City of Bull shoals Budget 11/6/2025

Budget Review: The meeting focuses on reviewing the proposed budget for the upcoming year (2026), going through each city department (City Hall, Fire, Police, Streets, Dam Site, Parks, Courts, Solid Waste, Water, and Sewer).

Revenue and Expenses: They meticulously examine revenue sources and projected expenses for each department, identifying areas of surplus and deficit.

Deficits and Funding Concerns: Significant deficits are noted in the Fire and Police departments. Concerns are raised about the allocation of funds, particularly regarding depreciation and set-aside percentages.

Set-Aside Percentages: There's a discussion about the city's ability to meet the recommended 10% set-aside for reserves, with a recommendation to stick with 5% due to current financial constraints.

Depreciation Account Issues: A major point of contention is the handling of depreciation funds. It's revealed that depreciation funds are currently being swept into a general "Sweeps" account, making it difficult to track and allocate them for specific departmental needs (e.g., replacing fire trucks or police vehicles).

Dedicated Accounts: The importance of dedicated accounts for specific purposes (e.g., water tower construction, parks donations) is emphasized, and the need to prevent funds from being diverted from these accounts.

Transparency and Public Understanding: There's a strong emphasis on the need for transparency and clear communication to the public regarding the budget, especially concerning the city's overall financial health and the use of dedicated funds.

Addressing Past Issues: While acknowledging past issues and mistakes, the focus is on moving forward and making improvements to the city's financial management.

Conclusions:

Budget Approval Preparation: The meeting is primarily aimed at preparing for a public presentation of the proposed budget.

Need for Improved Financial Tracking: There is a clear need for better tracking and allocation of funds, particularly depreciation funds, to ensure that departments have the resources to replace aging equipment. Importance of Dedicated Accounts: The city needs to maintain the integrity of dedicated accounts and prevent funds from being diverted for other purposes.

Transparency is Key: Clear and transparent communication with the public is essential to build trust and ensure that citizens understand the city's financial situation.

Focus on the Future: The city needs to focus on making progress and improving its financial management.

Sewer System Concerns: The sewer system is a major concern, with the current budget allocation likely insufficient to address the necessary repairs.

Need to Justify Fund Allocation: The city needs to be able to justify its fund allocation, especially when it comes to explaining why it has a large amount of money in the bank but cannot afford to allocate more funds to certain departments or projects.

Need to Clarify the Purpose of the General Fund: The purpose of the general fund needs to be clarified, especially in relation to its $50,100 limit and how it is used for payroll.

Need to Track Interest on Sweeps Account: The interest earned on the sweeps account needs to be tracked and allocated appropriately.

In essence, the meeting highlights the challenges of managing a city budget with limited resources, the importance of transparency and accountability, and the need for strategic financial planning to address future needs.

Randal Bolen

Budget Chair