

**Minutes of City of Laurel  
Budget/Finance Committee  
Tuesday, July 14, 2020**

**Members Present:**    **Emelie Eaton**                      **Richard Klose**  
                                 **Bruce McGee**                      **Scot Stokes**

**Others Present:**    **Mayor Nelson**                      **Matt Wheeler**  
                                 **Brandon Gonzalez**                      **Ernie Kois**  
                                 **Roy Pilcher**

The Meeting was called to order by Chair Eaton at 5:33 pm.

**Public Input:** *Citizens may address the committee regarding any item of business that is not on the agenda. The duration for an individual speaking under Public Input is limited to three minutes. While all comments are welcome, the committee will not take action on any item not on the agenda.*

**General Items**

- Review and approve the minutes of the June 23, 2020 meeting. Richard Klose made a motion to approve the minutes of the June 23, 2020 Budget and Finance Committee meeting. Bruce McGee seconded the motion to approve the June 23, 2020 Budget and Finance Committee meeting minutes, all in favor, motion passed.
- Review and approve purchase requisition from the Solid Waste Department – The Public Works Superintendent, Matt Wheeler, presented a requisition from the Solid Waste Department for replacement or repair of the newest garbage trucks transmission. He stated the transmission failed with 35,000 miles on the truck. The transmission filled with water and was taken to the repair shop. It was initially thought these repairs would be covered under warranty but now the manufacturer is wavering on that. The Committee asked how the transmission got filled with water. The Public Works Superintendent stated there is a breathing tube on top of the transmission, and this tube was not elevated enough. He stated that every time it rained or snowed; water would drain into the transmission. Peterbilt is denying this is a warranty issue, however Matt feels it is a design flaw and the City should not be responsible for the repairs. The Committee asked why there were two quotes to repair the transmission. Matt stated he would let the City Mechanic, Brandon Gonzalez, speak to that. The City Mechanic stated the company could either try to repair the existing transmission or purchase a brand-new transmission and install it. The City Mechanic stated he would recommend the purchase of a new transmission. He stated the quotes are so close, if the repair shop tears the old transmission apart and finds more components that must be replaced, the repair will cost more than the replacement costs. He stated the repair quote is for estimated replacement pieces and work, however if more things are wrong with the existing transmission, the cost will go up. The Committee asked about the tube issue. The City Mechanic stated he has asked the manufacturer if he could alter the breathing tube, without nullifying the warranty. The Committee asked if there was any recourse for the City if the manufacturer did not replace this transmission under warranty. The Public Works Superintendent stated he did not know about that. Scot Stokes made a motion to approve the purchase requisition from the Solid Waste Department for the purchase of new transmission for the newest garbage truck. Bruce McGee seconded the motion to approve the purchase

requisition from the Solid Waste Department for the purchase of new transmission for the newest garbage truck, all in favor, motion passed.

- Review and approve the June 2020 Utility Billing Adjustments. The Committee reviewed the June 2020 utility billing adjustments and had no questions. Richard Klose made a motion to approve the June 2020 Billing Adjustments. Bruce McGee seconded the motion to approve the June 2020 Billing Adjustments, all in favor, motion passed.
- Review and recommend approval to Council Claims entered through 07/10/2020. The Claims Detail reports and the Check Registers were reviewed for accuracy prior to the meeting, by the Committee. There was a question regarding the Mayor's new phone. The Mayor stated it was a new phone, and not a broken phone. There was a question regarding a purchase from Fowl Play. The Public Works Superintendent stated there was a water break on a Saturday that lasted most of the day. He stated lunch was purchased from Fowl Play for the staff working on the break. There was a question regarding a \$768.00 purchase from Reese and Ray's IGA. The Mayor stated that is not unusual depending on what is being stocked for the City. Coffee, cups, etc. are purchased for all City Departments from Reese and Ray's IGA. There was a question regarding a purchase from Best Buy for \$101.00. The Mayor stated that would need to come from the Clerk/Treasurer, as he does not know what it is for. There was a question regarding a flower purchase. The Budget and Finance Chair stated there was a relative, of an employee, that died, and the City sends flowers for that. There was a question regarding a Dragon Palace purchase. The Mayor stated this was probably a lunch for staff. There was a question regarding a \$1,500 purchase from Headsets Direct for the Clerk's office. The Mayor stated these are new headsets for the Clerk's Office. He stated these headsets are for the new VOIP phones and allow the Clerk's to move around the office while being on the phone. There was a question regarding a cell phone holder car wash. The Mayor looked at the claim register and said it was for the Fire Department and it was an ACE Hardware purchase. He stated he would get the Clerk/Treasurer to pull the receipt. Scot Stokes made a motion to recommend approval to Council the claims entered through 07/10/2020. Bruce McGee seconded the motion to recommend approval to Council the claims entered through 07/10/2020, all in favor, motion passed.
- Review and approve Payroll Register for pay period ending 06/28/2020 totaling \$227,342.91. The Committee asked why the payroll amount was so high. The Mayor explained there was a lot of overtime on this report. He anticipated this would be reduced in the next month, as Ambulance should not have as much. The Mayor stated the hiring of the Ambulance Director should happen in the next few weeks. After the Director is hired, he expected the Ambulance Department would begin doing more transports to generate revenue. The two-page summary was reviewed, signed, and dated. Bruce McGee made a motion to approve the payroll register for pay period ending 06/28/2020 totaling \$227,342.91. Richard Klose seconded the motion, all in favor, motion passed.

