

Stevensville Budget Workshop Minutes

for WEDNESDAY, JUNE 11, 2025,

5:30 PM 206 Buck Street, Town Hall

1. Call to Order and Roll Call

Mayor Michalson called the meeting to order. Councilmembers Barker, Brown, Bragg and Smith were all present.

2. New Business a. Fiscal Year 2025/2026

Mayor Michalson: I will turn it over to Robert.

Robert Underwood: reviewed wages and salaries for employees. Robert provided spread sheets for employees wages, contributions. Explained where each employees pay comes from what fund.

Mayor Michalson: in the planning fund do you think that we need some money for our growth policy?

Robert Underwood: we could look at transferring some from the general fund into the planning fund.

Mayor Michalson: we don't know what is coming up.

Jenelle Berthoud: you are correct, what about mailings.

Robert Underwood: this is just for salaries right now. When we do the budget we can transfer some money to the planning fund. Here are the positions that we have right now, finance, town clerk, deputy clerk, officers, public works. We just talked to Stephen about this seasonal position.

Mayor Michalson: Three Forks has a street sweeper, so I called the head of public works, and he said that the sweeper has been sitting for two years, and it is running and in good condition. It might need some tires and a battery. After talking with Stephen, he thinks that we can do without because no one has put their name in any ways. The starting bid on the sweeper is \$10,000. And we can use 25% from the gas tax money to purchase it also. Comes out of the general fund. That is kind of the direction that we can go, talked it over with Stephen and he thinks that it is a good idea. I thought that maybe Stephen and I would go and look at it.

Councilmember Bragg: so, \$10,000 is the max that they want for it?

Mayor Michalson: no that is a minimum bid.

Councilmember Bragg: this is \$8,000, where would the rest come from?

Mayor Michalson: 25% of that can be gas tax money.

Robert Underwood: I just found another one and it is fixed.

Councilmember Brown: how many lifeguards do we have?

Gina Crowe: we have seven including Olivia. So, we will have one more.

Councilmember Brown: eight and nine maybe.

Gina Crowe: if we can find somebody.

Robert Underwood: big problem with the pool is lifeguards this year, they are budgeted to pay \$11.50 and when the budget passed they did not get a raise last year. So, right now it is \$12.00 per hour, and it is hard to get a lifeguard, \$12.00 per hour is not bringing them in the door.

Gina Crowe: we were looking at not even opening the pool. Give a shout out to Olivia for getting lifeguards.

Councilmember Barker: who is Olivia.

Gina Crowe: Olivia is the pool manger.

Robert Underwood: lets use the pool manager, we are asking to raise that and that would be \$600.00 more per year. We are looking for an assistant manager.

Gina Crowe: what it is a pool manager/head lifeguard. Then there would be someone that can do her job when she is not there.

Councilmember Brown: when is lifeguard number seven different.

Robert Underwood: because she is only here half the summer.

Councilmember Brown: because the amount is different.

Robert Underwood: it is the number of hours; she knows that she is only going to work that many hours. We talked about this; it would be a pay rate with a 2% raise. Go down the line and you see the amount with a 2% raise; I am looking at this for a base rate in the budget to get us started.

Mayor Michalson: what is the cost-of-living raise?

Robert Underwood: everyone would get a 2% and then there are some target amounts for the police department, the school resource officer remember is only one dollar to us and the other dollar is from the school.

Mayor Michalson: Steve wanted me to remind that he passed his water certification and that is a dollar bump.

Robert Underwood: his actual raise will be up one more dollar.

Councilmember Barker: last year we took a cut, why are we not back up where we were.

Robert Underwood: I had it in there and then I took it back out to see where we were. We can put it back in and see where that takes us.

Councilmember Barker: we did that out of the kindness of our heart with the fire department, and no one wanted to take a cut there so. I think that it should go back up.

Councilmember Brown: we don't have anything next to the assistant fire chief; do we have an assistant fire chief. Who is that?

Chief Motley: Levi Wise.

Robert Underwood: Levi is an assistant for rural and us.

Chief Motley: correct.

Councilmember Barker: is he getting paid for rural as well?

Robert Underwood: everything that we just did, with a 2% raise and the biggest hit is our general fund. All of those raises cost the general fund \$14,000 and some change. Not sure what the property taxes are going to do, I usually figure around \$30,000 so with that the general fund could do these raises.

