

November 9, 2020 Work Session

The City Council of the City of Idaho Falls met in Council Work Session, Monday, November 9, 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
Council President Michelle Ziel-Dingman
Councilor John Radford (via WebEx)
Councilor Thomas Hally
Councilor Jim Freeman (via WebEx)
Councilor Jim Francis
Councilor Shelly Smede

Also present:

Chris Fredericksen, Public Works Director
Chris Canfield, Assistant Public Works Director
Brandon Keller, Keller and Associates (via WebEx)
Duane Nelson, Fire Chief
Bryce Johnson, Police Chief (via WebEx)
PJ Holm, Parks and Recreation Director
Brad Cramer, Community Development Services Director
Dana Briggs, Economic Development Coordinator
Pamela Alexander, Municipal Services Director
Mark Hagedorn, Controller
Josh Roos, Treasurer
Ed Morgan, Civic Center for the Performing Arts Manager
Michael Kirkham, Assistant City Attorney
Kathy Hampton, City Clerk

Mayor Casper called the meeting to order at 3:03 p.m. with the following items:

Acceptance and/or Receipt of Minutes:

It was moved by Councilor Francis, seconded by Council President Dingman, that Council receive the recommendations from the Planning and Zoning Commission Meeting of October 20, 2020, pursuant to the Local Land Use Planning Act (LLUPA). Roll call as follows: Aye – Councilors Hally, Smede, Dingman, Freeman, Francis, Radford. Nay – none. Motion carried.

Calendars, Announcements and Reports:

November 12, Idaho Falls Power (IFP) Board Meeting and City Council Meeting
November 13, Strategic Planning Exercise
November 27, Tree Lighting Ceremony

Mayor Casper stated identification badges have been distributed to the elected officials (these badges will be required in City buildings); comments for ‘why I wear a mask’ will continue on Facebook; and there will be no December holiday breakfast party/social for City employees.

Liaison Reports and Council Concerns:

Council President Dingman stated passengers at the Idaho Falls Regional Airport (IDA) have increased over the previous 30 days. She noted safety precautions continue with positive feedback received.

November 9, 2020 Work Session

Councilor Francis noted the Tree Lighting Ceremony will also be virtual. He also stated Chief Johnson is working on the chaplain program; the Parks and Recreation (P&R) Commission recently met with discussion of the recently accepted Comprehensive Plan; Mary Lund is the new Library Board Chair, Kristen Hall is the new Library Board Vice-chair; and the Sister Cities exhibit project at the Library is going forward with assistance from the Museum of Idaho.

Councilor Hally stated the Idaho Falls Fire Department (IFFD) has received a new fire truck, a new ladder truck is anticipated in January. He also believes airport passenger travel is on the uptick nationally. He noted the Pfizer (Coronavirus) vaccine has received favorable results.

Councilor Smede stated Municipal Services is closing out the fiscal year and has begun a virtual audit. Mayor Casper noted the audit process is very labor-intensive for staff.

Councilor Freeman stated Utah Governor Gary Herbert recently declared a mandatory mask mandate in Utah.

Councilor Radford expressed his appreciation to Hal Peterson (former Library Board Chair) for his excellent leadership at the Library, he also congratulated Ms. Lund. He noted there was record turnout in the previous election. He stated the Policymakers Counsel for American Public Power Association (APPA) has been communicating since the election, he reviewed House and Senate seats. He is unsure of Coronavirus (COVID-19) response and relief bills.

Mayor Casper stated she will distribute an election recap/prognosis from an energy standpoint to Council upon request.

Coronavirus (COVID-19) Update:

Mayor Casper stated Coronavirus Aid, Relief, and Economic Security (CARES) Act 2 may occur before year end. She also stated there is a consensus among economists that a stimulus is needed, it is unknown if this stimulus is aimed at the private or public sector. President-elect Joe Biden's COVID response plan should be carefully watched. Mayor Casper stated the statistics have greatly increased since November 1, the State may be adopting more stringent measures although there tends to be a tug-of-war between smaller and larger communities. She also stated the State and the Public Health Districts have medical and/or public health professionals available to guide and advise their decision making, cities and counties do not have this staff. Therefore, she believes Eastern Idaho Public Health (EIPH) is better equipped to make informed decisions. She also believes many misconceptions are occurring, and mask wearing helps beat the odds of spreading the virus although a mask is not a cure-all.

