

Joint Finance Committee and Committee-of-the-Whole Meeting Minutes September 28, 2009

Chairman Larsen called the Finance Committee meeting to order at 5:00 pm.

Mayor Sullivan called the Committee-of-the-Whole meeting to order at 5:00 pm.

Members present: **Finance Committee** – Aldermen Larsen, Antonneau and Cochrane
 Committee-of-the-Whole – Mayor Sullivan and Aldermen Cochrane, Miller,
 Schmitter, Morgan, Nold, Larsen and Antonneau

Excused: Alderman Kohlenberg

Staff Present: Gard, Kitsembel, Frye, Maurer, Gallo, Beguhn, Duffy, Leidel, Schmidt, Dodge,
 McKenna, Spencer and Coenen

Others present: Atty. Chapman

2. Consider/recommend Proposed 2010 City Budget

Gard stated that Department Heads did a good job putting together their budgets within fiscal constraints while maintaining service levels. There are concessions on health insurance and we are bringing forward a budget without mandatory furloughs that can meet our obligations. Kitsembel stated that staff reformatted the budget to pull together all revenues and expenditures by department. Each department also incorporated new performance pages that outline the department's objectives, goals, inputs, outputs and performance measurements. Next Kitsembel gave a power point presentation (copy included). The Assessed Tax Rate at \$4.56 is used on the property tax bill to calculate the amount of property taxes owed and this means taxpayers would not see an increase in the City portion of their 2009 property tax bill. The Equalized Value Rate is used for comparison to other communities. Equalized values are determined by the State for the purpose of eliminating variations in assessment levels across the State. As presented, the EV rate would increase from \$4.49 to \$4.63. This budget meets the State imposed levy limit for 2010. The State budget extended levy limits for an additional two years (2010 & 2011) and the levy limit increase for 2010 is capped at our 2009 net new construction at 1.3% or 3%, whichever is higher. In addition, the State is allowing the carry forward of the previous two years unused levy limit capacity. The proposed levy for 2010 is \$8,136,307 which is an increase of 2.6%. Due to the economic climate, we are facing budget challenges. We are projecting the economic downturn to decrease revenues in building permits, fines/forfeitures and interest. The economic downturn does not reduce the City's demand for service from our local government so these revenue declines are difficult to absorb. In addition the economy has affected our State and the State has shared some of their pain with local governments. Two examples for our community include a shared revenue payment reduction of 15% and an increase in tipping fees for garbage collection of 120%. At the same time the State has decreased their support to locals, they have implemented a new maintenance of effort requirement for emergency services that requires a municipality to spend the same amount for emergency services funded from shared revenue as they had in 2009. And as previously mentioned they have also extended levy limits for an additional two years. Other challenges we faced include the increases in health insurance premiums to cover changes in domestic partners and children, retirement contribution rates and worker's compensation premiums which increased due to a few unique claims. The City budget has five major items that affect it: Fire Station #2, Downtown Projects, Street Maintenance Programs, Town of Summit Attachment and Operational Changes. In summary, the proposed budget includes funding for Council priorities, has no property tax increase and is less than the statutory levy limits.

The Committees had questions on the insurance premium increase. Kitsembel stated that the City had 3 – 4 claims that were unique in nature and that the City will continue to manage safety through our safety programs. She pointed out that one bad year will affect the City for the next three. Gard stated that she has met with the Safety Team and they will continue to emphasize safe work and practices to the employees. The Committees asked for clarification on the Fire Department Administration budget. Kitsembel stated that 8% of the Public Safety Director's salary is now allocated to the Fire Station and 8% to the Ambulance Fund. The Committees questioned the use of salt during winter snowfalls. Frye responded that the City is looking at safety first, cost and the environment when implementing the use of salt. We are also looking at powderization of salt as another form of salting. The Committees questioned the 2.9% wage increase for employees. Kitsembel stated that non-union employees are treated the same as union employees for wages

and insurance premiums. The total salary increase for all employees is \$157K. The Committees asked about the City Emergency Fund. Kitsebel stated the contingency is ½% of budgeted expenditures and if needed, the City could use our fund balance. Sullivan stated the City is well protected as evidenced by a recent bond rating. The budget challenges the City is facing total \$728K and departments made a lot of cuts to absorb those challenges. The Town of Summit attachment will increase City valuation in 2011 and a fire merger has been broached by Summit.

Gard updated the Committees on the Berkshire Senior Center. She has had several discussions with David Weiss regarding the donation of an unused room. Weiss is not willing to donate it. To date, City contributions total \$750K and the City also gives \$6K a year to fund the center. No additional contribution has been included in the 2010 budget. There is a 30 year lease for the current space and the lease can be terminated at 15 years. Gard had asked for and received a financial statement from the Senior Center. They have cash and CD's equivalent to approximately 2 years of operating expenditures.

Kitsebel stated the next step is a Public Hearing and recommendation of the 2010 budget that will be scheduled for Tuesday, November 3rd.

Finance Committee: Motion by Larsen to recommend the proposed 2010 budget; second by Cochrane. Motion carried 3-0.

No action was taken by the Committee-of-the-Whole.

3. Consider/recommend Proposed 2010 Garbage/Refuse Collection Fee

Kitsebel reported that tipping fees increased by 120%. The recommendation is to increase the resident fee for garbage/refuse collection to \$190.00. The cost to the City is \$200.00 per residence. The increase to the residents from 2009 is \$15.00 and the \$10.00 difference will be funded through other revenue sources. It was noted that for the last several years the increase to the residents has been \$5.00 a year.

Finance Committee: Motion by Antonneau to recommend the 2010 garbage/refuse collection fee of \$190.00; second by Cochrane. Motion carried 3-0.

No action was taken by the Committee-of-the-Whole.

Motion by Larsen to adjourn the Finance Committee meeting; second by Antonneau. Motion carried 3-0. The meeting adjourned at 5:58 p.m.

Motion by Larsen to adjourn the Committee-of-the-Whole meeting; second by Antonneau. Motion carried 7-0. The meeting adjourned at 5:58 p.m.

Minutes taken by
Diane Coenen, City Clerk
FC - Ald. Cochrane, Secretary