

CITY OF POCA TELLO, IDAHO  
CITY COUNCIL STUDY SESSION  
JULY 9, 2015

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AGENDA ITEM NO. 1: Mayor Brian Blad called the City Council Study Session to order  
ROLL CALL at 9:04 a.m. Council members present were Steve Brown, Craig Cooper, Jim Johnston, Gary Moore, Eva Johnson Nye and Michael L. Orr.

AGENDA ITEM NO. 2: Larry Morton, Chair Person, from the Golf Advisory Committee  
GOLF ADVISORY and John Banks, Parks and Recreation Director, staff liaison;  
COMMITTEE UPDATE were present to discuss the Committee's goals and projects, as well as Council's policies and expectations.

Mr. Morton gave an overview of the Committee members and he thanked the Council for allowing the installation of new bathrooms at both golf courses. The Committee acknowledged Alan Green and the great work he did as the interim Parks Director. Mr. Morton noted 14 evergreens were planted at Riverside and the greens were updated at Highland Golf Course. He mentioned the number of rounds was up from the previous year. Mr. Morton also reviewed revenue and expenditure figures over the past five years as well as plans for improvements at both golf courses.

In response to questions from Council, Mr. Morton explained golf course buildings are outdated and amenities are limited. The air conditioners are not keeping up with the need at Highland Golf Course. He reported recently the inside temperature was 115 degrees and it was very uncomfortable for employees. Since the air conditioning units are not used very often, the problem did not come to light until a heat wave in the area. The cost to replace units at both buildings is estimated at \$6,000.00.

John Banks, Parks and Recreation Director, agreed the air conditioning units are not used very often. The first estimate received to replace one unit is \$3,000.00. The evaporative coolers currently being used are quite old and the units have not been able to keep the Club House cool due to the higher temperatures.

In response to questions from Council, Mr. Morton reported the number of individuals using the golf courses in Pocatello is high. He noted the Club House does not receive a portion of the golf fees. As a result, costs to upgrade the Club Houses would be separate from upgrades on the golf course.

AGENDA ITEM NO. 3: Nick Nielson, chairperson; and Terri Neu, staff liaison;  
HISTORIC representing the Historic Preservation Commission were present  
PRESERVATION to discuss the Commission's goals and projects, as well as  
COMMISSION UPDATE Council's policies and expectations.

Mr. Nielson reviewed recent accomplishments, current and upcoming projects for the Commission. He noted a Historic Church tour of Pocatello will be held on July 18, 2015. The Commission is starting a Quarterly newsletter and the first issue will feature Frank Paradise. Mr. Nielson explained the Commission is working on revising the guidelines for signage in the down town historic district. Members are also working on a digital photo library they would like to eventually share with the citizens of Pocatello. The Commission is also working with Old Town Pocatello to promote the down town historic district and Friends of the Cemetery Committee to preserve Brady Chapel.

In response to questions from Council, Ms. Neu explained the Commission is working with the "Relight the Night" organization to start the process to repair the "Greyhound dog" neon sign. The Commission is also seeking ideas of how to utilize the vacant Greyhound building. She mentioned

that Matthew Lewis, Planning Manager, has been in contact with the owner of the old Bannock hospital regarding the condition of the large neon star located on top of the hospital.

AGENDA ITEM NO. 4: Jamar Brown, Chairperson; Virginia Kelly, Committee member; HUMAN RELATIONS and Kim Bristow, staff liaison; representing the Human ADVISORY COMMITTEE Relations Advisory Committee (HRAC) were present to discuss UPDATE the Committee's goals and projects, as well as Council's policies and expectations.

Ms. Brown shared an obituary/tribute of Lewis Andrews, Jr., a past member of the Committee. She noted that Mr. Andrews always chose peace over wrath. Ms. Brown reported various guest speakers attended their meetings to learn more about difficult human relation topics in the community.

Ms. Kelly reviewed a proposed Charter for Compassion developed by Karen Armstrong. She stated that Ms. Armstrong believed what the world needed to express their compassions for each other and the Council of Conscience was given information to help accomplish this endeavor. The Commission would like the City of Pocatello to adopt the Charter. She mentioned Pocatello would be the first city in Idaho to adopt the Charter if Council chooses to do so.

It was noted members of the Commission attended the new mosque grand opening. Ms. Brown reported on other experiences in the community where positive things have been happening. The HRAC's Human Rights award was given to Billie Johnson for her positive efforts in the community.