Councilmember Brown: is Glenn still working down at the plant. Do we need him on our spread sheet?

Gina Crowe: no, because he is not an employee.

Robert Underwood: he is an expense to the system, contracted through water and sewer. Looking at allocations, this is what it looks like for all positions. (gave the breakdown of the percentages per department for each wage).

Councilmember Barker: question on public works supervisor, it says 37.5%.

Robert Underwood: it does equal 100%. We have not had any issues with the auditors on wages; we have done pretty good with that. Does anyone want to talk about the 2%.

Jenelle Berthoud: state employees are getting 2.5% raises.

Mayor Michalson: 75% of Jenelle's wages come out of the general fund, even though she works with water and sewer.

Robert Underwood: by job description she does not.

Jenelle Berthoud: I only fill in at the window at a lunch break for Andrena, because of job description. Andrena is at that window 98% of the day.

Councilmember Barker: what does it look like at the 3%?

Robert Underwood: the best gage is to look at it is right here, another \$3,000.00

Mayor Michalson: what would that look like on Jenelle's.

Robert Underwood: from .45 to .65. Cops would stay the same.

Mayor Michalson: do you think we could do the 3%?

Robert Underwood: I think with the \$3,000 more in taxes, my biggest concern is the power bill going up, a lot of that is in the water department.

Councilmember Bragg: what about 2.5% like Jenelle was saying.

Robert Underwood: \$1,100.

Councilmember Bragg: thank you, we could split the different to be safe.

Councilmember Barker: it is tough not knowing what our electric is going to go up to.

Robert Underwood: I am doing the wages first, last year we did them after we looked at the budget and then we had to say, sorry. By doing this we then look at what needs to be cut out of the budget, is the employee worth more or what it be nice to have something. You guys took a cut last year.

Mayor Michalson: they need to go back to what they were last year; they made a sacrifice last year.

Councilmember Smith: what you are saying thus far is based on our property taxes staying the same or going up, when everything that we have heard is tax relief and is supposed to go down.

Robert Underwood: we have heard that the smaller towns are not going to be affected.

Councilmember Barker: when we went to conference, they said it is going to affect the bigger cities not going to affect the smaller towns.

Jenelle Berthoud: last week when we went to the training in Hamilton, that was a 45-minute conversation, it is not going to affect the little towns. It is going to affect the towns that have larger commercial districts, rentals, ADU's used for rentals, and also second properties, second homes will be taxed at a hire rate, we will see this in 2027.

Mayor Michalson: they assured us that we would not be affected. 2027 and 2028 is when we have to be wary.

Robert Underwood: if we go with 2.5% that is what I will put in the budget. I will put this in Black Mountain and look at all of our expenditures and bring this all back, with this is what we have to have, revenue and here are the things that we would like to have. Then you guys pick and choose and make the decision. it is a guesstimate; this is our targeted raise for this year.

Mayor Michalson: and then we work around these numbers.

Robert Underwood: are we good with that? The next thing that we are going to talk about is the fire fighter retirement, and I am going to have Chief talk about this. This is a hidden cost and this year they are asking for \$22,000.

Chief Motley: the town in 1991 we established a fireman's relief association. At that time, we talked with an actuary to see what that study would look like and how much that would cost. The actuary said to us you can't actually afford to do that study, so you are better to do it as funded by your expenses. So, if you go back to MCA it tells you that we are required to have a solely sounded fund title 19, chapter 18 of 2021 code 19-18-503. (read the code), subsection 2. The association went off of the advice of actuary on what to do. However many members that you have, and those that would qualify. You put money into an account

Mayor Michalson: what is that number now?

Chief Motley: what we are currently paying currently? Currently we are paying ten retirees. That costs us \$25,137.00. This year we will have someone coming on in July, our budget request will cover this year.

Councilmember Smith: hit that number again Jeff.

Chief Motley: \$25,137.00.

Robert Underwood: that is the cost.

Chief Motley: that is what the relief fund will pay out.

Councilmember Bragg: is that individually or all together?

Chief Motley: that is the total amount that the fund will pay out currently. When we put the budget in we added another pay out retiree. Ten to eleven. MCA 19-18-602 service pension subsection b. (read the code).

Robert Underwood: it also says by a city.

Chief Motley: no, it doesn't, it says a board of trustees.

Robert Underwood: and a city.

