

Stevensville Budget Workshop FY2026/2027 Meeting Minutes

for WEDNESDAY, APRIL 08, 2026, 5:15 PM 206 Buck Street, Town Hall

1. Call to Order and Roll Call

Mayor Crews called the meeting to order, Councilmembers Bailey, Wandler and Smith were all present, Councilmember Talon has an excused absence.

2. Discussion on the Following Items

a. Discussion: Salaries & Wages

Mayor Crews: introduced discussion item Salaries & Wages.

Robert Underwood: what I am going to do is show you the format, what we are thinking and look at what it costs us. We used to use budget prep and payroll to get this done. We got rid of those and went to Netchex and so we had to develop our own way of doing this. I built this spreadsheet and I will work you through it. (Robert referenced the spreadsheet and what the columns represented). We also have health coverage, workmen's comp and what fund they come out of. Last portion is the wage allocation, I am going to start there first, it what the percentage is of the wage out of each fund. General fund, building, airport, water and sewer.

Gina Crowe: the percentages are actually based on the amount of time that each person spends in that particular fund, you will see like at the top line I have 25% general fund, 5% building, water and sewer each 35%. That is because I do a lot in all of the funds. That is how that is determined.

Robert Underwood: Police and Fire come out of general fund. Public works supervisor, general, water and sewer. Cody is 50% in each water and sewer and then it goes down the line for the others. We just learned this; we had the council coming out of the general fund no one ever thought that you guys oversee water and sewer and the airport. The airport has no money so we will not take anything out of there, but you do oversee the water and sewer. That would be the recommended change this year which would put about \$8600.00 back to the general fund. That is how we are sitting right now and the biggest change in wage allocation.

Gina Crowe: when I went to the budget workshop in Helena we went over that and they said the best thing to do for the council is to do all of the different departments, they looked at all of our wage allocations and said that they looked pretty good.

Robert Underwood: the biggest thing to talk about is the health insurance. It has gone up \$1572.00 a year per each full-time employee. That reflects on who gets the health care, not everyone. I do not, lifeguards or those that get a stipend.

Councilmember Bailey: is that due to inflation or a different health plan that we are accepting.

Robert Underwood: MMIA, every year it has gone up. They have had four plans, then went to three and now they have added another plan. We have stayed with the same plan that we have been with for as long as I have been here.

Gina Crowe: we had a meeting today, they look at the claims for your different towns, some people went up 3% and some went up 6%. We only went up 3%. The increase for the health plan itself was \$34.00 a month per employee. That was better than last year, last year it was over \$100.00, and the dental and vision have not changed they are the same.

Robert Underwood: (referenced the cost-of-living adjustment.) When I put that percentage in there it changes it across all funds based on the funds. That is how we get those numbers.

Councilmember Bailey: cost of living you said was 1.25% how do you determine that.

Robert Underwood: we just started with an amount.

Councilmember Bailey: do you have a set amount?

Robert Underwood: no, whatever the budget can afford is the biggest, about 2% in the past. We did do some targeted raises in the past for the police officers we are really a lot lower, last year we raised them up to \$24.00 per hour, the county and Hamilton pay so much more.

Gina Crowe: to cost of living for this year based on the Social Security Administration is 2.8%.

Robert Underwood: (went through the positions on the spreadsheet). We just hired Ian in public works. We raised the lifeguard rate to \$13.50 last year so far I am not sure how many people have applied in the last week.

Gina Crowe: no one has applied for the lifeguard position.

Robert Underwood: we usually get the same batch every year but this year it did not carry over.

Mayor Crews: \$13.50 is not competitive with McDonalds.

Robert Underwood: not at all. That is how the system works. This is where we are at now, then we get with the mayor, we have not met with the mayor yet. (referenced the spreadsheet for amount out of the general fund). For the most part the general fund is doing okay, the big chunk is in water and sewer. I was going to open it up to talk about wages, mayor you have some thoughts on this, do you want to talk about this.

Mayor Crews: you and I should sit down and discuss it before we present it. obviously this little medical thing we are a bit behind, if we could sit down first and talk it out.

Robert Underwood: if anyone has any questions on positions or how we do it. The big thing that always comes up is the wage allocation, they are saying that we are stealing from water and sewer to pay wages, it is not the case. By account standards you are to base it on where you spend your time. The auditor comes in and looks at this, and this is about right by the number of bills that we pay, like Gina. I know the town does not believe that; they think that we are stealing.

Councilmember Bailey: what is the 2250 account.

Robert Underwood: that was the planning fund, it is broke. We used to have it pulled from there, but there is not enough money. in the past the general fund would give money to the planning fund. Some where in the past they did that as a short-term loan and during an audit we got a finding for not paying that loan back, we did pay that back last year so that we would not have a finding. The ones that you see are the ones that we can take wages out of.

