, and the increase in New Construction is for line replacement.

Director Fredericksen reviewed ten-year review of expenditure categories. He stated the spikes have occurred with Capital Outlay projects, other areas have stayed fairly flat.

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Director Fredericksen stated proposed fee increases in the Water Division include a general 3.9% increase and connection fees, which varies (Director Fredericksen explained these fees stating some fees will increase while other fees will decrease). Wastewater fee increases include a general residential 1% increase, commercial 7% increase, and connection fees, which varies. Director Fredericksen noted Iona Bonneville Sewer District (IBSD) fees were updated in June.

Department	2019/20 Revenue Budget	2020/21 Revenue Budget	2021/22 Proposed Revenue Budget	\$ Change Revenue	% Change Revenue
Total	\$37,084,000	\$37,650,900	\$39,773,900	\$2,123,000	6%

Per Councilor Radford, Director Fredericksen stated new connections are included in revenue.

The Bottom Line:

	2021/22 Expenditures	2021/22 Revenues	Net Provided (Usage)	Fund Balance (May 2021)
Total	\$58,792,500	\$39,773,900	\$(19,018,600)	\$59,508,700

Director Fredericksen believes traffic improvements have occurred due to a new traffic engineer in IFP. He briefly reviewed 2021/22 Highlights, Strategies, and Goals.

Per Councilor Francis, Director Fredericksen stated all MERF funding is now included in the Enterprise Fund. Per Councilor Hally, Director Fredericksen does not believe there have been additional costs on projects although there have been delays. Brief discussion followed regarding bids and contracts.

Library –

Ms. Lund and Director Wright introduced the Library Board Member and Library staff members that were present. Director Wright recognized Ms. Swenson as Idaho Librarian of the Year as well as a Chamber of Commerce Distinguished Under 40 recipient.

Ms. Lund presented the following with general discussion throughout:

Department Structure: Children’s Library, Adult/Teen Library, Technical Services, and Administration.

Department Budget Overview:

Library	2019/20 Revenue Budget	2020/21 Revenue Budget	2021/22 Proposed Revenue Budget	\$ Change Revenue	% Change Revenue	2021/22 Proposed Position Count
Total	\$3,642,297	\$3,625,707	\$3,589,297	\$(36,410)	(1.0%)	26

Director Wright stated the revenue decrease is due to some grants not being received. He noted the position count does not include the additional 12-24 part-time employees.

Department Budget Overview:

Library	2019/20 Expenditure Budget	2020/21 Expenditure Budget	2021/22 Proposed Expenditure Budget	\$ Change Expenditure	% Change Expenditure	2021/22 Proposed Position Count
Total	\$4,479,885	\$6,602,948	\$4,210,474	\$(2,392,474)	(56.8%)	26

Ms. Lund stated expenditures have increased over the course of the previous two (2) years.

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Ms. Lund reviewed ten-year review of expenditure categories. She stated expansion of the library was planned, however, the Library Board decided an expansion was not prudent at this time. She noted Operating Expenses increase as is the case with all businesses, and all other areas are slowing growing.

Ms. Lund reviewed 2021/22 Highlights, Strategies, and Goals which includes changes to Idaho Code (this has not been a problem in the City of Idaho Falls), Library funding going forward (static versus dynamic (Ms. Lund expressed her concern for static), personnel costs increasing every year, inflationary pressure on Library materials, maintenance, and electronic items), grants (has sustainability issues), and building expansion plans and fundraising efforts. Ms. Lund displayed several pictures and described several improvements to the library.

The Bottom Line:

	Expenditures	2021/22 Revenues	Net Provided (Usage)
Total	\$3,589,297	\$4,210,474	\$(621,177)

Ms. Lund stated Director Wright is very frugal when spending money, she expressed her appreciation to him. Director Wright noted a recent trust fund of \$10,000 has been established to purchase flowers, and an additional sizeable contribution is in the works. He indicated the variables in the budget are personnel and books. Per Councilor Francis, Director Wright believes a dynamic increase is evenly distributed across the departments, static is no increase to expenses. Also per Councilor Francis, Director Wright confirmed money for salaries and wages is included in this budget. He briefly reviewed paper and electronic materials costs. Councilor Francis explained the Mae Neuber Fund for the Library stating this fund is to be used for special projects. General comments followed regarding Library usage, library programs, and materials. Per brief discussion regarding the library levy, Director Wright stated the library levy amount is a Council decision. Mr. Hagedorn confirmed. He noted discussion has previously occurred regarding the levy. Per Mayor Casper, Ms. Lund stated negotiations will begin with Bonneville County in the near future, and the contract will be valid for three (3) years. She believes the negotiations will be productive. Director Wright noted the County usage has increased from 30% to 40.1%. He indicated future contracts will be based upon usage.

