

**DRAFT MINUTES OF THE CITY COUNCIL MEETING
FOR THE CITY OF HAYDEN, KOOTENAI COUNTY, IDAHO**

Thursday, May 28, 2026

Special Meeting: 1:00 PM

Hayden City Hall Council Chambers, 8930 N. Government Way, Hayden, ID 83835

CALL TO ORDER

The meeting was called to order at 1:04 PM.

ROLL CALL OF COUNCIL MEMBERS

Present: Ed DePriest, David Erickson, Matthew Roetter, Tom Shafer.

1. WORKSHOP

A. Fiscal Year 2027 Budget Planning

During the second budget workshop, staff reviewed the General Fund (110), General Fund Investments (111), Impact Fee Funds (120 and 121), and Major Capital Fund (130), including revenue sources, expenditures, capital improvement plan (CIP) uses, and the purpose of each fund. Staff also presented reserve fund best practices, risks, and recommendations for reserve policies. The proposed reserve structure includes an operating reserve equal to 90 days of annual operating expenses (excluding transfers and capital expenditures), an emergency reserve equal to 10% of operating expenses, and a capital reserve that would fluctuate annually based on current needs and the five-year CIP. Staff recommended maintaining total reserves equal to approximately 35% of operating expenditures, in addition to funds designated for capital projects and CIP savings. It was noted that the Major Capital Fund serves as a savings account for future capital projects and that funds transferred into the fund cannot be reallocated without following Idaho's interfund loan requirements.

The group reviewed both the current year's moving and fixed capital budget and the proposed fiscal year 2027 capital budget, which includes parks and streets equipment, city hall and public works improvements, transportation projects, and parks investments. An introduction to the fiscal year 2028 capital budget was also provided. Transportation and parks impact fee projects proposed for fiscal year 2027 were reviewed along with their associated budgets. The workshop also included a discussion on investment bonds, noting that sewer and general fund dollars were previously invested in 2018 and that the updated investment policy will be incorporated into the city's broader financial policies. City funds continue to be held in both the Local Government Investment Pool (LGIP) and Mountain West Sweep accounts.

The City's law enforcement strategic planning effort is still in progress, with results expected after the budget is adopted, leaving the full impact on future services unknown. Kootenai County has requested \$1,308,187 for fiscal year 2027, a 10% increase over the fiscal year 2026 contracted amount for the same level of service. Council Members raised concerns about expressed varying perspectives on how to respond to the increase: some preferred holding the budget at fiscal year 2026 levels and some supported a small inflationary adjustment. Concerns were also raised about preserving a positive working relationship with Kootenai County while

evaluating future law enforcement service options. Ultimately, the council reached consensus to increase the fiscal year 2026 budgeted amount for law enforcement services by 3% for the fiscal year 2027 budget.

Mayor Davis asked about several items, including funding the senior center, which may be tied to Hayden's GEM Community designation from the late 1990's and questions related to the proposed budget detail handout.

The next budget workshop is scheduled for June 17, 2026, at 1:00 p.m. to review the city's enterprise fund related to sewer.

2. ADJOURNMENT

The meeting adjourned at 3:33 p.m.

Abbi Sanchez, City Clerk

Alan Davis, Mayor