



## FINANCE COMMITTEE MEETING MINUTES – 2024 BUDGET

TUESDAY, OCTOBER 03, 2022 THROUGH THURSDAY, OCTOBER 12, 2023

MUNICIPAL BUILDING – 106 JONES STREET, WATERTOWN, WI 53094

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### Tuesday, October 03

Members present: Mayor McFarland, Alderpersons Bartz, Davis, Lampe, and Moldenhauer (video)

Others present: Finance Director Stevens, Attorney Chesebro, Chief Kaminski, Water/WW Manager Hartz, Alder Board, Megan Dunneisen, Tony Rauterberg, Ben Olsen, David Brower, Stacy Winkelman

1. Call to order: Mayor McFarland called the meeting to order at 6:03 p.m.

#### 2. **2024 Budget Presentation**

- Mayor McFarland provided an **overview of the budget creation process** (established goals with Leadership Team and Finance, updated/presented five-year capital plan, reviewed pay rate incorporation, met with department heads, adjusted requests). Her goal was to find a balance between meeting goals and responsibilities with a modest-to-no impact on tax levy and the return of tax dollars to residents by reducing the tax levy. Four obstacles in reducing the levy:
  - Water Department Payment in Lieu of Taxes was lessened by \$130,000 due to the reduction in mill rate, a key factor in this calculation
  - IT licensing has increased over \$60,000 due to the necessary move to Office 365 for increases in anti-virus protections
  - Police Department maintenance contracts for equipment and software subscriptions will increase over \$100,000
  - The WI ETF health plan announced a late summer premium increase over 14%, about a \$400,000 additional cost for the City
- **Presentation highlights:**
  - No increase in general fund tax levy
  - Although the Expenditure Restraint Program (ERP) limits were waived for this next year, the proposed increase is less than the 6.4% ERP maximum for Watertown
  - Overall General Fund increase is 4.8%
  - Fund balance will be utilized with approximately \$700,000. The estimated unassigned fund balance as of 12/31/23 is 30.2%. The estimated unassigned fund balance as of 12/31/24 is 25.4%.
  - Fund 05 borrowing: around \$3.12M plus the fire station, down from \$3.995M in 2023
  - Debt levy increases from \$4,700,000 to \$5,300,000
- **2024 Operational Goals:**
  - Proactively maintains and improves our parks and infrastructure in an effort to ensure quality, safety, and compliance
  - Supports employee retention, growth, and works to address critical staffing
  - Assessment, strategic planning, and maintenance of our city buildings
  - Promotes and fosters innovative approaches for community development and growth
  - Maintains a safe and health community and expands community education on safety and health

- **Debt [Fund 04]:** Finance Director Stevens reviewed the projected payment schedule of principal and interest, including the short-term borrowing (note anticipation notes) for fire station construction.
  - **Capital Improvements [Fund 05]:** Finance Director Stevens reviewed the projects list that would require \$3.12 M in General Obligation borrowing.
3. Adjournment. Ald. Lampe moved to approve to adjourn at 6:52 pm, seconded by Ald. Davis, and carried by unanimous voice vote.

### **Monday, October 09**

Members present: Mayor McFarland, Alderpersons Bartz, Davis, Lampe, and Moldenhauer (arrived via video at 5:15)

Others present: Finance Director Stevens, Attorney Chesebro, Street Operations Manager Winkelman, David Brower, Andrew Day, Melissa Lampe and Tim Little (Historic Preservation & Downtown Design Commission)

