



**CITY COUNCIL
MEETING MINUTES**

**August 20, 2024
6:00 PM**

Location: City Council Chambers, 408 N. Spokane Street, Post Falls, ID 83854

WORKSHOP – 5:00 pm Basement Conference Room

a. Fiscal Year 2025 Budget

Josh Walker, Joe Malloy, Nathan Ziegler, Kenny Shove, Samantha Steigleder, Randy Westlund – **Present**

Mayor Ronald Jacobson– **Excused**

Deputy City Administrator Warren Wilson and Finance Director Jason Faulkner presented the proposed FY 2025 Budget. It has been 15 years since the city has taken any tax increases (2009). Cumulative inflation since 2009 is 46.61% for perspective. All the budget increases since then have been paid for by new growth, annexation, and URA closures. Inflation is outpacing the statutory budget increase caps. There have been escalating labor and living costs in the area. There is a fairly large increase in our insurance costs due to nationwide insurance market issues. There has been decreased state revenue distribution.

REGULAR MEETING – 6:00 pm City Council Chambers

CALL TO ORDER BY COUNCIL PRESIDENT JOE MALLOY

PLEDGE OF ALLEGIANCE

ROLL CALL OF CITY COUNCIL MEMBERS

Samantha Steigleder, Josh Walker, Joe Malloy, Nathan Ziegler, Randy Westlund, Kenny Shove
Josh Walker, Joe Malloy, Nathan Ziegler, Kenny Shove, Samantha Steigleder, Randy Westlund – **Present**

Mayor Ronald Jacobson – **Excused**

**CEREMONIES, ANNOUNCEMENTS, APPOINTMENTS, PRESENTATION:
ACTION ITEM**

a. VHA Medical Foster Homes - Jamie Pillers

This item was canceled at the request of the presenter.

b. Employer Support for the Guard and Reserves Employer Patriot Award for Bryan Myers

This program is to ensure a smooth relationship between employers and employees in the National Guard. Petty Officer Army Reserve Daniel Stevenson, Parks Supervisor has nominated Bryan Myers, Parks Manager, for this award.

AMENDMENTS TO THE AGENDA

Final action cannot be taken on an item added to the agenda after the start of the meeting unless an emergency is declared that requires action at the meeting. The declaration and justification must be approved by motion of the Council.

None

DECLARATION OF CONFLICT, EX-PARTE CONTACTS AND SITE VISITS

The Mayor and members of the City Council have a duty to serve honestly and in the public interest. Where the Mayor or a member of the City Council have a conflict of interest, they may need to disclose the conflict and in certain circumstances, including land use decisions, they cannot participate in the decision-making process. Similarly, ex-parte contacts and site visits in most land use decisions must also be disclosed.

None

1. CONSENT CALENDAR

The consent calendar includes items which require formal Council action, but which are typically routine or not of great controversy. Individual Council members may ask that any specific item be removed from the consent calendar in order that it be discussed in greater detail. Explanatory information is included in the Council agenda packet regarding these items and any contingencies are part of the approval.

ACTION ITEMS:

- a. Minutes – 08.06.2024, City Council Meeting
- b. Payables 8.6.24-8.20.24
- c. June Cash and Investments
- d. FY 2024 Audit Engagement Letter
- e. The Ridge At Prairie Falls Plat Application
- f. Our Next Venture Zone Change Reasoned Decision (ZC-23-4)
- g. Our Next Venture Zone Change Agreement (ZC-23-4)
- h. Surplus Kubota Tractor
- i. Addendum II to Appendix II of the Prairie Crossing Construction Improvement Agreement (CIA)
- j. Legion Park Master Development Agreement (SUP-23-4 & SUBD-23-6)

Steigleder: Do we choose the audit firm, or do they get chosen for us?

Jason Faulkner, Finance Director: We choose, I do go through an RFP every few years.

Steigleder: Have there been any monetary impacts to the delay in the project.

Rob Palus, City Engineer: There haven't been any cost or staffing impacts from the Prairie Crossing delays. They need to construct the roadways within the subdivision and some water improvements they are working on with Ross Point Water District.

Motion by City Council Ziegler to accept the Consent Calendar as presented.

Second by City Council Westlund.

