

MINUTES FOR COMMON COUNCIL BUDGET WORKSHOP DAY 1

Call to Order, Pledge of Allegiance, Roll Call

A Common Council Budget Workshop Day 1 was held on **Tuesday, October 03, 2023 at 6:30 PM** in the Council Chambers at City Hall, 819 Superior Avenue, Tomah, WI. The meeting was also available remotely via Zoom. After the Pledge of Allegiance, the meeting was called to order by Mayor Michael Murray. Present: Michael Murray, Travis Scholze, Richard Yarrington, John Glynn, Nicole Hart (remote), Lamont Kiefer, Nellie Pater, and Dean Peterson. Absent: Shawn Zabinski. Also present: Kirk Arity, Shane Rolff (remote), Molly Powell, Becki Weyer, Tina Thompson, Irma Keller, Tim Adler, and Pam Buchda.

Anyone Desiring to Appear Before Council

Paul Steele from 924 Alderman St. appeared before the Council. Steele is an employee for the city of Tomah who appeared to express his support for the wage scale recommended by senior staff, with some alterations.

Motion by Yarrington, second by Glynn, to approve the extension of the three-minute time limit to allow for Steele to hand out and finish his own recommendation for the wage increase.

Budget Summary

Powell gave a presentation to the Council. She began by comparing this year's budget to 2021 and 2022. In 2021, the budget was still at a \$331,700 shortfall at the budget workshop. The council approved the use of \$225,000 in fund balance and \$106,700 in ARPA funds to balance the budget. In 2022, there was a shortfall of \$193,000 which was balanced by Council's approval of \$167,000 in fund balance dollars and \$26,000 in ARPA funds. This year, staff has balanced the budget with zero dollars of fund balance carry over or use of ARPA funds. The proposed mil rate for 2024 is 8.20, compared to 7.67 in 2023, 6.50 in 2022, and 8.38 in 2020. The rate is higher than last year due to decreased property values, rather than a large increase in the levy. The net new construction for 2023 was 1.9% which allows for total levy of \$6,111,112. The 2024 proposed overall levy is a total of \$56,595 more than in 2023. Wisconsin municipalities have been living on a "fiscal cliff" for the past several years, while waiting for increases in state aid. In 2024, the city will receive an additional \$398,194 in supplemental aid from the state due to Act 12 passed in June of 2023. Powell covered how city staff came to balance the budget over this year's cycle. The initial round showed a deficit of \$231,771, but by the final round of cuts and some additional last-minute revenue, staff were able to balance the budget with a contingency balance of \$35,500. Major savings included: 15% savings on insurance rates, less than expected health insurance rate hikes, utilizing some general fund expenses into the TIDs, and adjustments to individual budgets.

Discussion and Approval of Wage Scale Adjustment

As part of the 2024 budget, senior staff are proposing a one-time, 5% catchup adjustment to the control point of the wage scale to account for a lag in prior years cost of living increases for non-union employees. There are two major problems to overcome. First, due to difficult budget cycles, cost of living adjustments over the last few years have fallen short of inflationary rates. As such, wages citywide are falling behind other local agencies/municipalities. At the start of the budget process, several department heads presented requests to increase wages for their departments to keep up market rates. The second problem is that the city had a wage study conducted and implemented a wage scale beginning in 2020. The scale was built with the intent to use percentage-based increases. In 2021, the Council approved a flat \$0.41 raise which altered the wage scale so now it no longer correctly issues pay increases according to the plan set by the company hired to create the schedule. The proposed increase to the control point will correct a portion of the lagging wages across the city and will reestablish the wage scale so that it correctly calculates wages into the future. A lengthy discussion ensued on the merits of percentage-based increases vs. flat increases. Flat increases will cause wage compression and further invalidate the current wage scale model. It was the opinion of some that flat increases are more equitable and that higher paid employees should receive an equal dollar amount to lower paid employees, regardless of position.

Motion by Scholze, second by Peterson, to approve the adjustment as presented with a notation that the current change satisfies the city requirement for a wage study every 4-5 years.

Steele was recognized by Alderman Kiefer to again speak about his opinions on the wage scale presented by management. Steele made his opinion known about how higher paid employees should receive the same flat amount as lower paid employees.

The mayor asked for any additional discussion and called the vote. Motion carried with 3 negative votes (Ayes: Scholze, Glynn, Kiefer, Peterson. Nays: Pater, Yarrington, Hart.)

Discussion and Approval of Non-Represented Cost of Living Increase

A cost-of-living increase of 3% has been presented by senior staff for all employees. Motion by Kiefer, second by Scholze, approve the 3% cost-of-living wage increase. Motion carried with one negative vote (Yarrington).

Discussion and Approval of Wage Increases for Elected Officials

Senior staff recommend an increase in wages for elected officials as follows: Municipal Judge: \$2000 increase annually, Mayor: \$2000 increase annually, Alderperson: \$1200 increase annually. This will add \$13,600 to the general budget and \$6171.93 will be taken from the current contingency balance for the 2024 budget cycle. Increases will go into effect on April 16, 2024 for newly elected officials after the April election. Current incumbents will not receive the increase unless re-elected. Motion by Scholze, second by Pater, to approve the increases to elected official pay as presented. Motion carried.

Tourism

Wages for Chamber employees increased by 8%. Like the city, they also were far below the industry standard prior to the adjustment. The budget for the Chamber is funded by room tax, not by the general fund. Other increases were due to the cost of goods and services, but otherwise no major changes from the 2023 budget.

Library

The budget for the library has not changed much from the previous budget. The large endowment received by the library will be invested with the same company that houses another trust. The gains from the interest earned on this account will be able to be used to supplement the budget in upcoming years. The library did have to pull from the fund balance to balance the budget this year.

Fire Department/Ambulance/

There are some slight number changes to line items but not a lot of overall change. There are still some unknowns about utilities for the public safety building. They saved some money on the internet and phone expenses by bundling fire and EMS. The overall budget went up about \$45,000.

Tomah EMS

Union negotiations are not yet completed so wages are an estimate. EMS will be paying a larger percentage of the safety building due to full time usage of the building by the Ambulance service. The council asked for updates on monthly utility costs. \$20,000 on capital projects was budgeted for a new ventilator.

The Mayor called a short break at 8:14 p.m.

The meeting resumed at 8:22 p.m.

Senior and Disabled Services

Revenues are increased for 2024 due to rental incomes for 1004 Superior Ave. Phone bills will be reduced next year once internet fiber is run to the building. Buchda is interested in another part time person to add to programming, but that expense is not in the 2024 budget. Rents are still being discussed for Tomah Public Housing.

Clerk and Election

The clerk budget is largely unchanged from 2023, although budgeted overtime has been halved. There are increases to the election budget due to 2024 having four elections, one of which is a Presidential election.

Legislative, Judicial, Mayor, Legal

Legislative, Judicial, and Mayor wages will be adjusted from what was presented due to approval of the wage increase for elected officials. Funds will come from the contingency account. Since increases will not begin until the third week of April, the total will be prorated for the year. The Legal account is largely unchanged from previous years.

Adjourn to closed session pursuant to Wis Stat §19.85(1)(e) (e) Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business

Motion by Peterson, second by Pater to adjourn to closed session. Motion carried. The meeting was adjourned to closed session at 8:33 p.m.

Mayor Michael Murray

Attest: Rebecca Weyer, City Clerk

To be approved October 17, 2023