



MAY 18, 2020

**T**HE CITY COUNCIL OF THE CITY OF LEWISTON, IDAHO, met in a Budget Work Session on Monday, May 18, 2020, in a virtual setting.

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**COUNCIL MEMBERS PRESENT:** Mayor Collins; Mayor Pro Tem Schroeder; Councilor Blakey; Councilor Bradbury; Councilor Kelly; Councilor Miller; Councilor Pernsteiner.

**STAFF MEMBERS PRESENT:** Alan Nygaard; Chris Davies; Budd Hurd; Jana Gómez; Laura Von Tersch; Travis Myklebust; Tim Barker; Suzanne Seigneur; Carol Maurer; Kari Ravencroft; Brittne Purington; Wendy LaVoie; Aimee Gordon; Aaron Butler

**I. CALL TO ORDER**

Mayor Collins called the meeting to order at 3:00 p.m.

**II. PLEDGE OF ALLEGIANCE**

Mayor Collins led the Pledge of Allegiance.

**III. CITIZEN COMMENTS**

*This is an opportunity for citizens to address the Council on agenda items or other items they wish to bring to the attention of the Council. Citizens are encouraged to discuss operational issues in advance with the City Manager. In consideration of others wishing to speak, please limit your remarks to three minutes.*

Councilor Blakey read an email from Brian Hensley regarding the budget as it relates to the COVID-19 crisis.

**IV. BUDGET ITEMS**

**A. CAPITAL PROJECTS - Davies**

**1. Water Fund**

Public Works Director Davies covered the various accomplishments for the FY'20 Water Fund. He noted that the funds for Well 7 have been set at \$1,040,490 for the remainder of FY'20. He highlighted the short lived assets, the intersection at Hwy12/21<sup>st</sup> Street, Well 2 and 3 rehab and pipeline replacement.

Mr. Davies continued by covering the FY'21 Water Fund budget. He went over various upcoming projects slated to be completed such as the Water Treatment Plant design, completion of construction on Well 7 and modifications to Well 6. He stated the planning study for redundancy at the 21<sup>st</sup> Street booster station is being funded fifty percent from rates and fifty percent from a State grant.

Councilor Pernsteiner asked for clarification on the Retrofit 10 MGD Membrane Filtration budget item amount from FY'20. Mr. Davies clarified that the amount listed for FY'20 is correct and the remaining funds of \$1.2 million dollars will carry over into FY'21 and future fiscal years. City Manager Nygaard added that there are timing elements when testing water quality and how often the testing can occur. This is why there are only certain dollar amounts spent in each given year.

Mr. Davies reported on the Stormwater funds for FY'20 & FY'21. He stated the Stormwater Rapid Assessment was a three-year budget item and is scheduled to be complete in FY'21. He said that the Hall Ford/19<sup>th</sup> Avenue project will begin in FY'20 and be completed in FY'22.

Councilor Pernsteiner asked Mr. Davies to clarify the breakdown of the project budget totals for Ford Hall/19<sup>th</sup> Avenue for each year. Mr. Davies explained that FY'20 is budgeted for \$115,000 for design. In FY'21, \$165,000 will be carried over to the FY'22 budget due to lack of budget authority to complete this project. He stated that in FY'22, \$65,000 is budgeted for a total project budget amount of \$230,000.

## 2. Wastewater Fund

Public Works Director Davies presented the FY'20 and FY'21 Wastewater budget. He reported on the FY'20 projects with a focus on the Wastewater Treatment Plant (WWTP) upgrade with a budget of \$15,000,000.

Councilor Bradbury suggested the Council should receive copies of all presentations prior to the meetings to review. He requested a copy of today's presentation be forwarded.

Mr. Davies continued his presentation with the FY'21 budget and project overview. He noted that COVID-19 testing had been added and is budgeted at \$70,000. He said the remainder of projects related to the WWTP upgrade will be complete by the end of FY'21.

