

Minutes for Common Council Budget Workshop 10/08/2022

Call to Order, Pledge of Allegiance, Roll Call

Mayor Michael Murray called the meeting to order at 8:00 a.m. After the Pledge of Allegiance, roll call was taken. Present: Michael Murray, Adam Gigous, Richard Yarrington, Shawn Zabinski (remote), John Glynn, Lamont Kiefer, Mitchell Koel, (arrived at 8:02), Nellie Pater, Dean Peterson. Absent: none. Also present:

Senior Executive Team Summary

Budget Introduction

Powell presented the state of the City's Budget. Currently, 83% of the General fund revenue is set. She covered how the city determines how much it can levy. The total allowable levy for 2022 is \$6,054,361. This would result in a mill rate of 8.21 or \$8.21 per \$1000 of value compared to a rate of 6.50 in 2021, 8.38 in 2020, and 8.54 in 2019. The significantly lower rate in 2021 was due to the accounting errors discovered last year. Powell shared that the city of Tomah is not alone in the difficulty of funding a budget because of Act 10. Powell covered the historic levy limits by year and how net new construction affects the allowable increase to levy limit. She covered with the Council how levy dollars are allocated. She also showed a distribution of the department budgets in the general fund. Powell covered this year's budget process from where it began with department heads and the cuts that have already been made. She covered two recommendations: to approve the budget excess of \$167,000 to be used for the general operating budget in the 2023 general fund budget, and to approve the use of ARPA funds to close the budget gap in the amount of \$25,000. There are \$396,370 in unallocated ARPA funds available. Powell entertained questions from the Council after the presentation.

Police Department

Overtime was decreased by \$10,000 due to the expanded patrol officer workweek moving to 84 hours. Holum covered the increases in training for state required training. Operating costs were increased due to the rise in fuel. There was a discussion regarding the fees charged by Chasing Daylight for feral cat management. K-9 fundraising has assisted in reducing the need for General Fund dollars. For capital projects, the police department is looking at moving to hybrid vehicles to reduce fuel expenses. The squads are about \$3,000 more than the currently purchased squads but will reduce the fuel consumption. Holum also covered adding a new printer in the capital budget. The UTV/ATV was unable to be put into the budget for 2023 due to budget constraints.

Public Safety

Ambulance

The Ambulance commission will be meeting to discuss increasing the part time EMT wages, which haven't been updated in 6 years. Utilities have increased with the expectation the new EMS building will have increased costs. Service contracts increased slightly due to the new copy machine. The budget includes the purchase of an NSURE software package which will allow the billing clerk to retrieve secondary insurance information, an \$8,500 investment which could result in up to \$100,000 of additional revenue. Office supplies expenses has been reduced. Travel has been reduced. Bad debt was reduced due to more payments coming in from the VA and less bad debt. The new safety building should be completed next year around June 1.

Fire Department

There was an increase in professional services due to 5-year testing that needs to be completed, and utilities were increased due to the new building. Service contracts, training, and office supplies were cut to assist with the budget. Vehicle maintenance was increased due to the need for new tires for the fire truck. Due to constraints in debt capacity and the budget, the new ladder truck has not been placed in the capital budget. Likely, the service will purchase a used truck when possible. Adler covered his intent to bring to the Council approval of a stipend for fire fighter weekend coverage.

The mayor called a short break at 9:21.

The meeting resumed at 9:30 a.m.

Senior Executive Team/Industrial Development

Economic Development

Arity covered the proposed cost of living increase of 3% for non-represented city employees. The proposed city liability insurance has gone down for this coming year. The focus for the city is affordable housing to take care of the city's current employers. The door is not closed for development, but the focus is also keeping the current city employers strong. The future focus will be on affordable housing and proposals so increase revenues in the city to help alleviate some budget constraints. The housing study has just been completed and is the first step in that process.

In the Industrial Development budget, ten percent of Building Inspector wages and ten percent of the Public Works Director salary has been allocated into this fund due to the portion of time working with developers and working on ways to increase economic development after the elimination of the City Administrator position. Professional services include primarily Vandewahl and Associate costs for planning services and a smaller amount for operating supplies and training. There is a large balance fund in this account that was once levy funded, and those funds will be used until additional revenues can replenish the account.

TID 8

Expenses from this account include professional fees, a proposed street project, where a portion of the street wages and materials expense is allocated to this account. There is also debt and an advance to water and sewer. 5% of the Building Inspector wages and 5% of the Public Works Director salary are allocated to TID 8 which was not included in packet documents, therefore there will be a 7-8k deficit from the documents published in the packet.

