

A CONTINUED MEETING OF
THE COEUR D'ALENE CITY COUNCIL
JULY 24, 2014

The Mayor and Council of the City of Coeur d'Alene met in continued session in the Old Council Chambers at 9:00 a.m. on July 24, 2014 there being present upon roll call a quorum:

Steve Widmyer, Mayor

Kiki Miller) Members of Council Present
Dan Gookin)
Woody McEvers)
Amy Evans)
Steve Adams)
Loren Ron Edinger) Members of Council Absent

DEPARTMENT HEADS PRESENT: Interim City Administrator Troy Tymesen; Municipal Services Director Renata McLeod; Deputy Finance Director Vonnie Jensen; Interim Parks Director Bill Greenwood; Library Director Bette Ammon; Water Superintendent Jim Markley; Fire Chief Kenny Gabriel; Interim Police Chief Ron Clark; Human Resources Director Melissa Tosi; Recreation Director Steve Anthony; Interim Planning Director Warren Wilson; Building Services Director Ed Wagner; City Attorney Mike Gridley; Streets Superintendent Tim Martin; and Wastewater Superintendent Sid Fredrickson.

FISCAL YEAR 2013-2014: Finance Director Troy Tymesen provided an overview of the preliminary financial plan for fiscal year 2014-2015 in the amount of \$74,561,945. The proposed budget includes departmental goals as set through the previously held strategic planning process. The County has not provided the City with the new building growth valuation; therefore the budget includes an estimated increase of property taxes in the amount of \$715,428. Mr. Tymesen stated that this budget includes an estimated insurance expense and he provided information regarding the self-insurance fund versus private insurance. The estimated insurance expense is based on a premium amount equal to coverage provided by ICRMP. He stated that the biggest change in health insurance coverage is due to the Affordable Care Act and that the biggest challenge in setting a budget is estimating ongoing income. There are a couple positions that are recommended to be eliminated including the Parks Director and Deputy City Administrator. During the budget process the City looks at revenue and expenses, which includes an increase in medical insurance costs, and capital expenditures for a grader, de-icer vehicle, and police vehicles, scheduled wage increases, 2.1% COLA increases, and an overall increase in service and supplies. There are three new positions included in the proposed budget including a Public Information Coordinator, IT Programmer, and a Planner. Mr. Tymesen stated that the proposed budget does not include the allowable 3% increase in property taxes or any foregone tax dollars. He is recommending an increase in the Building Department revenue, KCEMS contributions, and an increase in the state revenues.

Questions ensued regarding the self-insurance fund balance and the recommendation to seek a private insurance carrier. Mr. Tymesen clarified this would eliminate the City Council's

determination on claim payouts and that there are no funds available this fiscal year to replenish the self-insurance fund.

Mr. Tymesen stated that the current foregone tax balance for the City of Coeur d'Alene is \$3,184,897. He explained the purpose of fund balance is to cover costs in November/December and/or when a vendor slow pays, otherwise the city would need to do a tax anticipation note (TAN), which would also affect the bond rating. This year the percentage of fund balance over the proposed budget is 14.4%. The Government Finance Association would recommend a healthy fund balance percentage of 12%.

Mr. John Goedde is the City's insurance representative and answered questions regarding ICRMP coverage. He provided information regarding ICRMP and Travelers Insurance and One Beacon. One Beacon is not willing to provide liability insurance, Travelers is interested in providing a quote and ICRMP is another option. He stated that ICRMP insures 950 public entities and they have a board of directors that are elected officials. ICRMP does not have shareholders so they are not in it to make a profit and they do provide risk control education. He clarified that the one downside to ICRMP is that the plan cannot be tailored; it is a specific coverage package. The deductible is \$5,000.00 based on size of entity, with no deductible on the liability side. The policy has \$500,000 to \$3 Million limits. Mr. Tymesen stated that this is the time to look at an insurance company versus funding a zero balance self-funded line item.

RECESS: The Mayor called for a 5-minute recess at 10:18 a.m. The meeting resumed at 10:33 a.m.

Mr. Tymesen introduced Greg Helbling to discuss health insurance coverage and stated that the City's health insurance premium is approximately \$4 Million annually. With the additional coverage of dental, VEBA contributions and life and disability coverage, the total cost is approximately \$6.4 Million. Mr. Helbling stated that their company works with the City's employee committee and publishes a monthly newsletter. He explained the options offered within the city's existing health care plan. He clarified that the Affordable Health Care Act taxes began in 2010, and they included in the premium costs. Nancy Shepherd, with Helbling Benefits Consulting, reviewed the requirements of the Affordable Care Act and how it will affect the City. This year the current negotiation for the City contract will result in a 4.28% increase.

Mr. Tymesen reviewed the staffing levels for each department.

Councilman Gookin asked for confirmation that this budget is proposed without taking the 3% property tax increase and no foregone taxes. Mr. Tymesen confirmed there is no increase included in the budget and that the City does not have the newly assessment property tax value from the County yet. He also reviewed the methodology of levy rates and effects on property taxes.

Councilmember McEvers asked about the crime statistic data provide to the City Council. Interim Police Chief Clark explained that the 2013 Idaho statewide crime statistics have been released. He clarified that the specific focus is how many officers other cities in the state of Idaho have in comparison to the City of Coeur d'Alene. To move the City into balance with

other cities based on population size, it would take the hiring of 11 to 49 officers, which does not take into account the number of special events and freeway interaction accidents that take place within this community.

Councilmember Gookin asked for additional information regarding the increase in payment to Jobs Plus. Mayor Widmyer stated that Jobs Plus is our conduit to job creation and has not had an increase in their budget for 20 years, and the addition of \$5,000 will bring the City of Coeur d'Alene's contribution in line with the amount the City of Post Falls contributes.

Councilmember Gookin stated that he felt that the performance by Jobs Plus does not merit an increase. Mayor Widmyer thanked staff involved and the hard work they put into the proposed budget with zero percentage increase to property taxes. Councilmember Adams expressed concern regarding the federal grant for patrol officers, and asked if there was a plan B in case the grants are not received. Chief Clark stated that they may know if they get awarded in September and will come back to the City Council with a plan B if they are not awarded the grant.

Mr. Tymesen stated that the public hearing takes place on September 2, 2014.

ADJOURNMENT: Motion by McEvers, seconded by Evans that there being no further business, the meeting be adjourned. **Motion carried.**

The meeting recessed at 12:00 p.m.

Steve Widmyer, Mayor

ATTEST:

Renata McLeod, City Clerk