

**AGENDA ITEM NO. 1:
ROLL CALL**

Mayor Brian Blad called the City Council Budget Development meeting to order at 9:00 a.m. Council members present were Dakota Bates, Rick Cheatum, Corey Mangum, Brent Nichols and Hayden Paulsen. Council member Linda Leeuwrik arrived at 9:01 a.m.

**AGENDA ITEM NO: 2:
FISCAL YEAR 2026 BUDGET PRESENTATION:**

Mayor Blad provided an overview of budget handouts, including revenue and expenditure spreadsheets. He noted projected increased investment income and reviewed conservative revenue assumptions previously discussed at the May 15, 2025 Budget Development meeting. Mayor Blad emphasized the need to budget for a potential South Bannock County ambulance and fire station if Bannock County provides funding support.

Fire Chief Ryan O'Hearn confirmed the importance of including the spending authority, should county funding materialized.

Mayor Blad reviewed the following General Fund revenues: Lease revenues from Palisades water leases are distributed 62.5% to the Water Department and 37.5% to the General Fund. This revenue had not been previously included in the revenue projections but has been added back into calculations; and investment income projections were confirmed and already incorporated into the budget.

Anne Nichols, Chief of Staff, reminded the Council that outside agency funding request amounts which were funded in FY2025 were built into the budget and that the requests to be considered are the new or increased request amounts.

Council reviewed funding requests from outside agencies. Following discussion, adjustments were made as follows:

- Idaho Legal Aid – request denied, as the agency is not eligible for municipal funding
- Bannock Youth Foundation – not funded
- Boys and Girls Club – not funded
- Friends of Brady Chapel – not funded
- Housing Alliance – not funded
- New Day Products – tentatively funded at **\$5,000**
- Salvation Army – not funded
- St. Vincent de Paul – not funded
- Valley Mission – tentatively funded at **\$20,000**
- Bannock County Veterans Museum – not funded

- Family Services Alliance – additional \$1,000 request denied.
- Visitors Bureau – no increase approved.
- NeighborWorks – no increase approved.
- Free Clinic – approved increase of **\$3,000**.
- Senior Activity Center – approved increase of **\$3,500**.
- SEICAA – Ms. Nichols reminded the Council that SEICAA did not request an increase over the FY2025 funding in the amount of \$8,000 and that amount had been included in the budget build documents.

Ms. Nichols reviewed projected revenue amounts, as discussed at the May 15, 2025 Budget Development meeting. She stated that estimated amounts for new construction and annexation were used to prepare the preliminary budget.

Council reviewed the following items:

- Mayor's vehicle – Council consensus to remove from FY2026 budget. Staff will evaluate potential vehicle transfer from another department and may request a budget amendment for use of reserves during FY2025.
- City Hall HVAC replacement – Rough estimate cost is \$1.5 million. Council discussed options to set aside reserves but ultimately deferred funding, citing sufficient existing emergency reserves for short-term needs.
- Grant Match – \$50,000 request denied for grant match amount.
- Fire Apparatus Storage Facility – Request for \$1.6 million denied due to ongoing station location analysis.
- 4AFF Foam Change out – Fire Department will address the transition during future vehicle purchases and the \$40,000 request was deferred.
- Council approved allocation of the full O & M levy increase for the Pocatello Airport increase of \$5,339 to balance the Airport budget.
- Council considered two current part-time seasonal page positions and ultimately came to a consensus to retain the positions to be funded through excess reserves.

Mayor Blad called a recess at 10:30 a.m.

Mayor Blad reconvened the meeting at 10:50 a.m.

Mayor Blad recommended covering the remaining General Fund gap of \$853,504 through the City's excess reserves, which has approximately \$9.3 million available.

Council members discussed concerns regarding ongoing reliance on reserves and emphasized the prudent use of reserves while retaining forgone capacity for long-term stability. Discussion ensued regarding appropriate excess reserve amounts and potential legislation restricting reserve fund balances.

In response to a question from Council, Heather Buchanan, Human Resources Director, confirmed that the insurance increase of 9.9% resulted in an increase of approximately \$800,000 to \$900,000.



CITY COUNCIL
BUDGET DEVELOPMENT MEETING
JUNE 10, 2025

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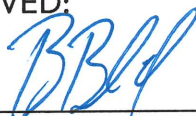
Staff members were directed to prepare updated budget worksheets incorporating approved adjustments. Mayor Blad announced that Department heads would review opportunities to complete identified projects within FY2025, reducing the FY2026 tax ask. Council directed staff to present a draft balanced budget using excess reserves to close the FY2026 funding gap, with emphasis on maintaining long-term fiscal responsibility.

Mayor Blad announced that the Budget Development meeting scheduled to be held June 11, 2025 was canceled and that Council would consider the final budget numbers prior to publication at the July 10, 2025 Work Session.

AGENDA ITEM NO. 3:
ADJOURN

There being no further business, Mayor Blad adjourned the meeting at 12:08 p.m.

APPROVED:



BRIAN C. BLAD, MAYOR

ATTEST AND PREPARED BY:



KONNI R. KENDELL, CITY CLERK

