

CITY OF POCA TELLO, IDAHO  
CITY COUNCIL  
BUDGET DEVELOPMENT  
APRIL 9, 2020

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AGENDA ITEM NO. 1: Mayor Brian Blad called the City Council Work Session to order  
ROLL CALL at 10:15 a.m. Council members were in attendance by the  
following: Physically present - Heidi Adamson. By phone -  
Roger Bray, Rick Cheatum, Linda Leeuwrik, Claudia Ortega and Chris Stevens.

AGENDA ITEM NO. 2: Council continued their discussion from the March 5, 2020  
FISCAL YEAR 2021 Budget Development meeting. Council will determine  
BUDGET DEVELOPMENT policies/guidelines that will give staff direction regarding the  
OPTIONS City's Fiscal Year 2021 budget.  
-COUNCIL DISCUSSION

Mayor Blad announced each Council member will have an opportunity to share ideas for the  
upcoming Fiscal Year 2021 City Budget.

Seat No. One- Ms. Stevens shared the following ideas:

Eliminate as few jobs as possible while reducing annual budget by a minimum of 5% and may be  
more as indicated by projected revenues and unavoidable expenses.

Begin with data-based projections of income, "fixed" costs, and the difference (positive or negative).

Create guidelines for ranking, granting, and reporting on non-departmental funds. Require project  
budgets outlining exactly what is to be accomplished with City money as part of the application  
process from community organizations. Require final project budget/goal reports based on the  
criteria outlined in the original funding request.

Create a system for evaluating and prioritizing requests for additional departmental budget requests.

Secure funding for year one of TNR from existing Shelter unfilled position and/or unfilled City  
Economic Development position.

Chief Financial Officer written expense analysis and recommendations for financial curtailments  
and/or efficiencies.

Human Resources Director staffing analysis and recommendations for staff  
reductions/reassignments.

Have each department conduct a goals:tasks:personnel analysis divorced from how we are  
accustomed to doing things to determine the leanest operational model.

Examine overtime expenditures by departments; identify departments with high overtime  
expenditures, and ask departments to report on potential solutions to reduce overtime expenses.

Eliminate Shelter Supervisor position and reorganize staffing chart at Animal Shelter.

Ms. Stevens noted that each City department is an entity to itself and feels it can be a challenge to  
fully breakdown the process. She will post the full list of suggestions on her Facebook page.

Seat No. 2 - Mrs. Ortega shared the following ideas:

Have each City department evaluate how the COVID-19 pandemic has effected delivery of services.

Reduce department budgets by 5%.

Present department needs for the next 5 years in order to facilitate plans for the need.

Hiring freeze across all departments for the next year.

Council/Mayor raises from last year be rescinded.

New policy where only department heads have purchase cards.

Seat No. 3 – Mr. Bray shared the following ideas:

Fuel consumption will be lower as a result of the COVID-19 pandemic. Budget for less revenue.

Governor Little has asked for a 5% hold back from State Departments for Fiscal Year 2021. Suggested City also have a 5% hold back.

Freeze hiring of employees.

Limit current budget spending to harvest funds.

Employee raises need to be on hold.

Staff reduction should be kept at a minimum but not off-limits.

Seat No. 4 – Ms. Adamson shared the following ideas:

Do not research comparisons with other cities at this time.

Streamline the budgeting process to complete it expediently and efficiently.

Seat No. 5 – Ms. Leeuwrik shared the following ideas:

Continue using the current budget development process.

Evaluate salary projections and revenue projections.

Each department prepare their budget as limited as possible and continue to look for cost savings.

During the budget presentations have several running lists of items to be considered at the tax solution phase of the process.

Add a couple of extra meetings for tax solution discussions.

Have departments present plans to get back to the point of providing standard functions.

Seat No. 6 – Mr. Cheatum shared the following ideas:

Need to be careful not to panic during the COVID-19 pandemic.

Until information regarding the City's projected revenue is received - do not make any decisions.

Mayor Blad invited Council members to share additional comments regarding the budget process.

Ms. Stevens agreed with Mr. Cheatum not to make decisions until the revenue is known. However, Council can look at projecting expenses.

Mayor Blad shared he has instructed staff to look at expenses and to evaluate everything they do. This includes essential and non-essential items moving into next budget year. He has asked departments to come with a very minimal "flat" budget and indicate what they can put off into the future. Mayor Blad mentioned the City's revenue forecast will be given at the April 23, 2020 Budget Development meeting.

Mr. Bray feels the City should look at a 5% reduction since the State of Idaho is asking its departments to implement a 5% reduction. Department heads can provide information suggesting the areas to be cut back. He noted Council will make the final decision of where the actual cuts will be.

Mrs. Ortega agrees with Governor Little and feels departments should come in at 5% less regardless. It is highly possible that employees can create ways to provide services at a reduced cost.

