

BUDGET COMMITTEE MINUTES (Part 1)

May 20, 2020 6:00 P.M. Next to Monroe City Hall (Former Monroe Library Space)

1. Call to Order. Mayor Canter called the meeting to order at 6:00 P.M. Floyd Billings led us in the Pledge of Allegiance.
2. Roll Call: For the record Mayor Canter stated the majority of the Budget Committee are present including: Paul Canter, Cindy Canter, Nick Ritch, Floyd Billings, Fred Cuthbertson, Jeanni Cuthbertson, Dan Sheets, Tim Eastridge, Lonnie Koroush, Harry Myers, and Brian Greene. Budget Officer: Tracy Floyd. City Staff: Laurie Eastridge. Budget Committee members not present are Frank Thayer, Kathy Smith, Elizabeth Hayler, and Bruce Hayler.
3. Election of Chair: Mayor Canter called for nominations for Budget Committee Chair. Cindy Canter was nominated for Budget Committee Chair. Mayor Canter called for a vote and Cindy Canter was unanimously elected Budget Committee Chair.
4. Election of Secretary: Mayor Canter called for nominations for Budget Committee Secretary. Dan Sheets was nominated for Budget Committee Secretary. Mayor Canter called for the vote and Dan Sheets was unanimously elected Budget Committee Secretary.
5. Budget Presentation: Budget Officer Floyd using a PowerPoint Presentation provided a review of the significant elements of the proposed budget centered on changes and effects from the current budget and the review of the financial status of the municipal organization.
6. The Budget Officer shared that the formal budget message (Pages 4-5) was in written format and contained within the budget document. In addition, the Budget Officer included in the following changes in this year's budget message:
 - a. 3 percent increase in 2020-2021 budget
 - b. New fund created for the Monroe Festival
 - c. Reviewed Staffing Levels for the City of Monroe
 - d. Updated information on Water Operator's Salary
 - e. Improvements to Main Street and Safe Routes to School Grants
 - f. New line item for General Fund called "Community Support Grants/Sponsorship"
 - g. All Reserve Funds have a new line items called "Reserved for Future Expenditure".
 - i. Note: Need definition of a project for this line item.
 - h. Some big maintenance items addressed in Water System Development Charges and Reserve Fund
 - i. Proposed utility rate increases for water and storm water
 - i. **Note:** These are base rate increases

7. Review of Funds.

Starting with the General Fund and going through the budget fund by fund, the committee began the review of all active funds that make up the proposed budget. The Budget Committee will vote and approve fund by fund.

GENERAL FUND 100: Page 9.

- Line 1. Available cash on hand is \$115,000 less than the previous year.
- Line 17. On the State Parks Grant, the city was received back all but \$7,000 from the original \$75,000 total grant. The remaining \$7,000 will be paid out once the park structure is completed.
- Line 10. Question on Benton County Transient Tax (Bed Tax): The city received \$5,000 but it doesn't show up on this line item, so Budget Officer Floyd will follow-up on Airbnbs.

GENERAL FUND 100: Page 11.

- Line 39. This line item lists the new "Community Support Grants/Sponsorships" with \$5,000.
- Line 46. Judge expense was moved to Court Expenses on Page 14, Lines 21-40.
- Line 2. Add previous City Administrator (CA) Salary and CA Expenses back into the General Fund, including Payroll Expenses.
- Line 38. Previous Beautification Committee funds moved to the new "Community Support Grants/Sponsorship" Fund.
- **Note:** Need more funds for concrete RV pad, engineering, and electrical permit for the Park Host.
- **Note:** In the Parks Fund, \$35,000 (Page 13, Line 30) is not used for new Park Restroom project and will be moved to the CA Salary on Page 11, Line 2.
- Line 17. Increased Attorney Fees from \$3,000 to \$10,000.
- Line 15. Online Bill Pay is listed at \$6,000 – This number can be reduced if the city doesn't take System Development Charges (SDCs) via credit card.
- Going back to Line 17, Page 11. Increased attorney fees from \$3,000 to \$10,000.
 - **Note:** Budget Committee needs to determine where this increased expense is coming from such as the Unappropriated Ending Fund Balance.
- Line 24. Education & Travel – Discussed using funds to cover increase with Line 17, but it was decided against and will be taken out of the Unappropriated Fund on Line 13, Page 15.

GENERAL FUND 100: Page 13.

- Line 20. Move \$500 from Temporary Restroom Rental line item and to a new line item for Park Host Electricity.

GENERAL FUND 100: Page 14.

- **Note:** Park Host utilities will come off existing meter at the city water treatment plant.
- **Fred Cuthbertson made a motion to accept all General Fund 100, Cindy Canter seconded the motion.**

VOTE ON GENERAL FUND 100 – 11 voted Aye. Passed.

STREET FUND 201: Page 17.