TID 9

Expenses include a small street project and debt payments, along with professional fees. There is a large fund balance that could potentially be used for incentives for economic development. 5% of the Building Inspector wages and 5% of the Public Works Director salary are also allocated to TID 9.

TID 10

Expenses include outstanding debt payments.

TID 11

Since TID 11 is a new TID, expenses include primarily professional services.

Building Inspection/Code Enforcement

Inspection and Planning

Professional services expenses include a commercial electrical inspector and weights and measures inspections which are state provided. There has also been a transfer from the City Administrator's budget for grant writing. All travel expenditures have been reduced due to the availability of virtual training and the need to cut unnecessary spending.

Public Works

Public Works and Airport

Arity passed out graphs showing the year-over-year personnel and operations costs. Because of the automated trash removal system, there is enough capacity for future city growth. Arity proposed cutting one full-time person to reduce expenses and capitalize on the implemented automation. The salt budget has been reduced due to stockpiled salt. Asphalt costs have been reduced to zero due to assisting the capital projects in the Parks and Rec departments. Repair and maintenance have been reduced due to the use of an in-house mechanic to work on city property. Sidewalk costs were reduced due to the ability to use TID funds for sidewalk repair in the TIDs. \$40,000 has been allocated to lighting at the airport. Overall operating supplies have been reduced from \$451,600 in 2022 to \$405,000 in 2023.

Lake

No projects are anticipated other than normal operating expenses. The Lake District is taxed separately and not an impact to the general fund. Overtime has been cut for dam controls. Aquatic vegetation has died off and there is no true direction for a large project that needs to be completed. If necessary, some dredging may need to be completed, which would come before the Council for approval before completion.

General Buildings

No major projects are planned. The next project would be looking at replacing or repairing the roofs. A contractor will look at the roofs and evaluate the need for the future.

Water and Sewer

Projects planned for 2023 include basic hydrant maintenance, a project on ET and 12, a limited number of utilities that need to be replaced and replacing of a truck. They are taking a break on projects as to not overpay on materials and to prepare for large ET project coming up. There will be a 4.5% increase in water services starting the first of the year. That rate is set by the PFC. The sewer operates outside of those parameters and have not been increased since 2006 and Arity does not anticipate increases to sewer in the future. The goal is to not take on any additional debt unless it is through the Safe Water Loan Program. For sewer services, they will be reinvesting into the system, to reduce electricity costs. From an

industrial standpoint, a large user could come into the city and still be accommodated. They are setting up for long term uses. Fund balances are strong. Capital projects have been incorporated with the TIDs. Continue to maintain a fund balance of around \$2 million.

Treasurer

Capital Projects

Powell handed out last minute updates to capital projects to the Council. The bulk of capital projects is funded through borrowing, the rest through room tax. Powell covered the earmarked capital projects over the next five years. There were some last-minute changes due to a \$1 million grant received for the street project by the new public safety building. City crews will be assisting with some Parks and Rec projects to reduce the amount of funds needed to fund those park projects. There was a discussion regarding how room tax is calculated, and Powell was asked for her estimate of room tax dollars revenue that can be expected this year, which should be close to \$75,000 per one percent collected.

The mayor called a break at 10:58 a.m.

The meeting resumed at 11:06 a.m.

CDBG

The repayment on outstanding (non-deferred) loans are included in the proposed budget. Five percent of treasurer wages are allocated here for administration costs. Alderman Kiefer stated that the Tomah Public Housing authority will likely address the council to request the costs related to the recent retirement payout of the previous director be paid from the CDBG Fund.

Mass Transit

This is a state shared ride program. A portion of the budget is levy funded and the remainder is funded from the state and federal government. A portion of the treasurer's wages are allocated here for administrative costs. Complaints about Tomah Transit's service was discussed. The city provides the vehicles to the service; however, it has been difficult to find vehicles with the current supply chain issues.

Treasurer, Assessor, Computer and Illegal Taxes

By the end of the year, the city will be switching credit card processing to Invoice Cloud and will be passing credit card fees along to the consumer which will save \$12,000 from the Treasurer budget.

The Assessor budget increased about 25% over all due to the change in assessor services with Associated Appraisal out of Appleton.

The Computer budget has increased due to continued increased costs from 3RT. The city is attempting to work with them to decrease expenses by cutting services but has not been successful thus far. Department directors have been instructed to look for services outside of 3RT for any new computer services needed in the city. Staff is looking into purchasing currently leased equipment from the capital budget which would remove monthly services costs from operating expenses in this budget.