### **New Business**

- The Public Works Superintendent, Matt Wheeler, gave a brief introduction to the Committee regarding what KOIS Brothers was going to present, and how this lease came to the attention of the department. He stated the dollar amounts are large, but the equipment proposed in the lease is expensive. The Public Works Superintendent introduced Roy Pilcher and Ernie Kois from Kois Brothers Equipment co. The company is 52 years old and has worked with the City for a number of years. 65% of their business is with Municipalities. Ernie went over the useful life of equipment and maintenance. He stated servicing equipment can be done in Billings. This cuts down on costs and length of time equipment can be down. He stated lease programs provides certainty for budgeting. He



stated a sewer trucks are \$550,000, and garbage trucks are \$300,000 a piece, and a street sweeper is \$225,000. He stated a lease program allows for budgeting annually or monthly payments. He stated that trade ins can be used for lease payments. He stated these are tax exempt lease programs, designed for municipalities. Roy stated he designed this lease program to provide \$1,500,000 to be paid over 7-years at \$250,000 a year. This will replace two garbage trucks, a new street sweeper and a sewer combo jet router. This does not take into consideration any trades the City wants to make. After any trade ins are evaluated, a final number could be provided to the City Council. The annual payments of \$247,059.11 are at 3.69% interest, and no trade ins. The Committee asked about the warranty provided with the lease. Ernie stated an extended warranty could be worked into the lease, in order to cover the entire lease timeframe. The Committee was concerned about warranty work if something like a transmission were to fail. Ernie stated the City of Memphis is on a three-year program, and this timeframe provides for a buyback opportunity. The Committee inquired about a service package. Ernie stated there is no service package included in the price.

#### **Old Business - None**

#### **Other Items**

- Review the Comp/OT report for pay period ending 06/28/2020. The Committee commented about the amount of overtime the Ambulance Department had.
- Clerk/Treasurer Update – The Clerk/Treasurer was not present.
- Update from the Mayor – The Mayor stated there were some discrepancies regarding last weeks meeting. He stated the Library has not officially unionized as union negotiations were not complete. The Committee stated if the number of mills were increased for the Library, the number of mills for General Fund would be decreased. The Mayor stated this is correct. The Committee verified the City Council sets the mills for all funds, and the Mayor verified that was correct. The Mayor stated all the departments have not received an increase for at least two years. He stated there are substantial concerns regarding the State's revenues. The Committee asked if changes to the budget can be recommended at the Budget Workshop meeting. The Mayor verified this is correct. The Mayor stated he is going to draft a conservative budget as there are concerns about legislature trying to take the million-dollar entitlement share the General Fund receives every year. He stated the City is not going to replace the water billing clerk position, and another employee is being laid off the end of July. He stated this is to try to save money in General Fund.

#### **Announcements –**

- The next Budget and Finance Meeting will be held on Tuesday July 28, 2020 at 5:30pm
- Bruce McGee will be reviewing claims for the next meeting
- The meeting was adjourned at 6:20pm

Respectfully submitted,



Bethany Langve  
Clerk/Treasurer

**NOTE: This meeting is open to the public. This meeting is for information and discussion of the Council for the listed workshop agenda items.**