Councilmember Bailey: 2394.

Robert Underwood: that is the building department, reporting to the state, filing permits, and most of that goes to Tim Netzley.

Mayor Crews: so, 2394 comes from building permits, so when we ride around town and we see something going on we need to pay attention to see if there is a building permit posted, they are generally not done. we found one today and they had major renovation going on, they had a building permit, but they did not have a business license. Where do the business license come into this.

Robert Underwood: general fund. Any business like the town, each employee has a list of things that they do. For example, violations, who does that, not one person. Out of the building code fund, most of that goes for the inspections. In the past

when we had a building inspector it grew to big and that is when we got findings on it. You can only have so much money in the fund by law. That fund is kind of tapped out, the airport fund is tapped out, they are limping along. What is left is water, sewer and general fund. Police and Fire are 100% out of general fund. And the pool is out of the general fund. This gives you a big overview on how we do this, there is a science to it, $1+2=3$ the art to it is where the cost of living and hourly wage comes in. Like the mayor said, the pool problem, we might not even be able to open the pool if they are not going to work for \$13.50 an hour, I can't say we wont open the pool, but we are already going to start scheduling swim lessons and if we get those swimming lessons and nobody wants to work at the pool. We always lose money on the pool, if we give them two more bucks that is a complete lose. I think I told you that the pool is about \$10,000 a year of loss in the general fund. Wages above that would be a loss, we are maxed out at our swim lessons based on the size of the pool. Every year we open up the pool and see what it is going to cost. It used to be just the cost of the maintance and now it is maintance and lifeguards. Have not had a chance to talk with the mayor on this and get his input, this gives you the basics on how this works, especially how it is broken out by allocation. It is double checked by the auditors, if someone was really stealing and taking everything out of water and sewer you would get nailed on that, and the same for the general fund.

Gina Crowe: we did not get any findings last year; they would have said something if it was.

Councilmember Smith: are we going to talk about money, revenue coming in, in this session.

Robert Underwood: no this is just wages. They are pretty consistent; we do not know about the property tax deal. I understand that this year about the same, next year is a different story. Until we get the sheet from the state we will just not know. We hear different things. It is all a guess. The state is pretty good on things like road funds, the county we are not sure. There is no big source of income changes coming up. The biggest thing to change is going to be the airport with fuel sales. The two strongest funds that we have is the water and sewer funds.

Councilmember Bailey: everyone below that are salary is that correct.

Robert Underwood: those are the stipend, set amount.

Councilmember Bailey: why do we not do the pool in the cost of living?

Robert Underwood: you could. They are part time a couple of months a year. They got a pretty good raise last year. This year if we only give them twenty cents it would not be very attractive.

Councilmember Bailey: is anyone salaried on our employee list.

Gina Crowe: no, it is hourly.

Councilmember Bailey: as far as anticipated overtime for the year is overtime anyone over 40 hours.

Robert Underwood: this budget only has overtime for water and sewer and on call. This is not budgeted overtime, for the police department it is a tricky thing, if you budget for overtime it will break the bank. We may have a little here and there.

Councilmember Bailey: so, the on-call pay is or isn't overtime.

Robert Underwood: we have that built into the budget, for the year.

Councilmember Bailey: and they are on call Monday-Friday evenings and weekends?

Robert Underwood: they go week-on-a-week off, two different ones. The average is 2080 hours, you will see the number that I put in there 2104, it is based on the holiday schedule. I bump it up to cover anyone that may have to work on a holiday.

Councilmember Bailey: so, there is a little bit of a cushion built in there.

Robert Underwood: the police department the last six years we say no overtime, but they have vacancy savings every year because someone leaves. That is not a way to budget, but that is what has prevented us from going over budget.

Councilmember Bailey: overtime is anything over 40 hours a week?

Robert Underwood: yes it is. Any other questions on how this works, a lot goes into this to get the final numbers. It has panned out well so far. It is up to you; we can meet and go through this new amount. At least you will understand when this all comes in front of you. One thing is workers' comp rate is changing (referred to the rate on the chart). We thought that it was going to go up and Gina found out that it is going down a little bit. MMIA used to be our workers' comp they are no longer doing that.

Gina Crowe: I will have the new rate by the end of April.

Robert Underwood: you look at the wages here we do have a pretty good health care program, and we pay for all of the health care. That is pretty good, if you look at it,

this year everyone is getting a \$1500.00 raise just in health care. That is a good thing to do it in a benefit because we do not have to pay taxes on it. If someone has health care from their spouse, the town gives cash in lieu of health care, they get about 30% less of that rate. We have about 3-4 employees that do that.