The Illegal Taxes budget is a contingency account for the refunding of taxes that were improperly charged and will remain unchanged.

The Special accounting Budget includes charges for Ehlers and financial audit services required by the city.

City Clerk

Appointment of 2022-2023 Election Inspectors

Weyer requested the Council approve the addition of Glenn Gallagher, DeWayne Vernon, Cesar Gonzalez Ramirez, Cesar Gonzalez Bravo, Lavonne Spires, Kathryn Parker, and Drake Kimpton to the 2022-2023 Election Officials list. Motion by Yarrington, second by Gigous to approve. Motion carried.

City Clerk and Elections

The City Clerk budget includes \$1000 cut from the office supply budget that was implemented in 2022 to continue with reducing the general fund budget needs. The Elections budget was able to cut \$10,000 from election worker budget due to a combination of the need for less elections in 2023, and the need for less election workers overall due to the implementation of Badger Books.

City Insurance

The City received last minute preliminary numbers from Tricor for auto, worker's compensation, and umbrella and liability insurance that are less than anticipated. This cut an additional \$36,000 from initially projected insurance costs.

Legislative, Judicial, Mayor

The Legislative, Judicial, and Mayor budgets are largely unchanged from previous years.

Senior and Disabled Services

Approval of LRPC Recommendation of Senior Center Reuse Study

The LRPC recommended the Senior Center Reuse Study. This could potentially eventually help to fund the senior center budget and remove that obligation from the General Fund Budget. It could also help with the downtown revitalization process and help to create needed additional housing in the city. Motion by Gigous, second by Glynn to approve the LRPC recommendation of the Senior Center Reuse Study. Motion carried with two negative votes. (Koel and Yarrington).

Senior and Disabled Services

Buchda is concerned about a negative future for the Senior Center and the fact she has not been privy to the minute details of the potential plans for the Senior Center. Utilities have risen due to rising costs. The music program budget was decreased and will need to be offset by donations. Buchda requested another half time employee, but it is not currently feasible due to budget constraints and low revenues due to vacant rentals.

Chamber and Visitor's Bureau

Tourism

There is not much change this year, and the Chamber remains sensitive to changes in hotel room stays for room tax dollars. They are anticipating the budget to be closer to revenues received in 2019. Thompson anticipates adding to staff in the future.

Debt Service

The property tax levy is \$1.9 million, a portion of debt service is funded through water and sewer and TIDS and a portion is funded from room tax. There will be \$4.1 million in debt next year, about half is levy funded.

Parks and Recreation

Parks and Recreation and Aquatic Center

Similar to 2022 budget, most expenses are fuel and materials. Some fees have been adjusted at Rec Park for 2023.

Rec Programs and events, slight increase due to part time seasonal positions, and instructors and coordinators. Increase in community fireworks with the increased costs of materials. Appreciate the Fire Department and Lion's club for their contributions to the 4th of July, which helps reduce costs.

Rec Park, slight increases on utilities such as gas and water. Room tax is used to help fund this budget, which explains the low budget.

Aquatic Center budget is mostly the same, some costs have gone up, repair costs have decreased. Staffing budget has increased slightly to assist better with getting better instructors and offering a broader program to the public.

Library

There is not much change in the library budget, however, the 2022 will have to use the fund balance to make up the budget for the library. There may need to be services cut in the future if the city is unable to increase the available funds from the general fund. The library's undesignated fund balance is currently negative. Staffing costs in the library budget were discussed. A lengthy discussion ensued on the potential future of the library and the city's ability to assist in funding additional money to the library fund.

Approval of ARPA funds to fund Budget Gap

Motion by Glynn, second by Pater, to approve the use of ARPA funds to fund the budget Gap in the amount of \$25,205. Motion carried.

Approval of Unexpended 2021 Budget Excess to apply to 2023 Budget

Motion by Koel, second by Peterson, to approve the use of unexpended 2021 budget excess in the amount of \$167,000 to apply to the 2023 Budget. Motion carried.

Cost of Living Discussion/Approval

Motion by Gigous, second by Yarrington, to approve the cost-of-living increase for non-represented city employees in the amount of 3%. Motion carried.

Adjourn

Motion by Peterson, second by Pater, to adjourn.

It was suggested to add the ATV for the Police department to the capital budget to be brought for finalization next month.

Motion carried. Meeting adjourned at 1:05 p.m.

Mayor Michael Murray

Attest: Rebecca Weyer, City Clerk

To be approved November 15, 2022