

CITY OF POCA TELLO, IDAHO  
CITY COUNCIL MEETING -  
BUDGET DEVELOPMENT  
MAY 7, 2020

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Mayor Brian Blad called the City Council meeting for budget development to order at 9:02 a.m. Council members were in attendance through Go To Meeting an on-line meeting platform: Heidi Adamson, Roger Bray, Rick Cheatum, Linda Leeuwrik, and Claudia Ortega. Council member Chris Stevens joined the meeting at 9:05 a.m. City staff were also present via Go To Meeting.

-FISCAL YEAR 2021  
BUDGET DEVELOPMENT  
OVERVIEW

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

Ashley Welsh, 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 2021 budget and announced that department briefings would be held at this time. Ms. Welsh noted that some departments may ask for guidance, but final decisions will be made at a later date.

Ms. Welsh gave a brief overview of tax revenue anticipated for Fiscal Year 2021. Sales Tax revenue sharing estimate by Association of Idaho Cities has been delayed until the April 2020 figures are received. Currently, a decrease in Sales Tax revenue is anticipated. She mentioned that Highway User revenue goes to Street Department for street projects.

Mr. Bray suggested the City implement a holdback during the current fiscal year similar to what other government agencies are doing.

Mayor Blad announced that he already tasked City departments to decrease their department operating budgets by 1%.

Bannock County Road and Bridge – trending 12 months is showing a decrease but Ms. Welsh feels this information is not correct and will verify the information. She noted the City does not have any control over these figures as they are determined by Bannock County.

Building Permits – remained steady and new development is expected to continue.

Natural Gas Franchise Fees – Fiscal Year 2021 cost adjustment is unknown because it is based upon the weather.

Liquor Tax revenue - also goes to the City's General Fund. New Legislation will take 15% of city liquor tax over the next five years to fund Magistrate Court Fees.

Interest Revenue – this is earnings from invested cash. Rates have increased over the last few years, but have decreased significantly recently due to COVID-19 pandemic.

Cable Franchise Fees – still a downward trend. Revenue goes to the General Fund and continues to decrease each year.

Magistrate Court Fees – City fines from the court system. All revenue goes to General Fund – Police Department.

CITY OF POCATELLO  
 BUDGET DEVELOPMENT MEETING  
 MAY 7, 2020

Electric Franchise Fees – Revenue goes to General Fund. Revenue have remained consistent over the last 5 years.

Cemetery Charges – charges for open/close services and plot sales. Revenue goes to Cemetery Fund. Impacted by rates, internments and plot vs. ash choices.

Ms. Welsh explained the departments presenting today are “interfund” departments. This means they are funded by other City departments. She noted an updated Budget Revenue report will be given on May 28. Association of Idaho Cities should have their revenue estimates by that date.

-MAYOR AND CITY COUNCIL DEPARTMENT BUDGET REPORT      Anne Nichols, Administrative Services Manager, and Ashley Welsh, Chief Financial Officer/Treasurer, gave an overview of the Mayor and Council Department budget for Fiscal Year 2021.

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 2019 Service Output Summary and Service Measure of Effectiveness were reviewed.

Ms. Welsh gave an overview of the budget comparison of Fiscal Year 2020 to Fiscal Year 2021.

Issues, concerns, comments: Funding upcoming needs – photocopier machine replacement. Overall – managing growth and quality of life; balancing fees and property taxes; State Legislation changes; and State Revenue – Sharing levels.

Ms. Nichols reviewed the Fiscal Year 2021 proposed 5% decrease to the Mayor and City Council Department operating budget.

Council discussion regarding general budgeting and ideas to reduce costs were shared.

-FINANCE DEPARTMENT BUDGET REPORT      Ashley Welsh, Chief Financial Officer/City Treasurer, gave an overview of the Finance Department budget for Fiscal Year 2021.

Ms. Welsh 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 2019 Service Output Summary and Service Measure of Effectiveness were reviewed.

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: Complete conversion to new Merchant service provider; Issue a request for proposal on

CITY OF POCATELLO  
 BUDGET DEVELOPMENT MEETING  
 MAY 7, 2020

purchase card services; Issue a request for proposal for banking services; Research avenues of creating better financial and budgeting reports.

