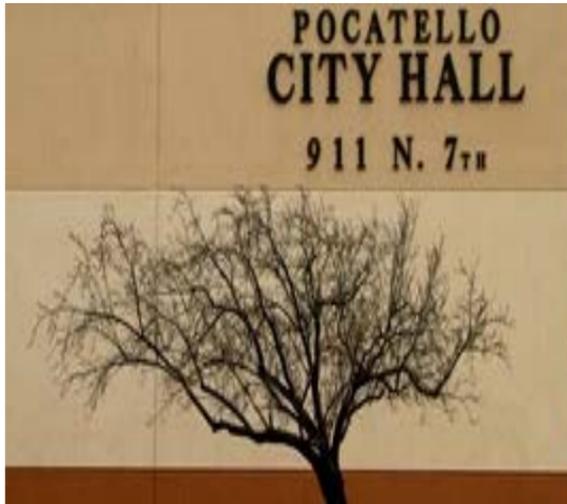


Citizen's Financial Report

CITY OF POCATELLO

A Municipal Corporation of Idaho

**For the Fiscal Year Ended
September 30, 2017**



Pocatello City Hall



Simplot Square



Red Hill Columns



Event - The Biggest Show in Idaho



Landmark - Chief Theater Sign

A Message From Your Finance Department:

We're pleased to present this twelfth edition of what we refer to as a "**Citizen's Financial Report**" for fiscal year 2017.

Every year your city government produces a **Comprehensive Annual Financial Report (CAFR)**. This lengthy report (199 pages this year) conforms to generally accepted accounting principles as established by the Government Accounting Standards Board. It is audited by an external auditor (Deaton and Company) to ensure that it fairly represents the actual financial condition of the City. But it is written by accountants for other accountants. The detail is of primary interest to the financial community for purposes of monitoring our creditworthiness. The CAFR is a technical report whereas our Citizen's Financial Report has been created for all citizens to obtain an understanding of the City's financial condition.

The Government Finance Officer's Association and the Association of Government Accountants encourage "popular reporting" as a supplement to the CAFR to help address this issue. That's what this "Citizen's Financial Report" is. We provide the highlights of the CAFR in a format that is easier to read whereas the CAFR contains more detailed financial information about the City of Pocatello.

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Financial Reporting to the City of Pocatello for its Popular Annual Financial Report for the fiscal year ended September 30, 2016. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period only. The City of Pocatello has received a Popular Award for the fiscal year ended 2016. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

Our full financial report which contains the complete detailed financial information is always available upon request or you can view and print the report on the city website.

Go to <http://pocatello.us/185/Comprehensive-Reports> for the finance department page and click on the report. If you do review the CAFR, we suggest the Management

Discussion and Analysis portion on pages 14-28 as well as the statistical section beginning on page 168.

In addition to the city's financial condition, citizens are concerned with the service level and cost effectiveness. The improved statistical section in the CAFR provides more information on service trends. The Finance Department also has lead to produce the city's annual "**Service Level Report**" which provides detailed analysis of city services including costs over time and comparisons to other cities. It is also available on our website.

We hope you find the "Citizen's Report" useful and informative.

Joyce Stroschein, Chief Financial Officer / Treasurer
Ashley Linton, Senior Accountant
Terry Peterson, Accountant
Hailey Lacey, Project Accountant
Susan Timpson, Deputy Treasurer-Payroll Administrator
Brandy Myers, Payroll Tech-Account Specialist
Jessica Tiede, Accounting Clerk
Donna Stearns, Accounting Clerk



Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to

**City of Pocatello
Idaho**

For its Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morill

Executive Director/CEO

PROFILE OF THE CITY

The City of Pocatello (population 54,746) was incorporated in 1889 as a junction on the Union Pacific railroad. Pocatello is located in the southeastern portion of the State of Idaho and is the fifth largest city in the State of Idaho after Boise (223,154), Meridian (95,623), Nampa (91,382) and Idaho Falls (60,211).

Pocatello has a land area of 34 square miles and is bordered by the City of Chubbuck, with its own population of 14,644. The trade area population in northern Bannock County is estimated at approximately 83,727. The city is empowered to levy property taxes on both real and personal property within the city limits. The City also has the power to expand the city limits through annexation with processes enumerated in state law.



City of Pocatello elected officials:

Back Row (left to right): Heidi Adamson, Michael Orr, Mayor Brian Blad, Jim Johnston and Gary Moore

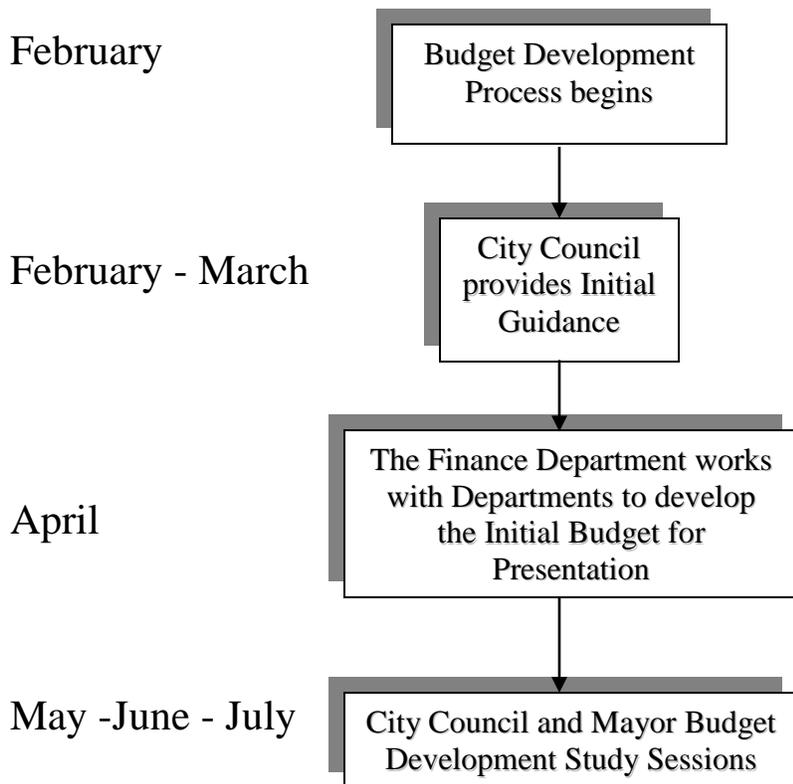
Front Row (left to right): Roger Bray and Steven Brown

