

Budget and Finance Committee Meeting

Minutes

July 10th, 2019

6:00 PM

Present: Janet Sergent, Bryan Gartner, Tami Christensen

Absent: None

Visitors: Mayor Norby, Clerk/Treasurer Redfield, PWD Hintz, Chief DiFonzo, Kali Godfrey

- 1. Fair Buttons for City Employees-66 employees X \$5.00 = \$330.00:** City Clerk/Treasurer stated that in the previous years the City of Sidney has purchased Richland County Fair Buttons for the employees, which has been very well received by the employees. Motion was made to recommend approving purchasing the Richland County Fair Buttons for the City of Sidney Employees by Alderwoman Christensen, and Alderman Gartner seconded the motion. All present voted aye.
- 2. FY18-19 Anticipated Budget Amendments:** City Clerk/Treasurer Redfield stated there are some budget amendments she is aware will need to be done at this point, but nothing will be finalized until after the closing is done. She stated one is to increase expenditures in the 2371 fund, or the employee health insurance, by \$19,564. She stated this is because of unexpected changes in employee coverage's during the fiscal year, such as getting married or having children. City Clerk/Treasurer Redfield stated another is to transfer the cash available of \$16,043.07 from 7970 to 7920. She stated that the budget approved had the Richland County Grant money in 7920, but the accounting has the cash in 7970, and with most of it being expended she needs to transfer that cash, but cannot unless the budget allows. City Clerk/Treasurer Redfield stated the last anticipated budget amendment is to increase expenditures in the general fund. She stated this could be as high as \$600,000 to avoid getting another audit finding for too much cash versus budgeted expenditures. She stated this money will not be spent, it will only be a budgeted expenditure.
- 3. Census 2020-partially funding Complete County Committee:** City Clerk/Treasurer Redfield stated that she, Kali Godfrey, and Jodi Berry attended a 2020 Census meeting, where they were named co-chairs of the Richland County Complete County Committee for the 2020 Census. She stated the purpose of the Committee is to educate, advertise and show the importance for everyone to participate in the Census, and the local impacts that the Census information has. She stated that the State of Montana budgeted no money for such Committees, so they went to the Richland County Commissioners to ask for funding, and they agreed to wrap one of the transit buses, pay for printing, and to allocate an additional \$5,000 if the City agrees to match the \$5,000. She stated this would be a general fund expenditure, and that they are looking to spend the least amount of money possible, while still accomplishing their goals. Motion was made to recommend approval of allocating \$5,000 out of the General Fund to the 2020 Census Correct Count Committee by Alderwoman Christensen, and Alderman Gartner seconded the motion. All present voted aye.
- 4. FY19-20**
 - a. Breakdown of General Fund to multiple funds:** City Clerk/Treasurer Redfield stated it had been their intention for the last month to split the Police, Fire, Building, Parks, and Pool from the General Fund. She stated the purpose of doing this is to better track what property taxes are funding these departments, and to be able to save cash in those departments. She stated that she has not been able to discover what fund numbers to give them, and without fund numbers she cannot pay any bills out of those departments in the new fiscal year, which is why they are putting it off for

another year. She stated that starting in the early spring of 2020 she and the Department Heads will be presenting the individual budgets to the City Council, in the new funds, to be approved so that starting July 1st she can be paying the bills and the revenue appropriately. She stated that this fiscal year she will create a supplemental breakdown of the mill levies to show by percentage how much of the general fund mills are funding each department, and this fiscal year she is hoping to transfer into already created CIP accounts for these departments to start to save money.

- b. Donations:** City Clerk/Treasurer Redfield presented the Budget and Finance Committee the donations made out of Oil and Gas in FY18-19. She stated that they included a onetime payment to Step-Up for \$1,000 that would not be occurring again this fiscal year. She further stated that last year the Boys and Girls Club received the \$3,000 but also received the donation of waiving the building permit fees. City Clerk/Treasurer Redfield stated that if they wanted to increase the Boys and Girls Club donation, it is possible as the revenues for the oil royalties are exceeding the donations by \$10,000, which the goal has always been to keep the donations within the revenue for the oil royalties. It was the general consensus of the Budget and Finance Committee to approve doing the same donations as the previous year minus the one time donation to the Step Up program and increasing the donation to the Boys and Girls Club to \$5,000.
- c. Fire Budget:** City Clerk/Treasurer Redfield stated the Fire budget included the \$4,775 for Presumptive Workers Comp Budget, and that the supplies were decreased from \$7,500 to \$5,000 and purchased services was decreased from \$50,000 to \$40,000. She stated they did add in \$35,000 in purchased services object 340 for the New Fire Hall water and sewer bill, which the City will be paying for per the agreement with Richland County for repayment of stop light. She stated the Fire budget also includes \$10,000 for the possible purchase of the GIS Mapping equipment that PWD Hintz has proposed, as the Fire Marshal position will be utilizing that equipment extensively. It was the general consensus of the Budget and Finance Committee to approve the Fire Department budget.
- d. Building Budget:** City Clerk/Treasurer Redfield stated the Building Department budget increased its supplies from \$500 to \$2,000, as it now has a full time employee with additional supply costs. She further stated the \$40,000 in purchased services is primarily for the use of Kyle Harlan. It was the general consensus of the Budget and Finance Committee to approve the Building Department Budget.
- e. Police Department Budget:** City Clerk/Treasurer Redfield stated the Police Department Budget saw a decrease in supplies from \$103,500 (total for 200 and 230) to \$100,000 total for both objects. She stated that they might be switching some of the money from 200 to 230 so that the Police Department can better track the maintenance and cost of vehicles, but the combined amount will not exceed the \$100,000. She further stated that Chief DiFonzo asked for an increase in the 300 purchased services from \$50,000 to \$65,000, asked to keep the 310 purchased services for the Richland County Communication Budget the same at \$250,000, and to keep the 340 purchased services for the cellular services the same at \$10,000. She stated he also asked for an increase in the machinery and equipment object from \$50,000 to \$65,000, which keeping the budgets in the K-9 and Detention and Correction Services accounts the same. Chief DiFonzo stated the increase for the machinery and equipment is due to needing to purchase equipment for the evidence recovery van, and the increase in purchased services is due to the unexpended costs should someone in the jail need to go to the hospital. He stated that this is something that he cannot plan for except to have money budgeted should it happen. It was the general consensus of the Budget and Finance Committee to approve the Police Department budget.