Higbee Bridge Replacement Discussion:

Director Fredericksen introduced Mr. Keller, the Consultant Project Manager for the project. Mr. Keller stated the Higbee Bridge is part of an eight (8) bridge replacement project with the Local Highway Technical Assistance Council (LHTAC). He noted mailers have been distributed to various local property owners regarding this project. Mr. Keller reviewed the background of the existing bridge including age, dimensions, rating, weight restriction, and inspection report. He presented several pictures of the existing conditions of the bridge. He stated the objective of the project is to remove and replace the deteriorating single-span bridge structure over the Butte Arm Canal with a similar-sized structure. He also stated the project elements include a Geosynthetic Reinforced Soil-Integrated Bridge System (GRS-IBS) foundation system, a guardrail/barrier along either side of the bridge, maintain private access adjacent to the bridge, and maintain or increase the sidewalk width. Mr. Keller stated the total estimated project cost is \$2,085,000 with funding sources including Federal aid in the amount of \$1,932,000 and City funding in the amount of \$153,000. The intent with the aggressive schedule is for design completion in August 2021, estimated construction in fall 2021, and completion of the project in spring 2022. Mr. Keller stated discussion is occurring to determine how to manage traffic control, specifically avoiding issues on 17th Street. He also stated there is preference to maintain an access to local residents and access will be allowed in other locations. He reviewed the detour route stating it is approximately three (3) minutes or .6 miles. Mr. Keller reviewed the aesthetics concepts including possible pre-cast concrete and railing. He also reviewed aesthetics concepts for each end of the bridge. He noted public comments are being allowed. Councilor Freeman questioned if this bridge would be similar to the 12th Street Bridge over the Idaho Canal. Director Fredericksen believes the 12th Street Bridge has traditional abutment walls versus what this project

November 9, 2020 Work Session

is proposing. Councilor Francis questioned the width as it pertains to pathway. Mr. Keller stated the bridge could be widened to the right-of-way, including the sidewalk. He noted an increase of the width of the bridge has been discussed per the pathway improvements next to the canal. Director Fredericksen stated the City's traditional roadways generally have a width defined for curb and gutter with a landscape strip followed by sidewalk. He also stated both options are being considered in the preliminary phase along with funding, any width increase would increase the overall costs. He noted better pedestrian and bicycle movement weighs in on the discussions. Per Mayor Casper, Director Fredericksen believes issues and discussion would take place with the Council liaisons. Councilor Francis believes discussion may need to occur with P&R for long-term planning of Connecting Our Community. Councilor Hally questioned if the costs would be shared with the developers. Director Fredericksen stated the shared costs are gaining popularity. Per Mayor Casper, Mr. Keller reviewed the timeline of the bridge replacement. General comments followed.

Review Proposed Updates of Snow Removal Policy:

Director Fredericksen stated the proposed ordinance change will remove night-time only snow removal for portions of 1st Street and Elm Street, which staff determined could be plowed anytime. He reviewed the snow removal method map stating more adjacent properties have been included into the City due to annexations. He also reviewed the method of pickup for five (5) routes as well as areas where the practice of picking up snow will be stopped as this is the most expensive and time consuming parts of the snow removal process. These areas include Vogue Avenue (snow will now be plowed to the side on the undeveloped plots); N. Yellowstone Highway (snow will be plowed to the landscape strip from Lincoln north to the City limit boundary); Grandview from Saturn Avenue to Grandview Court (landscape strips will be utilized); Skyline Drive, north of Grandview to the airport (landscape strips will be utilized); and Memorial Drive, north of the roundabout to I Street continuing to Jefferson Avenue. Per Councilor Hally, Director Fredericksen stated time savings is 5 to 1. He stated the 3.2 center lane miles equate to approximately 13 to 15 lane miles. He noted equipment changes were made and the department prioritized the streets with the most amount of traffic. He also noted clearing an opening in driveways will continue. Director Fredericksen stated 92% of snow removal parking tickets are paid. He noted there was \$43,000 in tow costs in the previous year. He stated work is occurring with various departments to determine if there are proposals to help with towing and parking issues. Per Mayor Casper, Director Fredericksen stated parking violations for snow removal were \$22,500 and parking tow costs were \$42,400. Councilor Francis believes more ways of communication will help reduce tickets and tow costs. Director Fredericksen stated discussion with the Public Information Officer (PIO) occurs on an annual basis to refine what processes will reach the public. This item will be included on the November 12 Council Meeting Agenda. Director Fredericksen noted Public Works is proposing to demo a snow loader for a lease agreement for a detachable snow blower. This item will be presented to Council at a future meeting.

Impact Fees Discussion:

Mayor Casper stated impact fees had not previously been part of the developers' costs. In previous years the City passed on having impact fees so not to deter developers from wanting to develop in the City although, more recently, impact fees are becoming more expected. Mayor Casper stated more and more cities in Idaho have impact fees and a consultant would need to be hired to determine impact fees. She also stated these fees would be a dedicated income stream and the City would need a growth plan. Director Fredericksen stated discussion has occurred regarding funding mechanisms for future needs and facilities. He also stated impact fees are a large portion of funding for other cities which allows the opportunity to establish development to pay for major capital improvements. He indicated those are categorized into police, fire, parks, library, street, water, waste water, and power. He also indicated the areas that would have the best outcome would be police, fire, library, and parks as these areas rely primarily on General Fund tax revenue and grants. Director Fredericksen reviewed the steps he believes are needed next. He believes a consultant would need 4-6 months to develop impact fees with an approximate cost of \$50,000 for the consultant. Councilor Hally stated growth impacts the majority of the City, he questioned the extent of the broad stroke. Director Fredericksen stated State statute defines the sideboards. Mr. Kirkham stated legal staff would assist. Mayor Casper believes some of these fees would offset growth pains without being inappropriate. Director Holm believes impact

November 9, 2020 Work Session

fees could be helpful as the City grows, specifically with the canal trails and the community-connected pathway. He also believes this would be a benefit to the community. He stated P&R is supportive. Chief Johnson believes impact fees are designed to relieve the pressure on the General Fund and make it possible to plan for the future versus 'waiting your turn' for available funding for department projects. He also believes the IFPD would collect a smaller amount which would be to the smaller effect but it would still benefit the department. Chief Nelson believes the importance of impact fees is great as the level of service delivery could expand which would weigh on the General Fund. He also believes impact fees allow the department to keep up with growth and the expenditures that come with growth and they allow for better planning aspect. He noted surrounding cities stated the impact fees are well received and recognized while making the City more whole. Director Cramer stated he is not opposed to impact fees although he expressed concern that this would chase away development. He cautioned the Council to not look at this as a perfect solution for all financial issues. He stated it can be an expensive way to maintain long-term as the City must maintain facilities, roads, etc. as an ongoing, forever cost. Councilor Hally believes growth stops when long-term maintenance is attached to impact areas and needs. Councilor Radford expressed his concern for ingrowth and infill within the community and the cost related to this ingrowth/infill. He does not want to burden small businesses. He stated he agrees with directors as it is a way for future planning. He believes it is ideal to find a balance. Councilor Freeman concurred with Councilor Radford. He stated the City's income is not matching the needs and he believes this gives the City another option. Director Fredericksen stated growth pays for growth and long-term taxation would pay for the maintenance if implemented correctly. Councilor Radford requested the study include what would have been collected for previous years as well as if impact fees may have slowed growth. Mayor Casper noted these fees not only encourage planning for the future but forces a department to plan ahead due to requirements. Councilor Francis believes strategic planning, comprehensive planning, and impact fees are all related. He is supportive of a consultant.

