

CITY OF POCA TELLO, IDAHO
CITY COUNCIL MEETING-
BUDGET DEVELOPMENT
JULY 28, 2016

Mayor Brian Blad called the City Council meeting for budget development to order at 9:03 a.m. Council members present were Roger Bray, Steve Brown, Jim Johnston, Gary Moore and Michael L. Orr.

Joyce Stroschein, Chief Financial Officer/Treasurer; and Ashley Linton, Accountant; overviewed the schedule for the meeting. Ms. Stroschein reminded the Council of the decisions that were made at the July 14, 2016 Study Session. It was clarified the suggestions made during the Budget Development meeting are not binding and will be discussed at a Public Hearing on August 4, 2016 and an ordinance establishing the budget will be voted upon by Council on August 18, 2016.

Ms. Stroschein reviewed a letter received on July 28, 2016 from Kristi Klauser, Bannock County Comptroller showing 2016 Preliminary Assessment values, New Construction Value, and 2015 Actual Final Assessment Values. Ms. Stroschein also reviewed the L-2 Worksheet that is required by the State of Idaho and clarified the worksheet reports 2015 property tax figures.

Ms. Stroschein announced the Decision Spreadsheet would be utilized at this time and Council direction for changes to the spreadsheet would be considered. She noted the spreadsheet has a 3% increase in the tax levy rate for Fiscal Year 2017.

General discussion regarding Payment in Lieu of Taxes (PILOT) fees followed. It was noted that during the period PILOT fees were being received, the City was able to rely less on property taxes. However, once the PILOT fee ended through a Court order in Fiscal Year 2014, the City had to increase the property tax levy to help make up the difference in revenue.

Ms. Stroschein mentioned that she has prepared a worksheet using a 2% increase in the levy rate. The 2% property tax increase results in a net decrease of \$287,547.00 in revenue. The impact this decrease will have on purchasing capital items was reviewed.

Ms. Stroschein explained she is seeking Council direction regarding which option they wish her to present at the budget public hearing scheduled for August 4, 2016.

Mr. Moore supports the 3% increase to purchase capital items that are necessary to provide continued service for citizens.

Mr. Johnston supports the 3% increase in order for the City to be prepared for additional growth. He feels the funds are necessary to provide adequate health and safety needs for citizens.

Mr. Brown supports the 3% increase. He agrees the City must to have adequate funds in order to function well.

Mr. Bray shared his concerns with increasing property taxes and feels the proposed tax levy figures are far above where the City has been historically. He does not feel the growth numbers are there.

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Debate between the Council followed. It was mentioned incoming revenues are less since the elimination of PILOT fees and this has impacted the City's levy rate.

Council discussion continued regarding the effect of increases to property taxes for low-income citizens and City expenses being addressed over the long-term.

Mayor Blad mentioned Council has been working very hard developing the Fiscal Year 2017 budget. He also noted Finance staff and department heads have put forth much effort to make adjustments to their budgets based upon the most current information.

Mr. Orr supports the 3% increase. He would like to keep the current momentum going and feels the increase will allow the City to purchase needed capital items.

Council continued to discuss various tax limits outlined on the Fiscal Year 2017 Property Tax Summary sheet and chose to support the 3% property increase and foregone tax option. Ms. Stroschein announced additional discussion will take place during the public hearing to be held on August 4, 2016.

Following lengthy discussion by Council, the outcome of their decisions is attached as Attachment "A".

Mayor Blad adjourned the meeting for budget development at 9:55 a.m.

APPROVED:

BRIAN C. BLAD, MAYOR

PREPARED BY AND ATTEST:

RUTH E. WHITWORTH, CMC, CITY CLERK