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The City Council of the City of Idaho Falls met in Council Work Session, Friday, August 23, 2019, in the Council Chambers in the City Annex Building located at 680 Park Avenue in Idaho Falls, Idaho at 9:00 a.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 (departed at 11:37 a.m.)
Councilmember Shelly Smede (departed at 10:48 a.m.)
Councilmember Jim Freeman
Councilmember John Radford (arrived at 9:03 a.m.)

Also present:

PJ Holm, Parks and Recreation Interim Director
Bryce Johnson, Police Chief
Royce Clements, Police Captain
Steve Hunt, Police Captain
Jessica Clements, Police Department Public Information Officer
Annake Scholes, Police Administrative Assistant
Chris Lee, Facilities Evaluation Citizen Committee
Bud Cranor, Public Information Officer
Michael Kirkham, Assistant City Attorney
Randy Fife, City Attorney
Kathy Hampton, City Clerk

Mayor Casper called the meeting to order at 9:01 a.m. with the following items:

Appointment of Parks and Recreation Director:

Mayor Casper recognized the numerous Parks and Recreation (P&R) Department staff present. She expressed her gratitude for the support of staff for this appointment. Councilmember Freeman stated he is very pleased for this appointment, he believes there is no question that Interim Director Holm is the right person. Councilmember Hally stated golf staff is also pleased for appointment. Councilmember Smede stated several community members are also pleased. Councilmember Dingman concurred that Interim Director Holm is the right person for the job and noted his impressive work during the interim time. Councilmember Francis noted Interim Director Holm's answers and plans during the meet and greet process. Councilmember Radford stated P&R is a complex department. He believes Interim Director Holm has grown within the department. He also believes promotion within is a good message to the City. It was then moved by Councilmember Freeman, seconded by Councilmember Radford, to confirm the appointment of PJ Holm as Director of the Parks and Recreation Department. Roll call as follows: Aye – Councilmembers Freeman, Francis, Hally, Radford, Smede, Dingman. Nay – none. Motion carried. Director Holm introduced his family. He expressed his appreciation for all the support.

Idaho Falls Police Department Facilities Evaluation Citizen Committee – Report and Recommendations:

Mayor Casper introduced Ms. Lee as Chair of the Committee. She believes members of the committee and the chair fall into the category of STP (same ten percent or same ten people) of people in a community that support and volunteer for a cause. She noted several personal hours and many levels of analysis have been put into the report by volunteers.

Chief Johnson noted the committee asked difficult questions and they challenged thoughts and ideas of the Idaho Falls Police Department (IFPD). He expressed his appreciation to the committee.