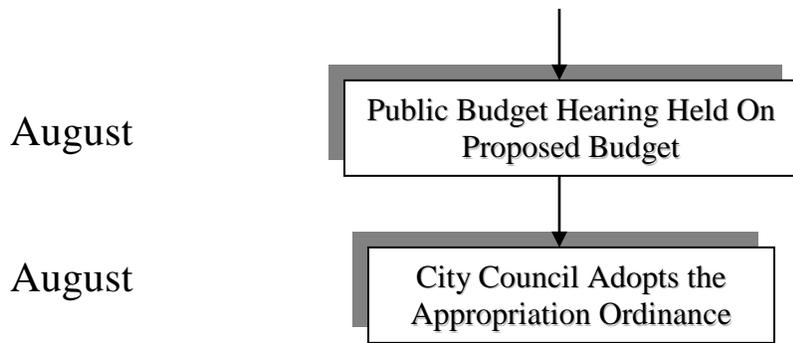
The City operates under the Council-Mayor form of government. Legislative authority is vested in a six-person City Council presided over by the Mayor. The Council is responsible for passing ordinances, adopting the budget, appointing

committees, approval of the internal control framework, and hiring city management. The Mayor acts as the Chief Executive Officer and oversees the day-to-day operations of the City. Council members are elected on a non-partisan basis from the community at large. The Mayor and Council members are elected for 4-year terms, with three of the Council members standing for election every two years.

Pocatello’s Budget Process

The annual budget serves as the foundation for the City of Pocatello’s financial planning and control. On or before the first week of April of each year, all departments of the City submit requests for appropriation to the City’s Chief Financial Officer and the Mayor so that a budget may be prepared. The budget is prepared by fund, department and account line, and includes information on the past year, current year estimates and requested appropriation for the next fiscal year. Prior to August 1, the Chief Financial Officer, Mayor, and Department Representatives present the proposed budget to the City Council for review. The City Council holds public hearings and may add to, subtract from or change the proposed budget, but may not change the form of the budget. Prior to August 30, the budget is legally enacted through passage of the annual appropriation ordinance (not in excess of the proposed budget) by the City Council.





Pocatello’s Financial Information

Idaho State Law requires that all general-purpose local governments with an annual budget that exceeds two hundred fifty thousand dollars submit copies of their audited financial statements to the legislative council. These statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted governmental auditing standards by a firm of licensed certified public accountants.

The City of Pocatello’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. These detailed statements are reported annually in the CAFR. The popular report provides an overview of this information.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The government-wide financial statements provide readers with a broad overview of the City’s finances, in a report method similar to a private sector business.

The *statement of net position* provides information on all of the City of Pocatello’s assets, deferred outflows, liabilities, and deferred inflows then calculates the difference as *net position*. The City’s total assets are subdivided into governmental type activities (tax supported activities like police, fire, and streets) and business type activities (fees supported activities like our utilities, i.e. water, sewer).

The Statement of Net Position has three components which describes the types of net assets held by the City. The components are composed of net investment in capital assets, restricted, and unrestricted.

The net investment in capital assets component of net position is restricted due to the nature of the type of asset.

The restricted portion of net position is identified to indicate limited availability due to conditions imposed by creditors, grantors, laws, or regulations by other governments.

The unrestricted component of net position represents these assets which have no restrictions and are available for use.

City of Pocatello's Net Position

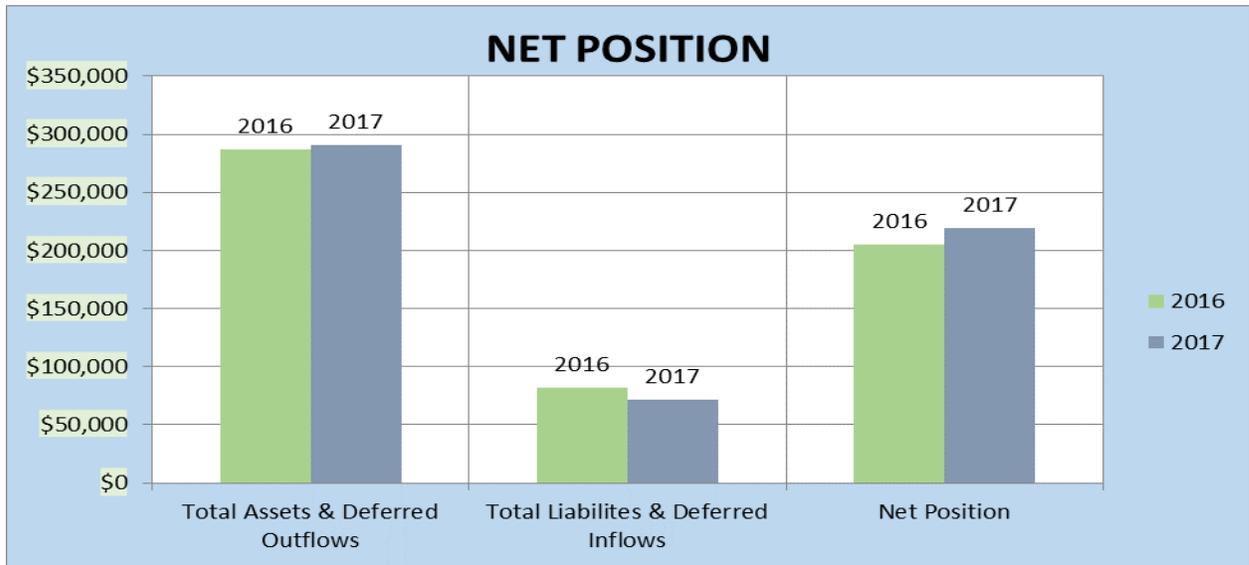
	Governmental activities		Business-type activities		Total	
	2016	2017	2016	2017	2016	2017
Current and other assets	\$ 22,003	\$ 27,463	\$ 35,792	\$ 36,265	\$ 57,795	\$ 63,728
Capital Assets	112,710	115,100	102,606	108,286	215,316	223,386
Total assets	134,713	142,563	138,398	144,551	273,111	287,114
Deferred outflows	10,363	2,795	3,585	877	13,948	3,672
Long-term liabilities	20,297	18,932	44,460	40,791	64,757	59,723
Other liabilities	4,303	4,057	4,706	4,634	9,009	8,691
Total liabilities	24,600	22,989	49,166	45,425	73,766	68,414
Deferred outflows	6,232	2,382	2,084	717	8,316	3,099
Net Position	114,244	119,987	90,733	99,286	204,977	219,273
Net investment in capital assets	110,048	112,688	61,861	70,537	171,909	183,225
Restricted	931	1,064	723	-	1,654	1,064
Unrestricted	3,265	6,235	28,149	28,749	31,414	34,984
Total net position	\$ 114,244	\$ 119,987	\$ 90,733	\$ 99,286	\$ 204,977	\$ 219,273

(table amounts expressed in thousands)

Over time, increase or decreases in net position may serve as a useful indicator of whether the financial position of the City of Pocatello is improving or deteriorating.

