

**AUGUST 24, 2017 FINANCE COMMITTEE MEETING MINUTES**-filed AUGUST 35

2 p.m. Council Chamber. Members present: M. Hraban, R. Moore, B. Stoneberg for M. Platteter. Others present: A. Christianson, C. Huiras, K. Jeffress, K. Julien, L. Klink, B. Morgan, D. Parker, T. Verdegan.

**Summary:**

Comptroller Verdegan reviewed a 2018 budget summary wherein there is a comparison of departmental expenditures that would be covered if taxes were raised by \$0.50 per \$1,000 of property value vs. if taxes were raised by \$0.63 per \$1,000 of property value. The difference between the two involves differences in debt service and a \$23,500 reduction of monies that had been tentatively allocated to new skate park equipment. Rather than spending \$31,000 to purchase a piece, \$7,500 will be provided to purchase materials to enable local users and supporters to construct the new piece themselves. \$0.50/\$1,000 translates to an increase in taxes of \$25 on property valued at \$50,000.

**Skate Park:**

Kyle Jeffress, who was present and led recent efforts to repair other skate park equipment, said he believes the project referenced above can be accomplished with the reduced allocation. After some concern was expressed about skate boards and bikes being used elsewhere downtown, Mr. Jeffress said he will work with facility users to try to improve that behavior. He did note, however, that there seems to be some contradictory language in the Municipal Code in this regard. It was mentioned that the Legal Affairs Committee might be able to look at this. Mr. Jeffress also mentioned that Lampert and Ace have donated a fair amount of material for this effort. Those present commended those vendors as well as Mr. Jeffress for their respective donations.

**2018 Budget Draft:**

The draft 2018 budget currently anticipates \$629,000 of borrowing. The 2017 budget already includes the following items:

- Funds for City Hall remodeling.
- \$400,000 borrowing from SDWLP for W. 2<sup>nd</sup> St. rebuild.
- Money for new fire truck.

**Fund Balance:**

The City's general fund balance is presently \$211,000 above the 25% (of general operations budget). The Council approved level is 25%-30%.

**Borrowing:**

Adm. Christianson reviewed correspondence exchanged with Municipal Finance Advisor, Sean Lentz from Ehlers and Associates. A copy is attached.

- There are currently interest savings the City can realize if it refinances some existing debt.
- If the City combines refinancing with new borrowing it can avoid duplicating issuance related charges.
- A \$400,000 "bridge" loan may be needed for the 2016 CDBG project (Pederson, Center, E. 8<sup>th</sup> St.).
- Pioneer Bank is ready to loan the City this \$400,000 at 4.25%.
- \$1,100,000 could be needed for the Rockwell addition.
- \$1,400,000 would be about the maximum the City could borrow for additional street reconstruction, although some equipment purchases could also be included.

**Maintenance:**

It was noted that, when the State first put levy limits in effect, the City didn't spend extra that year to establish a higher spending base as many communities did. Instead, the City went forward on the belief

that these limits would be short lived. They have not been. In the first couple years parks and rec spending was cut way back as was street reconstruction. As a result of years of lower allocations since, these two categories, in particular, have seen inadequate maintenance. The Park Board has developed a considerable list of maintenance needs at a time when it would like to develop some new facilities. Ms. Huiras provided examples of some of these needs, such as broken equipment at the LES playground with a "Do Not Use" sign on it; and, no directional signs to facilities adjacent to NCA. She added that the same lack of maintenance is evident at the City's ball fields. While player's parents and coaches have done much of the day by day work to keep the fields operating, as parents and coaches have for years before them, the dugouts and fences are in need of work to not only improve appearances but to make safety repairs.

Mr. Moore agreed that the Council has been too conservative.

It was noted that Rusk County has rolls and rolls of chain link fencing on hand, which was salvaged from the Flambeau Mine.

**Investments:**

It was noted that, like most of rural Wisconsin, our area is seeing population decline despite a lot of good attributes. That is why the Park Board has an interest in developing facilities such as a "splash pad" or "waterslide" that should help attract young families. Improved bike facilities are another that has been discussed. If population decline continues it means fewer people bear the cost of maintaining what we have.

Ms. Huiras noted that, on a recent occasion, 13 vehicles were parked at the Wagon Bridge Landing to facilitate a float rip, adding that limitations there made that difficult. She went on to say that paving the access area would be a big improvement.

**Insurance Premiums:**

Comptroller Verdegan stated that even though health insurance premiums for most groups are expected to be up 7-8%, the City has been quoted an increase of only 2.8% for 2018. This is because the City has been able to maintain its own group, which has a good history, while others have been combined into much larger community based groups with poorer histories. Motion was made by M. Hraban, seconded by Moore and carried by voice vote to recommend Council approval of this quote.

**LPD:**

Lt. K. Julien advised that LPD and the P and FC are considering some staffing changes that may reduce costs somewhat, but won't be in position to comment on details until after a September 19, meeting. Lt. Julien also noted LPD will reduce its office equipment purchase request from \$10,000 to \$6,000, but added that some reconfiguration of the office layout is needed to make it work more efficiently. It was suggested he talk with Mr. Naczas about some new office equipment the latter might have on hand. The Lt. agreed to do.

**Dumpster Fees:**

There was discussion of increasing dumpster fees to move the City's waste collection and disposal operations back into the "self supporting" category they had been in. After some discussion, Mrs. Stoneberg made a motion which was seconded by M. Hraban and carried by voice vote to make the following recommendation to the Council:

-That dumpster weight charge rates be increased from 8 cents/lb./ to 10 cents/lb.

- That the initial drop off rate for a temporary dumpster be increased from \$25 to \$35.
- That a charge for return trips to empty temporary dumpsters be established at \$15/trip.

Comptroller Verdegan will calculate anticipated revenues these change will generate, if adopted.

**Meeting Notices:**

Although Mr. Platteter is expected back before the next meeting, Mrs. Stoneberg wishes to continue receiving Finance meeting notices. Similarly, Mr. Moore wishes to continue to receive notices of upcoming Public Works meetings.

**Adjourn:**

The meeting adjourned at 3:45 p.m.