Mrs. Nye stated she is the Council representative for the Committee and reported copies of the proposed charter were distributed to Council a few months ago. She mentioned that the various speakers who presented at the Committee meetings have been exceptional.

AGENDA ITEM NO. 5: Kelly Rae and Pamela Hagerman, representing HabeRae PROPOSED HUD Development; and Melanie Gygli, Neighborhood and SECTION 108 Community Services Division manager were present to discuss LOAN GUARANTEE the possibility of constructing an affordable rental housing CONSTRUCTION PROJECT project in Pocatello. Ms. Rae proposed to use the HUD Section 108 Loan Guarantee Program to partially fund the housing project.

Ms. Hagerman distributed information to the Council that outlined projects HabeRae Development has completed in other areas.

Ms. Rae gave a brief history of her experiences in Pocatello and her desire to invest in the City. She mentioned a building in the warehouse district became available and they would like to begin with adaptive reuse of building at 848 South First Avenue. Ms. Rae reported areas across the country are starting to reuse these types of areas for housing and businesses. She gave an overview of the types of businesses and housing that could be located in the building and feels Idaho State University (ISU) and Old Town Pocatello, Inc. will also utilize the proposed upgrades.

Mrs. Nye mentioned she once operated a small business in the down town area. Apartments were located in the upstairs section of the building and she feels when families are living in areas it helps bring down the crime rate.

In response to questions from Council, Ms. Gygli reviewed the Section 108 Loan Guarantee policy.

She explained the monies can be used for any project similar to CDBG. Ms. Gygli noted the City of Pocatello has never attempted a project like this and she understands the project must be put together first and then submitted to HUD. She reviewed the basic guidelines such as: the City applies for the loan and then makes payment as work progresses; the City borrows against the allocation of CDBG funds and can make payments over a 20-year period.

In response to questions from Council, Ms. Rae explained her organization is coming up with a large portion of their own funds to move forward with the project and it is their intent to eventually take a significant portion of the rent received to establish an endowment fund for ISU.

In response to a question from Mr. Orr, Ms. Gygli explained she would need to research what would happen if the proposed project failed. The City would not own the property, but would have a lien on it. It will depend on what HUD requires as collateral. The City may be a lienholder and HUD may be lienholder. More research will need to be done before these and additional questions can be answered. She explained additional staff time will be required to monitor the project.

In response to a question from Council, Ms. Rae explained going to a bank to ask for money to repurpose a 100 year old building is very difficult. That is why they are seeking a loan through HUD. She has relied on private investors to accomplish a similar project.

Mayor Blad called a recess at 10:34 a.m.

Mayor Blad reconvened the meeting at 10:48 a.m.

AGENDA ITEM NO. 6: Terri Neu, Assistant Planner, and Matthew Lewis, Planning  
PROPOSED Manager, Planning and Development Services; were present to  
AMENDMENTS TO discuss proposed changes to the City's Sign Code (Municipal  
CHAPTER 15.20 Code 15.20).  
-SIGN CODES

Ms. Neu reviewed the proposed changes noting in the fall of 2012, a pilot project allowing the placement of portable signs took place in the Down Town Historic District. As a result, staff was tasked to review portable signs for other areas in the community. It was found that some business locations were not positioned to allow signage on sidewalks or over the sidewalks. Staff reviewed other aspects of the Sign Code requirements in general.

In response to questions from Council, Ms. Neu explained many of the proposed changes regarding signage will help move the community forward. She added that portable signs are popping up in many areas around the city and staff is not able to identify and enforce all of them

Mr. Lewis explained some business owners are currently placing portable signs on sidewalks. The proposed code will regulate the size and position of signs on a sidewalk to allow pedestrian and ADA access.

Ms. Neu explained staff is working closely with the City's Traffic Engineering Department and Idaho Transportation Department for placement of electronic signs on Yellowstone Avenue and near traffic signals. It is all a learning process.

Mr. Lewis reviewed lighting standards for signs. He explained many of the signs have been toned down to accommodate safety issues. Many businesses are using flags for advertising. Flags and

banners are now included in the sign code. However, an individual standing on the street corner while holding a sign does not fall under the sign code.

It was announced that a public hearing will be held on August 6, 2015 to receive public comments regarding the proposed sign code.

AGENDA ITEM NO. 7. Joyce Stroschein, Chief Financial Officer/Treasurer; and Ashley  
FISCAL YEAR 2016 Linton, Accountant; Finance Department were present to review  
BUDGET REVIEW the tentative Fiscal Year 2016 budget draft from the June 25,  
2015 Budget Development meeting. This is the final review  
prior to submitting totals for publication and preparing materials for the public hearing scheduled  
for August 6, 2015.

