

MINUTES OF A CONTINUED MEETING OF THE CITY
COUNCIL OF THE CITY OF COEUR D' ALENE, IDAHO,
HELD AT THE LIBRARY COMMUNITY ROOM

June 24, 2024

The Mayor and Council of the City of Coeur d' Alene met in a continued session of said Council at the Coeur d' Alene City Library Community Room on June 24, 2024, at 12:00 p.m., there being present upon roll call a quorum:

James Hammond, Mayor

Woody McEvers)	Members of Council Present
Christie Wood)	
Dan Gookin)	
Dan English)	
Kiki Miller)	
Amy Evans)	Member of Council Absent

DEPARTMENT HEADS PRESENT: Troy Tymesen, City Administrator; Renata McLeod, Municipal Services Director/City Clerk; Katie Ebner, Finance Director/ City Treasurer; Ted Lantzy, Building Official; Thomas Greif, Fire Chief; Melissa Tosi, Human Resource Director; Michael Priest, Library Director; Bill Greenwood, Parks & Recreation Director; Lee White, Police Chief; Todd Feusier, Streets & Engineering Director; Mike Anderson, Wastewater Superintendent; Kyle Marine, Water Superintendent; and Ryan Hunter, Deputy City Attorney.

CALL TO ORDER: Mayor Hammond called the meeting to order.

OVERVIEW: City Administrator Troy Tymesen said the workshop is being held to discuss the Preliminary Fiscal Year (FY) 2024-2025 Budget and for Council to provide input to staff. He stated that the budget for medical insurance is not locked in yet and the COLA for the Fire Department is still under negotiation.

STAFF PRESENTATION: Finance Director Katie Ebner's presentation included the following highlights:

- Since 2020, the taxable value for the city has increased by 126%. Valuations for residential property grew at a higher rate than commercial.
- Tax revenues generated from new construction and annexations have dropped over 70% compared to 2016. This is mainly caused by changes from the state legislature and rapidly increasing assessed values in the city. New growth tax revenue is capped based on a preliminary levy rate. When assessed values go up, the levy rate drops which reduces the funding to be captured from new construction each year, which compounds over several years.

- Due to the City's dropping levy rate and the 90% limitation imposed by the legislature, the City has lost an estimated \$1.8 Million in annual revenues from growth since fiscal year (FY) 2019-2020.
- The FY 2024-2025 budget includes \$2.2 Million being used from fund balance to supplement revenues and operations. To sustain a healthy financial outlook, fund balance should be considered one-time money for one-time uses.
- The preliminary budget reflects a \$4,118,167 dip into the fund balance, of which only \$1.9 Million is considered one time deficit spending. This leaves a projected ongoing deficit in the operations budget of \$2.2 Million.
- In order to move toward a balanced budget, it is suggested to cut the IT Coordinator request from the Police Department and the "sign-on bonus" line item, but honor bonus payments already promised. Also, take an additional 1% of foregone taxes to recover some of funds lost with the drop in new construction and annexation revenues. These changes would reduce the ongoing deficit by \$525,000.

DISCUSSION:

Mayor Hammond asked whether a complete remedy is expected given that the Assessor's office is addressing the disparity on the disproportionate changes for residential taxpayers, with Ms. Ebner responding that the assessed value that came in lower than expected may take effect and even out next tax year. Councilmember Wood recalled that since she's been on the Council, the City has had a very healthy fund balance and requested a history of the fund balance in the next budget presentation. Additionally, it would be good to know what is done each year to replenish the fund balance.

Councilmember Wood inquired on the proposed duties of the Operations Technology Position and why would it report to Municipal Services, with Ms. McLeod explaining that it is an IT position that will be assigned to Water and Wastewater to perform operations technology roles and part of the goal to centralize the existing IT system. Councilmember Gookin stated that he doesn't see the need for the position to be under MS and that the Water and Wastewater Departments can just share the position. Wastewater Director, Mike Anderson stated that they need an IT expert that would assist them in their operations in concert with the City's I.T. system. He added that, learning from the cyberattack incident, there is a need that personnel working in the network should be tied into the City's network personnel.

Councilmember Wood asked why the exempt classification comp study remained at \$10,000 at the Human Resources budget with Ms. Tosi responding that it is the original cost for reviewing job descriptions, but it will double the amount to \$21,000 if they do a full review of job descriptions. Due to the state of the budget, it was left at the lower cost project.

Ms. Ebner explained that the Police Department Expansion and 3 Additional Officers are grant funded. Councilmember Wood requested to put those in a capital investment line item and asked for the job description of the proposed IT personnel. Chief White explained that the IT personnel