

June 28, 2021

THE CITY COUNCIL OF THE CITY OF LEWISTON, IDAHO, met in a Special Budget Work Session on Monday, June 28, 2021, at 3:00 p.m. at the Lewiston City Library, 411 D Street.

COUNCIL MEMBERS PRESENT: Mayor Collins; Mayor Pro Tem Schroeder; Councilor Blakey; Councilor Bradbury; Councilor Pernsteiner

COUNCIL MEMBERS ABSENT: Councilor Miller; Councilor Kelly

STAFF MEMBERS PRESENT: Alan Nygaard; Budd Hurd; Jana Gómez; Travis Myklebust; Nikki Province; Leah Burris; Lynn Johnson; Tim Barker; Dan Marsh; Dustin Johnson; Brian Ellison; Brittne Purington; 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 members of the public to address the City Council on agenda items or any issue of City business; provided, however, members of the public shall not address matters that are the subject of a public hearing or provide additional testimony or information on a quasi-judicial matter (e.g., Planning and Zoning matter) after the official record of such matter has been closed. Persons commenting may request that items be placed on a future agenda for further discussion; such requests are subject to approval by the City Manager or a majority vote of the City Council. Comments regarding the performance of a specific City employee are not appropriate during Citizens' Comments; instead, a meeting should be scheduled with the City Manager. The presiding officer may determine that comments regarding matters that have been previously heard and/or decided by the City Council are not appropriate for Citizens' Comments.

*A person shall not provide comment unless and until recognized by the presiding officer. Persons providing comment shall identify themselves by their names and cities of residence, but shall not be required to disclose their mailing or home addresses. Persons making comments shall be limited to **3 minutes** each, unless additional time is allowed by the presiding officer.*

Comments may be made: (1) in-person, (2) by emailing the City Clerk at kravencroft@cityoflewiston.org, or (3) by calling (208) 746-3676 and leaving a message. Comments submitted by email or phone will be forwarded to the City Council. If you would like your comment to be read out loud during the meeting, please so indicate in your message. Members of the public who wish to provide in-person comment, but who are unable to secure a seat in the designated meeting space and/or overflow room(s) due to occupancy or gathering limits, will be rotated in and out of the designated meeting space in order to provide comment. While not in the designated meeting space and/or overflow room(s), such persons may watch and listen to the livestream of the meeting on their own devices by visiting the City of Lewiston's Facebook page or the City's website at

cityoflewiston.org. The City will not provide a means for listening to the meeting outside of the designated meeting space and/or overflow room(s).

There were no citizen comments.

IV. ACTIVE AGENDA

A. STRATEGIC PLANNING - COUNCIL GOALS - Nygaard

City Manager Nygaard opened a discussion with the Council regarding goals for the strategic plan. He stated he feels that the focus needs to be on the arterial streets and the water system. Mr. Nygaard indicated that there are opportunities to take advantage of changes made within the budget to focus on some council priorities. He reviewed some of the issues that were discussed in January, which included Beautiful Downtown Lewiston, the Business Improvement District, stormwater implementation, community strategic plan, sidewalk funding, golf course, and downtown infrastructure and water system.

Administrative Services Director Marsh provided the Council with an overview of the strategic plan budget for FY'22 and FY'23. The Airport Authority Board did not request additional funding; however, there is \$75,000 budgeted in as a place holder. The total Strategic Plan budget is \$5.8 million for FY'22 and \$8.5 million for FY'23. The Building Infrastructure Fund includes \$2.5 million for Fire Station construction and \$1.5 million for the Community Park. He noted that street preservation is listed at \$1.3 million, but it would be nice to have that budget total \$1.5 million. The \$1 million Police Retirement Fund has been completed and that funding is now slated mostly for street projects.

Mr. Nygaard reviewed the requests from the Nez Perce County Commissioners and the Civic Theater. He explained that he would like to receive direction from the Council on the Commissioners request of \$10,000 to assist with drug testing, as well as a request from the Civic Theater. He reminded the Council that the Civic Theater received CARES Act funding as a grant through the city.

City Manager Nygaard stated that he requested Community Development to include the Comprehensive Plan rewrite in their upcoming budget. The Plan was listed at \$100,000 per year for three years.

Councilor Bradbury stated he thought that there was going to be more information regarding the demolition costs of the Civic Theater. Mr. Nygaard responded by explaining that the cost to demolish the building is just under \$200,000; however, the cost to salvage pieces of the building is quite involved. For example, each window would cost approximately \$15,000 to salvage and that it is difficult to decide on what to salvage and

how to store it once the items have been removed. Councilor Bradbury requested that the demolition estimate provided to each Council member. Mr. Nygaard agreed.