Councilor Blakey asked if the COVID-19 testing would be able to test individual areas or the community as a whole. Mr. Davies stated the testing is done at the WWTP for the entire community. City Manager Nygaard stated that the testing can measure the intensity of the impact of the virus within the community. The test is very sensitive and the accuracy is very good for comparison levels. Councilor Pernsteiner asked if this would qualify for funding through the CARES Act. Mr. Nygaard stated he believes this testing should qualify for reimbursement. He confirmed that any person to use the wastewater system that has the virus would show in the results.

Councilor Pernsteiner asked for clarification on the Priority 2 Improvement title changing from Priority 2 and 3 Improvements. He asked if this change is just in the title or if it is reflective of what work is being done. Mr. Davies answered stating he believes it is just a title change, but said he would verify.

Councilor Blakey asked if the COVID-19 testing could be done at individual pump stations to better narrow down the infected areas in the community. Mr. Davies confirmed that could be done, but that amount of testing would become very costly. Councilor Bradbury asked if the testing should be listed under the operational account rather than the capital account. Mr. Nygaard agreed the testing should be looked at to be moved to the operation account in the budget. Mr. Davies stated he would make that change.

3. Transportation Fund (including Southway Bridge)

Public Works Director Davies provided a recap of the Capital Transportation Fund projects for the current FY'20. He covered each project that was completed and slated to be completed in FY'20 which included the ADA Transition Plan for \$188,900 that comes from a combination of CDBG funds and property tax revenues.

Administrative Services Director Marsh replied to Mayor Collins' question stating a reduction will need to take place for the gas tax revenue for FY'21.

Mr. Davies continued by covering the Capital Transportation Fund for FY'21. He reiterated that the gas tax revenue reduction for the upcoming year has been figured into the budget. He reviewed each project for FY'21 and stated if the gas tax had to be reduced further than the twenty percent that is reflected, the Cold Mix Overlay program funding would need to be cut.

Councilor Blakey asked for clarification on the Demolay Park contribution match from the City. Mr. Davies stated the City's contribution is 7.34 percent of the total dollar amount.

Councilor Pernsteiner asked for an update on the Southway Bridge resurfacing project that was listed for FY'20. Mr. Davies stated that the project has been awarded and is budgeted just under \$1,000,000. Asotin County is managing the project and work is scheduled to begin June 1, 2020, and be completed by the end of the calendar year. He stated the budget amount for the project is \$500,000, but the City's portion of the project could be under budget at around \$300,000. The savings will be unknown until the entire project is complete. Councilor Pernsteiner asked if the amount of savings would be available prior to the approval of the 2021 budget. Mr. Davies said if the project begins June 1<sup>st</sup>, the City would have a good look at the potential savings amount on the project. He stated there could be underlying issues with the core of the bridge and those issues will be unknown until the project is underway. Mayor Collins asked if it would make a large impact on the project budget if the core was in bad shape. Mr. Davies stated the City and Nez Perce County have the \$500,000 budgeted for the project and if the core of the bridge is an issue, there are extra funds that can be used.

4. Sanitation Fund

Public Works Director Davies stated when the Sanitation Fund was discussed for FY'20, there was a possibility of a 15 percent rate increase due to projects that were scheduled for the Transfer Station. He said that originally the budget for the Z-Wall, scales and the floor totaled around \$600,000 if all projects were done in the same year. The funds have since been rescheduled. The Z-Wall Rehabilitation will be

done in FY'20 and should come in under budget at \$15,000. He stated the Transfer Station scales are scheduled to be done in FY'21 with a budget of \$100,000, and the floor of the Transfer Station is scheduled for FY'22 and will be budgeted around \$200,000.

Councilor Bradbury asked for clarification on the Z-Wall project. Mr. Davies stated the Z-Wall is a retaining wall at the Transfer Station to prevent customers from backing a vehicle into the pit.