1. Call to order: Mayor McFarland called the meeting to order at 4:30 p.m.
2. Ald. Davis moved, seconded by Ald. Lampe, to **approve minutes from the September 25** meeting. All agreed.
3. Melissa Lampe and Tim Little were present to answer any questions re: the request of the Historic Preservation & Downtown Design Commission to **update the city's survey of historic properties last completed in 1987 via a grant request from the WI Historical Society's Certified Local Government** (CLG) program. Ald. Davis motioned, supported by Ald. Bartz, that we approve the application of the grant with the understanding that budget modifications will be made in the Non-recurring Grants Fund [24]. The committee approved.
4. Assistant Chief Olsen presented a request to **hire Ashlyn Schlieve** as a dispatcher at grade/step H2 [\$23.78/h]. A motion was made by Ald. Davis, seconded by Ald. Lampe, to approve the hire. The committee agreed.
5. Street Operations Manager Winkelman is requesting to **promote Philip Rhodes** from Solid Waste Collection crew to Mechanic position at grade/step I1 [\$25.42/hr]. The motion from Ald. Bartz, seconded by Ald. Lampe was made to approve this hire at this G/S as long as it satisfied the increase of compensation upon promotion, effective 10/18/23. The committee agreed. [Note: Finance Director Stevens has verified that the new G/S complies with the "not less than 8%" policy for an individual being promoted two or more salary grades.]
6. A request came from Parks Director Butteris to **hire Jay Pirkel** as a Parks General Laborer at G/S F1 [\$19.55/hr] effective 10/16/23. A motion was made by Ald. Lampe, supported by Ald. Bartz, to hire. The committee agreed.
7. Finance Director Stevens informed the committee that **bound copies of all 2022 audits** have arrived. These are also posted on the City's website. Any request can be directed to him if someone were to need one.

Ald. Bartz presided as Finance Committee chair over budget presentations and discussion for the remainder of the meeting.

8. **2024 Budget** Proposal discussion: **General Government** (Common Council, Human Resources, Employee Benefits, Media, IT, Municipal Court, Attorney, Finance, Elections, Assessor, Audit, Property/Liability Insurance)
- A. **Common Council**: An oversight was caught; the budget numbers were not transferred into the next column for this division [01-51-11-xx].
- B. **Finance**: Mayor McFarland relayed that she believes this department is understaffed, but Finance Director Stevens didn't pursue an addition. He instead has encouraged the Clerk to incorporate an additional 100 hours for each election cycle to hire and train one person to add to staffing levels during these seasons. The Finance Committee would like a comparisons study with other cities to be completed by city staff at some time.
- Ald. Moldenhauer joined the meeting via video conference at 5:15.
9. **2024 Budget** Proposal discussion: **Other Funds** (Non-recurring Grants [24], CDB Housing [65], Fiber Optic [25], Transit [13], Tourism [22])
- A. **Non-recurring Grant** [24]: The committee agreed to add both the grant and associated expenditure amounts of \$50,000 to update the historic properties survey last completed in 1987.
- B. **ARPA** [24]: A quote arrived today for the space needs analysis study. The original budget of \$36,000 was modified to \$26,000.
- C. **ARPA** [24]: A request was made to secure a price for parks restroom ventilation additions in neighborhood parks. There may be adequate ARPA funds available for this.
- D. **ARPA** [24]: The mayor had included a request to allocate \$8,000 to an administrative structure study in her budget modifications notes, but this entry was missed, so it was added.
- E. **Fiber Optic** [25]: \$3000 was added to Fiber Locates.
10. Adjournment. Ald. Lampe moved to approve to adjourn at 6:00 pm, seconded by Ald. Davis, and carried by unanimous voice vote.

DATE	Account	Name	Original	Modified	Impact to Fund 01 Bottom Line	First	Second
10/9/2023							
Pg 5-6	01-51-11-xx	Common Council division	-	110,201	(110,201)		
		Oversight: numbers not transferred into next column					
Pg 82	24-42-73-77	Historic District Grant	-	(50,000)	XX	Lampe	Davis
	24-51-12-18	Historic Preservation Expenses	-	50,000	XX		
		Update historic prop survey fr 1987					
Pg 83	24-51-72-60	ARPA Other Bldgs CapExp	36,000	26,000	XX	Lampe	Bartz
Pg 83	24-51-11-60	ARPA Exp: Admin structure stdy	-	8,000	XX		
		In Mayor's notes, but entry into fund missed					
Pg 85	25-58-25-25	Fiber Locates	-	3,000	XX	Lampe	Davis
		Oversight: numbers not transferred into next column					

