

SEPTEMBER 26, 2018, FINANCE COMMITTEE MEETING MINUTES

4 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.

Next Meeting:

The Committee will plan to meet Monday, October 1st, prior to the All Committee meeting, in order to attempt to work out final details so that the proposed budget can be reviewed with all Council members prior to the Public Hearing.

2019 Budget:

Comptroller Verdegan reviewed the most recent budget draft based on considerations from the Sept. 19, meeting. She noted that this latest draft includes the following adjustments:

- Two expenditure items were removed that were listed twice, reducing costs by \$68,318. This amount was taken off planned borrowing of \$346,000, reducing that number to \$277,682. Total interest paid for the life of this loan is expected to be about \$60,000.
- The \$277,826 loan will require a 10-year payment of about \$33,800 if at 4.25% interest. A current loan payment of about \$30,000 will end in 2021 nearly offsetting the \$33,800 payment, the first payment of which is not anticipated to be made until 2020.
- A lower than expected health insurance premium increase of 4.1% was factored into labor costs.
- A \$2 per quarter utility bill increase for trash collection costs is expected to generate \$7,000/year.

Fees:

Mr. Platteter asked fellow Committee member if they are interested in increasing fees such as pavilion rentals, trash stickers, cigarette licenses, picnic licenses and tavern licenses. Following were among others' thoughts on these:

- Raising some of these fees will have little budget impact as there are so few of each issued.
- Commercial trash fees are believed to be in line with residential fees.
- A \$0.50 increase in a \$2 trash bag sticker would be a significant increase of 25%, whereas a \$0.50 increase on a quarterly water bill wouldn't even be noticed.

Issues:

Mr. Platteter stated an intent not to support the current budget proposal as the following concern him:

- That one library employee was granted a raise this year, while others were not.
- Not knowing what the Committee's plans are for borrowing relating to the 2020 budget.
- That trash collection fees should be raised; preferably by increasing sticker fees.

Librarian

It was noted that the Head Librarian has authority over subordinates such that the only ability the Council has is as to the budget.

Borrowing

It was noted that what might need to be borrowed in 2019 is very difficult to know at this time owing the following:

- Each year is different. For example, the City may get "principle forgiveness" on part of a CWF loan, which would significantly reduce borrowing needs.
- Departments routinely ask for items they realize may not be approved the first time they are requested, but do so to get the Council thinking about these items for the future.

- Initial budget requests nearly always create a large imbalance that is worked through and reduced.
- The approved 2018 budget included borrowing that was not actually undertaken.

Referendum:

Mr. Hraban suggested that, if a referendum is to be held to enable levying a modest (\$250,000) amount to be used exclusively for street construction, it should be set up this coming winter so the public can focus just on that subject.

Schedule:

Motion was made by Hraban, seconded by Stoneberg, and carried by voice vote to plan on the following schedule for budget action:

- Review draft budget with All Committees on October 1st.
- Place Hearing Notice in Ladysmith News on October 10th.
- Conduct 2019 general operations Budget Hearing at October 22, Council meeting.

Adjourn:

The meeting adjourned at about 5:10 p.m.