

Budget Committee Minutes 9/23/2025

Budget Adjustments for 2025: The primary focus is on adjusting the 2025 budget to reflect actual spending and revenue, and to correct line item classifications due to a change in accounting systems (CenterPoint). Resolutions 16-20 (and soon 21) will be presented to the city council for approval.

Exhibit A & B: Exhibit A shows the original 2025 budget, while Exhibit B details the proposed transfers of funds between line items to cover shortfalls and reclassify expenses.

Solid Waste Issues: The city wasn't charging enough for solid waste collection, leading to a shortfall that required borrowing from the water department. Rates have been corrected, and the city expects to be in a better position going forward. There are concerns about Methvin's service quality (missed pickups) and the need to verify billing accuracy (vacant properties).

Street Fund: County turnback revenue is higher than expected, while state turnback is lower. Carryover revenue is being used to cover shortfalls in various street fund line items.

Fire Department: There's concern that the fire department is being underfunded, particularly regarding salaries and depreciation. The fire department is heavily reliant on grants. The city is significantly in the red with the fire department.

Police Department: A major budget shortfall was caused by unpaid credit card bills from the previous police chief. Efforts are underway to reduce field expenses and dispose of surplus vehicles. There are concerns about a potentially unauthorized contract for body cams and tasers. The city is significantly over budget with the police department.

City General Fund: State turnback's are lower than anticipated, but city sales tax is significantly higher. The city is using interest income to cover shortfalls. There are issues with uncollected revenue from VRBOs (Airbnb), liquor privilege taxes, and unpaid water bills.

VRBOs and Uncollected Revenue: The city is missing out on significant revenue from VRBOs and other sources due to a lack of enforcement and outdated ordinances.

Water Bill Delinquencies: The city is owed a substantial amount in unpaid water bills. A more aggressive approach to shutoffs is being implemented, and civil suits are being considered for larger debts.

Depreciation Funds: Depreciation funds have been depleted in the past to balance the budget. There is a desire to rebuild these funds.

Sweeps Account: The city has a significant amount of money in a sweeps account (over \$1 million) that could be used to cover shortfalls, but there's a preference to avoid using it if possible.

Conclusions:

Need for Better Financial Management: The meeting highlights a need for improved financial management practices, including better tracking of revenue and expenses, more proactive enforcement of ordinances, and a focus on collecting outstanding debts.

Importance of Accurate Budgeting: Accurate budgeting is crucial for ensuring that city departments have the resources they need to provide essential services.

Revenue Generation: The city needs to explore ways to generate more revenue, particularly from sources that are currently under-collected (VRBOs, liquor privilege taxes).

Prioritization of Essential Services: The discussion about the fire department suggests a need to prioritize funding for essential services, even if it means making difficult choices in other areas.

Council Action Needed: The council needs to take action to address the issues raised in the meeting, including updating ordinances, authorizing civil suits for unpaid debts, and setting priorities for budget allocations.

Transparency and Communication: The new format of the budget documents, showing where money is being transferred from and to, is appreciated and helps with understanding the budget adjustments.

Paula Reynolds - Treasurer