## Wednesday, October 11

Members present: Mayor McFarland, Alderpersons Bartz, Davis, Lampe, and Moldenhauer

Others present: Finance Director Stevens, Chief Kaminski, Health Director Quest, Park/Rec Director Butteris, Chief Teesch, Library Director Checkai, David Brower, Chris Koppes (Library board chair), Anthony Rauterberg, Jeff Doyle, Megan Schwefel, Andrea Draeger

1. Call to order: Finance chair Bartz called the meeting to order at 4:33 p.m.
2. **2024 Budget** Proposal discussion: **Health** (Public Health, Environmental Health [14], Health Emergency Preparedness [15], Seal-a-Smile [18])
3. **2024 Budget** Proposal discussion: **Public Safety** (Police, Crossing Guards, Dispatch Center, Municipal Building, Fire, Emergency Government)
  - A. **Fire**: Chief Teesch indicated a reduction of \$2000 could be made in Computers & Software account.
4. **2024 Budget** Proposal discussion: **Culture, Education, Recreation** (Library, Library Operations [11], Library Trust [20], Recreation, Pools, Senior/Community Center, Parks, Forestry, Parks Development [07], Town Square Future Fund [26])
  - A. **Library**: Considering the increased costs of health insurance, Ald. Lampe recommended an increase in the General Fund's support of library personnel costs to \$650,000.
  - B. **Aquatic Center**: Park/Rec Director Butteris explained the request for uniform replacements and requested a reinstatement of the usual \$2200 amount.
  - C. **Town Square**: Ald Davis discussed the assignment of the Town Square programming coordinator. In 2023, a shared allocation was approved in the budget (75% General Fund, 25% Town Square Future Fund). The 2024 budget proposes 100% in the General Fund. Ald. Davis believes that a better assignment would be to post 100% in the Town Square Future Fund to better track the overall costs directly related to this endeavor.

After a bit of discussion, an amendment was made to have the General Fund contribute an amount equal to the compensation costs of the programming coordinator to the Town Square Future Fund. As sponsorships and other contributions increase in the future, the hope would be for the Town Square to become self-sufficient without a General Fund contribution.
  - D. **Parks Programming Manager**: Park/Rec Director Butteris presented a request for reconsideration of a Recreation Program Manager. She offered a reduction in Recreation PT wages and hoped for an ability to tap the indoor pool savings from not paying WUSD. The staff pled the need, and Mayor McFarland compared the levels of financial support and staffing of the library to the Park/Recreation Department. A funding solution wasn't evident, so no change was made.
  - E. **ARPA**: The Parks Department had already secured pricing quotes to add ventilation into Lincoln, Timothy Johnson, and Union Parks to help alleviate condensation and mold growth. The \$10,156 was added to the ARPA Park Restroom Upgrades budget.
5. Adjournment. Ald. Lampe moved to approve to adjourn at 6:51 pm, seconded by Ald. Moldenhauer, and carried by unanimous voice vote.

