

CITY OF POCA TELLO, IDAHO  
CITY COUNCIL STUDY SESSION  
FEBRUARY 11, 2016

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AGENDA ITEM NO. 1: Mayor Brian Blad called the City Council Study Session to order  
ROLL CALL at 9:00 a.m. Council members present were Roger Bray, Steve Brown, Craig Cooper, Jim Johnston, Gary Moore and Michael L. Orr.

AGENDA ITEM NO. 2: Dwayne Sudweeks, Chair Person, and David Allen, Airport  
AIRPORT COMMISSION Manager and staff liaison representing the Airport Commission  
UPDATE were present to discuss the Commission's goals and projects, as well as Council's policies and expectations.

Mr. Sudweeks explained the Commission has been busy the last few years trying to improve the airport and he reviewed the positive economic impact the airport has in the community. He gave an overview of airport property that is allowed to be developed and the companies that have been located there. He mentioned a third flight was added this year and encouraged travelers to continue to fill the flights that are available. The Commission feels the free parking and easy access is a benefit for individuals flying out of Pocatello. Mr. Sudweeks explained working with FAA regulations in efforts to develop airport land has been a challenge. A Summer Skyfest will be held in June of 2017 and the Commission anticipates 10,000 to 15,000 spectators for the event.

In response to questions from Council, Mr. Allen reviewed the criteria to rent a hangar at the airport. He explained the Commission researches rental rates from area airports to make sure they are charging a rate consistent with other areas.

AGENDA ITEM NO. 3: Barbara Stone, Chair Person, and Richard Stewart, Animal  
ANIMAL SHELTER Shelter Manager and staff liaison, representing the Animal  
ADVISORY BOARD Shelter Advisory Board were present to discuss the Board's goals  
UPDATE and projects, as well as Council's policies and expectations.

Ms. Stone reviewed the grand opening of the new shelter and addition of a new dog park in 2015. She mentioned Mr. Stewart has several ideas to move the shelter forward and the Board is supportive of his ideas.

Mr. Stewart gave an overview of goals the Board has for 2016. The goals are: 1) expand the shelter with community engagement and working with volunteers. The new shelter is inviting for the potential adoption of animals so the Board would like to expand partnerships with rescue groups; 2) ASPCA grant (Keeping families together); 3) Kuranda Bed Campaign (getting a bed for every dog in the shelter); 4) Public Safety First (being proactive not reactive); 5) Foster Program (community engagement); 6) New Shelter Management Software (will be cost efficient); 7) Street Team (volunteers that are Animal Services Ambassadors); 8) Education Center; and 9) emphasize Safe Haven Brand to erase the "Dog Catcher" stigma.

Council thanked the Board for their efforts and was supportive of the ideas/concepts brought forth by the Board.

AGENDA ITEM NO. 4: John Banks, Parks and Recreation Director, and Peter Pruett,  
ZOO PROJECTS Zoo Superintendent; and Jennifer Erchul, Zoological Society  
UPDATE President, updated the Council on Pocatello Zoo projects. Staff also asked for guidance from Council for the following projects:

a) Changing the name of the Pocatello Zoo to Zoo Idaho; b) Community Free Day at the Zoo on June 11, 2016; and c) Council's direction regarding the Zoo Entrance building design efforts.

Mr. Pruett shared his goal to help the zoo become an accredited and world class facility. He explained this is why the name change concept is being introduced. Mr. Pruett feels the proposed name change to Zoo Idaho will assist people living outside of our area and the state to identify exhibits at the Zoo.

It was noted that, preserving intermountain west wildlife is a conservation effort. If Zoo Idaho comes up on a google search, it benefits our community and educates individuals about our Zoo.

