

**A CONTINUED MEETING OF THE
COEUR D'ALENE CITY COUNCIL
HELD AUGUST 5, 2008 AT 4:00 P.M.
IN THE LIBRARY COMMUNITY ROOM**

The City Council of the City of Coeur d'Alene met in continued session in the Library Community Room at 4:00 p.m. on August 5, 2008 there being present upon roll call a quorum.

Sandi Bloem, Mayor

John Bruning) Members of Council Present
A. J. Al Hassell, III)
Mike Kennedy)
Woody McEvers)
Deanna Goodlander)

Ron Edinger) Members of Council Absent

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

BUDGET WORKSHOP: Finance Director Troy Tymesen presented an Executive Overview of the proposed budget. He reported that the proposed upcoming fiscal year's budget totals \$77,234,109. Mr. Tymesen recapped the priorities set by the City Council and the priorities set by the City's Enterprise Funds. In reviewing the revenues from new construction valuation, the projected valuation is at \$120,525,132 compared to last year's new construction valuation of \$199,915,540. He recommended that the Council take the 3% budget increase, the new growth valuation, plus \$200,000 from forgone taxes for the ADA required sidewalk project. He noted that the total increase from the 3% budget increase and new construction valuation adds \$880,929 to this year's budget. He noted that the preliminary levy rate will be \$4.65/\$100,000 valuation compared to \$3.98/\$100,000 valuation last year.

Mr. Tymesen noted that the entire financial plan is on the City's web site at www.cdavid.org and invited residents to review the proposed budget.

He recommended that considering the current economic times that no additional staffing be hired during this fiscal year (excluding the position for the ADA required sidewalk replacements). Mr. Tymesen noted that there is an increase in the City's overlay program. He believes that at this point he cannot recommend any new staffing positions be added to the budget and also recommended putting a hold on immediately hiring for any staff positions vacated during the coming fiscal year.

He did propose that the Library be budgeted \$40,000 for additional part time staff by reducing the budget for books by \$15,000, and making the \$25,000 deficit up in tax revenue and filling Parks Department part time staffing needs by \$18,000. All of this could be accomplished by reducing Street Dept. part time staffing budget by \$43,000.

Mr. Tymesen explained why certain funds cannot be used on anything but what it has been dedicated for such as enterprise funds, impact fees, trust and agency funds.

COUNCIL DISCUSSION: Councilman Hassell questioned the increase in software licensing. City Clerk Susan Weathers explained that this is to cover the update to the Springbrook software program that is used for utility billing. Councilman Bruning asked about the decrease in grant writing services. Finance Director Troy Tymesen responded that although this line item had been removed from the budget, the City could use individual department professional services accounts if there were a need to contract for a grant writer. Councilman Goodlander asked the Fire Department if their increase in fuel is adequate to cover the increasing costs of fuel. Fire Chief Kenny Gabriel responded that he is confident that his department can cover the rising cost of fuel with the budgeted amount by changing the number of response vehicles depending on the type of call the Fire Dept. receives.

Councilman Kennedy commented that a recent editorial in the Coeur d'Alene called the City reckless and financially irresponsible with the coming year's budget. He noted that the "facts" used in the editorial were inaccurate with the article recommending the City use budget funds illegally such as using the dedicated impact fees on items other than what it is legally required to be used for. Additionally he noted that it would be wiser to build a park with the dedicated parks capital improvement funds today because it would cost less than waiting a few years since these funds cannot be used for anything other than parks.

Councilman Kennedy also commented the reason why the Wastewater Treatment Plant budget contains improvements to the plant is because the City is required by the Federal Government to meet certain discharge standards which incidentally have been set higher for our City than any other municipality in the United States.

Councilman McEvers asked if the value of his home is down, and the levy rate went up, does he pay more in property taxes. Finance Director Troy Tymesen responded that it depends on his homeowners exemption.

