

**MINUTES OF A CONTINUED
CITY COUNCIL MEETING
HELD ON JULY 30, 2012**

A continued meeting of the Coeur d'Alene City Council was held on July 30, 2012 in the Library Community Room at 9:00 a.m. there being present upon roll call a quorum.

Sandi Bloem, Mayor

Woody McEvers) Members of Council Present
Deanna Goodlander)
Ron Edinger)
Steve Adams)
Dan Gookin)
Mike Kennedy (arrived at 8:20 a.m.)

CALL TO ORDER: The meeting was called to order by Mayor Bloem.

BUDGET WORKSHOP: Finance Director Troy Tymesen presented an overview of the 2012-2013 budget. Two goals are set for today's workshop which are setting a "high water mark" for the budget, and a review of the city's projected income for FY 2012-2013. Mr. Tymesen briefly reviewed the Financial Plan for the coming year. He reviewed the "Special Revenues" including Library and CDBG funds. He noted that the Enterprise Funds receive no property taxes for their operations. He stated that Fiduciary Funds include a Police Retirement Fund and highlighted the Capital Funds and Debt Service Funds. He reviewed the staffing levels of the City's various departments.

In regard to the General Fund, Mr. Tymesen distributed a spreadsheet highlighting the changes to the General Fund from the previous year which include new growth revenue, and a 3% budget increase from property taxes. He noted the changes to the Interfund Transfers received from the Enterprise Funds noted the reduced the annexation fee fund. Mr. Tymesen believes that the projected building permit revenue is accurate. He reported on the projected revenues received from the State.

In regard to Expenditures, Mr. Tymesen noted that Stormwater utility now only has one staff position. The City's health insurance premium increased by 5.2%, and noted the merit increases and COLA (budgeted at 3%) are also included in this budget. This year the City has realized \$357,000 in savings from employee separation incentives. Also included in this budget is a professional services contract for a Communications Specialist. Capital Expenditures include patrol vehicles. Also this year, \$650,000 is being provided for street overlay. Street Department has taken over the responsibilities of maintaining Stormwater Vehicles and equipment. He noted that there is a net decrease in Capital Expenditures by \$34,426. He noted that the designated funds for McEuen Park Tennis Courts overlay be returned to the General Fund.

Mr. Tymesen reviewed the Financial Plan in the Capital Replacement Schedule. He noted that the schedule includes fiber conduit, overlay funding, cemetery improvement, and a re-roof of the Jewett House. He noted that Stormwater Utility does not cash flow in that if the utility is not replaced, this utility will be in the red by \$300,000. He did note that he believes that the revised ordinance will reinstitute the stormwater utility fee.

In conclusion, Mr. Tymesen forecasts that the General Fund Balance is stable with a Fund Balance of \$5,000,000. He noted that as with all budgets, it is a prediction and Department Heads' best estimate. He announced that there would need to be a fee increase in Water Department to maintain that service. Through staff reorganization and separation incentives, staff is presenting a proposed balance budget. He also noted that Admin. is asking the employee associations not to take the full COLA.

Councilman McEvers noted the downward trend on Cable Franchising. He asked what the difference is between a permit and a license. City Clerk Weathers explained that a permit is generally for a special event or occasion and a license is annually issued. Councilman Gookin noted that he is investigating a possible temporary vending permit for those enterprises that set up in private parking lots.

Councilman Edinger asked about the 3% property tax increase. He also asked about the increase in wastewater fees. Mr. Fredrickson noted that the projected increase would be between 20-25% over the next 3 years which equates to a \$2.50 increase for a single-family home. Councilman Edinger asked about the water rates. Mr. Markley responded that he has just completed their master plan and is starting to look at rates for water service.

Deputy Finance Directory Vonnie Jensen reviewed the transfer funds which includes transfers to Parks Capital Improvement Fund, Street Lighting Fund, Cemetery Perpetual Care Fund, Jewett House, and the LID Guarantee Fund. Councilman Gookin asked why the City is paying for LIDs. Mrs. Jensen responded to the specific pay-offs of LIDs.