DATE	Account	Name	Original	Modified	Impact to Fund 01 Bottom Line	First	Second
10/11/2023							
Pg 13	01-52-31-28	FD Computers & Software	36,886	34,886	2,000	Lampe	Davis
Pg 20	01-55-11-10	Library Wages	642,718	650,000	(7,282)	Lampe	Bartz
Pg 21	01-55-22-44	Aquatic Center Uniforms	1,000	2,200	(1,200)	Davis	Moldenhauer
Pg 20	01-55-20-10	RecAdmn Wages: TwnSq Prgm M	394,129	328,651	65,478	Davis	Lampe
Pg 21	01-55-20-33	RecAdmn WRS: TwnSq Prgm Mg	26,055	21,537	4,518		
	01-55-20-34	RecAdmn SS: TwnSq Prgm Mgr	25,287	21,227	4,060		
	01-55-20-35	RecAdmn Med: TwnSq Prgm Mg	5,914	4,965	949		
	01-55-20-37	RecAdmn Life: TwnSq Prgm Mgr	759	464	295		
Pg 86	26-55-43-10	TwnSq Wages	0	65,478	XX		
	26-55-43-33	TwnSq WRS	-	4,518	XX		
	26-55-43-34	TwnSq SS	-	4,060	XX		
	26-55-43-35	TwnSq Med	-	949	XX		
	26-55-43-37	TwnSq Life	-	295	XX		
Pg 20	01-55-20-21	Contribution to Town Square	-	75,300	(75,300)	Amendment to prior:	
Pg 86	26-44-62-50	Contribution fr General Fund	-	(75,300)	XX	Davis	Lampe
Pg 84	24-54-41-60	ARPA Park Restroom Upgrades	54,000	64,156	XX	Lampe	Moldenhauer

### **Thursday, October 12**

Members present: Mayor McFarland, Alderpersons Bartz, Davis, Lampe, and Moldenhauer

Others present: Finance Director Stevens, Public Works Director Holloway, Streets Operations Manager Winkelman, Assistant Engineer Beyer, Water/WW Manager Hartz, Zoning Administrator Zirbes, Park/Rec Director Butteris (video), Krys Brown, Maureen McBroom, Andrea Draeger (video), Ali Nicholson (video), Stephanie Juhl (video)

1. Call to order: Finance chair Bartz called the meeting to order at 4:34 p.m.
2. Finance Director Stevens updated the committee as to the impact of the General Fund budget by sharing worksheets that provide what-if calculations on estimated 2023 year-end results, ramification of tax levy increases, and use of fund balance. At this point in the process, we are approximately \$70,000 short of initial goals.
3. **2024 Budget** Proposal discussion: Public Works (Building/Safety/Zoning, Engineering, Annual Infrastructure [part of 05], Street Division, Solid Waste [17], Stormwater utility [16], Airport, Water [03], Wastewater [02])
  - A. **Zoning:** Zoning Administrator Zirbes would like to hire a clerk/typist in the latter part of 2024 after the initial drafts of the 2025 budget have determined whether a new hire is likely to be reviewed. Finance Director Stevens reviewed the ability and agreed that it would fit within the budget. This decision could be made next early summer when other personnel requests are submitted.
  - B. **Infrastructure:** The 2024 budget includes \$1,750,000 for road improvements.
  - C. **Street:** Street lighting needed to increase a sizable amount due to actual billing. We are limited on pursuit of grants because the majority of poles are owned by WE Energies.

