

A BUDGET WORK SESSION OF THE CITY COMMISSION ON AUGUST 13, 2018 WHICH WAS HELD AT THE CENTRAL MONTANA COMMUNITY CENTER AND STARTED AT 6:00 P.M.

CALL TO ORDER

Chairman Turk called the meeting to order.

PLEDGE OF ALLEGIANCE

Chairman Turk asked everyone to stand and say the Pledge to the Flag.

ROLL CALL

Present were Commissioners: Byerly, Doney, Dunnington, Hewitt, Loomis, Oldenburg and Turk.

REGULAR AGENDA

1. Discussion on the Library budget

Interim Library Direction Dani Buehler thanked the Commission for allowing extra time to discuss the Library budget. Ms. Buehler reported that she met with the County Commissioner this last week and they are going to give what they gave last year and that is an additional 3%. City Manger Phelps explained that the Library Board has made some adjustments to their budget. Finance Officer Nikki Brummond has put together a spreadsheet showing what has been spent over the last few years and different proposals for the Library. City Manager Phelps commented that some vacancy savings have been estimated and accounted for in these proposal as the Library is short one position. The first proposal is the Library being open for forty hours, the second proposal is the Library being open for thirty-five hours and keeping the Director at forty hours. The third proposal is thirty-two hours with the Director at forty hours and the fourth proposal is thirty hours and the Director at forty hours. Ms. Buehler explained that the Library follows Montana Public Library standards. As part of those standards there are minimum and desired hours the Library must be open for the population the Library serves and the Library Director is to work forty hours a week. Ms. Buehler explained that these are just options to be discussed and the City Commission would determine their contribution and the Library Board would then need to determine the hours of the Library. There was some discussion on the revenue of the Library. Commissioner Turk asked how many full-time equivalent employees (FTE) the Library had? Ms. Buehler answered that when fully staffed there are 5.5 employees. Commissioner Turk asked would the half time staff be cut if the funding is cut. City Manager Phelps explained that it would be the decision of the Library if any staff reduction was going to take place. The only decision the Commission would have is funding contribution to the Library. Commissioner Doney explained her concerns of the City departments that have unfunded liabilities. Discussion was held on unfunded liabilities. Commissioner Oldenburg asked about training and travel are the conferences mandatory or is there flexibility to do conference calls. Ms. Buehler explained that there are three workshops throughout the year and two employees are working to get certified. Ms. KellyAnne Terry explained the endowments at the Central Montana Foundation and the Library receives the interest each year. Ms. Phelps explained there are three endowments at the Central Montana Foundation and each endowment has spending restrictions. Finance Officer Brummond explained that she has come up with some proposals and her main proposal is 7.3%. Finance Officer Brummond explained that the last two years the Library did not ask for any increase to their contribution from the City. Finance Officer Brummond explained that in 2016-2017 the CPI was 0% but did ask the Commission to give a 1% for raises that year and Commission approved it. The CPI in 2017-2018 was 1.3% and again the Library did not ask for an increase in their contribution. Finance Officer Brummond

explained that from the discussions on the Library funding at the last meeting the Commission appeared willing to give a 5% increase. Finance Officer Brummond add the CPI increases from the prior two years to the 5% and came up with the proposal of 7.3%. Finance Officer Brummond explained that no action can be taken tonight but is hoping to get some clear direction from the Commission to finish putting together a preliminary budget. An action item on the Library contribution will be on the next agenda. Finance Officer Brummond explained that for many years the City Commission has given \$5,000 to the Library's depreciation account and the Library Board matched that \$5,000. If the Library Board does not have the money to match no transfer will be made. Commissioner Doney asked how the Library would feel if they received the 7.3% and not the \$5,000 to help offset the increase in funding. Ms. Buehler explained that she is just wanting an indication of the Commission's contribution, but the Library will make it work. It may mean a reduction in hours or not, but the Library will make it work. Ms. Terry explained that over the years the depreciation fund was able to fund the roof replacement, the boiler and the exterior of the Library. Ms. Terry commented that she feels this is a great partnership between the City and Library to be able to plan for capital improvements to the Library building. Further discussion was held. Commissioner Loomis stated that he doesn't want to see a reduction in hours and still maintain a high level of staff. Commissioner Loomis stated he was very pleased with the numbers and presentation and okay with 7.3%. Commissioner Oldenburg commented that the Library is a treasured asset of the area and have confidence the Library will make it work for the benefit of the Library and okay with the 7.3%. Commissioner Byerly commented that he is fine with the 7.3% and knows that it is not sustainable. Commissioner Byerly is okay with doing the \$5,000 donation also, but know a decision doesn't have to be made tonight. Commissioner Doney commented that she is worried about funding long term and know this is not sustainable. Commissioner Doney stated that she is okay with the 7.3% but does not want to fund the depreciation fund. Commissioner Doney further stated that she feels the 7.3% is a one-time increase. Commissioner Hewitt asked if the County has been asked about contributing to the depreciation fund. Commissioner Hewitt stated that she doesn't want hours cut and if they have to cut hours, I hope it won't be a drastic cut. Commissioner Hewitt is okay with 7.3%. Commissioner Turk is leaning toward the 7.3%. Ms. Mary Frieze addressed the Commission that the Library depreciation fund is not a budget breaker and know that the Commission has many budgets to consider. Ms. Frieze further stated that without the depreciation fund the exterior of the Library could not be done. Commissioner Oldenburg commented that she thinks we all appreciate what the Library does and all the staff and their hard work. Commissioner Oldenburg further commented that there is no worry on how the Library is run, but personally she doesn't want any thoughts in your head there just isn't a lot of extra money this year. Commissioner Turk thanked everyone for coming and participating in the conversation.

ADJOURNMENT

Chairman Turk adjourned the meeting.

Dated this 13th day of August, 2018.

Patty Turk, Commission Chairman

ATTEST:

Nikki Brummond, City Clerk