

CITY COUNCIL SPECIAL SESSION

JULY 20, 2015
203 Broadway Ave N

PRESENT:

Tom McCauley	Mayor	Sue Gabardi	Council Member
Kyle Hauser	Council President	Elizabeth Barker	Clerk/Treasurer
Pam McClain	Council Member	Karen Drown	Asst. Clerk/Treasurer
Michael Higbee	Council Member	Concerned Citizens	

SPECIAL SESSION called to order at 8:32 PM.

CONFIRMATION OF QUORUM:

Elizabeth Barker confirmed a quorum.

OLD BUSINESS:

There was none.

NEW BUSINESS:

Discussion of final Seneca tax appeal judgment: Elizabeth explained to council that she had received a copy of the court order signed June 29, 2015 finalizing the tax appeal for Seneca. She stated that the tax revenue check that the city will receive in July will be reduced by \$140,560.94, which leaves a cash shortfall of approximately \$75,000 for the current budget year. Council had budgeted a set-aside amount of \$65,750 for this purpose for the current budget year so our cash shortfall was not as large as it might be. She explained that there is money in the debt service fund to cover the reduction. Mayor McCauley and Elizabeth had informed department heads earlier in the day of the possibility of cuts. Elizabeth stated the problem was that most large expenses, such as the insulation project and the library windows, had been spent already this year. The items available to cut now would be smaller line items such as supplies and it would be difficult to find enough savings to cover the \$75,560.94 from the department budgets.

Elizabeth also explained that the amount of the shortfall could be levied through the city L2 form either next year or over 2 years. If it was levied then it would be added to what the citizens will pay which would increase their tax bill. Michael stated he thought it should be paid out of what the city has saved.

Elizabeth explained that the total market value for the city was reduced by approximately \$7 million. Because the market value is less and the city is asking for the same amount the levy rate is higher so the citizens of Buhl will be paying more even if the judgment is not levied. She provided information on what the levy rates would be under various scenarios, depending on whether or not council decided to levy the additional judgment amount.

There was also a discussion concerning Urban Renewal Agency funds that have to be repaid to Twin Falls County to reimburse Seneca. Elizabeth explained that amount could also be levied through the city's L2 just like the judgment for the city portion but the citizens would also pay that amount through an increase in their property taxes. Pam stated she wouldn't want all citizens to pay for the URA #2 District when it didn't benefit them.

Michael moved to move forward with no judgment amount on the L2 and to take the money out of the debt service fund to cover the judgment shortfall. Kyle seconded the motion. There was a discussion about other businesses following suit. It was noted also that the citizens need to be aware of the city's position and the actions that were taken by the city to plan for this judgment. There was no further discussion and the motion passed. Council asked Elizabeth to write up a press release.

MEETING ADJOURNED – Kyle Hauser moved that the meeting be adjourned; Pam McClain seconded the motion and all were in favor. The meeting was adjourned at 9:00 PM.

Minutes prepared by Karen Drown, Assistant City Clerk-Treasurer