

**SPECIAL BURLEY CITY COUNCIL MEETING
CITY HALL
1401 Overland Avenue
Burley, Idaho
August 27, 2020**

SPECIAL MEETING

AGENDA

SPECIAL SESSION AT 12:30 P.M.

- 1. ACTION ITEM** Consideration of a 2nd Budget Hearing and Forgone Tax Amount Resolution

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COMMENCE MEETING

Council met in special session at 12:30 p.m. with Mayor Ormond presiding. Council members present were Jon Anderson, Casey Andersen, John Craner, Janet Hansen, Bryce Morgan and Kimberli Seely.

City Staff present were as follows: City Administrator Mark Mitton, City Clerk Ellen Maier, Attorney Dave Shirley, Engineer Bryan Reiter, Electrical Supervisor Brent Wallin and Human Resource Carol Anderson.

CONSIDERATION OF A 2ND BUDGET HEARING AND FORGONE TAX AMOUNT RESOLUTION

City Administrator Mark Mitton stated that there are issues with the urban renewal under the Governor's proposed property tax reduction and also the State Tax Commission for the forgone amount. He presented Council with a copy of the L-2 as proposed in the budget hearing. The L-2 amount is if the resolution is not approved and we opt out of the property tax reduction. He said this form will be filed with both counties to claim property taxes for next year. If this form is not filed, then we would only get the same amount of property taxes as we did last year. He stated that for the last 22 years the city has been taking their 3% and not leaving it as a forgone amount. Mr. Mitton said he received a letter from the tax commission yesterday that is confusing as to if we take the tax reduction and how the 3% rolls forward. As of July 1st a new law was put into place stating that we must pass a resolution to retain the forgone amount. The forgone amount did not accrue until the next year, but under the current law if you don't claim it now it is gone. Mr. Mitton said there are two scenarios. The first one is if Council chooses to take the Governor's property tax reduction we would have to do a second public hearing and pass a resolution at the public hearing keeping the \$69,951.00 (3%) as a forgone amount. If the resolution is not done, then we would lose the forgone amount. This would reduce the budget by the forgone amount and we would take the Governor's allocated COVID money of around \$347,000.00 for firefighter's salaries and benefits. The second option is if you do not want to take the property tax reduction you do not have to hold a new public hearing, and we would collect the 69,951.00 (3%) and \$1,577.00 as a forgone amount as listed on the L-2.

City Attorney Dave Shirley spoke of the issues if the city took the property tax reduction money. He explained that if you take the money you cannot take the 3% this year however we can recover it if Council passes the resolution claiming it as a forgone amount. He stated that if Council chooses to take the property tax reduction then they would have to schedule another public hearing on the budget and pass the resolution. He said the Deputy Ag stated that they would not have a decision from the court on the Bonneville County case in time for Council to make a decision. The State is saying if declared to be illegal then the State of Idaho would have to pay the money back, not the local entities, but this does not comply with the Cares Act. Mr. Shirley said that there are a lot of technicalities that are in question. He said Council needs to

decide if we are qualified to take this money in the response to the COVID emergency and has this money been previously budgeted to fulfill the same costs that we are going to incur. He said there is a presumption that if it is for emergency personal that it is for appropriate purposes and does qualify. The whole question is what are appropriate purposes, are they just fulfilling the budget or are they doing something COVID related for this amount of money and can we provide documentation. Mr. Shirley said we still do not have a clear cut answer so there are risks involved.

A discussion followed by the Council.

A motion was made by Council member Casey Andersen and seconded by Council member Craner that we do not pass the resolution and that we opt out.

Roll Call Vote:

The results of the votes were as follows:

Casey Andersen	Aye	Janet Hansen	Nay
Jon Anderson	Nay	Bryce Morgan	Nay
John Craner	Aye	Kimberli Seely	Aye

Tie Vote.

Mayor Ormond	Aye
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Motion Carried.

A motion was made by council member Seely and seconded by Council member Morgan to adjourn the meeting at 1:27 P.M.

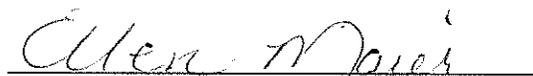
All "Aye."

Motion carried.

City of Burley


Mayor Ormond

ATTEST:


City Clerk