ZOO NAME CHANGE PROPOSAL-Pocatello Zoo is one of a handful of indigenous zoos, specializing in strictly native Idaho species. The present name, Pocatello Zoo, reflects the strong support found throughout the community. However, staff feels that a re-branding effort and name change to "Zoo Idaho" would: a) better describe the Zoo in regards to native animal species; b) make a bold commentary on being Idaho's Zoo; c) be easily memorized, repeatable and identifiable; d) create a renewed excitement for and interest in the Zoo within, as well as outside of the community; and e) connect directly and seamlessly with the Zoo's mission statement of 'Preserving Intermountain West wildlife and habitat through conservation and education.'

Mr. Pruett added that the name change also drastically increases the Zoo's marketing opportunities and bring increased/new attention beyond southeast Idaho to the Pocatello community. Zoo Idaho is simple, yet strong statement for the Zoo, which carries with a potential for wide ranging interest and recognition.

The Pocatello Zoo is poised for strategic and rapid growth and improvement over the next several years, which is expected to generate vast amounts of renewed excitement and community support. A fresh re-branding effort and name change to Zoo Idaho is a statement of confidence, as well as a recognition of support and pride in both the Pocatello community, and our beautiful state of Idaho.

Mr. Banks would like to hear feedback from Council regarding the proposed name change. He feels the name would be very recognizable with the other improvements being made at the Zoo.

A majority of Council expressed their support of the proposed name change. A final decision will be voted upon at a later date.

Further discussion regarding rebranding efforts and having staff work with professionals that can help develop the design followed. It was noted there has already been a tremendous reception from individuals in the commercial design field regarding the rebranding concept.

Mr. Pruett reviewed the proposal for a Community Free Day at the Zoo. He feels it is a fantastic way to say thank you to the community. Mr. Pruett shared his experience from past zoos where the Free Day event was used. He explained fund raising efforts to make repairs at the Zoo can be increased with these events. Mr. Pruett reviewed sponsorship opportunities and feels there may be a lot of companies that will take advantage of sponsoring a day at the Zoo.

COMMUNITY FREE DAY PROPOSAL-Staff is recommending a community free day at the Zoo on June 11, 2016. A City sponsored free day acknowledges the City's sincere appreciation for the community's support of the Zoo, recognizes how important the community is for the Zoo's success

in the future, and is an excellent way for the City and Zoo to say “Thank You” to the community for their support.

In conjunction with the free day, the Zoo would be conducting its first annual Outdoor Adventure Day. The event will celebrate outdoor activities throughout Idaho, inform the community on outdoor activities, present information on how to be active environmental stewards and inspire people to care for and preserve our habitat for all to enjoy.

Zoo staff would use the free day for fundraising and revenue generating purposes as well by setting up multiple member tables and donation opportunities for the Capital Zoo Entrance Project. The Zoo is also in the process of designing new development and marketing strategies, including opportunities for local/regional entities to sponsor a Zoo Day of their own. Businesses and corporations and individuals will be able to purchase half-price or free zoo days for set prices.

A majority of Council expressed their support of the proposed name change. A final decision will be voted upon at a later date.

In response to questions from Council, Ms. Erchul explained the Zoological Society is a fundraising arm for the Zoo. Their organization is willing to help with projects, develop ideas and provide volunteers that will assist with Zoo events.

Mr. Pruett thanked City staff for their help with the new Zoo entrance project. He gave a brief overview of the site work staff has completed to date.

**ZOO ENTRANCE DESIGN**-Mr. Pruett gave a brief history of the Zoo entrance project. He noted at the August 13, 2015 Study Session, Council granted staff permission to continue with and complete implementation of the designed site work, which includes the ADA pathways and native landscapes essential for the remainder of the project. Cost estimates for all site work/grading/utilities, etc. is \$267,581.00 which includes everything except a new admissions/gift shop/concession/restrooms building.

Mr. Pruett explained he has been exploring options for a re-designed Zoo Entrance building plan that will meet the Zoo’s needs both now and in the future, as well as be significantly more cost feasible. Initial inquiries with custom built and aesthetically superior pre-fabricated building manufacturers indicated that a significant cost savings could be realized by using a pre-fab building. A preliminary plan provided by Romtec Pre-Engineered Buildings indicated a cost of approximately \$250,000.00 including building, delivery, architect/engineering plan fees and installation.