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Ms. Lee stated this is not the first time discussion has occurred regarding a new facility although a new facility is a pressing need for the department. She quoted ‘People don’t buy what you do, they buy why you do it’. Ms. Lee stated we are fortunate to enjoy a high quality of life and thriving small community environment in the City that we, as a community, wish to preserve. The successes of the City are all inter-dependent on the successes of other programs, facilities, and, departments. If only one (1) program reaches the highest pinnacle of success the City as a whole will not succeed in supporting its citizens to the full potential. Growth is inevitable. Many infrastructure improvements, protection to access of water, Airport upgrades and expansion, fiber optic infrastructure, and, other quality of life services have been accomplished and are still occurring. New construction and growth should sustain or increase local growth through the building of additional facilities, the jobs construction brings, and, long-term jobs associated with those facilities. These largely federal government dollars should somewhat insulate the community. Enrollment at the College of Eastern Idaho (CEI) should also keep some of our youth in our community seeking local education. We also benefit from the growing medical community. As reported, the City of Idaho Falls is predicted to be #3 City in value of appreciation in the country. Growth affects policing of the City yet the IFPD is inhibited to produce new programs and policing methods due to physical space. Ms. Lee stated under the leadership of Chief Johnson, a five-year Strategic Plan has been developed for 2019-2024. A headquarters building is a key component of the Strategic Plan and would positively impact several of the five (5) pillars identified in the plan. A dedicated Police facility would foster growth and community outreach programs, support goal-staffing ratios, and, support the department’s technology goals. Ms. Lee stated the Police Department Facilities Evaluation Citizen Committee was formed in November 2018 to seek opinions and feedback from across a broad spectrum of the community. The task was to consider the department’s objective for a first ever dedicated Police headquarters for the City and to determine community benefits, associated costs, and, recommendations. Ms. Lee reiterated a similar citizens group was convened in 2007 and was tasked with the same purpose. The conclusion was similar although the concept was tabled and the project was halted due to the recession at that time. The department has worked within the constraints of their physical resources longer than they should have, which is the conclusion of the current committee. Although we enjoy overall safety, we are not immune to changes happening across the country. Increase in growth has the potential for increase in crime rates. Ms. Lee stated the committee met regularly between November 2018 and July 2019 with review of as much data as possible. In the ten-year period since the previous committee, the City population growth has increased 14%. The IFPD staffing has remained flat during this period. The department is looking at a ratio of 1.7 sworn officers per 1000 citizens by 2024. In order to accommodate further new hires additional office and operation space would need to be required. The IFPD has never had a dedicated independent facility. The main office is located in the Bonneville County Law Enforcement Building (LEB) with the City being a tenant. Ms. Lee reviewed additional locations. She stated some of these spaces are only available for a specific amount of time. The department is seeking to vacate all six (6) locations and to relocate into one (1) building. Currently, due to the same access as the courthouse, any guests need to be screened through the metal detector prior to entry. This is not a welcoming facility. Ms. Lee reviewed several rooms within the LEB that may be adjacent to each other and not sound proof, have insufficient ventilation, lack secure access, have insufficient space, have deficient laboratory facilities, etc. The department’s current space, going on 50 years, does not support modern policing work. The main space could not accommodate current or future needs and it does not make financial sense to renovate since the City does not own the building. Ms. Lee stated the committee unanimously decided a new facility was needed. She also stated an architect performed a preliminary review and recommended building a main building and a separate support building. The main building would be a hardened first responder facility and the support building would be intended to be more utilitarian. The separate buildings could reduce the cost. Ms. Lee stated the site selection was not considered in the committee process. Site selection would affect the structure and the cost although the committee believes keeping the site as close to downtown as possible would be ideal and better received in the community. Ms. Lee also stated funding was a concern and several options were discussed including self-funding, public bond, or, Certificate of Participation (COP) with the possibility of using Foregone funds. The City would reapprove a COP lease each year and could decide to vacate the space with no further recourse while keeping the equity that is earning in the building. Any delays of a facility could translate into higher costs. Ms. Lee stated with the continual rising costs the City could not continue to save for a future building and, any savings may not be earmarked by future Council. The concerns would continue to go unaddressed. Ms. Lee stated three (3) sub-committees addressed three (3) questions for the citizens: 1-where are we currently as a community; 2-how do the current facilities fall short and/or what are the current issues with the current facilities; and, 3-what opportunities would a common new facility bring to the

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community as well as the department. The first subcommittee looked at statistics including staff numbers. The second subcommittee reviewed detail regarding the state of the current facilities and the insufficiencies. The third subcommittee recognized the lack of an easily recognizable Police Department that is easily located by the citizens and, community members may need to go to the several locations which may cause confusion and frustration. An appropriate facility could also host community organizations and trainings. Ms. Lee stated there is a unanimous recommendation from the committee for the City to pursue a dedicated and consolidated Police headquarters facility to best serve our law enforcement, community, and, public safety needs of the City. Democracy is based on the philosophy that it is the responsibility of government to provide security, peace, economic development, and, resolution of conflict. The committee's 'Why' is to empower the Police Department in a space to foster responsible department growth, cutting-edge technology, and, in-house processing opportunities in support of preserving the quiet and safe lifestyle we enjoy. We cannot afford to fall behind in keeping our citizens safe. It is also the committees' recommendation that action be taken as soon as possible.

