

AUGUST 10, 2020

T HE CITY COUNCIL OF THE CITY OF LEWISTON, IDAHO, met in a Regular meeting on Monday, August 10, 2020, at the Lewiston City Library, 411 D Street. Mayor Collins called the meeting to order at 6:00 p.m.

I. ROLL CALL

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

II. PLEDGE OF ALLEGIANCE

Councilor Pernsteiner 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.*

Councilor Blakey indicated that he attached an online survey to Facebook last week that he believed came from Gary Bergan. He offered an apology to Mr. Bergan, noting that he was not the author of the survey.

Public Information Officer Maurer read an e-mail provided by Dan Younge, Quality Design Homes, regarding the final plat for NE Crossing Phase 3B (attached).

Jerry Cradle expressed his opinion that the City should not be involved in the golf course business and should disconnect themselves from the airport. Further, he said he believes the City Manager is overpaid and if rate increases are necessary, they should be paid by those who run the City.

Mike Lorenz said he recently obtained a copy of the City's budget. The front page states, "It's your budget and we need your input". He disagreed, stating this is a City staff budget. Additionally, he expressed concern for spending \$26,000 on a salary survey, for high Department Manager salaries, for purchasing two new busses and for firefighters grocery shopping while on duty.

Mark Edelblute agreed with comments of Mike Lorenz, adding the City's spending is out of control. Stating he believes that water from the river is ten times the quality that comes from wells, Mr. Edelblute said he doesn't understand why the City won't use what is allocated from the Clearwater. Further, he said LOID should be providing water to the new high school and the city's ratepayers given a

break. If he didn't own a home in this town, Mr. Edelblute indicated he would not live in Lewiston.

Christopher Spataro said he used to own a house on Grelle Avenue, but eventually lost it as it is extremely difficult to make ends meet. He encouraged the Council to make the right call for the taxpayers of this community during a very difficult time.

IV. PRESENTATIONS AND PUBLIC HEARINGS

A. PUBLIC HEARING - FISCAL YEAR 2020 BUDGET AMENDMENTS:
Accepting testimony on the potential amendments of the fiscal year 2020 budget to receive unanticipated revenues received during the fiscal year and authorizing their expenditures (Nygaard/Marsh)

Mayor Collins reported that this was the time and place advertised for the public hearing on the potential amendments of the fiscal year 2020 budget to receive unanticipated revenues received during the fiscal year. He opened the public hearing and asked that a staff report be provided.

Administrative Services Director Marsh explained Council approves an annual budget for appropriations which cannot be overspent by law. The purpose of this provision is primarily meant to receive additional revenues or respond to a declared emergency. Though this year's number is large at \$17.6 million, \$16 million is attributed to the Water Treatment Plant and Cares Act money as well as the Wastewater Treatment Plant due to the bond or state revolving loan. Mr. Marsh noted that this is an annual process.

Councilor Bradbury asked if the Cares Act money would be carried over in the budget as surplus. Mr. Marsh replied that it will affect both 2020 and 2021. Mr. Nygaard added that the City is allotted \$1.2 million, but would only get reimbursements for items related to COVID. He noted that the full amount is not just provided to the City and is rather just on paper with the State.

Testimony both in favor and in opposition was requested.

Mark Edelblute said he understands there are unforeseen expenses, but expressed concern that this seems to be a regular action each year. Councilor Blakey replied it is a bookkeeping issue in order to maintain a balanced budget.

There being no further comments and Mayor Collins declared the public hearing closed.

B. PUBLIC HEARING - FISCAL YEAR 2021 BUDGET: *Presentation and acceptance of testimony on the proposed budget for the fiscal year commencing October 1, 2020, and ending September 30, 2021 (Nygaard/Marsh)*

It was announced by Mayor Collins that this was the date and time advertised for the public hearing regarding the FY21 budget. After opening the hearing, he requested a staff report.

City Manager Nygaard said that before the Council this evening is a 2020/2021 budget as presented by himself and City staff. The major issues within this budget amount to continuation of a plan that was began about three years ago to get Community Park and the Tri Partnership areas ready to go. Infrastructure on this project is now complete. The next item on the plan was to move forward with a proposal for a new fire station, with a small amount of funding being put away over the next three years. The most critical piece in this budget is the water system. Mr. Nygaard noted the community has made a major investment in terms of the plant, providing another source of water and a reservoir. Next is the distribution system as there are pipes in the ground that are over 108 years old. This is a huge risk with regard to property damage if they should fail. The City has not yet invested in a good solid pipe replacement program so this is a request to begin heading in the right direction. City Manager Nygaard said he believes everyone has done a very good job of holding the line since last year and the budget came in lower than what was originally published. He noted that staff is always looking for ways to cut costs and hopes the Council will support plans for the utility infrastructure and a new fire station.

