

WEDNESDAY

JUNE 26, 2019

The Governing Body of the City of Pratt met in a Recessed Budget Work Session in the Commission Room located in City Hall.

PRESENT:	Doug Meyer	Mayor
	Gary Schmidt	Commissioner
	Don Peters	Commissioner
	Jason Leslie	Commissioner
	Zach Deeds	Commissioner

ALSO PRESENT:	Roy Eckert	City Manager
	LuAnn Kramer	City Clerk
	Regina Probst	City Attorney
	Diana Garten	Finance Director

CALL TO ORDER:

The recessed meeting was called to order by Mayor Meyer. The Mayor instructed the City Clerk to note that all Commissioners were present.

Mayor Meyer reminded the audience that this meeting may be taped and/or recorded.

BUSINESS:

BUDGET WORK SESSION:

- **Overview:**

Finance Director Garten stated she would start the budget work session by reviewing some of the notes and answer any questions the Commissioners might have. Ms. Garten informed the Commission that the City Manager and she had met with the department superintendents individually to discuss their budget for 2020. Ms. Garten stated that she had filled in the revenue numbers using prior history and she had made it work even though she was not as conservative as she would have liked to be. Ms. Garten commented that the expenses were what the departments had asked for and labor was based on the current employment. Ms. Garten added that she had added the 3% cost of living increase; however, that was up to the Commission on whether it was left in or not. Ms. Garten stated that health insurance from Blue Cross Blue Shield had come in at a 5.72% increase, which was about what the League had thought increases would be. Mayor Meyer asked if we had any reserves left. City Clerk Kramer stated that we did not.

Ms. Garten commented that she had done the transfers to the general fund based on need and had kept the mill levy as low as possible. Ms. Garten stated that the valuation from the County was down \$290,000 and the neighborhood revitalization was lower, which made a mill worth about \$103 more. Ms. Garten explained that we were under the tax lid and the limit was a 1.5% increase, but the consumer price and inflation was up 2.5%. Ms. Garten stated that this was not in the City and County's favor, but they felt that it would be over the long run.

Ms. Garten stated that any additional revenue from the electric, sanitation and wastewater would be used to build cash, which had been requested by the auditors. Ms. Garten added that the water fund was still short. Commissioner Peters asked if that was due to all the rain. Ms. Garten stated that that could be part of it, but it was down about 4%. Mayor Meyer stated that rates could be bumped up anytime. Ms. Garten informed the Commission that all the business assistance and donation had turned their forms back in except the Chamber. Ms. Garten explained that Travel and Tourism was a City function, so Ms. DeClue did not fill one out. Ms. Garten stated that the library had requested four mills again this year and it was in the budget; however, the Library Director would be at the meeting Monday to present it to the Commission. Ms. Garten commented that the airport was also requesting their four mills and she reminded the Commission that the extra mill was to be used for capital improvements only. Ms. Garten stated that the Commission would approve the publication of the budget on July 15th and the public hearing and approval of the 2020 budget would be on August 5th. Ms. Garten explained that the approved budget had to be to the County Clerk by August 25th per State Statute.

Commissioner Peters questioned if the expenses had increased in the 2020 budget from this year's budget. Ms. Garten stated that the budget last year was \$22,469,000 and this year it was \$23,241,000. Ms. Garten added that we were capped in the tax levied. Commissioner Schmidt commented that he had worked on budgets for other organizations and they would only allow them to use 85% of their budget by the third quarter and this might be something that we think about. Commissioner Peters stated that this was not in concrete and you never know what could happen. Commissioner Schmidt stated that this would make everyone aware of their spending and some capital expenses could be put off until the next year or decreased. Mayor Meyer questioned whether the million dollar bond had been paid off. Ms. Garten stated that that was correct and she had transferred that payment amount to the general fund to cover additional expenses. Ms. Garten commented that the electric department had plans for a new building that was over \$200,000, which was where some of that money was. Ms. Garten stated that Commissioner Schmidt idea was a great plan; however, some of the departments had seasonal work, which would make it difficult to do.

Ms. Garten explained that the department superintendents get a budget report each month that shows how much they have left in their budget. Commissioner Peters asked about the capital equipment funds and what the departments use that money for. Ms. Garten stated that she used to make a list of those, but the department superintendents would talk to the Commission about that. Commissioner Peters asked how much the employees contribute to the health insurance. Ms. Garten stated that the City covers 100% for the employee and 85% on the other tiers. Mayor Meyer questioned Commissioner Leslie about staying on City insurance. Commissioner Leslie stated that he was not ready to get off yet. Mayor Meyer stated that no future Commissioners would be offered health insurance, but Commissioner Leslie had been grandfathered in.

- **Discussions with Department Superintendents:**

The Commission, City Manager, City Attorney and Finance Director met with the different superintendents during the rest of the day. While visiting with Police Chief Humble, it was decided that an executive session was needed and was scheduled for Monday, July 01, 2019 at noon for consultation with an attorney on matters that would be deemed privileged in an attorney/client relationship to last no longer than two hours.

RECESS:

At the end of the day, Commissioner Peters made a motion to recess until Thursday, June 27, 2019 at 9:00 a.m. to continue the budget work session. The motion was seconded by Commissioner Schmidt and carried unanimously.

Doug Meyer, Mayor



ATTEST:

LuAnn Kramer, City Clerk