CITY OF POCATELLO

Office of the Mayor
and City Council

**Mayor Brian C. Blad**
Dakota Bates | Rick Cheatum | Linda Leeuwrik
Corey Mangum | Brent R. Nichols | Hayden James Paulsen

TO: Pocatello City Council
FROM: Mayor Brian C. Blad
SUBJECT: FY2026 Draft Budget

The FY 2026 draft budget presented today, June 10, 2025 includes the following items as discussed during the May 15 and June 2 through 5 Budget Development Meetings. I have also included all of my recommendations on bringing the tax funds into balance. Those recommendations are on the Tax Solution Worksheet.

REVENUE

<u>Taxes</u>

- 3% increase from the highest budget of 3 years
- Projected new construction
- Projected annexation
- State ag/personal property replacement monies - subtraction
- 1% forgone for O&M

<u>Additional Revenue</u>

- State revenue sharing per AIC estimates
- Liquor sales estimates
- Small increases in all three franchise fees
- Highway distribution per AIC estimates
- State replacement monies for ag/personal property - addition

EXPENDITURES

- 9.9% Pacific Source increase
- 9% MetLife Dental increase
- $0.22 EAP increase
- No increases for
  - MetLife vision
  - Life insurance

## EXPENDITURES continued

- Tuition Reimbursement Funding
- Salary Changes per 5/18/2025 Presentation
    - Standardize 30-Hour Employee Benefit Rates
    - One Step Movement
    - 1.5% Table Adjustment
    - Police Union CBA Changes
    - Police Management Pay Scale
    - Fire Management Pay Scale
    - Adjusted Overtime
- Police Headcount Decrease – 2 Police Department grant positions
- Up to a 3% O&M Increase in Most Departments

## ADDITIONAL ITEMS FOR TENTATIVE APPROVE FOR JULY 10 WORK SESSION

- Increase to investment income - $250,000
- Increase Headcount for Ambulance (revenue/expenditure neutral)

## TAX SOLUTION WORKSHEET

Also for review today is the traditional Tax Solution Worksheet. As you can see from the Revenue vs. Expenditure Worksheet, the DRAFT General Fund is $777,246 out of balance at this point in time.

As I mentioned, I have included all my recommendations on the tax solution worksheet to get us to the -$777,246.

There is a list of items that can be removed in order to reduce the DRAFT General Fund expenditures. If taken, the item will reduce the overage.

There are also several departments that have requested additional items, projects, etc. These have been listed on the sheet along with any revenue available to cover the expense. If there is no revenue listed, the item will add to the overage.

New and increased community organization requests have been loaded into the solution worksheet as well. Below is the list of current budget year funded organizations:

- Aid for Friends $8,000 – same amount for FY26
- Family Services Alliance $17,500
- Senior Activity Center $35,000
- Iwamizawa Foundation $2,500 – did not request for FY26
- SEICAA Meals on Wheels $30,000
- Visit Pocatello $15,000
- Free Clinic $20,000
- Neighborhood Associa. $12,500

