

**Health Insurance Tax Levy
Public Hearing – 6:30pm**

Preliminary Budget Hearing – 6:45pm

**Council Chambers
August 6, 2008**

The meeting came to order at 6:30 pm. attending Council: President Laura Schrader, Larry Coryell, Don Banning, Larry Baker, and City Clerk Sandra Johnson.

GUESTS: John Clogston and Heather McDougall.

The health insurance levy increase is proposed at 5.82 mills for a total of \$4,236.96. This could change depending on the final evaluations we get from the Assessor's Office.

Larry Baker asked who the health insurance was for. This is for an increase of \$36.00 per month in insurance for the employees. Banning wants to know exactly what it will cost each city property owner. It would depend on each owner's property value, but would be about \$7.33.

Council agrees with the proposed levy increase for employee health insurance. Baker-yes, Coryell-yes, Don Banning – yes. The Resolution will come later when the Mill can be determined. Laura Schrader asked if the sprinkling increase will go into effect this year. Yes. Discussion followed regarding population and the census.

PUBLIC COMMENTS:

John Clogston: asked if anybody has heard more about cell service. Clint Taylor, the power manager has been contacted by the contractor putting in the cell tower to supply power to the property. Alltel should be in service by October.

Heather McDougall asked if it was going to cost the city anything for the cell service. Laura Schrader said no, and it will actually benefit the city by the power usage.

McDougall stated that she thinks the budget should be trimmed. Health insurance increases should be taken out of the budget without increasing taxes. More discussion on budget and the need for an alternative for animal control followed.

Hearing adjourned 6: 50pm. Further comment follows:

Larry Baker brought to the attention of the council, the idea of contracting out city utility services. Heather McDougall interjected and added City Hall Offices as well. Montana is very strict when it comes to contractors hired by any company or municipalities. There is explicit criteria that must be followed.

Larry Coryell stated that in his research, it has been known that public owned utilities operate with less expense to the consumer. Municipalities are non-profit, Contractors aren't.

John Clogston stated that if there were 50 or 100 employees, it may work. But, with only 10 employees it wouldn't be feasible to a contractor. It is the contractor's business to make money.

Heather McDougall had questions regarding wages and overtime hours for office positions. The majority of overtime hours are spent on projects, and they are reimbursed by the project funding agency. McDougall said she doesn't care where the reimbursement comes from. The agency is still funded by tax dollars. Government is known for its waste. She said the city is where it starts, and this is where it needs to stop. McDougall requested to see specific employee pay checks. It is public information to see the *job position* description and wages; we don't give out specific employee information,

Larry Coryell brought up old business regarding hiring a fourth city officer. He stated it takes five full time officers for 24/7 coverage. We are two officers short. McDougall stated that she doesn't

see a problem with the lack of coverage. She thinks they should switch their patrolling hours around to the time that most crime happens. Larry Baker added that the Police Department is doing their share to conserve on fuel by patrolling sometimes by bicycle. Don Banning stated that no body on the council wants to spend unnecessary money.

Laura Schrader stated that we have no choice but to pay things like union contract increases. We have to follow the law. McDougall asked if what she has to say is going to make a difference anyway. What point is there to having a public comment? Schrader answered, because we have to by law. Larry Coryell told her it is important to show up. It is the first rule of democracy. McDougall wants her position heard that taxes are as high as they should be. Don Banning told her that her opinion counts, but in this particular case, your comments are not going help us raise or lower the budget. Discussion followed. Closed comments and went into the Preliminary Budget Hearing.

Preliminary Budget Meeting

Meeting came to order at 7:10pm

Basically this is the same budget that council reviewed at the last work meeting. The only change is the additional \$7,000.00 on expense and revenue in the power budget.

Coryell informed council that KRDC is still interested in having a maintenance agreement for the City to do the maintenance out at their industrial park in Libby. Flathead isn't interested. Coryell feels it is a good opportunity to bring more funds into the City. Schrader and Banning both agree that our first priority is to Troy. It will have to be examined closely. Discussion followed.

John Clogston asked what the status is with the pink apartments. Johnson told him that two are rented by people that are not there all the time. Two are empty, and being advertised. Schrader stated that it is paying for itself. Discussion followed. Council wants to stress the importance of getting them rented even if we need to rent for less and have the tenant pay their own utilities. Discussion followed.

Schrader asked for any more comments on the budget. McDougall requested a copy to view. City Clerk Sandra Johnson complied.

Coryell asked about the old water tank salvage. We had it given away, but the person didn't have the appropriate liability insurance to move it. Coryell suggested that with the price of scrap metal being so high, we should try it again, and actually *sell* it. Discussion followed.

Heather McDougall had questions regarding the budget. She asked if she is correct in seeing that there is a \$100,000.00 profit. There is not a profit for anyone. Schrader advised that all the utilities are separate and have to operate on their own. It was explained how funds are budgeted and the need for reserves which the State requests municipalities to have. It is up from 33% to 50% for any appropriations made. These reserves would keep the city going for at least six months should there be a problem in revenue coming into the departments. Discussion followed.

Schrader called for further comment. None

Preliminary figures are:

FUND	EXPENDITURE	REVENUE
1000 GENERAL	498,784.00	513,490.00
2190 COMPREHENSIVE LIABILITY	11,320.00	14,825.00
2370 P.E.R.S. - EMPLOYER CONTRIBUTION	9,200.00	12,950.00
2371 HEALTH INSURANCE - EMPLOYER CONTRIBUTION		

		35,700.00	35,668.00
2390	DRUG FROFEITURE	1,000.00	150.00
2500	SPRINKLING	17,675.00	11,150.00
2810	POLICE PENSION & TRAINING (3RD CLASS CITIES)	900.00	1,093.00
2820	GAS APPROTIONMENT	24,940.00	21,582.00
2850	911 EMERGENCY FUND	6,000.00	6,150.00
3050	FIRE TRUCK G. O. DEBT	10,925.00	11,955.00
5210	WATER UTILITY	349,891.00	390,874.00
5310	SEWER UTILITY	553,413.00	596,913.00
5710	ELECTRIC UTILITY	1,014,105.00	1,019,200.00
6030	CENTRAL OFFICE SERVICES	16,960.00	17,000.00
	GRAND TOTAL	2,549,813.00	2,653,000.00

Larry Baker made a **Motion** to adjourn the preliminary budget meeting. The motion was seconded by Don Banning. **Motion carried.**

Council adjourned at 7:45.

Laura Schrader, City Council President

ATTEST:

Sandra Johnson, City Clerk and Treasurer