

CITY OF POCA TELLO, IDAHO
CITY COUNCIL MEETING -
BUDGET DEVELOPMENT
JUNE 7, 2018

1. ROLL CALL Mayor Brian Blad called the City Council meeting for Budget Development/Service Level Reports to order at 10:00 a.m. Council members present were Heidi Adamson, Rick Cheatum, Jim Johnston, Linda Leeuwrik and Beena Mannan. Council member Roger Bray was excused.
2. FISCAL YEAR BUDGET DEVELOPMENT OVERVIEW Ashley Linton-Welsh, Senior Accountant, stated that 2019 information regarding budgets for City departments would be presented. She gave an overview of the material that would be discussed to determine the Fiscal Year 2019 budget.

Ms. Linton-Welsh gave an overview of the revenue sharing formula used by the State of Idaho to determine sales tax revenue distribution. She reminded the Council that suggestions made during the Budget Development meeting are not binding and will be discussed at a Public Hearing on August 2, 2018 and an ordinance establishing the budget will be voted upon by Council on August 16, 2018.

Mayor Blad stated that the State Legislature may be considering legislation which would recalculate the sales tax revenue sharing formula. He stated the potential changes could greatly impact smaller cities. Mayor Blad announced that Chief Financial Officer, Joyce Stroschein, is on the task force regarding the legislation and will keep the Council updated with information.

3. FISCAL YEAR 2019 REVENUE FORECAST Ashley Linton-Welsh, Senior Accountant, gave an overview of the revenue sources and gave Council recommendations regarding estimates for budget development.

Ms. Linton-Welsh explained that fund revenue decisions will be presented for the Fiscal Year 2019 budget.

SALES TAX REVENUE

Association of Idaho Cities Fiscal Year 2019 estimate is \$4,641,305.00 (increase of \$92,877.00).

Council guidance for Sales Tax Revenue: \$4,641,000.00.

HIGHWAY USER REVENUE

Association of Idaho Cities Fiscal Year 2019 estimate is \$2,576,170.00 (decrease of \$126,096.00).

Council Guidance for Highway User Revenue: \$2,577,000.00.

BANNOCK COUNTY ROAD AND BRIDGE REVENUE

Fiscal Year 2019 estimate is \$800,000.00 (Realistic expectation).

Council Guidance for Bannock County Road and Bridge Revenue: \$800,000.00.

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BUILDING PERMITS REVENUE

Fiscal Year 2019 estimate is \$675,000.00 (2018 budget \$675,000.00).

Council Guidance for Building Permits Revenue: \$675,000.00.

NATURAL GAS FRANCHISE REVENUE

Fiscal Year 2019 estimate is \$365,000.00 (2018 budget \$365,000.00).

Council Guidance for Natural Gas Franchise Revenue: \$365,000.00.

STATE LIQUOR TAX REVENUE

Fiscal Year 2019 recommended estimate is \$650,000.00 (Prior 12 months) to \$600,000.00 (FY2018 budget).

Council Guidance for State Liquor Tax Revenue: \$600,000.00.

GENERAL FUND INTEREST REVENUE

Fiscal Year 2019 recommended estimate is \$475,000.00 (Prior 12 months) to \$370,000.00 (Fiscal Year 2017 actual).

Council Guidance for General Fund Interest Revenue: \$475,000.00.

CABLE FRANCHISE REVENUE

Fiscal Year 2019 estimate is \$200,000.00 to \$210,000.00. (Last four quarterly payments have averaged around \$53,000.00.)

Council Guidance for Cable Franchise Revenue: \$200,000.00.

MAGISTRATE COURT REVENUE

Fiscal Year 2019 recommended estimate is \$225,000.00 (Prior 12 months).

Council Guidance for Magistrate Court Revenue: \$225,000.00.

ELECTRIC FRANCHISE REVENUE

Fiscal Year 2019 estimate is \$450,000.00 (prior 12 months).

Council Guidance for Electric Franchise Revenue: \$440,000.00.

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CEMETERY CHARGES REVENUE

Fiscal Year 2019 estimate range is \$380,000.00 (prior 12 months) to \$365,000.00 (Fiscal Year 2018 actual).

Council Guidance for Cemetery Charges Revenue: \$380,000.00.

PROPERTY TAX

Valuation for Fiscal Year 2018 is 2.3% higher than the previous year.

Additional Property Tax Authority total \$2,701,979, which includes foregone property taxes.