| 6/6/2025 | FY2024 ACTUAL | FY2025 BUDGET | FY2025 Y-T-D | FY2026 PROJECTED w/ 3%, NC shared | |
|---|---|---|---|---|---|
| = Council tentatively approved items 5/15/25 | | | | $ 1,023,531 | 3% *highest budget of 3 years = $34,117,711 |
| = FYI purposes: property tax breakdown if Council approves 3% + new construction +annexation +TIF retire +1% forgone and breakout stays at FY25 levels. | | | | $ 222,939 | new construction estimate: SHARED |
| = Council to decide | | | | $ 10,000 | annexation: GF only |
| | | | | $ 78,000 | NOP TIF retirement: SHARED |
| | | | | ($452,842) | minus State replacement money (ag and personal property reimbursements) |
| | | | | **$ 881,628** | **new property tax available** |
| City's forgone balance is $5,423,454 | | | | $ 341,177 | 1% *forgone for O&M: SHARED |
| | | | | $ 1,023,531 | 3% *forgone for capital |
| | | | | **$ 2,246,336** | **new property tax with forgone** |
| **GENERAL FUND** | | | | | |
| Property Tax | $ 23,690,587 | $ 23,535,684 | $ 14,396,706 | $ 25,223,647 | includes annex |
| additional new construct | | | | | |
| annexation | | | | | |
| 1% Forgone O&M incr. | | | | | added throughout |
| Revenue Sharing | $ 6,178,694 | $ 6,000,000 | $ 3,098,013 | $ 6,443,374 | AIC |
| Liquor Sales | $ 692,452 | $ 780,000 | $ 411,744 | $ 803,400 | FY25 AIC |
| Franchise - Gas | $ 416,544 | $ 408,240 | $ 254,443 | $ 420,487 | |
| Franchise - Cable | $ 116,419 | $ 95,000 | $ 27,680 | $ 97,850 | |
| Franchise - Electric | $ 556,116 | $ 577,500 | $ 282,853 | $ 594,825 | |
| Prsnl Prop Tax Replace | $ 450,958 | $ 452,842 | $ 227,009 | $ 452,842 | |
| General Fund Projected New Income | | | | | |
| | | | | | |
| **STREET FUND** | | | | | |
| Property Tax | $ 2,586,470 | $ 3,324,826 | $ 2,027,013 | $ 2,635,917 | |
| County R&B | $ 692,921 | $ 699,808 | $ 387,556 | $ 700,000 | |
| Highway Distribution | **$ 2,287,181** | **$ 3,169,565** | $ 1,526,479 | **$ 4,806,275** | |
| | | | | | |
| Regular Distribution | | | | $ 2,223,697 | AIC |
| HB312 | | | | $ 656,841 | AIC |
| TECM | | | | $ 559,015 | AIC |
| HB772 | | | | $ 1,366,722 | AIC |
| Street Projected New Income | | | | | |
| | | | | | |
| **LIABILITY FUND** | $ 577,028 | $ 1,239,034 | | $ 1,180,273 | |
| **RECREATION FUND** | $ 1,476,820 | $ 2,199,437 | $ 930,498 | $ 2,272,387 | |
| **CEMETERY FUND** | $ 162,545 | $ 191,447 | $ 101,935 | $ 199,578 | |
| **AIRPORT FUND** | $ 984,896 | $ 1,184,422 | $ 620,239 | $ 1,225,479 | |
| **LIBRARY FUND** | $ 1,859,215 | $ 2,187,555 | $ 1,171,210 | $ 2,258,382 | |
| **DEBT SERVICE** | $ 228,691 | $ 235,128 | $ 3,488 | $ 238,842 | |
| **CAPITAL FUND** | | $ 26,178 | | $ 28,011 | |
| 3% Forgone Capital | $ 998,109 | $ - | $ - | | |
| | | | | | |
| **PROPERTY TAX TOTAL** | **$ 31,566,252** | **$ 34,123,711** | | **$ 35,262,516** | |

