

BUDGET WORKSHOP TRANSCRIPTION 3/23/2020

Um is Thursday March 25th and we are starting our budget workshop review our final session so crystal take it away this one I'll just leave mostly with revenues this is will start with water sewer might want to correct estimates well these are spelling yeah sorry sorry um so looking at what what I wanted to do was look at kinda compared to our actuals this year so that's what's at the bottom where are water charges on the second page or sewer charges and I got this is for the 3/4 that we have so far within the year and then I estimated the fourth quarter to get a total and then based our 2020-2021 estimates for revenue on those figures on it does closely reflect the 30 year projection that Ed and I will be presenting um well whenever we are on meeting at a meeting when we are able to do that it's much easier to present that on in a meeting where we can all come together so we can project it you know so we can point out different things this might be a little bit hard to look at but I wanted to get all the different numbers in here but basically right you know the sewer base rates the yearly and then the consumption it's a estimate based on estimating the cost or the consumption for this year and then the total for both which is very closely the projections so the total program projections have looking at this correctly would be the 100 and 16,000 four sewer an 82,000 desperate consumption total so just below that is total water and total sewer 22 oh 200 and 2223 so that would be our revenues that would be total revenue just based on um usage usage there's also penalties which and these include the increase that's going to go into the yes that goes into effect on um July 1st the first quarter of the fiscal year these are also printouts of budget the tentative budget which I think is mostly complete so you don't even have one that's right I have an extra 1 which we believe is mostly complete if the second portion the second little stapled packet in here is this water fund and then the third is the sewer fund is is that in here as well I have two you should have 3 so \$2000 over there yesterday let me give you these as well this is also a trial balance for the the tentative budget for each account or in each fund and I'm sorry trial trial balance for what does a trial balance mean my lack of financial training is showing trial balance is the like trial total for each fund so it you'll see the total appropriations for general fund yes then what we would estimate for property taxes and then other revenues and showing 0 water and sewer are a little bit different we'll start with water that's about 2300 the total appropriations are about 2300 under the estimated revenues under water so water is 220 three \$1436.91 that's what we're assuming our revenues are yes well those are revenues for just base rate and gram but there's also estimated penalties which I also based on the number on the this year's penalties OK and other charges which would be like the UM in and out like the water the meter in and out fees and the sewer out of or water which is a sewer out of the village like the ones that are on the edges those fees are conservative yes the fees are \$25 per quarter per account so we have I think we have 42 accounts that are either do meter in and out seasonally so it's you know throughout the whole year or our sewer out of the village fees is where i got that figure which you'll see it revenue page bottom line for the very last page numbers here but they don't we've entered in a different way so that the bottom line number that i should be looking at right now is the very last page of each fund on this one water yeah total revenues and other sources very last page I can also print out I think there's like a trial Ward everything doing Hearn wants the total of that with all the penalties will fall in line that's 229 two 29600 is on which i should have passed his first which i should have printed out or handed out first yes because that includes other revenue because that includes other revenues as well you need to get to two 29600 30 so we have to figure out where it is going well I think as far as the penalties go that fluctuates up you know you might not get any so I think those numbers last year over penalties come in so if we put in if we took out penalties that would be agree with you that would be too 22 there will be 2 two penalties are 24 I think you put in there for 42 sorry so it would be 200 and 25,000 and where is so 35 OK alright it would be too two 25400 cut it down to 225 you gotta take Seven get \$7000 out of something I'm sorry we just we have to cut out \$2000 in the 70s 42142 hundred 2000 is the other services which are like the meter in and out and stuff like that is there traffic on my calendar yeah well vaguely yes yeah it depends you know it depends quarterly historical track record then it's appropriate you could put the it's been in the budget so the penalties and the UM and the others have been in the right put in a budget so just if you do that you have to cut the budget more you've got a reduced 2IN from two 32561 two 25 so he's

