PERSONNEL AND FINANCE COMMITTEE MEETING

Thursday, October 1, 2026 at 6:00 PM

Committee Room - City Hall, 3rd Floor
1717 E. Park Street, Two Rivers, WI 54241

MINUTES

1. **Call to Order**
   The meeting was called to order by Committee Member Wachowski at 6:01pm.

2. **Roll Call**
   Committee Members Present: Mark Bittner, Adam Wachowski
   Committee Members Absent: Scott Stechmesser
   Council Members Present: Katherine Dahlke
   City Staff Present: Kyle Kordell, City Manager; Kassie Paider, Finance Director; Ben Meinnert, Police Chief; and Dave Murack, Fire Chief.

3. **Public Input**
   None

4. **TRFD- MAAS Expansion Staffing Impacts**
   Staff provided an update on the proposed ambulance service expansion and associated staffing and financial impacts.

   The proposed bridge agreement is structured to cover operational staffing and insurance costs across the five participating jurisdictions without requiring a General Fund subsidy. One smaller municipality, with approximately 300 residents, may elect to transition EMS coverage to the City of Manitowoc Fire Department. This change is not expected to affect the overall financial viability of the proposed expansion.

   The financial arrangement includes an initial $55,000 payment obligation, payable in three equal installments beginning October 15, 2026. Long-term agreements, effective January 1, 2027, include a 5% annual increase in operating charges to account for anticipated wage, benefit, and insurance cost increases. Capital charges for future ambulance replacements would remain fixed over the five-year agreement period.

   The Fire Department currently utilizes five part-time employees, including retired firefighters who provide EMS services only. These employees will be utilized to provide staffing coverage during the interim agreement. Once the final contract is executed, the proposed staffing plan would be implemented in phases and would include the hiring of five additional full-time employees.

   Staff also reported that the expansion of the service territory is not expected to result in additional liability insurance premiums. Additional insurance costs would primarily be associated with physical damage coverage for any additional ambulances purchased.

5. **Review of 2026 General Fund Budget Status Through July**
   The General Fund is trending approximately $461,000 ahead of the same period in 2025. Revenues have increased approximately 7.5%, primarily due to increased building permit fees, ambulance revenues, and investment income. Operating expenditures have decreased approximately $17,000 compared to the prior year.

6. **Review of General Fund Revenue**
   The Committee reviewed proposed General Fund revenue estimates for the 2027 budget.

Taxes and Payments in Lieu of Taxes (PILOT): The preliminary budget includes a 3% increase in the general property tax levy, representing approximately $72,000 in additional revenue. Overall tax-related revenues are projected to increase 2.24%. PILOT revenue remains budgeted at $800,000.

Intergovernmental Revenue: Revenues are projected to increase approximately $107,000, or 1.85%. Significant changes include a $102,000 increase in state shared revenue and a $60,000 increase in highway aids, partially offset by a $39,000 reduction in Expenditure Restraint Program aid. Police training aid is budgeted at a $10,000 base amount, with additional grant funding expected to offset eligible overtime expenditures.

Licenses, Permits, and Fees: Building permit revenue is budgeted at $250,000 for 2027, compared to approximately $317,000 projected for 2026. Cable franchise fees have been reduced to $70,000. Annual blade sign inspection fees have been eliminated to support downtown businesses. Short-term rental revenue estimates are based on 30 rental units rather than the previous estimate of 40.

Fines and Forfeitures: Revenue from the Tax Refund Interception Program (TRIP) has been reduced to $20,000. The City continues to retain municipal citation revenues through its municipal court.

Charges for Services: Fire Department TRIP collections have been reduced to $10,000. Cemetery plat revenues and recreation fees are each budgeted at approximately $100,000.

Miscellaneous Revenue: Miscellaneous revenues are decreasing approximately $335,000, primarily due to the nonrecurrence of a $300,000 cell tower lease payment received in the prior year. Investment income is conservatively budgeted at $150,000, compared to approximately $190,000 projected for 2026.