- D. **Water:** A request was presented as to any possibility of discounting water usage by the City, like at Town Square. Water Manager Hartz indicated that rates are determined by meter size and set in a rate file and regulated by WI PSC.
  - E. **Wastewater:** Wastewater Manager Hartz provided insight as to the possibilities of alternate revenue sources through the sale of by-products.
4. **2024 Budget** Proposal discussion: Other Funds (Riverfest [12], Economic Development [60], TIDs [08, 09, 10, 19, 23])
- A. **Riverfest:** Ald. Lampe explained that a grant for bussing is available to the City, so it makes sense to have the bus invoices to run through the City to allow a continuation of the grant. An increase of \$20,000 for both expenses and associated income was passed (Lampe abstained).
  - B. **Economic Development:** This budget includes funding for preliminary evaluations of Highway A property owned by the City and GIS upgrades.
5. **2024 Budget** Proposal discussion: outstanding issues
- A. **Recreation Program Manager:** The assumed compensation costs for a recreation program manager total \$89,456 (including family health plan). With the desire voiced last night to earnestly find a means, the mayor and finance director worked throughout the day to craft a solution that reduces funding in IT contract support, fire department occupational health, airport electricity, library wages, and wages from aquatic center, indoor pool and recreation part-time wages along with a delay in hiring until April 2024.
  - B. **Public Service Enterprises:** Finance Director Stevens presented a request from Cornerstone of Grace for \$3,000. Other organizations had requested increases that the Mayor maintained at the same approval level of 2023. He recommended approval at \$2,000.
  - C. **Overall:** Finance Director Stevens reviewed some of the calculations that determine the tax levy. The committee worked through different increase scenarios of the General Fund levy. The Debt levy that has been included is an increase from \$4.7M to 44.9M for 2024.
- We started with a contingency fund of \$100,000 and small adjustments have reduced approximately \$8,500, leaving \$91,500.
- If we change the General Government tax levy to \$10,460,000, an increase of \$60,000, the total increase in our tax levy would be a 1.72% increase. The projected net decrease would be <\$746,732>, which would lower the unassigned fund balance to 25.0% of the annual expenditures budget, right to the City's fund balance target.
- A motion was made by Ald. Bartz, supported by Ald. Davis, to **increase the General Fund tax levy to \$10,460,000**. This increase is the lowest increase in this past decade. Approved by unanimous voice vote.
- Ald. Lampe moved, seconded by Ald. Davis, to **pass the modified budget onto the Council** for its approval. This was approved by unanimous voice vote.
5. **Adjournment.** Ald. Bartz moved to approve adjournment at 6:43 pm, seconded by Ald. Moldenhauer, and carried by unanimous voice vote.

DATE	Account	Name	Original	Modified	Impact to Fund 01 Bottom Line	First	Second
10/12/2023							
Pg 64	12-40-04-45	Riverfest: Misc Income	-	(15,000)	XX	Davis	Bartz
Pg 64	12-40-04-56	Riverfest: Grants	-	(5,000)	XX		
Pg 64	12-40-05-56	Riverfest: Shuttle Buses	-	20,000	XX	Abstain: Lampe	
Pg 10	01-51-86-11	IT: Contract Support	25,000	22,000	3,000	Davis	Moldenhauer
Pg 14	01-52-31-49	FD: Occupational Health Test	6,900	-	6,900		
Pg 19	01-54-53-30	Airport: Electric	25,000	22,000	3,000		
Pg 20	01-55-11-10	Library: Salaries	650,000	646,500	3,500		
Pg 21	01-55-21-16	Rec: PT Salaries	59,125	39,925	19,200		
Pg 21	01-55-22-16	Aquatic Ctr: PT Salaries	108,328	100,328	8,000		
Pg 22	01-55-23-16	Indoor Pool: PT Salaries	62,118	38,626	23,492		
Pg 20	01-55-20-10	Rec Admin: Program Mgr	328,651	371,989	(43,338)		
Pg 21	01-55-20-33	Rec Admin: WRS	21,537	24,527	(2,990)		
Pg 21	01-55-20-34	Rec Admin: SS	21,227	23,914	(2,687)		
Pg 21	01-55-20-35	Rec Admin: Medicare	4,965	5,593	(628)		
Pg 21	01-55-20-36	Rec Admin: Health Ins	49,246	65,867	(16,621)		
Pg 21	01-55-20-38	Rec Admin: Dental	3,284	4,112	(828)		
Pg 24	01-57-11-63	Cornerstone of Grace	-	2,000	(2,000)	Davis	Lampe
Pg 10	01-51-81-56	Contingent Fund	100,000	91,518	8,482		
	Subtotal of Changes				(110,201)		
Pg 5	01-49-99-16	Tax Levy	(10,400,000)	(10,460,000)	60,000		
	Subtotal of Changes				(50,201)		
	Mayor's Original Budget				(696,531)		
	Finance Com Budget (Impact to Fund Balance)				(746,732)		

Respectfully submitted,

Mark Stevens, Finance Director

Note: These minutes are uncorrected, and any corrections made thereto will be noted in the proceedings at which these minutes are approved.