Mayor Casper introduced additional Committee Members: Dave Manson, Executive Director of the Community Food Basket; Steve Cannon, retired broadcaster and 20-year volunteer member at the IFPD; Stephanie Taylor-Silva, Idaho Department of Corrections Re-entry Specialist; Don Stevens, retired Idaho National Laboratory (INL) manager and member of the 2007 IFPD Citizens Review Committee (CRC); and, Ken Taylor, Certified Public Account, member of the 2007 IFPD CRC, and, former City Councilmember.

Councilmember Francis questioned if the architect would meet all recommendations included in the Strategic Plan. Chief Johnson stated all items are envisioned, although this will be valued engineered. Councilmember Dingman questioned digitizing the paper records process. Chief Johnson stated space storage is costly, there are multiple data bases and multiple file cabinets. He noted there is a plan to move from paper storage to digital storage. Councilmember Radford questioned the 'hardened' facility. Chief Johnson clarified there is no security for the current facility. The facility would be designed to be welcoming although landscaping could be designed around critical items (electrical boxes, etc.). Mayor Casper stated hardening would add to the cost of a building, this could also be more costly to retrofit current buildings versus new construction. Councilmember Freeman questioned results from 2007 CRC to current results. Mr. Taylor believed a new facility was needed at that time although he reiterated the recession. He indicated, following the current walk-through of the facility, he is ashamed as a former Councilmember that nothing was done at that time and that the facility is in the current condition. He believes the IFPD deserves better. Councilmember Hally believes the productivity is severely restricted and is impacting the security of the community. He indicated money had previously been set aside for a new facility, the money was used in the following year for other items. Councilmember Hally believes the facility is more deplorable now. He also believes the Council is kicking the can down the road at the expense of security. Councilmember Freeman questioned the committee tour of the facilities. Chief Johnson stated not all committee members toured all facilities. Facilities include the LEB, IFPD Training Annex, Special Weapons and Tactics (SWAT) facility, Melaleuca Building, the shooting range, Animal Control, Dispatch Center, City Annex B, previous Fire Station 1, and, several storage areas. Specialty vehicles are also stored at multiple locations. Councilmember Freeman expressed his concern for storage of ammunition. Chief Johnson described the entrance process for the shared LEB. He stated there is no general public meeting space for the community. Councilmember Smede stated, when newly elected, she could not locate the Police Station. Ms. Taylor-Silva believes the metal detectors are a barrier when trying to obtain assistance which affects her clients. Councilmember Dingman believes a briefing room is vital. She indicated no one would want to work in a facility with no work space. Mr. Taylor believes citizens would be appalled with a tour of the facility, he also believes education will be needed for those citizens who question a facility. Ms. Lee concurred. Mr. Stevens shared an experience of a young family witnessing officers handcuffing a citizen at the facility. He believes this should not be happening. He believes facilities are too far away and are disjointed. Mr. Stevens also shared a family member experience serving in law enforcement. He stated these are significant roles. Mr. Manson shared an experience of a facility in California, he believes this is an unfair ask of the Police and the public should be able to interact with officers. He reiterated the current facility is not an inviting place, is inadequate, and, is overdue. Mr. Cannon stated the Citizens Watch Patrol (CWP) is perceived as officers to the community. The CWP was formed following participating in the Citizens Police Academy (CPA). To him, this is personal. He believes there are no finer people than the IFPD. Councilmember Radford questioned comparisons of other facilities. Chief Johnson stated other

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facilities were compared, although there is difference of size so there was no comparable comparison. He briefly reviewed Bonneville County and Pocatello facilities. He stated he wants to do what's best for the community but least expensive as possible. He also stated, per previous conversations regarding several vacant sites, more money would be required to renovate these buildings than constructing a new building. Mr. Taylor commended Ms. Lee for her comprehensive data. Mayor Casper expressed her appreciation to Committee.

