

JUNE 25, 2020

T HE CITY COUNCIL OF THE CITY OF LEWISTON, IDAHO, met in a Budget Work Session on Thursday, June 25, 2020, in a virtual setting. Mayor Collins called the meeting to order at 5:15 p.m.

I. ROLL CALL

Councilors Present: Collins; Schroeder; Blakey; Bradbury; Kelly; Miller; Pernsteiner.

II. PLEDGE OF ALLEGIANCE

Mayor Collins led the Pledge of Allegiance.

III. CITIZEN COMMENTS: *Provides 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.*

There were no citizen comments offered.

IV. ACTIVE AGENDA

**A. COMMUNITY DEVELOPMENT AND ECONOMIC DEVELOPMENT -
Laura Von Tersch**

Community Development Director Von Tersch said that as of yesterday, revenues for Community Development were at 99 percent of the budget and are expected to come in at over \$110,000. She noted that building didn't seem to slow at all during the pandemic and stimulus checks helped with continued construction. Ms. Von Tersch explained that staff had a walk-up window available to assist customers during the time the building was closed. Further, with Washington closing down construction, it was likely that many contractors came across the river to work.

With regard to expenses, Ms. Von Tersch noted that \$1.2 million for salaries and benefits was projected for FY'20, which is the bulk of the budget and does not include Transit. The next five biggest expenses were IT, contracted services, software maintenance, special and technical equipment and travel. This year there was a non-salary savings and part of that is related to COVID. Staff was unable to travel and could not perform fingerprinting services which created a savings of about \$48,000.

There is \$237,000 within the Community Development Block Grant budget, with COVID monies adding to that amount at \$146,000. There has been a tentative hold on the job accelerator, but HUD signed off on that today. Of this money, \$150,000 has been committed to the LC Valley Youth Resource Center, \$154,000 to home repair and \$113,738 to complete the ramps on 5th Street all the way to the college. The reason why there was about \$450,000 spent from a budget of \$237,000 was due to Community Development Specialist Brocke doing a phenomenal job of getting the money out the door.

Within the Economic Development Fund, there is approximately \$300,000 that will roll over if not spent this year with the expectation it would be used as grant match for a great project. Last year \$40,000 was allocated for contracted services and LCSC is now under contract and the city is waiting for signoff from the grants program administrator. In the interest of trying to spur development within the community, Ms. Von Tersch said she had tentative conversations earlier in the day regarding developers identifying risks such as remediation or demolition of four or five downtown properties in an effort to move them forward.

Revenues within Community Development are at 81 percent for building permits and business licenses and 19 percent CDBG funds for a total of \$1.28 million. Expenses are at 80 percent for salaries, 6 percent for miscellaneous, and 14 percent for IT, contracted services and software maintenance.

Councilor Bradbury questioned the funding source for the job accelerator. Ms. Von Tersch replied that COVID funding would be utilized, and a grant through the Department of Commerce in the amount of \$900,000 has been applied for to jump start the program, purchase the building and buy the needed equipment. In the case of a non-public entity, the three primary requirements of benefitting low to moderate incomes, employment conditions or elimination of blight would have to be met in order to comply with the CDBG program.

Councilor Blakey asked if there are plans to replace the Economic Development Specialist position since she took on the role of the City's Grant Writer. Ms. Von Tersch indicated that her responsibilities have been divided into four categories and offered to existing staff. If they can demonstrate that they can perform those duties, then they will be rewarded through salary which in term should provide a big cost savings to the city.

B. TRANSIT - Suzanne Seigneur

Transit Manager Seigneur explained that the 5307 Grant is an allocation provided to the City from the Federal Transit Administration each year. Upon completion of the census, the amount received may go down a bit as smaller cities reach the 50,000 thresh hold and would be eligible for these funds as well. Ms. Seigneur noted that the Cares Act grant funding will be utilized to supplement any

shortfalls in the 5307 grant funding. Revenues for transit include fairs, Asotin County PDDBA dispatch services and property taxes.

Within the Transit budget, expenses include salaries and benefits for 11 full-time drivers, dispatchers and management staff, as well as two part-time drivers. Non-salary expenses include repair bills through the Fleet Maintenance Division, motor fuel, scheduling software, IT, insurance, etc.

C. PARKS AND RECREATION - Tim Barker

It was explained by Parks and Recreation Director Barker that it will need to be decided by the City Council where it would like to go in the future with regard to Recreation. This Fund currently shows a savings of \$137,400 for FY'20 predominately attributed to program reductions, cancelled travel, and staffing. Motor fuel and utilities are at \$3,400, travel and training at \$3,000, contracted services at \$41,000, a full-time vacancy including salary and benefits at \$20,000, and pool utilities and staffing at \$70,000.

Revenue loss in Recreation is approximately \$156,000 and is due to recreation programming, pools, senior nutrition, donations, community center use vendors, stickler sales and shelter rentals.

With regard to proposed expenses for FY'21, Mr. Barker said that general charges within the proposed budget were made utilizing current funding levels. There is a request to offset this amount by covering Recreation full time employees at \$236,000.

Within the Strategic Plan for FY'21, there are plans to develop new programming opportunities for health, wellness and outdoor recreation. The goal is to market and promote results of completed surveys and strategies for implementation.

Projected FY'20 budgeted expenses in the Parks Division are on par with the anticipated expenses for the year. Under the Strategic Plan, a document will be created that addresses long-term outdoor opportunities and amenity trends, opportunities for consolidation of parks and/or facilities will be identified, and a right-of-way program is desired at a future cost of about \$85,810.