Council Guidance for anticipated New Construction Revenue: \$222,231.00.

Ms. Linton-Welsh gave an overview of upcoming dates scheduled regarding Budget Decision Sessions for the Fiscal Year 2019 budget.

4. FIVE YEAR CAPITAL PLAN Ashley Linton-Welsh, Senior Accountant, gave an overview of the proposed Five Year Capital Plan, as requested by Council during the Fiscal Year 2018 budget process. She stated the last strategic plan was created in 2006. Ms. Linton-Welsh stated that the overall goal for capital improvement effort is “A comprehensive capital improvement program that is used by decision makers to guide capital investments, make the best use of limited resources and provide community facilities that function well and contribute to the attractiveness, public health and safety of the City.” She shared 7 projects proposed in the Fiscal Year 2019 proposed capital plan. Those projects include:

OK Ward Park Restroom/Concession in the amount of \$115,000.00. This project is not included in the budget and is proposed to be funded by tax/capital contingency funds.

Fire Station 1 Upgrade in the amount of \$150,000.00. This project is not included in the budget and is proposed to be funded by tax/capital contingency funds.

Rainey-Centennial Park in the amount of \$100,000.00. This project is not in the budget and is proposed to be funded through donations.

Sanitation Lean To's in the amount of \$100,000.00. This project is not in the budget and is proposed to be funded by reserves/fees.

Flandro/Bullock Water Line in the amount of \$170,000.00. This project is in the budget and is proposed to be funded by reserves/fees.

North Pocatello Well in the amount of \$2,500,000.00. This project is in the budget and is proposed to be funded by reserves/fees.

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WPC Admin Building in the amount of \$2,000,000.00. This project is in the budget and is proposed to be funded by reserves/fees.

WPC

Tom Kirkman, Deputy Public Works Director, stated the utility rate study included the construction of a new administration building. The cost of the building is expected to be \$2 million and that amount was built into the fee structure.

Levi Adams, Interim WPC Superintendent, stated the current administration building was originally the home for the WPC Superintendent, who lived on premise in the 1950's. The building was remodeled in the 1970's to function as an office building. He stated in addition to deterioration of the building due to age, the functionality of the building does not provide the space needed to serve as a training center and other uses as a functional office space.

In response to a question from Council, Ashley Linton-Welsh, Senior Accountant, stated that since the cost of the new building was built into the utility rate study, the funds are to be used for WPC purposes. Construction of a new building is one option, but other projects within WPC are also allowable.

Ms. Adamson stated she has visited the premises and feels the building is not deteriorated. She feels the funds could be better used by addressing the septic system project in the Johnny Creek area. Ms. Adamson feels it is important to protect the aquifer and address the problems related to septic systems in the Johnny Creek area.

Mr. Adams stated the amount was added into the financial plan and that a more accurate cost estimate would be available at a later date. In response to questions from Council, Mr. Adams stated that there are 27 full-time employees within the department, and 4 of those employees are housed within the administration building full time. He added that trainings are held at the facility once a month, with 25 to 50 individuals in attendance, as other cities participate in the trainings. Mr. Adams stated the lunchroom area holds 20 people comfortably.

In response to a question from Council, Ms. Linton-Welsh stated that the proposed amount was built into the utility rate study with a 5-year plan.

Ms. Leeuwrik stated the \$2 million budgeted within the rate study would not cover the cost of the Johnny Creek upgrade project, but understands that the project has been necessary for quite some time.

Mr. Adams reminded the Council that funds have been set aside for the Johnny Creek project for the past several years.

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Ms. Linton-Welsh stated that the funds could remain in the budget and the use could be determined at a later date.

SANITATION

In response to questions from Council, Tom Kirkman, Deputy Public Works Director, stated the proposal is for a new building to park trucks along the back side of the new Public Works building on Garret Way. The proposed building would protect vehicles from sitting out in the weather and reduce necessary idling times for equipment functionality. Mr. Kirkman stated due to insurance issues, Sanitation trucks cannot be housed within the building. Uncovered vehicles become more susceptible to vandalism and sun damage to tires.

Ms. Linton-Welsh stated the Five Year Capital Plan is an ongoing process other potential projects would be addressed during future budget meetings.

There being no further business, Mayor Blad adjourned the meeting at 11:04 a.m.

APPROVED:

BRIAN C. BLAD, MAYOR

PREPARED BY AND ATTEST:

KONNI R. KENDELL, DEPUTY CITY CLERK