**B. CAPITAL PROJECTS - ALL OTHER NON-PUBLIC WORKS FUNDS**

**1. Community Park - Barker**

Parks and Recreation Director Barker provided Council with an overview of the Capital Budget for the Community Park for FY'20. He began with the revenue funds for Community Park, which included the General Fund contribution for infrastructure at \$900,000, property tax allocation at \$100,000 and Community Park reserves at \$180,000. He covered various expenses that included the Community Park Grading Plan completion at 10,000, prefabricated restroom installation at \$65,000, Tri-Partnership Public Infrastructure project at \$900,000 and the bicycle playground at \$175,000.

Mr. Barker explained there has been a lot of work going into onsite infrastructure work that should be completed within the coming weeks and will then move towards offsite projects. He noted that the development of the northern part of the property was put on hold until the negotiations with LCSC were complete. Prefabricated bathrooms could potentially be placed in the southwest corner of the Community Park to be available for public use. Mr. Barker noted there are plans in FY'21 for a bike playground and hiking/biking path down into the canyon. Mr. Barker said the pump track that is currently located at Airport Park will be relocated to the bike playground area of the Community Park.

Mr. Barker continued covering the FY'21 budget. He stated Parks and Recreation is looking at grant opportunities for things like a Fitness Park Grant, Trail Grant, Park Foundation contribution and a State RV Grant. He noted RV Grants are not highly pursued and could potentially bring in around \$750,000 for an RV park project. He said that the Community Park grading budget is projected at \$450,000 for FY'21 and FY'22. The interior parking lot development cost is still unknown until the landscape architect design is complete. Mr. Barker noted that the Community Park Master Plan should be completed this fall.

Mayor Collins asked how Airport Park fits into the Master Plan with the Community Park. Mr. Barker stated Airport Park is the only park in the West Orchards and Parks and Recreation is looking for input on whether to keep the current park play equipment, tennis courts, basketball courts and shelter and continue paying the lease agreements on the property. He noted that the Airport Authority Board would have to be given a twelve month notice if the City chose to vacate the property.

Councilor Pernsteiner asked where the Community Park reserves would stand after utilizing the \$535,000. Mr. Barker stated he believes the reserves fund is

around \$600,000-\$700,000. He stated that he hopes to be able to obtain grants to reduce the amount that has to be utilized from the reserve. Administrative Services Director Marsh stated the Community Park Fund has been interchangeable with the Building Reserve Fund, which is the same account that continues to receive deposits from Urban Renewal Area Number 2 that totals \$500,000 per year.

Councilor Pernsteiner asked if the Land Water Conservation Fund (LWCF) would be utilized for the entire outdoor recreation use area. Mr. Barker replied that is not a requirement and there will be areas split throughout the 190-acre property that will not be under the LWCF.

Councilor Blakey stated that he would support keeping the park portion of Airport Park since it is the only one in that area. He said he does not see anything projected within the FY'21 budget that is going to be a revenue generator. He asked if the city is getting away from the original plan that included softball/baseball fields, soccer fields and basketball courts. Mr. Barker replied that until there is a water source to the property, those particular projects will have to be put on hold.

## 2. Parks and Recreation - Barker

Mr. Barker reviewed the Parks Division Capital Budget for FY'20 and FY'21. He stated that the revenue for this fund usually brings in around \$20,000, but due to the COVID-19 pandemic, this fund is projected to only generate \$9,000 in FY'20. He noted that there will be no expenses for FY'20. Further, the Parks Department is looking to place a shelter at the skatepark on Snake River Avenue, as well as a shelter near the playground equipment at Pioneer Park. He noted that the more shelters that are able to be placed around the City, the more revenue can be generated.

Mayor Collins questioned the plans for the area along Snake River Avenue where the railroad tracks were removed. Public Works Director Davies stated that there were funds taken from the Transportation budget to have a study conducted as to what the Snake River Avenue area could look like. He said there were three options developed, but there is no funding in place to complete the project. He noted that the project would need to fit into the long-term plan with the federal government.

Mayor Collins asked for an update on the improvements being made on Orchards Pool. Mr. Barker stated the plan for Orchards Pool is to be opened July 1st with a six-week pool season. He added that Bert Lipps pool would not be operating this summer. Overall, there really has not been revenue being generated this spring for recreation and the department is trying to create as much opportunity as possible for the community.

