

MINUTES OF THE SPECIAL COUNCIL MEETING

May 7, 2018

At 6:00 p.m. the meeting was called to order by Mayor Mac Pooler.

A roll call of the Council resulted as follows:

Sid Armstrong
Ron Mercado
Terry Douglas
Joan Head
Dennis Norris
Ron Delcamp.

Officers present were:

Mayor Mac Pooler
City Clerk/Treasurer Nila Jurkovich
Sewer/Road Project Manager Rod Plank.

Mayor Pooler announced the reason for the special meeting is to discuss the final decision and order made by the Idaho Board of Tax Appeals, the effects on the City of Kellogg and to discuss the options the City may have to further pursue this with Shoshone County.

Mayor Pooler advised the Council that Shoshone County's next step is to decide whether to appeal the State's decision or accept their decision. The County will be meeting to make their final decision soon. The City will lose \$94,000 in tax revenue if Silver Mountain's market value stays at the State's value. In the meeting with Shoshone County officials it was advised that additional professional assistance will be necessary. If the County decides to move forward with an appeal, the County is the leader in this process. The City can, if the Council decides, contribute towards this showing the County we have an interest. Although other taxing districts will have revenue lost, we are uncertain if the other taxing districts will contribute. The City is already assisting the County with background data.

Councilmember Douglas advised that the value that was set will need to stay at that value for two years. This means, the County could not change Silver Mountain's values until 2019. Douglas would like to see \$15,000 in assistance to the County.

Councilmember Mercado would like to support the County with a one-time assistance. This cannot be a black-hole where the City continues to throw money at.

Councilmember Delcamp advised that the District Court has power to bring in other information that the State Board of Tax Appeals did not.

Councilmember Armstrong discussed the facts brought out at the tax appeal hearing regarding an arm's length decision to purchase Silver Mountain, and the previous owners were not under duress to sell it for \$5 million. A lot has happened with market values since 2009, and discussed the income approach. The City needs to work with the new owner to make Silver Mountain better. Armstrong is reluctant to go along with the next step of an appeal, but will support the Council in the final decision.

Councilmember Delcamp stated the new owner's comments were nothing to do with his relationship with the City, and we are not running his name through the mud, it is a good idea to support the County, as there are other large property owners that may pursue this type of appeal procedure in the future if they see the County give in too easily. Kellogg has a lot to lose.


Councilmember Norris supports the idea to assist the County. There is a lot of concern on the effects on the City if the values stay at the State's value.

Councilmember Head shared her concerns with the past amount of monetary support to the County and then with an additional \$15,000, which will total \$27,000. There has not been money available to give to staff, and now we have money available for County assistance.

Councilmember Douglas advised the Council that the City is still moving forward with a 2% cost of living allowance for the employees in this upcoming budget.

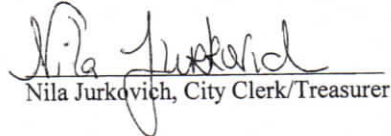
It was moved by Councilmember Douglas and seconded by Councilmember Norris to commit \$15,000 to Shoshone County to assist in their appeal if the County pursues the appeal. Five "ayes" and one "nay". Motion carried

There being no further business to come before the Council at this time, it was adjourned at 6:50 P.M. to meet at its regular time of June 13, 2018.



Mac Pooler, Mayor

ATTEST:



Nila Jurkovich, City Clerk/Treasurer