Councilman Gookin asked about the parking fines and noted that he has received comments that our fines are too low. He asked if fines are something that could be increased and would like to see the fine tripled. Mr. Tymesen suggested referring this issue to the Parking Commission.

Councilman Adams asked about changes to COLA and merit. Mr. Tymesen responded that he would not recommend adjusting the merit increase; however, he noted that staff is negotiating a lower COLA. He asked about the Dixon case, what would happen to the budget to if we lose the appeal. Mr. Tymesen recommends that if the appeal is lost, the City would seek a judicial validation for bonding this debt service.

RECESS: A recess was called at 9:15 a.m. The workshop reconvened at 9:25 a.m.

Chief Longo explained why the increase in PD budget for staffing which is due to a decrease in grant funding and attrition.

Mr. Tymesen noted that the City completed a single audit due to the amount of grant funding the City received last year.

Councilman Gookin asked where the funds are for McEuen Park project and why is it not in one location. Mr. Tymesen responded that part of the expenses are in place now, and that transferring overlay funding for Front Avenue could artificially inflate the budget, and Parks and Parking Funds are enterprise funds. He noted that they are preparing a spreadsheet for McEuen Park.

Councilman Gookin asked about the Cherry Hill Park funding and Person Field funding. Mr. Eastwood responded on the accounting of those funds.

Councilman Gookin asked about funding to Skyway Elementary for field lights. Mr. Tymesen noted that the amount should be removed from the budget.

Councilman Adams asked why Administration's insurance budget is lower. Mrs. Gabriel responded that two staff positions have been eliminated and in place she will be contracting with a communications professional. She noted that individual would not only do PR but also Facebook and social media for the City.

Councilman Gookin asked why the Mayor/Council budget has \$2,000 for meetings. City Clerk Weathers responded it is for joint meetings such as this workshop and meetings with other entities.

Councilman Edinger asked about the separation incentives and are these positions being replaced. Mr. Ingalls responded that it is on a case-by-case situation. Mr. Tymesen reviewed the staffing level changes by department.

Councilman McEvers asked about reduced cost of utilities in PD. Chief Longo gave credit to Howard Gould for upgrading their HVAC system.

Councilman McEvers asked both Chiefs (PD and Fire) what is shift differential. Chief Gabriel responded that for firefighters that work a grade higher than their position receive a differential. Councilman McEvers asked about overtime. Chief Gabriel explained that overtime is for special events and constant manning is keeping staff at a minimum of 14 firefighters for each shift. Councilman Edinger asked if he had to call people in due to the fire last night. Chief Gabriel responded that he calls firefighters in to cover the rest of the city when there is an extensive fire suppression effort.

Councilman McEvers asked about PD shift differential. Chief Longo responded that is used for police officers that work the evening and night shift. He also explained assignment pay and court pay. In response to Councilman McEvers question, the clothing allowance increase is to outfit the records clerks with uniforms and also that would increase the uniform cleaning budget.

Councilman Gookin asked Chief Longo what the difference is between practice ammunition and on-duty ammunition. Chief Longo responded that there is a difference in quality in the

ammunition. Councilman Gookin asked about shotguns. Chief Longo responded that the budget is for the purchase of new shotguns. Councilman Gookin asked the robot. Chief Longo noted that the proposed purchase of a robot would be to use the robot to enter a building instead of a police officer for officer safety purposes. Councilman Gookin asked about borrowing Spokane's robot vs. having our own. Chief Longo said that it is an item they can continue to borrow. Councilman Gookin asked about \$10,500 for tablets purchase. Chief Longo responded that this purchase is for tablets (I-pad type equipment) for Sergeants. He also noted that the tablets will interface with Spillman and their internal computer system.

Councilman McEvers noted that if the City takes 3% could we not eliminate this increase if we did not give staff COLA.

Councilman Gookin asked about the City Automation Plan. Kirk Johnson, IT Administrator, reviewed the items included in this budget. He also noted that the replacement plan is to have computers no older than 5 years old. Councilman Gookin asked if the Library would charge for computer use. Mrs. Ammon responded that the Board has not wanted to charge for computer use the same as use of books at the library.

Councilman Gookin asked about auto in MS. Susan explained that this covers the 3 IT cars and also the City car maintained in Boise. She noted that they continue to compare this cost to renting a car and it is still more economical to have the City maintain a car in Boise.

