

SPECIAL CITY COUNCIL – BUDGET WORKSHOP / REVIEW
WEDNESDAY, OCTOBER 21, 2015 – 6:00 PM
COUNCIL CHAMBERS, CITY HALL

Mayor Connors called the meeting to order at 6:00 p.m.

Roll Call. Present: Mayor Connors, Aldermen Chappell, Wall, Kordus, Gelting, Kupsik, Hedlund, Howell. Absent: Alderman Hill and City Attorney Draper. Also Present: City Administrator Oborn, Comptroller Pollitt, and City Clerk Waswo

Comments from the public as allowed by Wis. Stats. §19.84(2), limited to items on this agenda, except for public hearing items. Comments will to be limited to 5 minutes.

Employees Jeff Nethery, Joanne Busch, Rita Moore, Holly Povish, Becky Kostman, Brenda Jay, and retired Police Chief Richard Meinel spoke in opposition to a health insurance premium share.

Discussion/Workshop on 2016 Annual Budget

City Administrator Oborn went over the budget showing the trending of the revenues and expenses. He noted the beach pass revenue brought in \$21,500 which was a new fee this year.

The council discussed pier replacements being paid out of the Lakefront fund balance. Based on a prior resolution, \$75,000 is added to the fund each year. At the beginning of this year the balance was \$760,000. The intent of the fund is for major replacements or additions, which would require council action. Last year these monies were used to add 10 pier slips to the west end. There was a consensus to use these funds for the pier repairs completed earlier this year.

The Parking fund revenues are trending down. Mr. Kordus stated at the last meeting they spoke about adding a charge for resident parking stickers if requesting 2 or more. Mr. Oborn stated he put it in the general fund as an increase. It was noted that free parking during the winter will result in less tickets issued as well.

Major outlays are expected in this year's budget for new handheld ticket writers with \$25,000 rolled into next year. Discussion followed on considering the expense as capital and increasing the amount to \$50,000, with consensus to fund from the parking fund versus the general fund.

Mr. Oborn explained the major revenue and expenditures for the General fund. One direction of FLR was to have the City keep \$350,000 out of the first \$450,000 of room tax. Any amount over the \$450,000 would be split 25% to the chamber and 75% to the City.

The City qualifies for the expenditure restraint program which is an additional \$61,310 of shared revenue. The Police revenue was trending down due to the loss of some grants. Mr. Oborn noted health benefits are a major issue with last year's cost being 1.5 million. He hopes the transparency, plan design and wellness health measures will trend that amount down. Even with the trend down, it still had to be raised as there wasn't enough budgeted in 2015. The City Clerk budget increased as there are additional elections in 2016.

The Fire Department had a significant increase in 2015 revenue due to additional calls this summer. They are planning on staffing more paid on premise with yearlong 12 hours days. In 2017 they would like to increase this to 24 hour days from June to October. Chief Connelly stated at the next Committee of the Whole meeting he will present a 10 year program looking at issues fire services are facing and is considering consolidation down the road.

The City has the option of direct billing the Public Fire Protection charge, which Mr. Oborn included as an option. The Utility is looking at a 34% rate increase that translates to \$84,000. The Fire Hydrant rental can be placed on the water bill; although, as long as it is done on the General fund it is considered a municipal charge. Cites are trending to adding this charge on the utility bill to not affect the General fund.

The Street Department is trending up, but the new Laborer position and the 1/3 of the Director of Public Works salary has not been added in.

FLR recommended option 1. This includes 1.5% employee raises, changing the counter position to 2 part time positions with a health savings that transfers to the new Street Department Laborer position, 34% share for services of the Director of Public Works, and direct billing the Public Fire Protection charge. The charge is currently on the property tax bill and would be moved to the utility bill.

The levy assessment was increased in option 1 to \$50,000. The contingency was cut to balance the budget; however, it was noted the excess levy could be added to contingency. Based on the earlier adjustments they currently have a \$75,000 surplus. Mayor Connors would like to increase contingency to \$100,000. By direct billing the PFP charge on the utility bill, the mill rate will decrease. Ms. Pollitt said taking out the \$50,000 capacity does lower taxes; however it is very unusual to have a \$232,000 credit by removing something out of the budget. She cautioned reducing the mill rate as next year it might have to be added right back. Mr. Connors noted they are not guaranteed an additional \$61,000 from expenditure restraints next year either.

Mr. Oborn explained the property tax levy and stated it be increased by \$71,442 with 3 of the 6 components showing an increase. The Library is asking to implement the wage study increase of \$51,204 with the City absorbing it in a levy rate increase. He recommended the City increase the Library levy by \$12,800, which is 25% of the amount they requested. There was discussion on implementation of the wage study with a cost of \$14,500 for all employees excluding the Library. Mr. Kordus is okay with 25% as long it does not lock them into 25% for all employees. The consensus was to leave the Library levy increase at 25%. Ms. Pollitt spoke with the Director and feels totally comfortable the amount will be used solely for wages, but there is no guarantee.

Alderman Chappell questioned if employees will have to contribute to their health insurance next year. This was discussed at the last workshop and is shown in option 2 as employee contributions. A health insurance premium share of 10% would be \$188,000 in savings to the City and 3% would be \$56,000 in savings. Option 2 shows a 5% premium share which totals \$93,773 in savings. Mr. Kordus would like to go with option 1 and as the premium share belongs in personnel for further evaluation.

Mr. Oborn explained the remaining changes of option 2. Ms. Pollitt noted there could be some fluctuations as the final assessed value is not in yet. They will make the changes discussed and take the draft budget to Council on Monday with approval to publish a summary version.

There was a consensus to move forward with option 1, keep the mill rate the same and move the \$25,000 surplus to health insurance costs. By direction Ms. Pollitt will build the 1.5% raises into every department.

Adjournment

Kordus/Chappell motion to adjourn at 8:17 p.m. Motion carried 7 to 0.

/s/ Sabrina Waswo, City Clerk

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