

CITY OF POCA TELLO, IDAHO  
CITY COUNCIL MEETING -  
BUDGET DEVELOPMENT  
APRIL 25, 2019

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Mayor Brian Blad called the City Council meeting for budget development to order at 9:03 a.m. Council members present were Heidi Adamson, Rick Cheatum, Jim Johnston, Linda Leeuwrik and Beena Mannan. Council member Roger Bray was excused.

-FISCAL YEAR 2020  
BUDGET DEVELOPMENT  
OVERVIEW

Mayor Blad announced the Council would review various topics regarding development of the proposed Fiscal Year 2020 Budget.

Ashley Welsh, Senior Accountant and Joyce Stroschein, Chief Financial Officer/Treasurer, stated that information regarding budgets for City departments would be presented. Ms. Welsh gave an overview of the material that would be discussed to determine the Fiscal Year 2020 budget and announced that department briefings would be held at this time. Ms. Welsh noted that some departments will ask for guidance, but final decisions will be made at a later date.

-MAYOR AND CITY  
COUNCIL DEPARTMENT  
BUDGET REPORT

Anne Nichols, Administrative Services Manager, Ashley Welsh, Senior Accountant and Joyce Stroschein, Chief Financial Officer/Treasurer, gave an overview of the Mayor and Council Department budget for Fiscal Year 2020.

Ms. Nichols reviewed the department's Mission Statement: Executive management of the municipal corporation, including vision, policy, service to constituents, stakeholder involvement and day to day management.

Fiscal Year 2018 Service Output Summary and Service Measure of Effectiveness were reviewed.

Ms. Welsh gave an overview of the budget comparison of Fiscal Year 2019 to Fiscal Year 2020.

Fiscal Year 2020 Budget Authority Increase Request a) City Council and Mayor raises (yet to be determined); b) \$60,000.00 Citywide Branding/Logo Consultant; c) \$1,500.00 Citywide Records Destruction – moving expense from Non-departmental to Mayor/Council.

Council discussion regarding the budget changes and ideas to reduce costs were shared.

Ms. Welsh explained staff is looking for Council direction regarding the Budget Authority Increase request. Council advised items b and c be added to the 2020 Budget. Mayor/Council pay raises will be placed on a list for further discussion.

-FINANCE DEPARTMENT  
BUDGET REPORT

Joyce Stroschein, Chief Financial Officer/City Treasurer, and Ashley Welsh, Senior Accountant gave an overview of the Finance Department budget for Fiscal Year 2020.

Ms. Stroschein reviewed their Mission Statement: We provide timely and accurate financial information, account for city assets, invest city funds, prepare annual budgets and financial reports and conduct analysis. We also provide administrative services for the mailroom, copy center, and central supply. We are also responsible for the administration of the Police Retirement Fund and the Treasury and Financial reporting tasks related to the Pocatello Development Authority.

Fiscal Year 2018 Service Output Summary and Service Measure of Effectiveness were reviewed.

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Issues, concerns and comments: Finance Department is continuing to develop policies to educate and facilitate controls regarding levels of authority and management of funds while creating an internal tone of accuracy and transparency in reporting for the City. Next goals for the department will be: Issuing the request for proposal on p-card services; facilitating data retrieval for the rate study for the Utility Departments; issue a request for proposal for banking services; and Merchant services will be reviewed in Fiscal Year 2020.

Ms. Welsh gave an overview of the budget comparison of Fiscal Year 2019 to Fiscal Year 2020.

Council discussion regarding the budget process, proposal and changes followed. It was noted that no additional budget authority was requested at this time.

-CITY HALL DEPARTMENT BUDGET REPORT Ashley Welsh, Senior Accountant, Joyce Stroschein, Chief Financial Officer/Treasurer and Lynn Transtrum, Building Official, gave a brief overview of City Hall functions and projects, including custodial roles.

Mr. Transtrum reviewed the Mission Statement: Provide cleaning and maintenance for the facility housing City Hall – Police Department, additional City owned facilities as requested by specific departments (Transit, Sanitation, Zoo, Police Department substations) and City owned buildings, including buildings we lease out.

Fiscal Year 2018 Service Output Summary and Service Measure of Effectiveness were reviewed.

Service Issues and concerns are: a) City Hall and Police Department structure is getting older and maintenance needs are growing. These include – parking lot, upgrade/replace HVAC system, interior/exterior paint, carpet in City Hall and door and hardware replacement and b) The Department may need to expand the custodial staff with the addition of new City owned facilities or if additional departments elect to utilize our services. The increased costs would be covered by the department requesting the custodial services.

