

CITY COUNCIL WORKING MEETING

June 24, 2024
203 Broadway Ave N

PRESENT:

Michael Higbee	Council President	Jeremy Engbaum	Police Chief
Amanda Hawkins	Council Member	Jason Scott	Public Works Director
Marla Sisson	Council Member	Scott Bybee	City Engineer
Karen Drown	Clerk	Maegan Hanson	Library Director
Autumn Jones	Treasurer	Concerned Citizens	

PLEDGE OF ALLEGIANCE

CONFIRMATION OF QUORUM:

Karen Drown confirmed a quorum.

CONSENT AGENDA:

1. Minutes of June 10, 2024 – Regular Session
2. Claims for Payment
3. Clerk Report
4. Treasurer Report

Marla moved to approve the consent agenda. Amanda seconded the motion. There was no discussion. There was a roll call vote. Marla voted yes, Michael voted yes, and Amanda voted yes. The motion passed.

UNFINISHED BUSINESS

Review and Consideration of Draft Amended Minutes for May 13, 2024: Marla moved to approved the amended minutes as presented. Amanda seconded the motion. There was no discussion. There was a roll call vote. Amanda voted yes, Michael voted yes, and Marla voted yes. The motion passed.

Review and Consideration of Resolution Commencing the Preparation of an Urban Renewal Plan: Marla moved to approve Resolution No. 2024-7 commencing the preparation of an Urban Renewal plan. Amanda seconded the motion. Scott noted all this does is approve the report. It was added the actual approval or the area will come with an ordinance and public hearing. Karen noted the updated plan was in their packet which only included the correction of the footnote on each page to specify the correct document name. Amanda questioned if the report still had the

section on eminent domain. Karen confirmed it did as nothing in the body of the report changed. Marla also clarified eminent domain cannot happen without Council approval; Karen did confirm that would have to come before Council. There was no further discussion. There was a roll call vote on the motion. Marla voted yes, Michael voted yes, and Amanda voted no. The motion passed.

NEW BUSINESS:

Review and Consideration of Reappointment of Planning & Zoning Board Member: Marla moved to reappoint Margaret Himmelberger to the Planning & Zoning Board. Michael seconded the motion. Amanda questioned if any others applied. Karen explained she is given the option to serve a second term; Jazmine added Margaret is excited to continue to serve the community where she was born and raised. There was no further discussion. There was a roll call vote. Michael voted yes, Amanda voted yes, and Marla voted yes. The motion passed.

Review and Consideration of 2024-2025 Beer, Wine, Liquor, and Game Table Licenses: Marla moved to approve the 2024-2025 Beer, Wine, Liquor, and Game Table Licenses. Amanda seconded the motion. Karen detailed information for a couple on the list who had not completed the application process. La Cabanita had been contacted the prior week and said they would be in; Karen noted she can see they have renewed their state license but they are not responding to any calls now. The Trout's Saloon owner had recently passed away and Karen had been communicating with family, the state license had been renewed prior to her passing but she was the only person listed on the corporation so there is no other person to sign the application. Kanaka Bistro informed staff they had not started the process so they would need to be considered at a future meeting date. It was clarified each applicant must have a state, county, and city license each year to be legal. Marla amended her motion to include approval of licensee's if all required documents are received by July 1st. Amanda seconded the amended motion. There was no further discussion. Marla voted yes, Michael voted yes, and Amanda voted yes. The motion passed.

Budget Discussion: General Fund Projected Revenue Allocations for the Fiscal Year 2024-2025: Michael recommended going through each tab one at a time. Autumn began with tab 1 with her breakdown of the estimated property tax calculations. Michael commented it is our largest source of revenue and it is a 3.15% increase. Autumn explained we only get to calculate on 90% of new construction and annexation; she added she used last year's amount for new construction and has not included anything for annexation as there was only a small one this last year. Autumn also stated the city has no additional forgone as it was used up last year. Michael noted it equates to a \$65,000 increase on \$2 Million which is not very much and it only is .15% other growth. There was a discussion about the city taking the 3% increase every year and it was noted the increases that the city has seen on power and other utilities which would not be covered without taking the increase. Autumn explains that House Bill 389 from 2020 that set the 90% cap limits growth paying for growth and burdens taxpayers and other departments who use these funds. Michael commented this is the most non-volatile revenue and is money that you can plan for the future.