D. FACILITIES - Tim Barker

Mr. Barker said within Facilities, there is currently \$190,000 in the base budget that includes architect fees, contingency, community center carpet/floor replacement, Orchards Pool roofs and bath house remodel, fire administration, City Hall carpet replacement and police dispatch carpet replacement. The Strategic Plan shows review of the 2014 aquatics facilities report and findings to determine a

direction moving forward, development of an ongoing method of identifying needs for each City building and creating a Facility Master Plan.

Councilor Bradbury questioned why replacement of carpet isn't charged to the departments rather than to Facilities. Mr. Barker indicated this is just how it has been set up, but could eventually be changed wherein the Departments pay Facilities for these particular expenses such as IT and Fleet Maintenance currently do.

E. GOLF - Tim Barker

Moving onto the topic of Golf, Parks and Recreation Director Barker indicated that current revenue from the lease with Golf Fund, Inc. is projected at \$115,000 for FY'20. Expenses include the city's obligation for club house facility repairs at \$10,000, property rental/lease at \$29,420, an internal loan payment of \$47,500 and interdepartmental services at \$35,360.

For FY'21, revenue expected from the lease is \$115,000. Expenses include the city's obligation for clubhouse facility/repairs at \$10,000, property rental/lease at \$29,420, internal loan payment at \$47,500 and interdepartmental services of \$35,360. There is no particular goal with the Strategic Plan that addresses the golf course. That being said, it will be important to review the current maintenance and operations agreement this next year to evaluate the future of the golf course.

Councilor Bradbury questioned the estimated cost of how much the water utility has subsidized the golf course for the past 10 years. Mr. Barker indicated he would review and provide the information.

In response to a question raised by Councilor Bradbury about revenue for the golf course exceeding expenses, Mr. Barker indicated that hasn't been the case for probably 8 to 10 years. Mr. Marsh added that Lee and Phil Brown managed the course for a very long time. In about 2000, an RFP was put out and Golf Fund, Inc., was the successful bidder. In the first few years, there was surplus, but things changed after the recession in 2007 or 2008 and the City made the decision to waive the amount that Golf Fund was putting into an account for maintenance, etc. Councilor Bradbury then questioned the profit and loss over the past ten years. Bradbury: Asked for profit and loss over the past ten years. Also extent of which water utility has subsidized the golf course over past ten years.

Administrative Services Director Marsh reported that Lynn Moss attended Monday night's regular council meeting and addressed the golf course. He asked the question why anybody would ever sale ownership of a well when they could have an endless supply of water available. Because the golf course was having difficulty paying its bills, they sold their 40 percent share of the well to the Water Fund and generated approximately \$340,000 which was immediately applied to the

loan. This amount was slightly less than what they paid, getting nearly dollar per dollar of what they had invested.

Parks and Recreation Director Barker noted that the current golf course contract is on a year-to-year agreement and will be brought to the Council next year for review. He said there is some language within the document that 20 years old and it is important to determine what the Council would like with regards to operation of the budget.

F. PROPERTY TAX UPDATE - Dan Marsh

It was explained by Administrative Services Director Marsh explained that property taxes are the city's largest revenue component, totaling approximately \$23 million. He shared tax scenarios for FY'21 and showed the results of a 1 percent, 2 percent or 3 percent property tax increase.

Councilor Bradbury said if the budget were to be reduced by 3 percent, it would equal approximately \$500,000. Mr. Marsh confirmed, noting that for each \$100,000 of taxable property, that would equal about \$84.00 for property owners. Continuing, Mr. Bradbury asked if there was any reason the city could not afford to take this reduction. He noted that if the city were to reduce its income by \$500,000 utilizing the Building Improvement Fund, that will still leave \$2.5 million. Mr. Marsh confirmed, but explained that the Council needs to remember that these are recurring reductions. The Council would have to ask for foregone as it is not just one-year assistance unless it were retrieved the following year.

Mr. Marsh shared residential property examples, explained how to arrive at a tax levy, and described allocations from the total tax budget.

Mr. Marsh noted that staff has worked very hard on entering all of the budget information into the OpenGov software. He noted that a presentation and brief training would be provided to the Council at its July 6th work session so they can take advantage of all of this detail electronically. Further, he noted that the Citizen's Guide to the Budget is under way and a short version will be provided as an insert in the Lewiston Morning Tribune.

City Manager Nygaard noted that he met with the architects working on the court house plans. In terms of the police station, if the Council is interested, the next step would be to define the City's needs with regard to a new building that could serve the community for the next 20 years. Additionally, there will need to be some procurement, council discussion and the information analyzed. Further discussion ensued with questions on the exact plans of Nez Perce County unanswered.

V. CITY COUNCILOR COMMENTS AND DIRECTION

Councilor Bradbury said his understanding from Chief Hurd when talking about Joint Dispatch was that he didn't think it would increase the quality of dispatch and wouldn't save any money for years to come. Mr. Bradbury indicated he would like to revisit this topic to determine the benefits.

Secondly, Councilor Bradbury asked for an opinion from City Attorney Gómez as to whether or not the water utility subsidizing the golf course is legal. He said it is important to know if the downtown water users are paying for this service.

VI. ADJOURNMENT

There being no further business to come before the Lewiston City Council, Councilor Pernsteiner moved and Councilor Blakey seconded adjournment of the June 25, 2020, Regular Council Meeting at 7:03 p.m.

Kari Ravencroft, Recording Secretary

Date approved by City Council