

Stevensville Budget Workshop Minutes

for THURSDAY, MAY 30, 2024,

4:30 PM 206 Buck Street, Town Hall

1. Budget Workshop

Mayor Michalson called the meeting to order, Councilmembers Barker, Brown, Nelson and Smith were all present.

a. Salaries & Wages

Robert Underwood: (Robert presented wage charts to the council) introduced the salaries and wages to the council. Robert discussed how last year we put everything into the budget that we want and then we bring in the wages. With inflation being so high it has been hard to hire anyone at the rates that we are at. So, when we bring in someone at a higher rate to hire them then that doesn't work out for the person that has been here for five or more years and are trying to work up. I have put everything into charts and each of them will change at the COLA or a raise happens. Discussed administration, police and public works. Public Works department has steps in pay to coincide with certifications. Police Department start them at \$23.00 and then after academy they go up to \$24.00.

Councilmember Barker: so how do we keep them; Cassi is not even on this list. We have trained her, and we paid for it and now she is gone.

John Boe, Chief of Police: I think we have to look at contracts.

Councilmember Barker: I have pushed for that for a long time, that we have a contract.

Mayor Michalson: we brought that up at the training.

Councilmember Barker: it is important to keep them, and she was great with the kids.

Councilmember Nelson: may I ask what happened?

John Boe: it was not the money for her it was the opportunity to go to a bigger place and get into more things, bigger environment. We are a much smaller agency and community.

Mayor Michalson: how does the council feel about putting together a public safety levy for next year.

Councilmember Nelson: what is a public safety levy?

Councilmember Brown: it would be put on your tax bill similar to the lighting districts. It would increase their taxes, but it provides extra coverage.

Mayor Michalson: we could probably fund 5 full time officers with a levy.

Robert Underwood: you would have to do a pretty good push, explain the need for fire and police funding and free up the general fund. Property taxes went up, but the town wont see that in the general fund for a few more years. Then also looking at how much comes out of the water and sewer for wages, they have been going in the whole for the last five years. We have had rural water come and discuss, we are going to have to look at rates and the revenue during the budget talks. Water and sewer have been slowly going down. That fund needs to be putting into the capital improvement fund, at about 10% the state says 30%.

Councilmember Barker: Doesn't this have to do with the water rates did not go up?

Jenelle Berthoud: probably one of the biggest problems is that, right Robert.

Councilmember Barker: without the increase kicking in.

Robert Underwood: we are going to see around \$57.00 increase.

Jenelle Berthoud: all these previous mayors had to do was follow the resolution from Mayor Mimack and raise the rates yearly.

Robert Underwood: I hope through the process we can get that settled.

Councilmember Nelson: what are our options as a town to do fund raisers.

Jenelle Berthoud: the Police Department has had great success and John is taking this year off from the fund raising.

Robert Underwood: the Fire Department does very well also but it does not go into our account, they have a fire association account that has a ton of money.

Councilmember Barker: it comes down to grants.

Jenelle Berthoud: a gentleman came by to meet with Chief Boe in regards to STEP Grants, for wages. It will be a good thing for us. That is one that does not have to have a match.

Councilmember Brown: what we learned at conference is that we are very close to being bumped into a City 1, and I think that City 1 has a paid fire department, that is something else that we have to look at. Stevensville is at 2092.

Jenelle Berthoud: you make a really good point Stacie, we can't annex anybody in because we don't have the infrastructure to provide it, because we only have 400 hook up left. Do we grow or are we like all of the other little towns where everyone moves out and we are left with old sewer systems.

Robert Underwood: that is going to force us to upgrade the sewer plant, we are so close to capacity. We need to have an infrastructure fee that is going to cover this.

Jenelle Berthoud: our infrastructure fee is just water and sewer. Just over \$5600.00. Hamilton two years ago was multiple items and over \$10,000.00.

Councilmember Brown: you get more revenue.

Jenelle Berthoud: the mayor and Robert and I have been discussing the fee schedule this week. There is a study that has to take place to add additional infrastructure fees, we had the water and sewer in place, so we were able to increase that. In our case we need to be looking at if we go to \$10,500 like Hamilton were do we put the funds. Police, Fire, sidewalks.

Robert Underwood: back on track with the wage scale. I am putting the budget requests in the system, and we will see what they want. I think that this year during the workshops we will be doing the cuts, employees are important. Over the last two years our budget is over. Example is \$2,300.00 for a raised bench for the judge, it gets taken out every year, but we will put it back in again.

Councilmember Brown: we should look at giving Will a raise.

Will Rowe, Airport Manager: the airport is broke.

Robert Underwood: there are opportunities to get a grant and loan some money so that the airport can build their own T-Hanger. That is the only way for the airport to make money and funding the airport. If we do not turn it around next year.

Will Rowe: that hanger would be full before the construction is complete. A lot of the airports that are owned by towns they are not renewing leases, they are doing their own. You can't bring in \$18,000 and spend \$80,000. We had the master plan and no where did we look ahead and how are we going to pay for these projects, and now you can't maintain it. One or two more payments to the engineer and then we can cut the budget down to \$50,000.

