

# CITY OF IVANHOE

## FY-2021 BUDGET WORKSHOP

### MINUTES

July 30<sup>th</sup>, 2020

4:00 PM

The FY-2021 Budget Workshop was called to order by Mayor Bennett at 4:15 PM (delayed due to delay getting video livestream on Facebook). Quorum established with all Council members present except Councilman Herrington and Blackstone. Councilman Blackstone was in coronavirus quarantine but joined the meeting by phone.

#### **Agenda Item #1 – FY-2021 budget workshop**

Mayor Bennett had filed the propose FY-2021 budget on July 17<sup>th</sup> with the City Secretary. The proposed budget had been emailed to Council for review prior to the Workshop. Mayor Bennett read her cover letter giving highlight of changes to the budget from the FY-2020 budget. She noted the amount in the fund balance (reserve) has not been touched since it was established.

The Mayor then went over the anticipated expense portion of the proposed budget line by line indicating if there was a decrease or increase and the reason for the change. She observed that the line item for street material fluctuates as a result of increases or decreases in other portions of the budget. The Dam Committee had requested \$60,000 for the coming year, however her proposal is for the line item to remain at \$50,000 because she had factored in pay increases for employees.

Councilman Blackstone asked about the anticipated purchase of the substation and property it is located on. Mayor Bennett responded that it is a bit early to know what the carry-over from the current budget will be, but those funds will be what goes into the capital purchase line item. She reminded Council this workshop is for Council to discuss the figures she compiled based on historical and current year budget figures and determine any changes to be made before the proposed FY-2021 budget is presented for the public hearing prior to the August Council meeting. Due to the limitation on number of people that can be in the Civic Hall the public hearing will be livestreamed on the city Facebook page and questions and comments from the audience will be responded to.

Councilman Warren (as a member of the Dam Committee) explained to Council the reason for requesting \$60,000 for dam maintenance is the crucial nature of the dams to the value and livelihood of the city. He said if a critical need comes up during the year, it will be brought before Council. Mayor Bennett commented that has been the case in the past, and necessary funds will be transferred from other parts of the budget.

Councilman Warren asked if a tax rate had been considered to cover the proposed budget? Mayor Bennett responded that she had calculated a tax rate of .70668 per hundred which is 4% over the no new revenue rate of .67951. Comparison wise the current rate is .7267 per hundred. The de minimus rate is 1.592 under Senate Bill 2 calculations which is the tax rate the city can go to as a small or low budget city.

Councilman Warren voiced his opinion that with the strain on the economy and unemployment level he cannot support a tax rate increase. Councilman Morris observed that the proposed tax rate will raise approximately \$16,000. Councilman Vonderlin asked for reasoning behind decrease in the franchise fees. Mayor Bennett explained a number of factors are impacting the decrease both environmental (warmer climate, coronavirus) and social (fewer home phone lines). Councilman Morris voiced that he is inclined to go with Councilman Warren on the tax rate but will wait until the tax assessor/collector provides the official figures and the public hearing has taken place.

Mayor Bennett said she would put together a worksheet for the public hearing with different tax rate percentages. She then recessed the regular meeting at 5:11PM to review personnel positions and pay rate in executive session.

Mayor Bennett called the regular meeting back from recess at 5:35 PM and noted no action would result from the executive session.

### **Agenda Item #2 – Adjourn**

Councilman Morris made the motion to adjourn with a second by Councilman Vonderlin and the meeting was concluded at 5:36 PM.

Respectfully submitted,

C. D. Woodrome, City Secretary