Municipal Services (MS) –

Director Alexander introduced staff members that were present. She then reviewed the following with general discussion throughout:

Department Structure: Administration, City Clerk, Information Technology, Finance, and General Services Administration. Funds: General Fund, Enterprise Funds (through interfund transfers), Health Insurance, MERF, Risk Management, and Contingency.

Director Alexander stated MS is an internal-services type of department and there is very little revenue overall.

Department Budget Overview:

Department	2019/20 Revenue Budget	2020/21 Revenue Budget	2021/22 Proposed Revenue Budget	\$ Change Revenue	% Change Revenue
Municipal Services	\$300,653	\$273,700	\$298,200	\$394,094	8.67%
MERF	-	2,200,000	2,419,100	219,100	9.96
Risk Management Fund	1,200,000	1,990,496	1,955,503	(34,993)	(1.76)
Health Insurance Fund	-	2,000,000	50,000	(1,950,000)	(97.50)
Civic Auditorium CIP Fund	200,000	-	200,000	200,000	-
Budgetary Fund	-	-	-	-	-

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Director Alexander stated the Civic Auditorium CIP Fund is from the Maeck Family, these funds were not spent due to COVID. Per Councilor Francis, Director Alexander clarified Civic Auditorium funds have only been spent for preliminary design. Director Alexander stated the MERF is anticipated to be redesigned over the course of the next year. Mr. Hagedorn noted there is preference to budget cash balances so there is capacity to spend it as needed. He also stated the Health Insurance Fund was created for the City to become self-insured, these funds are being staged.

Department Budget Overview:

	2019/20 Expenditure Budget	2020/21 Expenditure Budget	2021/22 Proposed Expenditure Budget	\$ Change Expenditure	% Change Expenditure	2021/22 Proposed Position Count
Total	\$4,678,353	\$4,545,522	\$4,939,616	\$394,094	8.67%	71

Director Alexander stated the City Clerk increase is due to a potential run-off election (this is only a place holder) and licensing software expenses, and the IT increase is due to software costs and an additional FTE request. She also stated Utility Billing is paid by the Enterprise Fund, she noted the billing has been outsourced. Finance increase is for an FTE request as well as a staffing and training plan and software. Director Alexander stated the two (2) current vacancies in General Services are be reviewed for efficiency, Equipment Maintenance increase is for the anticipation of a fuel increase, Building Maintenance increase is for professional services and facility upkeep (there are more than 200 City facilities), and Property Coordination decrease is due to interfund transfer. She also stated Building Maintenance will be evaluating numerous buildings and parking lots over the course of the next year. Per Councilor Freeman, Director Alexander stated discussion will need to occur with School District 91 regarding the Civic Center parking lot.

Department Budget Overview:

Department	2019/20 Expenditure Budget	2020/21 Expenditure Budget	2021/22 Proposed Expenditure Budget	\$ Change Expenditure	% Change Expenditure
MERF	\$5,687,500	\$3,120,000	\$3,899,926	\$779,926	25%
Risk Management Fund	2,350,000	3,811,292	3,849,920	38,628	1.01
Health Insurance Fund	60,000	60,000	60,000		
Civic Auditorium CIP Fund	200,000	-	200,000	200,000	-
Budgetary Fund	6,000,000	43,000,000	20,000,000	(23,000,000)	-53.49

Director Alexander stated the Budgetary Fund is for contingencies.

Director Alexander reviewed ten-year review of expenditure categories. She stated Operating Expenses have slightly increased (mainly due to IT), the Capital Outlay increase was due to Civic Center renovations, and Interfund Transfers have slightly decreased.

Director Alexander reviewed 2021/22 Highlights, Strategies, and Goals which includes continue to improve financial audits, develop fleet maintenance mechanic certification program, continue to explore internal and external processes for efficiencies, continue to work collaboratively with rate payer departments to improve the customer service experience, develop building repair and maintenance program (Director Alexander displayed several pictures of examples), and continue to analyze long-term agreements for cost savings.

Director Alexander stated proposed fee increases include a marquee for advertising packages as well as live stream events for the Idaho Falls Civic Center.