Financial Highlights

- The assets and deferred outflows of the City of Pocatello exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$219,272,770.
- The government's total net position increased by \$14,296,164 over the prior year balances of \$204,976,606.



(chart amounts expressed in thousands)

Discrete Component Unit

The government-wide financial statements include not only the City of Pocatello (known as the primary government), but also a legally separate development authority, Pocatello Development Authority, (PDA), for which the City of Pocatello is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The Board of Commissioners of the Authority consists of no less than 3 and no more than 9 members, which are appointed by the Mayor with the advice and consent of the City Council.

The financial information presented in this year's report represents their fiscal year which ends on September 30, 2017. Complete financial statements of the Authority are available from the City Finance Department or online at:

<http://pda.pocatello.us/>

Statement of Net Position Pocatello Development Authority

Pocatello Development Authority	2017
Current and other assets	\$8,786
Capital assets	-
Total assets	8,786
Deferred outflow of resources	-
Current liabilities outstanding	601
Non- current liabilities	3,775
Total liabilities	4,376
Net Position:	\$4,410
Net investment in capital assets	-
Restricted	\$677
Unrestricted	3,733
Total net position	\$4,410

(chart amounts expressed in thousands)

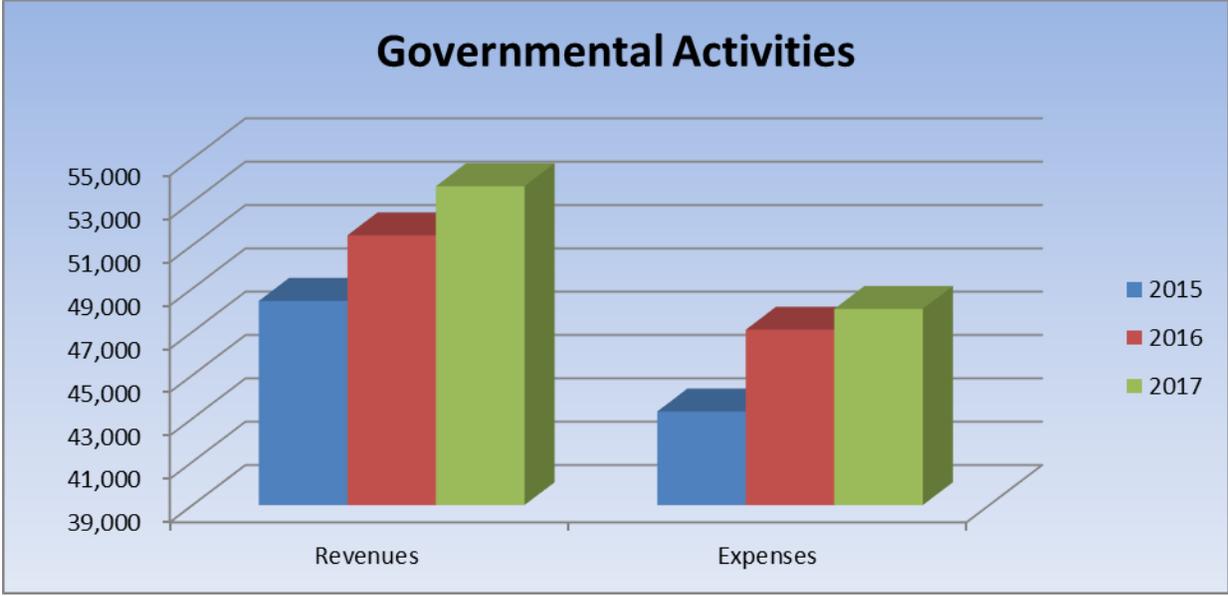
Pocatello's Statement of Activities:

The *Statement of Activities* reflects the revenue and expense activity for the City of Pocatello. This table provides information about revenues and expenses for the fiscal years 2013- 2017. The change in net position is the net difference between the revenue and expense activity.

City of Pocatello's Changes in Governmental Activities Net Position

(table amounts expressed in thousands)

	Governmental Activities				
	2013	2014	2015	2016	2016
Revenues	\$48,550	\$52,099	\$48,428	\$51,453	\$53,721
Expenses	(47,976)	(55,313)	(43,323)	(47,095)	(48,055)
Special items					
Transfers	1,528	1,097	100	85	77
Change in Net Position	2,102	(2,117)	5,205	4,443	5,743
Net Position Beginning	107,216	109,318	107,201	112,406	114,244
Prior Period Adjustment	-	-	-	(2,605)	-
Net Position Ending	\$109,318	\$107,201	\$112,406	\$114,244	\$119,987