Ayes: City Council Walker, City Council Malloy, City Council Ziegler, City Council Shove, City Council Steigleder, City Council Westlund

Motion Carried

2. PUBLIC HEARINGS

There are generally two types of public hearings. In a legislative hearing, such as adopting an ordinance amending the zoning code or Comprehensive Plan amendments, the Mayor and City Council may consider any input provided by the public. In quasi-judicial hearings, such as subdivisions, special use permits and zone change requests, the Mayor and City Council must follow procedures similar to those used in court to ensure the fairness of the hearing. Additionally, the Mayor and City Council can only consider testimony that relates to the adopted approval criteria for each matter. Residents or visitors wishing to testify upon an item before the Council must sign up in advance and provide enough information to allow the Clerk to properly record their testimony in the official record of the City Council. Hearing procedures call for submission of information from City staff, then presentation by the applicant (15 min.), followed by public testimony (4 min. each) and finally the applicant's rebuttal testimony (8 min.). Testimony should be addressed to the City Council, only address the relevant approval criteria (in quasi-judicial matters) and not be unduly repetitious.

ACTION ITEMS:

- a. Fiscal Year 2025 Budget Hearing

Public Hearing Opened at 6:09 PM

Deputy City Administrator Warren Wilson Presenting: This is the annual budget hearing for Fiscal Year 2025. The overall general fund budget is \$2.1 less than Fiscal Year 2024. Council sets a budget amount, not a tax levy. The levy is the budget divided by assessed taxable property value. There are statutory budget caps set by the state legislature. With new construction and annexation, it's only 90% of the market value. With closed urban renewal areas, it is capped at 80% of market value. The most that the city can raise its revenue is 3% over the highest budget in the past three years. The city's foregone balance is \$3.5 million. Foregone authority can be budgeted for operational needs and capital needs. Since 2009, the city has not taken any revenue increases other than new growth, annexation, and urban renewal closures. Over time, we have relied heavily on growth to pay for the new growth and the existing services. Some of the issues we are struggling with are inflation outpacing our 3% budget cap. The consumer price index is up 3.7% year over year. It is more expensive to live in Kootenai County and there are escalating labor costs in the area. There was a 30% mid-year police salary increase to keep up with the area's wages for law enforcement officers. The city's insurance agency, ICRMP, premium for the city has increased by \$100,000 due to industry wide issues. The anticipated revenues from the state for FY 25 are also reduced. Funding recommendations for FY 25 are limited. They include one additional police officer, reclassifying four maintenance workers in public works, four new police vehicles, rapid flashing beacons, additional improvements to Warren Field Park in conjunction with a grant. Also, staff recommends a 3.5% COLA and up to a 4% merit for employees (if earned and if below top of grade) as well as a 10% health insurance increase. There were several dedicated fund recommendations for the vehicle replacement fund, facility construction fund, and the street replacement fund. Council asked staff to look into taking an additional 3% of capital foregone levy. It is a one-time expenditure and can only be spent on identified capital improvement projects. Enterprise funds including the water, water reclamation, and solid waste. The impact of a 4% increase for a \$650,000 home is approximately \$44 additional taxes, for a \$800,000 home it would be approximately \$57 more.

Testimony

In Favor: None

Neutral: None

Opposed: None

Public Hearing Closed at 6:34 PM

Malloy: Cumulative inflation since the City of Post Falls has taken a tax increase is 46.6%. It's no longer tenable to continue without an increase.

Steigleder: So no new tax increases since 2009 are correct. So we have been using other money to pay for increases which are going down this year. My concern is, while we haven't taken a tax increase, we have grown and the tax increase is not going to cover things. I would like to see the tax increase to only cover operational costs.

Westlund: I share the same frustrations that Councilor Malloy shared. The purpose of the 3% cap is for inflation and now with the state changes, we are in a position that we have to take the 4% increase.

Ziegler: The efforts of the city council for the past 15 years have been a tremendous effort to keep the tax burden off of the citizens. The time has come when we can't do that anymore, and we have to take increases. The long term effect of the time foregone for capital, I would be in favor of entertaining the 4%.

Walker: I think the 3% capital is good. The long run is not the best route, but we don't know if it's going to be there. I am for the 4% to keep up with inflation.

Shove: The state has cut what we are going to receive. I'm in favor of increasing that.

Ziegler: I'm in favor.

Malloy: I'm afraid that we aren't going to be the only city that's exercising the little taxing authority we have left.

Motion by City Council Ziegler to Approve the Fiscal Year 2025 Budget Hearing as presented in addition to the 3% Foregone Tax for Capital Expenditure tied to the 2021 Master Plan Projects.

Second by City Council Walker.

