

SEPTEMBER 12, 2018, FINANCE COMMITTEE MEETING MINUTES

4 p.m. Council Chamber. Members present: M. Hraban, B. Stoneberg, M. Platteter. Others present: A. Christianson 1, B. Doud, K. Gorseger, H. Helmecei, K. Julien, S. Moore, D. Parker, T. Verdegan.

Call to Order:

Chair Platteter called the meeting to order and presided.

Appearance:

Local insurance agent Blake Doud appeared to state that firms (EMC) he represents would like to quote City insurances. He stated that they have been able to be competitive with so-called "League" insurance. Mrs. Stoneberg stated that getting competitive quotes should be a good idea.

Security Cameras:

Mr. Platteter asked Ms. Helmecei about costs of a recently installed security camera system. She replied that the \$7,000 cost was covered by a contribution from "the foundation". She went on to say that, although it varies year to year, theft losses had averaged about \$5,000 annually.

Current 2019 Budget Draft:

Comptroller Verdegan advised that she and Mr. Hraban reviewed the draft 2019 budget in detail and came up with a new draft that is almost balanced. She then reviewed details of the draft. Nobody in attendance stated any objections to the draft presented. The draft anticipates new borrowing of \$346,000 for capital expenditures. Some of those present commended Mrs. Verdegan and Mr. Hraban for this extra effort.

Health Insurance:

Comptroller Verdegan reported SecurityHealth has quoted a very favorable rate increase of 4.1% for 2019. It had been anticipated the increase would be about 9%, which amount was built into the draft budget. Motion was made by Stoneberg, seconded by Hraban, and carried by voice vote to recommend Council approval of this SecurityHealth Proposal. It was noted that the savings realized may be enough to cover the remaining draft budget deficit between projected revenues and expenditures.

It was also noted, however, that the City currently has some rather high workers compensations claims. Rates for these are set by the State, based upon the City's experience, so are beyond local control.

Wage/Salary Increases:

It was noted, in response to Mr. Platteter's question, that the current 2019 Budget Draft includes 2% wage and salary increases for City employees.

Debt:

It was noted that the City's general obligation (G.O.) debt is in a declining trend and that available borrowing capacity is currently about \$5,000,000. It was noted, in response to a question, that if \$346,000 is borrowed that annual payments on that will be between \$40-45,000.

Adm. Christianson stated, in response to a question, that the City's G.O. debt in recent years was higher than that of most communities because Ladysmith borrowed more for industrial purposes. He went on to say that this borrowing was supported by rent and purchase payments from manufacturing tenants.

Education:

Ms. Moore commended the City for upgrades it has made in recent years and suggested it would be useful to educate the public about budget realities.

Farmer's Market:

Ms. Moore also asked how a new farmer's market pavilion would be paid for; through TIF or borrowing. Adm. Christianson replied that he hasn't seen enough support expressed yet to warrant deciding where the money would come from, although both sources mentioned could be options. Mr. Hraban asked if the market would outgrow a pavilion how it would be determined who would be entitled use spaces under it and who would have to set up outside it.

Barron Comparison:

Mr. Platteter passed around copies of the City of Barron's 2017 budget and noted that City seems to have both lower expenditures in many categories, and lower taxation, even though it has a slightly higher population. Some indicated it will be interesting to learn more about the reasons for the difference, while others noted all communities are different in many ways and drawing comparisons may be of limited value.

Some seeming differences might include the following:

- Barron does not seem to have library or animal control expenditures.
- Barron has a power utility and a steam plant.
- Barron doesn't seem to have trash collection, although it may operate a landfill.
- Barron may have a large number of p.t. police

Next Meeting:

Another meeting will be planned for next Wednesday, September 19, at 4 p.m.

Adjourn:

The meeting was adjourned at about 5 p.m.