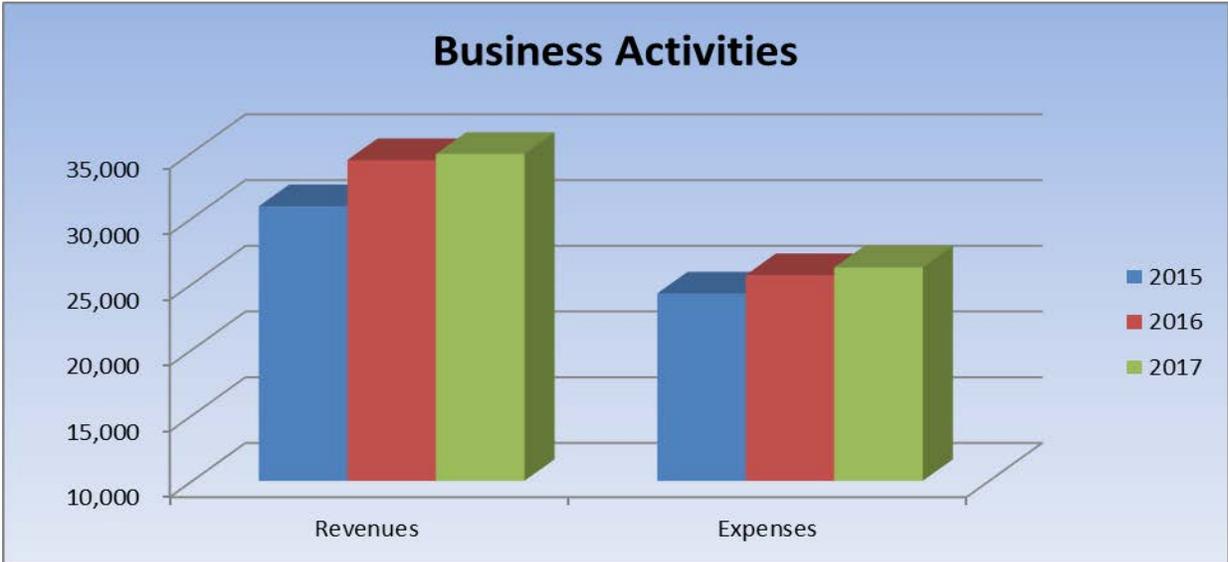


((chart amounts expressed in thousands))

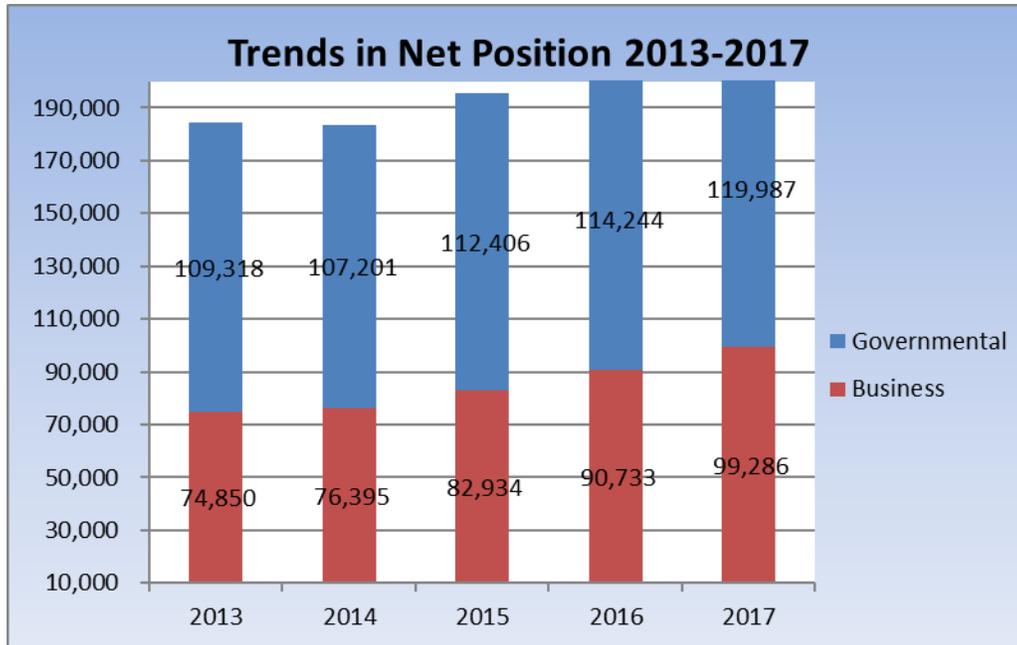
City of Pocatello's Changes in Business Type Activities Net Position

(table amounts expressed in thousands)

	Business-type Activities				
	2013	2014	2015	2016	2017
Revenues	\$31,456	\$29,169	\$30,898	\$34,409	\$34,870
Expenses	(26,731)	(26,527)	(24,259)	(25,654)	(26,240)
Transfers	(1,528)	(1,097)	(100)	(85)	(77)
Change in Net Position	3,197	1,545	6,539	8,670	8,553
Net Position Beginning	71,653	74,850	76,395	82,934	90,733
Prior Period Adjustment	-	-	-	(871)	-
Net Position Ending	\$74,850	\$76,395	\$82,934	\$90,733	\$99,286



(chart amounts expressed in thousands)



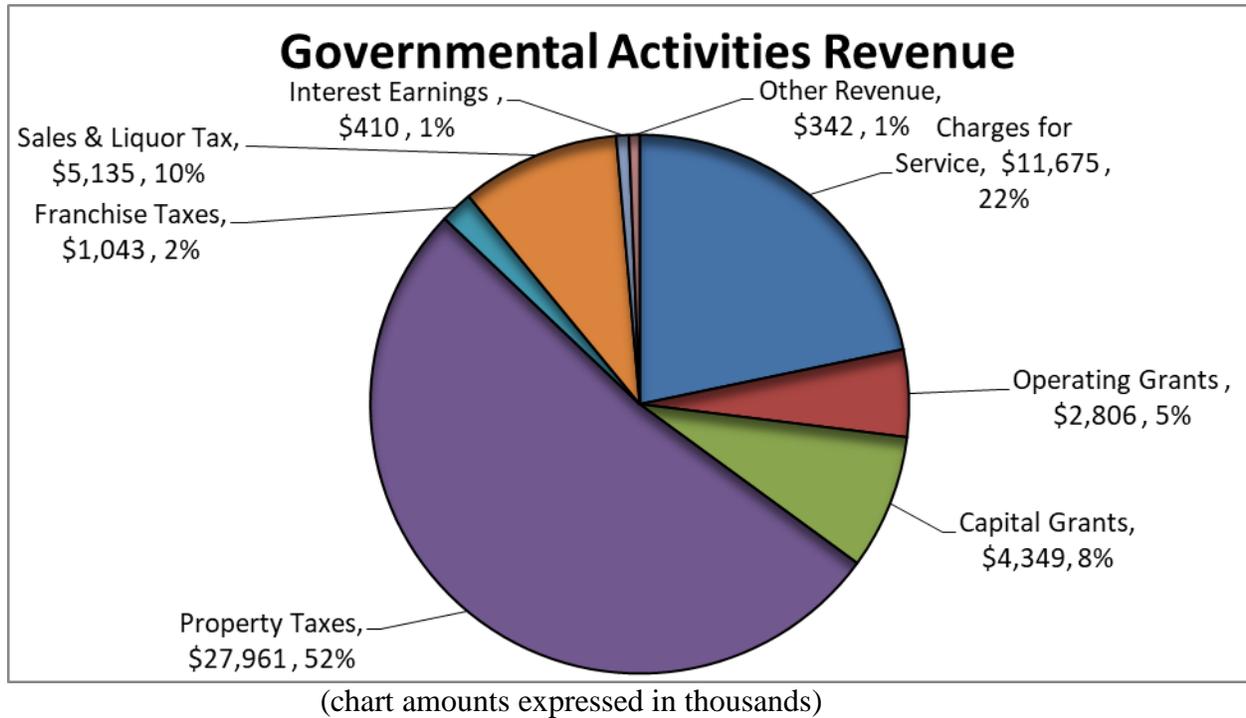
(chart amounts expressed in thousands)

