

July 27, 2020 Work Session

The City Council of the City of Idaho Falls met in Council Work Session, Monday, July 27, 2020, 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 Michelle Ziel-Dingman
Councilmember John Radford (by WebEx at 3:09 p.m.)
Councilmember Thomas Hally
Councilmember Jim Freeman
Councilmember Jim Francis
Councilmember Shelly Smede

Also present:

Brad Cramer, Community Development Services Director
Pamela Alexander, Municipal Services Director
Mark Hagedorn, Controller
PJ Holm, Parks and Recreation Director
Randy Fife, City Attorney
Michael Kirkham, Assistant City Attorney
Kathy Hampton, City Clerk

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

Acceptance and/or Receipt of Minutes:

It was moved by Councilor Francis, seconded by Councilor Freeman, to receive the recommendations from the Planning and Zoning Commission meetings for July 7, 2020 and July 21, 2020 pursuant to the Local Land Use Planning Act (LLUPA). Roll call as follows: Aye – Councilors Hally, Francis, Dingman, Smede, Freeman. Nay – none. Motion carried.

Calendars, Announcements and Reports

Mayor Casper stated the Idaho Falls Police Department (IFPD) will participate in the annual seat belt campaign August 1 through August 7.

July 28, Budget Session

July 29, Utah Associated Municipal Power Systems (UAMPS) Virtual Tour; and, Governor's Elected Officials Call

July 30, City Council Meeting

August 10, City Council Work Session

August 13, Power Board Meeting; and, City Council Meeting including budget-related hearings

August 14, Costco Ribbon Cutting

August 15, CSP Run Walk

August 17-18, UAMPS Virtual Annual Meeting

August 21, Council-directed Post-hearing Budget Session (tentative, this date could be changed due to virtual UAMPS Annual Meeting)

August 24, City Council Work Session

August 27, City Council Meeting

September 4, Deadline to submit items for November ballot

September 7, Labor Day

September 8, City Council Work Session

September 10, Northwest Public Power Association (NWPPA) Annual Meeting; and, City Council Meeting

July 27, 2020 Work Session

Mayor Casper briefly reviewed the upcoming budget calendar. Future discussion will need to occur regarding potential November ballot items.

Coronavirus (COVID-19) Update:

Mayor Casper stated the infection rate as of July 25 is 11.5. She briefly reviewed data since the mask-wearing order went into effect, noting some days were below the required cases. However, the mask-wearing order is in effect for 14 days and the City does not have the jurisdiction to un-do any order.

Liaison Reports and Council Concerns:

Council President Dingman had no items to report.

Councilor Francis stated the Parks and Recreation (P&R) Department has received the analysis report for the Aquatic Center. He also stated the Sister Cities display project is moving forward at the Library with cooperation of the Library, the Airport, and the Museum of Idaho. He noted there are 40 years of gifts. He also noted the goal of the project is to be completed by June of 2021, with the anticipated delegation arrival on July 1, 2021.

Councilor Hally recommended individuals review the history of John Lewis especially regarding the extension of voting rights in the south. He noted the name of a high school in Washington DC is being changed from Robert E. Lee High School to John Lewis High School.

Councilor Smede had no items to report.

Councilor Freeman stated construction season is underway which is affecting several streets and areas.

Councilor Radford had no items to report.

Public Hearing Format Training:

Mayor Casper stated the Association of Idaho Cities (AIC) has recommended the order of presentations for public hearings be the applicant, staff, and then members of the public. The order of presentations for the City has typically been staff, the applicant, and then members of the public. Mayor Casper indicated Director Cramer has tried this switch at two (2) Planning and Zoning (P&Z) Commission public hearings and believes the City should try this switch as well. Director Cramer believes by staff presenting first it appears the City is the applicant or it appears the City is advocating for the applicant. He also believes the applicant should be explaining the project with any follow-up from staff. He noted the applicant may present items that may not be relevant. This new process will occur at the July 30 Council Meeting with follow-up discussion. Mayor Casper stated follow-up discussion will occur at the August 10 Work Session. She requested staff presentation ensure the relevant information is presented. Mr. Fife stated per the LLUPA, procedures must be stated so individuals know what to expect. Director Cramer stated a resolution had previously been adopted for general public hearing procedures. He will review the resolution for specific language.

