

Stevensville Budget Workshop Minutes

for WEDNESDAY, JULY 09, 2025,

6:00 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: introduced new business item a. Fiscal Year 2025/2026.

Robert Underwood: we were going to do the airport tonight; there are a few things that we need to go over so Brian and I will meet next week. We will get that ARPA out of the way, it is just what we have left to spend and then we need to spend it down.

Mayor Michalson: isn't that SCADA project part of that.

Robert Underwood: yes, \$186,000.00 so that is what is left of that money. Introduced water and sewer revenue and expenditure. Went over what is left and what is needed of reserve, water sold and permits. For a grand total of revenue, \$827,000.00. One thing that we did last year, in years past all of our revenue, you could never tell what went into base rate sales, what was meter sales and over the base rate, so we fixed it. so here is the base rate that everyone pays and here is the over base rate, about \$90,000.00. what got me today is late fees, we made about \$14,000 last year and one of those accounts was about \$5,000.00 so I put that about \$8,000.00. Robert went over bond amounts and then the interest at \$27,000.00.

Councilmember Barker: DEQ fee why was it \$1,800 and now it is up to \$5,000.

Robert Underwood: that has gone up.

Mayor Michalson: what do we do with that investment money, \$27,000?

Robert Underwood: that money goes back into that account every year. There are six accounts that get that money, general, water, water asset, sewer, sewer asset and the airport.

Councilmember Barker: so, it is split between?

Robert Underwood: no this is the share for that fund. This is the water asset fund, about \$187,000 in that fund. Went over how the fund is broken down. We are making those funds "good" now. Assets fund and capital fund. We started the asset fund this last year. Before last year it just built up in the bond fund.

Councilmember Barker: but there was money being put in there at one time and it was going to be used for a water tank.

Robert Underwood: it was going just into operations. For years we were collecting more in the bond fund. Because of that we had operational money sitting in the wrong fund. Now at the end of the year, this is the amount that will be available to build our tanks and fix our lines.

Mayor Michalson: any project is around a million dollars.

Robert Underwood: now we have it and once that we spend this it will take about 5 years to build that back up. You can plan for the future and to take care of an emergency.

Mayor Michalson: can you back up a second Robert, where you were talking about the asset, street equipment capital asset.

Robert Underwood: that is what we talked about last night when we are going to set up the fund with 25%. We are going to ask the council to do a budget amendment from last year to move the money. When someone used to pay for a hook up it just went in the water fund, now it will go into the asset fund for improvements.

Mayor Michalson: I see what you are saying, those of us that are already here don't have the burden of the new homes coming in.

Robert Underwood: yes. Asset account for the sewer and the transfer just like the water. That is the income portion of it.

Stephen Lassiter: similar to last year.

Robert Underwood: the first one up is the water budget, (introduced the last year and current year amounts). You guys can read through them.

Councilmember Brown: on 201 it is zero.

Robert Underwood: they don't really have office supplies, at one time someone put in a wrong number, and it will stay on there until next year. The biggest increase is the cyber security thing.

Mayor Michalson: Gina emailed MMIA today for guidance around cyber security. And if so why can't we put more of that into water and sewer.

Robert Underwood: it is already broken out between all departments. All of the first call bills have been divided out.

Councilmember Barker: item number three postage and rent, you got from last year \$300 and this year \$1,000.

Robert Underwood: so, last year the mayor walked around and handed out the CCR we have to budget for the actual mailing of it.

Jenelle Berthoud: postage is going up again, so we already purchased our stamps at the lower rate.

Robert Underwood: memberships and fees, this is a new code for this year. 335, new code and it is what we have to have for water, American water works, etc.

Councilmember Brown: as they get their license in water each person, that will go up.

Robert Underwood: we pay for their training. They do their continuing education classes to keep those current. It is designed to give them credit to keep current.

Mayor Michalson: Steve computer questions.

