



MINUTES
Budget Workshop
November 8, 2023
5:00 p.m.

THOSE PRESENT

Mayor Bob Poch
Councilmember Merv Schmidt
Councilmember Dale Rey
Councilmember Keith St. Jeor

Clerk/Treasurer Stefani Bowden
Public Works Superintendent Mike Steffens

Mayor Poch opened the workshop at 5:03 p.m.

BUDGET WORKSHOP

The Clerk presented the proposed budget for the following funds:

- a. Water/Water Reserve
- b. Wastewater/Wastewater Reserve
- c. Solid Waste

The proposed budget for water was presented. The Clerk is suggesting a 4.5% to 5% water rate increase instead of staying with the annual 2% that has been in place for many years. Over the past few years, the CPI has been much higher and the 2% is not keeping up with rising costs. The Town has been dipping into reserves to cover O&M the past few years.

The Wastewater fund was presented showing a need for a rate increase as well. Due to the outstanding issues of non-payment from Elmer City for their portion of the new plant along with outstanding O&M fees due from them, the increase in legal fees and the loan payments for the new treatment plant, rates need to be increase by approximately 6%. The revenues for 2023 are much lower than anticipated. The cause of this is from the change in funding from USDA Rural Development (RD). The town had about \$200,000 out in project costs that were supposed to be reimbursed from RD but the Town agreed to absorb the costs to allow for a better supplemental funding package from RD. The Clerk informed the council of a funding offer from the Public Works Trust Fund Board for the sewer lining project. The initial offer is 50% grant and 50% loan. The loan amount would be approximately \$168,000 with an annual payment of around \$10,000. The interest rate is 0.86% for a 20-year loan. Discussions took place on the need to raise rates to cover the loan payment. The town has around \$170,000 in ARPA funds that could also be used towards the project. If not needed for the sewer lining project, the council discussed using the remaining ARPA funds to complete the Wastewater Treatment Plant/West Side Lift Station project. Assessing a “debt service” fee to all sewer users, as we do in the water fund, was briefly discussed. Superintendent Mike Steffens presented the capital expenditure needs

for wastewater, stating that a UPS battery back-up is a critical need. The Council feels it shouldn't wait until the next budget period and will amend the 2023 budget so that it can be ordered as soon as possible.

The solid waste fund is looking at a 9.25% rate increase. This is due to the increase imposed by the contractor and for the increase in landfill tipping fees.

No decisions were made.

ADJOURNMENT

The Budget Workshop meeting was adjourned at 5:48p.m.

Mayor Robert Nash Clerk Stephni Burden