Ms. Welsh gave an overview of the budget comparison of Fiscal Year 2019 to Fiscal Year 2020.

Budget authority increase requests are based upon actual Fiscal Year 2019 year-to-date expenditures. The increases are: Plumbing repair \$2,000.00, Professional services \$1,000.00, Operating equipment \$1,500.00, and water/waste/refuse \$4,000.00.

City Council guidance requested on additional authority for Fiscal Year 2020

Execution guidance to move excess (unused) Capital budget to the Building Renovation Fund or Capital Acquisition if Capital budget is not executed during the current fiscal year.

Discussion regarding Capital balances and building needs as outlined in Fiscal Year 2019 and proposed Fiscal Year 2020 followed.

Council guidance – place all increase requests in the 2020 budget as recommended. Capital balances will continue to be discussed.

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-BUILDING DEPARTMENT BUDGET REPORT Lynn Transtrum, Building Official, Ashley Welsh, Senior Accountant, and Joyce Stroschein, Chief Financial Officer/Treasurer gave an overview of the estimated Building Department budget for Fiscal Year 2020.

Mr. Transtrum shared the department's Mission Statement: Promote building safety through code compliance; Assist citizens, contractors and design professionals in completing successful building projects; Enhance neighborhood quality of life; and Assure Pocatello is compliant with state building code laws.

Fiscal Year 2018 Output Summary, Key Measures of Effectiveness and Key Accomplishments were reviewed.

Issues and Concerns: a) At a national and state level local building departments have become a convenient place to locate enforcement authority for a number of requirements. Alternative energy options, environmental regulations, wild land interface standards, hillside construction regulations, etc. Each item adds to our area of responsibility, increases our work load and requires more time and expertise. b) It is a challenge to assure building projects meet the adopted standards and still allow property owners and contractors to obtain the product they desire at a cost they feel comfortable with.; and c) "Well Built Buildings" are an asset to the community and will remain safe and sound well into the future; adequate building codes and competent inspection practices will assure this outcome.

Ms. Welsh gave an overview of the budget comparison of Fiscal Year 2019 to Fiscal Year 2020.

No increase in budget authority is being asked for at this time. Mr. Transtrum feels the City's building fees are appropriate for the duties provided by Building staff.

It was suggested staff look into determining whether a building inspection fee increase for the City of Chubbuck should be implemented. Mr. Transtrum gave a breakdown of the percentages charged to Chubbuck for building inspections. Pocatello provides the labor and Chubbuck provides the administrative costs, documents, etc.

Mayor Blad and the Council thanked Mr. Transtrum for his many years of service to the City and wished him luck in his upcoming retirement.

Mayor Blad called for a recess at 10:05 a.m.

Mayor Blad reconvened the meeting at 10:29 a.m.

-HUMAN RESOURCES DEPARTMENT BUDGET REPORT Heather Buchanan, Human Resources (HR) Director, Ashley Welsh, Senior Accountant, and Joyce Stroschein, Chief Financial Officer/Treasurer, gave an overview of the estimated Human Resources budget for Fiscal Year 2020.

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Ms. Buchanan gave an overview of the Department's Mission Statement: Partner with City operations to develop and maintain human resource services, programs, and policies that create the optimal work environment for serving the citizens of Pocatello.

Fiscal Year 2018 Service Summary Output, Measure of Effectiveness and Key Accomplishments were reviewed. Service issues and concerns were shared. These include: a) RECRUITMENT - Interest in a law enforcement career continues to decline and the legal usage of marijuana in neighboring states is a violation of POST standards; b) HEALTH CARE - Unsustainable increases in health care and prescription costs nationwide impacting our ability to continue a generous employee benefits package; c) LEGISLATION - Presumptive Cancer and Post Traumatic Stress Injury (PTSI) legislation for first responders will have an impact on funding on our Worker's Compensation program; and d) COMPENSATION - Council adopted the new Hybrid Compensation Plan in Fiscal Year 2018 and to remain competitive with the market Consumer Price Index (CPI) needs to be adopted on an annual basis. Fiscal Year 2020 building is at CPI with a one-step increase for general and police civilian employees, which is a great step.

Ms. Welsh gave an overview of the budget comparison of Fiscal Year 2019 to Fiscal Year 2020.

Budget Authority Increase Requests – Employee Assistance Program; Employee Recreation Council; and Management/Leadership Training.

Council guidance – Management/Leadership Training will be placed on the budget discussion list. Employee Assistance Program and Employee Recreation Council be included in the Fiscal Year 2020 budget.