It was mentioned that staff is incorporating the red brick restrooms located near the Zoo into the project. This is a workable and cost effective solution to meet the need for public restrooms. The restroom area will be regulated through a gate system for access when the Zoo is open and/or closed.

Further exploration has yielded another potential building design option that staff is excited to present to Council for consideration, a log cabin style building designed to seamlessly blend with and take advantage of the existing native landscape and topography, and capitalize on the inherent natural beauty of the Zoo site. A preliminary plan provided by Lodge Log and Timber Products indicates a log building cost of approximately \$84,000.00. This cost does not include delivery, architect/engineering plan fees or installation. Conservatively, staff estimates that the total cost of the Lodge Log and Timber Building would be approximately \$200,000.00. The original design cost

estimates for the Zoo Entrance building ranged from \$637,200.00 to \$763,500.00. Staff is seeking Council input and direction regarding Zoo Entrance building design efforts. The log cabin has a secondary loft that can be used for education purposes.

In response to questions from Council, Mr. Pruett explained entrance construction costs are below the initial estimate. Refurbishing the older red brick building and utilizing the existing bathrooms resulted in a great cost savings.

Mr. Banks explained when staff reevaluated the feasibility of the project, Council gave the “go ahead” to research the manufacturing building concept. He noted that staff is very excited about the Log cabin concept and the potential revenue of utilizing the cabin for other events. Staff feels it will work very well for the Zoo’s needs.

In response to questions from Council, Mr. Banks clarified the log cabin option will be around \$200,000.00 for the structure. There may be ongoing costs to keep the exterior logs in good condition. Staff has already verified the structure meets ADA guidelines.

Mr. Banks explained staff did not want go too far down the path to pursue the log cabin structure idea until it was known if Council was supportive of the concept.

A majority of Council expressed their support of the log cabin concept. However funding of the structure is still an issue. A final decision will be voted upon at a later date.

AGENDA ITEM NO. 5: Joyce Stroschein, Chief Financial Officer/Treasurer; Ashley  
EMPLOYEE Linton, Accountant; Kim Smith, Human Resource Director;  
COMPENSATION and Andrea Fogleman and Bonnie Frasure, BDPA, Inc.,  
STUDY UPDATE Compensation Consultants; were present to give an update on  
Employee Compensation Study and costs to implement the  
results of the study.

Ms. Stroschein gave an overview of the Compensation Pay Plan costs for implementation in Fiscal Year 2017. She explained each employee has been labeled “A” through “D” based on hire/promotion date to determine their percent of market pay for this implementation. These labels are better described as the following: “A” hired or promoted in Fiscal Year 2015 – percentage of Market is at least 86%; “B” hired or promoted in Fiscal Year 2013 or Fiscal Year 2014 – percentage of Market is at least 88%; “C” hired or promoted in Fiscal Year 2011 or Fiscal Year 2012 – percentage of Market is at least 91%; and “D” hired or promoted in Fiscal 2010 or earlier – percentage of Market is at least 96%.

The financial impact on the General and other tax funds was reviewed. General funds impact would be \$512,199.00 and Other Tax funds would be \$91,626.00. Financial impact of funds funded by both tax and fees is \$36,466.00; Transit Fund – Urban \$9,880; Fee supported funds equals \$181,245.00. Total impact on funds would be \$831,416.00.

In response to questions from Council, Ms. Smith explained Police Department personnel costs may need to be calculated differently. She added that Union negotiations must still take place to know the actual compensation amounts. The projected costs are based upon the assumption that all employees will be on the plan.

In response to questions from Council, Ms. Stroschein explained longevity pay is included in the proposed compensation amount and is figured into the percentages outlined in Labels A through D.

Other tax funds and those funded by both tax and fees were reviewed. It was noted that that grants fund 50% of the costs for the Transit Urban fund.