Ms. Stevens shared this will be a creative exercise for departments. She does not feel it will be difficult for staff to figure appropriate cuts. It is an unusual year and the City should look at this as an opportunity to cut back.

Mayor Blad reminded Council that staff is being asked to come forward with a "flat" budget.

Ms. Leeuwrik agreed these are unusual times. As a result, she feels the current budgeting process be used to move forward. This may include reductions such as projects that can be put off for a year or two.

Mrs. Ortega feels clear guidance makes everything easier for staff and does not agree to keep the reduction percentages open with variables. She has confidence that employees can do this.

Mayor Blad clarified departments will provide a budget that includes a reduction. However, departments that have revenue from Enterprise Funds will have to look at a 3% increase or not follow the City's utility rate study. If the rate study is not adhered to, this may require a large rate increase in the future.

Ms. Leeuwrik feels the City should try to follow the rate study as close as possible. Instruct departments to present potential scenarios if the rate study is not followed. Cannot ask all departments to come in 5% lower because of the impact potentials. Come-in as conservative as possible with potential reductions.

Ms. Stevens agreed certain department funding sources would provide a different outcome based upon its source. However, she still wants departments to come forward with the 5% cut and Council will determine what will be reduced. Ms. Stevens does not want to set off an employee panic. The City may be in the same situation as other businesses which means we may need to look at furloughing or freezing positions, etc. She does not want the public to think they are the only ones to make cutbacks on employees.

Council discussion regarding a suggested hiring freeze was reviewed. Hiring of emergency services, first responders and department head positions would need to be looked at on a case-by-case basis. It was noted decisions by Council regarding positions would need to be scheduled at an open public meeting. Debate regarding the process continued.

General discussion regarding City positions to hire and advertising of positions followed. Part-time positions and summer hiring needs were shared. The need for a process may be necessary to know what positions Council would like to be involved in. It was determined this can be discussed in more detail through the budget development process.

Purchase card oversight was reviewed. Every Department Head reviews individual purchases. Concerns with purchase card use and how the use is audited was shared.

Mr. Bray would like to hold City employees harmless regarding increases in health insurance costs. He is not sure if there will be employee raises in the Fiscal Year 2021 budget. However, he would like the City to absorb any increase in health insurance costs.

Ms. Stevens would like overtime costs to be monitored. She suggested overtime costs can be reduced by how staff is scheduled. Departments will be asked to give a breakdown of their overtime costs. Ms. Stevens mentioned fire fighters have a large budget for this.

Mrs. Ortega feels if departments want to purchase an item that is over \$5,000.00, they need to justify the purchase and have it approved by Council.

Council discussion regarding budgeting methods for department expenses and approval of purchases by Council was held. Debate regarding micromanaging departments vs. safe guarding all purchases followed. Council discussion regarding overseeing at financial transactions was held. Concerns and suggestions were shared.

Ashley Welsh, Chief Financial Officer/Treasurer gave a brief review of the City's audit process.

Council discussion continued. Suggestions of how the Council can track expenses and make informed decisions were given.

A motion was made by Mrs. Ortega, seconded by Ms. Stevens, to require department expenditures in excess of \$25,000.00 to come before Council for approval. Those voting in favor were Ortega, Stevens and Bray. Those voting in opposition to the motion were Adamson, Cheatum and Leeuwrik. Due to a tie in the voting, Mayor Blad was required to cast the deciding vote. Mayor Blad voted in opposition to the motion. Therefore, the motion failed.

Mayor Blad announced he would have staff provide additional information to Council regarding the City's purchase card and other purchase processes.

Ms. Stevens announced she would like to have the following items placed on a future agenda.

a) Options to do a thorough operational/fiscal administrative analysis of the City municipality. This will include creation of a long-range plan of how the City is going to move forward efficiently and implement goals for the community.

b) How Council members can obtain detailed information from the Chief Financial Officer in a timely manner.

Mayor Blad clarified the following guidance for City Departments to prepare their Fiscal Year 2021 budgets for Council review.

Initially – use flat budget figures based upon Fiscal Year 2020.

In addition – Prepare Fiscal Year budget with a 5% decrease based upon Fiscal Year 2020 figures.

Identify City services that will need to be cut, reduced or no change to the service.

Identify needs/projects that can be temporarily postponed.

While this guidance does not currently apply to Enterprise Funds or internal service departments, all of these departments should prepare their budget with this possibility in mind.

Mayor Blad announced the next budget meeting will be held April 23, 2020.

AGENDA ITEM NO. 3: Mayor Blad adjourned the meeting at 12:26 p.m.  
ADJOURNED

APPROVED:

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BRIAN C. BLAD, MAYOR

ATTEST AND PREPARED BY:

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RUTH NEWSOM, CITY CLERK