gotta cut off a little over \$7000 for this budget so he needs to review that and come over 7000 people the actual difference 7000 number so one reason why it's at 232 is because there is the contingency he does have and the 15,000 in there for contingency you wanna see the reduced I think I think everything has a balance it is originally he had that at 5000 and we all you all told him to up it back to 15 you should go to respond and so still use that money it can be reallocated in his budget it just happened emergency but that's that's the easiest way to do it may I suggest is it possible that we go back and get a five year average of penalties in water and then because I think that would be the ups and downs and we take that average and we use that to Mark's point OK I can try and that that at least improve the budget somewhat so he doesn't have to cut 7000 reasonable right to add that assumption back in are you good with that the the only problem is it's not like I can go and go on the computer and generate a thing like everything that was done as far as when they received the bills before was all written down like it was checked off and written down so how so hold on do we know how Bonnie estimated the penalties for prior budgets I would assume that she probably looked in her um ledgers OK so then is it possible to take the estimates that Bonnie had provided the four years prior and the penalties so she did you know here and take the average so in her budgets she did have the actual revenues for those line for the for the UM penalties and for the service charges OK so so we could go back yeah which if you look at here it does say you know the actual revenues for 1718 and 1819 were 35 and 30 three so those are what they are yes those are actuals taken from her and you're estimating 2500 42 well no that's the model 42 because this year was much higher but we can always drop it down all right well yeah I would feel more comfortable if we did 3500 and 3400 just looking at those last two years and this year this you really had \$100 Am I not reading that correctly expanded no that's actually not correct I haven't I have a note to talk to um Ted about that 'cause I was looking at that was like I know we've had many more penalties than that and no 42 is much closer to what we've had this last year so far oh OK so we have 42 is it's much closer it some so if we can determine what the penalties had or you have penalties water penalties we've had I'm sorry i must have put it if i put a wrong number 20 Connor so here's that money 3 others 2300 oh so yes the 2000 OK I'm getting my mind mixed up the 2000 is the penalties sorry that service stays the 42 is what the water service service in the water service is good that stays correct right OK so it's 2000 that's off that's my mistakes and so if I was reading my own things if I look here at the bottom of this first page with the estimates water penalties have been 1700 one \$1735 and whatever so 2000 yeah alright so then why was a bad year in 2017 eighteen yeah sorry it's a Goodyear got my lines mixed up in this part not any other you're good you're good so yeah it does it does look so if we if we estimated 1200 well like i said they mean it fluctuates really with um you know some people just generally like forget or their bill gets lost in the Mail and then they call us well yet then they call up and they're like I'd never got my bill and it's been too you know tenuously to it there are yes there is a families I know here who continuously yeah we have a list yeah we do have a list of those 1000 I was guessing 1200 thousand is good alright let's do 1000 will be conservative point mark do you think that there's a place here that you can cut somebody off and then consider that healthy as graving at the end reserve you know not expecting you know even if he has cuts half of his continued supervision there's still money in his account which can cover any continuously gently and he's got new pumps he's got a lot of new stuff different type of chlorinator so the other thing would be warming brakes intention stock you know yeah no more after they first once he is expected to start in the 1st to see what's left over there should be towards this this 232 he did like his budget an awful lot already so And I know that originally Hughes was OK with cutting his cousin contingency so so now it looks like we have a Delta of \$3961.00 so if he cut his contingency to 10,000 he'd have a little wiggle room I have been speaking with the engineer and the USDA because we have water bombs and super bonds with them where the interest rate is close to 5% which I find horrific and we're paying through 2035 so I asked if there was some possibility that we could refinance those those bonds they said no except if you roll it into another project so we have phase two coming up that's required from the water side to make improvements to the plant based on our species permit what we would be he had something with water yeah so we would be able to do the wastewater there and then we might be able to do

a water one but but be the change not approving methods and that's in his budget correct I don't know nothing I was talking to Brandon and he thinks that there might be a way for us to say OK we're going to need this much money to upgrade whatever we need to do for water and roll in the amount that we owe and because the interest rates are low and I think that that might be a way to ease his budget in both water and wastewater that would be pretty creative I think you know and that would that would ease up a lot just a thought and we are list in the rejected and it really doesn't care correct so that's what we're that's what we're looking into another thing um it's not 100% definite of course we do have FEMA that will be coming that so FEMA is being broken down into several different projects several disparate reimbursements so the first is for emergency time that was spent so wastewater had a lot of time get in there we get reimbursed both for straight time and overtime and we would get reimbursed at a rate of 75% we you know we don't have to put money out for that because it's reimbursement so they'll get a chunk of change for that i'm still working through the figures with that we would also get monies back for monies already expended during the emergency portion of things 75% again that we can put everything that was wastewater and water back into those funds everything that was DPW related goes back into the general fund the volunteer hours with the fire Department I would suggest that goes back into A fire truck fund and we would get 75% of that and then on top of that there is management so I'm able to put my time down for management and it's getting up there so I be able to put those times down crystal and Stacy as they've helped Ed and Roger as they have felt