- Line 8. To keep this fund out of the red, after the city uses the \$100,000 Small City Allotment Grant plus comes up with an additional \$195,000 for improvements to Main Street (Total cost of the Main Street project is \$295,000), a \$50,000 loan would be needed from the System Development Fund. The loan would be repaid next year. There was discussion about whether or not to keep the Small City Allotment Grant or not. In the end the Budget Committee voted to turn the grant back, then the loan from the System Development Fund would no longer be required. Lastly, remove this line item from the budget.

STREET FUND 201: Page 19.

- Line 24. Subtract \$50,000 from this line item, Small City Allotment Grant Project.
- Line 27. Subtract \$50,000 from this line item, Organizational Unit/Activity Total, with a new total of \$400, 841.
- Line 15. Increase this line item, Repairs and Maintenance System from 10,000 to 20,000.
- **Fred Cuthbertson made a motion to approve Street Fund 201 with the changes noted, Floyd Billings seconded the motion.**

VOTE ON STREET FUND 201 – 11 voted Aye. Passed.

MONROE FESTIVAL FUND 202: Page 23.

- Line 19. Question on how the festival will take money for wine tastings, on behalf of the wineries, then reimburse the wineries.
- Line 20. Question on unforeseen expenses which could include PPE, washing stations, masks, etc.
- **Fred Cuthbertson made a motion to approve Monroe Festival Fund 202, Harry Myers seconded the motion.**

VOTE ON MONROE FESTIVAL FUND 202 – 11 voted Aye. Passed.

WATER REVENUE BOND FUND 300: Page 25.

- **Floyd Billings made a motion to accept Water Revenue Bond Fund 300, Fred Cuthbertson seconded the motion.**

VOTE ON WATER REVENUE BOND FUND 300 – 11 voted Aye. Passed.

GENERAL OBLIGATION AND REFUNDING BOND FUND 302: Page 27.

- **Lonnie Koroush made a motion to accept Bond Fund 302, Harry Myers seconded the motion.**

VOTE ON GENERAL OBLIGATION AND REFUNDING BOND FUND 302 – 11 voted Aye. Passed.

RESERVE FUNDS 400 THROUGH 405: Pages 29-35.

- In all the Reserve Funds under line item Reserved for Future Expenditure, it needs a project description.
- **Paul Canter made a motion to approve Equipment Reserve Fund 400, Seconded by Fred Cuthbertson.**
- **Paul Canter amended the motion to include all Funds 400 through 405, Seconded by Harry Myers.**

VOTE ON ALL RESERVE FUNDS 400 THROUGH 405 – 11 voted Aye. Passed.

SYSTEM DEVELOPMENT CHARGE (SDC) FUNDS 507 THROUGH 511: Pages 36-41.

- **Floyd Billings made a motion to approve all SDC Funds 507 through 511, with the noted changes to the Street System Development Fund 509: Line 18: Loan to Street Fund, transfer \$50,000 to Line 14: Street Enhancement Fund, Lonnie Koroush seconded the motion.**

VOTE ON SDC FUNDS 507 THROUGH 511 – 10 voted Aye, 1 voted Nay (Floyd Billings). Passed.

WATER FUND 601: Page 43 (Part 1).

- Discussion on water rate increase. The current proposed budget includes a \$2 increase to the base rate, or another suggestion by Councilor Billings is a \$2.50 rate increase for the first six months of the 2020-2021 fiscal year then another \$2.50 rate increase for the last six months of the same fiscal year.
- Next week's follow-up Budget Committee meeting will be used to review rate increase scenarios for the Water Fund.

8. Mayor Canter adjourned the Budget Committee meeting at 8:30 P.M.

BUDGET COMMITTEE MINUTES (Part 2)

May 27, 2020 6:00 P.M. Next to Monroe City Hall (Former Monroe Library Space)

9. Call to Order. Mayor Canter called the meeting to order at 6:00 P.M. Nick Ritch led the Pledge of Allegiance.
10. Roll Call: For the record Mayor Canter stated the majority of the Budget Committee are present including: Paul Canter, Cindy Canter, Nick Ritch, Floyd Billings, Fred Cuthbertson, Jeanni Cuthbertson, Dan Sheets, Tim Eastridge, Lonnie Koroush, Harry Myers, Brian Greene, and Frank Thayer. Budget Officer: Tracy Floyd. City Staff: Laurie Eastridge. Budget Committee members not present are Kathy Smith, Elizabeth Hayler, and Bruce Hayler.
11. Continue Review of Funds.

WATER FUND 601: Page 43 (Part 2).

