

**Stevensville Budget Workshop Minutes**

**for TUESDAY, JULY 08, 2025, 6:00 PM 206 Buck Street, Town Hall**

**CONDENSED MINUTES**

**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: introduced new business item a. FY 2025/2026 revenues that you have in front of you right now.

Robert Underwood: introduced the revenues. First I will show you a list of all of our funds, the ones that we are going to talk about tonight are in white and the ones that we will talk about tomorrow are grayed out. here is where the revenues are, cash that we have to have in reserve, cash on hand, investment income, tax revenue and what the cash will be in the end in that fund. Something that we are going to add this year is a street capital asset fund, this will allow us to take 25% of the gas tax money and move it into an equipment asset fund. We can always use that money for equipment but only 25% of the total. So, this is a way to build up that fund.

Mayor Michalson: so, every time we get a gas tax check you will take 25% of that and put it into this?

Robert Underwood: we will do it one time a year, we will ask the council do a budget amendment this year to take the 25% and put it into the fund, about \$22,000.00.

Jeff Motley: why wouldn't we do that for the fire department.

Robert Underwood: this is only gas tax money.

Jeff Motley: we don't get any gas tax money?

Robert Underwood: no, only for street repairs or equipment for streets. This fund will just give us a better way to track the money.

Mayor Michalson: so, we are going to take \$12,000.00 for the street sweeper to pay for it out of that fund.

Robert Underwood: yes. any questions with the chart? Let's start with the general fund. This is everything that everyone has asked for and everything that we have to spend, this is not trimmed down. When we come back in two weeks you guys get to say what stays and what goes. We need to have about 25% in reserve. Cash in the bank and investment income all for the general fund.

Councilmember Brown: do we have that sheet.

Robert Underwood: I can make a copy, that included the salaries at a 2.5% raise. At this point we are saying we are at \$104,000.00 short. Next we are going to look at our revenues for the general fund. Mills, the state sends the county the amount, the county sends it to us and then we fill out the sheet and request the number of mills.

Jenelle Berthoud: we just got the postcard in the mail that shows the amount that we are all going to get back and then the state is still calculating figures before sending out to us.

Robert Underwood: went over licensing and permitting and all over revenues. Reviewed pool revenue and courts. The court fines have been going down in the last ten years. I hope that this year we are going to go up. Then there is miscellaneous revenue, we don't know where it is going to come from. That is the general fund, questions. Rest of these we can go through pretty quick, easy funds. This is the TIFDT district. We have not spent any money out of that fund.

Mayor Michalson: we will this month, \$17,000.00.

Robert Underwood: planning fund comes from the building fund; it is just an estimate. TEDD fund, we should get about \$17,000.00 this year. Good thing about this fund, the last ten years the airport has been paying off a loan and this money has helped with that. The loan is now about \$7,000.00. Building code enforcement this is from the fees that we get from permits.

(side discussion about numbers on the sheet)

Robert Underwood: the next five are lighting districts, it is a formula, here is the balance, here is the expenditure, 15% increase and you have to have 30% on hand. About three to four years ago they came in and put in LED lights and even though the rates have gone up the bill is finally going down. All this is the electrical bill.

Jenelle Berthoud: there will be additional users when the phase 2 of Twin Creeks is built out.

Robert Underwood: police training fund, this is the money that we get from the state and the same amount goes to the fire, we just don't know how much it is going to be. Just for training. Here is the gas money that we get every month, \$7,500.00 per month. Took the total and took out the 25%.

Mayor Michalson: lets say we want to do a street project we can go ahead and pull out of that capital asset.

Robert Underwood: this is for equipment.

Mayor Michalson: so, you could do a budget amendment and put it back into the fund to do a paving project.

Robert Underwood: yes. nothing in the capital improvement funds for police and fire and here is the fireman disability. Then we are going to look at the general fund for, this is all broken down, here is the council budget, then here is the 2.5% increase to wages. Office supplies, training and actual expenditures throughout the year. I am going to highlight one and it is First Call; it has not doubled because of the service it is because of the cyber security. You have travel based on last year.

Councilmember Barker: the training services for when we go to conference do we need to up this. Two went last year.

Robert Underwood: that is a good question. Here are the numbers that we spent last year if you think that we need to add more.

Councilmember Barker: I think that it is very important that we all go to that conference and we always take something away from it. I know that Councilmember Brown did not go due to the fact that she is not moving on. I think that it is...

Councilmember Brown: can I do a happy dance now.

Robert Underwood: we can bring this up.

Councilmember Barker: and lodging is going to be going up.

Jenelle Berthoud: it is in Billings this year, so it is going to be more.

Councilmember Barker: in the past at least two people.

Robert Underwood: the mayors budget, the .gov, Netchex and First Call and his travel was based on this last year. Are they paying for your training this year?

Mayor Michalson: not for May but they do for October.

Robert Underwood: court stays about the same, the biggest increase that they have is First Call and they are asking for a raised bench again, you get to pick and choose to leave that in there. Prosecution services.

Jenelle Berthoud: we just put out on RFQ for prosecution.