Administrative Services Director Marsh indicated that staff and Council have undergone about four months of budget sessions. When it comes to the city's budget, planning is the key component. Everyone understands that this money comes from the ratepayers and taxpayers and are cognizant of that when making decisions. The City is very transparent and everyone was invited to check out the financial transparency link on the City's website. Mr. Marsh gave kudos to his Finance staff and Public Information Officer Maurer for their great work on the budget documents and budget guide.

Continuing, Mr. Marsh explained that this is the second year of a two-year budget. Staff planned and had fundamentals in place for this year's budget a year ago, including a proposed 3 percent tax increase. He noted that there has been some good market appreciation within the community in spite of what is going on around the City. Lewiston is either flat with State revenues or has reduced by a couple of percent. The City is financially stable and has met its goal of cash flow on hand of about 90 days. In looking at the cost centers within the budget, Mr. Marsh said that in comparison to last

year's budget, 14 are higher than the year before by between .5 percent and 4 percent; 18 were flat; and 8 cost centers including Parks and Recreation, Fire, and the Transportation Operating budget were all less. Mr. Marsh also pointed out that of the \$91 million budget, \$48 million is ratepayer costs, and of that \$48 million, \$30 million is water and wastewater plant capital the City is receiving loans for. The remaining \$37 million is tax related and is just slightly above where the City was last year.

Councilor Bradbury asked if staff could remember a single instance in the last several years where the City could not supply the amount of water required by the users. Mr. Davies indicated he could not recall. Mr. Bradbury then asked if there have been any instances where pipes have failed due to their age. Mr. Davies indicated there have been probably at least 30 per year over the past several years. Continuing, Councilor Bradbury noted that the City is currently only using 65 percent of the water allowed from the Clearwater River. He asked how many gallons the other 35 percent equates to and Mr. Davies said it is millions of gallons. He added, though, that the reason the City is not using its full allotment is because the existing water plant and infrastructure within the system do not have the capacity to use it all.

Councilor Blakey said he thought there have been several water emergencies in the past due to Well 6 not functioning. Mr. Davies confirmed that emergencies were declared for the repair of the well as well as work needed on Well 3.

Mayor Collins asked if funding for the communication towers had been included in the proposed budget. Administrative Services Director Marsh indicated that \$200,000 was assigned within the Building Fund for this purpose.

Councilor Bradbury questioned how items are assigned under the Building Improvement Fund and if this fund can carry over from year-to-year. Mr. Marsh explained there is carry forward as part of the strategic planning process so that the fire station can be financed with cash rather than going into debt.

Mayor Collins asked for testimony either in favor or against the FY'21 Budget.

Mr. Bill Ferstinaw stated he believes the Council is voting on a business as usual budget in light of a global pandemic. He asked the Council to stop with the rate increases and just do the best they can with what they have.

Lorinda Riggs said the citizens are continually being hit with increases and it is at a point where people are unable to afford the costs. She suggested utilizing a hotel tax to assist with rising property taxes. Councilor Pernsteiner noted that a hotel tax is a great idea. However, he said the State has limitations on this tax so the City cannot implement it as a local district. He also noted the tax is earmarked for very specific things and cannot be utilized for general purposes.

Mark Edelblute asked if water usage has increased considering the number of stores that have closed and the very slow growth in population. Mr. Davies replied that water usage is fairly steady and has been that way in the 16 years he has been with the City.

Mark Edelblute said he has seen a lot of lawns burn up because people are unable to pay for the water needed to keep them green. He noted that 20 years ago the City began raising rates to pay for improvements at the water treatment plant. He questioned where that money has gone. Further he asked why water pipes have not been replaced on a routine maintenance basis.

Mike Lorenz said he understands that staff has to maintain and upkeep the City, but there has to be a happy medium. There is no need for extravagant wages, a new fire station or a new high school. He also suggested getting out of the golf course business and letting somebody else run it. Mr. Lorenz asked the Council to really consider what is important and what is just fluff.

Councilor Miller reminded everyone that as presented at a previous Work Session, even if property taxes were increased by 3 percent, some homeowners would actually be paying less on their bill.

Councilor Blakey indicated that comments have been made that Lewiston is the second highest taxed City within the State of Idaho. He noted that the Association of Idaho Cities has done studies to compare apples to apples wherein Lewiston falls 20th in the State.

Mayor Collins asked if the City has earmarked \$200,000 for the airport as previously discussed. Mr. Marsh confirmed, noting that the airport's most recent request is for \$450,000. He noted that he and City Manager Nygaard met with members of the Airport Authority and have asked them to really tackle some of the issues attributed to the increased request. Mr. Marsh said he hopes that the City and Authority can meet somewhere in the middle.