Councilor Bradbury continued by asking if there was a budget line item for downtown pipe replacement. Mr. Nygaard stated that there is \$75,000 in the budget for preliminary work and engineering to evaluate and to get a description for that project along with a cost estimate. Mr. Bradbury clarified that there are not funds dedicated to actual pipe replacement in the upcoming budget. Mr. Nygaard confirmed. He explained that description and scope of the downtown project is still unknown and it would be his recommendation to utilize the \$5.7 million in recovery funds over the course of FY'22 and FY'23 to work on the project.

Administrative Services Director Marsh indicated that the downtown project and Twin City Foods area are likely the main project interests of the Urban Renewal Agency (URA). The URA Plan will be presented to the Council in August and should include more details on related funding.

Councilor Blakey asked if Nez Perce County (NPC) would also be budgeting \$75,000 for the water lines at the airport. Mr. Nygaard replied that the city is the water provider, so that is not a matching fund project.

Councilor Pernsteiner asked if there was further information regarding the drug testing through NPC and the associated costs. Mr. Nygaard said that the county is still gathering information to provide an update on the cost.

Councilor Pernsteiner continued by stating that he would not be inclined to include funding in the budget for the Civic Theater until decisions have been made with regard to the building.

Councilor Blakey said that the Parks and Recreation Department requested \$5,000 from the county for the city recreation program. He said he feels that he would like to make sure the county follows through with that request.

Mr. Marsh added that some topics included in this budget are undetermined and are still evolving. An example was the request for a third attorney and he clarified that there is funding in contracted services to balance out that line item. If the city were to go to in-house prosecution, that figure would be much higher.

B. WAGES AND BENEFITS - Province

1. *Health Trust*

Human Resources Director Province provided the Council with the history of the Health Trust. The Health Trust has been self-insured since FY'01 and registered with the Department of Insurance (DOI) since 2017. The Health Trust Advisory Group consists of members from each union group, as well as non-represented employees. The group meets approximately once a quarter to discuss the city's health plan, share feedback and ideas, make recommendations, and communicate back to their members.

There are approximately 707 participants on the medical/dental plan, with a majority being dependents. The city pays 100 percent of the premium for each employee and 80 percent of the premium for dependents. Ms. Province explained that the city does have a \$60,000 stop loss premium per member. She stated that the Health Trust is responsible for claims up to \$60,000 for each employee and if there are claims that exceed that amount the stop loss coverage will then pay the additional amount of the claim.

The Trust's cash and invested assets total \$5,512,651, as of April 30, 2021. The total expenses for 2019 were \$4,866,283 and \$4,332,690 for 2020.

Ms. Province continued by stating that Marsha Allen is the Health Trust's third party administrator that advises on benefits, plan changes and coverage, and renewal costs. The recommended premium increase for FY'22 is a 3 percent.

Councilor Bradbury asked if the city's benefits are specifically defined, or if they depend on the amount of funds in the Trust. Ms. Province explained that the benefits are defined in the plan. Councilor Bradbury asked if the premiums for stop loss coverage are fixed or based on claims. Ms. Province stated that the premium is adjusted yearly, along with a review of the employee base.

Councilor Bradbury asked if the Health Trust is invested in the market. Mr. Marsh confirmed. Councilor Bradbury then asked who oversees the Trust's investments. Mr. Marsh stated that the Department of Insurance monitors the plan and is very strict on the CD limit and how the funds are invested.

Councilor Blakey asked if there are other cities in Idaho with self-insured plans. Ms. Province replied that there are maybe three other cities in Idaho that participate in similar plans. Councilor Blakey asked if the \$1.2 million in reserves is used for catastrophic events. City Manager Nygaard explained that the premiums from the employees are in addition, so the total reserve balance is \$5.5 million.

2. *Wages*

Human Resources Director Province opened discussion regarding the Cost of Living Agreement (COLA) stating that this year the increase is recommended at 2.2 percent.

Ms. Province continued by providing an update on the new salary scale and goals for the city to be competitive within the job market. The updated scale reduced the categories from 66 to 15 and ranges between 9 to 10 percent per grade. The current scale ranges from 1.5 percent to 3 percent in longevity. Projections for FY'22 payroll for non-represented employees is \$165,000 of a \$32 million dollar budget. The Police pay scale was adjusted in FY'21 and Fire is currently in negotiations to set their pay scale.

Councilor Pernsteiner asked if the \$32 million budget includes the COLA. Ms. Province confirmed. She explained that the 2.2 percent COLA, the Health Trust premium increase, and the new salary scale placement was approximately \$450,000 for the General Fund.

Ms. Province responded to a question raised by Councilor Blakey that contracted employees would not be found on the new salary scale as it is just for non-represented employees.

Councilor Pernsteiner asked how the city's job recruiting and hiring was going in the current market. Ms. Province indicated that recruitment has been difficult and there have been less applicants overall. Mr. Nygaard noted that it becomes difficult to fill positions with qualified applicants that will stay in a position when you have to compete with other businesses for jobs that are at or above the same salary.