Where the Money Comes From

The Statement of Activities reports on two types of revenue sources, program revenue and general revenue. Program revenue is comprised of charges for service, grants and contributions. The general revenues are comprised of tax revenue including; property, franchise, sales, and liquor tax. Miscellaneous revenue is comprised of interest earnings and gains on sale of assets. In the chart on the following page, we illustrate the results of revenue reported by governmental activities for fiscal year 2017. The city realized an increase of 3.3% in property tax revenue in comparison to the prior year. Capital grant revenue increased from \$1,535 to \$4,349 due to the major construction projects at the Airport awarded by Federal Aviation Administration. The City realized a decrease of 9.91% in charges for service revenue while sales and liquor tax revenue increased by 3.22%. Highway User Fees increased by .44%. After the seven-cent increase in fuel tax that went into effect in July 2015, the highway user fees in fiscal year 2017 show a slight increase. The remaining revenue sources experienced minor decreases.

Governmental Activities include services for police and fire protection, building permits and inspections, planning and development and engineering services and parks, street, and storm sewer maintenance. Governmental activities also include the operations of the municipal airport, the city transit system, the city cemetery, and the city recreation facilities and programs. Governmental activities are generally service-oriented activities

that deliver intangibles. Labor costs are a high percentage of the total cost of these services.



The primary revenue sources for these services are local property taxes and intergovernmental revenue received from the State of Idaho in the form of sales tax revenue, state liquor revenue, and state highway user fees. Property tax was the largest source of revenue, amounting to \$27,961,203 in fiscal year 2017. The City also received its share of sales and liquor taxes from the State of Idaho which totaled \$5,135,253 in fiscal year 2017 compared to \$4,975,120 received in fiscal year 2016. The City realized a 3.22% increase in sales and liquor tax revenue. The city received its share of highway user fees in the amount of \$2,537,590 compared to \$2,526,419 received in 2016 for a .44% increase in user fees.

The chart on the following page illustrates the trend data for intergovernmental revenue for the past 10 years.

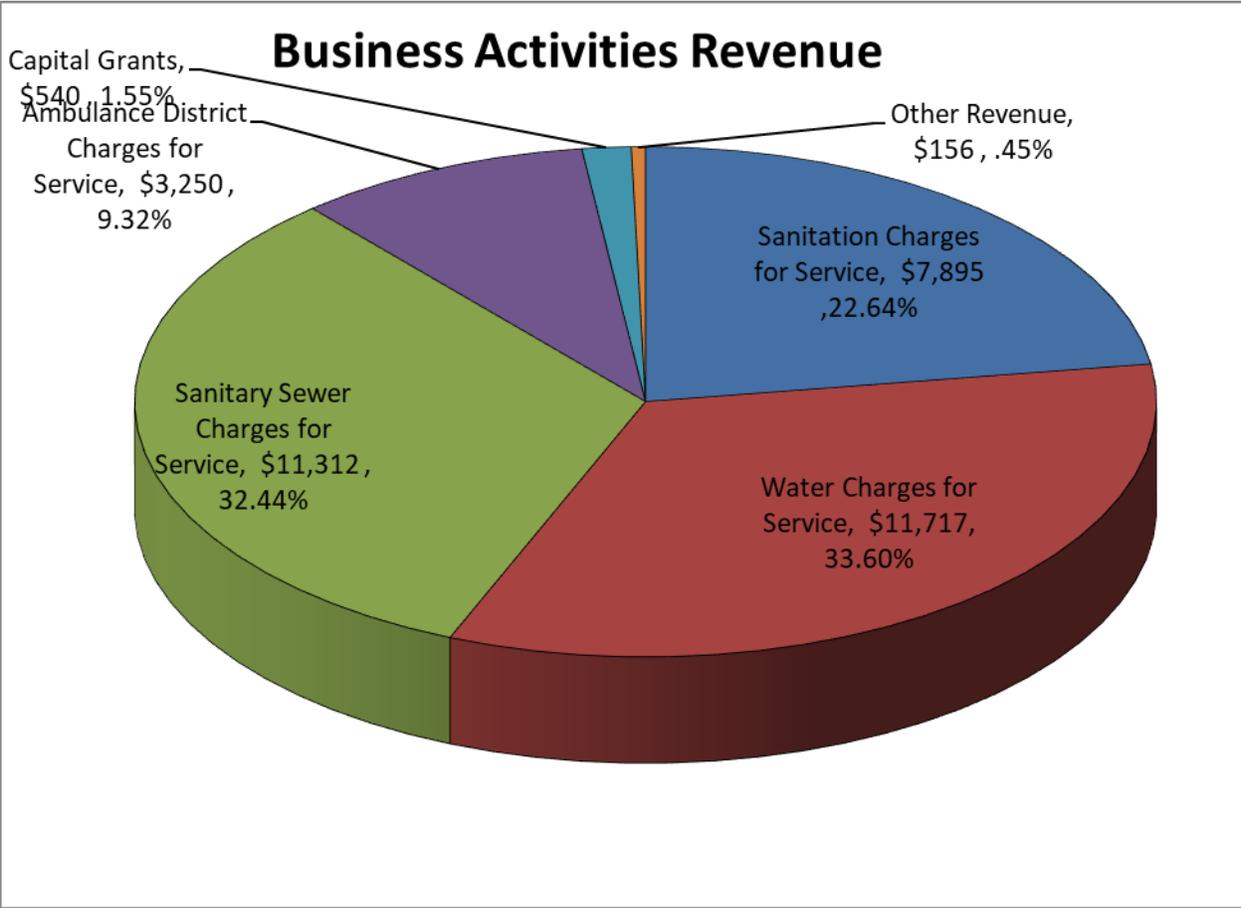
Fiscal Year	State Sales Tax	State Liquor Tax	State Highway Tax	Total Intergovernmental Tax
2008	\$3,722	\$519	\$2,009	\$6,250
2009	\$3,348	\$569	\$1,877	\$5,794
2010	\$3,290	\$544	\$1,855	\$5,689
2011	\$3,451	\$554	\$1,837	\$5,842
2012	\$3,647	\$587	\$1,815	\$6,049
2013	\$3,919	\$600	\$1,802	\$6,321
2014	\$4,067	\$576	\$1,805	\$6,448
2015	\$4,234	\$570	\$1,899	\$6,703
2016	\$4,370	\$605	\$2,526	\$7,501
2017	\$4,494	\$642	\$2,538	\$7,674