-WELLNESS DIVISION  
 BUDGET REPORT

Anne Butler, Safety and Wellness Coordinator, Ashley Welsh, Senior Accountant, and Joyce Stroschein, Chief Financial Officer/Treasurer, gave an overview of the City's Wellness Division.

Ms. Butler shared the department's Mission Statement: An organized worksite program that is intended to assist employees and their family members in making voluntary behavior changes that reduce their health and injury risks, improve their health consumer skills and enhance their individual wellness, productivity and well-being.

Fiscal Year 2018 Service Summary Output, Measure of Effectiveness and Key accomplishments were reviewed. Ms. Butler shared there are different ways of doing wellness and the City has mostly Traditional Wellness guidelines. Service Issues and Concerns include Medical Cost increases and reaching out to new employees. Ms. Butler is working to make the Wellness program more creative to connect with the City's younger workforce and millennials.

Ms. Welsh gave an overview of the budget comparison of Fiscal Year 2019 to Fiscal Year 2020.

No increase in budget authority is being requested at this time.

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-LEGAL DEPARTMENT  
 BUDGET REPORT

Jared Johnson, City Attorney, Ashley Welsh, Senior Accountant, and Joyce Stroschein, Chief Financial Officer/Treasurer, gave an overview of the estimated Legal Department budget for Fiscal Year 2020.

Mr. Johnson reviewed their department's Mission Statement: Prosecute misdemeanor and infraction citations; represent the City in legal proceedings, negotiations and other matters; provide legal services to numerous City Boards and Commissions, while also providing constant availability to Department Heads/Staff and City Council Members.

Fiscal Year 2018 Outcome Summary, Measure of Effectiveness and Key accomplishments were reviewed. Service Issues and Concerns include: a) City growth will require additional legal services or delay in service; b) Ongoing litigation involving the City of Pocatello requires significant oversight and input from the Legal Department as well as other departments; and c) Not seeking additional personnel at this point, but seems likely in the next fiscal year.

Ms. Welsh gave an overview of the budget comparison of Fiscal Year 2019 to Fiscal Year 2020.

Budget Authority Increase request – Westlaw Subscription - \$2,000.00

Council guidance – add the subscription to the Fiscal Year 2020 budget.

Council discussion regarding anticipated needs based upon future city growth and the effectiveness of hiring an additional attorney followed.

-RISK MANAGEMENT  
 AND WORKER'S  
 COMPENSATION  
 BUDGET REPORT

Andrea Henderson, Deputy Risk Manager, Anne Butler, Safety and Wellness Coordinator; Ashley Welsh, Senior Accountant, and Joyce Stroschein, Chief Financial Officer/Treasurer, gave an overview of the functions of the Risk Management team and the estimated Risk Management/Worker's Compensation budget for Fiscal Year 2020.

Ms. Henderson shared the division's Mission Statement: To administer a risk management program that utilizes liability insurance, loss prevention and safety programs to prevent, reduce and minimize losses and liability exposure for the City.

Fiscal Year 2018 Outcome Summary, Measure of Effectiveness and Key accomplishments were reviewed. Service Issues and Concerns include: Safety Issues– a) Driving errors continue to be among the highest number of claims filed. The City participates in annual ICRMP driving awareness training. City drivers need to increase their awareness of hazards, particularly through intersections and while backing up; b) Lifting accidents, first responder physical training (Police arrest techniques or Fire combat challenge) and pushing/pulling Sanitation containers continue to be highly reported.

Ms. Welsh gave an overview of the budget comparison of Fiscal Year 2019 to Fiscal Year 2020.

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WORKER'S COMPENSATION STATISTICS: Fiscal Years 2016 to 2018 were reviewed by Ms. Butler. Staff is working hard to make it possible for employees to return to work by finding them something to do within a City department.

Fiscal Year 2018 Outcome Summary, Measure of Effectiveness and Key accomplishments were reviewed. Service Issues and Concerns include: Financial Issues due to recent legislation regarding Presumptive Cancer and PTSI for first responders. It is recommended reserves be built to a minimum of \$2 million. To help reach this goal, City Council has approved an increase to the experience modifier by 13% for Fiscal Year 2020 and has recommended an additional 10% increase for each of the next two years. Reserves for existing claims are \$387,413.22. Moreton and Company has the ability to review the City's claims history, industry standards and loss development factors to accurately determine a premium allocation for departments with a large incidence of claims. Many cities in Idaho do this by applying a surcharge or discount by department.

Ms. Welsh gave an overview of the budget comparison of Fiscal Year 2019 to Fiscal Year 2020.

BUDGET AUTHORITY INCREASE REQUESTS:

Risk Management increase – ICRMP Premium - \$19,954.00.