Fiscal Year 2019-2020 Year-end Finance Presentation and Discussion:

Director Alexander commended Mr. Hagedorn, Mr. Roos and their teams.

Mr. Hagedorn presented the following with general discussion throughout:

City-wide Budget to Actual Revenue:

2019/20 Budget = \$190,945,083

Year-End = \$181,390,442

Percentage Received = 95%

Mr. Hagedorn stated Permits and Fees increase is due to growth.

City-wide Budget to Actual Expenditure:

2019/20 Budget = \$236,193,823

Year-End = \$165,316,660

Percentage Expended = 70%

Mr. Hagedorn stated several construction projects did not come to fruition; Operating Expenses decreased due to the COVID environment; and Transfers exceeded the budget, these included inter-fund services and work order charges that were \$1M higher than the previous year.

General Fund Budget to Actual Revenue:

2019/20 Budget = \$48,972,711

Year-End = \$48,546,379

Percentage Received = 99%

Mr. Hagedorn stated the City sets the levy budget for property taxes, there was more collection this year due to the timing of the payment; Government Charges for Services decreased due to COVID; Contributions increase is due to a donation for a P&R facility; and Other Financing Sources included the cash transfer for the Law Enforcement Complex land acquisition.

General Fund Budget to Actual Overview:

November 9, 2020 Work Session

2019/20 Budget (revised with budget reductions) = \$49,319,967

Year-End = \$45,588,309

Percentage Expended = 92%

Mr. Hagedorn stated Salaries and Wages was over budget mainly due to overtime, however, overtime has decreased from the previous two (2) years. He also stated discussion is occurring with the Fire and Police Chiefs for improving the overtime budget as the majority of overtime in the General Fund is for public safety. He noted each department began to reduce budgets in March/April due to COVID, the General Fund budget was cut 3-5%, and Operations (essential and non-essential) were reviewed/changed.

Mr. Roos reviewed investment performance and market update. He stated COVID put a toll on investments and the economy although the City was able to work through COVID with a great performance with the investment portfolio. He stated the two (2) largest impacts on the City's investments are the Fed Fund Rates and the Treasury Rates. He reviewed the Fed Fund Rates versus the Treasury Yield. He stated there is no anticipation to raise the Fed rates in the near future, this affects the interest rate on the money market and bank accounts for the City. He stated the City is in a good spot with investments.

Mr. Roos reviewed the Investment Portfolio – September 2019 = \$106.9M (the majority of investments was in corporate bonds and money market accounts), September 2020 = \$125.1M (money market accounts are closed, investments now include an Idaho Local Government Investment Pool (LGIP)). He stated the City has more cash on hand for investment and is also changing cash to investment-type funds to earn interest rates. He noted the City was earning approximately \$1M in interest in 2017, the City earned \$2.7M in interest this year.

Mr. Roos reviewed Investment Cash Flow for September 2019 and September 2020. He stated leveling out the cash flow has been attempted over the previous two (2) years to have money available for operating expenses. Per the policy, 75% of investments will mature in the next two (2) years.

Mr. Roos reviewed the Treasurer's Report Cash Flow. He noted the Treasurer's Report is distributed on a monthly basis. He also noted the directors have been watching their budgets and expenditures which has increased the amount of cash on hand. Director Alexander stated this has been a team effort as some departments were not able to spend money pending their project/item.

Director Alexander stated the loan policy has been updated including requested changes from the October 19 Work Session. Mr. Roos reminded the Council that the loan policy includes direct loans and negative cash balances. Negative cash balances include long-term and short-term borrowing. Long-term borrowing (negative cash balance for more than 12 months) would include an amount of borrowing, a pay-back term, and an interest rate. This would help get those departments back on track, this is not meant to penalize in any way. Short-term borrowing would not be a direct loan but interest would need to be paid back. Director Alexander stated this policy is a recommendation from the auditors. She also stated language has been added for a re-payment process to be presented to Mayor and Council. Mr. Hagedorn stated this is a way for the Mayor, Council, and departments to work together on these funds, and getting out of negative cash is a long-term project. Mayor Casper believes this may not be easy. She also believes this should be used as a tool and not as a punishment. Per Councilor Hally, Mr. Hagedorn stated this is per fund level and is looked at as a business unit. The goal of the policy is to turn around the negative cash with a formal policy. Discussion followed regarding the credit card fees and the timeframe of this policy. Councilor Francis believes departments in the negative cash balance for 12 months should present a plan to get in the black. Council President Dingman believes there needs to be an accountability mechanism. Mayor Casper clarified the direct loan is for a one-time project. Additional discussion followed.