- Discussion on water rate increase continued from where we left off on the Budget Committee's May 20, 2020 meeting. There is a \$2 increase to the water base rate included in the 2020-2021 budget. Does the Budget Committee consider the \$2 increase or more such as \$5 or another amount to bring the Water Fund out of the red?
- Currently spent \$242,256 out of the Water Fund, which includes the cost of everything. There is also \$90,000 out of the Water Reserve Fund.
- Budget Officer Floyd confirmed the City of Monroe sold 12 million gallons of water.
- Budget Committee needs to consider regulatory fines, damage to the new membrane and other equipment. There was talk about insurance on replacing the damaged membrane.
- The current water bill includes the water, sewer and the water bond.
- Discussion continued to increase the water base rate by \$5 plus increase usage from 4,000 to 5,000 gallons per month. That would bring the minimum water bill to \$85.80.
- **Lonnie Koroush made a motion to raise the water base rate by \$5.00 for the use of 5,000 gallons, seconded by Cindy Canter.**

VOTE ON WATER FUND 601, PAGE 43 – 10 voted Aye (Canter P., Canter C., Ritch, Cuthbertson F., Cuthbertson J., Sheets, Eastridge, Greene, Myers, Koroush), 2 voted Nay (Thayer and Billings). Passed.

WATER FUND 601: Page 45.

- For the Budget Committee to balance the Water Fund (Page 43), \$21,000 in Expenses will need to be taken out from Pages 45-47.

- Discussion on monetary compensation for city personnel including a proposal to give everyone raises and bring salaries up to \$55,000 annually. Further discussion to follow in the Personnel & Finance Committee.
- Line 2. Excess amount of \$10,390 can be added to the City Administrator line item to balance the Water Fund on Page 45.

WATER FUND 601: Page 46.

- No discussion or questions on Pages 46-47.

WATER FUND 601: Page 47.

- Line 29. New adjusted total for the Water Fund is \$261,890, it was \$251,500.
- **Nick Ritch made a motion to approve Water Fund 601, seconded by Lonnie Koroush.**

VOTE ON WATER FUND 601, PAGES 45-47 – 12 voted Aye. Passed.

SEWER FUND 602: Page 49.

- No Sewer rate changes in current budget.

SEWER FUND 602: Page 51.

- Line 2. Add City Administrator Salary or \$31, 760 to this line item.

SEWER FUND 602: Page 53.

- Line 30. Reduce this line item from \$16,535 to \$14,775.
- **Brian Greene made a motion to approve Sewer Fund 602, seconded by Frank Thayer.**

VOTE ON SEWER FUND 602 – 12 voted Aye. Passed.

STORM WATER FUND 603: Page 55.

- Proposed \$1 rate increase included in this 2020-2021 budget.
- **Lonnie Koroush made a motion to not raise Storm Water Fund. No one seconded, the motion dies.**
- **Frank Thayer made a motion to increase storm water base rate \$1.00, like it is proposed in the budget, seconded by Harry Myers.**

VOTE ON STORM WATER FUND 603 – 10 voted Aye (Canter P., Canter C., Ritch, Cuthbertson F., Cuthbertson J., Sheets, Eastridge, Greene, Myers, Thayer), 2 voted Nay (Billings, Koroush). Passed.

12. Review, Discussion, Questions, Deliberations of Budget Committee

The Budget Officer shared the required motions when the Budget Committee was prepared to move the process forward which was contained within the budget packet as well as the corrected total for the budget final.

13. Budget Committee Action:

BUDGET LAW & APPROVAL OF 2020-2021 BUDGET: Page 57.

- **Line 1.** Harry Myers made a motion that the Budget Committee of the City of Monroe approve the property taxes for the 2020-2021 fiscal year at the rate of \$3.5566 per \$1,000 assessed value for the permanent tax levy, Floyd Billings seconded the motion.

VOTE ON BUDGET LAW, LINE 1 – 12 voted Aye (Canter P., Canter C., Ritch, Cuthbertson F., Cuthbertson J., Sheets, Eastridge, Greene, Myers, Thayer, Billings, Koroush). Approved.

- **Line 2.** Nick Ritch made a motion that the Budget Committee of the City of Monroe approve property taxes for the 2020-2021 fiscal year in the amount of \$127,325 for the General Obligation Bond Levy, Floyd Billings seconded the motion.

VOTE ON BUDGET LAW, LINE 2 – 11 voted Aye (Canter P., Canter C., Ritch, Cuthbertson F., Cuthbertson J., Sheets, Eastridge, Greene, Myers, Koroush, Billings), 1 voted Nay (Thayer). Approved.

- **Line 3.** Nick Ritch made a motion that the Budget Committee of the City of Monroe approve the budget for the 2020-2021 fiscal year in the amount of \$2,366,929. Proposed budget is \$2,406,539, Floyd Billings seconded the motion.

VOTE ON BUDGET LAW, LINE 3 – 11 voted Aye (Canter P., Canter C., Ritch, Cuthbertson F., Cuthbertson J., Sheets, Eastridge, Greene, Myers, Thayer, Billings), 1 voted Nay (Koroush). Approved.

14. Adjournment: Cindy Canter adjourned the Budget Committee meeting at 7:30 P.M.

Respectfully Submitted: Tracy Floyd, Budget Officer, City Recorder

Reviewed and Approved by Budget Committee Secretary Dan Sheets and authorized on date as signed.



Dan Sheets, Monroe Budget Committee Secretary

6/18/2020

Date: