Minutes of City of Laurel Budget/Finance Committee Tuesday, July 07, 2020

Members Present:

Emelie Eaton

Richard Klose

Bruce McGee

Others Present:

Mayor Nelson

Bethany Langve

Nancy Schmidt

Jean Kerr

The Meeting was called to order by Chair Eaton at 5:30 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

• The Committee called the special meeting to discuss the Fiscal Year 2021 Budget. The Committee asked if all the Department Heads received the Mayor's budget memo asking for all budgets to be held. Nancy Schmidt, the Library Director, stated she did not receive the Mayor's budget memo. The Clerk/Treasurer stated the Library Department is not treated the same as the other department's because their budget is approved by the Library Board, not the Mayor and/or Council. The Clerk/Treasure explained the Library Budget is drafted, approved, and monitored solely by the Library Board. She further explained there are four funds the Mayor has no budget authority over. These four funds are the Library Budget, the Library Aid Grant Fund, the Police Department's Federal Equitable Sharing Fund, and the Library Federation Fund.

The Committee asked about the increase to the Library Fund. Nancy explained this was due to a reduction in the Libraries budget for the Fiscal Year 2020, and an increase in wages. The wage increase is for the two union employees. Nancy stated if all the Library employees are not treated the same as the union employees the City could be facing a lawsuit. The Committee asked if any other Libraries in the State are unionized. Nancy stated most Libraries are a part of a union. The Committee asked if there was a comparison of the wages requested by the Library and other comparable positions in the State. Nancy stated Laurel's employees are paid lower than other comparable positions in the State. The Committee requested to see the data regarding wage comparisons. The Committee asked how the Library is doing with their current budget. Nancy stated the Library is relying on donations currently. She stated she has not received a budget report in months, so she is not sure how the Library budget is currently doing. The Committee asked how the additional money being requested by the Library would be funded. The Clerk/Treasurer explained the City Council approves the number of mills provided to the Library, when they approve the annual budget. The Committee asked if the Clerk/Treasure knew how many mills the City had for the next fiscal year. The Clerk/Treasurer stated that information would not be ready until the first week of August, when the annual certified taxable valuation was received from the State. The Committee asked if Council approved the increase for the Library, would that cause decreases elsewhere. The Clerk/Treasurer stated the increase would come from the General Fund mills.

The Committee expressed concerns about taking mills away from General Fund. The Committee talked about the ambulance personnel hired and the costs associated with them. The Committee asked if AMR was involved with the staffing. The Mayor explained all the full-time ambulance personnel are City Staff, and not associated with AMR. He further explained that all costs associated with the Ambulance Department was the responsibility of the City. The Committee asked how the Ambulance Department budget was doing. The Clerk/Treasurer explained the Ambulance Department had not adjusted their budget, per the Mayor's memo. The Committee asked about the safety mill levy. The Mayor explained the safety mill levy was still being talked about by the Emergency Services Committee. He stated the likelihood of the safety mill levy being passed during this budget cycle was slim. He explained the process of getting the mill levy on a ballot and the timing. The Committee asked if the Emergency Services Committee felt the mill levy would pass. The Mayor stated the Emergency Services Committee felt the safety mill levy would be passed by the community, as they are very supportive of our First Responders. The Mayor stated there are no hard numbers ready to be talked about yet.

The Committee talked about the three enterprise funds, and how they are doing financially. The Clerk/Treasurer stated the City Mechanic and Public Works Superintendent were going to attend the July 14th Budget and Finance Committee meeting to talk about the garbage trucks. She stated one of the trucks caught fire, and the newest one had a transmission failure. The transmission failure seems to be covered under warranty. The Mayor stated the Solid Waste funds needs money for a new trash truck, however there is no way to currently save money for one. The expenditures for the Solid Waste Fund exceed the revenues generated. The amount of money being paid for the Billings landfill is increasing. The Committee agreed that a conversation regarding increasing the Solid Waste fees needed to happen with full Council. The Clerk/Treasurer stated the Solid Waste Fund needed a mechanism to save for replacement of equipment. She stated that both the Water and Sewer Funds had these mechanisms but for some reason Solid Waste does not. The Committee asked how this type of mechanism would be put into place. The Clerk/Treasurer stated it would need to be a resolution passed by Council directing the Mayor and/or Clerk/Treasurer to begin putting X amount of money into a replacement and depreciation cash account. The Mayor stated the Water Department is going to need to repaint the water tower this next fiscal year.

The Committee asked about the Planning Fund and what the Mayor was going to do to fix the cash deficit. The Clerk/Treasurer explained the Planning Director increased most of the fees associated with the Planning Department. She stated this should help with the cash deficit. The Mayor stated the Planning Department has been utilizing KLJ for assistance, for the Growth Management Plan, and this has increased the amount of expenditures for the year.

The Committee asked about the General Fund Budget. The Clerk/Treasurer stated she is very concerned about the upcoming two fiscal years. She stated COVID-19 is going to have future effects on the revenues of the entire State. She stated she is concerned with the decrease in interest revenues, and the future of Gas Tax, Gambling, Entitlement Share, and Grant revenues. She stated she is also concerned about the future of Unemployment rates. The Clerk/Treasurer also stated she is trying to keep as much cash in General Fund as possible. She talked with the Mayor and they both agree to not transfer Capital Improvement funds out of General Fund for this next budget. The Clerk/Treasurer state she wants the money to stay in General Fund just in case it is needed there. The Committee asked if all the

departments have held their budgets according to the Mayor's request. The Clerk/Treasurer stated the Fire Department budget was increased but that has been rectified. The Mayor stated the Courts could potentially need additional funding to attend a training session. They are getting a new Enterprise System, and the training is scheduled to take place in New Orleans. The Committee asked how any reductions to the tax revenues would affect the overall budget. The Clerk/Treasurer stated any decrease to tax revenue would cause a need to a decrease in appropriations. She stated the budgets will increase due to wage increases. The Committee commented the taxable values will determine a lot.

Announcements -

• The next Budget and Finance Meeting will be held on Tuesday July 14, 2020 at 5:30pm

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.