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

Budget Authority Increase request - \$50,000.00 for Software Subscription. Integrates with Central Square to compile information for better and easier reporting of City financials.

Budget reduction proposal – 5% decrease to the Finance Department operating budget.  
 Discontinue GASB 45 Retiree Benefit Analysis - \$10,250.00. (Due to the removal of the Retirees from the employee medical plan, we no longer have this requirement.)

Council discussion regarding the budget process, proposal and changes followed.

In response to questions from Council, Ms. Welsh reviewed how the billing systems work together. She noted it will make providing the report a lot easier thus a cost saving for labor hours. Ms. Welsh explained if there are unused funds in a department at the end of the Fiscal Year, the funds are placed in the General Fund. She is working on developing a report to show a department's status regarding fund reserves that could be distributed to Council.

-CITY HALL DEPARTMENT BUDGET REPORT Ashley Welsh, Financial Officer/Treasurer and Richard Bigelow, Building Official, gave a brief overview of City Hall functions and projects, including custodial roles.

Mr. Bigelow reviewed the Mission Statement: To ensure clean, safe and functioning buildings by providing cleaning and maintenance services for the facility housing City Hall and the Police Department, additional city owned facilities as requested by specific departments (Animal Shelter, Parks and Recreation, Pocatello Police Department substations, Transit, Zoo) and city owned buildings, including leased buildings.

Fiscal Year 2019 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, security key pads and cameras, Eco/LED lighting upgrade 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 2020 to Fiscal Year 2021.

Budget authority increase requests are based upon actual Fiscal Year 2019 year-to-date expenditures.

Budget reduction proposal – 5% decrease to City Hall operating budget.  
 The Operational Budget for City Hall is \$225,724.00 and 5% of that is \$11,286.20. Proposing to take the reduction from repair and maintenance fund.

CITY OF POCATELLO  
BUDGET DEVELOPMENT MEETING  
MAY 7, 2020

Mr. Bray mentioned utility costs are high for City Hall and suggested solar panels for an alternate power source.

Ms. Stevens felt looking at solar panels for City Hall would be beneficial and suggested staff contact Idaho Power to look at this option.

Ms. Adamson mentioned the prospect of solar panels was discussed last year and Public Works staff looked into getting solar panels for city buildings. She asked staff to provide the information again for review. Ms. Adamson noted there is also a cost associated to deferring maintenance of City buildings.

Mrs. Ortega thanked housekeeping staff for their hard work keeping City Hall clean.

-BUILDING DEPARTMENT     Richard Bigelow, Building Official, and Ashley Welsh, Chief  
BUDGET REPORT                 Financial Officer/Treasurer gave an overview of the estimated  
                                                 Building Department budget for Fiscal Year 2021.

Mr. Bigelow shared the department's Mission Statement: To protect the lives and safety of the public while contributing to Pocatello's economic development by promoting building safety through code compliance, assisting citizens, contractors and design professionals in completing successful building projects, enhancing neighborhood quality of life and assuring compliance with state building code laws.

Fiscal Year 2019 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 necessary place to locate enforcement authority for a number of matters; accessibility standards, energy conservation requirements, alternative energy options, environmental regulations, wild land interface standards, hillside construction regulations, etc. Each item adds to our area of responsibility, increases our workload 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 reasonable cost; and c) Adequate building codes and competent inspection practices will assure well-built buildings are an asset to the community and will remain safe and sound well into the future.

Ms. Welsh gave an overview of the budget comparison of Fiscal Year 2020 to Fiscal Year 2021.

No proposed fee increases for the 2021 Budget, but it is our opinion that it would be worthy to compare our fees with other jurisdictions in the area to see how we compete in our pricing.

In response to questions from Council, Mr. Bigelow clarified fees received from performing City of Chubbuck inspections are enough to cover the salary of one of his inspectors. A breakdown of the fees was given and Mr. Bigelow will provide an updated report for Council to review.

