



**City of Saxman
Finance Meeting
December 14, 2023
4:00 PM**

MINUTES

Call to Order

The meeting was called to order at 4:16 PM.

Roll Call

PRESENT

Mayor Frank Seludo
Vice Mayor Billy Joe Thomas
Committee Member Woody Watson
Committee Member Denny Blair
Committee Member Norman Natkong Sr.

ABSENT

Committee Member Rick Makua
Committee Member Gabriella Blair

ALSO PRESENT

Brianna Berg - City Clerk taking Minutes

Mike Beach - Tuescher Walpole, LLC & Heather Marvel with Tuescher Walpole, LLC,
presenting the November Financials.

Public Comments

There were no public comments.

FY24 Financials

There was a motion made to pass all of Novembers' Financials presented.

The Mayor called for a Roll Call Vote.

Roll Call Vote:

Voting Yes: Vice Mayor Thomas, Councilor Watson, Councilor D. Blair and Councilor Natkong SR.

Voting No: 0

Motion Passes.

1. November General Fund Financials

Background: Presentation of the General Fund Financials.

Mike Beach with Teuscher Walpole, LLC, presented the General Fund Financials.

Discussion:

There was discussion of considering of creating a reserves account in the General Fund and going by a month to month basis and putting some of the sales tax revenue into this reserve in the future.

Mayor Seludo mentioned that there will be expenditures coming up reserve maintenance. We need to go over our capital list; so we can slowly check these things off and build off into the budget. Planning ahead.

There was further discussion on going by a month-to-month basis to move funds into the Reserve Fund for the General Fund and follow that through the end of this fiscal year. The amount we move over will be based on sales tax revenue. The goal is to put away \$25,000 a month until FY24. This can go directly into the General Fund Reserve Account and we can transfer funds to the WS Reserves if it is needed. The Mayor requested a clear directive on that from Mike Beach and to report back at the next Finance Meeting.

When do we want to present that asked Frank to Mike. We brought up in Finance Meeting should have been discussed again at Regular Meeting. Frank out of town so we did not have the meeting. Meeting did not happen so it did not pass and go forward. Lets get a list together to see what we have to do to move forward for next weeks Reg meeting.

Mayor Seludo mentioned that Lura, our RURA Specialist, whom was in Saxman this month for a in-person training for employees; mentioned to our Water Operator that the Replace and Repair (R&R) is based off our inventory/equipment assets. The Mayor questioned on whether or not the percentage of equipment assets was provided to accounting?

Mike mentioned that what Lura provided was similar to what the Accountants already have recorded. He stated that Lura made a point that we know what it is as we are actively involved in Saxman's books although we need to make an R&R so for those who do not know this information will be able to.

The anticipated thought would be to have \$5000.00 in the R&R, \$5000.00 in the WS Reserve and \$25,000.00 in the General Fund Reserve. We will continue to monitor through the end of FY24 and then will be able to dictate what goes into which areas and the amount better.

The Mayor requested that Mike and Bret discuss the analytics further. He mentioned that he would like to take this as a month-to-month basis and for say next month there is an additional amount we can move into the reserve and continue to do this process through the end of this fiscal year so we do not through ourselves into situation.

The Mayor also mentioned that if we drop below \$100,000 for a monthly sales tax revenue remittance we can decide what we put into reserves during the monthly financial meeting as a good starting point. He then questioned whether the Council is okay with that?

** Mayor Seludo mentioned to the Council that he is inquiring on having the Old School House Lot Subdivided. He has a quote and it will be close to \$5,500.00. If the Council decides to pursue with this then we can sort of rental negotiations with the Organized Village of Saxman in a more appropriate and professional approach and come to an

agreement.

There was a Recommendation made to move forward/pass with the subdividing of the Old School House Lot and to make a motion at the next Regular Council Meeting.

Motion made by Committee Member Watson, Seconded by Committee Member Blair. Voting Yea: Vice Mayor Thomas, Committee Member Watson, Committee Member Blair, Committee Member Natkong Sr.

Motion Passes.

2. November Cash Accounts

Background: Presentation of the Cash Accounts.

Mike Beach with Tuescher Walpole, LLC, presented the November Cash Accounts to the Council.

The Mayor requested that the Payroll Account be kept at a minimum of \$200.00 at all times and the extra money sitting in there be moved to General Fund Reserve Account. Total of \$5,801.31 will be moved.

He also requested that the Credit Card Account balance be kept at a minimum of \$500.00 at all times and that the normal water and sewer/general fund transfers & Seaport Check Payments continue to be made as normal. The remaining balance over \$500.00 should be transferred to the GF Reserves so it is not sitting in that account.

3. November Water and Sewer Financials

Background: Presentation of the Water and Sewer Financials.

Mike Beach with Tuescher Walpole, LLC, presented the November Water and Sewer Financials to the Council.