Chief Motley: the pension may be set by the board of trustees at no more than \$250.00 if it is fully funded the board and the town can go to \$300.00. Listed the numbers and dollar amounts of pay outs. 2 at \$225.00, 1 at \$200.00, 4 at \$175.00, 2 more at \$200.00 and 1 at \$300.00 currently.

Councilmember Brown: how do you base that?

Chief Motley: years of service, when they retire and the maximum amount that the state will allow.

Gina Crowe: that included rural too, right?

Chief Motley: correct. Currently we have 2 from the district. 1 that had 15-16 years of town service.

Gina Crowe: are they getting a pension from rural also?

Chief Motley: they are getting a state pension.

Gina Crowe: so, they are basically getting two, one from us and one from them.

Chief Motley: correct.

Robert Underwood: is that the FURS?

Chief Motley: no, it is not, it is PERS. We do not qualify for FURS because we are not paid. The district is set up with PERS and has been since they started.

Robert Underwood: do you know how much each fire fighter gets from PERS, the reason that I bring this up and of course in the future this could what we are doing could be hard on the town, if you go with PERS you pay as you go, once they retire they are off of your books. If the town would have done what the district is doing, we would be paying as we go.

Chief Motley: that is currently what we are asking the town to do.

Robert Underwood: the cost is less and right now we are paying full retirement for individuals vs. what it would cost per month. There is a thought process into it, looking at PERS like what we all have.

Mayor Michalson: what you are telling me Robert is if we were to change, we would be paying them until they are dead. Take them over to the PERS system it would be more cost effective for the town in the long run.

Chief Motley: to do that the board will have to dissolve and the association, a board decision not a town decision.

Robert Underwood: but the town does have a choice.

Chief Motley: continuing on, if you are looking at who is eligible to retire next, you would have myself.

Councilmember Barker: can we have a copy of that.

Chief Motley: this was put together in 2021. There is myself, Steve Rebkee, a district guy, Lee Henderson, Tyson Chambers and Levi Wise. And after that the next retiree wont be until 2044 from the district and 2038 for the town. If they stick around until 2038, that is the whole issue, we have 14 volunteers on the roster, but very few of them will make it to the retirement.

Robert Underwood: what is someone who works 10 years in Corvallis and decides to transfer do they start over at zero?

Chief Motley: yes, in the towns system yes. But if they were in PERS it could travel.

Robert Underwood: that is the good thing with PERS is that it travels.

Chief Motley: we are not currently paying partial benefits at 10 years we are paying at 20.

Gina Crowe: have they always gotten due pensions, why are we paying for rural and the town.

Chief Motley: it came about, we pay the rural guys by resolution and that came about. Prior to that time, only the town people got paid, then rural put the town on their roster so that they could get an ISO rating in the district. Then the argument came we are going to the same fire, and you are getting two retirements, and we are only getting one. Then when Mayor Mimack was in office it came to him in a resolution so that they could get retirement from both. You could be a volunteer for 40 years, but only 15 with us, you would not qualify for the retirement. We pay for fire training credit and EMS; we pay training credit for rescue. We have trainings three trainings a month and then we will also have Saturday trainings.

Robert Underwood: do they have to have 30 hours with rural and with us?

Chief Motley: doesn't matter if you do it with rural or the town. PERS credits you with 30 hours of fire training only credit. If I am an EMT, and I do 40 hours a year the rural will not give credit, but the town will. We need EMT's so that is why we pay for EMS credits. I am not a member of the relief board; I am the fire chief. Levi Wise is the relief board president. Vicki is the relief board secretary. Yes I can speak to it, I know all of these things, but I am not the president.

Vicki Motley: I do the books and make sure that everything is submitted.

Chief Motley: the relief association is funded at \$89,296.00. and we have to have three times our annual pay out to be soundly funded.

Robert Underwood: what date was that, 6/20/2024.

Gina Crowe: the money that comes in from the state, does that go towards the pension.

Chief Motley: yes. we got \$7,850.00 state auditors office and we also got \$13,000 from the general fund, so that comes to \$20, 850 and we pay \$24,600 plus 55.00 for audit fee, bonding insurance was \$178.00, bookkeeping costs were \$850 for a total of \$25,192.00. we have all of these CD's which is funding the account.

Councilmember Barker: up there it shows different.

Robert Underwood: I was just playing with the numbers that he just gave us. They are sitting between the 3% and this is what they are saying they paid out in 2024. And this number is just an estimation.

