



City of Three Forks
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MEETING MINUTES

DATE: 5/1/2026 TIME: 2:30PM

REASON for MEETING / COMMITTEE NAME: Budget Committee

ATTENDANCE: Gene Townsend, Reagan Hooton, Kelly Smith and Crystal Turner were present.

DISCUSSION:#1) Crystal went over the four proposals received from the Request for Proposals for Work Comp agents. She explained the MMIA is no longer going to be offering workers' compensation coverage anymore so we first went out to a bunch of agents seeking a quote, but quickly learned that whoever takes our information to Montana State Fund first will get the quote. So that's why we went out to RFP for agent statistics. Gene explained that MMIA got into it because Montana State Fund (MSF) was not administering the program well, and it was the most expensive. Now it seems that MSF is underbidding others and got several municipalities to leave MMIA's program.

Crystal said she would prefer having an agent to help the city go through the process when/if we have a claim(s) to file. Kelly Smith agreed, as did Gene. Crystal said she had reviewed all the proposals and compared them to the required information to be submitted. Two submitted almost everything requested, the other two addressed less than half. Of the two submitting nearly all items, she was leaning towards First West Insurance who offered the most experience. Reagan Hooton said she did not find an agent helpful for her personal business in the past, but she also never had to file a claim. Kelly said the city has a couple claims each year and we (Crystal and herself) are not experts. Gene recommended waiting to hear what Robert Buchholz's recommendation would be, and they could discuss and present a recommendation at the next Council meeting.

#2) Kelly reported on the revenues received to date, which were missing the second half of property taxes and Magris' agreed-upon payment in lieu of taxes, meaning another \$250,000 should be received in the general fund. "Negatives mean that we got more than we anticipated," she explained. Regarding expenditures, the City still has the third quarter of the law enforcement contract to pay. "The Rodeo's expenditures are over budget because we paid off the bleacher loan. The Fire Impact Fees are under budget because we have not had most of the expenses yet for the fire hall addition. We also went over budget on the 5G ordinance, we were told it would cost about \$10,000 but Crystal and I assume that is only for the one ordinance and not the telecom one we received too. There was quite a bit of time for both attorney's attending Council meetings, and we got the right-of-way permits created by them as well. Also in Financial Administration, we had to spend some money of fixing our back door, and it had to be replaced. For the Fire Building Facilities' account, I just calculated that salary line incorrectly. I forgot that even though the Rural pays us for half the Chief's salary, it doesn't count as an offset, it counts as a revenue so we have to budget the full amount of the salary too. Same thing happened for the Wading Pool attendants – I forgot about them working this summer which was in this budget, not the

previous years'. Account #460000 is just a reimbursement account, where the Rodeo uses our credit card or we do their payroll, and then they pay us back with their checking account. For insurance expenditures, we have not had anything due since November. We also have savings in the Code Enforcement account."

#4) Kelly asked department heads to provide anything they wished to include in their upcoming budget and the Fire Chief is the only one who has submitted anything yet. She distributed a quote from Curtis Tools for Heroes which is a stabilization kit for vehicles which could be used by both the Rural and City. Gene and Kelly talked about that it would more often be used by Rural accidents, but Keith had mentioned in the event of an earthquake it could be used to stabilize a building. There was discussion that in the event of a large earthquake, one of these pieces of equipment would not help the big picture.

#3) The Committee members reviewed the CIP and marked off several items which were completed in the current fiscal year. Kelly updated Gene and Reagan on the USB grant we applied for a solar project in the new water wells. "If we spent \$420,000, \$120,000 would be a kick back from the IRS, and then 75% of the project could be funded (if successful) by a USB grant, and the City would cover the rest, which would be less than \$50,000," she explained.

Gene asked if the City had a computer replacement program, and would any in need replaced in City Hall? Crystal's computer is finicky, but Kelly's computer is the oldest. Perhaps it needs replaced this year? Kelly suggested that Public Works needs a server and a better firewall (if they even have one now). There was also discussion regarding whether any public works vehicles would need replaced this year? Kelly said she thought they were good right now. Gene explained to Reagan about the budget timeline. He has read on various sites about all the cost increases and would like Kelly to factor 4-5% COLA this year, just to see if we could afford it, because of all the increase costs of living like fuel, food, housing, etc. The state rate is 2.9%. Kelly had updated the budget to see, and the Water and Sewer Funds could support a 5% increase without raising rates.

With that, the Committee will wait for Robert's input on Work Comp and then meet again next month to start prepping in more detail for FY2027's budget.

MEETING ADJOURNED AT: 4PM

INITIALS OF COMMITTEE MEMBERS (Approving minutes): _____