as well as Ryan and Matt's time so we would get those monies back and I would like to suggest again when those get reimbursed that they go for the general of the water the wastewater in the fire so I think we're going to have some wiggle room so I know i'm not saying no no no so i'm not saying we're going to put it down on this sheet but I'm hoping I'm hoping that some of those checks will come sooner within this next fiscal year that should help ease some of our strength meanness FEMA reimbursement one account number for revenue account number for that we actually don't have a FEMA reimbursement revenue line right now I think that would be a new one up on the revenue we could probably use there we do have like a state in the general I don't think we have one in here in the water and sewer but we have to have like a a state aid and there's like a must miscellaneous there's you know there stayed and then there's a miscellaneous state aid so we could probably use that line we need to change it to federal aid since it's coming from the fence there's probably you know why I have like the book in there and if it's just as easy to add 1 it's not difficult to add a align you know a revenue line to love then will need that over it yeah then would under miscellaneous is it possible to rename that I was thinking federal and state aid miscellaneous because the codes are named like they're named by the OR sanctioned by the state so OK so we're looking we're looking at it Delta of 4000 and we can suggest that he lowers his contingency to 10 and then pray for FEMA checks yeah well right yeah the rates were already going to go up just a little bit a couple of dollars each quarter I think that was two years ago right yeah it's a it's part of like uh it's five years by part of the five year plan so yeah we're this year yeah and that was a letter that one next year yeah next year is the like 4th year into it and then the year after is the 5th so as part of that it's only base rates that have been modified not usually and just to keep in the back of your mind when USA the USDA or these grant organizations look at what our base rates are or what our overall costs are what they do like for sewer is they would take your mean income multiply by 1.5% and say that's how much each one of your people can pay for sewer alone so in that regard it's \$800 a year in sewer so that's how far off per person per household wow yeah and that's just just get back to work I'm going to water bikes actually how much was it totally 4004 thousand because it's 3961 full that's good oh can I be in finance meeting i should have some guesstimates not that we're going to write anything down but I have some guesstimates of what what money is we should be able to get back from FEMA for the degree and different projects we have so far just so that we can have that rolling around in her little pink for war with the water pipe is exposed but I don't think no no it is it is in the plants I don't think he added expenditure labor for us because the pipe is exposed So what we're doing with that OK so so as part of FEMA there are two parts one is the reimbursement part and that's what I'm putting in and other things but that's the bulk of what we're adding in right now so that's

reimbursement the other part our projects going forward and So what has been identified the things that have been identified are there's a chipped pumpstation tilted palm station that needs to be righted there is a stop valve that needs to be fixed it's working right now not officially but but that's a project there is the beach and the point the pipe that is exposed and something else so the way FEMA does things is that if you have projects that are 130 one \$1000 or less you can write the proposal submit it and they will give you 75% of that and then it's up to us to fix and do and add whatever is left title 15 account for 25% to cover that part then we'll have to talk to him about that we're still waiting to hear whether this state will give us the 12 and a half matching which would be very helpful God I can have a look at the pipe is blind guys couldn't do it and if you look at it you know actually good labor costs well some of it some of it is the drilling so I think that part of it is the drilling I think a temporary fix would be to put rocks over it and Bury it that way but I think the proper fix in the mitigation fix that female ecstasy is to drill it so I think if we can do a temporary fix until we get a project reimbursed I think that would be great the other thing with the projects you can either have a guy who jet project where you have to account for everything and you reconcile into it's very labor intensive and you get exactly the amount of money that you paid you know 75% of the money that you put into the project on the other hand if you do these smaller things you estimate it to the best of your ability the FEMA will give you the 75% now down the road if you go Oh my gosh I forgot about this cost and it cost me \$10,000 more you eat it if you do it and you say hey you know I'm able to somehow miraculously have a little bit less money than you keep it so we estimate as accurately as possible and hope that it all balances out so that's just a just an FY on how that works sewer is much the appropriations are much higher than what the revenues show so he's gonna have to look at that as well as much total yeah 37,000 his appropriations are proposed budget is 37,000 older white his yeah yeah so also there's also the sheet Karen that shows like the water one there's this one will see where it was 3337 thousand um last year three modify that budget yes he's also cut this one down a lot so how how did it get to be 37,000 over \$200 1381 time and you got 916 thousand 8130 what's the value no Jesus yeah yeah I'm sorry so 81 110 is on page one under home and community services personnel service is on page 2 temporary top of pages an extra 16,000 that from his is at the administrative that's pulled out proposed