Stephen Lassiter: I have some news on that, \$18,000.00 to upgrade the sewer computer system, new computer, upgrade the system. Right now, they are not communicating with each other. The guy that built that system said to me "It is so close to crashing."

Mayor Michalson: then we should put this in the budget.

Stephen Lassiter: if that system crashes we are in big trouble. I have to manually restart the computer system at least three times a day. The system is a direct line to have everything running. He could not believe that the current system had not crashed already.

Councilmember Brown: so, we have that money in our water and sewer fund now?

Robert Underwood: in our sewer fund, yes. This is why we have the money set aside for things like this. We have the money to do; we just need the okay.

Stephen Lassiter: that is the cost from HDR. The number one thing that you can do is replace and upgrade the system. The other thing is when the bulbs down there are

running correctly we will also reduce our electrical bill. Bulbs are \$6,000 to replace. And there is also a dryer that needs to be priced out, possibly \$10,000. We hold the record for the longest lasting equipment. We have to take care of our system. It can take upwards of three employees to replace and move the equipment. Bulbs possibly around \$20,000 per bank?? Have to check that.

Robert Underwood: any other things in water?

Stephen Lassiter: this is for sewer. Leak detection is additional.

Robert Underwood: this does not include fixing/repairing the leaks.

Stephen Lassiter: it is not that it is really expensive to repair the leak it is time and manpower. Our equipment down there is on year 25 of a 20-year life span.

Mayor Michalson: it is what George told me things are going to start breaking down because you are at the 20-year point, thank god we did raise our rates, because we can now fix these things. Before what are we going to do.

Stephen Lassiter: I have people coming in and can't believe that we are still running. Right now, we are running the one bank of lights 24 hours a day. We are good now with DEQ, but we could be fined at any time if this system goes down. We had a finding when the blower went down we did not get fined, but we did lose our discount.

Jenelle Berthoud: DEQ states in Montana that they can go off of the federal standards of \$1,000 per day. That is just sewer not even our water.

Robert Underwood: when we come back around we have all this added to it. We will need some authorization to get this approved to spend.

Mayor Michalson: finally, we can do something about fixing the leaks if we come across them instead of not doing anything about it.

Jenelle Berthoud: we have been very fortunate that the town had Ed and Geroqe and everyone that has taken care of everything to get it to 25 years and you guys take care of this new one and you might get it to 30 years.

Stephen Lassiter: yep, with preventive maintenance we keep this going and this will last us.

Councilmember Brown: I thought we were not supposed to be adding to the budget.

Robert Underwood: that is the general fund, it is the tight one. this is the asset accounts for water and sewer.

Stephen Lassiter: we have to have these capital accounts to replace things like a truck.

Robert Underwood: we will add this, computers, pumps and bulbs.

Mayor Michalson: you should get those quotes going.

Mayor Michalson: is it okay that I touch on the training. Steve do your employees; Cody is working on his wastewater, you are, Kevin needs his wastewater, is anyone else interested?

Stephen Lassiter: no, he is doing great.

Mayor Michalson: so, for sure we have to put in three for Great Falls, and Andrena. Should we put in some more for training this year?

Stephen Lassiter: maybe, some of them like what we had here was \$60.00.

Mayor Michalson: three people, three nights, lodging, fuel.

Robert Underwood: the other thing that we need to break down here is the \$25,000 for water rights.

Mayor Michalson: Mr. Reeves property/ponds.

Robert Underwood: we have about \$50,000 in legal services for our water rights. Expenditures for water questions?

Mayor Michalson: how many more years does the help for you have to be on there?

Robert Underwood: until it falls off the list. Anything that jumps out at you on the expenditures for sewer?

Councilmember Brown: Glenn, this is a possible chance, when is the next Great Falls?

Stephen Lassiter: that is next spring.

Robert Underwood: Glenn is costing us about \$10,000.

Stephen Lassiter: the goal is to get past that.

Mayor Michalson: utility services, do we want to bump that up a little? Northwest upped their rates, 15%

Robert Underwood: yeah, last year \$3,000 and upped it to \$4,000. That is the admin portion of the utility services.