Ms. Stroschein gave a brief overview of the tax fund solution sheet that will be used. She explained at the last meeting Council was expecting higher revenue from water lease agreements. Ms. Stroschein mentioned the payoff calculation rollover cap that was discussed on June 25th has been removed.

Mayor Blad mentioned that department heads have reviewed their proposed budgets to determine if there are any other areas that can be cut back. Mayor Blad reported there are additional water leases that look hopeful and the Legal Department is working close with a couple of individuals who appear to be interested in leasing water from the City. He suggested publishing the budget higher to accommodate for the anticipated revenue.

A majority of Council was supportive of adding \$200,000.00 in water lease revenue to the 2016 Fiscal Year budget for publication in the newspaper.

Ms. Stroschein announced Tom Kirkman, Street Operations Superintendent, had volunteered \$30,000.00 from his department's budget to help with the problem. The funds would come out of the street paving plan.

Mayor Blad and the City Council were not comfortable with taking \$30,000.00 from the street paving funds.

General discussion regarding the property tax levy was held and various scenarios were reviewed.

Mr. Orr stated the Council is committed to having meetings with the Mayor and department heads to discuss possible modifications to City services and/or processes.

In response to questions from Council, Ms. Stroschein suggested Council set goals of where they would like the City finances to be. She suggested developing long range plans to help correct the current financial trend.

Council discussion regarding City employees/departments and budget limitations followed. It was clarified that cutbacks in user fees would not go into the general fund. Three Council members were not in favor of increasing property taxes to meet the budget deficit.

Ms. Stroschein stated she will be able to provide more accurate property tax revenue amounts prior to Council actually voting on the Fiscal Year 2016 budget ordinance. She announced a public hearing to receive comments regarding the proposed budget will be held August 6, 2015.

Mayor Blad called a recess at 11:55 a.m.

Mayor Blad reconvened the meeting at 12:38 p.m.

AGENDA ITEM NO. 8: City Council discussion was held to develop guidelines to provide direction for Department Heads in the evaluation of City Department efficiencies. The guidelines will be used to review City services and develop cost saving measures.

DEVELOPMENT/  
GUIDELINES FOR  
EVALUATING  
DEPARTMENT  
EFFICIENCIES

Mayor Blad clarified the discussion to set guidelines that will be used to evaluate department efficiencies will take place between Council members only.

Mr. Brown stated he has been thinking a lot about the guidelines and he reviewed the purpose of the discussion to establish parameters. It is not his intent to have a Department Head come and defend their turf. He feels Council knows that something needs to be done, but they are not sure what the change needs to be. In order to accomplish this task, the Council will set guidelines before having departments come to the table to discuss the goal/outcome (every scenario is on the table with various scenarios to be discussed). As a result, it is necessary to have a goal and direction to create a plan. Then everyone can look at the plan and know the direction Council is headed.

A couple of matters were reviewed. It was noted over the past few years good ideas from departments have been brought forward. However, there is no follow-up or action. Every idea should have an action date. If it is something Council wants to pursue then a date should be attached to it. This will hold the Council accountable to achieve better outcomes. An idea without action is not productive.

It was proposed an action date of 30 days be set in order to develop a plan of where the City would like to be in 5 to 10 years. This would enable everyone to look in the same direction. The Council and departments should have something to guide them to reach a common goal.

Mrs. Nye explained there are many things that come up when Council is trying to set the budget. With time constraints, Council is not able to incorporate an informed decision at that time. The changes need to be done over time. She noted Council cannot “spring a change” on employees or Department Heads and not allow time to work through it. Mrs. Nye feels Council should start thinking about the following year’s budget in September. Especially if there will be changes such as cutting back on positions, departments or services. A separate meeting from the budget development process is necessary to discuss these types of changes.

Mr. Moore agreed. When discussing options to reduce expenses the topics need to be separate from the budget process. He used Community Recreation Center (CRC) as an example. The costs to run CRC verses revenue has been a topic for many years. Mr. Moore feels guidelines need to be established to identify outcomes. This will allow specific discussion to be held with detailed information in front of council.

Mr. Johnston stated this discussion serves as a forewarning to John Banks, Parks and Recreation Director, to be prepared to discuss related topics going forward.