(chart amounts expressed in thousands)

The trend data illustrates the legislation which increased the fuel tax seven cents per gallon and an increase in registration fees effective July 2015. Sales tax and Liquor tax indicates modest growth of 3.22%. The sales tax and liquor tax revenues provide funding for General fund services which are mostly composed of police and fire service. Highway user fee revenue provide funding for maintenance of our streets and bridges.

Business-type Activities account for operations that function in a manner similar to private business, where the cost of providing goods or services is paid for mainly through user charges. The business-type activities of the City of Pocatello include, water delivery, sanitary sewer discharge collection and treatment, garbage pickup and removal, and the operation of North Bannock County Ambulance District.

The chart on the following page illustrates the composition of Pocatello’s Business-type activities which experienced minor percentage changes compared to the amounts reported in fiscal year 2016 for the various activities. The increase in revenue is reflective of the modest rate increases as follows: Sanitation 3%, Water 4%, and Water Pollution Control 3%. A new rate study will be initiated in fiscal year 2018/2019 to facilitate budget development for fiscal year 2020.

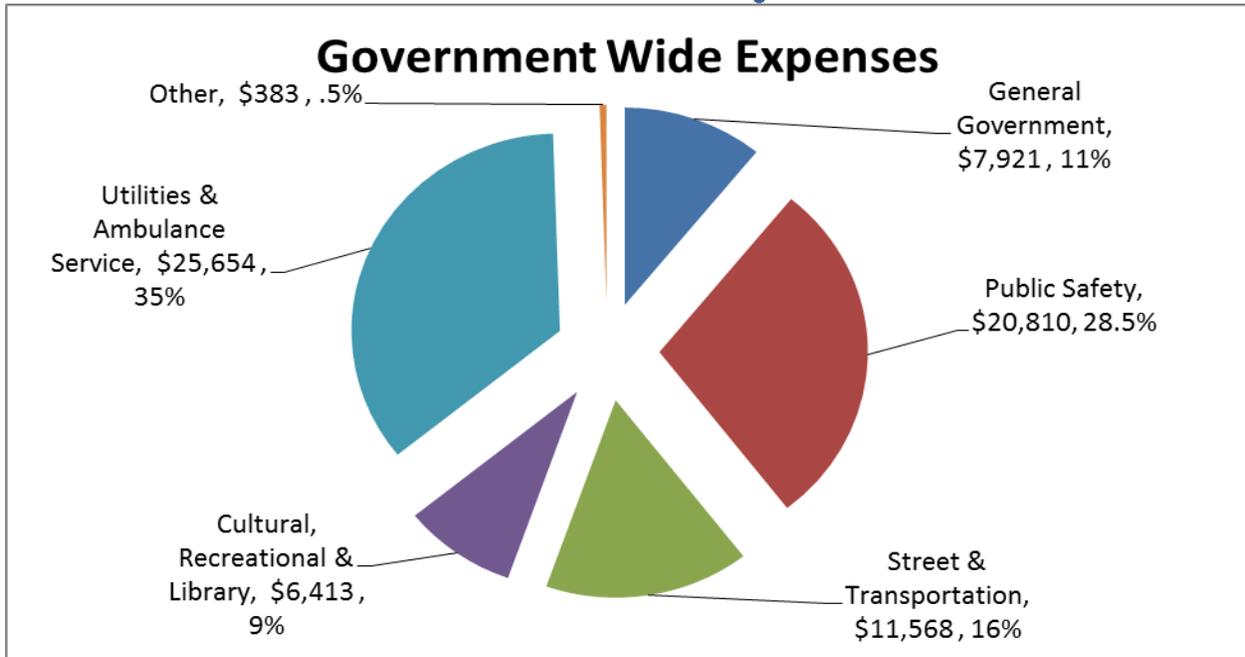


(chart amounts expressed in thousands)

Where the Money Goes: The largest portion of the government wide city budget consists of the City utilities (water, sewer and sanitation) along with the ambulance service. These services account for 35.32% of the City expenses for the 2017 fiscal year. The Public Safety function accounts for the second largest portion of the City’s budget. The Public safety function represents the services provided by the Police, Fire, and Animal Control departments. These departments represent 29.94% of the City operating expenses for the 2017 fiscal year. These numbers reflect both citizen demand and managements concern for the health and safety of our population.

The chart below illustrates “where the money goes”:

Where the Money Goes



(chart amounts expressed in thousands)

Financial Highlights

- Governmental Activities realized an increase in net position of \$5,743,395. The increase in total assets was the result of an increase to cash of \$1,838,591 and increases to intergovernmental receivables of \$1,856,367. Current assets increased by \$3,611,069, which is mostly the result of an increase in cash of \$1,838,591, which reflects the new reserve policy. The City expects to accomplish the reserve requirement for the General Fund at the close of the 2018 fiscal year. Capital assets increased by 2,389,892. Current liabilities decreased modestly by \$245,068 which is mostly the result of decreases in claims and judgements payable by \$329,668. The remaining current liabilities reported increases. Long-term liabilities decreased by \$1,365,253, which is a result of a decrease in pension liability of \$3,723,495. Other post employment benefits increased by \$2,261,695 while deferred outflows of resources decreased by \$3,849,983
- Business Type Activities realized an increase in net position of \$8,552,769. This net change was the result of total assets increasing by \$6,153,321, deferred outflows increased by \$87,484, and liabilities decreased by \$3,740,693 while deferred inflows of resources decreased by \$1,366,836. The major increase in assets were related to the purchase of capital assets and water rights and decreases in liabilities correlate to the paydown of debt.