CITY OF POCATELLO  
 BUDGET DEVELOPMENT MEETING  
 MAY 7, 2020

Budget reduction proposal – 5% decrease to the Building Department operating budget. Decrease of \$6,981.80 - salary savings from the retirement of two employees. A breakdown of how the department is funded was given. It was noted that the City pays for required certification and training of Building staff.

Council discussion regarding certification and education benefits followed. Costs to provide and how the costs are calculated in the department's budget were reviewed.

Mayor Blad called for a recess at 10:50 a.m.

Mayor Blad reconvened the meeting at 11:04 a.m.

-HUMAN RESOURCES DEPARTMENT  
 BUDGET REVIEW Heather Buchanan, Human Resources (HR) Director, and Ashley Welsh, Chief Financial Officer/Treasurer, gave an overview of the estimated Human Resources budget for Fiscal Year 2021.

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 2019 Service Summary Output, Measure of Effectiveness and Key Accomplishments were reviewed.

Ms. Welsh gave an overview of the budget comparison of Fiscal Year 2020 to Fiscal Year 2021.

Budget reduction proposal – 5% decrease to the Human Resources Department operating budget.  
 a) The City would no longer give gifts to retiring employees. Eliminate practice/program budgeted at \$1,500.00; 2) Background checks – 5,200.00; 3) Background checks (Recreation Volunteers) \$5,000.00; and 4) Office Supplies \$300.00.

In response to questions from Council, Ms. Buchanan gave a breakdown of how City staff positions are counted and will provide information regarding the increase of 35 employees since 2015.

Council discussion regarding the limit of 400 vacation hours for City employees and Union members was held. Union members held very strongly to the 400 vacation hour limit and previous Councils felt it was difficult to allow higher limits for Union employees than what is allowed for regular City employees. Breakdown of Health Insurance coverage for employees was also discussed.

In response to questions from Council, Ms. Welsh explained the 400 vacation hour limit could be modified for new employees. A different bank would need to be created to keep the hours separate.

-WELLNESS DIVISION  
 BUDGET REPORT Anne Butler, Safety and Wellness Coordinator, Ashley Welsh, 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





CITY OF POCA TELLO  
 BUDGET DEVELOPMENT MEETING  
 MAY 7, 2020

Mayor Blad reconvened the meeting at 2:01 p.m.

-INFORMATION TECHNOLOGY BUDGET REPORT Chris Sorensen, Chief Information Officer, and Ashley Welsh, Chief Financial Officer/Treasurer, gave an overview of the Information Technology (IT) Department budget for Fiscal Year 2021.

Mr. Sorensen gave an overview of the 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 2019 Outcome Summary, Measure of Effectiveness and Key accomplishments were reviewed.

Service issues and concerns are: Consumer Price Index (CPI) increases to current City software and associated infrastructure. Mr. Sorensen gave an overview of multiple software and fiber connections that are necessary to conduct the City's business.

Ms. Welsh gave an overview of the budget comparison of Fiscal Year 2020 to Fiscal Year 2021.

Mr. Sorensen gave an overview of Fiscal Year 2021 operational budget requests. Request for a new Cyber Security Engineer Position was discussed.

Budget reduction proposal – 5% decrease to the Information Technology operating budget.  
 - Albert Monitoring system \$4,000.00 and Personal Computer Replacement Plan \$27,317.00. Mr. Sorensen noted IT staff will not replace computers, laptops or tables in Fiscal Year 2021 that were scheduled for replacement.

Council discussion regarding wages and the number of IT representatives for a city the size of Pocatello was held. The services IT staff provides for City departments were reviewed.

-UTILITY BILLING DEPARTMENT BUDGET REVIEW Cindy Robbins, Utility Billing Director, and Ashley Welsh, Chief Financial Officer/Treasurer, gave an overview of the Utility Billing Department's budget for Fiscal Year 2021.

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. Value Statement: Everything Utility Billing does is to encourage communication. We are only able to provide the best assistance to our customers when we understand their situations enabling us to offer ways to help them. We truly embrace acting with integrity, honesty, and fairness as we enforce the City Ordinances approved by the Mayor and City Council.

Fiscal Year 2019 Outcome Summary, Measure of Effectiveness and Key accomplishments were reviewed.

