

SEPTEMBER 8, 2015 FINANCE COMMITTEE MEETING MINUTES

2:30 p.m., Council Chamber, Members present: M. Hraban, M. Platteter. Others present: A. Christianson, K. Gorsegner, T. Verdegan.

Call to Order:

In Committee Chair Brown's absence, Mr. Hraban called the meeting to order and served as Chair.

Minutes

Motion was made by Platteter, seconded by Hraban and carried by voice vote to approve minutes of the Sept. 1, Committee meeting.

2016 ED Budget

Adm. Christianson indicated that the 2016 Economic Development budget can remain the same as for 2015, adding that any project undertaken is likely to be financed outside of the general fund. He went on to say that he was going to request dollars to provide for more frequent mowing of the industrial area, but was advised that crew time is already provided for and would be coded to industrial maintenance for any additional time spent.

2016 General Operations Budget

Comptroller Verdegan responded to a question by indicating that employee raises (wages and benefits) would cost as follows, which does not include LPD, whose members are locked in by contract at 3%, or utility workers, who are paid from utility revenues rather than general revenues:

*1.0%: \$25,000

*2.0%: \$37,000

*2.5%: \$42,000

*3.0%: \$48,000

DPW Gorsegner noted that a publication circulated among municipal utilities in the State indicates that Ladysmith's utility workers are currently paid at the lowest level.

There was discussion of trying to identify street projects that might be financed through TIF if the budget allotment is reduced:

*Summit Ave. is too far outside TIFD #9.

*The 400 W. block of Corbett Ave. is within the halo zone of either TIFD #8 or #9, but hard to justify on the basis of promoting tax base growth as the frontage is fully developed.

*E. 6th St. N. between Park and Edgewood Avenues is within the halo zone of TIFD #11 and will serve new housing being built in conjunction with the Hi-Way 8 Rentals project.

It was reported that the health insurance quote recently received from SecurityHealth involves a 10% increase, which is higher than anticipated given modest increases in recent years.

It was noted that the public works crew previously gave up some uniform allowances a few years back.

The budget deficit following submission of departmental budget requests is (\$695,675). The following series of changes could, however, be combined to roughly balance the draft budget:

*Reduce street construction budget from \$500,000 to \$200,000, with \$22,000 of the latter to be earmarked for a (WisDOT) required contribution toward the cost of project engineering for the pending Lake Ave. resurfacing project.

- *Reduce LPD wage and benefit request by about \$70,000, leaving \$17,000, which could be used as local match for a COPS grant, if offered (add grant revenue of \$70,000).
- *Eliminate \$15,000 for LPD squad car purchase.
- *Use a one-time application of \$100,000 from the fund balance.
- *Increase taxes by \$166,000 to service debt.
- *Eliminate proposed LFD future vehicle purchase set aside of \$20,000.
- *Eliminate \$25,000 for Corbett Lake management on the assumption this can come from TIFD #9.

It was noted, only for explanatory purposes, that if taxes were raised enough to service all City general obligation debt, \$435,000 for 2016, that would increase individual tax bills an estimated \$300 for a \$100,000 home. If, on the other hand, they were increased to service a portion of those, \$166,000, that would increase an average tax bill by about \$114 for a \$100,000 home.

It was emphasized that using fund balance to balance annual budgets is not sustainable.

Utility Matters

It was noted that the City is likely to face considerable cost in 2017 to adjust manholes and valves on Lake Ave. in conjunction with the planned resurfacing project, although an estimate of these costs hasn't been made as yet. It was noted that, in view of ongoing issues with both the sewer jetter and the valve and manhole adjustments, it may be necessary to do at least a minimal sewer rate increase, which is at the Council's discretion. A newer jetter is projected to cost in the \$250,000 range. The City's auditors will be asked to review the status of sewer utility finances in view of these pending costs.

Notice of Hearing

It was noted that the budget hearing notice needs to be in the Ladysmith News by the end of October. Further information about health insurance costs isn't likely to be forthcoming soon, such that the next Committee meeting is tentatively slated for Monday, October 5th at 2 p.m.

Adjourn

At about 4:30 p.m. motion was made by Platteter, seconded by Hraban and carried by voice vote to adjourn.