

## **Sept. 17th, 2020 FINANCE COMMITTEE MEETING MINUTES**

5:00 pm Council Chamber. Members Present: B. Groothousen, M. Reynolds

Others Present: A. Christianson, K. Gorsenger, K. Gibbs, H. Helmecci, T. Devine, S. Kavanagh

**Call to Order:** M. Reynolds called the meeting to order.

### **Discussion of 2021 Budget:**

#### Library:

Ms. Helmecci presented the “Upper” and “Lower” Library’s budgets. The proposed 2021 budget includes an increase in wages, per the planned 2% increase, and a related increase in fringe. Act 150 (revenues and expenses) dropped from previous years due to Sawyer County redistricting. Lower Level rent was at \$2300 as of June and not expected to generate more for the balance of 2020. Lower Level rent for 2021 is contingent on ability to open. Ms. Helmecci expressed a desire to combine Upper & Lower level budgets. Upper level is split approximately 60/40 with the County. Lower level is split 50/50. The county percentage is based on average circulation stats for the last 5 years. Mr. Groothousen noted that the City’s portion for 2021’s proposed budget, is less than prior years. It was clarified that the “Fund Balance Applied” was the amount of City fund balance that would be required to balance the budget. The budget is largely a roll forward based on prior year’s trends. Wages will be higher, but fringe might actually drop some as worker’s comp, and health insurance both look to be lower than previous years. Ms. Helmecci explained that ACT 150 is generated from surrounding Counties residents using our library. It’s largely handled at the County level, and she just received the data on those revenues.

#### Fire Dept:

Chief Gibbs presented the Fire Department budget. Wage increase was an approximate. This is somewhat dependent on the number of calls the department gets. The 2021 budget amount reflects a rate increase planned for January, and assumes call activity will be similar to previous years. Most expense lines are fairly constant as they represent fixed costs of running the Fire Hall. \$2500 of budgeted expense was shifted from Vehicle Repairs to Building Maintenance. The greatest concerns center around major repairs to the Fire Hall building. 2020 is already over budget on Building Repairs from the heating system work that cost roughly \$25,000, while only \$10,000 was budgeted.

In 2021, the doors need to be replaced. Estimates for that work are in the \$15,000 - \$20,000 range. Projecting further out, the roof will also need to be replaced. Mr. Gibbs explained the revenue section is pretty much ‘etched in stone’. The 2% revenues are from the Townships and City. It’s part of a fund balance that carries over from year to year, and is primarily use to replace turn-out gear (4 sets of gear replaced each year for the next 7 years). The gear costs about \$10,000 per year.

It was explained that the decrease in Fringe was largely due to the decreasing Worker’s Comp rates coming down from a spike in 2019.

To bring the 2021 budget to actual, Mr. Reynolds suggested that we include a “Major Projects” line in the budget to recognize the outlay needed to complete projects like door & roof replacement. “Fund Balance Applied” should be used on the revenue side to show the offset to expenses of the projects. It was decided to reduce the general building maintenance expense for 2021 to \$5,000, and establish the Major Projects expense line at \$20,000.

Mr. Groothousen suggested that, similar to how we handle the purchase of new garbage trucks in the Solid Waste department, we budget yearly outlay amounts for a new fire truck. It creates more accurate financial statements when compared to incurring debt, and seeing large transactions in a single year.

#### General:

Discussion on Council Per Diems vs Committee Per Diems. Essentially, Council members are the only per diems which land in the ‘City Council Per Diem’ account. All others land in the ‘Committee Meeting Per Diem’ account.

Discussion digressed to funding of Street projects.

There is an increase in General Property Tax Revenues from shifting parcels out of TID 9, and dissolving TID 5, of \$124,351.

Mr. Gorsenger pointed out that the Liability Insurance for the Elementary Center might come down if we get occupancy in the Center. He also pointed out that insuring the new Public Works shop would be higher than when it was vacant. Mr. Devine pointed out that the insurance for the new shop would largely be allocated to the Water and Street departments.

Mr. Groothousen asked what the PILOT (Payment In Lieu Of Taxes) Program was. We currently receive payments from Rockwell and Ladysmith Housing Authority.

#### Cemetery:

The Cemetery financials are fairly static. Wages and Fringe were increased slightly from previous years. Revenues have remained fairly constant over the years, increasing slightly as charges for services increase at a rate of 3% per year. Discussion moved to the cost of grounds keeping.

Mr. Gorsenger shared that he calculated *total* cost, per hour, to run mowers (whether it be at the cemetery or any of the multitude of other City properties) was \$20.63. Mr. Reynolds made the point that, along with keeping properties tidy, we provide a service in employing young people for the summer.

Meeting Adjourned at 7:05pm

