

**DRAFT MINUTES OF THE CITY COUNCIL MEETING
FOR THE CITY OF HAYDEN, KOOTENAI COUNTY, IDAHO**

Thursday, May 29, 2025

Special Meeting: 1:00 PM

Hayden City Hall Council Chambers, 8930 N. Government Way, Hayden, ID 83835

CALL TO ORDER

Mayor Davis called the meeting to order at 1:03 PM.

ROLL CALL OF COUNCIL MEMBERS

Present: Ed DePriest, Tom Shafer, Sandra White, **Absent:** Matthew Roetter.

1. WORKSHOP

A. Fiscal Year 2026 Budget

The Hayden City Council and staff held a Fiscal Year 2026 budget planning workshop focused on the General Fund. The workshop originally scheduled for June 12 is requested to be rescheduled.

General Fund Overview:

- The General Fund is the City's largest fund, primarily supported by property tax and state revenue sharing.
- Staff reviewed the city and department organizational structure and explained GL code structure (Fund-Department-Account-Project).

Revenues:

- Proposed 3% increase to the property tax base.
- Projected 1.5% increase in state sales tax revenue sharing.
- Recreation revenue expected to increase by 17%.
- Highway user revenue is down.
- The CDA School District will no longer fund the SRO position.

Expenses:

- 3% COLA and targeted wage increases for specific positions.
- 10% increases to both employee benefits and ICRMP insurance premiums.
- Small increases in prosecution services (3.67%) and street maintenance (3.7%).
- Law Enforcement (LE) costs remain flat for now—contract negotiations are ongoing.

Budget Performance & Projections:

- FY2026 revenue budget is 0.68% higher than FY2025.
- FY2026 expenses proposed at 1% higher than FY2025.
- Major expense categories include LE services, legal services, transportation, and auditing.
- FY2025 may end with a \$115,000 deficit due to land acquisition from the County.

Department Highlights:

- Most departments reflect minor increases driven by wages, benefits, and maintenance needs.
- Public Works Admin shows a budget decrease due to a position that remains unfilled.
- No capital projects are currently planned for FY2026 (Fund 130).
- Interest from Fund 111 investments will be preserved for future one-time capital investments.

Pending Items:

- Final figures for new construction tax revenue, county tax shares, LE contract costs, and health insurance premiums are still pending.
- About 90% of the FY2026 budget is currently complete.
- Final budget presentation will incorporate remaining variables unless otherwise directed by Council.

Council Comments & Discussion:

- Council members expressed support for a 3% base budget increase to maintain service levels.
- Emphasis was placed on long-term capital planning and addressing community concerns about traffic.
- There was strong interest in establishing a financial management or reserve policy and reviewing an investment policy.
- A future agenda item will include capital planning and potentially a cost-benefit analysis for subdivisions.

Next Steps:

- Next workshop will focus on long-term capital project planning.

2. ADJOURNMENT

The meeting adjourned at 2:45 p.m.

Abbi Sanchez, City Clerk

Alan Davis, Mayor