It was clarified that by rolling longevity into the base wage, the wage is increased. However, the annual increase for being employed by the City another year will not increase.

Ms. Fogelman explained the performance pay concept. She noted if an employee is a good performer their wage will increase more quickly as compared to a 5-year waiting period of employment to receive longevity pay.

General discussion regarding costs to implement the plan and new concept to determine wages continued. Concerns were shared regarding how to determine low, medium and high performers.

Ms. Fogelman outlined the proposed compensation concept. She explained longevity pay will be eliminated, but wages are open to performance increases.

In response to questions from Council, Ms. Frasure anticipates most of the City's employees will be within market. The "super stars" may have a noticeably higher wage (at least 15%). She reviewed other entities that use performance based compensation methods and the expectations of employees in the program.

It was clarified that the amounts being discussed are just to bring employees to their percent of market based upon their hire/promotion date. Council will need to decide if they wish to adopt the proposed Compensation Payment plan.

AGENDA ITEM NO. 6: Joyce Stroschein, Chief Financial Officer/Treasurer; and Ashley  
ENHANCED BUDGET Linton, Accountant; were present to introduce an Enhanced  
STRATEGY PROPOSAL Budget Strategy Proposal for Council to use as a guideline for  
determining the Fiscal Year 2017 Budget.

Ms. Stroschein reviewed the Vision Statement for the Finance Department as well as their Goal and Objective. Vision Statement-The City's Budget process is a decision making tool to effectively use our limited resources to provide the needed and desired services to our citizens; and The City's approach to budgeting is to clearly develop a concise process to clearly relate financial resources to the services to be provided in the coming fiscal year. Goal and Objective – 1) To develop a budget process which allows the governing body to determine the services to be provided with the available resources; and 2) The start of the process will develop a budget with acceptable funding and increase services as additional revenues become apparent.

### **-Enhanced Budget Development Strategy**

Ms. Stroschein reviewed the current budget approach/guidelines. She feels the current process makes it difficult when resources are not available to match the requested needs and/or wants. Ms. Stroschein reviewed the proposed new process. It will include the following steps: 1) review revenue for Council direction; 2) Department budget guidance; 3) Enterprise funds budget guidance; 4) Salary projections; 5) compensation (new pay plan or existing plan); 6) Health Care Benefits; 7)

Department Budget Development; 8) Department presentations; 9) Revenue Analysis (compare to initial revenue build for excess revenues); and 10) Tax solution (application of additional revenues on additional department needs).

Ms. Stroschein clarified the list of departments for the Council's tax solution worksheet will include service impacts as a result of the projected revenues for the initial budget. Other services and additional needs will NOT be included in the initial budget. These adjustments can be added to the budget as part of the process. She noted that property tax revenue has a major impact to the budget and is usually difficult to calculate until actual figures are known. However, other budget revenues have shown to be easier to predict.

### **-Budget Guidance for Fiscal Year 2017 Budget Development**

RESERVE POLICY – Proposal City shall strive to maintain the reserve balance for all tax supported funds equal to 3 months' of expenditures of the ensuing fiscal year. Enterprise Funds will build reserves according to the rate study plan. The capital project funds, debt service funds, and grant funds are not required to maintain reserves. The Capital Acquisition, Building Renovation, Fire Apparatus, and Street Capital Funds will build reserves for future needs. The Worker's Compensation Fund will build a reserve level of \$1,500,000.00 for possible claims.

UNION NEGOTIATION POLICY-City will delay until the next fiscal year implementation of negotiated Union terms if negotiations have concluded after the completion of the budget process. Once the budget is published for the public hearing, the budget cannot be increased as a result of Union negotiations.

Ms. Stroschein stated when union negotiations are concluded after the budget is published, there is great difficulty in modifying the City's budget. She explained the budget cannot increase once it is published. If an increase in wages/benefits is negotiated, the monies must be taken from current resources.

