

CITY OF POCA TELLO, IDAHO
CITY COUNCIL STUDY SESSION
MARCH 12, 2009

AGENDA ITEM NO. 1: Council President Gary Moore, called the ROLL CALL City Council Study Session to order at 9:04 A.M. Council members present were Roger Bray, Ron Frasure, Eva Johnson Nye, Robert Richway, and Brian Underwood. Mayor Roger Chase arrived at 9:05 A.M.

AGENDA ITEM NO. 2: Joyce Horsch, Child Care Advisory Committee CHILD CARE Chairman, and Dianne Brush, Licensing ADVISORY COMMITTEE Enforcement Officer discussed the UPDATE Committee's goals and projects, as well as the Council's policies and expectations.

Mrs. Horsch thanked the Council for standing up for the children and following to the policies that have been set. The Committee is working with Idaho Stars on education to promote quality child care and strive to constantly find new ideas to keep employers and their childcare staff up to date.

During the presentation Mayor Chase joined the Study Session and Council President Moore turned the Chair of the meeting over to Mayor Chase.

Carol Grimes, Child Care Advisory Committee Secretary, gave an update of the progress that has been made in protecting children in daycare situations, since the Committee was created.

Judy Boren, Regional Quality Child Care Consultant for Idaho Stars, noted that Pocatello is the largest area that she works with. Ms. Boren reported that 25 Trainings were held in Pocatello with a total of more than 400 attendees. She noted that other trainings are available on-line so there are many ways individuals can receive training.

Dianne Brush, Licensing Enforcement Officer, thanked the Council for supporting the Advisory Committee and reviewed proposed legislation that is currently before the Idaho Senate. Mrs. Brush stressed that Pocatello does an outstanding job in implementing child care guidelines and the City is the forerunner in making children safe. Her job is made easier by the Fire Inspector, Police, and Planning departments work together to enforce City Codes.

AGENDA ITEM NO. 3: Bob Bleven, Community Development Block CDBG ADVISORY Grant (CDBG) Committee Chair, and LeeAnn COMMITTEE UPDATE Dutton, Neighborhood and Community Services Division Manager, discussed the Committee's goals and projects, as well as the Council's policies and expectations. Mr. Bleven stated that their Committee has seven members. He reviewed several programs that have been completed and other programs currently being worked on. Mr. Bleven stated that

the Committee has remained very busy as a result of Federal Stimulus monies being made available to the community.

Mrs. Dutton noted that four of the Committee members must live in the City's low to moderate target area neighborhoods and she thanked the members for their dedication. The Committee's insight into their neighborhoods is invaluable especially during this time of federal stimulus funds becoming available. Mrs. Dutton reviewed how the Committee helps track funding goals, participate in the review process, and provide suggestions for improvement of the CDBG program.

Mr. Bleven stated that the Committee will continue to work within the guidelines of the City's 5-year Consolidated Plan, provide recommendations for the 2010/2011 CDBG Action Plan and stimulus funds that are received.

In response to a question from Council, Mrs. Dutton stated that the Committee would like to keep CDBG funds working within the community. As a result, they promote opportunities for recipients of CDBG funds to pay back the funds they have received.

Mayor Chase noted that Pocatello's CDBG Committee has been acknowledged nationally as a result of how they complete the complicated CDBG process and the many successful projects that have been completed under their leadership.

AGENDA ITEM NO. 4: Fred Ostler, of Project Engineering
GREEN CONSTRUCTION Consultants, Ltd., and Dr. Mark Knight,
PRESENTATION University of Waterloo, gave a presentation
on Green Construction research. Mr. Ostler
stated that their research would be very complementary to the goals the City has regarding improving the environment and use of renewal energy. Mr. Oster gave an overview of metal pipeline's service life and the dangers of using metal pipes. He explained how trenchless technology is used and feels it would be easier on the environment. Mr. Ostler felt that there would be a great savings in fuel costs as well as lessen the City's carbon footprint if trenchless technology is used.

In response to questions from Council, Dr. Knight stated that new equipment may be necessary to implement the trenchless technology but it would depend on the type of work the City was doing. He reviewed "pipe bursting" methods and how they can be applied. Dr. Knight also outlined how the pipe can be enlarged a couple of sizes very easily but any larger of an increase would need further review. He stated it could cost 20% less to use trenchless technology verses the trench method.

Mr. Oster suggested that a pilot study be done. He would be happy

to look at a pilot project for the community to use an example. Greg Lanning, Director of Public Works, stated that the City has already used these types of methods for projects and appreciated the additional educational materials. Mr. Lanning outlined a couple of City projects that used the trenchless method. He noted that staff did not see a difference in the engineering costs for the projects the City has completed.

In response to a question from Council, Mayor David Hanks, City of Fairfield, stated that their City is getting ready to start on a sewer project and were considering using the trenchless method.

AGENDA ITEM NO. 5: Julie Bloxham, and Marie Hogan, MERCHANT SERVICES representatives of Heartland Payment AGREEMENT-HEARTLAND Systems, Inc., David Swindell, Chief PAYMENT SYSTEMS Financial Officer, and Jerry Higgins, City Treasurer, discussed Heartland's proposed contract to provide Merchant Services to the City of Pocatello. Mr. Swindell outlined the service that Heartland Payment systems would provide and the process of Point of Sale (POS) machines. He noted that the merchant process has a cost for the flow to happen. A request for proposal was put out for bid and Heartland Payment Systems, Inc. was chosen to receive the contract because of the services they provide. However, before the contract was approved, there was a security breach issue that occurred with Heartland and the Council asked for more information before the contract could be approved.

