

CITY OF POCA TELLO, IDAHO
CITY COUNCIL MEETING -
BUDGET DEVELOPMENT
MARCH 3, 2016

Mayor Brian Blad called the City Council meeting for budget development to order at 9:04 a.m. Council members present were Roger Bray, Craig Cooper, Jim Johnston, Gary Moore and Michael L. Orr. Council member Steve Brown was excused.

Mayor Blad announced that Joyce Stroschein, Chief Financial Officer/Treasurer would provide information related to developing the City's Fiscal Year 2017 budget.

Ms. Stroschein was joined by Ashley Linton, City Accountant, and stated that information regarding additional tax dollars needed to keep the City whole in the amount of \$852,472.00 would be discussed. She explained Departments were asked to provide anticipated fixed costs for Fiscal Year 2017. Ms. Stroschein clarified that "fixed costs" are basic operating expenses that are not contingent upon a measure of activity.

FINAL VALUATION NUMBERS FOR FISCAL YEAR 2016 (BANNOCK COUNTY TAX LEVY YEAR 2015) – Ms. Stroschein provided the following information received from the Bannock County Property Assessor: 1) Final valuation before homeowners exemption \$3,245,906,732.00; 2) Homeowners exemption \$783,548,568.00; 3) Net taxable valuation \$2,462,358,165.00; and 4) Reported on L-2 \$2,460,126,522.00.

Ms. Stroschein announced the Homeowners Exemption Fiscal Year 2017 (BANNOCK COUNTY TAX LEVY YEAR 2016) will increase from \$89,580.00 to \$94,745.00. She explained this is the fourth year in a row of reported increases to the exemption amount. Ms. Stroschein clarified the City will still have an opportunity to take tax dollars that are available even though values have not increased.

General discussion followed. If the levy is kept at the current level, Council will need to find an additional \$800,000.00 in revenue or cut expenditures in the tax supported funds. It was noted that the amount of anticipated revenue is the driver of the budget. The revenue amounts should be established first, followed by determining the expenses/services that will fit within the available revenues. Multiple suggestions to decrease expenditures were given and discussed.

Council discussion regarding the property valuations and increased expenses followed. It was noted if a 3% levy increase is taken it will not provide enough funds for the City to operate at the current level of services. Service costs are going up and the increase cannot be supported at the projected levels. City staff is seeking the intent of the Council in order to start putting the Fiscal Year 2017 budget together.

General discussion regarding costs, inflation and tax dollars available to create the Fiscal Year 2017 budget continued. It was mentioned if a 3% property tax increase is taken the budget will still fall short of the needed funds. A portion of foregone taxes could be taken to fund the budget at the current Fiscal Year 2016 level. Decisions going forward should be for long-term fixes which may include reducing personnel through attrition. It was noted that the City's two Union organizations have not determined what their desires are so this expense has not been included in the current projections.

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It was the consensus of the Council to move forward with a zero percent increase in the property tax levy and no foregone taxes will be taken at this time. As a result, the budget will need to decrease by approximately \$852,472.00.

Additional discussion regarding other scenarios of revenue and expenses were evaluated. Voluntary reduction in workforce was again mentioned.

It was suggested that discussions take place between School District No. 25 officials and the City to discuss on-going costs which include SRO Officers. Discussion regarding combining the 911 Call Centers to save tax dollars for government and citizens was mentioned as an option.

There being no further business, Mayor Blad adjourned the meeting at 10:58 a.m.

APPROVED:

BRIAN C. BLAD, MAYOR

ATTEST:

RUTH E. WHITWORTH, CMC, CITY CLERK