Petroleum Storage Tank insurance - \$100.00 - four new tanks added to policy.

Worker's Compensation – Intermountain Claims - \$4,000.00 - contract increase.

Midwest Employers - \$5,400.00 - estimated premium increase.

In response to a question from Mayor Blad, Ms. Henderson explained State Insurance Fund costs would be much higher than what it is costing the City to be self-insured. She noted the cost to switch coverage was researched by staff a few years ago. At which time State Insurance Fund costs were much higher.

Ms. Butler added that other cities in Idaho are also experiencing the financial impact of recent legislation as discussed earlier

Council guidance – add the Risk Management and Worker's Compensation to the 2020 Fiscal Year budget as presented.

-INFORMATION  
 TECHNOLOGY  
 BUDGET REPORT

Chris Sorensen, Chief Information Officer, Ashley Welsh, Senior Accountant, and Joyce Stroschein, Chief Financial Officer/Treasurer, gave an overview of the Information Technology Department budget for Fiscal Year 2020.

Mr. Sorensen gave an overview of department's Mission Statement: Enabling City operations by consistently delivering reliable and secure services, innovation solutions, and best-in-class customer service...a trusted steward of information technology and a catalyst for innovation.

Fiscal Year 2018 Outcome Summary, Measure of Effectiveness and Key accomplishments were reviewed

Ms. Welsh gave an overview of the budget comparison of Fiscal Year 2019 to Fiscal Year 2020.

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Mr. Sorenson gave an overview of Fiscal Year 2020 operational budget requests. New requests are: a) Logical Access Controls (replaces user name and password login with Smart Card technology) significant increase to network security while reducing burden to users, Cards will integrate with potential future physical security and time and attendance systems; budget estimate \$90,000.00 plus \$7,500.00 annual maintenance; b) Social Media Archive (public records laws require that we maintain all social media posts) current process is manually intensive when staff must remove an inappropriate post; Estimated costs \$4,800.00 per year; c) Windows 7 to Windows 10 upgrade (Windows 7 is due to reach End of Life on January 14, 2020). Currently have approximately 300 machines running Windows 7. Estimated cost \$28,400.00; d) New request for IT support (automated Payroll Time Submissions (Human Resources Department); On-line payment system with IVR (Utility Billing Department); and e) Position request – Cybersecurity Position.

Council guidance – Logical Access Controls, Social Media Archive, and new Cybersecurity Position will be placed on the budget discussion list. Windows 10 upgrade to be included in the Fiscal Year 2020 budget.

It was noted that requests for an automated Payroll Time Card Submissions for Human Resources and an on-line payment system with IVR for Utility Billing will be discussed individually by department.

-UTILITY BILLING  
 DEPARTMENT  
 BUDGET REPORT

Cindy Robbins, Utility Billing Director, and Ashley Welsh, Senior Accountant, and Joyce Stroschein, Chief Financial Officer/Treasurer, gave an overview of the Utility Billing Department's budget for Fiscal Year 2020.

Ms. Robbins reviewed the department's Mission Statement: Perform accurate reading of all water meters and provide timely and accurate billing and collection services for Water, Water Pollution Control and Sanitation departments. Ensure the customer service needs of the City's Utility customers are met.

Fiscal Year 2018 Outcome Summary, Measure of Effectiveness and Key accomplishments were reviewed. Service Issues and Concerns include: The first electronic radio transmitters (ERT) installed began the upgrade process to our reading system. From 2004 to 2009, the ERT available were 50Ws and 60Ws. These ERTs have reached the end of their battery life and are failing at a high rate. List of concerns regarding the ERTs was given. By the end of 2019, we will be 100% radio read. While this is exciting, it brings concerns, as staff is no longer opening the vaults each month that enabled them to check for leaks. Other payment options to reduce manual processing of payments was reviewed.

Ms. Stroschein shared her concerns with the proposed payment software options and noted that other departments still use the current system. She feels this may become an issue.

Ms. Welsh gave an overview of the budget comparison of Fiscal Year 2019 to Fiscal Year 2020.

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General discussion was held regarding the current water shutoff process. The City no longer charges a fee for water to be returned to service. It was mentioned there are some users that have their water shut off each month. As a result, this has caused an increase in costs for the Utility Billing department without added revenue to cover the costs.

Budget Authority Increase Requests –

A – ITRON Meter Reading Hardware Upgrade (will not support current software at the end of Fiscal Year 2020) Total \$55,000.00.

Council guidance - add to Fiscal Year 2020 budget if reserves are available.