Councilman Goodlander asked Chief Longo what it costs the City to send an officer to POST. Chief Longo responded that it typically costs \$7,000 per officer to train at the Police Officers Standard Training (POST) in Meridian, Idaho. That is why he is proposing to have a POST academy be established through NIC which would save \$1,000 per officer in training costs. Councilman Goodlander asked how long does it take from the time we hire a new officer, complete training and to having the officer in full active duty. Chief Longo responded that because of the cutback on the number of

training sessions now held at the POST Academy, it takes the City up to a year from the date of hire to when the officer would be patrolling our City streets.

Councilman Kennedy commented that the ADA sidewalk abatement funding would be doing double duty in the Street Department. Mr. Tymesen explained that this is a great example of synergy between responsibilities in different departments in that personnel used in the summer months for ADA abatement project will be used in winter months for snow removal. This is similar in how we utilize staff for stormwater maintenance and winter snow removal. Street Superintendent Tim Martin added that a committee will be formed to prioritize the sidewalk replacement needs throughout the City with their recommendations being made prior to the end of this year.

Mayor Bloem asked about the Police Retirement Account. Mr. Tymesen responded that this is a retirement fund for police officers that retired in the early 1970's. Since it is not fully funded, general funds must be used to balance the fund.

She asked if the City's Fund Balance is healthy. Mr. Tymesen responded that the auditors recommend 3 months of City funding and the City has that amount in the Fund Balance.

In regard to Water funding, Mr. Markley noted that the enterprise fund balance had diminished due to major projects that had been required. This year, there are no major projects planned which would help build that fund's balance back up. Mr. Tymesen added that the City's Water Enterprise fund has no debt so any projects completed are paid in full.

Mr. Tymesen then explained property taxes and occupancy fees. Councilman McEvers asked about when a new building is constructed, how long is it before the City realizes tax revenue from that new building. Mr. Tymesen responded that the Assessor places a valuation at the time a Certificate of Occupancy is issued.

Councilman Kennedy asked Bette Ammon, Library Director, how she anticipates using the \$40,000 for additional part time staffing. She responded that she is looking at reducing business hours of the Library in conjunction with the \$40,000 to provide adequate staffing of the Library.

Councilman Goodlander asked about value of constructing the Landings Park now rather than later and the need for additional staffing for the Parks Dept. Parks Director Doug Eastwood noted that the value of doing the Landings Park now is that the cost of construction is going up each year such as last year the estimated cost of the Landings Park construction was \$800,000 and it is now at \$1,000,000 and which cost would only go up if the City waits to construct the park. He noted that the cost of staff is much less and at the time the maintenance is needed at the park, he hopes he will have staffing available.

Mayor Bloem asked if the annexation fees are specific to any one item. Troy responded that it is not specified and they are used to help maintain the development until property taxes come in.

Councilman Bruning asked Mr. Tymesen to further explain his comments when he suggested holding a position that is vacated for a time but not eliminate that position. Mr. Tymesen responded that the City needs to look at cash flow and if there is not a justified need to immediately fill a vacated position then the City should look at holding off immediately hiring someone to fill that vacated position.

Councilman Goodlander asked Tim Martin, Street Superintendent, about the brine machine and why it was left in the budget. Mr. Martin explained that the benefit of the brine salt machine is the City's ability to have a ready supply for winter snow de-icer material and the cost savings of brine vs. magnesium chloride which had been used in the past for de-icing. Also, it provides an ability for the City to help other communities save money by using the brine machine for their de-icing supply. He added that the machine would pay for itself in savings from the cost of purchasing magnesium chloride over the next three years.

Mr. Tymesen noted that with the Council's consensus staff will amend the preliminary budget as recommended for the additional staffing for the Library and Parks Departments.

In conclusion, as the City's Chief Financial Officer, Mr. Tymesen believes that the City has a fiscally sound and responsible financial plan for next year.

Mayor Bloem noted that the City Council will need to look at different funding sources other than property taxes as several of the City's amenities are used by people that do not pay property taxes such as the use of the City Beach, the trails, and parks.

ADJOURNMENT: Motion by Kennedy, seconded by Bruning that, there being no further business, this meeting is adjourned. Motion carried. The meeting adjourned at 5:30 p.m.

Sandi Bloem, Mayor

ATTEST:

Susan K. Weathers, CMC
City Clerk