

CITY OF POCA TELLO, IDAHO
CITY COUNCIL
BUDGET DEVELOPMENT
JULY 2, 2020

AGENDA ITEM NO. 1: Mayor Brian Blad called the City Council Budget Development
ROLL CALL meeting to order at 9:02 a.m. Council members present were Heidi Adamson, Roger Bray, Rick Cheatum, Linda Leeuwrik, Claudia Ortega and Chris Stevens.

AGENDA ITEM NO. 2: Heather Buchanan, Human Resources Director, gave an
CITY RETIREE overview of the City Retiree Health Insurance and Possible
HEALTH INSURANCE Fringe/Supplement options. Looking for final guidance regarding possible options.

Ms. Buchanan noted GBS representatives have met with City retirees who responded to their invitation to review health insurance information. She explained five retirees met with GBS representatives to discuss other medical insurance providers. A brief breakdown of proposed fringe/supplement options (1 – 3) for retiree health insurance was given. Option No. 1 supplement retiree health insurance; Option No. 2 continue the retiree medical pool; and Option No. 3 discontinue retiree medical pool.

A motion was made by Ms. Adamson, seconded by Mrs. Ortega, to approve Option 3 ending the City's Retiree Medical Pool on September 30, 2020. Those voting in favor were Adamson, Ortega, Bray, Cheatum, Leeuwrik and Stevens.

AGENDA ITEM NO. 2: Ashley Welsh, Deputy Financial Officer/Treasurer; was present
FISCAL YEAR 2021 to review the tentative Fiscal Year 2021 budget draft from the
BUDGET DEVELOPMENT May and June 2020 Budget Development meetings. She noted this review is prior to submitting totals for publication and preparing materials for the public hearing scheduled for August 6, 2020.

Ms. Welsh reminded Council the City does not have control over property assessments. Numbers provided are based upon US Census Bureau data.

New Construction figures are not available at this time. Ms. Welsh is working with Bannock County representatives to obtain final figures.

Council discussion regarding property levy rates and how they are determined was held. Comparisons with other counties and cities in Idaho were shared.

Mr. Bray and Ms. Stevens feel taxpayers were hit hard with property assessment increases in 2019 and are not in support of any tax increase for the Fiscal Year 2021 budget.

STATE TAX RELIEF DISCUSSION – estimated figures and current tax figures were reviewed. It was clarified that the estimated credit for property taxes would be toward the home value and not actual dollars.

Council discussion regarding the State Tax Relief estimate and potential was held. Clarification of the program and perceptions of the federal program outcomes followed. It was suggested the City sign a letter of intent to participate in the proposed State Tax Relief and see what the outcome would be. Once the actual amounts are known, Council can make a final decision. It was

mentioned the tax relief will only apply to Fiscal Year 2021 may result in a large increase in property taxes for Fiscal Year 2022.

A motion was made by Ms. Adamson, seconded by Ms. Leeuwrik, to submit a letter of intent to the State of Idaho to take the State funding as discussed. Upon roll call, those voting in favor were Adamson, Leeuwrik, Bray, Cheatum, Ortega and Stevens.

Mayor Blad announced Sales Tax revenue has exceeded pre-COVID expectations and this is good news for cities.

PLEASE NOTE THE CITY COUNCIL PARTICIPATED IN A SERIES OF MOTIONS AND ROLL CALLS TO GIVE DIRECTION TO STAFF AND ARE NOT CONSIDERED FINAL ACTION ITEMS.

TAX SOLUTION SPREADSHEET DISCUSSION -

The Tax Solution spreadsheet was reviewed and items discussed one-by-one. Adjustments were made as identified and instructed by Council.

\$50,000.00 is included in the spreadsheet for the Portneuf River Vision. It was mentioned there is funding available in Science and Environment Fund 17. It was clarified that funds for the project are not needed until October.

Ms. Stevens mentioned instead of going into reserves she would like to find funds for the River Vision elsewhere in the budget. Suggested decreasing other areas within the budget to fund the \$50,000.00.

Hannah Sanger, Science and Environment Administrator, gave a breakdown of the excess reserves available in the Science and Environment fund. She has a presentation prepared for the July 9, 2020 Work Session. Ms. Sanger noted there are a number of options for the River Vision project and she reviewed some of the options.