Councilor Bradbury said he believes the money within the Building Improvement Fund for future construction of a fire station is deceptive and

misleading. He questioned why these dollars were not placed in the Fire Department budget. Administrative Services Director Marsh explained the City is dictated by governmental accounting procedures as to how to record funds. Since this is a Capital Project and not an operational cost of the Fire Department, it was placed here. He emphasized that it was not done in secret and has been a topic of discussion amongst the Council for at least four years. Mr. Bradbury questioned why it wasn't identified as a capital cost for the Fire Department. He said he has a copy of the itemized budget and nowhere in it does it indicate there will be any capital money spent on a fire station. Mr. Marsh explained the language is in the budget detail, has been on work session agendas and has been a part of the City's strategic planning.

Carol Maurer read the following public comments:

Tina Bowson discouraged rate and tax increases, noting that many people have lost their jobs as retail as closed. She noted that she has lived in Lewiston her entire life but is considering moving due to high taxes, over-regulation and high City payroll.

Dale and Pat Frost stated their concern for property taxes and other fees continuing to rise every year, while those on limited incomes are expected to pay. Further, they noted their opinion that employee wages are too high.

Trisha York said she is a homeowner struggling to make ends meet and urged the Council to hold expenses by not instituting any rate increases.

Adriana Mohr asked the Council to consider the pandemic as they consider the budget. She noted that if rates continue to rise, there will be more households who choose not to water their lawns as they can't afford it.

Sheri and Brian Rothfusz stated that Lewiston residents have the second highest tax rates in the State and nothing could justify any kind of tax or fee increase. Residents overwhelmingly supported a bond to update the water and wastewater treatment systems but were never told this didn't include the pipes. This was deceitful and wrong. They mentioned their concern for the City paying for water at the golf course, for having an exorbitant Fleet Maintenance budget, and a Capital budget of almost \$1 million. Mr. and Mrs. Rothfusz encouraged the Council to reduce the burden on their neighbors by reducing taxes and fees.

The public hearing was declared closed by Mayor Collins upon the conclusion of testimony.

- C. **PUBLIC HEARING - WATER RATES:** *Accepting testimony on the consideration of establishing fees for water for the Fiscal Year 2021 which includes changes to water service fees, water meter monthly rates, water equity buy-in fees, water service connection fees, private fire lines and automatic sprinkler systems tapping into a City water main for the installation of a fire line, and other water fees (Davies)*

The public hearing on Water Rates was opened by Mayor Collins after explaining that this was the time and place advertised for such hearing. The Mayor then asked for a staff report.

Mr. Davies said it has always been his goal to provide the Council with the information they need to ensure improvements are made to provide clean water to Lewiston citizens. He explained the Public Works Department is recommending a water rate increase of 5.25 percent. A typical residential homeowner has a three-quarter inch or one-inch meter so what that means, if implemented, is a rate increase of approximately \$3.37 for the three-quarter inch meter and \$3.69 for the one-inch meter. During the winter, that amount will be lower, as the average use totals about 8 million gallons more in the summer months. Mr. Davies noted there are about 117 miles of pipe within Lewiston, ranging in size from 2 inches to 30 inches and some of those no longer meet standards. Two years ago a master plan was created that outlined what the City would need to do over the next 5 to 10 years, suggesting a 4.75 percent rate increase following a 40 percent rate increase earmarked for repayment of the Water and Water Treatment Plant bonds. Staff worked extremely hard to get an interest rate of 1.625 percent for 25 years. If the recommended rate is not approved by Council, the City will go back to repairing a water line 4 or 5 times before there is enough money to replace the pipe. Potentially, this may affect other utilities that are next to the water mains, as well as destroy the streets. Mr. Davies said there is never a good time for rate increases, but sooner or later, the Council is going to have to make the right decision.

Testimony both in support and against the potential water rates was solicited by Mayor Collins.

Public Information Officer Maurer noted that Patty Hanson submitted a comment prior to the meeting wherein she stressed no water, sewer or garbage rate increases. She encouraged the Council to cut back on employee salaries as residents are struggling to make ends meet.

Mark Edelblute said he doesn't believe the City has addressed routine maintenance of the existing water lines. He noted that he has seen water rate increases every year and at some point he won't be able to afford to water his

lawn. Mr. Edelblute suggested foregoing pay increases to Department Managers and the City Manager.

Being no further testimony, Mayor Collins closed the public hearing.

V. CONSENT AGENDA

Mayor Collins explained that all items on the Consent Agenda are considered routine by the Council and will be enacted by one motion. There will be no separate discussion on these issues unless a Councilor so requests, in which case the item will be removed from the Consent Agenda and considered on the Active Agenda under "Items Moved from the Consent Agenda".

Councilor Kelly asked that Item F, Vouchers Payable, be moved to the Active Agenda.