Economic Condition

City and Metropolitan Statistical Area (MSA) labor statistics in September, 2017 are presented in the tables below, along with comparisons over the past six years. The data shows the impact of the national recession and the recovery in 2014. At 2017 year's end, the data showed no change in the unemployment rates and slight changes in labor force, unemployed and employed numbers for the City and the MSA.

	Labor Force	# unemployed	% unemployed	employed
<u>City of Pocatello</u>				
Sept 2012	28,335	1,777	6.3%	26,558
Sept 2013	26,730	1,648	6.2%	25,082
Sept 2014	26,733	1,020	3.8%	25,713
Sept 2015	29,480	1,094	3.7%	28,386
Sept 2016	28,547	966	3.4%	27,581
Sept 2017	28,502	968	3.4%	27,534
1 yr change	-45	2	0.0%	-47

Metropolitan Statistical Area
(MSA; all Bannock & Power Counties)

	Labor Force	# unemployed	% unemployed	employed
<u>MSA</u>				
Sept 2012	45,105	2,809	6.2%	42,296
Sept 2013	42,620	2,726	6.4%	39,894
Sept 2014	42,610	1,642	3.9%	40,968
Sept 2015	43,246	1,614	3.7%	41,632
Sept 2016	41,935	1,393	3.3%	40,542
Sept 2017	41,936	1,382	3.3%	40,554
1 yr change	1	-11	0.0%	12

- Building activity in FY2017 showed modest increase in activity in residential construction with 90 single family home starts. Commercial activity was slightly decreased by \$26,873, with overall permit valuation at \$123,873. Larger commercial projects in FY2017 included car dealerships, banking facilities, manufacturing, and construction equipment facilities, and various retail stores. Trends are shown in the data table below:

Building & Construction Activity							
	2012	2013	2014	2015	2016	2017	5 Year % Change
Permits Sold	2,259	2,294	2,391	2,515	2,824	2,859	26.56%
Licenses & Permit Fees Collected	\$417	\$493	\$460	\$669	\$899	\$816	95.68%
Permit Valuation	\$32,555	\$34,590	\$30,069	\$118,834	\$150,656	\$123,873	280.50%
New 1-2 Family	44	59	51	79	99	90	104.55%
Inspections	5,663	5,387	4,747	4,927	4,727	5,140	-9.24%
<i>dollar amounts expressed in thousands</i>							

SERVICE STATISTICS

Police Calls for Service	36,004
Major Crimes	3,634
Traffic Accidents	1,872
Rescue & EMS Responses	6,946
False Alarms	328
Hazardous condition calls	169
Ambulance Calls	6,946
Busiest Fire Response Hour	4-5 p.m.
Miles of Paved Streets	269 miles
Miles of Sanitary Sewer	270 miles
Daily Average Sewer flow	6.3 million gallons
Number of Water Services	17,442
Annual Water Consumption	4.5 billion gallons
Number of Parks	26
Number of Baseball fields	25
Number of Soccer fields	18
Transit Boardings	290,604
Building Permits Issued	2,859
Library circulation	708,319
Library programs attendance	24,579

CURRENT FINANCIAL TOPICS



For this year's Citizen Financial Report, the finance staff wanted to continue to convey information regarding some common government finance topics.

As always, our Comprehensive Annual Financial Report (CAFR) contains detailed, audited information. We offer some plain-language discussion on four topics in hopes that our citizens will find it useful and informative.

PENSION OBLIGATIONS

You may have heard that state and local governments confront oppressive pension obligations. While it is true that some entities have poorly funded pension plans, that is not the case in the City of Pocatello. The City has three pension-type obligations.

The biggest pension obligation for the City is to pay into the Public Employee Retirement System of Idaho (PERSI). City employees are members of PERSI and pay 6.79% of their wages into PERSI. The City pays 11.32% for roughly a 1/3 to 2/3 employee/employer split. The payments support a modest retirement pension based on years of service and average wage. Unlike some state systems, Idaho is considered a healthy pension plan in relation to the funding. At the end of PERSI's fiscal year June 30, 2017, PERSI's plan fiduciary net position as a

Naturally during these ever-changing times, lawmakers and members alike start to wonder about PERSI's unfunded liability and what that debt means. It's actually simple to explain: pension debt is similar to mortgage debt. Fortunately for homeowners, mortgages don't have to be paid off all at once...and fortunately for pension plans, benefits are never due all at once. – PERSI letter to state legislators

percentage of total employee payroll is 90.68%. There was a requested rate increase to begin on July 2018, but a decision to delay this increase until July 2019 was announced in fall of 2018.

A second legacy pension liability for the City is the Fireman's Retirement Fund (FRF). The FRF folded into PERSI in 1980, but it was under-funded. Since that time, along with all other entities that

employed professional firefighters, the City has had to make extra payments to PERSI to make up the unfunded status.

The extra amount paid by the city reduced significantly in January of 2015 to 5% from the previous rate of 17.24%. This rate decrease is the result of the FRF reaching a fully funded status. As of June 30, 2017 PERSI reported a funding ratio for the FRF of 129.65%. The continued strong funding ratio has allowed the City to continue to realize the lower 5% rate.

A third legacy pension liability is the city-managed Police Retirement Fund. This is for police officer's hired prior to April 1, 1969 (after that, officers were part of PERSI). The city has 19 remaining retirees, with another 9-retiree spouses that could qualify as surviving contingent annuitants. After many years of making additional contributions to the fund, it eventually became fully funded in 2007. At the end of fiscal year 2017, the fund held \$5,793,027 in assets and was estimated to be 113.23% funded. Management does not expect the police retirement fund to pose further liabilities to taxpayers in the years ahead.

Debt Situation

The City of Pocatello does not carry a large amount of debt. Our bonded debt is composed of two types. Governmental debt will be repaid by tax dollars, while the fee revenues of the business activity (water and sewer) will repay business activity debt.

Governmental debt stood at \$2,202,213 at the end of FY17. All of this was the debt authorized by voters in November 2012 to fund the construction of our new animal shelter. This debt was issued at net interest rate of 1.78% and has a term of 15 years; the last payment is due in August 2028. Next year's annual debt service of \$215,688 is funded by property tax, which is exempt. The exempt status means it is exempt from the 3% property tax cap and tax increment financing districts are exempt from receiving this tax allocation.

