

To: Mayor & Council
From: Joe Menicucci
Dated: July 31, 2009

As you know the actual mill value will not be known until late August or early September, therefore we will not know the exact revenues in those funds until that time. Reductions have been made in all departments wherever possible.

The General Fund contains no capital purchases for Fiscal Year 2009-10. The Street Department has been eliminated from the General Fund and all day to day street maintenance functions and personnel are funded in the Gas Tax Fund. The City's street lighting has been removed from the Street Fund to the Facilities Administration Fund. The City Court fund does not contain funding for prosecution or defense. The prosecution is budgeted for in the City Attorney Fund and the defense is provided by the State of Montana and funded by funds that have been deducted from State allocations to the City. The general Fund Budget is \$1,969,864.00 with \$982,474.00 or 49.9% for the Police Department. The General Fund includes a transfer of \$365,500.00 or 18.6% to the Volunteer Fire Department Fund. The Facilities Fund includes a continued contribution to Galavan in the amount of \$8,000.00 and \$5,000.00 for matching funds for the Belgrade Senior Citizens proposed grant application.

The Library budget has a \$51,600.00 deficit. The Library budget includes a reduction of ½ staff position. This will continue to allow the Library to meet the State minimum standards for hours.

Due to a drastic reduction in revenue, the Planning Department has a deficit of \$90,850.00. The proposed budget reduces staffing by one half position.

The Building Department has also seen a reduction in building permit fees and has a deficit of \$75,100.00. The Department is operating at minimum staffing at the present time.

The Police Public Safety Mill Fund contains personnel funding for three officers, Police Retirement funding and a capital purchase of one fully equipped Police vehicle.

The Volunteer Fire Department Fund contains funds for fire inspector as well as funding for the new contract with Central Valley Fire District in the amount of \$334,184.00 (37 mills) and equipment funding in the amount of \$90,320.00 (10 mills). There are no capital purchases in the VFD Fund.

The City-Wide Street Maintenance District Budget is \$301,700.00 for the street overlay project in the Spomer, Dyksterhouse and Mayfair additions.

The Gas Tax Fund includes street maintenance funding including salaries and supplies.

The Water Fund contains funding for personnel as well as operation and maintenance of the water system. In addition \$1,080,000.00 is budgeted for water system improvements including the City's share of the existing water line improvement project and funding for security equipment.

The Sewer Operating Budget contains funding for personnel as well as operation and maintenance of the sewer system. In addition, \$170,000.00 has been budgeted for a Sewer Jet Washer and Vacuum and \$10,000.00 for security equipment.

In order to balance the following budgets, I am proposing an inter-fund or bank loan in the amounts shown:

Library	\$ 51,600
Planning	\$ 90,850
Building	<u>\$ 75,100</u>
Total	\$217,550

The loans would be required to be paid back by the individual departments when funds become available. Interest would also be required at a rate of 3.25%.

The loans would allow the departments continue to operate, however, the Library and Planning Departments would each be required to reduce personnel by one half position.