06/06/25

# FY2026 BUDGET DEVELOPMENT

| Fund Number | Fund Divisions | Proposed Revenue *w/ 3%, 1% FG, NC shared | Proposed Expenditures | Balance | Notes | Reserve Balances |
|---|---|---|---|---|---|---|
| **001 GENERAL FUND** | | **$ 48,520,036** | **$ 49,828,290** | **($1,308,254)** | | $9,380,737 |
| Property Tax & Other Gen Revenue | | $ 39,410,182 | | | | |
| 1% forgone O&M increase | | | | | | |
| 001-0100 | Mayor/Council | $ 913,785 | $ 1,268,930 | | | |
| 001-0200 | Finance Department | $ 1,255,814 | $ 1,607,313 | | | |
| 001-0300 | City Hall | $ 903,014 | $ 756,989 | | | |
| 001-0500 | Building Department | $ 946,867 | $ 916,047 | | | |
| 001-0600 | Planning & Development | $ 104,703 | $ 1,260,902 | | | |
| 001-0601 | Engineering | $ 87,621 | $ 1,271,998 | | | |
| 001-0602 | GIS | $ 325,146 | $ 390,848 | | | |
| 001-0603 | Grant Division | $ - | $ 557,462 | | | |
| 001-0700 | Human Resources | $ 537,276 | $ 778,966 | | | |
| 001-0800 | Non-Departmental | $ 687,177 | $ 1,515,434 | | | |
| 001-0900 | Legal Department | $ 839,848 | $ 1,188,760 | | | |
| 001-1000 | Police Department | $ 814,714 | $ 21,531,019 | | | |
| 001-1100 | Fire Department | $ 1,470,648 | $ 12,178,013 | | | |
| 001-1200 | Animal Services | $ 160,601 | $ 1,434,035 | | | |
| 001-1301 | Parks Department | $ 62,640 | $ 2,868,724 | | | |
| 001-1302 | Parks & Rec Administration | $ - | $ 302,850 | | | |
| **002 LIABILITY FUND** | | **$ 2,120,273** | **$ 2,120,273** | **$0** | | $797,556 |
| **003 STREET OPERATIONS** | | **$ 9,935,880** | **$ 9,935,880** | **$0** | | $4,564,547 |
| **004 RECREATION FUND** | | **$ 3,909,016** | **$ 3,914,072** | **($5,056)** | | $984,083 |
| Property Tax & Other Gen Revenue | | $ 2,328,048 | | | | |
| 004-1303 | Zoo Idaho | $ 135,035 | $ 1,200,271 | | | |
| 004-1304 | Outdoor Recreation | $ 148,899 | $ 418,203 | | | |
| 004-1305 | Team Sports | $ 224,418 | $ 445,975 | | | |
| 004-1306 | Ross Park Aquatic Complex | $ 406,937 | $ 706,356 | | | |
| 004-1307 | Commuity Rec. Center | $ 492,975 | $ 1,037,051 | | | |
| 004-1308 | Golf Capital Improvement | $ 170,519 | $ 84,730 | | | $1,562,896 |
| 004-1311 | Fort Hall Replica | $ - | $ 11,772 | | | |
| 004-1312 | Frontier Village | $ - | $ - | | | |
| 004-1313 | Summer Concerts | $ 2,185 | $ 9,714 | | | |
| **005 CEMETERY FUND** | | **$ 622,589** | **$ 623,033** | **($444)** | | $763,626 |
| **006 AIRPORT FUND** | | **$ 2,061,225** | **$ 2,055,866** | **$5,359** | | $2,056,680 |
| **007 LIBRARY FUND** | | **$ 2,283,916** | **$ 2,344,226** | **($60,310)** | | $637,426 |
| **008 POCATELLO TRANSIT - RURAL** | | **$ 1,552,874** | **$ 1,635,732** | **($82,858)** | *Federal lagtime | $68,259 |
| **009 POCATELLO TRANSIT - URBAN** | | **$ 3,353,320** | **$ 3,661,453** | **($308,133)** | *Federal lagtime | ($433,392) |
| **013 BUSINESS IMPROVEMENT DISTRICT** | | **$ 109,273** | **$ 109,273** | **$0** | | $27,366 |
| **014 ARTS COUNCIL/CHIEF THEATER FUND** | | **$ -** | **$ 10,300** | **($10,300)** | *buy down of Chief Theater payout reserves | $23,464 |
| **016 EMERGENCY REPAIR FUND** | | **$ 41,200** | **$ 41,200** | **$0** | | $323,096 |
| **017 SCIENCE & ENVIRONMENT** | | **$ 439,323** | **$ 531,105** | **($91,782)** | *needs transfers from Enterprise updated | $544,231 |
| **030 SANITATION FUND** | | **$ 12,271,526** | **$ 12,985,419** | **($713,893)** | *buy down of reserves | $5,876,473 |