Ayes: City Council Walker, City Council Malloy, City Council Ziegler, City Council Shove, City Council Steigleder, City Council Westlund

Motion Carried

3. UNFINISHED BUSINESS/RETURNING ORDINANCES AND RESOLUTIONS

This section of the agenda is to continue consideration of items that have been previously discussed by the City Council and to formally adopt ordinances and resolutions that were previously approved by the Council. Ordinances and resolutions are formal measures considered by the City Council to implement policy which the Council has considered. Resolutions govern internal matters to establish fees and charges pursuant to existing ordinances. Ordinances are laws which govern general public conduct. Certain procedures must be followed in the adoption of both ordinances and resolutions; state law often establishes those requirements.

ACTION ITEMS:

- a. Our Next Venture Zone Change Ordinance (ZC-23-4)

Motion by City Council Steigleder to place the Ordinance Our Next Venture Zone Change (ZC-23-4) on its first and only reading by title only while under suspension of the rules.

Second by City Council Ziegler.

Ayes: City Council Walker, City Council Malloy, City Council Ziegler, City Council Shove, City Council Steigleder, City Council Westlund

Motion Carried

AN ORDINANCE OF THE CITY OF POST FALLS, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO, PROVIDING FOR A CHANGE IN ZONING CLASSIFICATION FOR THE LAND DESCRIBED IN SECTION 1 OF THIS ORDINANCE FROM INDUSTRIAL (I) TO COMMUNITY COMMERCIAL SERVICES (CCS). PROVIDING FOR AMENDMENT OF THE OFFICIAL ZONING MAP TO REFLECT THE CHANGE; PROVIDING THAT ALL PRIOR ZONES APPLICABLE TO LANDS DESCRIBED IN SECTION 1 ARE HEREBY SUPERSEDED; AND PROVIDING AN EFFECTIVE DATE;

Motion by City Council Steigleder to Approve the Ordinance Our Next Venture Zone Change (ZC-23-4) and to direct the clerk to assign the appropriate number and that it be published by summary only.

Second by City Council Ziegler.

Ayes: City Council Walker, City Council Malloy, City Council Ziegler, City Council Shove, City Council Steigleder, City Council Westlund

Motion Carried

4. NEW BUSINESS

This portion of the agenda is for City Council consideration of items that have not been previously discussed by the Council. Ordinances and Resolutions are generally added to a subsequent agenda for adoption under Unfinished Business, however, the Council may consider adoption of an ordinance or resolution under New Business if timely approval is necessary.

ACTION ITEMS:

- a. Proposed Critical Materials Ordinance and Memorandum of Understanding with Panhandle Health District

Utilities Manager, Craig Borrenpohl Presenting: This is the proposed Critical Materials Ordinance and MOU with Panhandle Health District. We have four stored reservoirs which provide water to our customers. Each water line goes to the Spokane Valley Rathdrum Prairie Aquifer. It has a designation of sole source aquifer and a sensitive resource aquifer. There has been historic and ongoing monitoring of the aquifer to make sure we are protecting that source. The Critical Materials Rule (CMR) was developed in 1993. The Panhandle Health District (PHD) administered the CMR for more than twenty years. In 2022 the state legislature deemed that the health districts were not state agencies and do not have rulemaking or enforcement authority on their own. Therefore, CMR was discontinued in 2022 putting the RPA into question. PHD and City staff worked to create an MOU and Ordinance to continue the CMR protections and enforcement. Staff believe existing protections directly benefit water system users and reducing protections could directly harm water system users. Coeur d'Alene has adopted an ordinance similar to ours, and Kootenai County is in the final stages of developing the rule.

Steigleder: Is there a fee schedule associated with the rule?

Borrenpohl: There is not, the costs to administer the program would be with the PHD.

Steigleder: Will businesses be assigned a fee?

Borrenpohl: PHD would be administrating this and does not assign a fee for their administration work.

Steigleder: What would be an example of an exemption?

Borrenpohl: A facility could show compliance through a different mechanism than what is explicitly listed in the rule.

Steigleder: There's no appeal process for a denial

Borrenpohl: There is an appeals process, and that is one area that city staff may have a role in down the road.

Westlund: This law was changed at the state in 2022. What has happened in the two years since?

Borrenpohl: We have been working on the MOU since then.

Motion by City Council Ziegler to Approve the Proposed Critical Materials Ordinance and Memorandum of Understanding with Panhandle Health District.

Second by City Council Steigleder.

