

Mayor Brian C. Blad

Dakota Bates | Rick Cheatum | Linda Leeuwrik
Corey Mangum | Brent R. Nichols | Hayden James Paulsen

Agenda Item #2

July 1, 2025

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

The FY 2026 draft budget as of June 25, 2025 includes the following items as discussed during the May 15, June 2 through 5 Budget Development Meetings and June 10 Budget Development Meeting. It also includes updated data due to information from Federal Transit Administration regarding Pocatello Regional Transit interfund charges.

REVENUE

Taxes

- 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

Additional Revenue

- 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
- Additional interest income - \$250,000
- Palisades water lease - \$303,750
 - \$221,250 noted on June 10 for organization leases
 - Additional \$82,500 calculated for city leases
- Updated Recreation revenue
 - Golf capital improvement
 - Summer concerts
- Proposed Fees
 - Updated Cemetery revenue
 - Updated fees from May 15 meeting
 - Engineering: final plat \$150 to \$200
 - Fire: credit card convenience fee 2.49% to 2.74%
 - WPC: metered facilities inside city limits
 - Residential \$8.70 to \$7.25
 - Multifamily, commercial & all others: \$6.96 to \$5.80

EXPENDITURES

- 9.9% Pacific Source increase
- 9% MetLife Dental increase
- \$0.22 EAP increase
- No increases for
 - MetLife Vision
 - Life insurance
 - 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 ambulance headcount for South County – revenue/expenditure neutral
- FTA change for interfund transfers in Pocatello Regional Transit – additional General Fund transfer

USE OF RESERVES

- General Fund: \$853,504.00
- Library Fund: \$60,310.00

TAX SOLUTION WORKSHEET

The Tax Solution Worksheet shows the tentative decisions made during our June 10 Budget Development Meeting.

There is still a list of items that can be removed in order to further reduce the General Fund expenditures. If taken, the items will reduce the amount of reserves used.

New items were added to the Tax Solution Worksheet as options to further reduce the General Fund expenditures and use of reserve funds

- Additional 3% increase from the highest budget of 3 years
 - From the L2 form
 - Additional \$6,532
- Additional new construction
 - From the L2 form
 - Additional \$72,947
- Additional 1% forgone for O&M
 - From the L2 form
 - Additional \$15,437
- removal of 2 Police Department vehicle purchases
- increased use of General Fund reserves

TAX SOLUTION WORKSHEET continued

There is also still a list of items that can be added to the General Fund, and this would increase the amount of reserves used or the amount of further cuts needed to the General Fund.

New and increased community organization requests were reviewed. Below is the list of organizations and amounts we are tentatively funding for FY2026.

- Aid for Friends \$8,000
- Family Services Alliance \$17,500
- Senior Activity Center \$38,500
- SEICAA Meals on Wheels \$30,000
- Visit Pocatello \$15,000
- Free Clinic \$23,000
- Neighborhood Associations \$12,500
- New Day Products \$5,000
- Valley Mission \$20,000

Updated Attachments: Revenue Worksheet, Revenue v. Expenditure Worksheet, and
Tax Solution Sheet for 071025

	6/25/2025	FY2024 ACTUAL	FY2025 BUDGET	FY2025 Y-T-D	FY2026 PROJECTED w/ shared	FY2026 PROJECTED w/ 3%, NC shared			
	= Council tentatively approved items 5/15 and 6/10 meetings				\$ 1,023,531	3% *highest budget of 3 years = \$34,117,711			
					\$ 6,532	additional L2 new 3% amount: for GENERAL FUND			
	= 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				\$ 72,947	additional L2 new construction amount: for GENERAL FUND			
					\$ 10,000	annexation: GF only			
					\$ 78,000	NOP TIF retirement: SHARED			
						minus State replacement money (ag and personal property reimbursements)			
					(\$452,842) \$ 961,107	new property tax available			
					\$ 341,177	1% *forgone for O&M: SHARED			
					\$ 15,437	additional L2 1% *forgone for O&M: for GENERAL FUND			
					\$ 1,023,531	3% *forgone for capital			
					\$ 2,341,252	new property tax with forgone			
GENERAL FUND									
Property Tax additional new construct annexation	\$ 23,690,587	\$ 23,535,684	\$ 14,396,706	\$ 25,223,647	includes annex				
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					
Additional interest income				\$ 250,000	GF only				
Water lease income				\$ 303,750	GF only				
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					