Councilmember Barker: where would you put this hanger?

Will Rowe: we have the land, that is why we passed the Ordinance change so that not one person can come in and lease multiple at one time, lease one build and then do another one.

Councilmember Brown: what you are saying is that the town should start development and make more money off the building. What is it like at Missoula Airport?

Will Rowe: they are tucked away; I am paying \$300.00 a month in Hamilton and that was a bidding war. Two months ago, about \$650,000 to build it, between federal and state grants we can cover a lot of that.

Robert Underwood: another way to get the match is to loan from another fund, \$65,000 to make the airport sustainable. The airport pays that back first and then maintain interest.

Councilmember Brown: is the board for this.

Robert Underwood: I talk to the board about this, and they are for it except for the ones that have a T-Hanger.

Will Rowe: things that I have been working on also is a smaller hanger for commercial use, commercial space for a business is much more. And then there is the fuel side, when the

town takes the fuel back, they will have revenue. As the manager I want to bring out a business plan for the airport.

Robert Underwood: the Forest Service is going to get pushed out of Hamilton, we have to build that area out.

Councilmember Barker: the Forest Service can pick their own mutual aid.

Robert Underwood: the last thing that I want to add is that I put in overtime for Public Works. about \$20,000 a year. With that new agreement and the two-hour call-out time that is now increased out of the water, sewer and general fund. You have to manage your people and how do you handle that. The mayor and I talked about on a Friday when they hit their 40 hours they go home. Even if we collect comp time, we are still paying out time and a half.

Mayor Michalson: just like Jenelle when she is at 40, she is gone.

Jenelle Berthoud: lucky that we can do that now because we have another person in the office. Gina can hit her 40 at 10:00 am on a Friday. Bob and I talked about this this week, come in late the next morning after a meeting. There is still so much to do.

Mayro Michalson: this year is one of the busiest years with all of the projects going on.

Jenelle Berthoud: take a lunch, but I can't to much going on. I meet with Bob when I hit my 40 hours. I don't want to see overtime and it is not budgeted for.

Robert Underwood: it is not budgeted for, the Police at this point wont but they will. You have to manage your time, everyone. We could look at the town closing early.

Mayor Michalson: after 2:00 on a Friday everything shuts down.

Jenelle Berthoud: we talked about town hall closing at noon on Fridays then if you have people that have hit their 40 then town hall is already closed but if you haven't hit your 40 you have those additional four hours into the rest of the day to complete those things that are just piling up, the window is not open and then if I or Gina or Andrena hit our 40 at 1:00 it is okay, we have already established that town hall is closed at either noon or 1:00 to help curb how much overtime is going out, there are a lot of other towns that close on Wednesdays so that they can get caught up and then they complete the week. We hold our council meetings on a Thursday and then looking at Fridays closing at 12:00.

Robert Underwood: when it is open, and one has to go home, the other person is not getting any work done. they are just doing the window and answering the phone, Gina is not able to get her finance work done. it is just one way to cut costs, we have to take care of our people. COVID hurt us with now rising inflation costs.

Councilmember Nelson: would it be practical to start with Will and bring in more money for the town?

Robert Underwood: it is not for the town it is for the airport. Tax money that comes in goes back for the airport. It is not much, but once you start building hangers you bring in funds.

Will Rowe: next year is going to be tight. One thing that would help out is if the Forest Service does their 30 days.

Robert Underwood: any questions.

Councilmember Nelson: referenced the town's share of over 1 million.

Robert Underwood: that plus another \$70,000. Right now, we are at about 73% of the budget spent.

Mayor Michalson: the winter actually helped us, not a bad winter.

Robert Underwood: if you have questions, please let me know, email me or the mayor. The key is that we are going on the right track.

Councilmember Barker: our COLA could change.

Robert Underwood: that is correct.

Councilmember Nelson: what are the blacked-out squares?

Robert Underwood: those are the ones that you would have to have time in before you can hold that position. You look at Public Works, it gives them that carrot to get there with certifications. If you needed a plant operator right now, what would it cost? I don't think we could get one at the rate we pay. Like Glen has said, you might get one from a smaller facility.

Mayor Michalson: Leo from Montana Rural Water came by last week and he said that there is a shortage of operators.

Robert Underwood: if we would have been maintaining the increase through the last five years, we would be pretty close to right on. But we have to do a big jump. Look at inflation over the past two years. Discussed rate increases for water and sewer. We might be able to do it in 3 increments over six months and then see where we are at.

2. Public Comments (Public comment from citizens on items that are not on the agenda)

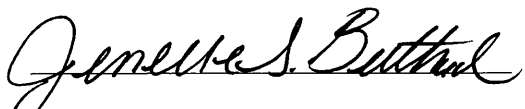
NONE

APPROVE:



Bob Michalson, Mayor

ATTEST:



Jenelle S. Berthoud, Town Clerk