Vicki Motley: the insurance portion you never know what you get, I don't know how they get that. I do not know how to budget for that.

Robert Underwood: you really can't hard to do that.

Chief Motley: in our proposed budget we have calculated what we think we are going to get, and that is how we have gotten to the number we are at. The next that are eligible to retire would be Steve at 20 years so that would be \$225, I could go at any time and that would be \$300, Lee Henderson is set to retire in July with 20, Tyson Chambers is set to retire if he gets his hours in which seems to be very questionable the last couple of years, he would be next at 20 years.

Mayor Michalson: lets say a guy like Chris Sheridan who is on the roster but is never.

Chief Motley: I do not see him ever retiring from us, and the reason that I say that is that he basically serves on the board, he is not getting training hours or years of service, he has some different health issues, that is what he does. The current payees are a 78-year-old, 72, 70, 80, 74, 80, 79, 74, 57-year-old. The other end of this scale is going to drop off before the other end gets on.

Mayor Michalson: when they pass away the spouse does not collect?

Chief Motley: if they have a spouse they can, they are offered a continuation or a one lump sum. Example would be Helen Gunard, is still receiving her husband's monthly benefit pay.

Robert Underwood: that is the whole problem with this system across the state, the town owns the liability. Right now, if those three went on retirement we would be paying 10% of our tax revenue, I am not saying that they do not deserve what I am trying to do is work out a math problem here. It is hurting some towns right now and I don't want it to hurt Stevensville. three people could draw their retirement papers, and it is going to cost the town \$10,000 for this year.

Chief Motley: the same could happen and three could fall off.

Jenelle Berthoud: if you have someone that passed away and they had a spouse and they took the lump sum what was that amount, how do they determine that.

Chief Motley: that is determined and set by the relief board. I believe that they offered Helen \$4,500 as a lump sum one time payment. Would have come out of the account and drawn that balance down.

Councilmember Barker: lets say she passes where does that money go?

Chief Motley: we do not pay out anymore and it sits in the fund account. And then when you come to the budget next year we would not need that money anymore, it is all about maintaining that balance of three times of your payout. If we drop off a bunch of people and don't pay out, it would be less. In the past couple of years, we had to pay down that amount,

and for years the town did not have to pay into that from the general fund. We paid it down to the 3 times the amount. We asked why does the town need to have this huge amount.

Mayor Michalson: lets say that this year we are fine and next year our budget is so tight that we have to look at this resolution, Robert what would that look like on rescinding that resolution where we pay rural.

Robert Underwood: that is kind of a legal question, but it would drop our liability down a bit.

Chief Motley: you are maybe paying three.

Robert Underwood: about \$10,000.

Chief Motley: yes, the district is costing us some money, but it is not.

Mayor Michalson: I went through the resolution and read the minutes of that meeting in fifteen and I think that it was Clayton Floyd that said this is great now but in the future if we are in a budget crunch and we cant pay rural we have to take that into consideration.

Jenelle Berthoud: it was set by a resolution not an ordinance it can come forth.

Mayor Michalson: I just want to look at the future. Just as the legislature said it is going to be tight.

Councilmember Barker: that is why a lot of towns are consolidating because of this.

Mayor Michalson: that is why they were talking about consolidation of police and fire.

Councilmember Barker: that is what they are talking about in 2027, so we have a couple of years to figure it out.

Chief Motley: what we can do is I can get Jessica to run a current copy of this retirement schedule. This is the one that we had from last night and we can get that together and get it to you guys especially Robert and Gina.

Gina Crowe: can you email that to me.

Chief Motley: then you will have an idea what is left, the only part that you will not have is who is making years and who is not making years. The way that this report is broken out is in ten years, twenty years and thirty years. That all goes back to the board and decide what they want to do.

Robert Underwood: I will check into the PERS.

Mayor Michalson: we would still have to pay those that are on retirement.

Robert Underwood: PERS would be monthly and right now we are playing the game of who is on and when they might drop off.

Chief Motley: there could be three more tomorrow.

Robert Underwood: I was glad to hear that we do not honor hours and years when they come from another station. The relief board association sets the rules, and we just pay the bill. The town needs to find out an easier way to do this.

Chief Motley: the other side of the coin is when it comes to budgets and salaries Hamilton pays their fire chief \$100,000 per year, Corvallis pays their chief \$86,000 per year you are getting a deal at \$275.00 a month.