Recommendations for 2020/21-

- General Fund savings to a reserve account

November 9, 2020 Work Session

Mr. Hagedorn stated revenues exceeded expenditures (by \$3M) for the first time in the previous four (4) years. He believes this is due to directors being focused on essential services versus getting objectives accomplished. Encumbrances totaled \$1.3M, which were \$300,000-400,000 in the previous year. The reserves amount to \$1.7M. Mr. Hagedorn stated unknowns still exist, specifically regarding property tax collections. Brief discussion followed regarding escrow and property tax payments.

- No re-budgeting of General Fund salary savings

Mr. Hagedorn stated this would save on position control.

- Material changes to government funds budget approved by Mayor and City Council

Mr. Hagedorn stated this will not tie the director's hands with their budget while being transparent with what's actually occurring.

- No one-time project carryover for 2021/22

Mr. Hagedorn used the dehumidification (dehydes) system purchase at the Aquatic Center as an example (\$1.1M).

- Finance Idaho Falls community Law Enforcement Complex (LEC) from existing property tax levy

Mr. Hagedorn reviewed cost estimates for the LEC stating the finance team is looking to minimize the interest cost and maximize the payment amount. The recommendation is for a 20-year term which would amount to an annual payment of approximately \$2.2M. This payment could come from the \$1.1M already budgeted dehydrate monies coupled with the \$1M capacity from the tax base. Mayor Casper reiterated there is capacity within the tax base to take on this commitment as anticipated. Director Alexander stated additional discussion for the LEC will occur at the November 23 Work Session.

Year in Review Presentation and Discussion:

Chief Nelson stated the IFFD has been working to reduce the negative cash flow. He presented the following with general discussion throughout:

Fire General Fund Budget/Expense Report for FY17/18, FY18/19, FY19/20 –

Chief Nelson stated there has been a significant budgetary expense/impact of overtime on the General Fund for Wildland but this amount was never going back to the General Fund because of the negative cash flow in the Ambulance Fund. He is unsure if there has ever been a positive cash flow in the Ambulance Fund. He stated there has been an adjustment to the budget that addresses the Wildland Fund, a special revenue fund for Ambulance, and inter-fund transfers to the General Fund. He also stated operations have been changed to look at operations and personnel as the 130 personnel were outpacing the salary, wages, and benefits from the General Fund. He noted there has been a reduction in force down to 123 personnel.

Emergency Medical Services (EMS) Fund FY Revenue and Expense Report for FY17/18, FY18/19, FY19/20 –

Chief Nelson stated there has been a significant difference of expenditures to revenues as there was a conservative approach to actual revenues. Discussion has occurred to increase/right-size fees and contracts and set an appropriate budget so the fund could pay for itself. Revenue for FY19/20 exceeded the budgeted amount and expenses. Chief Nelson stated this account will continue to be managed per the data. His goal is to bring this fund to a balanced expenditure and cash flow.

Cash Flow September 2019-September 2020 –

Chief Nelson stated the FY began at \$2.1M in the red and finished the FY at \$1.1M in the red. His goal is to be \$500,000-\$1M in the black in the next few years. The large dip (approximately \$2.6M) in October/November 2019 was due to delayed payments for contracts.