f. Public Works Budget

- i. Purchase of new Garbage Truck-FY20-21:** City Clerk/Treasurer Redfield stated the Garbage Department needs to purchase a new Garbage Truck, but that it takes 18 months to receive the truck once it is ordered, so if PWD Hintz orders it this fiscal year, it would not be paid for until FY20-21, so he is looking for permission to do so. She stated a Garbage Truck costs between \$280,000 and \$290,000 and there is approximately \$700,000 in cash available in that fund to cover that purchase, and that he will be needing to purchase a second one in the near future also. It was the general consensus of the Budget and Finance to recommend approval of the purchasing of a new garbage truck now, to be expended in FY20-21.
- ii. Parks:** City Clerk/Treasurer Redfield stated there was no changes in the Parks supplies and purchased services from the previous fiscal year. She stated that in FY18-19 \$13,200 was budgeted for the fence at LaLonde Park that has been completed but will be paid for out of FY19-20, so that expenditure was rolled over to this fiscal year. She stated that they removed any purchases out of machinery and equipment, as those purchases will come out of the Parks CIP Fund. She stated that in the Parks CIP Fund (4015) they are purchasing 2 new mowers at \$20,000 a piece for a total of \$40,000. She stated that this money will be transferred from the General Fund. It was the general consensus of the Budget and Finance Committee to approve the Parks budget.
- iii. Pool:** City Clerk/Treasurer Redfield stated the Pool had a slight decrease in payroll expenditures due to staffing. She stated that the supplies and purchased services remained the same as the previous fiscal year and that the improvements other than buildings was increased from \$27,000 to \$50,000. She further stated that the \$50,000 this fiscal year is for the gel coat of the slide and the purchase of the water heater. It was the general consensus of the Budget and Finance Committee to approve the Pool budget.
- iv. Streets:** City Clerk/Treasurer Redfield stated that the supplies was decreased by \$5,000 but the purchased services was increased by \$5,000. She stated the fixed charges was increased from \$4,500 to \$9,000 for the increase in property insurance for the Streets Department's equipment. She stated that in the Streets Equipment CIP fund (4030) has \$190,000 in expenditures for the possible purchase of a drum roller, dump truck, skid steer. She stated that these are equipment needed, but not necessarily purchased in this fiscal year. PWD Hintz stated these are the equipment that he purchases used and never knows when a deal will come up to purchase them, so having the funds available is nice. City Clerk/Treasurer Redfield stated that the Streets Construction CIP (4031) has \$300,000 in overlaying budgeted. She stated that both of the CIP accounts are funded via transfers from the General Fund of \$175,000 each, which is how they are always funded. City Clerk/Treasurer Redfield further stated that with the revenues and expenditures being very close they are not recommending a rate increase, and that the last increase was in FY16-17 when it was increased from \$40 per lot to \$100. She further stated that the Gas Tax Fund (2820) has the usual expenditures for the purchase of the hot and cold mix and other needed supplies for the roads, and that the New Gas Tax Fund (2821) is for the BARSAA projects, one that the City Council and that State has already approved and the other that will be coming before them for approval and submission to the State shortly. It was the general consensus of the Budget and Finance Committee to approve the Streets Department budget.