Councilor Bradbury asked how compensation compares between represented and non-represented employees. Ms. Province stated that all positions vary in comparison and responsibility levels. Mr. Nygaard explained that the survey was done to ensure that the pay scale for all positions are paid at marketable wage levels. He noted that when there is a position vacancy, the position and pay scale is reviewed to ensure that it is at the correct level.

Councilor Blakey stated that the salaries listed on the salary scale do not reflect prevailing wage for full time employees. The wage listed would then have an additional 20-25 percent more with benefits. He feels that the city should be receiving more applications based on the benefit package offered for full time employees and asked if there is a fair number of qualified applicants for full time positions. Ms. Province replied that the city does receive qualified applicants;

however, the number of those applicants seem to be lower. Councilor Blakey asked if the prevailing wage is advertised when looking to fill positions. Ms. Province explained that the total compensation is not included, but there is a benefits page listed as a reference for the applicant.

Councilor Pernsteiner asked if the salary scale was going to come to the Council for approval or be included as an overall budget item. Mr. Nygaard stated that the plan is to have the scale included as a part of the overall budget process.

C. TRANSPORTATION/ENGINEERING - D. Johnson

Public Works Director Johnson explained to the Council the upcoming FY'22 and FY'23 budgets for Transportation and Stormwater. He reviewed the FY'21 budget and the status of the projects for the fiscal year. He noted that the Snake River Avenue railroad removal project is being led by the Idaho Transportation Department and the city is sharing the cost on that project. The Lewiston Transportation Master Plan was adopted and is included in the Capital Improvement Plan. Both Demolay Park and the 21st Street/19th Avenue projects came in over budget; however, both projects were able to receive some grant funding to help with overages. All projects are coming in higher in cost, but with federal funding, they are able to move forward.

The total proposed revenue for the Capital Transportation budget for FY'22 is \$3.1 million and \$1.7 million for FY'23. The main project for this budget is the cold mix overlay program that will help maintain local roads without an abundance of truck traffic. The expenses for FY'22 and FY'23 include the annual street preservation, residential cold mix program, downtown improvements, ADA complaint response improvements, Hall Ford stormwater rehabilitation, and the intersection of Burrell Avenue and 10th Street.

Mr. Johnson replied to Councilor Blakey's question stating that staff will be evaluating the benefits of connecting the Normal Hill and downtown water systems to see if that is a way to efficiently increase water to the downtown area.

Administrative Services Director Marsh asked if there was an estimated cost on repaving 21st Street. Mr. Johnson replied that this is a major project that would cost about \$10 million from the new intersection at the bottom of 21st Street to Nez Perce Grade. Mr. Marsh asked if there were other funding sources besides the Metropolitan Planning Organization (MPO). Mr. Johnson indicated that Idaho does not have many other funding sources and he is not aware of any dollars that are going to be available.

Councilor Pernsteiner asked if there is anything that could be done at a local level with regard to the possible Federal Infrastructure Bill. Mr. Johnson said that sometimes

the government would funnel that funding through the MPO office or at the State level. He stated that he is unsure, at this point, where that funding would come from.

Councilor Blakey asked if the shared County Road and Bridge Fund would be available for use on the 21st Street project. Mr. Marsh indicated this project does qualify for those funds; however, the State sets the formula for the amounts distributed so the amount the city receives could not be increased.

Councilor Blakey asked for further explanation with regard to the Bryden Avenue and 10th Street intersection. Mr. Johnson stated that he is unsure of the details regarding that project and would gather information to provide to the Council at a later date. Councilor Blakey suggested possibly including this topic on a future work session agenda.

In response to Mayor Collins' question, Mr. Johnson explained that the FILO credit card fees are collected from developers or contractors to be placed in a fund that would be used for sidewalks. The contributions are tracked by Public Works and have to be utilized in the same area that the developer or contractor developed.

City Manager Nygaard said that the arterial street proposal is still in the beginning stages and will need additional funding. After the Capital Transportation Plan was completed, he suggested contributing at least \$2 million per year in addition to what is already budgeted. He explained that there would need to be a fund built up in order to take advantage of possible grants and other funding possibilities in the future.

Councilor Pernsteiner asked if \$2 million per year is what it would take to fully fund the arterial street program. Mr. Nygaard replied that the \$2 million is the cost for maintenance once the roads have been rebuilt. Councilor Pernsteiner stated that the funding sources listed on the proposed budget are property taxes, stormwater utility/franchise fee, and the police retirement reimbursement for a total of \$1.4 million. Mr. Marsh confirmed.

D. STORMWATER - D. Johnson

Covered in the section above.