Councilors Blakey and Pernsteiner moved and seconded, respectively, adoption of the Consent Agenda as amended. *ROLL CALL VOTE: VOTING AYE: Collins; Schroeder; Blakey; Bradbury; Kelly; Miller; Pernsteiner. VOTING NAY: None.*

- A. CITY COUNCIL MEETING MINUTES: 06/22/20 Regular; 06/25/20 Budget; 07/06/20 Work Session; 07/22/20 Joint City/Nez Perce County
- B. ADVISORY BOARD AND COMMISSION MEETING MINUTES: 07/08/20 Planning & Zoning Commission
- C. MUTUAL AID AGREEMENT: Considering approval of a Mutual Aid Agreement between the City of Lewiston and the City of Pullman for fire and emergency support services
- D. RESOLUTION 2020-26: Considering conveying ownership of sections of fire hose to the City of Genesee, Idaho
- E. RESOLUTION 2020-27: Considering conveying ownership of sections of fire hose to the Sunnydale Rural Fire District
- F. VOUCHERS PAYABLE: 07/10/20 through 07/23/20 - \$4,161,291.64 – MOVED TO ACTIVE AGENDA

VI. ACTIVE AGENDA

A. PROFESSIONAL SERVICES AGREEMENT

Public Works Director Davies explained this professional services agreement is for concept development through design and management

reserve if the project is constructed. Specifically, it is for a storm line that runs underneath the eastern portion of Joe Hall Ford, continues under the building owned by Roger Toyota, and finally through the 21st Street intersection to the Clearwater River. Because the line is about 13 or 14 feet deep and the City doesn't have the appropriate equipment to do the repair, the pipe would be slip lined.

Councilor Kelly noted that \$1.3 million is earmarked for this project in the FY21 budget. He asked if the \$97,000 request at this time is included in that total. Mr. Davies indicated it is not as the \$1.3 million is estimated cost for construction only.

Councilor Blakey noted that the City's storm water lines are also in great need of repair. He asked where the money for this project would come from. Public Works Director Davies replied it would come from the Transportation Fund within the General Fund as Enterprise Funds cannot be utilized.

A motion was offered by Councilor Pernsteiner to approve the Professional Services Agreement between the City of Lewiston and Mountain Waterworks, Inc. Councilor Miller seconded the motion. *ROLL CALL VOTE: VOTING AYE: Collins; Schroeder; Blakey; Bradbury; Kelly; Miller; Pernsteiner. VOTING NAY: None.*

B. ORDINANCES

1. First Readings

a. Ordinance 4782

A motion was offered by Councilor Blakey and seconded by Mayor Pro Tem Schroeder, respectively, to approve the first reading of Ordinance 4782 by title only.

Councilor Pernsteiner questioned the \$2,000 line item for public records requests. City Clerk Ravencroft explained this is for the Executive Office's portion of the public records software.

The motion to read carried 7 to 0.

ORDINANCE 4782: "AN ORDINANCE OF THE CITY OF LEWISTON AMENDING ORDINANCE NUMBER 4759, THE ANNUAL APPROPRIATION ORDINANCE FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2019, AND ENDING SEPTEMBER 30, 2020, APPROPRIATING ADDITIONAL MONIES THAT ARE TO BE

RECEIVED BY THE CITY OF LEWISTON, IDAHO IN THE SUM OF SEVENTEEN MILLION SIX HUNDRED FORTY-NINE THOUSAND SIX HUNDRED NINETY DOLLARS (\$17,649,690); AND PROVIDING AN EFFECTIVE DATE”

b. Ordinance 4783

City Manager Nygaard explained that due to a reduction in insurance costs, it is anticipated that the proposed 3 percent tax increase that was published could be lowered to approximately 2.5 percent. He noted that the new numbers would be provided at the next regular meeting. Administrative Services Director Marsh added that the Board of Trustees would be meeting tomorrow to provide a recommendation. He noted that with claims experience down, a reduction is anticipated.

Making comments about a \$400,000 difference between revenues and expenses within the budget, Councilor Bradbury asked if this money would be considered surplus. Mr. Marsh explained that within three of the funds, more revenues than expenses are anticipated, but he noted that has to do with the timing of the wastewater plant reconstruction project. The monies will be banked so the bond payment can be made when construction is complete.

Ken Kraun said he wished the entire council was present in person to represent the citizens of Lewiston. He stated the City passed an initiative about 6 years ago to retain money collected in utilities. There should be millions of dollars in this account unless the money has been moved around. Mr. Kraun questioned why water and sewer hasn't been maintained appropriately over the years to prevent an exorbitant amount of money from being charged to the taxpayers. Stating he has compared Lewiston to other cities of this size, he determined that Lewiston has the highest water rates. He again questioned where all of the revenues are going.

Councilor Blakey encouraged everyone to visit the Association of Idaho Cities website. They performed a water survey that puts Lewiston right in the middle and has ranked it as 21st in the State with regard to property taxes.

It was moved by Councilor Blakey to approve the first reading of Ordinance 4783 by title only. Councilor Pernsteiner seconded the motion.