A motion was made by Ms. Adamson not to add \$50,000.00 for the River Project to the Tax Solution Spreadsheet at this time. Ms. Adamson's motion died for lack of a second.

A motion was made by Ms. Stevens, seconded by Mr. Bray, to add \$50,000.00 for the River Vision project to the Tax Solution Spreadsheet at this time. Upon roll call, those voting in favor were Stevens, Bray, Cheatum, Leeuwrik and Ortega. Ms. Adamson voted in opposition to the motion. The motion passed.

Ms. Stevens announced she would like to reduce staff in the Mayor's office by one position with the upcoming retirement of the City Clerk and would also like the raises previously approved for the Council and Mayor to be rolled back.

Ms. Leeuwrik gave a brief overview regarding revisiting a market adjustment increase for City employees. She would like to open this discussion once more.

Mr. Bray shared that he disagrees with the market adjustment for employees as outlined. He feels the City is harvesting savings in healthcare this budget period and is concerned with what to do the following budget year when savings are not available.

Ms. Adamson also shared her concerns with the options for a market adjustment for City employees. She feels tax relief and taking care of employees are both important. Ms. Adamson would like to help bridge the divide between councilmembers. She suggested a one-time incentive for employees.

Council debate regarding City employee wages, guidelines/determination and property tax impact followed.

Mayor Blad clarified staff has been compiling comparable information from other cities in Idaho over the past 12 months. The information is available for Council to review.

Mayor Blad called for a recess at 10:34 a.m.

Mayor Blad reconvened the meeting at 11:28 a.m.

A motion was made by Ms. Adamson, seconded by Ms. Leeuwrik, to tentative allocate a flat \$350,000.00 in the City's Fiscal Year 2021 budget to be used as a one-time allocation for employees. The allocation will be distributed per Human Resource and Finance staff recommendation. Upon roll call, those voting in favor were Adamson, Leeuwrik, Bray, Cheatum, Ortega and Stevens.

General discussion regarding employee compensation followed.

A motion was made by Mr. Bray, seconded by Ms. Stevens, to eliminate the Economic Development position that has not been filled from the Fiscal Year 2021 budget and add REDI funding in the amount of \$35,000.00 back into the Fiscal Year 2021 budget. Upon roll call, those voting in favor were Bray, Stevens and Ortega. Adamson, Cheatum and Leeuwrik voted in opposition to the motion. Due to a tie in voting, Mayor Blad was required to cast the deciding vote. Mayor Blad voted in favor of the motion. The motion passed.

Council discussion regarding utilizing an outside organization for economic development purposes followed. A REDI representative will be asked to give an update at the July Work Session. Council may wish to reconsider funding for REDI after the presentation.

In response to questions from Council, Mayor Blad clarified he sits on REDI's Executive Board and receives minutes from REDI. He will provide copies of minutes from meetings if they are available for release.

A motion was made by Ms. Adamson, seconded by Mr. Cheatum, to remove REDI funding in the amount of \$35,000.00 from the Fiscal Year 2021 budget at this time. Upon roll call, those voting in favor were Adamson, Cheatum, Leeuwrik, and Ortega. Bray and Stevens voted in opposition to the motion. The motion passed.

A motion was made by Ms. Adamson, seconded by Ms. Leeuwrik, to accept the Fiscal Year 2021 budget and instruct staff to publish the budget as presented. Upon roll call, those voting in favor were Adamson and Leeuwrik. Bray, Cheatum, Ortega and Stevens voted in opposition to the motion. The motion failed.

General discussion regarding data that is researched by Council and data that is presented by staff at a Council meeting was held. How the data is used and best methods to share data followed.

Council discussion regarding the Fiscal Year 2021 budget will continue during the July 9, 2020 Work Session.

The Fund Solutions Ideas Spreadsheet and Fiscal Year 2021 Property Tax Summary Sheet are attached as a permanent part of the minutes (see Attachment “A”).

Mayor Blad adjourned the meeting at 12:22 p.m.

APPROVED:

BRIAN C. BLAD, MAYOR

ATTEST AND PREPARED BY:

RUTH NEWSOM, CMC, CITY CLERK