06/06/25

# FY2026 BUDGET DEVELOPMENT

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **031 WATER FUND** | **$** | **16,736,144** | **$** | **18,768,904** | **($2,032,760)** | *buy down of reserves | $13,313,602 |
| **032 WATER POLLUTION FUND** | **$** | **14,904,600** | **$** | **13,422,664** | **$1,481,936** | | $11,599,388 |
| **035 AMBULANCE FUND** | **$** | **4,472,677** | **$** | **4,684,423** | **($211,746)** | *needs Bannock County approval | ($345,688) |
| **037 WATER CAPACITY FEE** | **$** | **643,750** | **$** | **623,954** | **$19,796** | | $2,562,719 |
| **038 WPC CAPACITY FEE** | **$** | **400,000** | **$** | **-** | **$400,000** | | ($76,365) |
| **050 INFORMATION TECHNOLOGY** | **$** | **1,907,041** | **$** | **1,906,838** | **$203** | | $681,145 |
| **051 FLEET SERVICES FUND** | **$** | **2,456,550** | **$** | **2,456,550** | **$0** | | $1,428,442 |
| **052 UTILITY BILLING** | **$** | **1,749,848** | **$** | **1,754,415** | **($4,567)** | *buy down of reserves | $830,311 |
| **053 EMPLOYEE WELLNES FUND** | **$** | **110,148** | **$** | **38,335** | **$71,813** | | $306,734 |
| **054 PUBLIC WORKS DIRECTOR** | **$** | **387,375** | **$** | **371,143** | **$16,232** | | $269,420 |
| **055 FUEL INTERNAL SERVICE** | **$** | **1,262,843** | **$** | **1,262,843** | **$0** | | $239,141 |
| **056 WORKER'S INSURANCE FUND** | **$** | **1,387,312** | **$** | **1,387,312** | **$0** | *reserves will be requested if needed | $2,632,600 |
| **057 EDUCATION BENEFITS** | **$** | **111,000** | **$** | **54,636** | **$56,364** | | $212,071 |
| **059 DEBT SERVICE** | **$** | **238,842** | **$** | **238,842** | **$0** | | ($47,335) |
| **060 WPC DEBT SERVICE** | **$** | **1,700,373** | **$** | **1,687,388** | **$12,985** | | ($12,682,965) |
| **061 WATER DEBT SERVICE** | **$** | **629,724** | **$** | **675,798** | **($46,074)** | | ($2,928,311) |
| **070 FEDERAL AID PROJECTS** | **$** | **250,000** | **$** | **2,082,791** | **($1,832,791)** | | $2,908,351 |
| **071 ALTERNATE TRANSPORTATION** | **$** | **724,090** | **$** | **724,090** | **$0** | | $632,966 |
| **072 AIRPORT CONSTRUCTION** | **$** | **4,500,000** | **$** | **4,500,000** | **$0** | | ($121,920) |
| **073 WATER CAPITAL PROJECTS** | **$** | **82,400** | **$** | **2,651,036** | **($2,568,636)** | *buy down of reserves | $2,698,268 |
| **074 WPC CAPITAL PROJECTS** | **$** | **-** | **$** | **-** | **$0** | | $2,638,216 |
| **075 FIRE APPARATUS CAPITAL** | **$** | **-** | **$** | **3,308** | **($3,308)** | | $249,140 |
| **076 BUILDING RENOVATION** | **$** | **39,207** | **$** | **-** | **$39,207** | | $395,558 |
| **078 CAPITAL IMPROVEMENT** | **$** | **466,975** | **$** | **438,962** | **$28,013** | | $2,524,382 |
| **081 CDBG ENTITLEMENT/STIMULUS GRANT FUND** | **$** | **6,885,246** | **$** | **6,545,104** | **$340,142** | | $449,842 |
| CDBG/HUD | $ | 499,687 | $ | 288,833 | | | |
| Lead Based Paint | $ | 595,359 | $ | 466,071 | | | |
| Brownsfield Grant | $ | 212,750 | $ | 212,750 | | | |
| SS4A | $ | - | $ | - | | | |
| Brady Chapel Restoration | $ | - | $ | - | | | |
| RAISE Grant | $ | 1,937,500 | $ | 1,937,500 | | | |
| Firewise Grant | $ | 491,000 | $ | 491,000 | | | |
| UCF Tree Grant | $ | 120,000 | $ | 120,000 | | | |
| BOR WaterSMART Grant | $ | 778,950 | $ | 778,950 | | | |
| EPA Community Grant | $ | 1,750,000 | $ | 1,750,000 | | | |
| RCN/Terry First Grant | $ | 500,000 | $ | 500,000 | | | |
| **084 ARPA FEDERAL GRANT** | **$** | **-** | **$** | **3,839,072** | **($3,839,072)** | *projects already committed & balanced | $1,971,671 |
| **088 POLICE GRANT FUND** | **$** | **60,085** | **$** | **58,395** | **$1,690** | | $107,856 |
| **951 POLICE RETIREMENT TRUST** | **$** | **206,000** | **$** | **791,681** | **($585,681)** | *buy down of reserves | $3,831,098 |
| **952 GOV/RETIREMENT PAYOUT FUND*** | **$** | **208,401** | **$** | **824,000** | **($615,599)** | *anticipated retirements/reserves will be used if accurate | $2,602,154 |
| **953 AIRPORT PP SPECIAL** | **$** | **-** | **$** | **39,609** | **($39,609)** | | $20,250 |
| **955 CDR LOAN TRUST** | **$** | **38,285** | **$** | **38,200** | **$85** | | $54,823 |
| **957 ZOO IMPROVEMENT/PARKS OBLIGATED FUND** | **$** | **3,713** | **$** | **3,713** | **$0** | | $635 |
| **964 PROPERTY ABATEMENT FUND** | **$** | **122,004** | **$** | **122,004** | **$0** | | $270,201 |
| **972 ENTERPRISE/RETIREMENT PAYOUT FUND*** | **$** | **20,807** | **$** | **-** | **$20,807** | | |
| **TOTAL BUDGET** | **$** | **149,925,891** | **$** | **161,792,132** | **($11,866,241)** | | |