FY2026 REVENUE VS EXPENDITURES - Tentative for 7/10/25 Budget Session

Fund Number	Fund Divisions	Proposed Revenue *w/ 3%, 1% FG, NC shared	Proposed Expenditures	Balance	Notes	Reserve Balances
001 GENERAL FUND		\$ 48,823,786	\$ 49,771,663	(\$947,877)	*buy down of reserves - \$853,504 6/10/25 (-\$94,373 remaining due to PRT)	\$9,380,737
Property Tax & Other Gen Revenue		\$ 39,713,932				(\$853,504)
1% forgone O&M increase						\$8,527,233
001-0100	Mayor/Council	\$ 913,785	\$ 1,228,930			
001-0200	Finance Department	\$ 1,255,814	\$ 1,600,313			
001-0300	City Hall	\$ 903,014	\$ 755,989			
001-0500	Building Department	\$ 946,867	\$ 915,047			
001-0600	Planning & Development	\$ 104,703	\$ 1,259,902			
001-0601	Engineering	\$ 87,621	\$ 1,270,998			
001-0602	GIS	\$ 325,146	\$ 280,848			
001-0603	Grant Division	\$ -	\$ 557,462			
001-0700	Human Resources	\$ 537,276	\$ 775,966			
001-0800	Non-Departmental	\$ 687,177	\$ 1,721,807			
001-0900	Legal Department	\$ 839,848	\$ 1,187,760			
001-1000	Police Department	\$ 814,714	\$ 21,472,019			
001-1100	Fire Department	\$ 1,470,648	\$ 12,142,013			
001-1200	Animal Services	\$ 160,601	\$ 1,433,035			
001-1301	Parks Department	\$ 62,640	\$ 2,867,724			
001-1302	Parks & Rec Administration	\$ -	\$ 301,850			
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		\$ 3,941,368	\$ 3,914,072	\$27,296		\$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	\$ 498,031	\$ 1,037,051			
004-1308	Golf Capital Improvement	\$ 200,000	\$ 84,730		increased revenue based on golf course concessionaire payments	\$1,562,896
004-1311	Fort Hall Replica	\$ -	\$ 11,772			
004-1312	Frontier Village	\$ -	\$ -			
004-1313	Summer Concerts		\$ 9,714		deleted revenue based on actuals	
005 CEMETERY FUND		\$ 1,192,589	\$ 622,589	\$570,000	increased revenue for proposed fee changes	\$763,626
006 AIRPORT FUND		\$ 2,061,225	\$ 2,061,225	\$0		\$2,056,680
007 LIBRARY FUND		\$ 2,283,916	\$ 2,344,226	(\$60,310)	*buy down of reserves	\$637,426
008 POCATELLO TRANSIT - RURAL		\$ 1,552,874	\$ 1,581,072	(\$28,198)	*Federal lagtime	\$68,259
009 POCATELLO TRANSIT - URBAN		\$ 3,369,998	\$ 3,697,787	(\$327,789)	*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

FY2026 REVENUE VS EXPENDITURES - Tentative for 7/10/25 Budget Session

031 WATER FUND	\$	16,812,794	\$	18,768,904	(\$1,956,110) *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 *needs transfers from Enterprise updated	\$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) *buy down of reserves	\$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 - buying down of reserves	\$3,839,072
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	\$	150,925,321	\$	161,722,094	(\$10,796,773)	

	Approval for Tax Supported Add-ins = Adds to the Tax Problem									Problem	As of June 17, 2025
				Selected 6/10/25	Add Revenue 6/10/25		Selected 7/10/25	Add Revenue 7/10/25			
	GENERAL FUND									GENERAL FUND (\$947,877)	
	GENERAL FUND									Total ADDS: \$0	
001-0200	Building new vehicle		50000								
001-0300	City Hall new HVAC		1,500,000							Total SUBTRACT: \$853,504	
001-0603	grant match		\$ 50,000.00							Gap remaining (\$94,373)	
	NEW COMMUNITY REQUESTS										
001-0800	Bannock Youth Foundation		\$ 20,732.00								
001-0800	Boys & Girls Club		\$ 20,000.00							LIABILITY FUND \$0	
001-0800	Friends of Brady Chapel		\$ 3,000.00							STREET FUND \$0	
001-0800	Housing Alliance (up to)		\$ 100,000.00								
001-0800	Idaho Legal Aid		\$ 20,000.00							RECREATION FUND \$0	
001-0800	New Day Products		\$ 10,500.00	\$ 5,000.00							
001-0800	Salvation Army		\$ 25,000.00							CEMETERY FUND \$0	
001-0800	St. Vincent de Paul		\$ 5,000.00							AIRPORT FUND \$0	
001-0800	Valley Mission		\$ 50,000.00	\$ 20,000.00							
001-0800	Bannock Co. Veterans Mem Museum		\$ 10,000.00								
	INCREASED COMMUNITY REQUESTS									LIBRARY FUND (\$60,310)	
001-0800	Family Services increase over FY25		\$1,000							Total ADDS:	
001-0800	Visitors Bureau increase over FY25		\$ 5,000.00								
001-0800	NeighborWorks/Neighborhood Assoc		\$ 47,500.00							Total SUBTRACT: \$60,310	
001-0800	Free Clinic increase over FY25		\$ 2,952.00	\$ 3,000.00						Gap remaining \$0	
001-0800	Senior Activity increase over FY25		\$ 3,500.00	\$ 3,500.00							
001-0800	Aid for Friends										
001-0800	SEICAA Meals on Wheels										
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								
001-0800	additional GF tranfer to PRT per FTA		\$ 95,873.00				\$9,5873*				
		Category Selection Total	\$3,711,678	\$ 31,500.00	\$0		\$ -	\$0			
							*added 6/17/25				

FY2025 TAX FUNDS - Tentative Solution Worksheet for July 10, 2025 Budget Session

			Selected 6/10/25	Add Revenue 6/10/25		Selected 7/10/25	Add Revenue 7/10/25			
	\$1,000 from all depts - grants	\$ 15,000.00	\$ 15,000.00							
	REV water lease - organization leases	\$ 221,250.00		\$ 221,250.00						
	REV water lease - city leases	\$ 82,500.00		\$ 82,500.00						
	REV use of General Fund reserves	\$ 853,504.00		\$ 853,504.00						
	REV use of additional General Fund reserve	\$ 94,373.00								
001-1000	2 PPD cars eliminated from rotation	\$ 120,000.00								
	REV add in new L2 3% highest budget year	\$ 6,532.00								
	REV add in new L2 new construction	\$ 72,947.00								
	REV add in new L2 1% forgone	\$ 15,437.00								
	Subtotals:	\$ 1,839,735.00	\$ 265,000.00	\$ 1,157,254.00		\$ -	\$ -			
			Selected 6/10/25	Add Revenue 6/10/25						
	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								
	use of Library Fund reserves	\$ 60,310.00		\$ 60,310.00						
	Subtotals:	\$ 93,114.00		\$ 60,310.00						
	Category Selection Total	\$1,978,027	\$325,310	\$2,314,508						