CITY OF KREBS SPECIAL CITY COUNCIL & KUA BUDGET MEETING MINUTES MAY 28, 2024

- 1. MEETING CALLED TO ORDER by Mayor Tommy Ray Walker
- 2. ROLL CALL by Cindy J. Cooper, City Clerk

Mayor Tommy Ray Walker- present David Bailey-present

Jason Wagnon- absent Connie Poole- present Dan Heathcock- present

3. DISCUSS AND ACT TO APPROVE/DISAPPROVE RATE CHANGES FOR RENTING OF THE COMMUNITY CENTER TO INCLUDE AN INCREASE FROM \$75 TO \$125 FOR FOUR HOURS, AND \$30 FOR EACH ADDITIONAL HOUR. ALSO TO INCREASE THE DEPOSIT FROM \$20 TO \$50 AND A PROVISION THAT IF THE RESERVATION IS CANCELLED LESS THAN 48 HOURS BEFORE THE EVENT THE DEPOSIT WILL BE FORFEITED.

Connie Poole makes a motion to approve the rate changes. David Bailey seconds. Mayor Walker calls for a vote. Dan Heathcock-yes, Connie Poole-yes, David Bailey-yes. Motion passed.

4. DISCUSS THE 2024-2025 CITY OF KREBS BUDGET

Mike Kern states our first meeting is to get our personnel numbers lined up correctly, and to look at some preliminary departmental expenses. Mike states we need to talk about capital projects and M & O projects. Mike Kern states the total budget for the revenue is \$1,653,693.

The sale tax, use tax, franchise tax, and alcohol beverage are all based on the states statute that says we can only budget on 90% of what we received in the previous year.

Mayor Walker asked if the use tax can be used for anything.

Mike Kern confirms that yes you can use it for anything. Mike Kern states the \$88,432 on page three is how much more the final budget was than what was projected last year. Mike Kern states that is the difference in what was projected, and what was budgeted for 12 months. Mike Kern states we have spent \$235,247 more than we have taken in. That is why our budget is \$148,000 less. Our carry over money is going to be a lot less. Mike Kern states our total budget is 93.753% of what it was last year. The budget is \$146,000 less than it was last year. Mike Kern states it is important for everyone to understand when you spend more money than you take in, it reduces the next year's budget. Mike Kern states he has it balanced, but it is not going to be final. He states he balanced it so we can see where the shortages are. Mike Kern states he did not put anything in the capital outlay for the police department because we ran out of money. Mike Kern states if we have to put any money into any other accounts it has to come out of the line 46 and we are already just about even on that. What should worry us is that in another year inflation is going to eat up some more of that money, and it's going to do it to all the departments too. Mike states we cannot raise the budget. The revenue dictates a lot, and if we continue to spend more than we take in the budget is going to keep going down. Mike states this is the beginning. Mike states at the next meeting on June 20th the department heads need to discuss their budget. Mike states, for the police department he (Mike) does not have anything in the capital outlay area, and they need to discuss what they really need. Mayor Walker states they pretty well have everything they need. Cars and (unintelligible)

Mike Kern states, but on his budget, he (Dennis) put \$100,000 on there, and I have zero. Mike states we will have to talk about that. Mike states capital outlay cannot be used for wages. Mike states, theoretically any asset that has a life longer than one-year falls under capital outlay. Like guns and vests.

KUA

Mike requests the council look at page five. Mike states the total projected includes \$185,610 transferred over from the general fund. Mike states, that is not going to happen this year because we don't have the money on the general fund side. Mike Kern states we definitely have to raise the water and sewer rates. No doubt about it. We cannot transfer money

over to KUA from the city side like we did last year because we do not have the money on the city side. Mike Kern states we are talking an eight to ten percent increase. Mike states we also need to look at a garbage increase. Mike states we cannot operate on a no profit margin. Mike states we will have at least two more meetings then a final meeting. The final meeting will be after the books are closed. That is when we will make the final decision on rate increases. and other capital outlay improvements. Mike states this is a starting point.

5. COMMENTS FROM THE COUNCIL AND MAYOR

6. ADJOURN TO KUA

Makes a motion to adjourn. Seconds. Mayor Walker calls for a vote. Dan Heathcock- yes, Connie Poole-yes, David Bailey- yes. Motion passed.