

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

July 16, 2024

The Mayor and Council of the City of Coeur d'Alene met in a regular session of said Council at the Coeur d'Alene City Library Community Room on June 16, 2024, at 6:00 p.m., there being present the following members:

James Hammond, Mayor

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

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

INVOCATION: Raydeane Owens of the Heart of the City Church led the Invocation.

PLEDGE OF ALLEGIANCE: Councilmember English led the pledge of allegiance.

PRESENTATIONS:

Bretta Provost, Lemonade Day City Director, accepted the Proclamation declaring July 20, 2024, as Lemonade Day. She noted that this event is the first time in Kootenai County and in all of Idaho and hopes that this would be continued to foster entrepreneurship among the youth. She encouraged everyone to be go out on Saturday, July 20, between 10:00 a.m. and 2:00 p.m., at designated locations and details are listed at their website lemonadeday.org.

Toni Hackwith, Managing Member of Alpine Summit CPAs presented the findings of the Fiscal Year 2022-2023 audited financial statements. She noted that the primary purpose is to assure that the financial statements are fairly stated in all material respects and conform to generally accepted accounting principles. She explained that the audit procedure resulted in three reports: independent auditor's report on financial statements, report on internal control over financial reporting and compliance with laws and regulations, and the final report is a report on the City's compliance with federal programs. On September 30, 2023, the fund balance of the General Fund was \$18 Million, and the unassigned fund balance was \$13 Million, which represents 25% of revenues and expenditures. The General Fund revenues increased last year by \$4.9 Million, of which \$1.7 Million was from an increase in property taxes mainly due to the closing of the Lake District, and \$2.7 Million was an increase in federal grant revenue of which a majority was ARPA funds. The General Fund expenditures increased by \$7.5 Million (17%) due to the following: public safety increased by \$2.1 Million (increase in wages and benefits and hiring of additional firefighters); public works increased by \$1.3 Million (overlay and chip seal); and capital outlay

increased by \$2.8 Million (Police Department expansion and Fire Department equipment). The revenues for 2023 were \$50 Million and the expenses were \$52 Million which is attributable mainly to capital outlay projects. Ms. Hackwith explained that the fund balance is classified into unassigned which is available for general operating expenses; assigned for specific projects; restricted such as grant funding; and committed. She stated that the Government Finance Officers Association (GFOA) recommends at a minimum, governments should maintain an unassigned fund balance of no less than two months or 60 days of regular general fund operating revenues or expenditures. She said that for 2023, the City has three months or 93 days in operating revenues and 90 days in operating expenditures in the General Fund. Ms. Hackwith stated that the propriety funds of the City come from water and wastewater. The water fund operating revenue increased by \$983,000 which was a 14% increase from the prior year, and much of that was due to growth and rate increases. The operating expenses increased by \$466,000 or a 6% increase from the prior year. The net income from operations was \$352,000. For the wastewater fund, the operating revenue increased by \$823,000 or 6% increase from the prior year. The operating expenses increased by \$249,000 or a 2% increase from the prior year. The net income from operations was \$4.2 Million. Councilmember Gookin commented that in his review of the audit report, he noticed that the lease is going down over time, with Ms. Hackwith explaining that in October 2021, the Governmental Accounting Standards Board created a new standard regarding operating leases and how governments must account for them, which the City is now doing. Councilmember Gookin questioned why the investment funds appear to be going down. Ms. Hackwith stated that the government accounting standards require that investments be recognized at fair market value which is the value at the date of the financial statement and this fluctuates. City Administrator Troy Tymesen further explained that it is not a real loss in the investment, but it is a kind of loss that occurs on any investment at any given day. With respect to the lease, he stated that there is no guarantee that a five-year lease will be renewed in the 6th year, hence there will be significant reduction when forecasting income because the lease renewal has not taken place. Councilmember Wood praised the staff for a clean audit with no negative findings. Mayor Hammond thanked the Finance staff for keeping the City in such a good standing and for the excellent work.

PUBLIC COMMENTS:

Louis Betro, Post Falls, spoke in opposition of the hate crime ordinance and changes to the Security Guard code that were passed recently, as he did not feel it was the job of the Council to be a “thought police” and to influence or propagandize the people. He called on patriots in the area to recall all Councilmembers immediately.

Marianna Cochran, Post Falls, noted that on July 1, a patron of the Coeur d’Alene (CDA) Public Library submitted a relocation form regarding the book, “Sex is a Funny Word” that is shelved in the juvenile section. She stated that in the July 10 webinar hosted by the Idaho Commission for Libraries regarding implementation of the new law, the Children’s School and Library Protection Act, the CDA Teen Librarian shared a redacted request for relocation form with the patron’s name clearly shown which is a violation of the statute. She added that the same form with the patron’s name is still posted to the CDA Library website and noted the potential liability to the City.

Diana Sheridan, Coeur d’Alene, expressed concern regarding the City’s use of reserve funds to balance the budget. She stated that the FY 2024-2025 budget is projected to decrease the reserve