Mayor Michalson: since we are on utilities Jenelle could you share the experience about the solar.

Jenelle Berthoud: we have had a lot of permits come through for homeowners doing solar installs and putting that back to the grid with Northwest Energy.

Sam Bragg: for us it is not going to really reduce it, it is going to keep it where it is.

Jenelle Berthoud: thank you for breaking that down, about a year and a half ago, Steve Rebkey came in and mentioned where the town needs to look at a solar farm and what would that look like with grants, DNRC. We need to have those discussions about this.

Mayor Michalson: it is something to look at, we have the land at the sewer plant and at the well field.

Councilmember Smith: with maintance comes costs.

Sam Bragg: mine are guaranteed for 25 years. If anything happens they come and replace it.

Robert Underwood: sewer electrical bill is about \$50,000.

Councilmember Barker: fuel 231. We have nothing in there.

Robert Underwood: this was a mistake from last year, fuel (showed where it should come from). another thing to talk about is the rates, you cant talk about it unless you look at the numbers and the requirements, it is a great idea but if it doesn't match with the numbers and requirements you cant do it. This is the first time that we have not had a finding when it comes to our rates. The way to lower your rates is to lower your expenses. How do we lower expenses?

Mayor Michalson: make repairs.

Robert Underwood: one of the things to look at in this budget is what we are spending, and we need to have 10% above that. We may not have to do another raise and we at the same time could be to low, we won't know that until we do this part of the budget.

Councilmember Brown: I remember reading that we had to have a certain amount.

Robert Underwood: 110%, we are supposed to be making the bare minimum of 10%.

Mayor Michalson: we would not be able to lower the rates, but we may not have to raise them for a while.

Robert Underwood: just like Bobbi said we have to look at the rates, the numbers and the budget. I am thinking that we are pretty dead on, but I can't say that until the budget is done.

Mayor Michalson: that is another thing, the price of everything goes up every year.

Stephen Lassiter: the companies know this, and I just can't go and get a part at the hardware store.

Councilmember Brown: I was looking at our water rates and the amount that we pay for sprinkling and the amount that a sprinkler uses.

Stephen Lassiter: (spoke about the cemeteries watering).

Jenelle Berthoud: a man came into town hall to talk about his water bill. I had to remind him that this is the first bill for sprinkling that has both rate increases on it also this person did not know that each of his three zones were running an hour a piece. That is education back to them about the time and the rates.

Robert Underwood: it is not that you can help them out by giving them more water it costs more to make more water. Last year it cost us three tenths of a cent to make our pumps are at capacity right now. You have to be educated on the numbers before you can change the rate. As an elected official you have to also make sure that you are taking care of the system, you cannot go in the negative, at anytime that you are in the negative a citizen can sue the town. It has happened all over the place.

Mayor Michalson: if we increase the usage for them we still have to pay for it, if you give them more they are going to use it. if it is free I am going to use it. if you put 900 users on that.

Jenelle Berthoud: it is an additional 5.4 million gallons a month.

Stephen Lassiter: our reservoir is sitting at 4.2.

Robert Underwood: it has to be at 5 to fight a fire.

(side discussions took place on the number of gallons being pumped a day)

Stephen Lassiter: over one million gallons of water produced a day and 10 gallons of chlorine a day. About \$480.00 in five days during the summer.

Robert Underwood: now we can go back over this and when we come back we should have everything ready for the rates and where they should fall.

3. Adjournment

Councilmember Smith: motion to adjourn.

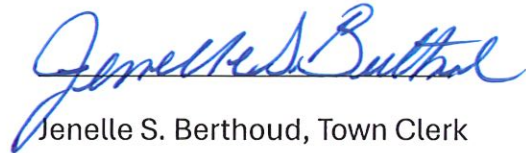
Councilmember Barker: 2nd.

APPROVE:

A handwritten signature in blue ink, appearing to read "B. 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