Ayes: City Council Walker, City Council Malloy, City Council Ziegler, City Council Shove, City Council Steigleder, City Council Westlund

Motion Carried

b. Purchase and Sale Agreement with Treend/Schons, Lundy Easements and Property

Public Works Projects Division Manager Andrew Arbini Presenting: This will cover items b and c. Staff is recommending the purchase of two easements and one piece of property to facilitate installation of a new water line. The waterline would be from the Centennial Trail to Lundy Blvd and cross three parcels. The purchase of the easements would fulfill contract obligations. The property purchase would be for future lift station work and a water recycling line in the future.

Motion by Ziegler to approve the purchase and sale agreement with Treene/Schons, Lundy easements and property and the purchase and sale agreement with Avista.

Second, by City Councillor Walker.

Ayes: City Council Walker, City Council Malloy, City Council Ziegler, City Council Shove, City Council Steigleder, City Council Westlund

Motion Carried

c. Purchase and Sale Agreement with Avista, Lundy Easement

Presentation and vote for this item was done in item 4c.

d. Prairie and Fennecus Roundabout Art Proposal

Community Development Director Bob Seale Presenting: This is for the proposed artwork to be installed at the Prairie and Fennecus roundabout. The proposal is from Jacklin Land Co. Visuals of the proposed project were shown. It would include a metal sculpture of a donkey pulling a plow with a farmer. Jacklin Land Co. wanted to provide something unique and something that represented the history of the area. There would also be some metal kinetic sculptures put around the sculpture. This is in the city's right of way and the developer would be working with the artist to get it completed and installed. The Jacklin Land Co will cover the cost of the art. The City will take over maintenance after the completion of the project as is normal.

Steigleder: I appreciate that we have added two new artworks, but would like to see local artists

**Motion by Ziegler to approve the Prairie and Fennecus Roundabout Art Proposal.
Second, by City Council Westlund.**

**Ayes: City Council Walker, City Council Malloy, City Council Ziegler, City Council Shove,
City Council Steigleder, City Council Westlund**

Motion Carried

5. CITIZEN ISSUES

This section of the agenda is reserved for citizens wishing to address the Council regarding City-related issues that are not on the agenda. Persons wishing to speak will have 5 minutes. Comments related to pending public hearings, including decisions that may be appealed to the City Council, are out of order and should be held for the public hearing. Repeated comments regarding the same or similar topics previously addressed are out of order and will not be allowed. Comments regarding performance by city employees are inappropriate at this time and should be directed to the Mayor, either by subsequent appointment or after tonight's meeting, if time permits. In order to ensure adequate public notice, Idaho Law provides that any item, other than emergencies, requiring Council action must be placed on the agenda of an upcoming Council meeting. As such, the City Council can't take action on items raised during citizens issues at the same meeting but may request additional information or that the item be placed on a future agenda.

Ruben Rodriguez: I want to start out by saying thank you to the Council. I am with Idaho Sunshine. There is a free medical and dental event. Our first location will be at the fairgrounds on September 19th and 20th. No insurance is needed and first come, first served.

6. ADMINISTRATIVE / STAFF REPORTS

This portion of the agenda is for City staff members to provide reports and updates to the Mayor and City Council regarding City business as well as responses to public comments. These items are for information only and no final action will be taken.

None

7. MAYOR AND COUNCIL COMMENTS

This section of the agenda is provided to allow the Mayor and City Councilors to make announcements and general comments relevant to City business and to request that items be added to future agendas for discussion. No final action or in-depth discussion of issues will occur.

Malloy: I was in an accident three weeks ago. Literally, within three seconds a nurse was there and people were directing traffic. The outpouring of love and support has been amazing.

8. EXECUTIVE SESSION

Certain City-related matters may need to be discussed confidentially subject to applicable legal requirements; the Council may enter executive session to discuss such matters. The motion to enter into executive session must reference the specific statutory section that authorizes the executive session. No final decision or action may be taken in executive session.

ACTION ITEMS:

RETURN TO REGULAR SESSION

ADJOURNMENT

Meeting Adjourned at 7:39 PM



Ronald G. Jacobson, Mayor

Rhiannon O'Neill, Deputy City Clerk

Questions concerning items appearing on this Agenda or requests for accommodation of special needs to participate in the meeting should be addressed to the Office of the City Clerk, 408 Spokane Street or call 208-773-3511. City Council and City commission meetings are broadcast live on Post Falls City Cable on cable channel 1300 (formerly 97.103) as well as the City's YouTube Channel (<https://www.youtube.com/c/CityofPostFallsIdaho>).

Mayor Ronald G. Jacobson

Councilors: Samantha Steigleder, Josh Walker, Joe Malloy, Nathan Ziegler, Randy Westlund , Kenny Shove

Mission
Building Community.