Councilor Pernsteiner thanked City staff, noting that many months of work go into reaching a balanced budget. He said he is happy to see that 26 of the cost centers are either flat or going down. Many in this community have the mindset that Lewiston is not growing, but the data doesn't back that up. Over the past five years, Lewiston has outgrown 62 percent of the communities in the U.S. of \$100,000 or less populations. He stressed that it's not an insane tax burden that is driving people away or keeping them from coming here. What the City is proposing tonight is actually decreasing the rate for each individual on their taxes. Though some properties may have increased in value and therefore may have increased taxes, Mr. Pernsteiner reminded the public that this is for all taxes: Port of Lewiston; City of Lewiston; Nez Perce County; and the School District. Councilor Pernsteiner said he has been impressed with each department doing their part to save money. He said he looks forward to the benefits of bringing this rate down even lower, noting there are still conversations to be had with regard to the airport.

Councilor Bradbury said he is very disappointed in this budget as he believes it fails to recognize the economic crisis brought on by the pandemic. If the virus continues to progress, things will explode and people will become homeless. If there was ever a time to tighten the belt and get spending under control, it is now. Mr. Bradbury stated he believes the budget has failed to address the real lives of the people in this City. Running a million-dollar surplus in Sanitation, the Council chose to give money to the golf course rather than decrease rates. It has failed to address infrastructure so desperately needed for the delivery of water. Further, Mr. Bradbury noted it is illegal to subsidize the Chamber of Commerce and Valley Vision as they do not serve a public purpose and Council could save in this area. Mr. Bradbury again displayed his disappointment.

Councilor Blakey explained the City had an Urban Renewal District that was open and functioning with many years left on it, but the Council and Commissioners wanted to close it. This would have been an opportunity to work on some of the infrastructure problems currently being discussed. However, with the URA closed, that burden has to be put on the taxpayers. Mr. Blakey said he is happy with this budget, but noted there is always room for improvement.

Councilor Miller noted that the budget guide addresses library federal and state grants as a form of revenue. She asked if the expected grant funding for FY'21 is down from this year's funding. Library Director Johnson indicated it is the same, adding that new staff have been pretty aggressive with regard to receipt of grants

Councilor Miller said there are so many more opportunities within Lewiston than there were 5 years ago with regard to remote work and ways to earn money. She stressed the importance of having infrastructure in place for the reconstructed water plant. With regard to the fire station, she clarified that the Council is not spending \$4 million out of this budget, but rather \$500,000 towards construction. In response to comments made about \$1 million for new vehicles, Ms. Miller noted the City has a long-term replacement plan for its equipment and staff works hard at maintaining what it has. This year the city will be purchasing some equipment for the water and sewer plants, as well as two busses, with 80 percent of that reimbursable. An ambulance will be purchased at \$210,000 for the safety of the citizens and firefighters, a lawn mower will be replaced, and new police cars will be obtained, all as part of that maintenance program. With regard to salaries, Ms. Miller said the Council is dealing with the livelihood of its employees. There is a misconception that City employees are overpaid. The system in place allows for step and COLA increases and it is important the employees are supported. Councilor Miller emphasized the City Manager will not get a raise for five years, and will only receive the annual COLA approved by the Council. Ms. Miller encouraged the Councilors to talk kindly to their employees and the City Manager. Using words like "insensitive" isn't appropriate. Additionally, she asked everyone to not assume that what they read on social media or in the newspaper is all correct as it often doesn't contain the full context of the message.

Mayor Pro Tem Schroeder thanked the City Clerk and Deputy City Clerk for their work. She added that staff has done a great job of putting the budget together for the citizens, noting that she is very supportive. Regarding the misconception that money within utilities has disappeared, Ms. Schroeder said this just isn't true. Because previous Councils did not approve recommended rate increases, the infrastructure is now in need of dire maintenance and repair.

Councilor Bradbury said he believes the URA is a scheme set up to acquire loans without the vote of the people. He said if Councilor Blakey had his way, he would be shoving the water and wastewater projects down people's throats with not control of what the funds would be spent on. Mr. Bradbury said that every fact he has put in his Letters to the Editor come from City records he obtains through records requests. As to the replacement of vehicles, he asked if the City really needs them while ignoring the desperate straits people in this city are currently in.

The first reading of Ordinance 4783 carried. ROLL CALL VOTE: VOTING AYE: Collins; Schroeder; Blakey; Kelly; Miller; Pernsteiner. VOTING NAY:

ORDINANCE 4783: "AN ORDINANCE OF THE CITY OF LEWISTON, TO BE TERMED THE "2021 ANNUAL APPROPRIATION ORDINANCE", APPROPRIATING SUMS OF MONEY AUTHORIZED BY LAW AND DEEMED NECESSARY FOR ALL GENERAL AND SPECIAL MUNICIPAL PURPOSES OF THE CITY OF LEWISTON, IDAHO, FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2020, AND ENDING SEPTEMBER 30, 2021, PROVIDING FOR THE FILING OF A COPY OF THIS ORDINANCE WITH THE SECRETARY OF STATE, AS REQUIRED BY LAW; AND PROVIDING AN EFFECTIVE DATE"

c. Ordinance 4781

City Manager Nygaard reminded the Council that the proposed property tax increase will be reduced once the new price for insurance is determined. The amended document will be provided at the next regular meeting.