A list of "One Time" monies used for Fiscal Year 2016 budget was reviewed. It was noted that \$1,017,283.00 was used from the General Fund and \$474,603.00 was used from other tax funds as "one time" revenue to help balance the Fiscal Year 2016 Budget.

PROPERTY TAX HISTORY-Ms. Stroschein gave a brief history of tax levy rates from 2006 to 2016. She reviewed the years the City received Payment in Lieu of Taxes (PILOT) transfers and the impact on the tax levy when the PILOT was no longer received. She noted the increase in property tax levied from 2012 to 2016 equals \$3,616,672.00. This amount is almost equivalent to the PILOT transfer of \$3,842,503.00 which indicates that the City did not increase services during that period, but was compensating for the loss of the PILOT revenue.

PROPERTY TAX DISTRIBUTION-Ms. Stroschein reviewed property tax dollars by rank and distribution in the general fund. It was noted the 3% Property Tax increase available for Fiscal Year 2017 is \$807,026.00 and the Foregone tax amount available for Fiscal Year 2017 is \$1,460,725.00.

Council discussion regarding fund distribution and availability of taxes for use in multiple funding groups continued. It was clarified the foregone amount that is available is limited and cannot be applied to the general fund as it is currently allocated due to general fund levy limitations set by the State of Idaho.

Due to the general fund levy limitation, Ms. Stroschein suggested the following: a) move Zoo Division to Recreation Fund; b) add Legal Division and Mayor/Council Division into Administrative Support Calculation (move Magistrate Court Revenue into Police Division revenue); c) Add administrative items from Non-Departmental Division into Administrative Support Calculation; d) Move Electric Franchise Fee Revenue back to General Fund; and e) Levy direct for risk management insurance for the general fund.

TAX FUNDS INITIAL BUDGET DEVELOPMENT GUIDANCE-Ms. Stroschein reviewed the following items she is seeking Council guidance: 1) General fund Levy limitation solutions; 2) Policy Decisions; 3) property tax amount to be levied (planned reduction, 3% increase and foregone); 4) Property tax distribution; 5) Department request for additional personnel; 6) Employee compensation direction (Plan to follow/implementation); and 7) Health Benefits (provider for Fiscal Year 2017). The dates the guidance needs to be received was distributed to Council.

ENTERPRISE FUNDS INITIAL BUDGET DEVELOPMENT GUIDANCE-Ms. Stroschein reviewed the following items she is seeking Council guidance: 1) Budget development guidance (build according to rate study plan); 2) Department requests for personnel (must be included as part of the rate study plan); 3) Pay Plan (decision will mirror tax fund budget development guidance) and 4) Health Benefits (decision will mirror tax fund budget development guidance).

SALARY PROJECTION DEVELOPMENT-Ms. Stroschein reviewed a) requests for new personnel by Tax funds and Enterprise funds; and b) adopted pay plan (current pay grade step/longevity or Market approach).

HEALTH BENEFITS-Ms. Stroschein stated she needs direction of who will be the City's health care benefit provider(s) in order to determine the Fiscal Year 2017 budget. It was noted that rate information will be available in March 2016. Current distribution is: Single 6%, Two Party 8% and Family 10%.

Ms. Stroschein provided a proposed Budget Strategy Checklist for Council's review. She will need direction from Council by the dates specified on the check list in order to move forward with the budget process.

Mayor Blad announced the Council Working Lunch will take place in the Paradise Conference room and will be immediately followed by a Budget Restructuring meeting.

AGENDA ITEM NO. 7: At 11:47 a.m. Mayor Blad and Council members Bray, Brown, WORKING LUNCH Cooper, Johnston, Moore, and Orr left the Council Chambers and participated in a working lunch in the Paradise Conference Room. Discussion centered on budget limits for various City funds and general City topics. No formal action was taken.

Mayor Blad adjourned the meeting at 12:55 p.m.

APPROVED:

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BRIAN C. BLAD, MAYOR

ATTEST:

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RUTH E. WHITWORTH, CMC, CITY CLERK