Robert Underwood: if we had that many homes, we would look at that.

Chief Motley: we ran 745 calls for service; Corvallis was under 700.

Mayor Michalson: they have a larger tax base to pay for that.

Chief Motley: yeah but look at the calls for service was the comparison that I was drawing, not the salaries.

Mayor Michalson: they have county taxes.

Robert Underwood: for tonight it pretty much gives us a base line for salaries.

Councilmember Brown: are we concerned about town employees that are close to retirement?

Robert Underwood: no, we pay into PERS. Every time we do the payroll, we pay into that for the employees.

Mayor Michalson: I have a question going back to Mr. Lassiter he gets a \$1.00 hour raise for passing his water, will he also get a \$1.00 bump if he passes his wastewater.

Robert Underwood: according to his contract that he signed.

Mayor Michalson: the new officer, when he goes to the academy and comes back will he get a \$1.00 raise.

Robert Underwood: yes he will. It is already in there.

Councilmember Barker: we talked about the 2.5% so that is going to change.

Robert Underwood: it will not change their stuff because they are targeted. These officers are driving the same streets, hard to keep an officer.

Councilmember Brown: but they get to work with a great chief.

Mayor Michalson: it is pretty dam good when I was on council we were fitting to just get to the \$24.00. and now we are up to \$26.00.

Jenelle Berthoud: in 2018 the starting wage was \$19.10.

Robert Underwood: one thing that I did not talk about was the benefits. Our health insurance has gone up 97.00 per month. That is the biggest portion of the \$15,000.00.

Councilmember Brown: the employees are covered how about their families?

Robert Underwood: no.

Councilmember Brown: so, they have an option to put their families on.

Jenelle Berthoud: also, as an employee if we want to go to a lower deductible, then we pay out of our pocket to get to that level. I am an example; I decided this year to go to a lower deductible.

Robert Underwood: those that do not take our insurance can have payment in lieu of.

Councilmember Barker: can councilmembers get insurance?

Robert Underwood: yes, it is expensive.

Mayor Michalson: we heard that at meeting, that some of the towns do not offer dental and eye because they cannot afford it.

Robert Underwood: that may have to be something that we look at later on.

(side conversations regarding health insurance)

Robert Underwood: for each full-time employee we pay \$912.80 per month.

Jenelle Berthoud: I am eight years with the town, I am grateful for my benefits, it is a huge piece to where I am at monthly, you can retain good employees when you have good benefit plans. I think that we can keep good employees when we have a good benefit plan, I am extremely grateful.

Robert Underwood: it costs \$120,000.00 a year.

Mayor Michalson: a lot of towns are not giving a cost-of-living raise.

Robert Underwood: next step is I will put these numbers into the budget and then we will start with the rest of the budgets, police, fire, public works. then you guys get to pick what stays and what goes.

Mayor Michalson: when do we want to shoot for to get the budget done? so we can line up times.

Robert Underwood: I am thinking by mid-July we should be only waiting on the tax evaluation. Lighting districts can go now that is just a calculation. We will have to pass the mills at the same time as the budget.

Mayor Michalson: that was brought up at our budget meeting yesterday.

Councilmember Barker: needs to be done in a timely manner.

Robert Underwood: we usually get the state funds by now, and we have not so I am kind of waiting on that.

Chief Motley: I will not be here for tomorrow nights meeting, we the fire chiefs are looking to close open burning in the county. We are not sure how that is going to affect the 4th of July. We will not, the fire department will not be doing a big fireworks show from the sewer plant.

Jenelle Berthoud: good plan, huge insurance costs to do that now, MMIA will not cover fireworks.

Chief Motley: that is done, and we will see what this brings. My report is in the packet.

Mayor Michalson: any other questions?

3. Adjournment

Councilmember Smith: motion to adjourn.

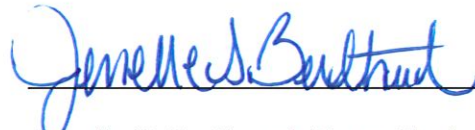
Councilmember Brown: 2nd

APPROVE:

A handwritten signature in blue ink, appearing to read "Bob Michalson", written over a horizontal line.

Bob Michalson, Mayor

ATTEST:

A handwritten signature in blue ink, appearing to read "Jenelle S. Berthoud", written over a horizontal line.

Jenelle S. Berthoud, Town Clerk