

SEPTEMBER 26, 2016 FINANCE COMMITTEE MEETING MINUTES

4 p.m. Council Chamber. Members present: M. Hraban, R. Moore, M. Platteter. Others present: A. Christianson, K. Gorsegrner, A. Lobermeier, T. Verdegan.

Call to Order:

Committee Chair Moore called the meeting to order.

Budget vs. Borrowing:

There was discussion of capital items which might be borrowed for to better match their useful lives with the time frame in which they are repaid.

Short vs. Long Term Borrowing:

It was noted that, because we plan to seek grant assistance with road construction, in particular, we shouldn't borrow for that until we learn whether the City will be awarded the grant assistance. It may be late next summer before we will know that. It may be well into 2018 before costs incurred will actually necessitate the borrowing. If we want to undertake at least one sizeable street project next summer it may be best to select one that can be TIF assisted or one that seems unlikely to attract grant funding, such as the Phillips Ave. project. Short term borrowing is available at 2.5% through the Board of Public Land Commissioners managed Wisconsin State Trust Fund if for no longer than 5 years.

It was noted that, while the City's auditors recommend the City keep from 25-33% of its annual budget amount on hand in its general fund balance, the City is presently at the upper end of that range such that it could apply some general fund balance to meeting current needs. Mr. Platteter advocated doing that before borrowing.

It was noted that Gustafson Rd. needs to be upgraded to assist marketing the soon to be vacated Conwed property. Support was also expressed for resurfacing Barnett Road. Both date to early 1980s and are quite rough owing in part to an inadequate base.

It is thought that the City's required contribution toward planning for the Lake Ave. resurfacing project can be paid from TIFD #8 as "professional services". This cost is currently estimated at \$52,000, but there is talk of delaying the project from 2018 to 2020, or even 2024, so that could change.

A proposed 2017 plan for borrowing and application of general fund balance to meet needs is attached.

Next Meeting:

Another meeting may be held Monday, October 3, at 4 p.m.

Adjourn:

The meeting adjourned shortly after 5 p.m.

Budget 2017 Discussion at Finance Meeting -- Monday, September 26, 2016

428,000 Public Works

180,000 Phillips Ave

20,000 High School

62,000 Adams

76,000 Engineering for Street Construction

65,000 Street Equipment (Bucket Truck & Asphalt Roller)

25,000 Chip Sealing

210,000 Fire Dept Tanker (additional \$10,000 added)

50,000 City Hall Remodel

688,000 *Items identified that could be covered by short term loan*

488,000 2017 Budget -- Borrowing

200,000 Cover by General Fund Undesignated Balance:

688,000 Budget Deficit (includes additional \$10,000 for Fire Dept Tanker)

Raise Levy to Cover Debt Payment Increase