Mr. Moore clarified he would like Council to look at suggestions made by staff followed by open discussions regarding each situation.

Mr. Brown mentioned the State of Idaho was able to save on highway maintenance costs by not resurfacing the rumble side of the road. This option has saved the State a lot of money and they are able to do more road projects. He stressed that the Council is not talking about laying-off a lot of employees. Although that may be a decision Council may get to. Thirty-five employees left the City in 2014 through retirement or other job opportunities, etc. If there is a way the City can reassign one-third of those responsibilities, it would be a cost savings of \$250,000 and what kind of impact would that provide over a 4 to 5 year period?

Mr. Moore mentioned when you look at department budgets they are already very lean. We have asked Department Heads to keep budgets tight. There is only one way to change the scenario and that is to change positions in the City. Mr. Moore stated he has never said employees will be laid-off. He feels this change will be a gradual process over time. Council wants to compensate employees the way employees feel they should be and keep their benefit packages whole. If this is necessary to keep good employees at the City, this is the direction we must go. Unless there is a lot of new growth in the City, he does not see any way to decrease costs. As a result, the number of positions may need to be decreased.

Mrs. Nye suggested there may not be any new positions created during this time. The only way to hire more positions without raising taxes is the ability to tax new businesses. However, the City does not have any control on whether or not new businesses locate here.

Mr. Brown stated he sees this endeavor as an open ended process. He feels this process is necessary in order for Council to look at all options before making a decision.

Mr. Moore agreed that a process needs to be in place before moving forward to discuss ideas. He mentioned the first 10 minutes of a Study Session could be an idea board agenda item. If someone in a department has an idea, this would give them an opportunity to bring it to Council's attention. Mr. Moore clarified the Council could give further direction if interested.

Mr. Brown explained this is the reason he has been so insistent to have this topic for discussion. He feels very strongly that the format to hold this type of discussion should be separate from the budget development meetings.

Mr. Moore feels it is necessary to know if departments are understaffed and that Department Heads need to start looking at positions differently. There may be jobs at the City that are necessary and cannot be changed. We need all departments to look at this. Departments may be forced to provide less service to the public in some situations. He mentioned that priorities may shift over time.

Mrs. Nye mentioned that Strategic Plans for the Council and the City have been created in the past and it was time well spent.

Mayor Blad suggested contacting an outside facilitator to assist with creating a Strategic Plan. He and staff have discussed the concept of doing this in-house. Staff does not feel they can assist with this endeavor because of the employer/employee relationship.

Mr. Moore posed the following questions. 1) What do we need to accomplish over the next 5 years

to get stability in the City budget? 2) Is there a dollar amount to try and attain? He feels once this is known Council can place positions in the formula to accomplish this.

Mr. Johnston added his questions. 1) With all of the services the City provides, is Pocatello doing more or less than we have in the past? 2) Should we be in the business of providing all of the things we do? He also shared his concerns with seeing City employees (mostly students) that appear to be texting while driving.

Mr. Brown feels the Council needs guidance and firm goals in order to breakdown how a cost savings can be accomplished. More discussion followed.

Mayor Blad clarified the Council will meet again within 30 days to set goals as discussed. Department Heads may want to be prepared to discuss: 1) the progress of their activities; 2) advantages and disadvantages; 3) the affect proposed changes will have on the public; 4) ways to improve; and 5) list the department's successes.

Mr. Brown stressed the importance of staff knowing the expectations of Council and allowing staff adequate time to prepare for Council's review.

Mr. Orr would like the opportunity to have staff come before the Council and pose questions as they go forward. He felt immediate input was needed.

In response to questions from Mr. Orr, Kim Smith, Human Resource Director, noted there is a probability of more increases in health insurance costs for the Fiscal Year 2017 budget.

Joyce Stroschein, Chief Financial Officer/Treasurer, estimates another \$400,000 in medical costs for the Fiscal Year 2017 Budget. She stated various scenarios were presented to symbolize the budget changes. Different responses to medical needs will also determine the amount of the increase.

Mr. Brown interrupted Mr. Orr and explained that guidelines need to be in place in order to obtain consistent feedback from staff.

Mayor Blad clarified the purpose of the discussion is to set guidelines and goals in order to move forward.

Mr. Orr feels that by moving forward, the Council will find that services and/or taxes will need to be adjusted.

Council discussion followed regarding setting goals, and allowing discussion of needs by department.

Mrs. Nye reminded the Council there can be a change of individuals who serve on the Council. She suggested that they keep this in mind while discussing long-term outcomes.