City Bus Stop Bench Program Discussion:

Mayor Casper stated an organization has held a contract for several years for bus benches. Mr. Fife believes the bus bench program has not been in compliance since 2013. He expressed his concern with the allowance of advertising on the City's Right-of-Way (ROW), the licensing process, and commercial and classic free speech. He also expressed concern with the use of these benches and Targhee Regional Public Transit Authority (TRPTA). He does not believe the bus benches support or are relevant/consistent to TRPTA. He recommended this program be ceased. The program could be revived with City control of the message/advertising, the look and placement, and regulation. Mr. Fife stated documentation was sent to the previous entity to cease the program although he has not heard from the individual/entity since that documentation was sent. He noted there is no ownership of the benches by the City, these are privately owned. If the program is ceased, the benches must be removed. Council President Dingman stated per TRPTA, the benches are primarily located where TRPTA has not served, the benches are not Americans with Disabilities Act (ADA) accessible, the community often believed they were related to bus service so TRPTA was called when a bus did not arrive, and there were maintenance issues. She believes this provides an opportunity for a re-start/re-refresh for TRPTA. She also believes it's not in the City's best interest for those concerns identified by Mr. Fife. Mayor Casper believes this program may have been an entrepreneurship. Councilor Freeman believes the benches should be an asset for public transportation. To the response of Councilor Smede, Council President Dingman reiterated the City does not own the benches, negotiations would need to occur to keep the benches as appropriate. Councilor Hally believes the benches were a way to make money off of City property. He also stated discussion

July 27, 2020 Work Session

previously occurred with TRPTA to improve the benches although he believes the process was ignored. Mayor Casper stated the removal of the bus bench program will be included on the July 30 Council Meeting agenda. She also stated the Idaho National Laboratory (INL) may need to be contacted as standards may need to be developed in the event of the INL use. Councilor Francis questioned the use of the bus bench at the Library. Mr. Fife stated staff would try to accommodate any bench. Mayor Casper stated there would be a goal to get a bench at any future TRPTA stop. Council President Dingman believes the transit service would contract with the City. Councilor Radford believes there is a benefit for advertising, with possible local-match funds from businesses.

Door-to-Door Solicitations Follow-up Discussion:

Mr. Kirkham noted this item was previously discussed at the June 15 Council Work Session. He stated legal has recommended amending the current ordinance as he believes there is a restriction that burdens individuals' first-amended rights to engage in speech and, unfairly burdens the rights to earn an honest living. He also stated legal staff has worked with the IFPD for any criminal history that would make an individual eligible or ineligible to receive a Door-to-Door permit. This would allow more individuals to receive the permit. Councilor Freeman reminded the Council of a previous Door-to-Door license denial appeal. He believes this needs to be less likely to be challenged as similar to the language in the recently-amended child care ordinance. Councilor Francis believes the categories in the time-frame ban have been identified. He believes this is a balance of regulation. Mayor Casper stated this item will be included on the July 30 Council Meeting agenda.

Follow-up Discussion Regarding 2020-21 Budget

Mayor Casper stated numbers for the Property Tax Relief Program were previously estimated at \$4.2M, the current numbers indicate \$7M. This higher amount changes the calculations for the citizens. Director Alexander noted the cities with higher populations received more allocation. Mr. Hagedorn also stated numbers changed because not all cities have public safety functions.