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The Bottom Line:

	Revenues	Expenditures	Net Provided (Usage)
General Fund	\$298,200	\$4,939,616	\$(4,641,416)
MERF	2,419,100	3,899,926	(1,480,826)
Risk Management	1,955,503	3,849,920	(1,894,417)
Health Insurance	50,000	60,000	(10,000)
Civic Auditorium CIP	200,000	200,000	0
Budgetary	0	20,000,000	(20,000,000)

Discussion followed regarding vehicles and maintenance of aging buildings/structures. Mr. Hagedorn believes, per previous discussion, a Building Equipment Replacement Fund needs to be established. Mayor Casper believes there will be a challenge with funding. Director Alexander stated funding has been set aside for emergency situations. She reviewed priorities that have been established for building maintenance. Per Councilor Freeman, Director Alexander believes an elevator in City Hall is estimated to cost \$500,000. She noted City Hall has been updated on the ground level for Americans with Disabilities Act of 1990 (ADA) accommodations.

Per Mayor Casper, Director Alexander noted the Human Resources and Legal Departments will not be presenting their budgets as their budgets remained flat and include very minor changes.

Mayor/Council –

Ms. Bruington presented the following with general discussion throughout:

Current Budget Structure: Council, Mayor’s Office (Administration, Economic Development, Public Information Officer (PIO)), and Community Support. Proposed Budget Structure: Council, Mayor’s Office (Administration, PIO), and Economic Development.

Department Budget Overview:

	2019/20 Expenditure Budget	2020/21 Expenditure Budget	2021/22 Proposed Expenditure Budget	\$ Change Expenditure	% Change Expenditure	2021/22 Proposed Position Count
Total	\$795,324	\$627,741	\$771,907	\$144,166	22.97%	10

Mr. Hagedorn stated he recommended Economic Development be moved out from the current budget structure as he believes it should be more transparent. Therefore, this increased Economic Admin by \$100,000 and decreased Community Support by \$100,000.

Mr. Hagedorn reviewed ten-year review of expenditure categories. He stated the large spike was due to the input and then output of non-departmental funds, which are now considered encumbrances in the contingency funds. He also stated the remaining items remain flat.

Ms. Bruington reviewed 2021/22 Highlights, Strategies, and Goals which includes Legistar – this has been moved from City Clerk’s budget, Public Transit – Council President Dingman stated there will be no additional request, and this may move to Public Works after the transition year, Chief of Staff – Mayor Casper stated \$134,000 has been budgeted (as a place holder), however, due to this being an election year, she recommended this position not be filled until the beginning of 2022. Discussion followed including other Idaho cities that have a Chief of Staff position, duties of this position, and funding for this position as a ‘wash’ with a position in Community Development Services and reduced court costs. Highlights, Strategies, and Goals also include Community Support (Economic Development) – this has been removed and funds have been allocated elsewhere per previous (April 2, 2021 Council

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Budget Workshop) discussion. Council President Dingman believes this funding should benefit the entire City and not as a subcommittee making difficult decisions for individual entities. Councilor Francis agrees. He believes the grants have become uncomfortable, he also believes priority of the City should be public service. Councilor Freeman believes there should be continuity in the Mayor's Office. Comments and discussion followed including taking care of current tasks, a strong Mayor system versus a City administrator system/concept, the delegation of Mayoral duties, addressing constituents' concerns, the community events funds, and Councilmember wages increases.

The Bottom Line:

	Expenditures	Net Provided (Usage)
Total	\$771,907	\$(771,907)

Follow-up Discussion:

Mr. Hagedorn distributed updated budget information with 2018/2019 information. Mayor Casper noted there are four (4) scheduled meetings before adoption of the budget. Mr. Hagedorn stated upcoming meetings will include General Fund summary, benefits, a plan for a balanced budget, property taxes and the levy, position control and scheduled vacancies, and funding options for requests. Mayor Casper briefly reviewed the schedule for these upcoming meetings. Following brief discussion, the July 23 Council Budget Session has been eliminated and the start time for the July 26 Council Work Session has been moved from 3:00 p.m. to 1:00 p.m.

Mayor Casper announced the Great Race for Education on July 16. She also announced the 40th Anniversary Celebration for Sister Cities on July 16. Councilor Francis believes the Councilmembers' presence at the Sister Cities celebration will be greatly appreciated by Toka-mura.

There being no further business, the meeting adjourned at 4:57 p.m.

s/ Kathy Hampton _____
Kathy Hampton, City Clerk

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