Councilor Bradbury questioned the purpose of Ordinance 4791. Mr. Marsh explained the previous ordinance was the expense portion of the budget. By State Code, this ordinance is the revenue portion that deals with property taxes only and pays for the expenses outlined in Ordinance 4783.

A motion and second were offered by Councilor Pernsteiner and Mayor Pro Tem Schroeder, respectively, to approve the first reading of Ordinance 4781 by title only.

Councilor Bradbury asked if the property tax was to be reduced by 3 percent, if this would reduce revenue by approximately \$667,000 and potentially save each property owner \$75.00 per assessed \$100,000. Mr. Marsh indicated it would be an approximate \$65.00 to \$70.00 savings, adding that if the Council did not take the 3 percent, then \$667,000 would need to be removed from the proposed budget.

Providing a response to Councilor Bradbury regarding comments offered about the \$3.1 million of unallocated monies within the Building Fund, Mr. Marsh explained those funds are tied to long-term planning within the Capital Improvement Plan. This allocation of funding from 2022 to 2026 will provide enough funding to construct a new fire station and complete projects at Community Park.

Councilor Miller questioned the solutions for problems facing the City such as replacing aging water lines and the construction of a new fire station. She noted the importance of the Council having a solutions mindset rather than just suggesting cuts or increases.

The motion to read Ordinance 4781 for the first time carried 6 to 1 with Councilor Bradbury voting nay.

ORDINANCE 4781: "AN ORDINANCE OF THE CITY OF LEWISTON FIXING AND ESTABLISHING THE TAX CERTIFICATION ON ALL TAXABLE PROPERTIS SITUATED WITHIN THE CORPORATE LIMITS OF THE CITY OF LEWISTON FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2020, AND ENDING SEPTEMBER 30, 2021, FOR THE PURPOSE OF PROVIDING AND RAISING MONIES FOR MUNICIPAL AND CORPORATE PURPOSES; PROVIDING FOR THE TAX CERTIFICATION TO THE BOARD OF COUNTY COMMISSIONERS OF NEZ PERCE COUNTY, IDAHO, IN THE AMOUNT OF TWENTY-THREE MILLION ONE HUNDRED FIFTY THOUSAND NINE HUNDRED SIXTY DOLLARS (\$23,150,960); PROVIDING A CERTIFIED COPY OF THE 2021 ANNUAL APPROPRIATION ORDINANCE TO THE BOARD OF COUNTY COMMISSIONERS OF NEZ PERCE COUNTY, IDAHO, AS ADOPTED BY THE CITY OF LEWISTON FOR THE 2020-2021 FISCAL YEAR; AND PROVIDING AN EFFECTIVE DATE"

2. Second Reading

a. Ordinance 4779

City Attorney Gómez indicated she sent five proposed changes to the Council earlier in the day for consideration. These changes would make the rest of the City Code consistent following changes to Ordinance 4779 already approved by the City Council.

Councilor Miller moved to read Ordinance 4779 for the second time by title only. The motion was seconded by Mayor Pro Tem Schroeder.

Councilor Pernsteiner offered a motion and Councilor Blakey made a second to include the following amendments to Ordinance 4779.

1. **Section 12-3(b) on page 2:** Delete subsections (ii) and (iii), which refer to "special police" and "persons commandeered to aid." Note, sub (iii) also refers to "volunteer forces enrolled" to aid, but no section in the ordinance talks about a process or authority for enrolling volunteers. Thus, I think if this is left in, it would only create confusion.
2. **Section 12-5(6) on page 6:** Delete the last sentence, which cross-references Section 1-7 of the City Code.
3. **Section 12-6(3) on page 6:** Delete subsection (b), which refers to the City's "special police."
4. **Section 12-17(2) on page 7:** Write out the State code definition of "disaster," if so desired.
5. **Section 12-20(f) on page 13:** Delete the last sentence, which cross-references Section 1-7 of the City Code.

Councilor Bradbury indicated that he is not comfortable voting on something he hasn't read. Ms. Gómez noted that three of the five proposed changes were provided to the Council in an advice letter on August 4th.

With a vote of 6 to 1, the motion to amend carried. Councilor Bradbury voted nay.

The motion to read Ordinance 4779, as amended, carried 6 to 1, with Councilor Bradbury voting nay.