He added the general fund balance once it is spent it is gone, for example capital improvement projects and it is never as much as people think.

Tab 2 detailed other sources of general fund revenue with the top being all other for general fund and the bottom being department specific revenues to help fund those activities. Michael noted the \$30,000 in the Street Fund for interest earning is significant. Autumn explained in previous years the interest was not included in the street fund as it was \$1,000 but \$30,000 is a different conversation. Michael noted he had talked to a banker and noted interest rates will change. Autumn detailed the options the city has if interest rates start to change and the current fund is not locked into anything so different investment options could be considered if interest rates start to drop. Autumn explained the change in state sales tax distribution, which has been reliable since 2006 but this year has seen a \$90,000 decrease. Autumn read a portion of her treasurer report that was in the packet explaining the new legislation that moved online sales tax into a property tax relief fund and removed it from the city distribution amount. Michael noted he had heard there were legislators that wanted to get rid of grocery sales tax in the future. Autumn noted the \$90,000 is a huge hit to this budget and made it very slim. Michael noted these revenues are more volatile; Autumn added this shows yearly estimations but at the next meeting it will show actuals.

Tab 3 was the "Piece of the Pie" worksheet brings in tab 1 and tab 2 revenues and they get distributed out to the departments. Autumn noted the fire portion is an actual figure for next year based on the calculation in the new contract. She noted the rest of the figures have to be made with assumptions. The spreadsheet has included a 1% increase to benefit costs and 1% to operating and maintenance costs. She explained the orange box is where a percentage on salaries could be simulated. Amanda commented this will be a year to buckle down. Michael added he appreciated all the work and voiced a concern of increase in operating and maintenance. He also questioned if positions went unfilled the money rolled into the general fund and then that money was put into infrastructure. Michael then reviewed an example with Marla and Amanda on paper about percentage increases. Michael noted the fund balances were used for capital projects and not on-going wages; he also noted last year wages were used to help employees feed their families. Michael suggested to use fund balances to cover more capital costs and to start with 3% on wages. Kelly had emailed a statement about this discussion which was consistent with what Michael was saying. Michael suggested to adjust operating and maintenance to a 2% increase. He challenged anyone to show when the city was in a better financial position. Marla agreed with Michael on the increase to operating and maintenance. Autumn noted the budget sheets next time would look at operating and maintenance. Michael noted he did not want department heads skimping on maintenance. Marla stated she would like to make 3% on wages work and wished it was more. Autumn explained the new positions were figured into spreadsheet and the remaining was available for salaries. Autumn also explained the sanitation RFP, and questioned that is something Council should consider if the city wants to make those 2 positions and absorb employees or keep sanitation. Marla questioned if Autumn was comfortable with the 19.5 hour a week employee in the library. Autumn noted it is a double edge sword; it will require additional city contributions as she does not see it coming from other revenue sources. Marla stated she

wants to provide the service but without staff the doors cannot be open to provide the service. Autumn stated she knew it would be some hard conversations this year. Michael added the personnel manual says Council sets the budgets and it is very expressly part of Council's job but it is hard when they care about the employees. Autumn plugged in some percentages to see the difference. Autumn also noted she struggles with this worksheet and would just like to get down to the nitty-gritty of the department worksheets.

Michael asked for Autumn to pull together some figures from the last five year of the amount into the general fund at the end of each year. One is amount unexpended of salaries, and two was amount of unexpended operating and maintenance. That way it can be determined if the yearly average increase of the general fund is from salaries or operating and maintenance.