## 3. Cemetery - Barker

Parks and Recreation Director Barker provided an overview of the Normal Hill Cemetery Capital Budget for FY'20 and FY'21. He said the FY'20 Revenue budget is \$123,000, which includes the General Fund Cemetery Budget at \$55,000 and the Perpetual Care Fund at \$68,000. He covered all of the expenses from FY'20 noting there is a net surplus of \$30,000 that will be carried over into FY'21 from

savings in staffing. Mr. Barker stated there is a Cemetery Market Analysis slated to be done in FY'21 that is budgeted at \$30,000, which will help determine the future of the cemetery and the needs of the community.

4. Community and Economic Development - Von Tersch

Community Development Director Von Tersch reported that the ADA ramps on 5th Street were covered under Public Works with CDBG funds, so there are no capital projects upcoming for Community Development.

5. Transit - Von Tersch/Seigneur

Transit Director Seigneur provided the Council with an update on the Transit Capital Budget for FY'20. She covered the upcoming bus pull out project along Lincoln Street stating that this pull out would allow access by all three services, which are City Transit, Asotin County PTBA and Appaloosa Express. She stated this project is partly funded by a bus and bus facility grant (5339) that Transit was awarded in December 2019. The project budget total is \$80,000 with \$16,000 from City funds and \$64,000 from grant funds. Ms. Seigneur explained she was able to acquire other 5339 funding through the State to help make this a project that will extend into FY'21. She stated Transit was awarded \$18,000 CARES Act funding and recently was allowed to allocate these funds to COVID-19 related items, as well as other Transit operations. She said the plan for some of the funding is to help update the parking area where the busses are stored and assist Transit in moving to the Community Center. The other projects slated for FY'20 are updated bus stop signage with a City cost of \$7,000 and a bus stop shelter located at Albertson's with a City cost of \$2,233.

Ms. Seigneur continued covering the upcoming budget for FY'21. She said the additional 5339 grant funding for the bus pullout on Lincoln Street is not available until October 1st, so this project will be completed in FY'21. She explained the Transit Department move to the Community Center is a construction project totaling \$257,000 and is fully funded through CARES Act grant money. She reviewed various other projects to take place in FY'21, such as upgrading the Dial-a-Ride bus purchases to Fixed Route buses for \$30,000 in City funds and \$100,000 from grant funding. Ms. Seigneur stated that Transit would like to purchase an ADA accessible van and trailer to be able to help a dial-a-ride citizen or go out and clean shelters. The budget proposed for that addition is \$80,000 provided by CARES Act funding.

6. Fire - Myklebust

Fire Chief Myklebust discussed the capital project for the Fire Department that will spread across the next three fiscal years. He stated the relocation of Station 4 to the corner of 5<sup>th</sup> and Bryden would have a budget cost of \$1,200,000 over three fiscal years.

**C. RATES**

1. Public Works Funds: Water, Wastewater, Sanitation - Davies

Public Works Director Davies covered the proposed rates for FY'21 for Water, Wastewater and Sanitation. He stated the water rate is proposed to increase by 5.25 percent, Wastewater Fund by 2 percent and Sanitation by 4.75 percent. He noted that

the rate increase proposed is based on the FCS study information and the long-term financial plan for the specific utilities. Councilor Pernsteiner asked if the public would have to vote on the water rate increase since it was more than five percent. Mr. Davies stated it has been discussed to have the public vote on all rates proposed, with a public hearing scheduled for water. Mayor Collins stated that it is difficult to see the numbers go up considering there are people in the community struggling financially. Councilor Bradbury stated that he will oppose any water rate increase. City Manager Nygaard stated that the reason the water rate is proposed at 5.25 percent for FY'21 is due to the council approved rate increase of only 1.5 percent in FY'19. Councilor Miller asked if or when does the City negotiate with LOID. Mr. Davies replied that the City does not negotiate with LOID as they have their own water system that supplies the south part of the City. Councilor Blakey noted that the rate study that was performed outlined what needed to be done to not have large increases going into the future. Councilor Pernsteiner asked about the FCS study that was reported on in February and when the Council would get the results. Mr. Davies stated that a full report of the FCS study will be presented in June. He said that the presentation will indicate how to potentially charge the customer, as well as have funds available for future development. Mr. Nygaard stated that the Water Fund was without reserves so those funds have to be rebuilt for emergencies and opportunity funds.