ORDINANCE 4779: "AN ORDINANCE OF THE CITY OF LEWISTON AMENDING SECTION 1-7 OF THE LEWISTON CITY CODE REGARDING GENERAL PENALTY, CONTINUING VIOLATIONS, AND PAST DUE CIVIL MONETARY PENALTIES; REPEALING CHAPTER 12 OF THE LEWISTON CITY CODE, "CIVIL DEFENSE;" ENACTING A NEW CHAPTER 12 OF THE LEWISTON CITY CODE, "CIVIL DEFENSE AND PUBLIC HEALTH EMERGENCIES", PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE"

3. **Third Reading and Adoption and Approval of Ordinance Summary**

a. **Ordinance 4778**

Councilor Blakey moved to waive the third reading of Ordinance 4778 in full. Councilor Pernsteiner offered a second and the motion carried unanimously.

A motion and second were then made by Councilor Pernsteiner and Mayor Pro Tem Schroeder, respectively, to approve the third reading of Ordinance 4778 by title only. The motion carried 7 to 0.

ORDINANCE 4778: “AN ORDINANCE OF THE CITY OF LEWISTON ESTABLISHING THE “DOWNTOWN LEWISTON BUSINESS IMPROVEMENT DISTRICT” PURSUANT TO CHAPTER 26, TITLE 50, IDAHO CODE; SETTING FORTH THE NUMBER, DATE, AND TITLE OF THE RESOLUTION OF INTENTION PURSUANT TO WHICH SUCH DISTRICT IS BEING ESTABLISHED; LISTING THE TIME AND PLACE OF THE PUBLIC HEARING HELD CONCERNING THE ESTABLISHMENT OF SUCH DISTRICT; DESCRIBING THE BOUNDARIES OF SUCH DISTRICT; LISTING THE USES TO WHICH SUCH DISTRICT’S SPECIAL ASSESSMENT REVENUES SHALL BE PUT; SETTING FORTH DEFINITIONS THAT APPLY TO THIS ORDINANCE; ESTABLISHING THE RATES OF LEVY FOR SPECIAL ASSESSMENTS BY SUCH DISTRICT; ESTABLISHING THE TERM OF SUCH DISTRICT; IDENTIFYING PROPERTIES THAT ARE EXEMPT FROM SPECIAL ASSESSMENTS BY SUCH DISTRICT; ESTABLISHING MINIMUM AND MAXIMUM SPECIAL ASSESSMENTS BY SUCH DISTRICT; ESTABLISHING REGULATIONS CONCERNING BILLING AND COLLECTION OF SPECIAL ASSESSMENTS; REQUIRING SEGREGATION OF SPECIAL ASSESSMENT REVENUES; AUTHORIZING CHANGES TO SPECIAL ASSESSMENT RATES; ESTABLISHING AN APPEAL PROCESS; AUTHORIZING THE CITY COUNCIL TO CONTRACT WITH A BUSINESS ASSOCIATION TO ADMINISTER THE OPERATION OF SUCH DISTRICT; AUTHORIZING THE CITY COUNCIL TO CREATE AN ADVISORY COMMISSION; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

Following a motion from Councilor Pernsteiner and a second from Mayor Pro Tem Schroeder, Ordinance 4778 was adopted and the Ordinance Summary was approved. *ROLL CALL VOTE: VOTING AYE: Collins; Schroeder; Blakey; Bradbury; Kelly; Miller; Pernsteiner. VOTING NAY: None.*

- C. RESOLUTION 2020-31: *Considering restating and amending fees for water, effective October 1, 2020*

Councilor Blakey and Mayor Pro Tem Schroeder moved and seconded, respectively, adoption of Resolution 2020-31.

Mayor Collins said he feels very sensitive to raising water rates again, even knowing that it may mean a bigger bill for taxpayers in the future.

Councilor Bradbury stated this proposed rate increase is not just for this year, but for the next ten years and equates to an over 60 percent increase. Councilor Miller replied by explaining that the City Council is only approving the budget for 2021 and is not voting on rate increases beyond that time. Councilor Bradbury said to say otherwise is disingenuous.

Councilor Pernsteiner asked if the Mayor is proposing a different percentage of rate increase or 0 percent. Mr. Collins said that by voting against the rate increase, he would be voting for zero. However, he noted that he would be willing to entertain a smaller number.

City Manager Nygaard said last year the Council was presented with a recommendation for a 4.75 percent water increase and it was not approved. Now, that request is higher at 5.25 percent because revenue is needed to deal with the lack of an appropriate pipe replacement program within the City. The Council has heard from the consultants and Public Works staff and though the requested increases may seem large, they are necessary. If the water needed is unable to be provided, there will be a huge issue. Mr. Nygaard stressed that there is currently not enough money in reserves to even react to an emergency that may arise.

Responding, Councilor Bradbury said the City could begin a Water Reserve if the Water Fund was not charged \$165,000 for street repairs. To say the City does not have the ability to have a reserve fund is not true. Mr. Nygaard explained that these fees are charged to the water system due to the impact of street cuts and damage the trucks cause to the streets.

Mayor Collins said he understands the impact of not approving a rate increase this year and the need for infrastructure. However, he stated he wants to keep costs down this year with other impacts from the pandemic.