# FY2026 TAX FUNDS

06/06/25

## Mayor's Recommended Solution Worksheet

**Approval for Tax Supported Add-ins = Adds to the Tax Problem**

| | | | Selected | Add Revenue | |
|---|---|---|---|---|---|
| | **GENERAL FUND** | | | | |
| 001-0200 | Building new vehicle | 50000 | | | |
| 001-0300 | City Hall new HVAC | 1,500,000 | | | |
| 001-0603 | grant match | $ 50,000.00 | | | |
| | **NEW COMMUNITY REQUESTS** | | | | |
| 001-0800 | Bannock Youth Foundation | $ 20,732.00 | | | |
| 001-0800 | Boys & Girls Club | $ 20,000.00 | | | |
| 001-0800 | Friends of Brady Chapel | $ 3,000.00 | | | |
| 001-0800 | Housing Alliance (up to) | $ 100,000.00 | | | |
| 001-0800 | Idaho Legal Aid | $ 20,000.00 | | | |
| 001-0800 | New Day Products | $ 10,500.00 | | | |
| 001-0800 | Salvation Army | $ 25,000.00 | | | |
| 001-0800 | St. Vincent de Paul | $ 5,000.00 | | | |
| 001-0800 | Valley Mission | $ 50,000.00 | | | |
| 001-0800 | Bannock Co. Veterans Mem Museum | $ 10,000.00 | | | |
| | **INCREASED COMMUNITY REQUESTS** | | | | |
| 001-0800 | Family Services increase over FY25 | $1,000 | | | already funded at $17,500 |
| 001-0800 | Visitors Bureau increase over FY25 | $ 5,000.00 | | | already funded at $15,000 |
| 001-0800 | NeighborWorks/Neighborhood Assoc | $ 47,500.00 | | | already funded at $12,500 |
| 001-0800 | Free Clinic increase over FY25 | $ 2,952.00 | | | already funded at $20,000 |
| 001-0800 | Senior Activity increase over FY25 | $ 3,500.00 | | | already funded at $35,000 |
| 001-0900 | Legal 3% O&M increase | $ 3,050.00 | | | |
| 001-1100 | Fire apparatus storage | $ 1,691,444.00 | | | |
| 001-1100 | St. 4 AFF foam change out | $ 40,000.00 | | | |
| | **Category Selection Total** | $3,711,678 | $0 | $0 | |
| | | | | | |
| | | | | | |
| | **Airport** | | Selected | Add Revenue | |
| 007 | full O&M increase | $ 53,000.00 | | | |
| | **Category Selection Total** | $53,000.00 | $0 | $0 | |

| Problem | As of June 10, 2025 |
|---|---|
| **GENERAL FUND** | ($1,308,254) |
| **Total ADDS:** | |
| **Total SUBTRACT:** | $531,008 |
| **Gap remaining** | **($777,246)** |
| | |
| | |
| **LIABILITY FUND** | $0 |
| **STREET FUND** | $0 |
| | |
| **RECREATION FUND** | ($5,056) |
| **Total ADDS:** | |
| **Total SUBTRACT:** | $0 |
| **Gap remaining** | **($5,056)** |
| | |
| | |
| **CEMETERY FUND** | **($444)** |
| **AIRPORT FUND** | **$5,359** |
| | |
| | |
| **LIBRARY FUND** | ($60,310) |
| **Total ADDS:** | |
| **Total SUBTRACT:** | $22,533 |
| **Gap remaining** | **($37,777)** |