Councilmember Bailey: the employee gets health care as an employee and \$660.00 in cash.

Robert Underwood: no, just the \$660.00 in cash if they have health insurance elsewhere.

Gina Crowe: in order to get that they have to provide a health insurance card to me.

Mayor Crews: I do not think we have; one veteran on the staff, when I worked I used my veteran health care and saved me a ton of money and saved my employer.

Robert Underwood: we have some employees that opt to take the lower plan, and the difference can help pay for their spouse. Then they get the full amount over to their spouse, they pay the difference for their spouse. If you decided to take the high-deductible plan.

Councilmember Bailey: how does PTO factor in; do you get PTO.

Robert Underwood: if you take, last year they changed how we account for PTO. Sick leave is paid out at 25%. Now they calculate how much time into the towns liability. There is no extra liability when taking PTO. What really affects us is when they leave and there is a payout.

Councilmember Bailey: you pay out at 100% on PTO.

Robert Underwood: 100% on vacation, 25% on sick.

Councilmember Bailey: I am sure that it is hard to anticipate unless they are retiring that year.

Robert Underwood: if it got close to the end of the year and we had a big pay out that fund would go over and we would have to do a budget amendment. We will talk about PERS, we are at about 9% that we pay and they pay about 7%.

Mayor Crews: I have a couple of questions, how much of our salary increase are being based on evaluations.

Robert Underwood: in the last, police officers that got that jump up and lifeguards, for the last two years it has been based on cost of living.

Gina Crowe: it has been like that for about five years.

Jenelle Berthoud: I have been here almost nine and it has only been cost of living.

Robert Underwood: I think Mayor Dewey did the last one, adjustments across the board.

Jenelle Berthoud: in 2019.

Gina Crowe: we also can get into a liability issue if we give one person without the other, you have to have a pretty solid merit-based system to do a merit raise.

Mayor Crews: so just cost of living raise.

Jenelle Berthoud: I can give an example in 2019 it was not off of merit; it was what the mayor at the time felt the value of the position was.

Mayor Crews: and it is not in our personnel policy right now.

Robert Underwood: one of the things that we have tried in the past is a pay chart, what it would be throughout the years, we keep bringing it up the problem comes is if you stick with that program and someone stays longer we may not have the money to fund that, it is hard to predicate the future.

Jenelle Berthoud: an example of that would be Robert can attest to it, when Chief Sosa was hired he came in with a lot of years and we had that chart but we could not pay him for that, he was being hired on was this chart on 25 years and brought him in around ninety some thousand and then they had to come back and say we cant pay that much and the chart went away after that. they came back with we can pay this much for the position.

Mayor Crews: I would like to see employee evaluations completed soon, they should play into the employees pay, and some goals. We need to have a follow-up on this, and I need to have individual conversations with department heads, and I think we can come back in two weeks from this.

Robert Underwood: this can be added back in with the next workshop.

Jenelle Berthoud: would you like to schedule the next workshop for April 22.

Mayor Crews: I am looking to the finance department to lead this thing.

Robert Underwood: I would talk about the general fund first.

Gina Crowe: we could do the court, fire and police.

3. Public Comment

Jim Basitti: thanks Robert and Gina, very comprehensive I learned a lot. The reason that I am here is because I am on the water and sewer committee to try and help reduce the water and sewer rates. It appears to me that if we reduce the water and sewer bill, the less money coming in and we are going to have a problem with this part. First do you have any comment on that.

Robert Underwood: you are correct, the wages are our biggest expenses, lets go down to water and sewer, you are talking about a little over \$200,000 in salaries for each one that is one of our biggest expenses. You really can't change the rates for water and sewer until you pass the budget. The way that it works, whatever you spend you have to have 110% in revenue whenever they say lower rates, you start here to see if you can cut anything, if not that is where the expenses are.

Jim Basitti: I said at the last meeting, I proposed that I would write a grant to pay off the bonds, even if we paid them off, we would still run into the same problem.

Robert Underwood: we have three portions to it operational, loans and the asset replacement. You are right if you paid off the loans that portion would go off.

Jim Basitti: is reducing the water fiscally responsible.

Robert Underwood: it would be nice to do it, but everything has gone up in cost and that asset replacement, what is next. Example is we have to replace all the pipes in town because we cant prove that there was not lead and they tell us that we have to do that, we would hope that there would be some money to help, but where does our share come from, that is just one project of that asset replacement, just look at our storage tank, we have gone to many years not doing anything.

4. Adjournment

Councilmember Smith: I move to adjourn.

Councilmember Bailey: 2nd.

APPROVE:


James Crews, Mayor

ATTEST:


Jenelle S. Berthoud, Town Clerk