Overtime (OT) FY 2019/2020 –

Fire General Fund		EMS Fund	
Overtime Budget	\$612,000	Overtime Budget	\$400,000

November 9, 2020 Work Session

Overtime	\$946,423	Overtime	\$638,324
Wildland/COVID OT	<u>-\$498,422</u>	Wildland/COVID OT	<u>-\$327,887</u>
Total OT Expense	\$448,000	Total OT Expense	\$310,437
	(\$164 under budget)		(\$89,563 under budget)

Chief Nelson stated approximately \$1,000 of OT per day can be offset by the reducing one (1) ambulance staff in the evening hours.

Total Calls –

- FY2019/2020 = 14,606
- FY2018/2019 = 14,261
- FY2017/2018 = 13,287

Chief Nelson stated calls are increasing approximately 5-6% each year, more than 123 personnel will be needed at some point. He believes a good plan moving forward will determine a long-term service delivery.

EMS Calls –

- FY2019/2020 = 10,962
- FY2018/2019 = 10,511
- FY2017/2018 = 9,862

Chief Nelson stated these calls are also increasing approximately 5% each year. He noted individuals were hesitant to call for assistance at the beginning of COVID although there was a significant/record number of traumatic patients (burns, off-road, motor vehicle accidents) and fire events.

All-hazards Calls –

- FY2019/2020 = 3,644
- FY2018/2019 = 3,750
- FY2017/2018 = 3,425

Chief Nelson stated there is typically a dip during the winter months although these calls generally see a 5% increase as well. He also stated approximately 78% of calls are within City limits.

Wildland Fires –

Chief Nelson stated there will be approximately \$1M invoiced to the Department of Lands and the Federal government. He also stated \$850,000 is reimbursable for salaries and benefits and there is approximately \$200,000 in net revenue to help offset other expenses. He noted the IFFD is looking to purchase new ambulance monitors from the fund. He also noted wildland fires provide training for Incident Command Centers. July-October 2020 wildland fires involved 49 personnel in seven (7) western states assisting with ten (10) fires.

COVID-19 Challenges and Opportunities include directive (development of IFFD pandemic response plan), training (hands-on moved to on-line when possible), public relations (shifted to COVID response efforts, station tours canceled), and other (EIPH Area Command, CARES funding, remote work, operational changes, etc.).

Projects for FY2019/2020 –

Replace vehicle exhaust system at Station 3, dispatch hardware (County Emergency Operations Center (EOC) grants, replaced all mobile data terminals in all apparatus), replacement ambulances (located at Stations 1 and 4), replacement engine (in service November 2020 at Station 4), and US Digital retrofit (this was delayed due to COVID).

Plans for FY2020-2021 –

Hire five (5) Full-time employees (FTEs), new ladder truck, finalize business license program, US Digital retrofit, and Annual Strategic Plan and Comprehensive Plan.

November 9, 2020 Work Session

Chief Nelson then presented an IFFD recruitment video. He expressed his appreciation to PIO Kerry Hammon, the IFFD, and the elected officials for their support.

It was then moved by Councilor Smede, seconded by Councilor Francis, to move into Executive Session (at 7:26 p.m.). The Executive Session was called pursuant to the provisions of Idaho Code Section 74-206(1)(f) to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated, but imminently likely to be litigated. 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 regular Work Session. Roll call as follows: Aye – Councilors Smede, Hally, Radford, Dingman, Freeman, Francis. Nay – none. Motion carried.

The City Council of the City of Idaho Falls met in Executive Session, Monday, November 9, 2020 in the City Annex Conference Room in the City Annex Building located at 680 Park Avenue in Idaho Falls, Idaho at 7:30 p.m.

There were present:

Mayor Rebecca L. Noah Casper
Council President Michelle Ziel-Dingman
Councilor Thomas Hally
Councilor Jim Francis
Councilor Shelly Smede
Councilor John Radford (via telephone)

Absent:

Councilor 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)(f) to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated, but imminently likely to be litigated.

There being no further business, the meeting adjourned at 7:39 p.m.

s/ Kathy Hampton

Kathy Hampton, City Clerk

s/ Rebecca L. Noah Casper

Rebecca L. Noah Casper, Mayor