Tab 4 Autumn explained is the general fund balance. It was noted again the detail will see where the savings is really coming from. Autumn noted the street fund will decrease for Burley Ave and Fair Ave projects. Michael noted the streets are utilized by everyone in the city, as not everyone used the parks or library, but everyone must use the streets. Jason noted a big project that required matching funds could wipe that fund balance out. Michael questioned Jason that Regie's next big thing was a machine to mill down the streets. Jason noted there is infrastructure not that far down in some areas so it would not be possible. Marla noted she had picked up at AIC other cities have had good experiences in leasing, something to look at.

Tab 5 was a chart of figures on Tab 4.

Tab 6 was one-time projects and purchases.

Autumn stated normally she asked for a percentage to move forward to work on department budget worksheets. Michael moved to move forward with a 3% increase in wages. Marla seconded the motion. Marla stated she agreed with the 3% and if it is the 3% or a library positions it would the 3%. Amanda also agreed to move forward with 3% and not adding positions. Michael questioned if we were down positions in the library. Autumn noted Reba cut two positions 3 years ago and increased remaining positions salaries. She added when this is done it is very hard to get positions back in the future. There was no further discussion. There was a roll call vote. Amanda voted yes, Michael voted yes, and Marla voted yes. The motion passed.

Amanda stated Kelly's statement wrote the 3% increase is the only option at this time. It was also noted the rate committee meeting is scheduled for July 3rd at 9:30 am.

MAYOR & COUNCIL COMMENTS: Michael Higbee read a statement.

We need to make sure that we comply with the law with regards to employee privacy issues. If a member of City Council would like to discuss any issues pertaining to complaints, discipline, etc. of a city employee, those will first need to be discussed with the mayor, who is the chief city administrator per Idaho Code 50-602. After review of the complaint, discipline, etc. if it needs to

go before City Council it will be listed under an executive session on the upcoming meeting agenda.

Amanda asked if there was a fire meeting scheduled. It was noted the new contract states meetings are only held when requested by a member. Autumn noted the district had not asked for a meeting so they must like the number.

Amanda clarified the green space in Old Farm. Jason noted a sprinkler system was put in and planted grass last summer, but several properties had larger water leaks that kept it with quite a bit of water in it all summer. Michael questioned if there was any room for trees. Jason noted there probably is not enough soil there with the bedrock.

Marla updated Council on items she learned at the recent Association of Idaho Cities Conference. Those included on public comment time limits are a good idea, Braver Angels presented on handling difficult conversations with constituents and she always looks forward to the city round tables. She also spoke with a gentleman from Idaho Rural Water Association and they recommend cities should be increasing utility rates every year.

Michael stated he had received a bunch of phone calls about library PRIDE display. Marla asked Meagen if she had anyone contact her, she had not. There was a discussion about the new bill that goes into effect on July 1st. Karen explained ICRMP had noted if a policy was in place that would be the policy followed. If the policy was not followed then a tort claim could be filed. Amanda noted she had been told PRIDE is represented and maybe not Veterans. Meagen stated they do displays throughout the months to represent all community members. Amanda added she knows groups that do not go there anymore. There was further discussion about the hot button topic and government entities displaying that offend people. Michael added the Proud Boys situation brought the news and did not want to see that. Marla added the Proud Boys was a hate group.

Michael questioned if there will be any chip sealing this year. Jason noted 12th, 13th, and 8th South. He added his crew is prepping now and vehicles that do not get moved will be towed. Amanda added there are some that do not ever move.

Michael also noted he has sent a gentleman to Jason, Jason confirmed Dennis Osman had contacted him.

MEETING ADJOURNED – Marla moved that the meeting be adjourned; Amanda seconded the motion. There was no discussion. All vote aye. The meeting was adjourned at 8:25 p.m.

Minutes prepared by Karen Drown, City Clerk