# FY2026 TAX FUNDS

06/06/25

# Mayor's Recommended Solution Worksheet

| | | | |
|---|---|---|---|
| | **Options for Removal = Would Reduce the Tax Ask** | | |
| | | | |
| | **GENERAL FUND** | | |
| 001-0100 | Mayor/Council vehicle | $ 34,000.00 | $ 34,000.00 |
| 001-0100 | Mayor/Council operating | $5,000 | $ 5,000.00 |
| 001-0200 | Finance Operating O&M incr. | $6,000 | |
| 001-0200 | Finance $6,000 | $6,000 | $ 6,000.00 |
| 001-0300 | City Hall O&M incr. | $ 7,000.00 | |
| 001-0500 | Building O&M incr. | $ 1,431.00 | |
| 001-0600 | 3% Planning O&M incr. | $ 11,999.00 | |
| 001-0601 | 3% Engineering O&M incr. | $ 2,997.00 | |
| 001-0602 | eliminate GIS server | $ 90,000.00 | $ 90,000.00 |
| 001-0602 | elminiate GIS professional services | $ 20,000.00 | $ 20,000.00 |
| 001-0603 | 3% Grant Div O&M incr. | $ 439.00 | |
| 001-0700 | webinar subscrip for employees | $ 4,000.00 | |
| 001-0700 | management training participant shirts | $ 750.00 | |
| 001-0700 | outside consulting for comp reviews | $ 2,000.00 | $ 2,000.00 |
| 001-0700 | HR general operations | $ 1,000.00 | |
| 001-0700 | Health Joy app | $ 29,688.00 | $ 29,688.00 |
| 001-0700 | Health Joy telemedicine | $ 15,070.00 | $ 15,070.00 |
| 001-1000 | eliminate FARO crime scene reconstru | $ 58,000.00 | $ 58,000.00 |
| 001-1100 | Station 1 paving | $ 15,000.00 | $ 15,000.00 |
| 001-1100 | Station 2 stair repair | $ 20,000.00 | $ 20,000.00 |
| 001-1200 | 3% Animal Serv. O&M incr. | $ 14,833.00 | |
| 001-1301 | 3% Parks O&M incr. | $ 15,990.00 | |
| 001-1302 | 3% Parks Admin O&M incr. | $ 694.00 | |
| | $1,000 from all depts - grants | $ 15,000.00 | $ 15,000.00 |
| | water lease revenue added | $ 221,250.00 | $ 221,250.00 |
| | | | |
| | **Subtotals:** | **$ 598,141.00** | **$ 531,008.00** |

# FY2026 TAX FUNDS

06/06/25

# Mayor's Recommended Solution Worksheet

| | | | | Selected | Add Revenue |
|---|---|---|---|---|---|
| | **RECREATION FUND** | | | | |
| 004-1303 | 3% Zoo O&M incr. | | $ 8,160.00 | | |
| 004-1304 | 3% Outdoor Rec O&M incr. | | $ 3,878.00 | | |
| 004-1305 | 3% Team Sports O&M incr. | | $ 4,985.00 | | |
| 004-1306 | 3% RPAC O&M incr. | | $ 11,684.00 | | |
| 004-1307 | 3% CRC O&M incr. | | $ 14,251.00 | | |
| 004-1308 | 3% Golf CIP O&M incr. | | $ 2,220.00 | | |
| | **Subtotals:** | | **$ 45,178.00** | **$ -** | |
| | | | | | |
| | **LIBRARY FUND** | | | | |
| 007 | O&M increase | | $ 10,271.00 | | |
| 007 | eliminate seasonal positions | | $ 22,533.00 | $ 22,533.00 | |
| | **Subtotals:** | | **$ 32,804.00** | **$ 22,533.00** | |
| | | | | | |
| | | **Category Selection Total** | $1,319,442 | $1,084,549 | $0 |