7. **Review of General Government Budgets**
The Committee reviewed proposed 2027 General Government departmental budgets, including the following significant changes:

City Council: The budget increases $638, or 3.95%, primarily due to increased League of Wisconsin Municipalities membership dues.

Legal: The proposed legal services budget remains unchanged.

City Manager and Administration: Wages and benefits increase approximately $6,000, or 2.24%, reflecting a proposed 3% cost-of-living adjustment and an estimated 8% increase in health insurance costs. Administrative overtime is expected to be reduced through the use of compensatory time and flexible scheduling.

City Clerk/Human Resources: The proposed budget increases $6,363, or 6.57%.

Elections: The budget decreases approximately 27.7%, primarily due to fewer scheduled elections in 2027 and the elimination of the youth apprentice position. Election-related wages are decreasing approximately 45%, resulting in estimated savings of $7,800 to $8,200.

Technology: The overall budget decreases approximately 16.67%, or $23,000. Personnel costs are decreasing approximately $140,000 following a retirement, while contracted professional IT services are increasing approximately $80,000 under a three-year agreement. Staff continues to review software and telecommunications contracts for potential efficiencies and overlapping services.

Finance: The proposed budget increases approximately 12.5%, or $20,000. The increase includes standard wage adjustments, higher software costs, and an approximately $10,000 increase in auditing expenses. The audit budget is approximately $65,000 to account for a

potential Single Audit associated with Clean Water Fund and Safe Drinking Water Fund loan activity.

Assessing: The proposed budget decreases approximately 7%, or $9,200, due to the new assessment services contract with Municipal Group and the absence of a revaluation in 2027. A future revaluation, tentatively anticipated in 2029, is estimated to increase expenditures by approximately $34,000.

City Hall: The proposed budget increases approximately 4.5%, or $4,700, primarily due to utility costs and building maintenance supplies.

General Government Expenses: The budget increases approximately 15.75%, or $4,385, primarily due to postage increases and software cost allocations.

Municipal Insurance: Overall municipal insurance costs are increasing approximately 23%. Property insurance costs allocated to the General Fund are increasing approximately 25% following a comprehensive property inventory and appraisal, which identified additional assets for inclusion in the City's Statement of Values. Workers' compensation premiums are increasing approximately $40,000 due in part to an increase in the City's experience modification factor from approximately 0.9 to above 1.0.

Building Inspections: The department budget decreases approximately $11,000. The full-time inspector's wages reflect a proposed 3% cost-of-living adjustment and a prior-year retention adjustment, resulting in a 5.5% year-over-year increase. Part-time wages have been reduced to $7,500 as additional certifications are obtained. The employee's decision to opt out of City health insurance results in approximately $20,000 in savings. Training expenditures increase approximately $3,000 to support additional planning-related certifications.

Other Financing Uses: The tax refund reserve remains unchanged at $10,000. The General Fund transfer to capital projects remains at $13,650 for recurring technology and computer replacements. The transfer to the health insurance fund for retiree coverage is decreasing approximately $35,000, reflecting a reduction in participating retirees from 24 to 20.

8. **Review/Revise Schedule for Review of 2027 Budget**
   The Committee reviewed the tentative schedule for continued 2027 budget discussions. Meetings are anticipated to continue on Thursdays at 6:00 p.m. through November 12, 2026.

   A joint meeting with the Utilities Committee is tentatively scheduled for November 5, 2026.

9. **Set Next Meeting Date and Time: Thursday, October 8, 6:00 PM**
   The next Personnel & Finance Committee meeting is scheduled for Thursday, October 8, 2026, at 6:00 p.m.

10. **Adjournment**
    Motion by Bittner, seconded by Wachowski, to adjourn at 7:51pm. Motion carried.

Respectfully Submitted,

Kassie Paider, Finance Director