

**Finance Team Meeting Minutes: September 14, 2016; 11:00 am**

Present: Finance Director Amy Fealko and Council Members Jim Baker, Jim Bockelman and Ken Hill. Also in attendance was City Clerk Mary Benton, Local Realtor Lee Bilger and Salmon Resident Shawna Heaps. Mayor Leo Marshall popped in to report that the City of Salmon was incorporated October 10<sup>th</sup>, 1892 and that the City had a birthday coming soon also the Mayor presented the Salmon City Flag.

Additions to the agenda were two items for discussion; Downtown Business Owner contribution to sidewalk repair and City utilization of Local Option Tax Dollars.

Lee Bilger and Shawna Heaps addressed the team with a major concern that City Property Taxes are too high. Lee stated that many sales are lost due to taxes being too high here and gave one comment from a prospective buyer that taxes here were higher than in the City of Austin, Texas where he was from and that he would not buy in the City of Salmon. Shawna stated that she can't sell her house because her taxes are too high and also stated that her house and property were assessed at \$70k more than its appraised value. Lee addressed a fact that there are many services that the City property owners pay for that County people also use and there should be a way for the burden to be equalized to the County. Amy stated that the City receives from property taxes just over one million dollars. Through discussion possible outlets to explore were specific Taxing Districts such as a Cemetery District and a Recreation District to bring down the expense the City incurs from running the Cemetery, the Parks, the Pool and the Sacajawea Center for example. The City however cannot address the issue of starting a Taxing District, it has to come from the public. There are what some consider non-essential services the City provides such as the Parks, the Pool and the Sacajawea Center that account for around \$300k in expenses. If they were covered by a Taxing District, City property taxes could be reduced by approximately by a third. Taxes would still be collected for the services through Property Taxes, the burden would just be spread out to more. Lee and Shawna thanked the team for listening.

Tom McFarland, representing the Benedict Estate, was unable to make the meeting to discuss the History Park property and the City. Amy reported that the Benedict's are wanting to sell the property where the History Park is located as well as the other properties adjacent to History Park. In the current agreement with the Benedict's the City pays the property tax, has rest rooms at the site but uses water for the site from one of the adjacent properties. Tom is wanting the City to purchase the History Park property and wants to give the City first right of refusal. The team will discuss the proposal with him at a future meeting and report to Council.

The August financials were discussed. With 92% of the current fiscal year elapsed, the end of September is the end of the current fiscal year. Revenues are right on or up from budget. Expenditures are near normal for most of the departments with explainable variances for those that are off.

All Local Option Tax are now current.

There is nothing further to report yet on solar energy options for the City at this time.

There was discussion as to the fairness of the current sidewalk project that is the works using grant dollars and City funding. State statute mandates that the adjacent property owner is responsible for the cost of repair/replacing the sidewalks. More discussion needs to happen at the Council level to determine what, if any City monetary/in-kind involvement is anticipated in the future. The team feels that Council should discuss the issue and the possible establishment of an ordinance to follow.

There was discussion regarding what the Local Option Tax dollars should be spent on and that the moneys would not be spent on any other City needs other than the Pool or the direct cost to collect and enforce the tax as stated in Ordinance 09-742. Council should discuss the issue and determine the legal definition as to where the moneys can be spent.

The next Finance Team meeting will be October 12<sup>th</sup>, in the City Hall Conference Room.