The property tax/levy calculation update was reviewed as follows:

Levy Calculation

2019-2020 Property Tax Levy	\$ 36,970,601
2019-2020 Personal Property Replacement & Agriculture Equipment	<u>478,160</u>
Total 2019-2020 Property Tax Revenue	\$ 37,448,761

New Growth - Net Taxable Value

Add 2019 New Annexations:	\$ 43,009,757	0.008795734	\$378,302
Add 2019 New Construction:	\$111,179,613	0.008795734	977,906

2019 - 2020 Personal Property Replacement & Agriculture Equipment	<u>(478,160)</u>
2019 - 2020 Certified Property Tax with Current Growth	<u>\$38,326,809</u>

Add Statutory Allowable Increase - (3% of the highest of the last three (3) years certified property tax)	\$ 37,448,761	3.00%	\$1,123,463
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Prior years' foregone amount:	\$5,387,930
Total amount that can be levied:	44,838,202
Amount of available tax revenue not levied:	<u>(6,511,393)</u>
Property Tax Revenue	\$ 38,326,809

Mr. Hagedorn stated the previous levy rate is based on calculation and will change to the new levy rate. The Council must decide where the increase is allocated.

Property Tax Relief = \$7,032,257, the reimbursement amount to the City would be at 103% translating to an increase of \$210,967 in revenues. Mr. Hagedorn reviewed the estimated amounts based on valuation (this will be set in November) for \$150,000, \$200,000, \$250,000, \$300,000, and, \$350,000 residential and \$500,000, \$2M, and, \$10M

July 27, 2020 Work Session

commercial. Mayor Casper stated Bonneville County has opted in to the Property Tax Relief Program which will also create additional savings for citizens. However, because she noted a rebate program will not be available next year, there may be a sizable gap in the following year. Councilor Francis noted this is not property tax reform, this is a temporary relief which must be paid by property owners next year. He believes this will be tough on property owners in the following year. Councilor Hally concurred. He believes the future argument will be to save the cut moving forward. Councilor Smede believes this will be State-wide. Mayor Casper reminded the Council this is a COVID relief. There was consensus of the Council to move forward with the Property Tax Relief Program with a formal action to be included on the July 30 Council Meeting agenda. The total budget number will reflect this program. Councilor Freeman believes there is misinformation with this program and the benefit received may not be as large as some are believing, it is not 20% across the board. Mr. Hagedorn confirmed the amount is based on valuation. Mayor Casper also stated a hearing must be held to preserve the forgone for future years. The public hearing for the forgone will occur on August 13 along with the budget and fee hearings.

Allocation of Property – this is set by the Council and presented to the County by fund. The following is the tentative levies by fund with prior year comparison:

	<u>2020</u>	<u>Tentative 2021</u>
General Fund	\$28,801,777	\$29,932,985
Streets	3,904,181	3,904,181
Recreation (Rec)	723,204	948,204
Library	2,349,297	2,349,297
Capital Improvement	<u>1,192,142</u>	<u>1,192,142</u>
Total Levy	\$36,970,601	\$38,326,809