Mrs. Bloxham read the News Release that was submitted by Heartland Payment Systems. She stated that there is an "end to end" encryption process that will help take care of fraud attempts. Mrs. Bloxham also read statements from Heartland over-viewing the fraud attempt and the steps currently being taken to correct and prevent future problems.

In response to questions from Council, Mr. Swindell reviewed the data security that a merchant should take when accepting a card. One of the reasons the City chose Heartland was because they have a local person to ensure small businesses have the proper security in place which will eliminate their vendors from allowing a security breach.

Mr. Higgins stated that Heartland contacted him as soon as the breach was known and he felt that the credit card process should be separate from the banking process whether it is with Heartland or another vendor.

Council directed staff to place the contract with Heartland Payment Systems on a future Regular City Council meeting for consideration.

AGENDA ITEM NO. 6: Mike Irwin, Fire Chief, discussed a proposal
FIRE DEPARTMENT to change the Fire Department Leadership
-LEADERSHIP structure. Mr. Irwin described the changes
RESTRUCTURING that he would like to make in the
leadership at the Fire Department. He feels
without a Battalion Chief on duty for each shift, there tends to be
a disconnect among staff. Mr. Irwin noted that because a Battalion
Chief would be with Fire Department staff during the duration of
their shift, someone will always be there to make decisions and be
in charge. He has reviewed the proposal with fire staff and they
support the change.

In response to questions from Council, Mr. Irwin stated that the
change in command should not cause hiring problems to fill
positions. In addition, he does not feel it will cost more but
would actually be more cost effective because there will be less
overtime. Mr. Irwin also predicts that the department can get rid
of two vehicles as a result of the change.

The Mayor and Council instructed staff to provide additional cost
information about the proposed changes to help Council evaluate the
budget changes.

AGENDA ITEM NO. 7: Scott Ransom, Zoo Superintendent, and Mark
GRIZZLY BEAR Gamblin, Fish and Game Supervisor, gave an
EXHIBIT UPDATE update on the Grizzly Bear Exhibit project.
Mr. Ransom stated that he is the Chairman of
a Joint Building and Facilities Committee for the exhibit and they
would like to move forward to get the architectural portion of the
exhibit done. As Chairman, he presented the idea to enter into a
Memorandum of Understanding with the Zoo Society, to pursue the
steps needed to discover costs for the exhibit.

In response to questions from Council, Mr. Ransom stated that the
Committee currently has \$375,000.00 to use toward the exhibit and
may have an additional \$116,000.00 in pledges. They also plan to
apply for other grants to help with the exhibit costs. The
Committee anticipates the cost of the exhibit to be about
\$700,000.00 which is less than half of the initial plan cost of 2.2
million.

Mayor Chase stated that he would prefer the project be completed in
phases to allow the bears to be moved into the completed areas
while continuing to expand the exhibit.

Council was in agreement with allowing the Zoo to move forward with
the Committee's plan as proposed.

Mayor Chase called for a short recess at 11:18 AM.

Mayor Chase reconvened the meeting at 11:28 AM.

AGENDA ITEM NO. 8: David Swindell, Chief Financial Officer, FISCAL YEAR 2009 discussed recommended Fiscal Year 2009 MID-YEAR BUDGET budget adjustments in light of State Sales REDUCTIONS Tax and Highway User Fee weakness. Mr. Swindell discussed revenue concerns with the 2009 budget. He reported that City Department Heads held a meeting to discuss budget cuts. Staff recommendations were distributed to the Council and staff requested that the Council give direction as to how Council would like to proceed with the proposed changes.

In response to questions from Council, Mr. Swindell reviewed the actions taken to date to reduce the budget and the additional actions being proposed. He noted that Public Safety was the only area in the Fiscal Year 2009 budget to have an increase that exceeded the rate of inflation. Mr. Swindell reminded the Council that Mayor Chase proclaimed a 10% holdback on travel and training and also a hiring freeze effective July 1, 2008, through September 30, 2009. In addition, funds from fuel savings was obtained because the cost of fuel was less than anticipated. He further explained how Sales Tax funds are distributed to city and county governments and gave a breakdown of the deficiencies in the funds. Mr. Swindell noted that as of February 28, 2009, estimated shortfalls for Sales Tax was \$332,384.00 and Highway User Tax was \$129,579.00.

Discussion regarding Sales Taxes and Highway User Taxes and the decreases that are anticipated in the upcoming year based upon the current trend were reviewed. Mr. Swindell displayed a chart that showed how State Highway User fees have declined since 1999, both in actual dollars and especially in purchasing power. Another chart showed how the city has allocated more and more local taxes to make up the shortfall, but the result is still short of what is needed to maintain the street network.

Mayor Chase noted that the proposed cuts are only temporary and cannot remain permanent. He added that equipment and vacated staff positions will need to be replaced eventually.

Council's previous discussion to eliminate the Council Select fund was reviewed. Some of the Council felt the organizations who request Council Select funds for events are economically good for the City and the funds should partially remain. Council directed staff to reduce the Council Select line item by seventy-five percent.

In response to questions from Council, Mr. Swindell suggested the cutbacks be implemented as soon as possible. He felt if the cutbacks are not done immediately and departments hire part-time

staff or make capital purchases the City may have a shortfall. In addition, making cuts now would allow departments more time to make their adjustments.

Council instructed staff to make the proposed adjustments as outlined on the FY09 Tax Fund Solution Mid-Year Edition (Attachment "A"). The Council would also like to monitor the situation and continue the discussion for a couple of months to determine what other cuts may need to be made.

Mayor Chase adjourned the meeting at 12:53 PM.

APPROVED:

ROGER W. CHASE, MAYOR

ATTEST:

RHONDA L. JOHNSON, MMC, CITY CLERK

PREPARED BY:

RUTH E. WHITWORTH, CMC, DEPUTY CLERK