E. UTILITY FUNDS UPDATE/RATES - D. Johnson

Mr. Johnson briefly reviewed the FY'21 Enterprise Budget highlights for water, wastewater, and sanitation. He noted that the Sunshine Disposal, Inc. (SDI) recycling contract is being extended, as well as amended to include a franchise fee agreement. He included that the Nez Perce Tribe would now be charged as a large customer rather than

a contracted customer. The Transfer Station scale did not have to be replaced; the scale was able to be repaired instead.

Councilor Bradbury asked for further explanation on the franchise fee. City Manager Nygaard explained that a franchise fee is charged to SDI for use of the city's right-of-ways. Councilor Bradbury asked if the fee is similar to the street impact fee. Mr. Nygaard confirmed. Councilor Blakey asked if it was common to have a city charge a franchise fee to a contractor. Mr. Johnson confirmed. City Attorney Gómez added that state statute specifically states that the city is allowed to charge a franchise fee.

The proposed FY'22 proposed Sanitation rate increase is 3 percent with a total revenue of \$6.5 million in FY'22 and \$6.8 million for FY'23. The expenses for FY'22 and FY'23 include personnel and general operation and maintenance, administrative/internal services, streets/transportation impact costs, sanitation contract, and the Transfer Station. Capital projects for FY'22 and FY'23 include the Transfer Station floor rehabilitation and capital contingency.

Councilor Bradbury asked for Mr. Johnson's assessment on direct hauling rather than using the transfer station. Mr. Johnson stated that the Asotin County Landfill is not equipped to take all of the city's refuse at this time. There could be an opportunity in the future to work together with the landfill as a long-term option.

Councilor Bradbury asked how much revenue the water utility is receiving from the city for the golf course, cemetery, parks, Fire Department, and streets/sewer clean out. Mr. Johnson said that he does not have those figures available. Councilor Bradbury requested to have those figures sent to him. Mr. Johnson agreed.

The proposed FY'22 water rate increase is slated at 5.25 percent with a total revenue budget of \$29.3 million and \$11.2 million for FY'23. The largest expense listed is the upgrade to the Water Treatment Plant at \$14.9 million in FY'22 and \$2 million in FY'23.

Councilor Blakey asked for clarification on the water intake rebuild. He said that in the report it states that there may need to be a relocation rather than a rebuild. Mr. Johnson stated that there are two different intakes. One intake was classified as temporary, but has been utilized for approximately 40 years. The other intake is upstream and is the recommended intake in the report. The final report is still in progress and staff is awaiting that report to finalize the decision on which intake to use.

Councilor Bradbury asked what is included in the pipe replacement expense for \$560,000. Mr. Johnson stated that there are replacements scheduled for the Normal Hill area.

The proposed FY'22 Wastewater rate increase is 3.5 percent with a total revenue of \$23.6 million for FY'22 and \$10.9 million for FY'23. The Wastewater Treatment Plant upgrades are the largest expenses listed for FY'22 at \$8 million.

Councilor Bradbury asked if the houses located on the west side of Prospect Avenue are on septic systems or connected to city sewer. Utility Systems Manager Ellison replied that some of the older homes in that area are on septic systems, but most are connected to city sewer. Councilor Bradbury asked if the addresses on septic systems could connect to city sewer if they chose to and Mr. Ellison confirmed.

Councilor Pernsteiner asked for clarification on the new Wastewater position listed for FY'22. Mr. Johnson explained that position is still being discussed. He said that with the turnover in Public Works, staff is still figuring out duties and what position is needed.

In closing, Mr. Johnson reviewed the noteworthy items for each topic. He indicated that the lead and copper rules are being revised and will need to be followed according to federal law.

Councilor Bradbury asked if reserves are set for each utility and how they are calculated. Mr. Marsh confirmed that reserves are set and each utility is calculated based on the upcoming capital projects. Councilor Bradbury requested to have the totals for each utility reserve fund. Mr. Marsh agreed.

F. SANITATION - D. Johnson

Covered in the section above.

V. CITY COUNCILOR COMMENTS AND DIRECTION

Councilor Blakey requested a status update on Skyview Estates.

City Manager Nygaard asked the Council to review the strategic plan budget and provide feedback on the items that may need adjusted. Councilor Pernsteiner asked when the property tax assessment would be available. Administrative Services Director Marsh replied stating that information would be available at tomorrow's budget session.

Kathy said she supports all that needs done to build up the arterial road project fund. Mr. Nygaard said that trying to find additional funding in other areas around the budget. The protection for the investment. Mr. Marsh said that the area of impact is also a fund that could be looked at for additional funding from other entities. Street cut equity needs to be looked at.

COSD, LOID, LOSD should be contributing. Avista has been supportive but they want a citizen vote to prove that.

VI. ADJOURNMENT

There being no further business to come before the Lewiston City Council, Mayor Collins adjourned the June 28, 2021, Budget Work Session at 5:07 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.