

**CITY OF SAINT MARYS COUNCIL
BUDGET WORKSHOP**

NOVEMBER 5, 2020

CALL TO ORDER

The scheduled Council Budget Workshop of the City of Saint Marys was called to order by Mayor Louis Radkowski on Monday, November 5, 2020 at 6:00 p.m. The meeting was held in the Council Room of City Hall, 11 LaFayette Street. Notice of this meeting was sent to Council on October 29, 2020, posted at City Hall and published in the Daily Press.

PLEDGE TO THE FLAG

ROLL CALL

Present: Mayor Louis Radkowski, Deputy Mayor Chris Pletcher, Andrew Mohny, Margie Brown, Bob Roberts, and Joe Fleming, Manager Timothy Pearson, Recording Secretary Lorrie Levenduski.

Gina Vrobel dialed in.

City Staff: Public Works Director Tim Brennan, Public Works Deputy Director Travis Skrzypek, Finance Director Carol Muhitch, Chief Operator Lad Kornacki and Maintenance Supervisor Ike Kraus.

VISITORS

There were no visitors.

BUDGET DISCUSSIONS:

Manager Pearson explained the focus of tonight's meeting would be on the Enterprise Funds and the recently approved flat rate structure for sewer billing.

**BUDGET PACKET
OVERVIEW AND
SUMMARY**

Carol Muhitch explained the 2021 budget contained 14 budgets and each budget is considered a fund and has a separate set of books. There are two types of funds, Governmental funds, and Enterprise funds. The General Fund is the largest governmental fund and brings in tax dollars and is the operating fund for the City. Special Revenue funds are also governmental funds that also provide tax dollars. Capital fund is provided tax dollars with a leftover of General funds monies. Enterprise funds is a business fund that revenue is based on user fees. The City budget empowers the various City departments to provide the necessary services to the residents now and in the future.

**ENTERPRISE FUNDS:
SEWAGE TREATMENT
FUND AND SEWER
SYSTEM FUND**

Carol Muhitch explained the Sewage Treatment Fund only revenue for this fund is user fees. The difference from 2020 to 2021 expenditures was the last bond payment was made for the Municipal Authority Bond. Since 2017, the fund had a deficit and was not a balanced budget. The user fees collected were not enough to offset expenses. Water consumption has steadily been declining and with the user fee being based in part on water consumption, not enough revenue was received to balance the fund. The resident base for billing was also not increasing. The Finance Committee had reviewed the sewer rates and tried to determine a fair rate for residents based on the new structure of a flat rate billing. The monthly flat rate for residential was proposed at \$50.50 and Industry and Commercial/Business would stay with its current structure. There are approximately 4,100 residential customers of the total of 4,600. The service address billing will also increase revenue. Any overages will be transferred to the capital fund for infrastructure and replacement of sewer lines.

It was noted the proposed flat rate was in the median range in the area. It was also noted the average increase for residents currently being billed for 4 thousand gallons would be a \$4.36

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increase and for residents currently being billed for 3 thousand gallons would be a \$9.27 increase.

Bob Roberts stated his concerns with residents with lower consumption charges which could create up to a \$24.00 increase.

Motion Passed

After a brief discussion, Margie Brown made a motion to include the monthly residential flat of \$50.50 in the 2021 budget, seconded by Deputy Mayor Pletcher and all were in favor, except Andrew Mohny who opposed.

No other changes were made to the Sewage Treatment Fund and Sewer System Fund.

**SEWER CAPITAL FUND
AND I&I CAPITAL FUND**

There were no changes made to the Sewer Capital Fund and I & I Capital Fund.

**SPECIAL REVENUE
FUNDS**

Manager Pearson noted none of the Special Revenue Funds were increased. The list of Special Revenue Funds are as follows:

- Street Lighting Tax Fund
- Fire Protection Fund
- Recreation Fund
- Library Fund
- Ambulance Fund
- Fire Hydrant Fund
- Debt Fund

There were no changes made to the Special Revenue Funds. It was noted the Fire Hydrant Fund has a slight shortage, but not enough to increase the millage rate.

**ADMINISTRATION/OTHER
AND COMMUNITY
TRANFERS**

The following Administration/Other and Community Transfers were presented:

- Shade Tree Fund
- Airport Authority
- Airport Authority Loans
- Elk County Council on the Arts
- Memorial Day Parade
- Economic Development Corporation
- Elk County Humane Society

Motion Passed

Andrew Mohny made a motion to approve page 37 of the budget as presented, seconded by Joe Fleming and all were in favor.


ANNOUNCEMENTS

Mayor Radkowski made the following announcement:

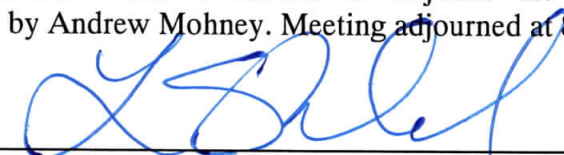
- Next Council Budget Workshop will be held on Tuesday, November 10, 2020, from 6:00 p.m. until 8:00 p.m. at City Hall.

ADJOURNMENT

Chris Pletcher made a motion to adjourn the meeting, seconded by Andrew Mohny. Meeting adjourned at 8:02 p.m.



Recording Secretary



Mayor