City Manager Nygaard replied to a question raised by Councilor Pernsteiner by explaining that the FCS study provides a look into how the rates should be implemented in future years. He said that the study will outline how rates are adjusted year to year if the proposed rate increase is not adopted.

Councilor Bradbury stated that the citizens did their part by passing the bonds. They were told that would be enough to do the projects, but the rates continue to rise. He stated he does not feel that a 5 percent water rate increase has been justified. Councilor Miller clarified the bonds were passed for the upgrades to the Wastewater Treatment Plant and operating system and the Water Treatment Plant and the water infrastructure system was not included in the bond measure and added she supports a discussion regarding the continued increases.

2. EMS - Myklebust

Chief Myklebust stated Emergency Management Services (EMS) rates are evaluated by the Emergency Medical Services Advisory Board (EMSAB) every two years. The City's EMS services were evaluated this spring and EMSAB recommended a zero percent rate increase for FY'21. The EMS rates will be re-evaluated next spring for the FY'22 budget.

3. Community Development - Von Tersch

Community Development Director Von Tersch stated that the service charges set in Community Development are determined through the Consumer Price Index (CPI). She stated the charges for FY'21 are proposed to increase by 1.2 percent. She suggested that the City Manager, under his emergency order authority, allow specific permits in relation to COVID-19 be priced at one dollar. She feels that it would be a great goodwill gesture for the community.

**V. CITY COUNCILOR COMMENTS**

Councilor Blakey requested that Administrative Services Director Marsh respond to Brian Hensely's letter regarding the budget. Mr. Marsh stated he would be glad to do so, and also provide his response to Council.

Councilor Bradbury requested a status update from the E911 Committee regarding joint dispatch on the June agenda. He stated he would also like to request a cost estimate from Public Works Director Davies on direct disposal to the landfill by Sunshine Disposal rather than by way of the Transfer Station. There was a consensus of the Council to add both items to future agendas for discussion.

Councilor Pernsteiner thanked staff and the community for supporting the Rocking the Rebound efforts.

Councilor Miller stated that she would like to have the Youth Advisory Commission placed on a future agenda for discussion prior to filling the upcoming vacancies. She stated that there are some items to discuss with regard to the City Code. City Manager Nygaard stated that City Attorney Gómez would be sending items out regarding this topic within the next week.

**VI. CITY MANAGER COMMENTS**

City Manager Nygaard stated this is the first of many budget meetings. The department reports presented today may change as revenue projections are more accurately defined. The final proposed budget presented by the City Manager will most likely look slightly different.

**VII. EXECUTIVE SESSION RE: PENDING LITIGATION: Idaho Code Section 74-206(1)(f). Action Item**

At 5:30 p.m., Mayor Pro Tem Schroeder made a motion to go into Executive Session to discuss pending litigation Idaho Code Section 74-206(1)(f). The motion was seconded by Councilor Pernsteiner. *ROLL CALL VOTE: VOTING AYE: Collins; Schroeder; Blakey; Miller VOTING NAY: None. Councilors Bradbury, Pernsteiner and Kelly had already left the meeting.*

**VIII. ADJOURNMENT**

There being no further business to come before the Lewiston City Council, Mayor Collins adjourned the May 18, 2020, Budget Work Session at 5:35 p.m.

The City of Lewiston is committed to providing access and reasonable accommodation in its services, programs, and activities and encourages qualified persons with disabilities to participate. If you anticipate needing any type of accommodation or have questions about the physical access provided at this meeting, please contact City Clerk Kari Ravencroft at least forty-eight (48) hours in advance of the meeting at 208-746-3671, ext. 6203.