The City has business activity debt secured by fee revenue in both water and sewer operations. **The Water Department** has \$5,596,467 principal remaining from \$9.5 million in debt taken on in 2008 to finance water rights purchase and various water system capital improvement projects. This 20-year debt was refinanced in fiscal year 2017 to realize interest savings; the last payment is due in February 2028. Next year's annual debt service of \$631,258 represents about 5.42% of FY17 water system revenue.

The Water Pollution Control (WPC) department runs the city's sanitary sewer operations. During FY15, the City issued (series 2015A), at the end of FY 2017 the city owed \$22,032 in bonds for the construction of the phosphorus upgrade project at the plant. At the end of 2017 the outstanding debt refinanced during FY13 (series 2012D) was \$10,120. The next year's debt service for series 2012D, debt will be \$1,478,800 and for the series, 2015A is \$1,521,788. This represents about 26.64% of FY15's sewer system revenue.

For more information on the city's bonded debt, refer to the annual financial report, especially pages 73-74.

Major Projects

Fiscal Year 2017 started and neared completion on some major projects. Major initiatives in the Utility Funds included the Water department completed mainline replacement projects, Sanitary Sewer phosphorus upgrade project was near completion at the Water Pollution Control plant. The current level of project completion has met the requirement for the NDPES permit. The Sanitation Department purchased and replaced Sanitation Trucks for the garbage routes.

The government funds were actively involved in construction projects during fiscal year 2017. Some of the projects included: Lewis Street

Bridge, Benton Street Bridge, Ross Park Restroom, Street Department planned pavement projects to maintain current infrastructure.

Budget Restructure

During fiscal year 2017, the budget process adopted a new presentation method for Mayor and Council review. The presentation provides service level information, no increase operating lines excluding required increases to current personnel expenses, specific line item increase requests including personnel requests, proposed fee increases. The information is provided in one presentation for a complete review of the service in relation to the budgeting needs for the department.

The City adopted financial policies in September 2017. Within the past 2 years, the City has adopted a reserve policy and a policy regarding retirement payouts for uncompensated absences.

The Reserve Review Report completed by March each year provides the information on all funds indicating if the funds have attained the required reserves per the policy. The policy requires most funds to have a reserve amount equal to 25% of the current years budgeted expenditures. Special reserves exist for a few funds.

If a fund has excess reserves, these monies can be used for one time capital expense. This is facilitating departments to acquire the capital items without having to allocate additional revenues through the budget process.

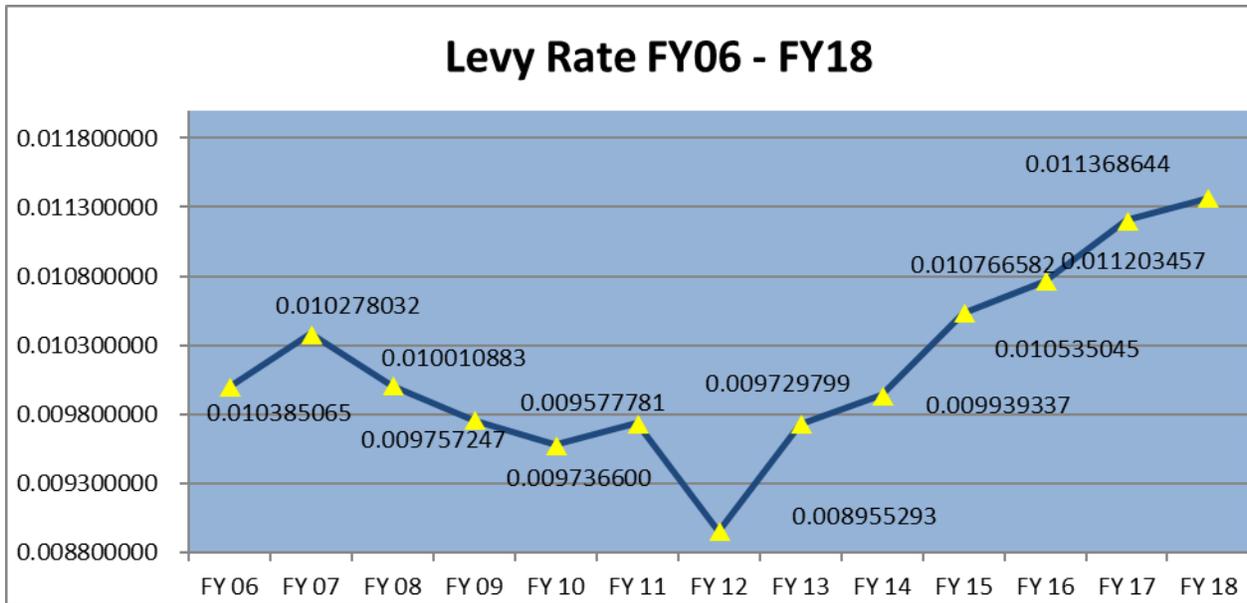
In the past, an employee files an intent to retire and the City budgeted for the potential payout. If the employee did not follow through and retire, the monies had to be budgeted again to cover the potential payout.

The change in policy requires the budgeted monies to be transferred to the Retirement Payout Fund. This change in policy has made a major

impact to the City’s budgeting process and has allowed more flexibility to meet needed revenues to maintain services.

Below is the chart of 12 history of the City’s levy rate. The City had to adjust the fiscal year 2014 budget when the Building Association Lawsuit resulted in the discontinued payment in lieu of taxes transfer from the Utility Funds to the General Fund. The court ruling occurred in November of 2013.

The impact of the Building Contractor lawsuit was the City reduced services by \$616 and expended \$1,653 in General Fund reserves (numbers expressed as thousandths). In order to maintain services the council decided in fiscal year 2015 to take more in property taxes.





City Council Meetings: First and Third Thursdays at 6 pm.

Garbage Pickup: Pocatello Sanitation collection days will be one day behind the week of Thanksgiving, Christmas, and New Years. All other Holiday collection dates will remain as scheduled. For additional information call the Sanitation Department at 234-6192.

For an Emergency call 911.

For Non-Emergency call police dispatch at 208-234-6100.

For City Hall call the information desk at 208-234-6582.

Or visit our website:

www.pocatello.us