Robert Underwood: administration, big part of it is First Call. Legal services for the town. It goes up and down.

Mayor Michalson: we are going to get some of those legal services back from Berta's Farm.

Robert Underwood: we had a water leak so that is being looked at. Police department, this other number was when there were four officers. They need new computers but that is not in this budget so looking at the reserve association to do that. Next is fire department, wages, pension, and the administration for the fire department. Checking of pumps on the apparatuses. We talked about rural paying for utilities on there side. Station at the airport, we need to talk to the chief about these requests. Supplies for about \$7,500.00.

Councilmember Barker: so, there is \$4,000.00 for this year. What are the plans for it?

Mayor Michalson: one set of gear.

Robert Underwood: there is a grant for that, but I will get with Chief about that. This could be on the pick and choose list. Physicals, it will be on the pick and choose list. Training services for \$4,000.00 you guys get to decide on this. This is the portion of public works that comes out of general fund. Streets is another subsection.

Mayor Michalson: street signs.

Robert Underwood: a better way to keep track. These are streetlights in town that we just pay for not part of a lighting district. Cemetery have asked for a new lowering device and some irrigation pipes. Irrigation water about the same cost, money set aside for the pump. Parks, the wages have gone up a bit since we hired the new parks director his wage went up a bit. Pavilion roof, we did receive a donation for the bathrooms so that money is in there and we cannot use that money that they gave us for anything else then what they gave it to us for.

Councilmember Brown: I thought that we were turning the pavilion in on the insurance.

Gina Crowe: yes, I am waiting to hear back from them and then the disaster fund. It is not set in stone. If MMIA rejects the bids then it could go to the disaster funds.

Robert Underwood: trees, after the wind event and that cost. we just don't have the money to do it.

Mayor Michalson: we actually got some bids?

Gina Crowe: almost \$70,000.00 dollars.

Councilmember Barker: looks like some people are doing it themselves on Main Street.

Robert Underwood: pool, about \$9,000.00 for wages, that is going to change don't have as many lifeguards to work. Splash Pad, have \$10,000 but just spent \$2,000 on a light so that money is going quick. all of those expenses in the general is about \$950,000.00 and we need to cut about \$104,000.00 and that is with the 25% reserve. We go six months without a big tax check, and you have to pay the bills.

Mayor Michalson: what does it do with a 20% reserve, what were we last year?

Robert Underwood: last year we were 18%, and you can't go above 30%.

Mayor Michalson: what is the lowest you can go?

Robert Underwood: last year at 18% they were looking at us. If you are looking for a balanced budget then you need to look at cutting \$104,000.00. like I did last year, I ask the department heads to cut again and then come back with the mayors recommendation in two weeks and then the department heads will come in and say what they want and need.

Councilmember Bragg: that is with the 2.5%.

Councilmember Barker: what about at 2.0%?

Robert Underwood: general fund changes about \$1,000.00 to the general fund. The last thing would be these other funds, and they are pretty self-explanatory. Training, firearm supplies. Tomorrow night we will talk about water, sewer and airport. We will talk about rates and where we are at now. We base the rates on the budget.

Councilmember Barker: I know that Tim's wages are up there, have we looked to see if there is anybody out there.

Robert Underwood: we have a contract.

Jenelle Berthoud: there isn't anyone else out there with those certifications.

Robert Underwood: you can only spend that money in that fund. We only have enough in the fund to keep it going, which is no longer a finding.

Mayor Michalson: any questions?

Councilmember Brown: \$104,000 is a lot of money.

Robert Underwood: we have to give this back to the department heads and have them go through it.

Councilmember Brown: I wonder how many retired people are using the tax relief for property taxes.

Robert Underwood: for sure, they say that the tax revenue is going to go down but from what the mayor said it should not affect the small towns.

Mayor Michalson: to answer your question, the entitlement share account is what the state gives to cities and town on lost revenue on property taxes, vehicles and they kick that in and use a formula.

Councilmember Brown: a lot of people are using it now; it is based on their income. There are a lot of people doing it now.

Mayor Michalson: if there are no other questions we will make a motion.

Jenelle Berthoud: do you still want to propose a budget workshop for the 23<sup>rd</sup>?

Mayor Michalson: we can do that.

Councilmember Bragg: I will not be here that week. 21-25 vacation.

Mayor Michalson: 29<sup>th</sup>?

Councilmember Barker: would like to see it on the agenda.

Jenelle Berthoud: Mayor let me know what you would like to do. Councilmember Barker would like to put that on an agenda.

Mayor Michalson: I don't have to have the councils permission to set a budget workshop, but I do it out of curtesy to the council and we all need to be at workshops.

Councilmember Brown: put it on the agenda of the 24<sup>th</sup> for the 29<sup>th</sup>.

Jenelle Berthoud: what time on that agenda item.

Councilmember Barker: 6:00 pm.

3. Adjournment

Councilmember Brown: move to adjourn.

Councilmember Barker: 2<sup>nd</sup>.

APPROVE:



Bob Michalson, Mayor

ATTEST:

  
Jenelle S. Berthoud, Town Clerk