Service Issues and Concerns include: With 57% manual processing in the office, there is software available that provides needed tools to help reduce the manual processing with No increase in costs



CITY OF POCATELLO  
 BUDGET DEVELOPMENT MEETING  
 MAY 7, 2020

-GIS DIVISION Ryan Howerton, Geographical Information System (GIS)  
 BUDGET REPORT Coordinator, Jeff Mansfield, Public Works Director, and Ashley  
 Welsh, Chief Financial Officer/Treasurer gave an overview of  
 the GIS Division budget for Fiscal Year 2021.

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 2020 to Fiscal Year 2021.

-SCIENCE AND Hannah Sanger, Science and Environment Administrator, Jeff  
 ENVIRONMENT DIVISION Mansfield, Public Works Director, and Ashley Welsh, Chief  
 BUDGET REPORT Financial Officer/Treasurer, gave an overview of the Science  
 and Environment Division budget for Fiscal Year 2021.

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 2019 Outcome Summary, Measure of Effectiveness Key accomplishments were reviewed.

Service Issues and Concerns include: a) additional staff needed to accommodate new stormwater permit requirements for inspecting private facilities; Significant deferred stormwater maintenance (high-cost) – impacting flooding and water quality. Effectiveness of our stormwater facilities; 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 River Vision costs (time and \$\$) to implement; costly not to implement.

Discussion regarding stormwater needs/issues in the City followed. It was noted that there is a cost to maintain areas and ideas to help with funding to provide maintenance were shared. The history of a Storm Water fee that was once in effect in Pocatello was given. It was mentioned that without the needed funding, staff cannot perform the necessary projects to protect water and the environment.

Ms. Welsh gave an overview of the budget comparison of Fiscal Year 2020 to Fiscal Year 2021.

Proposed Fee Increase: New – add fee for replacement of Erosion Control 'yellow card.'; other ESC and stormwater fees will be discussed by Engineering (fee recipient).

Mr. Bray shared that he would like Council to discuss revenue shortfalls similar to what is happening in other government agencies. He is concerned with what will happen at the airport such as the lease fees the City may not be able to collect and also park fee revenue being reduced.

CITY OF POCATELLO  
 BUDGET DEVELOPMENT MEETING  
 MAY 7, 2020

Mayor Blad reminded the Council discussion will be held during the revenue portion of the budgeting process. He explained departments are looking at a 1% holdback for the current year fiscal year. Staff is having discussions within their department regarding anticipated revenue shortfalls so they can provide accurate information to Council.

Ms. Stevens was curious where in the budget process does Council have the 5% holdback discussion. She mentioned Association of Idaho Cities recommended cities develop a number of budgeting plans so department are not placed in a difficult situation.

Mayor Blad clarified the 5% reduction in department budgets is being held at this time. He asked departments to provide a decrease of 5% of their operation budget for Fiscal Year 2021. As soon as Council gets to the revenue portion of the budget development process, budget cuts will be discussed in more detail. Mayor Blad added that 5% of the operating budget is the portion staff can control.

Mrs. Ortega felt she was pretty clear when she asked for a 5% department reduction for the Fiscal Year 2021 budget. She did not expect departments to look at operational expenses only. Ms. Ortega would like department heads to determine how they will cut their entire department by 5%. outline what the cuts would be, and how city services would be impacted. She is also concern Delta Airlines may pullout of the airport and another airline may not replace them.

Mr. Cheatum feels there is a small chance that Delta will pull out of the Pocatello airport. Most of the requests by Delta to pullout of other cities have not been approved.

Mr. Bray noted that 30 million people have applied for unemployment across the nation. He feels the City needs to ready to make cutbacks and departments should build their budgets with less. Has made suggestions that hard/difficult times are coming up and the City needs to make cutbacks.

Mayor Blad announced the next Budget Development meeting is scheduled for May 14, 2020 at 9:00 a.m.

There being no further business, Mayor Blad adjourned the meeting at 3:42 p.m.

APPROVED:

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BRIAN C. BLAD, MAYOR

ATTEST AND PREPARED BY:

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RUTH NEWSOM, CITY CLERK