- v. **Water:** City Clerk/Treasurer Redfield stated the Water budget would not be discussed, as it was decided by the Budget and Finance Committee to have the Water and Sewer Committee review that budget.
 - vi. **Sewer:** City Clerk/Treasurer Redfield stated the Sewer budget would not be discussed, as it was decided by the Budget and Finance Committee to have the Water and Sewer Committee review that budget.
 - vii. **Solid Waste:** City Clerk/Treasurer Redfield stated that the Solid Waste supplies was increased from \$20,000 to \$40,000 and the purchased services was increased from \$83,100 to \$95,000, as was shown was needed in the previous fiscal years expenditures. She stated the fixed charges for the property and risk insurance remained the same, with \$25,000 being budgeted in both the machinery and equipment operating and R&D for a total of \$50,000. She stated these funds are for the maintenance and fixing of the garbage trucks to keep them running until the new truck is delivered in FY20-21. City Clerk/Treasurer Redfield stated that with the current rates for the collection of garbage being approximately \$646,000 and the budgeted expenditures being \$724,500, not counting the purchase of any equipment, a rate increase is recommended. She stated the last rate increase for the garbage collection was in FY16-17 when it was increased from \$135 to \$150 for residential lots and from \$275 to \$300 for commercial lots. She stated they are recommending increasing the residential lots to \$175 and commercial lots to \$325 per year. It was the general consensus of the Budget and Finance Committee to approve the Solid Waste budget and rate increase.
 - viii. **Sweeping:** City Clerk/Treasurer Redfield stated the Sweeping budget saw no increase in their supplies, but an increase in their purchased services from \$25,000 to \$35,000, as needed per the previous year's expenditures. She further stated that there is a onetime budgeted expenditure of \$190,000 in machinery and equipment capital projects for the purchase of a new sweeper. She stated there is approximately \$315,000 in cash available for this purchase. She stated that they are recommending no rate increase for sweeping, the last increase being in FY16-17. It was the general consensus of the Budget and Finance to approve the Sweeping budget.
- g. General Budget Overview:**
- i. **City Court Increase:** City Clerk/Treasurer Redfield informed the Budget and Finance and the expenditure for the City Court increased from \$154,000 in FY18-19 to \$201,500 in FY19-20. She stated this was due to the paying for the 1 ½ employees and not being sure what to budget previously for it and for the increase to the City Judge wages the Council approved.
 - ii. **Transfers from the General Fund:** City Clerk/Treasurer Redfield reviewed the anticipated transfers from the general fund. She stated that with exceeding cash limits in the general fund she is looking at transferring from the General into CIP accounts for future purchases. She stated she does not want these transfers approved as she is not sure on the amounts yet, and won't be until FY18-19 is closed and the mill levy revenues are calculated. She will bring these back in front of the Budget and Finance when she has that information.
 - iii. City Clerk/Treasurer Redfield stated that in 3600 (SID 100) and 3603 (SID 103) there is budgeted expenditures but no revenues. She stated these are the SIDs were the payments from the property owners are done and will not be put on property taxes, and that refunds will need to be issued for any cash remaining in the accounts. She stated that until FY18-19 is closed, she will not know the accurate amounts, so those may change.

- iv. **Snow Removal:** City Clerk/Treasurer stated that the Snow Removal will be moved out of the General Fund this fiscal year into its own fund. She stated that with this, the assessments will start on this year's property taxes. She further stated that there is \$210,000 in machinery and equipment for the purchase of a new snow blower, snow boxes, and sanders. She stated that these are purchases that have been being put off for several fiscal years and are now in a state that they do not work appropriately. She further stated that these purchases will be funded via a transfer from the general fund. City Clerk/Treasurer Redfield stated that the Snow Removal payroll and operation expenditures are \$126,250, and to have \$149,000 in revenue (which would only be saving approximately \$23,000 per year for future large purchases) the snow removal rate will need to be \$35 per lot. It was the general consensus of the Budget and Finance to approve the Snow Removal budget and the assessment of \$35 per lot for these expenditures.
- v. **Storm Sewer Survey:** City Clerk/Treasurer Redfield stated the Water and Sewer Committee are recommending approval of moving forward with the Storm Sewer Survey. She stated that at the meeting it was discussed that the survey would be paid out of the sewer budget, with a district to be created for future costs, but that Mayor Norby would like to see this \$60,000 to \$80,000 come out of the oil and gas fund, as there are no expenditures or transfers out of that fund besides the donations. It was the general consensus of the Budget and Finance to approve budgeting the Storm Sewer Survey out of the Oil and Gas fund.
- vi. **Street Lighting Fund:** City Clerk/Treasurer Redfield stated that even with the MDU increase she does not feel an increase in expenditures or the rates for the Street Lighting is necessary. She stated the last time the Street Lighting was increased was in FY16-17.
- vii. **Revenues:** City Clerk/Treasurer Redfield stated the State Entitlement Share revenue, which goes into the general fund, increased from \$835,394 to \$866,394, but that the Building Permit Fees decreased from \$100,000 to \$65,000. She stated that when the City Council approved switching the repurchase agreement accounts at Stockman Bank to investment accounts that accrue interest, the interest earned increased from \$39,000 in FY17-18 to \$177,676.57 in FY 19-20. She stated that these revenues are equally distributed among the funds based off the cash in the accounts at the beginning of the fiscal year.
- h. **Budget Calendar:** City Clerk/Treasurer Redfield stated she anticipates receiving the taxable valuation from the State of Montana in the middle of August, and until they have that information, she should not have anything further to present to the Budget and Finance Committee. She further stated she will be asking for a Water and Sewer Committee meeting to review those budgets.

Meeting was adjourned at 7:04 pm.

Jessica Redfield, City Clerk

Janet Sergent, Committee Chair