Councilman Gookin asked about the Legal annex. City Attorney Gridley responded that due to budget constraints, they are dropping the plan to construct an annex.

Councilman Gookin asked about a mechanic who could prioritize a city vehicles. Tim Martin responded that they do prioritize public safety vehicles. Also, funding prohibits maintaining parts to specialty vehicles (fire engines) and also Fire and Police currently take 2 of the 4 mechanics. Tim noted that they are pushing about 500 vehicles within a limited space. Councilman Gookin asked if chip seal is more economical than asphalt overlay. Gordon responded that chip seal is basically is similar to painting a roadway and in the end it would cost more than overlaying the streets. Tim also noted that chip seal is not as structurally sound as asphalt. Councilman Gookin asked why leaf pickup increased by \$6,000. Tim responded that he did a comparison of previous years and is forecasting the proposed budgeted amount.

Councilman Gookin asked about ADA sidewalk abatement. Jon Ingalls responded that the 3 FTE's are the individuals who do the actual work to replace the sidewalks. Tim Martin noted that the largest cost is for concrete. Councilman Edinger commented that it was decided a few years ago that it saves the city money to have Street crew members do the sidewalks vs. contacting it out.

Councilman Gookin asked if the City has unified copiers. Kirk Johnson responded that we are purchasing same brand of copiers. Councilman Gookin asked about the Library copier. Bette noted that the Library's copier will be replaced next fiscal year.

Councilman Gookin asked about the \$15,000 niche wall fencing. Doug Eastwood responded is actually a cemetery fence continuation to replace chain link fencing around the Cemetery. Councilman Gookin asked about the interest for the perpetual care fund. Mr. Tymesen responded is due to interest earnings being down and bonds being at a historic low. Councilman asked about the increase of transfer from the interest fund for the perpetual care fund to operations fund. Mr. Eastwood responded why the amount is being transferred.

Councilman Edinger asked about money from this budget going to McEuen. He also asked each Department to cut 10% more from their budget. Mr. Tymesen responded where the funding is for McEuen Park. In regard to cutting budgets, he could offer some options.

Councilman Gookin asked about the Jewett House budget. Mr. Anthony responded that the re-roof has been in their capital plan. Mr. Tymesen noted that the reason why the re-roof is not under capital is because it is replacing an old roof on an old house so it is under repair and maintenance. Councilman Gookin asked if more revenue could be raised if the City allowed "booze". Mr. Anthony responded that the Jewett House Board has previously discussed this.

Councilman Gookin asked about the Mayor's Arts Awards funds could be reduced if they held it at the Library vs. the Resort. Mr. Anthony noted that \$3,000 of the budget is for awards and also it is planned as a community event.

Councilman Gookin asked about Water Department metered sales and irrigation only. Mr. Markley responded that irrigation is for irrigation accounts including city park and meter sales for public authority is for all government entities. Councilman Gookin asked why there are two pickup trucks budgeted in Water. Mr. Markley responded that these are replacements for vehicles that are greater than 10 years old and have greater than 100,000 miles. Councilman Gookin asked about the landscaping budget for Linden Well. Mr. Markley responded that this is an effort to create low-maintenance landscaping at this site.

Councilman Gookin asked about the Wastewater loan to stormwater. Mrs. Jensen responded that this is not considered a revenue item but is included as a balance sheet item and not revenue because it is reducing expense. Councilman Gookin asked why the levee maintenance was placed in Stormwater. Gordon Dobler responded that the levee certification is still required and thus it was placed in the Wastewater budget.

Councilman Gookin asked about the Homeless donations. Mrs. Jensen responded that the funds go to St. Vincent DePaul, St Pius and Children's Village.

Councilman Gookin asked about the VEBA Accounts and is it contractual as well as life insurance for employees. Mr. Tymesen responded that this is in the employee contracts.

Doug Eastwood reviewed the staffing of the Parks Department. He noted that he is making some reorganizational changes which results in a reduction of approximately \$45,000.

RECESS: A recess was called for at 12:00 p.m. The meeting reconvened at 12:15 p.m.