Mayor Casper stated three (3) of the levy funds are staying flat. She believes due to the flat levy over time the Rec Levy brought in inadequate revenues in the natural increase of expenses. She questioned any recommendation from the finance team to determine an inflation rate. Director Alexander believes a requested increase occurs each year during Department presentations. Mr. Hagedorn believes City services are increasing when annexation and growth increase. He indicated there are multiple options for increasing the levies including an inflation base, proportionate share, and metrics. An increase of participants could also show where funds are needed. Councilor Freeman is in favor of the current department requests. Councilor Radford stated levies matter with salaries and wages. He in support of an option. Councilor Hally believes there needs to be consistency as costs increase when the City grows. He believes there should be increments in recreation as recreation is a key component to growth in Idaho Falls. To the response of Councilor Francis, Mr. Hagedorn confirmed the City sets the dollar amount and the County sets the levy rates. Councilor Francis believes there will be future issues with the Library. General comments followed regarding the department budget process and presentations. Mayor Casper stated the unfunded priority list was identified/determined by the Council following the department presentations. To the response of Councilor Radford, Mr. Hagedorn stated his predecessor determined the amount for the levy. He was not comfortable with this process, therefore, the focus was to let the Council determine this amount. Director Alexander believed this created a level playing field. Mayor Casper believes there is a risk each year that a fund is flat it is less capable of meeting its obligations. She stated dialogue has occurred regarding indexing, director requested, or metrics for any increase. She believes, per Council, it is more desirable for directors' presentation versus the finance team assigning increases. Councilor Freeman indicated Director Holm is considering some rate increases. To the response of Council President Dingman, Mr. Hagedorn stated the Rec Levy is the only levy fund in the red. Council President Dingman believes this supports Council decision to increase the Rec Levy to catch up the fund first. Mayor Casper stated the liaison duties should allow a deeper dive with each department, including any levy request. She believes metrics may need to be included in future levy fund discussions. Following additional comments, Mr. Hagedorn stated a broader discussion could occur earlier in the budget process although he believes Council should have the final decision.

Mayor Casper reviewed the priorities that were discussed at the July 23 Budget Sessions, including the Police Complex Payment, Dehumidification (dehyde) System/Aquatic Center, Rec Levy, Idaho Falls Redevelopment Agency (IFRdA) funding, Crisis Intervention Team (CIT) Officer, Funland Renovation, Splashpad, and savings. She stated data received from P&R, as well as the amount received from the Property Tax Relief Program, may affect

July 27, 2020 Work Session

these priorities. She also reviewed possible funding options that may become available including Airport federal fund (\$529,000) and the Community Partnership Grant program (\$130,000). Mr. Hagedorn stated per the P&R study, the two (2) dehydres amounted to just over \$1M with the largest share for the duct work (\$510,000). Director Alexander stated follow-up questions will be presented to the preparers of the study including categorizing short-term and long-term items within the study. Director Holm believes the report will be a great tool moving forward to renovate the Aquatic Center. He stated the engineers indicated both dehydres need to be replaced and one (1) dehydre cannot be installed at a time. Construction will also be required to install the larger dehydre system. Councilor Radford questioned the dehydres being delayed until the following year. Director Holm stated the Aquatic Center was in operation for approximately four (4) months without any dehydre, which caused a significant increase to the water damage and overall stress on the facility. He also stated only one (1) dehydre is currently limping along and the other dehydre is inoperable. He indicated this creates a public safety issue. Director Holm noted this item has been included in the budget for the previous ten (10) years although, the recent change in administration has moved this item to a priority request. He is not willing to let this facility break down. Councilor Smede recommended reallocating the Rec Levy amount, a portion of the Funland renovation, and, a portion of the CIT position to the dehydre system. She believes this would maintain the assets that the City currently owns. Councilor Radford believes this is a reactive decision. He believes raising the employee's salaries should be considered before fixing the dehydres. He stated he will vote against this budget. To the response of Council President Dingman, Director Holm stated it would be his preference to fund the dehydre versus allocating money to the Rec Levy. He is also proposing several fee increases to assist with the Rec Fund. To the response of Councilor Radford questioning employee's salaries versus the dehydre system, Director Holm stated he is looking out for the P&R facilities and investing/maintaining the current infrastructure is very important. He believes this is a crucial safety need. Mayor Casper stated it is the Council's responsibility to budget, it is the administration's responsibility to spend the money wisely. She also stated, per Director Holm, this is a wise expenditure and the Council will need to evaluate that statement. A director should never have to defend their department needs. Brief comments followed. Mayor Casper stated this proposed budget will be presented for tentative approval on the July 30 Council Meeting agenda. She briefly reviewed the items for the July 28 Budget Session.

There being no further business, the meeting adjourned at 5:35 p.m.

s/ Kathy Hampton
Kathy Hampton, City Clerk

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