Christian Anderson, Zions Bank – Financing Models:

Mayor Casper reiterated the financing options: Self-financing, a bond scenario, or, COP. These options have evolved and developed within the State. Chief Johnson noted Mr. Anderson made a presentation at the Association of Idaho Cities (AIC) conference regarding bonding and COP. Mr. Anderson presented the following overview of funding options with general discussion throughout:

Key Issuance Participants:

- Bond Counsel
 - Oversees legal process for bond issuance
 - Prepares all legal documents relating to bond issuance, election, post-issuance compliance, etc.
 - Delivers bond opinion for benefit of bondholders
- Municipal Advisor
 - Maintains fiduciary duty to the insurer and helps protect the issuer's financial interest
 - Advises on structure, timing, terms, method of sale, elections, etc.
 - Should assist in selection of underwriters, purchasers, bond counsel, rating agencies, insurers, trustees, paying agents, etc.
- Underwriter
 - Markets the bonds for sale to potential investors
 - Makes an offer to purchase the issuer's bonds at rates set via competitive sale or negotiation

Councilmember Freeman questioned Zion's cost as a Municipal Advisor. Mr. Anderson stated the cost is based on a percentage of the transaction size if and when the transaction is successfully completed. The cost can be included in the transaction.

Mr. Anderson reviewed General Obligation Bonds: Maximum Term, 30 years; Vote, 66.67% supermajority; Purpose, capital projects as defined in ballot; Security, unlimited tax levy, full faith and credit; Source of Repayment, dedicated property tax levy; Capacity, limited to certain projects - 2% of assessable value; Idaho Bond Bank, eligible.

Mr. Anderson reviewed Bond Ballot Disclosures per Idaho Code, Section 34-439. He stated any bond for the current November election ballot would be time critical. Education would be needed for Council advocacy.

Mr. Anderson reviewed Certificates of Participation: Maximum Term, N/A - typically no more than 30 years; Vote, N/A; Purpose, any capital projects (could be tricky with renovations); Security, annual appropriation of underlying lease payments; Source of Repayment, unrestricted City revenues (once appropriated); Capacity, market dictates - no legal cap; Idaho Bond Bank, not eligible.

Annual appropriation lease basics:

- Year-to-year
 - No obligation unless City affirmatively renews leases (no automatic renewal)
 - One year at a time
- Termination
 - City may walk away in any year without penalty ("nonrenewal")
 - "Without penalty" is not necessarily "without consequence"

Mr. Anderson stated the City does not currently have a General Obligation Bond rating. The tax base would currently be \$3.8B with a General Obligation Bond. He noted the COPs are tax exempt.

Event of Nonrenewal:

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- City must vacate property at end of the current lease year
- Trustee attempts to re-lease facilities (investors take risk)
- Control eventually reverts back to City

Mr. Anderson reviewed the COP structure.

Mr. Anderson reviewed the Bond Issuance Process including the decision to finance and authorize; bond preparation; bond sale; and, closing. Mr. Anderson indicated bonds are currently at a good rate.

Mr. Anderson reviewed Municipal Bond Interest Rates - Bond Buyer Index for the previous ten (10) years. He reiterated bond rates are currently low, rates would be locked in for the entire project. Brief comments followed regarding interest rates.

Mr. Anderson reviewed General Obligation Bond Financing Scenarios for a \$25M Project Cost and \$30M Project Cost for 30 Years, 25 Years, and, 20 Years, including tax impact per \$100,000 taxable value. He also reviewed Annual Appropriation COP Financing Scenarios for a \$25M Project Cost and \$30M Project Cost for 30 Years, 25 Years, and, 20 Years, including revenue requirements. Mr. Anderson stated all issuance costs are included in these amounts.

Chief Johnson stated, per review, construction costs increase 8-10% each year.

Mayor Casper believes Foregone may need to be used for funding. She also believes there may be political risk and financial risk with any funding option. General comments and discussion followed. It was noted the fewer years of financing would be the most cost savings. Mayor Casper recommended analysis from the Municipal Services finance team with the COP versus Foregone and the General Obligation Bond. She stated the total amount of the project cannot be identified until a property is selected. She reiterated the committee recommendation to pursue a new facility without delay. There was consensus to not consider the November election for a potential bond. Councilmember Freeman believes there is the will of the Council to proceed as soon as possible.

There being no further business, the meeting adjourned at 11:42 a.m.

s/ Kathy Hampton
CITY CLERK

s/ Rebecca L. Noah Casper
MAYOR