4. November Seaport Financials

Background: Presentation of the Seaport Financials.

Mike Beach with Tuescher Walpole, LLC, presented the November Seaport Financials to the Council.

Discussion:

There was discussion on possibly moving the Duplex funds into their own reserve or putting all into one and allocating so each Duplex has it's own separate expenses. Money would be put towards each of these funds. The Mayor requested that Mike Beach do more research on this and present back to the Council at the next Finance Meeting in January of 2024.

New Business

Agenda Items Number 5 and 6 were went over first per the request of Mayor Seludo.

5. Bobcat Quote

Background: Mayor Seludo will present and discuss this item to the Council for further discussion and consideration.

Mayor Seludo presented this Agenda Item to the Council and handed out a paper showing quotes from Bobcat on purchasing ". There is an option to add on a trailer to haul dirt.

Quote reflects purchasing outright if Council wishes to go that route. Otherwise there is an option of financing through Bobcat - it would be \$114,000.00 at the end of financing. It would be more like a lease to own type of deal where you can turn the machine in at the end of the agreement terms and then have a new machine. Financing might be the best option for the City. The financing options through Bobcat was said to be 36 months.

With whatever route we go with depending on terms, agreements and if Council wishes to pursue; investing in this machine and attachments would benefit the City by in the long run reducing costs to rent machinery/equipment to clean the ditches and culverts throughout the City. We would also be able to replace water lines ourselves with this type of machinery. Mayor Seludo did mention that this is the first time that the Finance Department and the City of Saxmans' Accounting firm is seeing this quote. He wanted to at least bring this up to the Council now so we can take next steps depending on what is decided. Mayor Seludo mentioned that the trailer is not something we would have to get right away.

Recommends getting at least the dump trailer so our staff can clear the ditches. Getting all three of the items presented in the quote from Bobcat for the City of Saxman would be close to \$150,000 if we were to purchase outright.

Whether or not the Council wishes to pursue interest in this; clearing of the ditches and culverts has been a growing concern from residents and this issue will continue to be brought up. Mayor Seludo mentioned that we store have a secure place to store the new equipment.

Mayor Seludo printed out the \$15,000 quote from Bobcat for the other trailer that was not included in the original attachment within the packet.

If the Council wishes to purchase the trailer it would not be here until February or March. Mayor Seludo mentioned that he is going to gather more information on whether or not there would be required down payment. He mentioned that the machine itself is here in town as well as the first trailer that was originally presented within the packet. The trailer can wait until next budget year as it would add on an additional cost of \$20,000.

Discussion:

Heather M., with Teuscher Walpole, LLC: What are the maintaining/maintenance options with this for the leasing option?

Mayor Seludo: Stated that he did not inquire in detail in terms of the maintenance but he will reach out and report back.

Mayor Seludo mentioned that he will reach out to the City of Saxmans' bank and get a cost-benefit analysis.

Vice Mayor Thomas: Mentioned that he likes the leasing option. He requested that Mayor Seludo inquire more in terms of the warranty and servicing the machine. And to reach out to the bank and see if there are alternative financing options available.

Mayor Seludo questioned the Council on whether or not they want the utility trailer with the machine?

Vice Mayor Thomas: Stated that he likes the idea and that we should see if it is in our budget.

Mayor Seludo mentioned that we can wait on this until he reaches out to the bank and Bobcat in regards of servicing if we were to lease, if there are any down payments required and bring back more detailed documentation showing terms if we were to pursue with the leasing option.

6. Eagle Avenue Lot Quote

Background: A quote presented from P&T Construction for the Eagle Avenue lot. The Mayor will verbally provide more information on this agenda item for Council Discussion and further actions.

Mayor Seludo informed the Council that the City of Saxman owns this lot. We just need to clear the lot for possible future housing. He questioned the Council on what their thoughts were and what they want to do.

Mayor Seludo mentioned that if this passes through the Council that he will not do anything until he can confirm that this could go towards our required match. He informed the Council that P&T Construction could have this down before the end of January.

There was a motion made to approve the Eagle Avenue Lot Quote from P&T Construction and to authorize the Mayor to pursue with P&T Construction Quote on said lot on top of Eagle Avenue reflected on Page 42 (in this packet) to build a four-plex.

Mayor Seludo called for a Roll Call Vote.

Roll Call Vote:

Voting Yes: Vice Mayor Thomas, Councilor Watson, Councilor D. Blair and Councilor Natkong SR.

Voting No: 0

Motion Passes.

****The City of Saxmans' Accounting Firm and internal City of Saxman Administrative Staff will determine where this will be paid from.**

Adjournment

Mayor Seludo adjourned the Meeting at 6:39 PM.

Frank H. Seludo, Mayor

Brianna Berg, City Clerk