did you do some payroll re balancing all she did was try to 5th the best estimate each one yeah anyone 10.1 which is personnel service it's 19,952 stration that's the administration which is we estimated as 60% of ads pay or goes to administration so you'll see that on the other personnel line it went down that's because his personal services are now divided between two categories in each so that's at the bottom of page one yes correct so that went down if you want to see the breakdown I do have that and so now we're pulling out overtime on page 2 yes we are pulling out overtime um which Ed has estimated his overtime and these are estimates based on the on the necessary weekend shifts that they have to do um no these are not water break or anything like that that's not estimated in this number at all that is this is just if they hit their weekend so they come they rotate the weekend days 4 hours a day on Saturday and four hours a day on Sunday so 8 hours for the weekend they are starting to use their comp time more so that does kind of I think that's going to you know this number is not exactly going to be that that much but good budget like 290 three to three level on the last page four or three modified so I think that's because the bond and then on the IT was also modified because of overtime um that wasn't accounted in the budget wasn't accounted for yes there there necessary overtime weaken overtime there is there in this overtime there is like some out like some money allocated to when DPW has to help them out with with projects and stuff like that if there is like a break in one of the guys has to do the digging for them or so they got as well so again my hope is that we can refinance USDA loans to to bring that interest down and hopefully offset some of this that's a big chunk of change to be off we didn't we didn't put any bonds in this one that was under the water when we moved the bond too so this is only overtime between 293 and 311 at 18,000 actually within the see yeah this is overtime and something else yeah I just had 17,000 in the proposed budget for overtime and I'm sorry what did you say the difference was Karen between 3:11 16,000 2000 closer to 17,000 so yeah yeah so it's probably just the overtime my my bad for the times according to this number this shows at 2.39% increase we had also something's gotta come

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down yeah you fly so we actually work with numbers yeah I mean sure differences we had yeah not that it makes a whole lot of difference but we had talked about in which I reflected in here doing a 4555 split between um water and sewer instead of a 5050 split which which i did I did do this is this is 4555 now so which did make this one go up a little bit obviously we can switch it we can change it back that's not going to be a huge decrease but it's not going to help water out at all I know it is just gonna have to come more out of his water budget that's gonna help the fees we want to get 250,000 three years ago 249 two years ago Anne I made it too easy now which is a modified version it's going down to back down to 262 so well because she was high yes the 289 was high Anne I think it was due to calculations done in the previous budget so how were the calculations done in their previous budget from what I've seen um the estimated user fees were subtracted out of what the modify or what the proposed budget would be and then subtract um was like the budget the proposed budget subtracted and then subtracted out other other revenues from what I can tell from the from the spreadsheet was was what the estimated user fees would be um i'm not sure if that's 100% true but that's the function that I see in the in the spreadsheet so i'm not so OK so it wasn't actually taking a number of users times the user fees What I gathered from the spreadsheet i'm not sure exactly if she looked at previous users with high based on 289 and then go back previous years for longer you know 62 fuse 2120 user fees that we're talking about right so those that I took that from um the so you'll see on that sheet that I with the breakdown I took this year's numbers um we have 341 total active sewer accounts I multiplied that by um 107 which will be the base rate for next fiscal year times for um for four quarters and then i went and I did I i did kind of like an estimated um gallons used for the whole year based on our current yeah current UM revenues from that and got an estimate estimate for um based on the eight \$8.00 per 1000 gallons used and then added the two the base rate and the estimate for the gallons used sewer is a little bit more than water it's \$8.00 per 1000 gallons consumed instead of \$5.10 for 2000 gallons used estimated charges for 1920 is 200 and 55830 for 1920 drafted was 289 i'm looking at the summer right here estimated 95 total charge rate two 55830 right without the that is let me see that is with hey not correct 139 too late My thought is why isn't this number here ETA 255 um correct I'm cussing I mean I'll have to go look at my formula for the that estimated total base um because oh for that's because i'm not thinking straight that's because this year's base rate is 102 dollars 2021's base rate is going to be \$107.00 so that's the difference between the two or would be close to the difference between the two it goes up up you know \$3 for next year yeah so this is for this year 1920 which is \$102.00 right now and then um next you know starting January or July yeah July 1st it'll be 107 so that's how much will get it to two 62600 yes that would be the estimated yes OK based on and the interesting penalties is appropriate at 12 list limpia said last time so judging on the penalties again the penalties were huge in 1718 I'm it must have just been I don't know maybe it was a weird year can't remember so I think 1200 would be reasonable to estimate data all right So what else is popping it's just the overtime right overtime is what really sends us over 2 days