B – Service Fees from vendors have increased by 144% over 5 years - \$24,500 is needed to match 2019 tracking amount.

Council guidance - After brief discussion, it was clarified the Service Fees are credit card fee increases. There is usually a 3% cost to process a debit/credit card. It was suggested the 3% charge be added to cost. This would be an increase in revenue and could help off-set the additional expense. A convenience fee will be added to the Fiscal Year 2020 fee resolution. It was also suggested the City restrict the type of cards accepted if the card company charges a high processing fee.

-PUBLIC WORKS ADMINISTRATIVE BUDGET REPORT  
 Jeff Mansfield, Public Works Director, Ashley Welsh, Senior Accountant, and Joyce Stroschein, Chief Finance Officer/Treasurer, gave an overview of the departments within the Public Works Department. These departments include Engineering, Sanitation, Street Operations, Water Operations, and Water Pollution Control. Public Works Administrative budget for Fiscal Year 2020.

Mr. Mansfield gave an overview of the department's Mission Statement: To support and enhance a high quality of life for City of Pocatello residents, businesses, and visitors by providing well-planned, environmentally sensitive, cost effective infrastructure and services that will promote public health, personal safety, transportation, economic growth, and civic vitality.

Fiscal Year 2018 Output Summary, Measure of Effectiveness and Key accomplishments were reviewed. Service Issues and Concerns include: a) maintaining and recruiting qualified personnel; b) meeting regulatory requirements; c) meeting the demands of the public and developers; d) five-year Utility Rate Study; e) Water rights and planning for growth; and f) unfunded mandates (such as stormwater permit).

Ms. Welsh gave an overview of the budget comparison of Fiscal Year 2019 to Fiscal Year 2020.

No budget increases are being requested at this time.

-GIS DIVISION BUDGET REPORT  
 Ryan Howerton, Geographical Information System (GIS) Coordinator, Jeff Mansfield, Public Works Director, Ashley Welsh, Senior Account, and Joyce Stroschein, Chief Financial Officer/Treasurer gave an overview of the GIS Division budget for Fiscal Year 2020.

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Mr. Howerton explained he is the only employee in the GIS Division and gave a brief overview of the functions/services he provides.

Ms. Welsh gave an overview of the budget comparison of Fiscal Year 2019 to Fiscal Year 2020.

No budget increases are being requested at this time.

-SCIENCE AND ENVIRONMENT DIVISION BUDGET REPORT Hannah Sanger, Science and Environment Administrator, Jeff Mansfield, Public Works Director, Ashly Welsh, Senior Accountant, and Joyce Stroschein, Chief Financial Officer/Treasurer, gave an overview of the Science and Environment Division budget for Fiscal Year 2020.

Ms. Sanger gave an overview of the department's Vision and Mission: Vision – To be environmental leaders who empower community members and coworkers into action. Mission – We oversee environmental compliance and collaborate with community partners to improve watershed conditions and quality of life.

Fiscal Year 2018 Outcome Summary, Measure of Effectiveness Key accomplishments were reviewed. Service Issues and Concerns include: a) new stormwater permit – Fiscal Year 2020; b) significant deferred stormwater maintenance – impacting flooding and water quality. Both City and private facilities face this issue; c) funding for stormwater management not tied to the services provided (i.e. highly dependent on tax revenues); d) stormwater and watershed issues cross many departments, but there isn't high level guidance integrating priorities, resulting in missed opportunities for goals outside of funded utilities; and e) River Vision costs (time and funds) to implement. It is also costly not to implement.

General discussion regarding stormwater fees implemented in other cities within Idaho and cities located out of state followed. It was noted that a stormwater fee is highly controversial and usually challenged in court.

Ms. Welsh gave an overview of the budget comparison of Fiscal Year 2019 to Fiscal Year 2020.

No budget increases are being requested at this time.

Proposed Fees for Construction -

- a) Increase the fee for erosion and sediment control from \$75.00 to \$100.00 per acre for the first two acres (for projects that are NOT "general permit" projects).
- b) Increase permit transfer fee from \$25.00 to \$50.00
- c) New fee of \$75.00 for re-inspection if a site fails its initial site preparation inspection, or to lift a Stop Work Order.

Council guidance – consider adopting amended and/or new fees during the Fiscal Year 2020 Budget process.

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Ms. Welsh announced the next Budget Development meeting is scheduled for May 2, 2019 at 9:00 a.m.

There being no further business, Mayor Blad adjourned the meeting at 12:43 p.m.

APPROVED:

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BRIAN C. BLAD, MAYOR

ATTEST AND PREPARED BY:

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RUTH NEWSOM, CITY CLERK