Ms. Smith mentioned there are alternatives when discussing the possibility of decreasing staff. She stressed that there are positive ways and negative ways to accomplish this.

Mayor Blad announced the Council will meet on August 6<sup>th</sup> for a special goal setting meeting at 9:00 a.m. in the Paradise Conference Room.

It was announced that if staff has ideas regarding this topic, they are encouraged to contact Council.

Mr. Moore stated once guidelines are put in place, departments will know how to respond. He would rather have departments come during the morning on Thursdays to start the process of meeting with departments.

Mr. Brown suggested that someone from the private sector could come and share thoughts regarding old philosophies that may need to be overcome. He invited Michael Jaglowski, Public Works Director, to share his thoughts as a new employee with the City and his experience from the private sector. Mr. Brown asked Mr. Jaglowski to provide input regarding the direction he feels will give Department Heads guidance to offer information necessary in order for Council to move toward a decision.

Mr. Jaglowski feels the Council needs to establish adequate guidelines/vision for the process. These guidelines will help Department Heads move more closely toward the target. Monthly meetings with the Council will hold everyone accountable. Mr. Jaglowski shared that he personally needs direction in order to know what Council wants. He gave the following example of what a goal or vision could be:

GOAL - Provide 3 different locations to implement infrastructure.

- 1) How will we encourage the facilities to move here and develop a road map to make it happen?
- 2) Look very closely at the expense side.
- 3) Revenue side - would need to increase the tax base through business and other opportunities.
- 4) Work on both sides of the equation to get to the goal more quickly.
- 5) Provide the tools in order to move forward with attracting business/facilities.
- 6) Have resources to encourage the growth and continue the growth.
- 7) What is each department's mission and how can the Council enhance the mission?

Mr. Brown reminded staff that Council is seeking ideas and suggestions from departments to help develop goals as the process moves forward.

Ms. Stroschein stated after listening to the comments she would like to share one thought. Council's ability to set a vision for the City from the very beginning is very critical in order to move forward. The questions being asked are whether to provide services or not. Council may also consider whether a service should be supported through user fees (all or a portion thereof) instead of spread out over the tax base. Look at the services our City would like to provide. It may be determined that a particular user may need to pay for a service. Keep in mind it may not be an all or nothing situation.

David Gates, Pocatello Fire Chief, feels the City has incredible Department Heads and no one wants to run an inefficient show. Somehow we got to where we are today because the positions were considered as important. It concerns him when it appears that the only consideration to solve the issue is reducing services, thus employees. He is looking at being efficient with what equipment he has. Mr. Gates also feels looking at the revenue side to build up the tax base is another option.

Mrs. Nye does not want City employees to worry about their jobs. That is not what Council is trying to do. She agreed building up the tax base is a positive step toward solving the issue. City Departments have been running on very lean budgets and now Council is looking at various possibilities to help manage finances.



Mr. Gates shared his concerns trying to choose what services his department will need to eliminate. Council will need to give him specific direction since his staff provides emergency services.

Mr. Brown reiterated that Council is looking at doing services differently. This will not take effect until the Fiscal Year 2017 budget and will be phased-in over time.

Mr. Orr stated in all fairness, City employees should know whether or not the Council will start looking at doing equitable pay, a COLA, or implement the Pay for Performance next fiscal year. He suggested Human Resource staff start working on the concept as soon as possible. After all of the work already put into the project, City workers need to know what the Council is going to do. Mr. Orr felt this could be accomplished by mid-August. After this is determined, Human Resource and Finance staff can begin to development figures so department heads can utilize the information for their budget.

Mrs. Nye was excused from the meeting at 1:38 p.m.

Mayor Blad asked that Council come prepared to set goals to be discussed on August 6<sup>th</sup>. Also on that date Council can inform departments of what the goals will be. He suggested Council provide 4 or 5 goals to begin setting the outline for departments to come before Council.

Mr. Moore stressed the Council discussion will not have any negative reflection on Department Heads. He noted this is a long-term issue that needs to be fixed and does not reflect the ability of Department heads.

Staff was encouraged to contact the Council with their thoughts and suggestions prior to the meeting.

Mayor Blad announced the Executive Session scheduled for immediately following the Study Session had been cancelled.

Mayor Blad adjourned the meeting at 1:43 p.m.

APPROVED:

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BRIAN C. BLAD, MAYOR

ATTEST:

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RUTH E. WHITWORTH, CMC, CITY CLERK