Councilor Blakey said he is not willing to pay more at a later date and is disappointed in the Mayor's decision to take a 0 percent increase. He questioned why the City even hires consultants to provide a path forward. Public Works Director Davies noted that the City is already behind. The Council adopted a 1.5 percent increase last year when staff asked for 4.75 percent. The net effect of that over the next 10 years required an ask of 5.25 percent this year. If there are no rate increases by the time the Water Plant is completed, the City will have just enough money to pay off the bond and absolutely nothing for any improvements to the water system. He noted that when the City went out for a bond, the people voted to improve the water treatment plant and to construct well 7 and the reservoir. Councilor

Bradbury indicated he did not vote for an \$11 million well and was surprised to learn that pipes were not included in that figure. He stated if the well and reservoir were not constructed there would be plenty of money to replace aging pipes as well as have money in reserves.

Reiterating earlier comments, Councilor Blakey said he believes a 0 percent increase is insane. To punish a future generation is not the role of the City Council. He stressed it is important for the Council to do what is right and to not follow in the footsteps of previous councils who made the same mistakes.

Public Works Director Davies said that over the past 20 years, inflation has averaged 3.22 percent. In another 20 years, costs will double. The staff and consultants make recommendations for a reason. As an engineer, Mr. Davies said he is here to tell the Council what is needed and it is up to them to make the right political decision. A city without water isn't a city anymore.

Mayor Pro Tem Schroeder said if the previous master plan would have been followed, there would have been no need to go out for a bond and there would have been enough money to start supporting infrastructure. If the Council doesn't stick to the master plan, it is only going to get harder and larger rate increases will be needed in the future.

Mayor Collins stated he totally understands the implications of a 0 percent rate increase. However, with the pandemic, he said he is willing to take higher increases in the future.

ROLL CALL VOTE: VOTING AYE: Schroeder; Blakey; Kelly; Miller; Pernsteiner. VOTING NAY: Collins; Bradbury.

- D. RESOLUTION REGARDING FOREGONE TAXES:** *Discussion on new legislation which reserves the right to recover FY'21's foregone increase in a subsequent year – Public Hearing and Resolution 2020-36 scheduled for August 24th Council meeting*

It was explained by Administrative Services Director Marsh that the Legislature passed House Bill 354 regarding foregone taxes which now requires a public hearing. These taxes equate to the amount of property tax the Council elects to not levy for amounts that are less than the 3 percent increases as permitted for the 2021 fiscal year. These forgone taxes may be levied in future years if the City Council deems appropriate. The amount of forgone is unknown until after the budget is finalized so the public hearing will be scheduled after budget adoption on August 24, 2020.

E. ITEMS MOVED FROM THE CONSENT AGENDA

1. Vouchers Payable

Councilor Kelly questioned the payments to the Asotin County Landfill for \$106,675.98 and to Texas Underground for \$48,354.24. Administrative Services Director Marsh indicated the payment to Asotin County is the monthly fee charged for accepting the City's trash, separate from the contract with Sunshine Disposal for pickup and hauling. The payment to Texas Underground was through the Wastewater Treatment Plant for a piggyback purchase of a mounted easement machine. The company came highly recommended and the pricing was from a state contract.

A motion was made by Councilor Pernsteiner and seconded by Councilor Kelly to approve the Vouchers Payable. *ROLL CALL VOTE: VOTING AYE: Collins; Schroeder; Blakey; Bradbury; Kelly; Miller; Pernsteiner. VOTING NAY: None.*

VII. UNFINISHED AND NEW BUSINESS

A. CITY COUNCILOR COMMENTS

Mayor Collins stated he appreciates that the decisions of the Council are not personal but rather based upon each member's own judgement.

Councilor Miller noted that her daughter was recently involved in a program offered through the Library. She commended Library employee Rebecca Hardin for providing an excellent opportunity for kids to continue to learn with so many other summer programs cancelled.

Councilor Blakey noted that Southway Bridge opened to two-way traffic today following repair work. He thanked all those involved for a job well done.

Mr. Blakey asked if there was an update on the potential arson of a downtown restaurant. Chief Myklebust replied that the State Marshall's Office was still waiting on some results but noted he would check with Chief Steputat to determine if she has further information.

B. CITY MANAGER COMMENTS

City Manager Nygaard thanked the School Districts for explaining their plans for reopening the schools.

C. ADVISORY BOARD AND COMMISSION APPOINTMENTS

There were no new Advisory Board or Commission appointments.

D. AGENDA TOPICS

Councilor Blakey asked that an update on the building purchase by the Union Gospel Mission be provided at a future Work Session.

IX. ADJOURNMENT

There being no further business to come before the Lewiston City Council, Councilor Pernsteiner moved and Councilor Blakey seconded adjournment of the August 10, 2020, Regular Council Meeting at 9:35 p.m.

Kari Ravencroft, Recording Secretary

Date approved by City Council