

Finance Committee Meeting

January 30, 2020

The Finance Committee met Thursday, January 30, 2020 at 6:00 p.m. in the City Hall Conference room. Present were Committee Members Austin Lott, Brant Kassner, John Uden and Curtis Reese.

Also present were: Police Chief Doug Colombik, Human Resource/Payroll Officer Linda Wilkins and City Clerk/Recorder Lorrie Pearce.

Clerk Pearce called the meeting to order.

1. Elect Chairperson

*** Committee Member Uden nominated Austin Lott, seconded by Committee Member Kassner.*

*** Committee Member Lott nominated Brant Kassner, seconded by Committee Member Reese.*

*** On roll call vote the motion for Austin Lott to be Chairperson, passed 4-0*

2. **Request of Citizens and Public Comment:** The next Finance Committee Meeting will be February 13, 2020.

3. HR Officer presentation on Human Resource issue that will affect the future

Human Resource Officer Wilcox explained that the following items will be discuss at future Human Resource Committee Meeting, and will affect the financial situation of the City:

- Review Human Resource Policy
- Administrative staffs request for salary increases- Non-union
- Union contract negotiations
- Changes to Fire Department's back ground checks

4. Discuss claims inspections and what months each member will be inspecting them

Feb-April- **Austin Lott**

May-July- **Brant Kassner**

Aug-Oct- **John Uden**

Nov-Jan- **Curtis Reese**

5. Discuss and recommendation on Ambulance write offs for a total of \$ 3,617.53

Clerk Pearce explained that there are five accounts which totaled \$3,617.53. All patients are deceased with no estate. She added that Solestone and finance did everything possible to

collect the money, and felt that there were no other options available.

*** Committee Member Uden moved to recommend to Council to write off a total of \$3,617.53 for ambulance, Committee Member Kassner seconded the motion. On a Roll Call vote the motion passed, 4-0*

6. Discuss and recommendation on Ambulance collection for a total of \$69,418.58

Clerk Pearce explained that the total are accounts that are 180 days old with no activity on them.

*** Committee Member Kassner moved to recommend to Council to send \$69,418.58 to collections for the Ambulance, Committee Member Uden seconded the motion. On a Roll Call vote the motion passed, 4-0*

7. Discuss and recommendation on Bulk Water accounts to send to collections for a total of \$ 74.48

Clerk Pearce explained that there are two accounts that are 90 days overdue. She has sent three letters with the third one as a final notice, letting them know that if not paid, it will be sent to collections.

*** Committee Member Kassner moved to recommend to Council to send \$74.48 to collections for Water, Committee Member Reese seconded the motion. On a Roll Call vote the motion passed, 4-0*

8. Review and discuss General Fund and Ambulance finance reports

Clerk Pearce explained to the Committee that the **General Funds** budget was passed with a reserve of \$187, and said that is a huge problem. If the City doesn't receive all its anticipated revenue, and all funds spend their expenses, then the City is in big trouble. The cash has been deleting for the last 5 years. The following is what is felt was the worst scenario for the City.

As of 12/2019 Cash was	\$ 547,420
Anticipated Taxes by 6/20	\$ 944,753
Receive from HB124 by 6/20	\$ 675,447
Receive from Interlocal by 6/20	\$ 62,000
Receive from Interfund by 6/20	\$ 287,360
Payroll for the next 6 months	\$-1,800,000
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Leaves in cash	\$ 716,980

This does not include all other expenses approved to spend in the next 6 months which totals \$493,083. That would leave \$223,897 to start FY21 budget with \$4 to 5 Million in expenditures. This does not include the amount in the budget amendment that will be discussed later. The total for that is an additional \$23,000 with no additional revenues coming in to cover it. As far as the expenditures, the City should be at 50 percent and it is 51%. This is because the fire department wages are over by 8%. The Fire Chief, HR Officer and herself looked to see if they could find a reason why, but no solution was found.

Committee Member Uden was concerned with the cash flow depleting from 1 Million dollars six years ago to approximately \$224,000. There was a discussion as to how the City can cut some of the expenses for FY20. It was felt that the Mayor needs to ask Directors to cut their spending to help with the cash flow. Chairperson Lott will discuss this with the Mayor.

Clerk Pearce also explained to the Committee that the Ambulance cash as of December 2019 is -198,104. It has grown from June 2019, which was approximately, -230,000. The fund has received 72% of its anticipated revenue, which is good and she felt that the fund would go over its anticipated revenue amount. The Fire Chief, Deputy Clerk and herself are working very closely with Solestone and will be getting collections accounts monthly. The sooner it is sent to collections, the better it is for the City.

- 9. Discuss and recommendation on Resolution No. 4303:** A Resolution Pursuant to 7-6-4006 of the Montana Code Annotated, Authorizing Amendment of Final Budget for FY 2019-2020 to Increase the Budgeted Amount in the Funds for HB374 Fuel Tax, Police, Fire and Ambulance Unbudgeted Revenues and Expenditures

*** Committee Member Kassner moved to recommend to Council to approve the resolution, seconded by Committee Member Uden. The motion passed by roll call, 4-0*

10. Adjournment

*** Committee Member Kassner moved to adjourn the meeting, seconded by Committee Member Lott and passed unanimously*

The meeting was adjourned at 7:15 p.m.



Austin Lott, Committee Member



Lorrie Pearce, Recorder

