

AUGUST 29, 2018, FINANCE COMMITTEE MEETING MINUTES -AUGUST 46

3 p.m. Council Chamber. Members present: M. Hraban, M. Platteter, B. Stoneberg. Others present: A. Christianson 1 and 2, K. Gorseger, K. Julien, D. Parker, T. Verdegan.

Call to Order:

Committee Chair Platteter called the meeting to order and presided.

Budget Amendment:

Comptroller Verdegan reviewed the approved 2018 budget, including planned work that didn't happen, putting the City in position to amend that budget at this time.

- \$625,000 of planned borrowing wasn't undertaken.
- Tennis courts weren't resurfaced.
- Street work (on Summit Ave.?) wasn't done.
- The electrical service to the Jaycee Pavilion wasn't upgraded.

It was noted, in response to a question, that the unassigned fund balance was \$921,209 at the end of 2018.

Motion was made by Hraban, seconded by Platteter and carried by voice vote to recommend Council approval of the attached resolution to amend the 2018 general operations budget.

Borrowing:

It was noted that many communities are using borrowing to augment budgets as repayment of borrowing isn't subject to levy limits. Mr. Hraban pointed out that borrowing has to be for capital expenditures, not for operating costs.

New Construction:

New construction can also raise the tax base enabling commensurate tax increases. The last time the City had a chance to take advantage of this and add \$47,000 it did not; possibly making it the only community not to. In another year, new construction at Prevea and DQ should provide a positive bump. The DQ value will accrue to TIFD #9. Sale of RCMH to Marshfield Clinic or its associates will also put that facility on the tax roll and increase revenue to TIFD #9, although the outcome of Wal Mart's dark store claim might do the opposite.

Cost Reductions:

Chair Platteter reviewed a list of large and small cost items that might be looked at, as follows:

- Reduce fireworks contribution from \$3,000 to \$1,500.
- Reduce goose control by \$2,500
- Eliminate beach parking lot paving to save \$50,000.
- Reduce library staff by one position.
- Eliminate \$25,000 by not moving skate park.
- Reduce City Attorney's monthly fee of \$1,750. Copies of the Attorney's job description were passed around as it appears in the Municipal Code.
- Freeze employee wages.
- Can trash bag stickers be printed at less cost?
- Can LPD staffing be reduced in view of the City's declining population?
- Can cost of Riverview Trail work be reduced?
- Eliminate \$1,000 E-Day set aside.

- Reduce or eliminate \$1,500 for sand hauling.
- Reduce \$30,000 for ball field upgrades.

Revenue Enhancers:

Mr. Platteter also noted possible revenue enhancers:

- Increase trash sticker fees by 50%.
- Increase cemetery fees.

Responses:

Mr. Platteter's was commended for developing this list of discussion items. His thoughts drew some immediate responses, however, which is how this is supposed to work:

- Mrs. Stoneberg stated that LPD needs every position it has.
- Chief Julien stated that there are 7.5 positions where there once 10.
- The possibility of trash bag sticker increase brought several replies as this was a major topic of debate during budget deliberations a couple years back.
 - *Mayor Christianson suggested considering a different form of charging by volume for trash removal than stickers.
 - *DPW Gorsegner noted that needed water and sewer rate increases are already likely to cause utility bills to go up enough to generate criticism. It was also noted this service is self-supporting so doesn't require tax levy support.
 - *Mr. Hraban stated that our residents are accustomed to a higher level of service than a private vendor would provide, including returning elderly residents' cans to places they keep them, providing special cleanups, etc. He also noted that having a per can fee penalizes the proverbial little old lady who places a small bag in the bottom a can vs. a large family that fills their can to over flowing.
 - *Adm. Christianson said that a switch to volume-based trash bag stickers decades ago reduced in-migration of trash to the City by 40%, vastly reducing the City's tipping fee. He told of folks residing outside the City setting their trash on City curbs at friends and relatives houses inside the City being rampant before the switch.
 - *It was pointed out that cemetery fees are already set up to automatically increase 3% annually.
 - *The Mayor, City Attorney and Municipal Judge are currently all paid a monthly amount.
 - *DPW Gorsegner stated sand hauling was specific to 2017-2018 adding that the \$1,500 for 2019 would be used for lifeguard equipment needs. It was also noted that a public referendum some years back requires annual expenditure of \$12,000 on beach operations. This must continue until such time as it is changed pursuant to another referendum.
 - *Mr. Parker feels \$15,000 will address ball field needs.
 - *Mr. Gorsegner stated that \$1,000 for E-Day is for materials, and may accomplish \$5,000 of work.

Cost Increases:

Attention was called to costs that are proposed to go up considerably from 2018 to 2019. One of these involves an approximately \$100,000 increase in recreational facility costs. These have been proposed, in part, to make the types of improvements that will help attract and retain residents. Population decline is regarded by many as the largest issue facing the community. Adm. Christianson recalled that these expenditures were cut deeply many years ago on the belief that tax levy limits were only temporary. Instead they have endured to the present and such projects have been few and far between.

Mr. Hraban mentioned that the City should get reimbursed from the Rusk County Recycling for the cost of a new recycling trailer.

LPD:

Adm. Christianson asked if LPD's role is changing, noting a former officer described department staff as "social workers with guns". Chief Julien replied that mental health calls are up with a total of 54 in 2017 and 84 to date in 2018. Mrs. Stoneberg asked if vehicle leasing has ever been considered. The Mayor asked if the one squad that had a new motor put in it this spring passed a thorough inspection and is in good condition, if purchase of a replacement might be put off a year. Chief Julien indicated it was his hope that, if a squad is purchased in 2019, none would be necessary in 2020 and 2021.

TIFD:

Adm. Christianson stated that TIF could, perhaps, be used for selected items currently proposed to be included in the budget. He mentioned Riverview Trail matching monies and Corbett Lake professional services as examples. He will review capital purchase requests to see if any of those seem TIF eligible.

Go Back:

Mr. Platteter asked if department heads should be required to go back and identify another 5% or 10% of reductions from their initial requests. Department heads present stated they have done this for years and approach their proposals as being "bare bones". DPW Gorsegrner said that if given this directive he would have to give it back to the Committee/Council by essentially asking them tell him which service to cut. Then he could find the number that applies.

Overview:

Mr. Hraban noted that the Committee started deliberations last year with a \$750,000 difference between forecast revenues and expenditures. Each year tends to start that way. Last year most of that differential was closed by proposed borrowing or application of fund balance although so much of that balance was used it doesn't seem an option this year. Borrowing remains an option. Mr. Platteter stated a concern with needing to borrow year after year.

Next Step:

Most of those present feel a logical next step is to identify capital purchase items in the budget that might be covered by borrowing. These will be reviewed and, perhaps, prioritized at a meeting planned for Sept. 4, at 4 p.m.

Adjourn:

The meeting adjourned at about 4:50 p.m.